CHAPTER 7

CONCLUSIONS & SUGGESTIONS

The awareness about e-retailing is high in South Gujarat region from consumer perspective but the retailers perceive that the knowledge related to e-retailing is less among these consumer.

It can be concluded that BSNL is the major internet service provider in South Gujarat region.

The IT infrastructure facility is good in South Gujarat region from consumer perspective and they are satisfied with coverage, quality of service and stability of internet signal in their region. But from retailer’s perspective IT infrastructure facility is average to execute e-retailing in South Gujarat region.

It can be concluded that respondents prefer to purchase those items from internet in which less physical orientation is required. Respondents prefer to purchase event tickets and hotel booking facility in which the need of physical orientation is less compared to garments or electronic goods. In product, respondents prefer to purchase cloths and books online.

Respondent prefer to purchase with the payment option as cash on delivery which is less risky mode of payment compared to debit card and internet banking in which the threat of hacking or misusing of information is high.
The most important reasons to purchase online from consumer perspective are as follow:

1. Cheaper price
2. More Products are available online
3. Ability to shop at any time

The most important factors affecting success of e-retailing website are as follow:

1. System Quality
2. Content Quality
3. Trust
4. Support and Service
5. Product or Service choice.

Respondents hesitate to purchase online because of the lack of trust on service provider followed by concerned about product quality.

The major barriers affecting the success of e-retailing from respondent perspective are as follow:

1. Slow speed of access
2. Enjoy going out to do shopping

The most important reasons to purchase online from retailer perspective are as follow:

1. Avoid Hassle
2. Ability to shop at any time
3. Save time and energy
The major barriers affecting the success of e-retailing from retailer perspective are as follow:

1. High cost of internet access
2. Lack of payment mechanism

There are many aspects related to e-retailing where views of consumer and retailer are contradictory. For instance as mentioned earlier retailers perceived that consumers don’t have necessary knowledge for online purchase while the result of consumers’ survey shows that they are much aware about e-retailing and how to purchase online. Also the contradiction exist over the perception of aspects responsible for purchase from internet where retailers believe that the decisive factors for online purchase is comfort of shopping without any hassle and lesser waste of time and energy offered by e-retailing. While according to consumer, price competitiveness of the product and variety of product offered by the e-retailer are vital factors responsible for decision to purchase online. Thus it can be concluded that there is a lack of understanding of consumers’ perspective on the part of retailers. It might be because of no or less research undertaken to understand consumers’ perspective and buying behavior towards e-retailing in South Gujarat Region.

The growth of internet and change in lifestyle is presenting a lot of potential to the e-retailing in South Gujarat. Though majority of respondents are using internet but those who purchase online is less which indicate that there is huge untapped market available for e-retailers.

Major retail players are not very assertive towards having both physical and web-base format together. This might act as major shortcoming for growth of e-retail in South Gujarat Region.
Potential of e-retail can be understood with the help of three categories of factors viz. consumer related factor, e-retail website related aspects and retailers perspective towards e-retail as a format of retailing. On the basis of the present study consumer related aspect such as age, income, occupation, education of consumer and hours spend by consumer on internet has statistically significant impact on the decision of purchase through e-retail format. The analysis of the data gathered shows that the people from age group 26 to 40 make significantly more purchase compared to others, while it has been proven that the people falling in the income range of 3 lakh to 5 lakh prefers to purchase from e-retail compared to their other counter parts. Also it is seen that e-retailing is more popular with Business as occupation and higher educational background. The purchase from e-retail website is directly proportional to time spent on internet.

Thus on the basis of the above discussion it may held that the potential target market for the e-retail is businessman and service class people having higher educational qualification who are of age group 26-40 years, having income range of 3 to 5 lakh and spending more than 6 hours on the internet in a week.

The e-retail website related aspect System Quality, Content Quality, Trust, Support and Service. A systematic efforts focused on enhancement of these aspects can lead to higher acceptability of e-retail formats among people which will contribute to higher potential of e-retail.

Majority of retailers are not convinced with e-retail format. According to their view the there are many barriers on the part of consumer such as lack of knowledge and high cost of internet which has made e-retailing as a dull venture. Their misperception regarding consumer and their preferences is acting as one of the major threat to potential of e-retailing.
Figure 7.1: Factors Influencing Decision to Purchase from E-retailing Website

Model of E-retailing

- Trust
- Age
- Income
- Occupation
- Internet Usage in Hours
- Educational Qualification

Demographic factors:
- Age
- Income
- Occupation
- Internet Usage in Hours

Website related factors:
- Trust
- Systems Quality
- Educational Qualification

Demographic factor
Website related factors
Internet service providers need to provide cheaper internet access in order to encourage more customers to become internet users. Brick and Mortar retailers can tie-up with communication service providers and launch a plan like ‘shop and surf’ in which if a customer purchases from physical retail store, he/she will get reward balance to access internet.

E-retail service providers should focus on targeting young generation in the age group of 26 to 40. This can be done through sponsoring those programmers which are targeted to age range of 26 to 40 as majority of online respondents are in the above mention age range. E-retailers must undertake systematic research to understand what value shopper is looking for and also try to deliver customize products too.

E-retailers should focus on developing proper system quality of website. They must ensure that the website should be designed in such a way that it should not confuse potential buyers who are generally not familiar with form of shopping and the product details and purchase are made with lesser click. The website should work for 24*7. Along with that 24 hour human assistance should be there to solve the queries of target market. The company must train the staff to solve the queries rather than outsourcing call centre which is necessary to build trust and good image of the company as this telephonic conversation is the only non-virtual medium between potential consumer and e-retailer.

E-retailers should provide more variety of the product range to the consumers along with that the price of the product in online shopping should be less compared to traditional shopping.
The review posted by users of the product on the website is one of the influencing factors to make purchase of respective product from e-retailer. Hence e-retailers must develop a section on the product page where consumer can post reviews related product.

Most internet retail shops use English as their mode of communication. English may not be comprehensible to the majority of the Indian population. To increase the customer base, content in the online retail shops should be provided in local language. The website should be in multiple languages, along with that the font backup should be provided.

E-retailers must focus on building consumer trust either by offering membership or with the help of customer relationship management programmers which provide benefit to customers who purchase online. Companies can also build trust by enhancing feedback and by creating customer community so that customers can also share experience.

E-retailing companies should focus on providing safe mode of payment to online customers. Companies should develop their own cards to facilitate secure transaction. Along with that a proper SSL certificate should be used and display logo on the front page.

E-retailers must provide right address of their office along with the contact number and if possible they should open a centre at possible cities from where their turnover is high.

E-retailers should maintain more variety of products on their website compared to physical store. Along with that they must motivate customers to purchase online by selling new variety of product before the product reach at a physical store as it may work as a status symbol.
E-retailers should sell the product at a lesser price on their website compared to实体店 as price reduction may work as a motivational factor. Though huge difference in price may create dissatisfaction in mind those who purchase offline. So rather than selling at lesser price, it is better to provide additional benefit in terms of reward points or by providing free accessory related to the product.

E-retailers must develop privacy policy for their customers on disclosure on personnel information in order to lessen their concern for privacy.
Following strategies have been suggested to retailers to increase awareness and encourage e-retailing.

1. Heard of e-retailing but not purchased

   - Appoint Trustable personality as a Brand Ambassador.
   - Try to build Brand. Display Customer testimonials.
   - Provide full address and contact number on front page.
   - Adopt no question replacement policy within 15 days of delivery for all categories.
   - Display feedback given by customers.
   - Provide 24*7 online support. If possible provide demonstration.
   - Use 3D environment. Mention features of product.
   - Use dedicated SSL certificate.
   - Make website VeriSign SSL protected
   - Display logo on front page.
   - Accept various mode of payment especially COD for all categories.
   - Mention proper delivery time and make sure that delivery reach within mentioned time.
   - Don’t mention too much optimistic time.
   - Develop proper supply chain to make delivery fast.
   - Replace product if was damaged during delivery.
   - Not necessary that price must be less compare to physical store. But don’t uses pull pricing technique by mentioning too high price and then reducing it.
2. Heard of e-retailing but don’t know the procedure to purchase.

29 percent of respondents have heard about e-retailing but they have not purchased via internet because they were not aware about the procedure to purchase online.

The strategies suggested to overcome this limitation is as followed:

1. To demonstrate the procedure of purchase on the website rather than mentioning steps.
2. To allow the consumer to practice the procedure of dummy purchase on website.
3. Allow customer to cancel the order if he has posted due to lack of knowledge of procedure.
4. In case of Brick and Mortar format, invite potential customers as a part of CRM programme and explain them procedure to purchase online.
5. Display the procedure to purchase online on social networking websites.

3. Not aware about e-retailing

Only 1 percent of respondents were not aware about e-retailing. Here the strategies suggested to retail players to overcome this limitation is as followed:

1. Do proper advertisements of website on sports channels like ESPN, Star sports as well as on social channels such as Zee T.V, Star Plus as well as on youth channel such as M TV, V TV to spread awareness.
2. Send SMS to general public to make aware about the website.
3. Send e-mail to general public related to various schemes and offers provided online
4. In case of Brick and Mortar format, do the advertisement of your website on physical format to make aware about the customers.
5. E-Retailers should exhibit their products in trade fare or organize event to generate awareness about e-retailing as well as trust among consumers
4. **Not aware about Internet operation.**

Creating awareness related to internet among the non–internet user is essential. 15 percent of respondents were not aware about how to operate internet. They have to be knowledgeable related to use and benefits related internet. Here the role of retailer is to provide knowledge related to internet to those who are not aware about how to operate internet. Though it is difficult to adopt this strategy, but this segment is also providing huge opportunity to internet retailers.