THESIS ABSTRACT

This empirical research has been carried out with an object to understand internet user’s online buying behavior in northern India with reference to electronic retail. E-retailers for the purpose of this study refers to, business-to-consumer e-commerce companies selling products to consumers in categories like clothing & accessories, books & magazines, mobile phones & accessories, auto accessories & parts, memory cards, pen drives & HDD, watches, laptops & computer peripherals, shoes & other footwear, movies & music (CD/DVD) and home appliances. Scope of this study is limited to Northern India, and comprises respondents from three capital cities i.e. Chandigarh, Delhi and Jaipur.

Research Question 1: To comprehend the e-retailing scenario in India.

This research uniquely reported origin of e-commerce and holistic present scenario of online retail in India. This research observed that India is third largest country in terms of internet users. India will drive e-commerce in Asia pacific region after China and Indonesia. Reasons hampering India from finding place in global retail e-commerce index are also put in foreground. Sequential events leading to growth of different types of e-commerce in India are delineated into two waves to understand the evolutionary process. Out of total non-travel B2C e-commerce, online retail holds significant fifty percent share and its prospects for future growth are extremely positive. Businesses and researchers will find this information useful to devise future strategies to win and sustain e-commerce market in India.

Research Question 2: To study legal and regulatory environment governing e-commerce in India.

Growth of e-commerce in India is posing significant legal and regulatory challenges. Deficiencies exist despite significant amendments and introduction of secondary legislation. This research highlighted deficiencies in information technology legislation governing e-commerce in India. Content analysis of information technology and other relevant legislation/literature revealed that, the IT Act partially address issues like legal validity of electronic transactions, security,
regulation, intermediary liability and jurisdiction, whereas areas like junk mail and spamming, intellectual property, payment, taxation of e-commerce transactions, and consumer protection are unaddressed. The research identified ten major components of e-commerce value chain vis-à-vis the Information Technology Act and signalizes key deficiencies. Information under this analysis is useful for policy and decision makers in government and e-commerce businesses.

**Research Question 3: To probe the business model of select e-retailers based in India.**

Thoughtful insights on business model components of top e-retailers based in India have been achieved through content analysis of reliable books, reports, journals and web. Six major e-retailers are compared on the basis of monthly traffic data obtained from similarweb.com. It’s observed that online retail is meagre 0.5% of overall retail in India and future potential is huge. Due to FDI restrictions all top e-retailers under this study except HS18 prefer marketplace model in pure/hybrid form and earn revenue through transaction fee. Their marketing strategy essentially includes social media and internet. They operate with lean manpower and functional departmentalization except Flipkart which employs massive 10000 plus employees and prefers to recruit generalists. National capital region and Bangalore are preferred locations for establishment of their headquarters. The information under this analysis is useful for businesses and researchers interested in developing/benchmarking successful e-retail business model to win and sustain competition.

**Research Question 4: To ascertain the online buying behavior of internet users of Northern India.**

To understand online buying behavior of internet users of Northern India, web survey has been administered to 308 respondents across three major e-commerce hubs of Northern India from September 2013 to March 2014 i.e. for a period of seven months. Both qualitative and quantitative methodology has been used in this research. Current study used snowball sampling, Comparative analysis has been carried on the basis of demographic (city, education, age, gender, family income, occupation and marital status) and webographic (access location, access device, connection speed, experience level, usage type and usage level) variables to decipher various important aspect of
consumer behavior in online retail with respect to internet usage pattern, frequency of purchase, shopping place, end user, source of information, pre-purchase information, past and future purchase and awareness source. With respect to factor affecting internet user’s online buying behavior two issues have been addressed in this research. First issue was to identify key dimensions affecting internet user’s online buying behavior and second, was concerned with estimating bearing of consumer behavior dimensions on online consumer satisfaction. The analysis discovered four key dimensions affecting internet user’s online buying behavior, which are: consumer delight, privacy/trust, purchase risk, and convenience. Subsequent research findings deciphered the relationship between factors affecting internet user’s online buying behavior and online consumer satisfaction. Findings of the research demonstrated statistically significant association between the two variables. Another important finding was identification of perceived service quality in online retail (SQOR) dimensions and their bearing on consumer satisfaction. Respondents were asked to respond keeping in mind their most favored retailer. Flipkart has been found as most favored e-retailer (51.6%), followed by Myntra (21.4%), Homeshop18 (14.3%) and Jabong (12.7%). The analysis identified four key dimensions perceived by internet users, which signal service quality in online retail, these are: ease of use/attentiveness, access, reliable/prompt response and credibility/ security. Apart from having their own service quality characteristics which are unique to online environment, these dimensions share many common aspects with traditional service quality determinants in context of traditional offline service industry too (Parasuraman et al., 1985, 1988). Next research analysis uncovered the relationship between perceived service quality in online retail (SQOR) and online consumer satisfaction. Findings of the research demonstrated statistically significant association between the two variables.

**Keywords** E-commerce, online retail, evolution, India, Legal, Regulatory, IT Act, Business model, online service quality, consumer satisfaction.