Chapter elaborates recommendations to e-retailers based on findings of the survey and scope for future research.

9.1 Recommendations to e-retailers based on findings of the survey

9.1.1 Enhance customer delight

Since number of electronic retailers offer similar products on similar platform therefore offering excellent customer delight and service is vital. Traditionally retailing has been classified as a service industry; however online retailers have recently started focusing on service quality. Many activities play major roles in creating customer satisfaction. First of all, customers normally expect online price to be lower than physical store price. Hence, e-retailers are suggested to offer better quality products at lowest cost. Here cost to customer means the real cost that customer pays, including taxes and shipping charges (Dennis et al. 2005). Another key area where an e-retailers can score high over brick retailer is that latter can offer wide and deep range of products for sale. Thirdly, online retailers should make available richer information (more extensive and higher quality) which describes products in terms of customer value and benefit, because online customer very unlikely ask for help, instead they abandon the transaction and search for alternative supplier or buy though different channel. To provide high quality information and service, online retailers should set up service oriented concept for pre and post sales stages. E-retailers should focus on search engines, review websites and company websites as online shoppers rely on these sources to search for product related information. For instance, search engine optimization (SEO) can be done, customers can be rewarded to write positive reviews about their positive experience or e-retailers can collaborate with product manufacturer to put “buy it here” link on company’s website. Fourth, hedonic elements incorporating charm, excitement, creativity and joy should be cultivated in the website, so that customers visiting the webpage get psychological satisfaction. For e.g. Nike and Nintendo offer games and challenges at
their website that can potentially induce flow (Ganesh et al. 2010). Websites can use high-resolution graphics, 3D images, video and audio streaming to attract and engage visitors. But access to high speed broadband and bandwidth is still a major technological impediment. However, websites can tackle this problem by providing “low and high broadband” options for low or high memory requirement versions. These issues become vital during shopping holiday season when consumers face problems like slow loading pages and images and failed pages. Such problems can lead to consumer leaving the website and seeking out another vendor. Fifth, internet retailer should focus on personalized or individualized attention. This can be achieved through Customer Relationship Management (CRM) techniques. Retailers can profile their customers through data mining to build a picture of products desired by customers in future (e.g. Amazon). Further products can be tailored as per specific requirements of the customers (e.g. Dell) (Dennis et al. 2005). Sixth, good service means reasonably fast customer support, which can be achieved through availability of telephone support (click through telephone support or pop up window to reach the online sales consultant). Seventh, discounts and free gifts positively influence patronage intention. Online consumers seek value shopping like sale, discounts, price promotions, free shipping etc. Initially firms can use financial incentives to retain and attract the customers; at second level financial benefits can be combined with social benefits to stay in touch with clients, understanding their needs and customizing the relationship. Consumer show inclination towards internet use and feel that they have greater economic control, if they get monetary incentives (Close and Kinney 2010).

9.1.2 Defend privacy and increase trust

An online retailer accumulates image and branding through the measure it undertakes to defend privacy and win trust of its customers. Customers feel worried about their privacy therefore online retailers can encourage consumers to reveal their information under “reasonable privacy expectation” in lieu of long-term benefits or monetary rewards (Kervenoael et al. 2007). Consumer willingly share their sensitive information with a reputed company, so online retailers should focus on building their brand image (Xie et al. 2006). Similarly, consumers become ready to disclose their personal information if it makes transaction time-saving and convenient. Using invisible web tracking mechanisms may damage consumer confidence. Online retailers can share explicit privacy policies and statements to reduce consumer fear
regarding privacy (Vijayasarathy 2004). Similarly recommendation from a friend can reduce concern regarding privacy; therefore online retailers can encourage recommendations by offering rewards and facilitate the process by putting “tell friends” link on the website (Garbarino and Strahilevitz 2004). Customers can be educated about the fact that online shopping is far more secure through encryption and other latest technologies than theft of information in traditional phone or mail-order settings. Second stumbling block is customer perception of lack of transactional security, which clashes with preservation of privacy. Authentication requires disclosure of information, but consumers often want some level of privacy (Mik 2012). Regarding privacy and security issues internet vendors should give clean and understandable statements (even if it’s about user’s identity tracking with the help "cookies"). Perceived fears of security risk reduce with more familiarity and use of internet and online retailers can use it to their advantage (Miyazaki and Fernandez 2001). New concepts in online payment system such as e-cheques and electronic cash (e-cash) can be introduced which are more convenient and secure (Sumanjeet 2009). Third major concern is about conflicts and complaints resolution. Perceived justice is based on customer evaluation of service recovery actions taken by online retailer. Online retailers can offer three kind of justice i.e. distributive justice (giving monetary compensation like discount, coupons, refund, free giveaways or alternative goods as compensation), procedural justice (freedom of expression of customers, recovery efficiency of the offending company, dominance over the outcome, easiness of making complaints, flexibility, instantaneity, transparency of the recovery process, and appropriateness of the recovery action or policy) and Interactional justice (reliability, clear explanation of the problem, sincerity, apologetic attitude, communication, politeness, respect, detailed attention to problems, willingness to hear complaints, and resolving the problem) (Kuo and Wu 2012). Fourth, delivery charges should be kept low and reasonable, because additional costs such as freight charges or customs etc. can influence the online consumer’s decision to complete the transaction even when the price is low. Fifth issue is one of the unique needs of Internet retailers and customers i.e. timely delivery. To attract time deficient customers, internet retailers with state of the art logistics and distribution systems can offer next-day or same-day delivery in major markets, but vendors should not commit next-day or same-day delivery unless they are sure to provide it. Moreover, online retailers can also provide automatic monitoring of the orders, so that customers can track the
location of their order in the delivery process. Sixth, online retailers can use certain trust building strategies like providing assuring information provided by third parties (e.g. VeriSign, BBonline, TRUSTe) or customer feedbacks (e.g. endorsements, reviews, feedbacks), providing assuring information of online store’s policies and practices, trust transfer (links from reputed sites or referrals) and providing cues for examination (physical address, toll free number, e-mails, photos etc) (Faldu 2013).

9.1.3 Reduce purchase risk

Selling defective products or inaccurate information disclosure is prevalent in both online and offline world, but due to intangible nature of shopping over internet purchase risk become great point of concern for online buyers. Shoppers avoid online vendors whom they do not trust, therefore retailers should avoiding opportunistic behavior and refrain from sale of fake or defective products, fake photos, misleading and inaccurate descriptions or sending something of lesser value than advertised (Geist 2001; Gefen et al. 2003). In certain countries credit card issuer is held jointly liable with the supplier incase consumer receives no goods or defective goods (Kontogeorgou and Alexiou 2005). There could be provision of Online Dispute Resolution (ODR) process, for e.g. SquareTrade ODR process where complainant and defendant are asked by e-mail to participate by means of an automated multiple choice questionnaire. Negotiation and suggestions are customized on the basis of the parties answers to the questionnaires (Gralf-Peter 2006), and outcome can be in the form of refund, price reduction, product replacement etc. Online buyers often worry if orders from e-retailer will contain the right item, however online retailers can overcome this anxiety by providing extensive information on products and shopping processes to help consumers to make informed decisions (Devaraj et al. 2002). In addition, plausible guarantee terms such as “guarantee coverage” can reduce the level of perceived online purchase risk (Cheng et al. 2008). To ensure that customer gets product he ordered, at his place, on proper time online retailers should invest in logistics, fulfillment and distribution of customer orders. An exciting and creative website without fulfillment systems is liability (Schoenbachler and Gordon 2002). Secondly, in online environment buyers can’t see and touch things in real i.e. tangibility is major concern. Customers form tangible e-service quality perceptions on the basis of four dimensions: design aesthetics, ease of use, virtual tour and visualization. Through advanced Web technologies online retailers can create multi-
sensory virtual environment (virtual tour and visualization), in such a way that the user can feel present in the artificial environment created by the mediated information, namely, telepresence (Moon 2013). Third, online consumers have reported about hassle in completing purchase transaction. At times online shoppers abandon their shopping carts because of tiresome checkout process. Consumer don’t want to waste time filling checkout forms and they look for simpler and faster way to enter account information, so they can spend more time searching for exactly what they want. Faster and more hassle-free the process will encourage impulsive purchase. Through digital storefronts on mobile, desktop and tablet customers can continue their shopping experience wherever they are. Fourth, consumers complain about timely response and prompt service from e-retailer. Here automated response technologies can be deployed by e-tailers to reduce operational costs and response time by intelligently scanning incoming e-mails and selecting the most appropriate responses from a database (Zeithaml et al. 2002). Bulletin boards, FAQ section, live text chat, co-browsing, page pushing, company’s presence on social networking and dedicated call centers with toll free number can make searching help more interactive. Proactive and timely help can be extended to e-shoppers if company representative keeps an eye on their behavior (Cai and Jun 2003). Online retailers should make appropriate adjustments in response to customer feedback. E-retailers are suggested to take preventive measures to avoid the issues before the arise rather that subsequent firefighting.

9.1.4 Create convenience

Online shopper prefer online shopping because its stress-free and easy and do not involve hassles like parking, crowds, time required for shopping, store variety at one location, and transportation (Rajamma et al. 2007). An online retailer can further capitalize this opportunity by making website easy to use and browse, so that buyers can add product to wish list or cart, read product reviews and opinions, pre-order products and make payments using different methods (Tripathi and Tripathi 2014). Web-based purchasing the ultimate in accessibility and online shoppers don’t have to wait for placing an order as websites are available 24x7 365. Online retailers should ensure minimum downtime or maintenance time so those customers visiting these websites don’t get disappointed due to any technical fault. Secondly, e-retailers can add value to their business by extending their traditional product range or they can go
one step further by linking with other related services, products, suppliers or retailers to provide the ultimate one-stop shop experience to customers (Liao et al. 2011). Thirdly, online retailers should make available products which are recently launched or not available offline, as online shoppers look for exclusive products and delivery to unconventional locations. Outdated information or small range of products will discourage non-buying web users from e-shopping (Yang and Jun 2002). Fourthly, it was found in this study that customer spend less than Rs 5000 in single transaction and prefer cash on delivery as most preferred mode of payment. This indicates lack of faith and hassle in making payments online. Online retailers can offer discounts or coupons to encourage payments through other modes like credit or debit card or e-wallets (for e.g. Payzapp by HDFC Bank, Pockets by ICICI Bank). Online retailers can offer EMI options, so that online shoppers do not hesitate to buy costlier products.

To increase the conversion rates, managers should understand the importance of purchase intent. Therefore, e-retailers should create convenience so that e-shoppers can freely place items in their cart. A hassle-free purchase process (e.g., single-click buying) can stop a perspective customer to visit competitor's website or an alternate retail channel (Close and Kinney 2010). Software agents can be used to automate and fill repeated information and multiple forms.

9.1.5 Tap the untapped

There are customers who are educated yet they hesitate to shop online (because they don’t know how to order a product online or lack in trust). Awareness about online shopping can be imparted to such customers elaborating convenience of e-shopping. As found in this study emails, advertisement on social networking websites and search engines are good sources to create awareness. Further discounts coupons or incentives can be offered to encourage these customers to make their first time purchase. It was found in this study that unmarried respondents with disposable income shop more for themselves. E-retailers can encourage these youngsters to buy or spend more by adding hedonic elements. By offering cheapest price low and middle income groups can be wooed. India is a country with cultural diversity, huge percentage of population is Non-English speaking, therefore e-retailer can develop and add feature of multiple languages in their websites, so that buyer can read through the website in his own regional language.
9.2 Scope for future research

This empirical study has rendered insights into internet user’s online buying behavior in northern India with reference to electronic retail. However, there is scope for forward exploration and this study can be extended further. Some probable areas of future research are discussed below.

1. The scope of the study is limited to the geographical boundaries of Northern India, i.e. responses for the study have been solicited from three capital cities i.e. Chandigarh, Jaipur and Delhi/NCR to represent online shoppers in the region. An elaborate study covering whole of India can reflect a better picture.

2. Secondly, Chandigarh, Jaipur and Delhi/NCR represent urban cities; online shopping behavior of respondents may vary in rural areas because of various demographic, webographic or infrastructural differences etc. Online shopping makes more sense for an internet user in who lives in an area where products are not easily available in local market. Researchers can sample from such areas and report any difference or similarity in urban and rural online consumer behavior.

3. Third, scope of this study is also limited to online retail, and restricted to selected e-retailer in India. Future studies can be extended to other e-retailers and other types of e-commerce, like C2C or m-commerce.

4. Fourth, there have been very limited studies with respect to perceived service quality in online retail (SQOR) with context to India. Current research used twenty one statements of scale developed by Jun et al. (2004). Whole of their research has been carried out in USA and items are based on the responses of US respondents. In future, researchers can develop items with context to India right from the beginning.

5. Fifth, to verify and enhance the generalizability of factors affecting internet user’s online buying behavior and perceived service quality in online retail (SQOR) dimensions derived in this study, confirmatory factor analysis can be employed.

6. Sixth, instead of finding a simple association between factors affecting internet user’s online buying behavior, perceived service quality in online retail (SQOR) dimensions and online customer satisfaction, more rigorous technique like a structural equation modeling can be used by future researchers to examine the casual relation.