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A Study of E-Commerce and Online Shopping

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INTRODUCTION

In 1979, Michael Aldrich, an English entrepreneur, pioneered online shopping. His system used a domestic telephone line to connect a modified household TV to a real-time transaction processing computer. He saw videotext as a 'new, generally applicable, participatory communication medium — the first since the advent of the telephone.' It was a modified household TV technology with a basic menu-driven human–computer interface. This allowed 'closed' corporate information systems to be opened to 'outside' correspondents not only for transaction processing, but also for e-messaging and information retrieval and distribution, a process later referred to as e-business. His categorization of the new mass communication medium as "participative" [interactive, many-to-many] was a radical departure from established conceptions of mass communication and mass media, and it was a forerunner to social networking on the Internet 25 years later. He then launched Redifon's Office Revolution in March 1980, which allowed consumers, clients, agents, distributors, suppliers, and service firms to connect on-line to corporate systems and perform commercial transactions electronically in real-time. Using videotext technology, manufactured, sold, installed, maintained, and supported various online commerce systems in the 1980s. These systems, which included voice response and handprint processing, predated the Internet and the World Wide Web, the IBM PC, and Microsoft MS-DOS, and were mostly used by large enterprises in the United Kingdom. Tim Berners-Lee invented the first World Wide Web server and browser in 1990, and it became commercially available in 1991. Following that, in 1994, there was online banking, Pizza Hut's introduction of an online pizza shop, Netscape's SSL v2 encryption standard for secure data transport, and Internship's first online shopping system. Amazon.com followed suit in 1995 with the debut of their online shopping site, and eBay followed suit in 1996.

2. REVIEW OF LITERATURE

1. E-commerce is not a revolutionary new concept; it has been around for a long time (OECD, 1997). Businesses have been employing electronic data interchange (EDI) for computer-to-computer exchange of standardized electronic transaction documents within and between companies using proprietary private valued-added networks (VANs) as a communication channel since the 1970s and 1980s. Traditional e-commerce that uses private value-added networks as a communication channel, on the other hand, is expensive

to set up and maintain, putting ecommerce out of reach for many small and medium-sized firms (Margherio, 1998). Since 1993, the introduction of commercial Internet use and the World Wide Web (WWW) has defined the new e-commerce (Zwass, 1996). With the introduction of the Internet and the World Wide Web (WWW) as a medium for business transactions, e-commerce has risen to prominence and become the international community's primary emphasis. When contrasted to the conventional technique of employing private value-added networks, the Internet and WWW have made it easier, simpler, cheaper, and more accessible for businesses of all sizes and customers to communicate and conduct commercial transactions electronically (Margherio, 1998). E-commerce is born global as a result of the Internet's network architecture, where geographical and political barriers are meaningless in this networked world (OECD, 1997). As a result, ecommerce over the Internet significantly reduces the distance between manufacturers and customers, allowing them to make purchases directly without the involvement of traditional "middlemen" like retailers, wholesalers, and distributors. Although new intermediates (such as network access providers, electronic payment systems, and identification and certification services) are necessary, they are significantly less labor-intensive than traditional methods (Wyckoff, 1997).

2. Electronic retailing over the Internet, sometimes known as online shopping, began in 1994. (Hsin, 2000). It is a type of non-store retailing direct consumer marketing that uses Internet channels. Many retailers and merchants are interested in this new notion of retailing because it is widely recognized that online shopping will become a viable alternative to traditional offline retail channels such as physical retail locations (Rowley, 2000). Online storefronts, in which products from a single merchant are supplied to consumers through an online catalogue, were the most common form of electronic selling at the time. When product brand names and reputations are well-established and widely known among consumers, merchants prefer to open online storefronts as an online retailing approach. The Dell Online Store, for example, sells personal computers to customers all over the world (The Economist, 1997).

3. Chowdhury and Ahmad (2011) investigated the factors that influence customer engagement in online purchasing in Malaysia. The study's main goal was to use Pearson's

correlation approach to describe the relationship between independent and dependent variables. The study's weakness was that it only examined four characteristics to explain consumer engagement (ability, kindness, honesty, and trust), ignoring other crucial variables such as cost switching vendors and the involvement of a third party. The study sheds light on the importance of student trust when it comes to online buying. Yulihasri, Islam, and Daud (2011) conducted research on the 'Factors that Influence Customer's Buying Intention on Online Shopping.' The utility of internet shopping, convenience of use, compatibility, privacy, security, normative views, self-efficacy, attitude, and student purchasing intention were all examined. Pearson correlation analysis offered statistical data on the relationship between each independent and dependent variable. It was discovered that web advertising had a positive impact on the purchase of a company's items.

4. In a study on customer online buying behavior, Karim (2013) found that online sellers can assure their customers of transaction security and minimize long delays in completing online purchases as well as the trouble of returning goods for a better online shopping experience. Morris (2013) carried a research on the topic of 'More Consumers Prefer Online Shopping.' Shoppers are increasingly demanding a "seamless omnichannel experience," in which businesses allow customers to combine online and offline browsing, shopping, ordering, and returning in any combination they wish.

5. With the growing size of the market, increased demand from young, and a shift in young shopping behavior, incumbents and existing performers have access to a large market. And, at this point, it's critical to comprehend Indian clients' purchasing habits when it comes to online shopping, since this is necessary for the industry's players to develop a successful marketing strategy. This industry's size and growth rate have never been this high. Taking all of this into account, the current study attempted to comprehend Indian clients' online shopping habits.

3. PROSPERITY OF E-COMMERCE IN INDIA

According to a poll conducted by industry association Assocham (The Associated Chambers of Commerce and Industry of India), India's e-commerce business grew by 88 percent from $2.5 billion in 2009 to $8.5 billion in 2012 and $16 billion in 2013. With the expansion of online retail, the country's ecommerce sector is expected to reach $56 billion by 2023, according to the poll. India is fast becoming the world's country with the most internet-literate people, and mobile phones are driving this growth, with some of the cheapest and most basic handsets already having internet connection.

India's total internet customers were at 238.71 million as of December 31, 2013, according to figures given by the Telecom Regulatory Authority of India (TRAI). The adaptation of online shopping and better shopping experiences offered by e-commerce websites among Indians has developed significantly as a result of India's high internet penetration. As a result, by 2019, the number of internet users is predicted to exceed 700 million.

The following are the main drivers of Indian e-commerce growth:

(a) Increased Internet Usage: The Internet and Mobile Association of India (IAMAI) estimates that the country's Internet user base was 190 million at the end of June 2013. With more individuals accessing the internet via mobile phones, the country's Internet user base is expected to reach 243 million by June 2014, representing a 28 percent increase year over year. Other digital industries, such as e-commerce and digital advertising, have seen significant growth as a result of the increase in Internet users.

(b) Rising Computer Educational Level: The Government of India has made fresh horizontal efforts in the education of computer tools and skills. Students from urban and rural locations, as well as businesspeople, are drawn to advanced computer technologies. The advancement of educational standards has resulted in a significant increase in market demand.

(c) Busy Lifestyle: The powerful influence of various social media tools such as Pinterest and Facebook allows consumers to arrange and separate their favorite things into themed collections to share with others. This encourages people to express themselves when shopping and makes them think about their purchases.

(d) Growing middle class with discretionary income: As small and medium businesses, foreign direct investment, and India's own large multinational corporations produce millions of new employment, a new generation of globally conscious Indian consumers has emerged. The number of revenue sources has expanded in tandem with the expansion in job opportunities. Customers are willing to pay for things online since they have a lot of money.

(e) Product Awareness: People are made aware of the existence of various products in the market through television, newspapers, websites, and other media. As a result, features can be easily identified.

(f) Finding Product Reviews Is Simple: With the help of online purchasing, finding product reviews is simple. E–commerce has made it easier to obtain product information, and shoppers can purchase things after reading reviews and comment on them.

4. EVOLUTION OF E-COMMERCE IN INDIA

- Online merchants must maximize the use of technology, and establishing strategies based on big data analytics will assist in making customers feel unique and increasing brand loyalty.
- According to the Internet and Mobile Association of India, cash on delivery (CoD) contributes for up to 60% of transactions.
- As smartphones become more widely used and used, businesses may collect vast amounts of data about customers to utilize for target-based marketing and advertising.
- Customer input on products and services via social media channels has an impact on the bigger customer base.
- Creating a high-quality, SEO-friendly ecommerce site is essential for establishing long-term relationships with clients and increasing profit volume ratios.
- The service of providing 24 hour chat assistance to provide clients with prompt responses and guidance has improved the quality of their online purchasing experience.
- Because people are more comfortable with utilizing mobile devices for browsing and buying, they are now more open to receiving communications from companies via their mobiles.

5. CHALLENGES AND OPPORTUNITIES OF E-COMMERCE IN INDIA

India's increasing e-commerce volumes are attracting the attention of players from all over the world. With 1.2 billion people, India is the world's second most populous country. India is a vast and quickly developing country with a burgeoning middle class, quickly expanding internet access, and astounding mobile phone saturation. India is gaining in popularity among businesses, particularly ecommerce companies that rely on global and scalable business models.

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In developing Indian marketplaces, e-commerce companies are confronted with five major challenges:

a) Indian shoppers return a large percentage of the products they buy online: In India, there are a lot of first-time purchasers in e-commerce. This indicates that individuals are undecided about what to expect from ecommerce websites. As a result, buyers may be subjected to a hard sell. However, by the time the stuff is delivered, they have expressed regret and have returned the things. Though consumer remorse is a global issue, it is especially prominent in a country like India, where new consumers account for much of the growth. Returns are costly for e-commerce businesses due of the specific problems of reverse logistics. In cross-border e-commerce, this gets even more complicated.
b) The preferred manner of payment is cash on delivery: Cash on delivery is the favored payment method in India due to poor credit card usage and limited trust in online transactions. Manual cash collection, unlike computerized payments, is time-consuming, hazardous, and costly.
c) High failure rate of payment gateways: As if the preference for cash on delivery wasn't terrible enough, Indian payment gateways have an exceptionally high failure rate by worldwide standards. E-commerce businesses that use Indian payment gateways are losing business because many customers do not try again when a transaction fails.
d) Postal addresses are not standardized: If you place an online order in India, the logistics business would almost certainly phone you to inquire about your specific location. Clearly, your address is insufficient. This is due to the lack of standardization in the format of postal addresses. E-commerce logistics are exacerbated by last-mile concerns.
e) In tens of thousands of Indian towns, logistics is a problem: The lack of standardization in postal addresses isn't the only logistical issue in India. Given the country's immensity, there

are hundreds of communities that are difficult to reach. The logistical infrastructure in metropolitan areas and other big urban centers is fairly substantial. The challenge of logistics is exacerbated by the fact that in India, cash on delivery is the preferred method of payment. International logistics corporations, private Indian firms, and government-owned postal services are all attempting to solve the logistical challenge. We might soon hear of a big success story coming out of the Indian logistics industry if someone can turn the sheer scale of the problem into an opportunity.

6. KEY CONCEPTS FOR SUCCESSFUL ONLINE SHOPPING

(a) It must be Secure : Every customer wishes for safe and secure transactions during purchasing goods online. If the website is secure, customers will tend to purchase more from it. Secure Sockets Layer (SSL) is a standard security technology for establishing an encrypted link between the web server and a browser. E–commerce websites with the SSL certificate are able to prevent and protect the users' information when customers access their websites.

(b) There must be Easy and Understandable Content : The website for online shopping should be in understandable language. The language should be kept simple while making the website, and if possible the translation of the content must be given on the website in simple languages.

(c) Effectiveness and cost-efficiency should be of concern : Internet marketing is one of the most effective and cost-efficient methods of advertisement. It is effective because it create a better chance to see the impact of internet marketing on your online business almost immediately. It is cost-efficient because the costs associated with starting a website, and then, using marketing articles or social media to establish an online presence is minimal when compared to the costs of traditional forms of advertising.

(d) Choose a reliable hosting provider : Do analyze and opt for the most reliable and cost effective choice of servers for your business. The most important things to measure while selecting are choosing a hosting provider that is tried and tested, guaranteed uptime, response times of the servers, security and the level of support and customer care provided.

(e) Prompt Delivery and Quick Quality Services : The processing of delivery and quick quality services of the product is an important feature to make the online shopping websites better than others. It must be quick in regards of home delivery services and payment etc.

(f) Improve business credibility through online branding : Internet marketing campaign will help your business increase product awareness and brand loyalty. Maintaining an online presence via internet marketing is a great way to keep up with the time and provide consumers with all of the opportunities they need 24 hours a day. As consumers browse the web, they may come across your business name or logo and become interested in what your business has to offer.

7. CONCLUSIONS

E-commerce and online shopping in India play an important role in the country's overall development, and the industry will undoubtedly alter in the next years. It makes a substantial contribution to the economy and has grown in popularity as a result of rapid advancements in the field of information technology. Because of the growing online population, dealing with the competitive market for better product bargains has gotten easier and simpler. Customers, on the other hand, are concerned about security and privacy as e-commerce develops and changes. As a result, researchers in this discipline will need to focus more on e-commerce security and crucial issues.

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