CHAPTER – VI

SUMMARY OF FINDINGS AND SUGGESTIONS

6.1. SUMMARY

Electronic Commerce (EC) is where business transactions take place via telecommunications networks, especially the Internet. Electronic commerce describes the buying and selling of products, services, and information via computer networks including the Internet. Electronic commerce is about doing business electronically. E-commerce, ecommerce, or electronic commerce is defined as the conduct of a financial transaction by electronic means.

E-commerce can enhance economic growth, increase business opportunities, competitiveness, better and profitable access to markets. Cost effective, time saving is the main strengths and fraud, security is listed as the main weakness of e-commerce.

The major challenges are technology component, internet infrastructure and payment related issues. The answer to the challenges posed by the Indian market essentially lies in cyber retail networks (networks of retail outlets on the net) connected through the very small aperture terminals (VSATs).

The consumers are looking for more convenience (time and money saving), cheaper prices and wider selection when they shop online, making them as the dominant factors that motivates online consumers to shop online. Consumers who value the convenience, prices and wider selection of Internet shopping tend to purchase more online and more often.

An analysis of the demographic profile of internet users further testifies that eCommerce will rise rapidly in India in coming years. Around 75% of Indian internet users are in the age group of 15 to 34 years. This category shops more than the remaining population. Peer pressure, rising aspirations with career growth, fashion and trends encourage this segment to shop more than any other category and India, therefore, clearly enjoys a demographic dividend that favours the growth of eCommerce. In coming years, as internet presence increases in rural areas, rural India will yield more eCommerce business.

Types of E-business
The emergence of e-commerce and its related technologies had led to the creation of many different robust applications that are typically grouped into several categories of e-commerce. Business to Consumer (B2C) are applications that provide an interface from businesses directly to their consumers. The most common example of a B2C application is a retail web site featuring the business's products or services that can be directly purchased by the consumer. The importance of B2C varies dramatically from company to company. For some companies, reaching consumers has been the critical aspect of their business. For some companies that run a chain of retail stores, B2C should be one of the most important pieces of their Internet strategy. Even some companies that already have third parties to distribute, market, and sell their products are not much concerned about B2C. Many companies that never have sold directly to consumers, having realized it is clearly much more cost efficient to open a B2C site than to open a physical store, have begun to lean towards B2C. In this case, it becomes necessary for them to address a whole lot of small and big issues. But still B2C applications remains on top of the applications of the Internet as this is directed related to the masses. Business to Business (B2B) - Forging new relationships between businesses is becoming critical for businesses to survive and blossom in this increasingly fast paced world. B2B applications provide new opportunities for businesses to leverage emerging technologies to build their businesses. Examples of B2B applications include facilitating transactions for goods/services between companies, selling goods/services on the Internet to businesses, and supply chain integration. Another example is online procurement of goods from one company to another. Legacy integration is a huge issue in B2B applications. If existing applications such as EDI or EFT are extended to help the B2B process, then the existing legacy applications can be a big help in moving forward. On the other hand, if two companies want to trade data, but have dramatically different legacy systems, legacy integration can be a challenge to overcome. There are other issues such as security, speed, and flexibility, in B2B applications. Business to Business to Consumer (B2B2C) is one of the emerging models of e-commerce. B2B2C is basically defined as using B2B to help support and rejuvenate companies attempting B2C. This is due to the fact that B2B has been an overwhelming financial success and B2C has not performed upto the expectations. This model is poised to do well as it capitalizes the success of B2B and the potential demand of B2C. B2B provides a way for B2C companies to reduce costs and improve their B2C services. An example of B2B2C is developing products to help B2C companies increase profit by integrating inventory from the manufacturer to the
distributor. An application that links one online catalog to another would be considered a B2B2C application as it capitalizes on both B2B and B2C. Consumer to Consumer (C2C) - C2C is an interesting relatively new piece of the e-commerce world. C2C applications involve consumers conducting commerce directly with other consumers. This obviously means that the company facilitating the transaction must find some non-traditional revenue stream. This could be a small cut of the transaction, a service fee, advertising, or some combination of these. E-bay is an excellent example of a C2C application that is extremely popular with consumers. Customer to Business to Consumer (C2B2C) involves consumers conducting transactions with other consumers using a business as an intermediary. www.autotrader.com is the best example for this sort of application. This site facilitates the transactions of selling used cars between consumers, but also contains an inventory of used cars to sell to the consumer. Apart from above categorized e-commerce applications, there are several specific models of businesses operating on the Web. Here comes a brief of each model. Auction Model - The Web offers many different kinds of auction sites. Auction sites act as forums through which Internet users can log-on and assume the role of either bidder or seller. As a seller, one can post an item to sell, the minimum price he requires to sell his item and a deadline to close the auction. As a bidder, one can search the site for availability of the item he is seeking, view the current bidding activity and place a bid. Also there are sites designed to search existing auction sites in order to pinpoint the lowest prices on an available item. Although auction sites usually require a commission on sales, these sites are only a forum for online buying and selling. They get the commission from both parties once the deal is over. Portal Model - Portal sites give visitors the chance to find almost everything they are looking for in one place. They often offer news, sports, and weather, as well as the ability to search the Web. Portals are subdivided into two kinds: horizontal portals and vertical portals. Horizontal portals aggregate information on a broad range of topics. Vertical portals are more specific, offering a great deal of information pertaining to a single area of interest. Online shopping is a popular addition to the major portals. Portals linking consumers to online merchants, online shopping malls and auction sites provide several advantages. Dynamic Pricing Models - The Web has changed the way business is done and the way products are priced. There are companies which enable customers to name their prices for travel, homes, automobiles and consumer goods. Buying in bulk has always driven prices down and there are now Web sites that allow one to lower the price by joining with other buyers to purchase products in large quantities.
to get price reduction. There are number of varieties of models here. They are Name-Your-Price Model, Comparison pricing model, Demand-sensitive pricing model, and Bartering model. E-business allows companies to follow a variety of ways to keep prices down on the Internet, such as rebates and offering free products and services. Online Trading and Lending Models - Another fast-growing area of e-commerce is online securities trading. Many brokerage houses have established a presence on the Web. Trading sites allow one to research securities, buy, and sell and manage all of his investments from his desktop. Online trading often costs less than conventional brokerage. The Web offers a quite number of exciting services including getting a loan online, recruitment through the Web, online News services, online travel services, online entertainment, online automotive sites, energy online, selling brain-power, online art dealers, e-learning and e-banking.

**Benefits of E-commerce**

There are many benefits of bringing one's business to the Web. An e-business can offer personalized service, high-quality customer service and improved supply chain management. E-commerce in a way is equivalent to automation and innovation of commercial activities. It is absolutely clear that automation brings a number of distinct advantages including lesser investment. Automation frees valuable labor from menial tasks and also encourages the people concerned to pursue new and ideally beneficial initiatives, which would not have happened previously. We discuss the benefits of each model explained above. B2C applications are beneficial to existing retail stores and companies as this innovative application allows them to increase their customer base and hence their revenue. E-commerce helps them to reach entire demographics that they might not be able to reach in a physical or "bricks and mortar" store. B2C is highly beneficial for consumers as it gives them access to a world of stores instead of the stores in their neighborhood. It brings a competitive trend giving consumers access to a wide variety of choices and lower prices. Some B2C web sites allow consumers to name their own prices for a variety of goods and services. Thus e-commerce brings forth such kinds of beneficial, consumers-oriented innovations. B2C allows companies to extend their existing services to consumers as well. Consumers are able to order a special item to be delivered to a nearby store for pickup is a handy service that increases customer loyalty and this is possible only due to the advent of B2C. B2C applications open up a new world for companies that are not
well known to outside world before. B2B is extremely beneficial to businesses because of its potential to drastically reduce the cost. By making communication easier and faster, using new technologies and standards, the quicker the inventory can move, the more efficient the process. Further on, B2B applications help automate communication between companies. This, apart from streamlining the process, helps reduce the potential for errors and helps provide better goods and services. B2B2C applications help B2C companies to raise profits. By leveraging the benefits of B2B to streamline and improve business, B2C companies have the ability to make more money by growing revenue and cutting unnecessary costs. Also a company which is successful in one area of e-commerce can capitalize on this success and knowledge gathered to other areas of their e-commerce plan. C2C and C2B2C applications allow consumers to interact themselves. This helps businesses to have a fairly easy revenue stream and consumers have access to an entirely new way to purchase and sell goods and services. The e-commerce industry is comprised of a variety of products and services including: hardware components (routers, firewalls, digital switches, servers, and workstations); and a variety of software products. The software technologies are being constantly upgraded to meet numerous fast-growing e-commerce challenges. As an e-commerce application is basically a web-based application, it has to be a three-tiered application. The first tier is user interface layer, which is mainly handled by client-side technologies for creating interactive, flashy Web pages and form data validation, such as HTML, JavaScript, DHTML etc. For the second-tier, there are Web containers and scripting engines. The corresponding server-side technologies are both scripting languages and programming languages. They are Microsoft's Active Server Pages, which can accommodate Visual Basic and Perl scripts. Also both Java servlets and Java Server Pages (JSP) from Sun Microsystems Ltd. are becoming popular for server-side programming. The third-tier is data layer, which comprises database management systems (DBMS) and data sources. There are a number of DBMSs available in the market. They are Oracle, Microsoft SQL Server, IBM DB2, Sybase etc. There are Web servers, such as Apache, Microsoft IIS etc. and Web containers for deploying Java servlets and JSP components. There are specific e-commerce solutions and tools being developed and marketed. One such innovative product is called application server. There are two types of application servers: the first type is not based on Java 2 Enterprise Edition (J2EE) specification and other one is J2EE-compliant. There are many companies developing Java-based application servers such as IBM's WebSphere, Borland's Inprise Application Server,
BEA WebLogic etc. Thus technologies and tools are being constantly brought out to facilitate companies and consumers to embrace the exciting and thrilling world of e-commerce and e-business. Finally the network elements (wireless, cable, and satellite networks, and Web-based telephony); and other transmission network services (the Internet and virtual private VANs) are necessary components.

**Challenges**

While the growth in this sector excites entrepreneurs and financial investors alike, some serious challenges are beginning to weigh down on the sector. eCommerce players in India need to address eight key aspects of their business, both internal and external.

*External challenges*

External forces impact how eCommerce companies plan their growth strategy and provide seamless customer experience onsite and posttransaction. • Product and market strategy: eCommerce companies have to address issues pertaining to rapidly evolving customer segments and product portfolios; access information on market intelligence on growth, size and share; manage multiple customer engagement platforms; focus on expansion into new geographies, brands and products; and simultaneously tackle a hypercompetitive pricing environment. • Customer and digital experience: Companies have to provide a rich, fresh and simple customer experience, not geared towards discovery; manage inconsistent brand experience across platforms; manage proliferation of technologies; and handle time-to-market pressure for new applications. In the recent past, social media has become more influential than paid marketing.

• Payments and transactions: eCommerce companies may face issues around security and privacy breach and controlling fictitious transactions. Further, RBI restrictions for prepaid instruments or eWallets act as impediments. From a transactions perspective, cross-border tax and regulatory issues, and backend service tax and withholding tax can have serious implications. • Fulfilment: Companies will need to check if the physical infrastructure gets affected by the internet speed. Also, the lack of an integrated end-to-end logistics platform and innovation-focused fulfilment option could cause delivery issues. Challenges around reverse logistics management and third party logistics interactions could also act as barriers to growth.
**Internal challenges**

Internal forces impact how eCommerce companies can organise to drive and sustain growth.

- **Organisation scaling:** eCommerce companies will have to make sure organisation design keeps pace with the rapidly evolving business strategy, along with fluid governance, strong leadership and management development. From a growth perspective, identifying acquisition opportunities, fund raising and IPO readiness becomes necessary. From a technology perspective, it is important to transform IT as an innovation hub and address the lack of synergy between business, technology and operations functions of the enterprise.

- **Tax and regulatory structuring:** Companies will need to address issues around sub-optimal warehouse tax planning; imbalance between FDI norms vis-à-vis adequate entity controls; inefficient holding, IPR or entity structures; and international tax inefficiencies. Future challenges include the new Companies Act, policy on related-party transaction pricing, and the uncertainty around GST roadmap.

- **Risk, fraud and cyber security:** From a risk perspective, eCommerce companies could face issues around brand risk, insider threats and website uptime. Issues around employee-vendor nexus, bribery and corruption make companies vulnerable to fines. Cyber security also raises some concerns around website exploitation by external entities.

- **Compliance framework:** eCommerce companies have to comply with several laws, many of which are still evolving. Potential issues around cyber law compliance, inefficient anti-corruption framework, legal exposure in agreements or arrangements, indirect and direct tax compliance framework and FEMA contraventions and regularisation could pose problems. Also, uncertainty around VAT implications in different states due to peculiar business models could cause issues.

**STATEMENT OF THE PROBLEM**

The major problem with the e-commerce is lack of privacy and security in transaction. To be secure, has to follow some guidelines. Online Shopping is good as it provides good user experience, huge variety of products, saves time. Moreover this is good for the people having no time to shop for themselves. From the extensive survey of available literature it has been identified that not many research works have touched upon the “E-COMMERCE” especially in India. Moreover it has been observed most of the studies have concentrated on specific domain like internet banking etc. not in overall business to consumer e-commerce, Hence an attempt has been made to conduct research on **CONSUMER PERCEPTION AND SATISFACTION**
WITH SERVICE QUALITY OF ONLINE STORES (E-COMMERCE) IN ANDHRA PRADESH.

OBJECTIVES OF THE STUDY

The following are the objectives of the study:

- To understand the evolution and development of e-commerce industry in India.
- To examine the impact of demographic factors on consumers to choose e-commerce.
- To analyze the consumers’ attitude, perception and satisfaction levels towards e-commerce.
- To identify the various factors and fit a model by using Structural equation modelling that influences the consumers to prefer e-commerce portals.
- To measure the service quality of the e-commerce portals by using E-S-Qual model.
- To suggest the suitable measures for the various e-commerce portals for better service to the consumers.

SCOPE OF THE STUDY

The present study focuses on “CONSUMER PERCEPTION AND SATISFACTION WITH SERVICE QUALITY OF ONLINE STORES (E-COMMERCE) IN ANDHRA PRADESH”. Further the study is concentrated on the online shoppers of three major cities of Andhra Pradesh i.e. Rajahmundry, Vijayawada and Tirupati. After separation of the state Vijayawada, Rajahmundry and Tirupati have assumed great importance in view of the population, education and business. The logic behind choosing three small cities in Andhra Pradesh is to assess the spread of e-commerce in small towns of Andhra Pradesh. E-commerce is confined to major cities of India. The researcher interested in knowing the perception of people living in small towns of Andhra Pradesh towards online stores and to give suitable suggestions for the wide spread of e-commerce in small towns of Andhra Pradesh. The study is to assess the impact and role played by online shopping in present scenario. Nowadays everyone wants to
save his time. Instead of going to shop or malls for purchasing, customers prefer online shopping. In this the researcher had concentrated on evolution and development of e-commerce in India, shopper’s attitude and perception towards e-commerce, satisfaction factor towards online shopping and different factors that influence the shoppers to opt online shopping.

**METHODOLOGY**

The data and information have been collected from primary and secondary sources. The primary data has been collected through the structured questionnaire given to the shoppers and secondary data have been collected from various sources like e-commerce company websites, government reports, various books and journals on e-commerce.

**SAMPLE SIZE**

<table>
<thead>
<tr>
<th>Name of the city</th>
<th>No. of frequent buyers through online</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rajahmundry</td>
<td>6366</td>
<td>318</td>
</tr>
<tr>
<td>Vijayawada</td>
<td>9329</td>
<td>466</td>
</tr>
<tr>
<td>Tirupathi</td>
<td>8327</td>
<td>416</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>1200</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Source: compiled from websites*

Frequently buying people are taken as respondents. Convenient sampling method has been adopted for data collection.

**DATA ANALYSIS**

The primary and secondary data collected from different sources have been tabulated and interpreted meaningfully. The data has been analyzed and various inferences and conclusions have been drawn from the data. The information has been represented in graphical method also.

**STATISTICAL TOOLS USED**

The data is analyzed by using statistical tools like Weighted Average Method, Frequency Method. Exploratory factor analysis is used to extract factors that impact the purchase decision of shoppers, multiple regressions is used to test conceptual models, Structural equation modelling is used to fit a model, chi-square and paired t-test is used to test the hypothesis. All the
tools are calculated with the help of Statistical Packages i.e. SPSS 22.0 for windows, Microsoft Excel-2013 and IBM AMOS-22.

6.2. FINDINGS:

*The following are the findings of the study:*

3.1. It can be observed from the table that a majority (39.33 percent) of the respondents are below 30 years of age.

3.2. It can be seen from the table that an overwhelming majority 85.8 percent respondents are male.

3.3. It can be observed from the table that an overwhelming majority 56 percent of the respondents are graduates.

3.4. It can be observed from the table that majorities (52 percent) of the respondents are Employees.

3.5. It can be observed from the table that majority (47 percent) of the respondents have an income level between 500001 to 700000.

3.6. It can be observed from the table that majority (48 percent) of the respondents are married.

3.7. It can be observed from the table that majority (79 percent) of the respondents is having a family size is between 3 to 5.

3.8. It can be observed from the table that majority (65 percent) of the respondents are purchasing online between 3-6 times per year.
3.9. It can be observed from the table that majority of the respondents (47.33 per cent) made payment through credit card.

3.10. It can be observed from the table that majority of the respondents (46 percent) are using smart phones for their online shopping.

3.11. It is observed from the table that a majority of the respondents (38 percent) expressed that the prices of online stores is average that means neither high nor low.

3.12. It is observed from the table that a majority of the respondents (38 percent) expressed that the post sale service of online stores is poor.

3.13. It is observed from the table that a majority of the respondents (35.5 percent) expressed that the packing of products of online stores is poor.

3.14. It is observed from the table that a majority of the respondents (33.08 percent) expressed that the mode of payment of online stores is poor.

3.15. It is observed from the table that a majority of the respondents (36.5 percent) expressed that the replacement of the damaged product of online stores is poor.

3.16. It is observed from the table that a majority of the respondents (34.33 percent) expressed that overall perception towards online stores is good.

3.17. It is observed from the table that majorities (60 percent) of the respondents are satisfied with their online shopping experience.

4.1. It is observed from the table that an overwhelming majority of the respondents (65 percent) expressed that lower price is the factor which is influencing them to go for online purchase.

4.2. It is observed from the table that an overwhelming majority of the respondents (76 percent) expressed that availability of wide range products is the influencing factor to go for online purchase.

4.3. It is observed from the table that an overwhelming majority of the respondents (88 percent) expressed that discount is the influenced factor to make the online purchase.
5.1. The gap score of efficiency dimension, where it was measured in a five point Likert scale of both the excepted and perceived services from the E-commerce site; the gap score was calculated by finding the difference from perceived services to excepted services, the eight measures under the efficiency dimensions is showing the negative score, that explains the E-commerce companies are not completely meeting the expectations of consumers where the service gap is existed with an average perceived score of 2.4820 out of five.

5.2. The gap score of system availability dimension, where it was measured in a five point Likert scale of both the excepted and perceived services from the E-commerce site; the gap score was calculated by finding the difference from perceived services to excepted services, the four measures under the efficiency dimensions is showing the negative score, that explains the E-commerce companies are not completely meeting the expectations of consumers where the service gap is existed with an average perceived score of 2.4894 out of five.

5.3. The gap score of fulfillment dimension, where it was measured in a five point Likert scale of both the excepted and perceived services from the E-commerce site; the gap score was calculated by finding the difference from perceived services to excepted services, the seven measures under the efficiency dimensions is showing the negative score, that explains the E-commerce companies are not completely meeting the expectations of consumers where the service gap is existed with an average perceived score of 2.5048 out of five.

5.4. The gap score of privacy dimension, where it was measured in a five point Likert scale of both the excepted and perceived services from the E-commerce site; the gap score was calculated by finding the difference from perceived services to excepted services, the three measures under the efficiency dimensions is showing the negative score, that explains the E-commerce companies are not completely meeting the expectations of consumers where the service gap is existed with an average perceived score of 2.5097 out of five.

5.5. The gap score of responsiveness dimension, where it was measured in a five point Likert scale of both the excepted and perceived services from the E-commerce site; the gap score
was calculated by finding the difference from perceived services to excepted services, the five measures under the efficiency dimensions is showing the negative score, that explains the E-commerce companies are not completely meeting the expectations of consumers where the service gap is existed with an average perceived score of 2.4860 out of five.

5.6. The gap score of compensation dimension, where it was measured in a five point Likert scale of both the excepted and perceived services from the E-commerce site; the gap score was calculated by finding the difference from perceived services to excepted services, the three measures under the efficiency dimensions is showing the negative score, that explains the E-commerce companies are not completely meeting the expectations of consumers where the service gap is existed with an average perceived score of 2.4411 out of five.

5.7. The gap score of contact dimension, where it was measured in a five point Likert scale of both the excepted and perceived services from the E-commerce site; the gap score was calculated by finding the difference from perceived services to excepted services, the three measures under the efficiency dimensions is showing the negative score, that explains the E-commerce companies are not completely meeting the expectations of consumers where the service gap is existed with an average perceived score of 2.5521 out of five.

6.3. SUGGESTIONS:

The following are the suggestions offered for the effective functioning of E-commerce.

1. It is suggested that age has been found to have influence on online purchase. Internet usage has not diffused uniformly among all age groups, hence the difference in attitude towards online purchase.

2. It is suggested that the online buyers should have reliable and dependable after sale service. The facility of after sale service will go a long way in increasing the volumes of business of online stores. The severest limitation of online stores is lack of post sales service facilities. Further, it is suggested that online stores should start their after sales service in all metropolitan and cosmopolitan cities to provide after sale service.

3. Packaging is the backbone of E-commerce. The survival and growth of e-commerce depends on packaging. Poor packaging leads to the poor consumer satisfaction which will
ultimately lead to undermining of e-commerce. It is suggested that the online buyers should have a safe and secure packing of their products. The contents should be delivered without impairing the flavor, substance, esthetics, originality of the product. Customers may not be willing to accept a product which is damaged because of faulty packing. Hence it is suggested that the online stores should design and customize packaging depending on the nature of the product

4. Mode of payment plays a crucial role in the success of a e-commerce company. The buyer should have a choice to see the product at his home through door delivery and then make cash payment. To win the confidence and credibility of online buyers payment on delivery facility should be extended to the buyers. Hence it is suggested that online stores should provide on delivery of payment option to the buyers.

5. Replacement of damaged product is a good business practice for online stores. It acts as an incentive and motivation for online buyers. It is suggested that online stores should take back the damaged products and deliver the new products to the online buyers. This will increase the consumer satisfaction and good will of the company.

6. It is suggested that online business requires 100% satisfaction of consumers for its survival and growth. Even if a small percentage of the online buyers are not satisfied through social media they can ventilate their dissatisfaction which will have far reaching impact on e-commerce. The consumers may be dissatisfied because of the packing, damage to the product etc. even if 1 percent dissatisfaction of consumers is likely to mar the fortunes of e-commerce. Hence it is suggested that the e-commerce companies should strive for 100% consumers’ satisfaction.

7. It is suggested that the prices of the products sold through online should also be low and within the reach of the buyers as the lower price is the influencing factor.

8. It is suggested that the wide range of products must be made available to the consumers for online purchases as it is the key influencing factor for the consumer.

9. It is suggested that the online stores have to give discounts to woo the online buyers as discount is the key influencing factor for the consumer.

10. It is suggested that the online stores should see that their websites do not crash and freeze at the time of purchase by the consumers. The access to site must be simple and hassle free and
the time taken for transaction should not be too long. It is further suggested that the
advertisements should not be allowed to deflect the attention of the consumers at the time of
purchasing the products through advertisements. They should block the advertisements to
facilitate the smooth transaction.

11. It is suggested that the online retail stores have to stick to their delivery time frames and
availability of required products at the time of purchase. The online stores have to be
truthful about their advertisements on product information and quality.

12. It is further suggested that the online stores should safeguard and protect the credit and debit
card information by maintaining confidentiality and security of the consumers. The online
purchase has to be hack proof.

13. It is suggested that the online stores have to respondent quickly to the complaints given by
the consumers regarding the damage of the products in transit by replacement and taking
back the product. The customer should not be put to inconvenience and should not be
penalized for the damage of the product in transport.

14. It is suggested that after delivery of the product to the consumer, if consumer wants to seek
clarification or information regarding the product, the online stores have to be prompt to
attend to the complaints and calls of the customers through toll free number without causing
much irritation and inconvenience by keeping him on the line indefinitely.

15. It is found that majority of the online buyers are youths. As such the e-commerce
companies have to appeal to the youth segment by various schemes and discounts
periodically.

16. It is found that majority of the respondents are using smart phones and laptops hence e-
commerce companies should have a tie up with smart phone companies to increase the
volume of business.
17. It is suggested that online retailers need to provide more connivance and competitive price and more variety products in order to attract online shoppers to their websites and encourage them to make a purchase decision.

18. It is suggested that the companies should give personal information privacy to the consumers who are involved in online buying of products and services.

19. It is suggested that Government should play key role in regulating the e-commerce especially fly by night companies which will be cheat the online customers.

20. It is suggested that online transactions should be safe and proper security to be assured to the people making online purchases.

21. It is suggested that there should be no tax on anything sold on the internet in digital form to boost the nascent e-commerce.

22. Hence it is suggested that stringent cyber laws to be in place to regulate and to check frauds through e-commerce.

23. It is suggested that e-commerce companies should ensure privacy, security for all the personal information of shoppers of online.

24. It is suggested that e-commerce companies should protect the online buyers from hackers.

25. It is suggested that e-commerce companies should ensure that their portal does not crash and hang while shoppers are buying through online.

26. Internet is a backbone of e-commerce. Internet penetration in India is very low. It is suggested that online stores should strive for internet connectivity and accessibility throughout the length and breadth of India.

27. It is suggested that e-commerce companies should transact with all the online buyers in National and Regional languages also. So to reach out to the large number of semiliterate people across India.

28. India has poor roads and highways make logistics difficult which is a hindrance for the growth of e-commerce in India. Hence it is suggested that the Government should
undertake development of roads and express ways enabling smooth shipment of products to the nook and corner of India.

6.4. CONCLUSION:

Consumer perception towards online shopping is better in India. Maximum numbers of respondents feel that online shopping is having easy buying procedures; others think that they can have wide variety of products, Lower price of the products, various modes of payments etc. Most of the respondents think that Availability of online information about Product & Services is excellent. Internet is providing companies new channels of communication and interaction. It can create closer yet more cost effective relationships with customers in sales, marketing and customer support. Companies can use web to provide ongoing information, service and support. It also creates positive interaction with customers that can serve as the foundation for long term relationships and encourage repeat purchases. The internet is fast emerging as a domain sales channel. The Internet is expanding & it influences consumer which shifts the consumer behavior. It has changed the way product awareness is created, developed new modes of product consideration. It also creates new means of purchasing products. This has brought new opportunities, challenges and threats (in the form of competition) to both existing and new business. With internet penetration improving in the country, smart phones becoming affordable and lifestyles becoming hectic, the way people used to shop are changing. Also with a huge chunk of young and working population, Indian demographics are a delight for e-commerce retailers. A good shopping experience and value for money becomes the initial motivation for choosing shopping destination. With the advancement in internet technology, the connectivity of customer to internet becomes very easy. With lot of pros with comparison to in store shopping, customer started purchasing online. Price and offer’s become the first most important factors to attract customer to shop online. The customer also seeks convenience in shopping, which he gets as in terms of shopping sitting at home, saving time, wide variety, prompt delivery, cash on delivery, money back guarantees, well established customer service centers. Online shopping influences shopping patterns and is expected to influence even more in the future with improvements in technology. Online shopping has made shoppers more knowledgeable than ever before. Consumers are becoming more efficient by shopping online and more effective because of ease of information accessibility online. Many shoppers go online for research purpose rather than purchase purpose. Prices and features of products can easily be compared to make an
informed purchase decision. Information on products can be obtained from anywhere at any time. The purchase is then made online or from a more tradition store. Especially for more expensive purchases, shoppers tend to take advantage of the availability of information online, replacing traditional methods of going from store to store in order to compare prices and look for the best buy. E-commerce is bound to improve the quality of life of individuals all over the world. Consumers are increasingly shifting from the crowded stores to the one-click online shopping format. A key e-commerce driver has been the evolution of online purchasing behavior in the tier 2 and tier 3 cities due to access to products and services which were otherwise not available to these consumers. The share of traffic from tier 2 and tier 3 cities is rapidly growing for major players. However limited country personal computer and broadband penetration has necessitated the use of mobile phone as the primary means of internet access for many consumers beyond the major cities of India. The young demographic supported by raising income levels, internet penetration and smart phone sales are the drivers for the growth of e-commerce in small towns of Andhra Pradesh. Convenience and greater access to wide range of products offers, price discounts, cash on delivery model of payment and money back guarantee are the e-commerce adoption triggers.