

EMERGING TRENDS AND CHALLENGES OF ONLINE SHOPPING

Mohmed Ali¹, Ph. D. & Mohammed Arshad Ur Rehman², Ph. D.

¹MBA, Ph. D., Professor, Department of M.B.A. Talla Padmavathi College of Engineering Kazipet, Warangal, Telangana State Gmail: mohdaliresearch@gmail.com

²MBA, Ph. D., Associate Professor, Department Of Management College of Business and Economics ,BULE HORA UNIVERRSITY, Ethiopia

Gmail: mdarshadurrahman04@gmail.com

Abstract

The impact of globalization and technological development, internet revolutionized the total world and created the platform to access the online shopping. It was emerged in the 21st century as most of the people are busy with their hectic schedules. In such a situation online shopping became the easiest and most suitable means for their shopping requirements. The Internet has changed the way of customer perceptions and behaviour. An online shop of buying products as well as services with the medium of exchange as Internet is called as the business-to-consumer transactions. The enhancement in the number of internet users in India provides bright prospects for online shopping. Many companies have started using the Internet with the objective of reducing marketing costs, thereby reducing the price of their product and service in order to stay ahead in the highly competitive globalized world markets. The present paper focuses on the various theoretical aspects related to online shopping

Keywords: Globalization, online shopping.



Scholarly Research Journal's is licensed Based on a work at www.srjis.com

Introduction

Online shopping is the process whereby the consumers can directly buy goods or services from a seller in real-time, without an intermediary service, over the Internet. It is a form of electronic commerce. The process is called business-to-consumer (B2C). Consumers find a product of their interest by browsing the website of the retailer directly or by searching among alternative vendors using a shopping search engine. During 2016, customers could shop online using a range of different computers and devices, including desktop computers, laptops, tablet computers and smart phones. Online shopping website brings a lot of advantages to public, such as more convenience, lower price and selection, information and review and etc. On the other hand, there are some disadvantages exist too, such as fraud and security concerns, lack of full cost disclosure, privacy and etc. The World Wide Web and Internet propelled in no small extent of changes in the attitude and behaviour of people all over the world. Due to this impact, online shopping has emerged which influenced the lives

of ordinary citizens. Online shopping has also been started in India, but consumers of semi urban and rural areas are not much habituated yet to go online shopping frequently. It is also popular as e-shop, e-store, online store and virtual store. Earlier food, cloth and shelter were called as basic needs but today one more need is added in that is "internet". Due to revolution in telecommunication sector internet has changed the way of consumers shopping the goods and services. Both domestic companies as well as MNC's have started using the Internet with an objective of cutting marketing costs and thereby reducing the price of their products in order to stay ahead in heavy competition. Companies also use the Internet services to convey and disseminate information, to sell the product, to take feedback and also to know satisfaction surveys with customers. Customers use the Internet not only to buy the product online, but also to compare prices, product features and after sale service facilities they will receive. In addition to the tremendous potential of the E-business market, the Internet provides a unique opportunity for companies to more efficiently reach existing and potential customers. The popular online retailing companies in India are Mantra, Flipkart Snap deal, Amazon.com and e-Bay etc. The five dominant factors which influence consumer perceptions for online shopping are information, easy to use, satisfaction, security, proper utilization of available information to compare the different products Online shopping is a form of e-commerce which permits consumers directly to purchase goods or services from a seller by using the Internet. Other sources are: e-shop, e-store, Internet shop, web-store, virtual store and online store. An online shop arouses the physical similarity of buying products as well as services from internet shop and this process of shopping is called business-to-consumer online shopping. Online shopping is the practice in which consumers decide to purchase the product through Internet has developed into a new distributive channels for many products. Using the internet to shop online has become a prominent reason to use the internet, along with searching of products and finding information about them. Therefore internet have developed a highly competitive market, where the competition over consumers is fierce In some social networking site like E Bay, e-shopping is being done, where some retail online shops are available. The use of Internet in India offers a growing prospect for e-shopping. Internet has changed the way of consumer's store, and has rapidly developed into a global perspective. Many companies started using online shopping with the aim of reducing marketing and maintenance costs, that leads to reduce the price of their products in order to go forward in the very highly competitive markets.

Companies also use the Internet to deliver, connect and distribute information and products. Customer uses the Internet so many ways not only for purchasing the products, but also to compare product structures, prices, warranties and delivery services. Many specialists have positive attitude towards the future of online marketing business. In accumulation to the wonderful potential of the E- market, the Internet provides a unique opening for companies to additional efficiency to reach existing and possible customers. Although maximum income of online dealing comes from business-to-business trade, the practitioners of business-to-consumer trade should not lose their confidence.

Review of Literature

- Prashant Singh (2014) in his article “Consumer’s Buying Behaviour towards Online Shopping A case study of Flipkart.Com users in Lucknow City” published in Abhinav stated that future of e-retailers in India looking very bright. E-retailers give consumers the best way to save money and time through purchasing online within the range of budget. Flipkart.com offering some of the best prices and completely hassle-free shopping experience.
- Online shopping is a relatively new phenomenon for many consumers, and is considered to be riskier than shopping in a brick and mortar store (Larches, Yang et al. 2005). Therefore, e-consumers will depend heavily upon experience, which can only be gained through prior online purchases (Ling, Chai et al. 2010).
- Dr.Durmaz(2011) in the study entitled — impact of cultural factors on online shopping behaviour and the study found that while buying goods and services, culture, beliefs and traditions take an important position, while the environment, friends and social groups stated 48.6% .In this case the impact of cultural factors means a lot.

Objectives of the study

1. To study the prospects and constraints of traditional and online shopping.
2. To know the online shopping trends, key drivers, net revenues, penetration rates etc.

Research Methodology

This is a descriptive study the data collected from various secondary sources, magazines, journals, news papers, internet browsers etc.

History of Online Shopping

Online shopping is one of the form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Consumers find a product of interest by visiting the website of the retailer directly or by searching among alternative vendors using a shopping search engine, which displays the same product's availability and pricing at different e-retailers. As of 2020, customers can shop online using a range of different computers and devices, including desktop computers, laptops, tablet computers, smart phones, and smart speakers. An online shop evokes the physical analogy of buying products or services at a regular "bricks-and-mortar" retailer or shopping centre; the process is called business-to-consumer (B2C) online shopping. When an online store is set up to enable businesses to buy from other businesses, the process is called business-to-business (B2B) online shopping. A typical online store enables the customer to browse the firm's range of products and services, view photos or images of the products, along with information about the product specifications, features and prices. In the year 1990, Tim Berners-Lee created the first World Wide Web server and browser in UK. It opened for commercial use in 1991. In 1994 other advancements took place, such as online banking and the opening of an online pizza shop by Pizza Hut. During that same year, Netscape introduced SSL encryption of data transferred online, which has become essential for secure online shopping. Also in 1994, the German company Intershop introduced its first online shopping system. In 1995, Amazon launched its online shopping site, and in 1996, e-Bay appeared. Originally, electronic commerce was identified as the facilitation of commercial transactions electronically, using technology such as Electronic Data Interchange (EDI) and Electronic Funds Transfer (EFT). These were both introduced in the late 1970s, allowing business to send commercial documents like purchase orders or invoices electronically.

Advantages and Disadvantages of online shopping

Advantages of online shopping	Disadvantages of online shopping
<ul style="list-style-type: none"> • Saving of Time • Convenient and easy to shop • Wide range and multiple products • Discounts, bonus, samples • Abandon information of products • Comparisons • No pressure to purchase • Saving time • Saving transportation expenses 	<ul style="list-style-type: none"> • Delay in delivery of products • Lack of significant discounts • Lack of touch and feel of merchandise • Lack of price bargaining • Lack of testing the quality • Frauds • Duplication of products • Lack of interconnectivity • No guaranty of delivery

Prospect and Constraints of Online and Traditional Shopping:

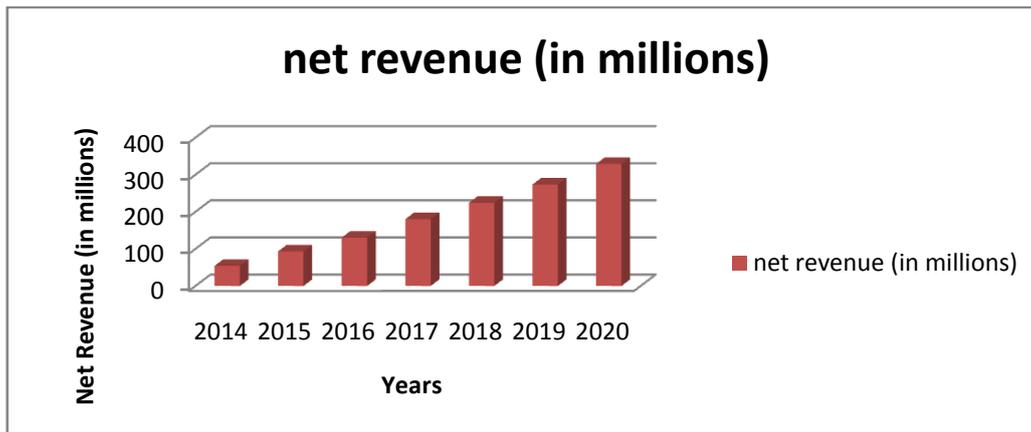


<p>Prospects of Traditional Shopping</p> <ul style="list-style-type: none"> • try on clothes • check the material • see the design from close • get the product immediately after you pay • know from where does the product comes 	<p>Constraints of Traditional Shopping</p> <ul style="list-style-type: none"> • wasting of valuable time • difficulty to see everything and visit every shop • difficulty to compare the prices • waiting for a free dressing room • meeting with strangers
<p>Prospects of Online Shopping</p> <ul style="list-style-type: none"> • Saving of money and time • easily compare the prices • easy to choose sizes, designs and colours • buy the product whenever you want • send gifts • Make your own design. 	<p>Constraints of Online Shopping</p> <ul style="list-style-type: none"> • product can't physically available • can't try it on • wait for the product to arrive • Misplacement of product • higher price for shipping, than for the product • risk of online fraud

Online buyers in India since 2014 to 2020

years	Net Revenue (in millions)	years	Net Revenue (in millions)
2014	54.1	2018	224.1
2015	93.4	2019	273.6
2016	130.4	2020	329.1
2017	180.1		

As per data of online buyers in the year 2014 is 54.1 millions and gradually increased to 273.6 million at the end of the 2019 year.



Source: Statist 2020

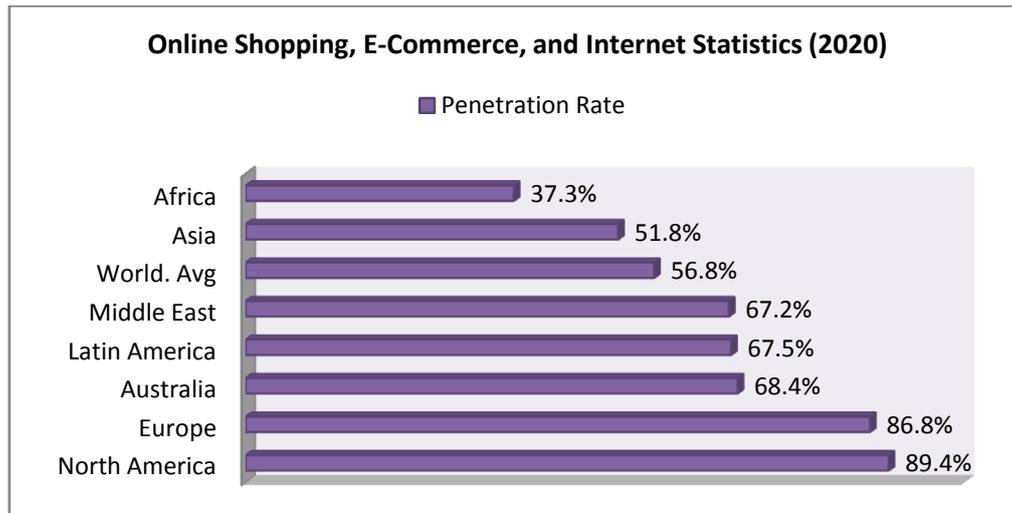
BEST ONLINE SITE COMPANIES

<ul style="list-style-type: none"> ▪ Amazon – the most popular site in India ▪ Flipchart – The best product categories in India ▪ Snap Deal - Where online shop is a treat ▪ Pay tm is the place to be in now! ▪ Shop Clues – For the most exciting shopping moments ▪ EBay. in – Shop till you drop ▪ Mantra – A shopping site that makes fashion statements ▪ Infi beam- Popular Indian e-commerce ▪ Conglomerate Jabong – Where you meet the Latest Fashion Everyday ▪ Handicrafts needs at one place ▪ Health Kart- Good health delivered to your doorstep ▪ First Cry- shopping for baby products made easy 	<ul style="list-style-type: none"> ▪ Nuka- your make up shopping just got an upgrade ▪ Shoppers Stop- the granddaddy of all lifestyle ventures ▪ Yemen- Democratizing fashion in India ▪ Koovs – The Brand Store ▪ Ferns N Petals – For the Freshest Flowers and Amazing Gifts ▪ Print Venue – Indian Print E-commerce Company ▪ Lime Road – Revolutionary Shopping Website for Fashionable People ▪ Big Basket – Best Online Supermarket and Grocery in India ▪ Net Meds– India’s Convenient Online Pharmacy
--	--

Online Shopping, E-Commerce, and Internet Statistics (2020)

Area	Penetration Rate	Area	Penetration Rate
North America	89.4%	Middle East	67.2%
Europe	86.8%	World. Avg	56.8%
Australia	68.4%	Asia	51.8%
Latin America	67.5%	Africa	37.3%

The penetration rate of online shopping has been increasing every the table represents the detailed information regarding the penetration rate of the various countries.



Profits of Amazon Online Shopping Company

Quarters	Revenues in \$	Quarters	Revenues in \$
Q1 17	38.2	Q3 18	58.0
Q2 17	39.0	Q4 18	76.4
Q3 17	43.3	Q1 19	60.2
Q4 17	60.0	Q2 19	63.0
Q1 18	50.4	Q3 19	70.3
Q2 18	55.1	Q4 19	87.4

Source; Statista 2020

As per the information gather from the statista 2020 the Amazon is one of global Market leader gained the revenues in the 1st quarter of 2017 is 38.2 million dollars and gradually increased to 60.0 Million dollars in the 2017 ending quarter, in the 2018 quarter the revenues gradually increased from 50.4 to 76.4, in the 2019 quarters it was started from 60.2 and end with 87.4 respectively.

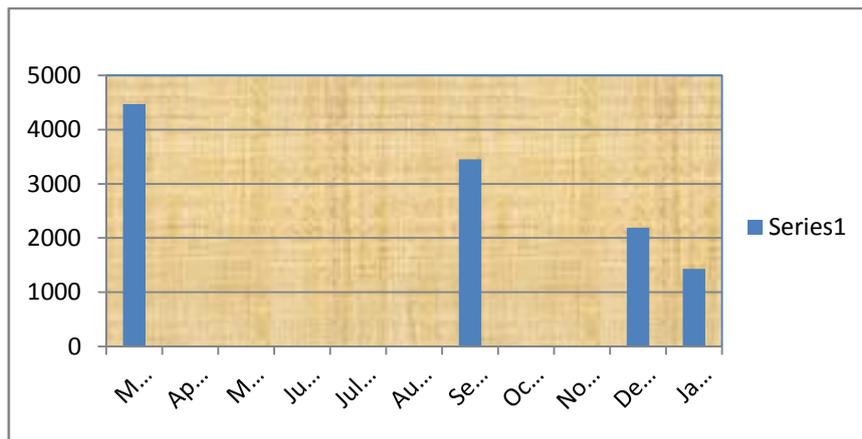


FLIPCART

The Flipkart Group also increased spending on employee costs, advertising expenses and logistics costs. Here’s a look at the last one year of investments by Flipkart Group in the Indian business

Year	Month	Profits in (Cores)
2018	March	4472
2018	Sept	3453
2018	December	2190
2019	January	1431

The flipcart profits are witnessed as on 2018 march started 4472 cores and by the December end it was witnessed as 2190 cores and in the year 2019 January it was remained as 1431 cores.



Recent Trends and drivers in online shopping

- The Global internet subscription penetration has increased at the end of the 2019.
- Top 5 most visited websites globally: 1) Google.com, 2) Youtube.com, 3) Facebook.com, 4) Baidu.com, 5) Wikipedia.org.
- Latest reported figures suggest that an average of almost 1 million people came online for the first time each day over the past year.
- Increased access to internet services has made it possible to make their purchase online. Better and faster 4g services have boosted the accessibility. Multiple choices of shopping sites provide wide range variety products and services.
- Online shopping operates on a huge scale and thus the products are offered at discounts. For e.g. Amazon great Indian Festival, Flipcharts Big Billion days etc
- Busy Lives leave people with less time to visit markets, malls or other conventional stores. Online shopping has made buying things very easy.
- Online shopping these days provides various facilities such as exchange or return policy which are very useful.
- Marketers are using social platforms like Face book, Twitter, Google plus, to promote their products which lead's in consumer having more information.
- Special cash back policies offered by online shopping websites. The 24hrs Customer Care services by many shopping websites helps solving customer queries. As a result, customer's trust is gained.
- Better and safer online banking services helped in gaining trust of consumers who earlier hesitated in sharing their details with shopping online.
- The Global internet users grew by 8.6 percent over the past 12 months, with 350 million new users contributing to an overall total of 4.437 billion by the start of April 2019.

PROBLEMS IN ONLINE SHOPPING IN INDIA

- Quality issues related to products
- Delivery and logistics
- Supply chain Management
- Duplication of products
- Delay in the delivery of products
- Difficult to exchange the products

- Digital payment failures
- Additional charges

Conclusion

Online Shopping is a web and Internet based platform where people can purchase products through electronic medium, India's online market is gradually increasing in every year. The M-commerce sales across in India in 2015 - 2020 has witnessed as 37.96 billion US dollars. Recent trends in online shopping in India show that people are spending high amounts on apparels and mobile phones. Attractive offers from online shopping companies are attracting Indian consumers. Still the quality, lack of security, additional charges problems still exist. Increased Internet penetration, annoy free shopping environment and very high levels of Net savings to see Indians online shopping. But at the same time the companies want to decrease the risks associated to customer. The objective is not to convert all shoppers to online procuring, but to display them it's a choice. Where there are benefits with online shopping and at the same time customers are facing disadvantages also. The penetration rate of the various countries has been increasing, the market leaders online business like Amazon and Flipcart are increasing their profits and revenues gradually by expanding the business units in India. Thus, the online selling increases its operations all over the world. The quality of the products obtained through online and dealings for service delivery are facing multiple problems. The risk factors associated with online shopping should be reduced.

References

- Prashant Singh(2014),*Consumers buying behaviour towards online shopping, ABHINAV-National Journal of Research in Commerce and Management.,ISSN-2277-1166,Vol -III*
- Prof.Ashih Bhatt(2014), *Consumers attitude towards online shopping in selected region of Gujarat, Journal of Marketing– Management,ISSN-2333-6080,Vol.-02,No.-02*
- Ravjot Kaur,Gurmeet Kaur,Aman Kumar, Gaurav Kumar(2015), *Customers attitude towards online shopping in– Chandigarh, International Journal of management and social Sciences, Research,ISSN2319-4421,Vol-4, No.-3*
- Upasan Kanchan(2015), *A study of online purchase behaviour of Consumers in India, ICTACT Journal of management– Studies, ISSN 2395, Vol-01,Issue-03*
- Lian, J. and Lin, T., (2008), *Effects of consumer characteristics on their acceptance of online shopping: Comparisons among different product types, Computers in Human Behaviour, 24(1), 48 – 65.*
- Mayer, R. C., Davis, J. H. & Schoorman, F. D. (1995).*An Integrative Model of Organizational Trust. Academy of Management Review, 20(3), 709-734.*
- Kanupriya , Dr. Rita, Anupreet kaur, *A Study Of Behaviour Of Consumer Towards Online Shopping, Orbit-Biz-Dictum Volume 1, Issue 1, January-June 2016*
- “Recent Trends in E-Commerce Shaji Thomas1”, Prince V Jose2 *International Research Journal of Engineering and Technology (IRJET) e-ISSN: 2395-0056 Volume: 02 Issue: 06 | Sep-2015*
- www.statista.com
- www.google.com