

IMPACT OF E-RETAILING ON CONSUMER BEHAVIOUR

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ABSTRACT

With the rapid growth of internet and globalization of market the retail sector has become an increasingly competitive and dynamic business environment. Internet is revolutionizing commerce, marketing, retailing, shopping and advertising activities of products and services. Overall the trend for online shopping is very positive and the reasons behind it are increased availability in online payment options, a wider range of merchandise, online tracking of shipments and a larger internet reach at cheaper costs. However the retailers' need to improve convenience and value for consumers and assist them in overcoming their fears around security. Further the reluctant consumers must also be provided with compelling reasons for accepting the internet as a new way to shop. The consumer behavior will definitely be positive if customer care be given the top priority by the leading online companies and they do their best to ensure that customers feel safe and secure while transacting online.

Keywords: Consumer behaviour, E retailing, Traditional retailing.

INTRODUCTION

The word "Retailing" is derived from the French word "retailier" which means 'to cut a price off 'or to 'break bulk '. Retailing is defined as a conclusive set of activities or steps used to sell a product to consumers for their personal or family use. It is responsible for watching individual demands of the consumer with supplies of all the manufactures. Retailing is an important part of any economy and ultimately links consumers with manufactures.

Consumers' needs are changing, Competitors are entering the market arena and technology is introducing new retailing methods to Industry. Retailing is changing swiftly because of the fast

changing environment in which retailers' operate. Retailers need to know how to keep abreast of these changes to attract new customers and keep them around.

- Consumer:

A consumer may be any person who purchases goods and services from the market for his/her end use. Every consumer shows inclination towards particular products or services and the interest of the consumer is nothing but his/her willingness to purchase products and services as per their taste, need and of course of its pocket.

- Consumer's Behavior:

The study of the consumer's behaviour is the study of how individuals make decisions to spend their available resources i.e. time, money and efforts on consumption-related items. It includes the study of what they buy, why they buy, when they buy, where they buy, how often they buy it and how often they use it.

In 2013 Arjun Mittal Student Delegates, Delhi School of Economics, Delhi University (E-commerce: It's Impact on consumer Behavior) in Global Journal of Management and Business Studies. ISSN 2248-9878 Volume 3, Number 2 (2013), pp. 131-138© Research India Publications <http://www.ripublication.com/gjmbs.htm> studied the factors from the Internet and examined those factors that affect the consumer's online shopping behaviors. It starts with the current status of the Internet development, and mentioned the background of marketing as representation and its difference with physical stores which in order to show the developing history of Internet shopping since the E-commerce become popular. The research focused on the Internet shopping (include the nature of Internet shopping, E-commerce website, and online security, privacy, trust and trustworthiness) and online consumer behaviors (include background, shopping motivation and decision making process). Those factors were looked at, and examined to reveal the influence at online consumer behaviors. Moreover, the customer's purchase decision making process was also examined to identify the potential factors. The information search is the most important factor that helps the customers find the suitable products or services for their needs. Therefore, the online retailers have to enhance and improve the information supporting such as provide much detailed product information and use internal search engine in

order to increase the efficient of information search. For the evaluation stage, customers more think a lot of the reputation from the E-commerce website, and the payment security for the purchase stage. At the post-purchase stage, the factor of after services which is the most concerned about. Overall, the factors from the Internet that influenced or prevented online consumer behaviors need to be carefully concerned by the online retailers, who can utilize the appropriate marketing communications to support the customer's purchase decision making process and improve their performance.

In 2013 Dr. Mahabir Narwal Associate Professor Department of Commerce , Kurukshetra University, Kurukshetra, India .Dr. Geeta Sachdeva Assistant Professor Beehive College of Management & Technology Dehradun, India in their study (IMPACT OF INFORMATION TECHNOLOGY (IT)ON CONSUMER PURCHASE BEHAVIOR) International Refereed Research Journal ■ www.researchersworld.com ■ Vol.–IV, Issue–3, July 2013 studied that the fast expansion of Internet exercise and programmatic enhancement in the circle of IT has modified the way stock are acquired and marketed, resulting in an exponential expansion in the number of online buyers. Because of the numerous benefits of IT use to purchase products/ services, now more and more people prefer online shopping over conventional shopping. Present investigation reveals that consumers have overall positive image towards use of IT while making purchase. Consumers view IT as multi utility, customer satisfaction, save cost, effective buying decision, reasonable price, easy to use, timely delivery, maintaining records and no intermediaries which open the way of direct marketing. Thus, the value of IT as a prospective source of competitive advantage is clearly realized. Therefore, it is the need of hour for marketers to understand what motivate consumers to purchase online and what discourages them from doing so. The answer of this question will certainly help the corporate to expand their business beyond boundaries.

In Jun 2014 MAHABIR NARWAL Associate Professor, Department of Commerce, Kurukshetra University, Kurukshetra, Haryana, India & RAVI KANT Assistant Professor, Department of Commerce, Government College Nagina, Mewat, Haryana (Role of ecommerce in commerce decision making) IMPACT: International Journal of Research in Business Management (IMPACT: IJRBM) ISSN (E): 2321-886X; ISSN (P): 2347-4572

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Studied that today, to a greater extent consumers depends on e-commerce for good and effective decision making as plethora of information are provided by companies for consumers through e-commerce. Therefore role of e-commerce has become significant for consumers and companies. E-commerce makes the consumer aware about products/services, enhance their knowledge and facilitate the final purchase. Thus, there seems to be is a huge scope in near future that traditional commerce will be replaced by e-commerce at least in the service sector and bring more transparency.

OBJECTIVES OF STUDY

The study aims to know the perception of the consumers regarding the online buying behavior with reference to awareness and customers' satisfaction. It also assesses the ability of E shopping sites to attract and retain customers as well varies promotional strategies on E shopping. The study also analyses the shift in buying behavior among customers with reference to buying channels and the factors due to which still some of the customers do not use E-shopping so their channel.

RESEARCH METHODOLOGY

The required data needed in the study has been collected through secondary sources like Text Books, journals, Internet and other publication and supported by primary data collected through observation techniques.

DISCUSSION

- Determinants of consumer behaviour:-

Some of the important determinants of consumer behaviour are discussed below:-

1. Economic- Economists describe man as a rational person who has perfect knowledge about the market conditions and try to obtain maximum value for every unit of money and efforts spent. The important economic determinates that influence the consumer behaviour, are as follows:-

2. Personal Income

3. Family Income

4. Standard of living

5. Government Policy

- Sociological Determinants:- Consumer is social being and many social factors influence his behaviour.

1. Family

2. Reference Groups

3. Social Class

4. Culture

- Psychological Determinants: - psychologists have also provided certain clues as to why a consumer behaves in a certain way. The buying decisions are affected by certain psychological factors.

1. Motivation

2. Perception

3. Belief

4. Life style

- Personal Determinants:- The consumer depends on his personal factors to decide what to buy.

1. Age

2. Education

3. Occupation

4. Family Life cycle stage

5. Income

- E-Retailing:

The sale of goods and services with the help of internet is as known e-retailing. With the increase use of internet by the average Indian, the scope of electronic shopping is growing. The retailer and the customer communicate with each other in a non personal way via some type of electronic, interactive system generally a computer facilitated by the internet. It is admitted fact that the internet usage has grown rapidly over the past years and also become means for delivery and trading information, services and goods. Therefore Electronic retailing is a shopping on the internet without the consumer having to pay physical visit to the store.

- E-retailing Website:-

1. Amazon.com
2. Snap deal.com
3. Flipkart.com
4. Jabong.com
5. Myantra .com

Steps involved in E-Retailing:

Generally, the shopping process through internet media happens in 5 steps which can not be ignored.

- **Customer Visit:** The customer accesses the website of the retailer through his/her PC or Laptop. This visit is very critical to the retailer because it is the visit that would create an opportunity for a business. The simplicity of the site, the arrangement for presentation of the products in the site and various other factors decide the first impression on the customer.
- **Choice of the Product:** Once the customer visits the site, he /she would choose a product based on the image and valid information available on the website page. This information can include the price tag, details about the product, availability of delivery, time span and even customer's reviews on the product.
- **Payment on line:** Payments to the product can be made on line through credit card/debit card or even cash on delivery basis where the customer pays to the E- retailer when the product is delivered to him/her.

- **Product delivery:** Once the order is placed with the E-retailer, the next process would test the efficiency of supply chain network of the E-retailer. The delivery of the product is based on the availability of the product in the inventory closet to the customer's delivery address. This process may also involve shipment of the product.
- **Customer's feedback:** Once the product is delivered to the customer, the feedback from him/her is very important. This is primarily because of the absence of a real shopping store environment. The entire experience of the customer during the process would be an indicator of the efficiency of the E-retailing. This experience of the customer can be accessed through proper customer service for feedback and the problems faced by the customer should be corrected by the E-retailer. Late delivery, wrong address, damaged product can be some of the customer's complaints which the E-retailer has to sort out.

Difference between E-retailing and Traditional Retailing

E-retailing is different from selling through store in many ways and one should be familiar with the difference so the one could better understand the benefits of purchasing on line as compared to purchase through a physical storefront.

1. **Display:** The customers are able to physically touch and handle the various items of their purchase while dropping in a brick and mortar store. Online purchasers/retailers are forced to view/display such items at the time of using only through the pictures, graphs or texts based product descriptions can be viewed online.
2. **Location:** On line retailers are not limited to one location and have no graphical boundaries like a traditional brick and mortar based store front has. On line retailers have no limit and can cater to local, national and international customers.
3. **Communication:** It can be harder to communicate with customers through online store as compared to the traditional customers who have face to face interaction while having shopping at a brick and mortar store or at a physical business location. Online retailers may have hard time in getting information across to the customers and must be sure to answer all possible questions of the buyers through text and graphics on the site so there is no confusion during the purchase.

4. **Technology:** Most online store owners find that their technology is constantly changing and there is a bigger need for them to keep up and adjust as it improves. The technology used to run brick and mortar store business has been around for years and rarely changes as often as it does in the online world.

Reasons for increase in E-retailing

It is an admitted fact that there is a definite increase in the flow of online retailers and we can sum up the reasons for such an increase.

1. **Convenience:** Online stores are usually open /available 24 hours a day and many consumers have internet access both at work place and at home.
2. **Penetration:** Young customers are internet savvy and access it on a regular basis, therefore buying online has increased among them.
3. **No showroom cost:** E-retailing does not require any sophisticated showroom in a prime location and they operate business from their web sites. This significantly saves the infrastructure and maintenance cost which is on the higher side for the physical store retailers.
4. **Price and selection:** One of the biggest advantages of online retailer shopping is to find out quickly, deals for items and services with many different search engines, online price comparison services and discovering shopping items can be used to find out seller for a particular product or services. Some retailers also offer free shipping on sufficiently large orders. Searching online catalogue can be faster than browsing the physical catalogue.
5. **Universal reach:** A retail market has a limited area of operation. It caters only to a limited number of customers of a particular locality but in E-retailing a web site can be accessed from any part of the globe and this increases the potential customers manifold. It also serves as a good media of advertisement at minimum cost covering across the world.
6. **Time saving and ease in shopping:** A consumer prefers online shopping to save time as an alternative to shopping at malls and to avoid excess spending of time for purchasing.

Shopping comfortably at home through internet at E-retailing and getting products information easily and joyfully, is the more attraction for E-retailing business.

7. Heavy discounts available to attract customers: The customers are offered heavy discounts on web site online purchases. Various websites like Jabong, Flipkart etc give huge discounts to the customers. This is one of the marketing strategies used by the various E-retailers.
8. Expert references and access to the opinion of others: These are the reasons which compel the consumers to shop on line. Beyond an intention to purchase, the buyers can navigate between different web sites for informational or recreational purpose.

Challenges for E-retailing

Shopping is considered to be a touch and feel experience: In online shopping customer does not have the accessibility of the product by touching the product which is offered through E-business. E-retailer should full fill the customer expectations by delivering the products as per the specifications shown in the on line otherwise it is hard to bring in more trust worthies in retailing business.

1. Absence of bargain: Consumers have the custom of bargaining and it is not possible in a E-retailing business.
2. Language problem: Most internet retail shops use English as their mode of communication. English may still be not understandable to the majority of the Indian population. To increase the customers' base, contents in the on line retail shop should be provided in local language.
3. Customer retention: Some people buying on the internet do so out of curiosity and this makes a repeat purchase unlikely.
4. Lack of trust among the customers: The online consumers are in lack of trust with the E-retailers concerning the safer and secured delivery of product which is ordered through online. Consumers need to wait for the delivery of the products and more over the products are not delivered as per the time stipulation. In addition to it the on line consumers also lack confidence in payments, since they are forced to pay high rates for courier or shipping charges.

CONCLUSION

The Indian retail market is witnessing a revolution. The growth of internet has enabled the new retail format of the virtual retailer to emerge forced existing retailer to considered E-retailing model of retailing as well. Overall the trend for on line shopping is very positive and the reasons behind it are increased availability in online payment options, a wide range of merchandise online tracking of shipments and the larger internet reach at cheaper costs. The consumer's behaviour will definitely be positive if customer care be given the top priority by the leading online companies and they do their best to ensure that customers feel safe and secure while transacting online.

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