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E- SHOPPING: OPPORTUNITIES AND CHALLENGES PERCEIVED BY CONSUMERS

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ABSTRACT

The present study was conducted in Hisar district of Haryana state. Respondents having access to computer and doing online shopping were selected purposively. A sample comprised of 206 respondents representing group of students, professionals and housewives from both rural and urban area. Results revealed that best offers and provision of return besides delivery time and mode of payment were the main factors considered for making online purchases. Shoes, books and clothes were the items purchased online by urban respondents, while mobile phones, clothes and shoes were preferred by respondents from rural background. Railway booking, mobile recharge and hotel booking were the main services accessed by respondents through internet. Lack of touch and feel, link not working, server breakdown were the main constraints/ hindrance reported by respondents. Checking authenticity of websites (rank I), paying cash on delivery (rank II) and reading complete terms and conditions (rank III) were important measures adopted by respondents to prevent online frauds.

KEYWORDS: E- Shopping, Purchase Behavior, Consumers

INTRODUCTION

One of the growing areas of E-Commerce is online buying, wherein more and more consumers are turning to the World Wide Web for their shopping needs that gives them access to local or international products just on the click of mouse. The theme of '*anything anywhere*' shopping appeals to the consumers who cannot take time off their busy schedules to go out and shop. As a result, many online shops have sprung up in the cyberspace, offering products right from books, computer accessories, household goods, groceries to furniture and cars. The consumers can also avail of a variety of services like mobile recharging, railway and air ticket booking, hotel booking to even wedding venue booking, payment of water and electricity bills, examination fees etc. Bisen *et al*. (2013) reported that with the growing number of internet users that will comprise 180 million broadband users by 2020, e-tailing may grow more than hundred fold in the next 9 years to reach $76 billion by 2021. The major reasons for e-commerce growth are increased broadband internet usage and 3G penetration in India. Rising standards of living and high disposal income of middle class Indians along with the presence of around 10 million 3G connections has given impetus to the growth of online shopping in the country. Traffic congestion, busy urban life style and lack of time for offline shopping besides availability of a wider choice of products at a single place are the other major reasons behind the success of e-commerce. Further, the 18 million active credit card holders and 228 million debit card holders make the sector more attractive. This study, therefore, attempts to understand the pattern and factors behind the online purchase in Indian context with the following specific objectives:

- Studying internet usage pattern for E- shopping among rural and urban consumers

- Factors considered by respondents while doing online purchasing

METHODOLOGY

Respondents having access to computer and doing online shopping were selected purposively. Snow ball technique was employed to select respondents among students, professionals and housewives belonging to urban areas of Hisar district who were engaged in online shopping so as to have 50 respondents from each group. For the selection of sample from rural areas, pre-survey was conducted through own sources and by contacting deliverymen of courier service responsible for delivering goods to rural areas. Limited respondents were found shopping online in rural areas. Based on this, two villages namely "Muklan and Landhari" from Block-II and Agroha Block, Hisar district, where the chances of the availability of the three categories of respondents viz: students, professionals and housewives were selected. Fifty six respondents comprising 25 students, 25 professionals and 6 housewives from selected villages, who were actually doing online shopping were selected. The number of housewives doing online shopping in rural area was found to be limited, thus equal number of housewives as professionals and students could not be taken for the study. Thus the sample for rural areas varied and the total sample extended to 206 respondents from both rural and urban areas.

RESULTS

Socio-Personal and Economic Profile of the Respondents

Data in Table 1 revealed that 52.91 percent of the respondents were in the age group of 18-28 years followed by 28-38 years (33.99%), 38-48 years (9.22%) and 48-60 years of age (3.88%). Regarding education of the respondents indicated that 49.02 percent respondents were graduate followed by those who have formal education upto post-graduation (34.47%) doctorate (10.20%) and higher secondary (6.31%). Besides formal education, respondents also reported to have done computer course (19.42%) and diploma in varied fields (6.79%). The results further indicated that 50.97 percent respondents had small followed by medium (37.86%) and large (11.17%) family siz

Table 1: Socio-Personal and Economic Profile of Respondents

Variable	Categories	Students n=75		Professionals n=75		Housewives n=56		Total n=206
		U(50)	R(25)	U(50)	R(25)	U(50)	R(6)	
Age	18-28 years	50	25	13	5	10	6	109(52.91)
	28-38 years	-	-	16	18	36	-	70(33.98)
	38-48 years	-	-	13	2	4	-	19(9.22)
	48-60 years	-	-	8	-	-	-	8(3.88)
Education of respondent	Higher secondary	6	4	-	-	3	-	13(6.31)
	Graduate	19	16	7	17	40	2	101(49.02)
	Post graduate	24	5	23	8	7	4	71(34.47)
	PhD	1	-	20	-	-	-	21(10.20)
Family size	Small (Upto 4 members)	20	9	29	9	37	1	105(50.97)
	Medium (5-6 members)	22	13	20	7	13	3	78(37.86)
	Large (> 6 member)	8	3	1	9	-	2	23(11.17)
Family occupation	Farming	14	22	2	22	2	6	68(33.01)
	Business	6	3	6	3	9	-	27(13.11)
	Govt. job	25	-	40	-	34	-	99(48.05)
	Private job	5	-	2	-	5	-	12(5.83)
Monthly	<₹20,000/-	10	13	-	2	-	-	25(12.14)

family income	₹20,001-40,000	20	9	2	14	20	1	66(32.04)
	₹40,001-60,000	9	3	8	7	21	3	51(24.76)
	>₹60,000	11	-	40	2	9	2	64(31.06)

*Figure in parenthesis denote percentage

**U=Urban, R=Rural

Majority of the respondents (48.05%) had government job as their main family occupation followed by farming (33.01%) business (13.11%) and private job (5.83%), and (32.04%) families were earning between ₹20,001-40,000/month followed by 31.06 percent who were earning above ₹60,000/month. Whereas, about one fourth (24.76%) respondents had monthly income between ₹40,001 to 60.000. Only 12.14 percent respondents were having monthly income below ₹20, 000.

Table 2: Factors Considered for Purchasing Online by Respondents

n=206

Aspects	Students				Professionals				Housewives			
	U (n=50)		R (n=25)		U (n=50)		R (n=25)		U (n=50)		R (n=6)	
	MS	Rank	MS	Rank	MS	Rank	MS	Rank	MS	Rank	MS	Rank
Best offer	2.68	I	3.0	I	2.68	I	3.0	I	2.84	I	2.83	II
Free delivery	2.3	IV	1.68	VIII	1.8	VII	2.16	VIII	2.1	V	2.33	V
Reliability	1.86	VII	2.56	IV	2.34	IV	2.92	III	2.18	IV	2.0	VI
Saving of time & energy	2.56	II	2.28	V	2.26	V	2.8	VI	2.06	VI	1.83	VII
Convenience	1.84	VIII	1.84	VII	2.62	II	2.84	V	2.02	VII	1.67	VIII
Delivery time and mode of payment	2.2	V	2.24	VI	2.6	III	2.88	IV	2.32	II	2.5	IV
More discount	2.08	VI	2.92	II	1.64	VIII	2.68	VII	1.86	VIII	3.0	I
Provision of return	2.38	III	2.88	III	1.98	VI	2.96	II	2.26	III	2.67	III

*U=Urban, R=Rural **MS=Mean Score

Analysis of data in Table 2 reveals that best offer was the most important factor instigating consumers to shop online. Other factors considered includes saving of time and energy, provision of return and more discount among students. Professionals favored factors like best offers, more discount and provision of return while reliability was the important for rural professionals. Pinto (2013) found that online shopping is convenient and time saving, a wide choice and availability of hard to find products, possibilities for comparison shopping and the perception that the buyer is getting a good deal are some of the major drivers for online shopping as per the sample interviewed. Three most important factors taken into consideration by rural women while doing online purchasing were more discount, best offer, followed by provision of return. Results of the present study are in congruence with finding of Richards (2005), Oppenheim and Ward (2006), Sai and Balaji (2009), Sinha (2010), Rastogi (2010), Nayyer (2011) and Veeralakshmi (2013).

Table 3: Products Purchased by Respondents through Internet

n=206

Aspects	Students n=75		Professionals n=75		Housewives n=56	
	U (50)	R (25)	U (50)	R (25)	U (50)	R (6)
Books	24 (48.00)	2 (8.00)	21 (42.00)	-	6 (12.00)	-
Shoes	36 (72.00)	9 (36.00)	5 (10.00)	5 (20.00)	4 (8.00)	-
Clothes	32 (64.00)	17 (68.00)	28 (56.00)	21 (84.00)	15 (30.00)	4 (16.00)
Jewellery/ watches and accessories	15 (30.00)	2 (8.00)	13 (26.00)	5 (20.00)	2 (4.00)	2 (8.00)
Mobile	21 (42.00)	19 (76.00)	23 (46.00)	21 (84.00)	4 (8.00)	-
Computer accessories	17 (34.00)	5 (20.00)	12 (24.00)	9 (36.00)	4 (8.00)	3 (12.00)
Electronic items	22 (44.00)	7 (28.00)	12 (24.00)	6 (24.00)	4 (8.00)	3 (12.00)
Cosmetics/ Beauty products	11 (22.00)	5 (20.00)	9 (18.00)	5 (20.00)	8 (16.00)	2 (8.00)
Household appliances	8 (16.00)	7 (28.00)	1 (2.00)	7 (28.00)	16 (32.00)	3 (12.00)
Home furnishing	2 (4.00)	-	-	-	16 (32.00)	3 (12.00)

* Figure in parenthesis denote percentage, **U= Urban, R= Rural

Perusal of data in Table 3 reveals that shoes, cloths and books were the most purchased items by urban students, while mobile phones, clothes and shoes were mostly purchased items by rural respondents. Mobile phones and books were mostly purchased by urban professionals on the other hand rural professionals purchased cloths and mobiles. Items purchased by housewives were household appliances and clothes. The results of the investigation are similar to the observations made by Veeralakshmi (2013), Hemamalini (2013) and Sharma *et al.* (2014). Hemamalini indicated that books and e-tickets had high products involvement as books are low cost, frequently purchased products, consumers have positive attitude towards online purchasing books. Sharma *et al.* (2014) found that majority of the people preferred buying books online (39%) followed by online tickets (17%). Many of the respondents bought other items like clothes, shoes and bags online. The least wished item for buying online was toys (2%).

Table 4: Services Accessed by Respondents through Internet

n=206

Aspects	Students n=75		Professionals n=75		Housewives n=56	
	U (50)	R (25)	U (50)	R (25)	U (50)	R (6)
Hotel booking	11 (22.00)	-	19 (38.00)	5 (20.00)	-	-
Airline booking	-	-	11 (22.00)	-	-	-
Railways booking	22 (44.00)	4 (16.00)	18 (36.00)	9 (36.00)	-	-
Entertainment (movie	-	-	11	-	1 (2.00)	-

Tickets, shows etc.)			(22.00)			
Mobile recharge	13 (26.00)	5 (20.00)	25 (50.00)	6 (24.00)	2 (4.00)	2 (33.33)
Bill payment	-	-	18 (36.00)	-	-	-
Examination fee	19 (38.00)	7 (28.00)	3 (6.00)	-	-	-
Publication in Journals /books	3 (6.00)	-	10 (20.00)	-	-	-

* Figure in parenthesis denote percentage, **U= Urban, R= Rural

Perusal of data in Table 4 indicate that students from urban area had availed services like- examination fee, railways booking, mobile recharging and hotel booking. Rural students reported submitting examination fee, mobile recharging and doing railways booking. Half of the urban professionals have got their mobile recharged followed by hotel booking, railways booking and bill payment online. Professionals with rural background accessed railways booking, mobile recharge and hotel booking. A negligible percentage of housewives reported accessing services online like mobile recharging, booking of movie tickets. Only single housewife reported booking movie tickets online. Nayyer (2011) indicated that two-third respondents utilized internet to book ticket.

Table 5: Hindrances/Constraints Faced during Online Purchasing

n=206

Aspects	Frequency						Total n=206
	Students n=75		Professionals n=75		Housewives n=56		
	U(50)	R(25)	U(50)	R(25)	U(50)	R(6)	
Physical Constraints							
Non availability of computers	3(6.00)	5(20.00)	-	-	-	-	8(3.9)
Non availability of internet facilities	7(14.00)	7(28.00)	2(4.00)	-	4(8.00)	-	20(9.7)
Failure of electricity	9(18.00)	6(24.00)	10(20.00)	-	5(10.00)	-	30(14.7)
Lack of touch and feel	41(82.00)	25(100)	33(66.00)	25(100)	50(100)	6(100)	180(87.4)
Product genuineness	29(58.00)	17(68.00)	28(56.00)	25(100)	14(28.00)	4(66.6)	117(56.8)
Economic Constraints							
Variation of charges demanded at different site	14(28.00)	-	3(6.00)	-	1(2.00)	-	18(8.74)
Availability on internet at high price	27(54.00)	4(16.00)	1(2.00)	-	7(14.00)	-	39(18.9)
Fixed price format	7(14.00)	5(20.00)	7(14.00)	-	5(10.00)	-	24(11.65)
Financial theft	9(18.00)	19(76.00)	36(72)	11(44.00)	18(36.00)	2(33.3)	95(46.11)
Technical Constraints							
Server breakdown	31(62.00)	25(100)	25(50.00)	25(100)	14(28.00)	6(100)	126(61.16)
Low speed of network	42(84.00)	25(100)	29(58.00)	25(100)	14(28.00)	6(100)	141(68.44)
Inadequate knowledge of paid sites	14(28.00)	-	3(6.00)	-	1(2.00)	-	18(8.74)
Links sometimes don't	36(72.00)	25(100)	30(60.00)	25(100)	12(24.00)	3(50.00)	131(63.6)

work							
Operational Constraints							
Inadequate knowledge of software	4(8.00)	-	4(8.00)	-	-	-	8(3.88)
Sudden failure in hardware connection	14(28.00)	-	5(10.00)	-	1(2.00)	-	20(9.71)
Delivery time	21(42.00)	7(28.00)	28(56.00)	5(20.00)	10(20.00)	2(33.3)	73(35.43)
Psychological Constraints							
Lack of appreciation of use of internet in the family	18(36.00)	-	11(22.00)	-	4(8.00)	2(33.3)	35(16.99)
Lack of interest of members	19(38.00)	-	13(26.00)	-	6(12.00)	2(33.3)	40(19.42)
Enjoy visiting markets	20(40.00)	5(20.00)	15(30.00)	-	35(70.00)	6(100)	81(39.32)

*Multiple response, ** Figure in parenthesis denote percentage, ***U= Urban, R= Rural

Data in Table 5 shows the hindrances/constraints faced by respondents during online purchasing. Lack of touch and feel of product was the major physical constraint as reported by overwhelming majority of respondents (87.40%) followed by product genuineness (56.80%). Regarding economic constraint as indicated by them it was financial theft (46.11) besides availability of internet at high price (18.90%). Low speed of internet (68.44%), frequent server breakdown (61.16%) and links sometimes not working (63.60%) were prime technical constraints faced by respondents. Important operational constraints as indicated by them includes delivery time (35.43%) and psychological constraints cited was enjoy visiting markets for purchases (39.32%). Analysis of data future reveals that for rural respondents belonging to different categories viz; students, professionals and housewives, lack of touch and feel and product geniuses were the major physical constraints (100%), fear of financial theft was prime economic constraint as perceived by them. Cent percent of them faced technical constraints like server breakdown, low speed of internet and links not working at times. Among operational constraints, delivery time was the only constraints. Rural professionals do not cite any major psychological constraints.

Table 6: Measures Adopted by Respondents to Prevent Online Frauds

n=206

Aspects	Frequency					
	Students n=75		**Professionals n=75**		**Housewives n=56**	
	U(50)	R(25)	U(50)	R(25)	U(50)	R(6)
Avoid shopping at cyber cafes	VI	X	X	X	V	VII
Check authenticity of e-commerce websites	III	VII	I	IX	II	V
Use only trusted sites, start with https:	VII	III	II	I	IX	VIII
Read complete terms and conditions	II	I	VI	II	III	I
Compare the prices offered by sites with retail/manufacture stores	IV	IV	V	V	VI	II
Open the box immediately on receiving to check for shortage breakage etc.	VIII	V	IX	VII	IV	VI
Go through reviews/ feedback of other users	V	VI	VIII	IV	VII	III
Cash on delivery	I	II	IV	III	I	IV
Use net banking, check, PayPal instead of using card	IX	VIII	VII	VI	VIII	X
Using strong passwords, without personal information	X	IX	III	VIII	X	IX

*U= Urban, R= Rural

Data in Table 6 indicate the various measures adopted by respondents to safeguard themselves against fraudulent

practices. Students reported adopting a method of cash on delivery (rank I) followed by reading complete terms and conditions (rank II) and checking authenticity of websites before making purchases (rank III). Professionals indicated checking authenticity of websites, using only trusted sites starting with https: and employing strong passwords (rank I, II, III respectively). Housewives reported methods employed as cash on delivery (rank I), checking authenticity of websites (rank II) and reading complete terms and conditions prior to purchase (rank III).

CONCLUSIONS AND SUGGESTIONS

Summarizing, Best offers, saving of time and energy and provision of return besides delivery time and mode of payment were the main factors considered for making online purchases. Shoes, books and clothes were the items purchased online by urban respondents, while mobile phones, clothes and shoes were preferred by respondents from rural background. Examination fee, railway booking, mobile recharge and hotel booking were the main services accessed by respondents through internet. Lack of touch and feel of product was the major physical constraint as reported by overwhelming majority of respondents (87.40%). Checking authenticity of websites (rank I), paying cash on delivery (rank II) and reading complete terms and conditions (rank III) were important measures adopted by respondents to prevent online frauds. Consumers are advised to use only trusted websites for online shopping and study the complete terms and conditions including delivery commitments, refund policies and process for warranty replacements, after- sales service facilities, defective goods and any other instructions that need to be followed at the time of acceptance of delivery. Go through the reviews/ feedback of other users. Website addresses that start with 'https:'are safe sites.To safeguard the confidentiality of personal information, business firms should authenticate business transactions, control access to resources such as webpages for registered or selected users, encrypt communications and implement security technologies such as the Secure Sockets Layer (SSL). As the rural population is a significant population, marketers need to understand what barriers exist restricting rural consumers and what alternatives are available. Cash on delivery option should be made possible for all areas of rural India.The government should ensure round the clock availability of electricity and uniform Broadband access speeds. Through the Digital India campaign, steps must be taken to promote e-literacy in rural India.

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