CHAPTER 5

SUMMARY AND CONCLUSION

5.1 INTRODUCTION

The impact of electronic revolution in the present era is much more profound than that caused by Industrial Revolution. The internet is one of the newest and for many purposes the best business communications channel. This modern-day revolution, at the global level, has manifested itself in the form of many innovations and breakthroughs and giant leaps in internet working technology. With these new opportunities, people can now transcend the barriers of time and distance with the internet’s speed.

The attraction of moving from an established traditional business to the internet involves some lucrative facts as shown in the figure 5.1. E-commerce has allowed firms to establish a market presence or to enhance market position by allowing for a cheaper and more efficient distribution chain for their products and services.

**Figure - 5.1**

*The increasing paradigm of internet marketing*
With the inception of the Web, organisations and individuals are more and more making use of it to create new business ventures. The World Wide Web is not only a definite source of information, but an astounding business opportunity as well. People throughout the world are out into the Web for buying and selling goods and services. The internet is changing the design and implementation of marketing strategies. This dynamic technology provides marketers with efficient and powerful methods of designing, promoting and distributing products, conducting research and gathering market information. E-marketing can include any internet-based promotion, including websites, targeted e-mail, internet bulletin boards, sites where customers can dial in and download files and so on.

The majority of internet services are available to any business or consumer that has access to the internet. Online marketers are constantly devising new internet marketing strategy in the hope of driving more traffic to their websites and making more sales. The following points should be given importance as they serve as key drivers to consumer internet adoption.

**Drivers of consumer internet adoption:**

i. **Content:** Relevant and rich content is the king. This means more detailed, in-depth information is needed to encourage the buying of fast moving consumer goods.

ii. **Customization:** Mass customisation is possible by sending website pages or email alerts to customers.

iii. **Community:** The internet liberates consumers to discuss anything they wish through forums, chat rooms and blog comments.
iv. **Convenience**: This is the ability to select, purchase and in some cases use products from the desktop at any time, the classic 24 X 7 X 365 availability of a service.

v. **Choice**: The web gives a wider choice of products and suppliers of products than via conventional distribution channels.

vi. **Cost reduction**: The internet is widely perceived as a relatively low-cost place of purchase. Often customers expect to get a good deal online as they realise that online traders have a lower staff and distribution costs than a retailer that runs a network of high-street stores.

Similarly companies need to understand, communicate and share, change, measure, stimulate and learn more about different aspects of e-business. Business organisations that wish to conduct transactions through website should identify their goals.

**Drivers of business internet adoption:**

Business adoption of e-commerce and e-business is driven by benefits to different parts of their organisation. First and foremost, they are concerned how the benefits of e-business will impact on profitability. The two main ways in which this can be achieved are:

1. Potential for increased revenue arising from increased reach to a larger customer base and encouraging loyalty and repeat purchases among existing customers.

2. Cost reduction achieved through delivering services electronically. Reductions include staff costs, transport costs and costs of materials such as paper.
Above observations reveal that rapid advancement in the field of information and communication technologies have greatly changed the world’s economic landscape. Internet is considered as a new potential tool to conduct business and to bring development at a faster pace. Hence, the following objectives were selected for the present study.

**Important objectives of the study**

1. To identify, measure and evaluate the e-marketing of consumer goods through electronic media.

2. To identify the purchase decision factors favouring online buying based on internet shopping behavior of the consumers.

3. To analyse online buying behavior based on demographic features like age, sex, income, qualification, life stage etc.

4. To identify consumer perceptions on website features and consumer satisfaction levels.

5. To make an overall assessment of online buying experiences of the consumers.

6. To examine the association between website features, customer satisfaction and online buying experiences.

7. To suggest suitable measures to improve the efficiency of e-marketing environment
Methodology and field survey:

This empirical study is based on both primary and secondary data. Primary data was collected through questionnaires, which were distributed to 450 persons and in response 327 questionnaires were received. Of them 307 were complete in all respects and was considered for the present study. It was distributed to students, professionals; people employed in IT sector, housewives and retired persons. It was distributed only to people who were comfortable with computers and bought goods online at least a few times. It was also distributed to people primarily in Chennai, Bangalore and other cities. Published information from previous research evidences are applied through journals, websites, newsletters etc.

Convenience sampling was adopted taking into account availability and approachability of the consumers for the purpose of data collection. Since the concept of online buying is new to India, there is no readymade database available of online buyers. Hence, non-random sampling method has been used to collect data.

The scales developed for measuring the core variables have been tested for its reliability and is found to be satisfactory. Based on core objectives of the study, necessary hypotheses were drawn for statistical interpretation and validity.

The data analyses were carried out using necessary statistical measures like correlation, regression, factor analysis and cluster analysis. The final report was presented in five chapters namely

1 - Introduction and Research Methodology
2 - Review of Literature
3 - Analysis of Consumers perceptions on online buying
4 - Analysis of factors influencing online buying
5 - Summary and Conclusion
5.2 MAIN FINDINGS OF THE STUDY

The main findings of the study are summarised as follows:

5.2.1 Analysis of demographic characteristics of the respondents

1. Sample population shows that 63.20% are males and 36.80% are females. It reveals that more males do net browsing and online shopping than females.

2. Sample analysis also reveals that 60.90% of the sample population are below 30 years of age, 20.50% are between 31-40 years of age and 9.80% are between 41-50 years of age and 7.80% are above 50 years of age. From this it is inferred that youngsters are more comfortable with internet and online shopping.

3. In the sample population 50.50% are married and 49.50% are single. It shows marital status does not have any significant impact on browsing the internet and purchasing goods online.

4. 31.60% of the respondents are young and dependent, 26.70% of the respondents are young and independent, 38.10% have family with children at home and 1.30% are retired. This shows that nearly 58.30% of the respondents who are young are attracted towards the online sites and conduct online shopping. Retired people constitute only 1.30% which shows they are comfortable only with traditional shopping.

5. 44.30% of the respondents are salaried class, 20.50% are students, 18.90% are professionals, 7.20% belong to business class, 6.20% are housewives and 2.90% are retired people. This again goes to show that retired people are less comfortable in using the internet and doing online shopping. The salaried
class forms the highest percentage (44.30%) which may be due to their economic independence.

6. 40.70% of the respondents are post graduates, 38.80% are graduates, 16.90% are professionals and 3.60% are others. This shows education has an impact on the usage of net. Only educated people are able to operate the computers.;

7. 49.20% of the respondents’ gross annual income is less than 4 lacs, 19.50% of the respondents gross annual income is between 4-5 lacs, 14.70% of the respondents gross annual income is between 5-7 lacs and 16.60% of the respondents gross annual income is above 7 lacs.

8. 68.70% of the respondents are tax payers and 31.30% are not tax payers. This shows people who earn more have higher buying power and they do online buying.

9. Books, CD’s and electronic goods are popular items sold online.

10. 60% of the respondents do not completely rely on the information given in the net. They make enquiries with their friends or visit physical stores to verify the details and then buy the goods online.

11. Only 12.70% of the respondents visited the online stores more than 20 times in a year.

12. Majority of the respondents (56.40%) purchase only rarely online.

13. Only 1% of the respondents purchased goods more than Rs.1,00,000 in a year.
The respondents most preferred reason for buying products online is speed which results in saving of time.

A highly demanding lifestyle is compelling consumers worldwide to adopt internet shopping as an alternative to traditional brick and mortar shopping. India has exhibited a high degree of internet penetration. An analysis of the demographic features of the respondents in the present study shows that males do more of online buying because they give lesser importance to social relations and personal contacts. Present study reveals younger generation is more inclined towards internet purchase activity than older generation. Educated people are more predisposed to internet purchase activity. Considering the demographic profile of online users' gender, age and education have significant association to internet shopping in the current Indian scenario. The most popular items sold online were books, CDs and electronic goods. Majority of the respondents do not completely rely on the information given in the net. They make further inquiries with their friends or local stores before going for online buying. The present study reveals that the most preferred reason for online buying is speed which results in saving of time. These are the summary of observations of demographic features on online buying.

5.2.2 Analysis of demographic characteristics and appeal of website features.

1. The sample population do not significantly differ in their perceptions towards appeal of website features when classified on gender basis. The high mean scores of male and female show that both have a high positive attitude towards the features of websites.

2. There is a significant difference in the perceptions of respondents on website features when analysed on the basis of age. Online buyers in the age group 31-40 years seem to show higher appreciation of appealing websites than
other age group of respondents. People above 50 years of age have lesser level of perceptions regarding website features. This could be due to the fact that older people are not comfortable with web browsing.

3. Marital status of the respondents do not significantly affect their perceptions towards website features.

4. There is a significant difference in the perceptions of respondents towards website features depending on their life stage. People with family and children have a high degree of positive perception towards website features which can be seen by their highest mean scores. But retired people and empty nesters perception towards website features is very low. This may be due to the fact they are less adept to the usage of net.

5. There is a significant difference in the perceptions of respondents towards website features when classified on the basis of type of customers. Housewives have a high degree of favourable perception towards the design and usage of web sites.

6. Education influences the perceptions of respondents towards website features. The higher their educational qualification the higher is their positive perception towards website features.

7. Income level significantly affects the perceptions of the respondents towards website features.

8. There is no significant difference in the perceptions of respondents towards website features based on their status whether they are tax payers or not.
The human-computer interaction is high when goods are bought online. Therefore design of websites acquires much importance here. Unless a website meets the needs of the intended users it will not meet the needs of the organisation providing the website. The present study analyses the website features as one of the core variables and its influence on the demographic characteristics of the respondents. The present study reveals that there is a significant difference in the perceptions of respondents on website features when analysed on the basis of age, education and income. Youngsters and people with family and children have a high degree of positive perception towards website features. Similarly respondents with higher education and higher income levels have a positive perception towards website features.

5.2.3 Analysis of demographic characteristics and customer satisfaction

1. Respondents do not significantly differ in their perceptions on customer satisfaction levels when classified on gender lines.

2. Age significantly affects the perceptions of the respondents on customer satisfaction. People who are 30 years and above have a high satisfaction level when doing online buying. These people have more responsibilities towards home and office and due to lack of time they find it convenient to sit at home and shop.

3. Marital status of the respondents does not significantly affect their satisfaction levels.

4. The life stage of the respondents significantly affects their satisfaction levels. People who are less young and independent have the highest satisfaction
levels. This could be due to their maturity in making rational buying decisions and their economic independence.

5. The level of customer satisfaction in online buying is significantly affected by the type of customers. The results reveal that business people have the highest level of satisfaction from online buying.

6. The perception on customer satisfaction level is significantly affected by the level of education of the respondents.

7. Income levels of respondents exert a significant difference in the satisfaction levels on online buying. The satisfaction level of the people, whose annual income is between 5-7 lacs, is the highest. Probably they may be of the younger generation with a high disposable income who do a lot of online buying.

8. The respondent’s perceptions on customer satisfaction is not significantly affected when classified on tax paying status.

To sustain a business it is essential that customers are satisfied with the goods and services offered by the company. Customers are the king in today’s marketing scene. Therefore the company should concentrate on customer satisfaction and build a long term relationship with customers to retain them. The present study analyses measurement of customer satisfaction as one of the core variables. An analysis of the present study reveals that age has a significant influence on the perception of the respondents on customer satisfaction. People who are above 30 years of age have a higher satisfaction level when buying goods online. Due to higher level of responsibility towards home and office, they find it convenient to sit at home and do shopping. People who are less young and
independent and business men have a higher level of satisfaction while buying goods online. The level of customer satisfaction is significantly affected by the level of education and income of the respondents. Education helps the people to use the technology comfortably. Similarly, higher income correlates with customers’ willingness and preference for adopting internet as a shopping medium.

5.2.4 Analysis of demographic characteristics and online buying experience.

1. The sample population do not significantly differ in their perceptions towards online buying experience when classified on gender basis. Males have a better experience than females. Men lay more emphasis on hassle free purchases in the comfort of their homes or workplaces and mind less on the hedonistic benefits of store shopping.

2. Age exerts a significant impact on the online buying experience of the respondents. The mean scores of the people below 30 years of age is the least which shows, their perceptions on online buying experience is not satisfactory. This may be due to the fact the youngsters would like to go for regular shopping with friends.

3. The marital status of the respondents does not significantly affect the online buying experience.

4. The life stage of the respondents significantly affects their online buying experience. People who are less young and independent, their overall online buying experience has been most favourable. This could be because young people are comfortable with online buying and they are also economically independent.
5. Respondents occupation does not affect their perceptions on online buying experience. Housewives satisfaction levels are the highest. This may be due to the fact that juggling between various household responsibilities online shopping gives them some respite from store shopping.

6. The qualification of the respondents does not significantly affect their online buying experience.

7. The perceptions on online buying experience of the respondents is significantly affected by their annual income. People with gross annual income of 5-7 lacs have the most favourable online buying experience.

8. The perceptions of the respondents towards the online buying experience is not significantly affected whether they are tax payers or not.

Online buying is dependent on the overall buying experience of the customers. Customers must be satisfied with the online shopping experience. They should be satisfied with the various services offered by the e-tailers. Customers satisfied with the buying experience will not only make repeat purchases but will also recommend to their friends and relatives. Therefore, for the present study online buying experience is taken as one of the variables and analysed. The study reveals that age, life stage of the respondents and income exerts a significant impact on the online buying experience of the respondents. People who are below 30 years of age do not have a favourable perception towards online buying experience. This may be due to the fact that they would like to go for shopping with their friends and shopping is treated as a social outing.
5.2.5 **Ranking of sub variables**

The sub variables which influence online buying in this study was ranked taking their mean scores. It was found that accessibility and convenience was the most influential factor in online buying. Next important factor was ease of use of the websites. Grievances and redressal mechanism scored the last rank. Perhaps due to the infancy stage of online buying redressal mechanism has not been fully developed in our country.

5.2.6 **Analysis of individual sub variables**

Eleven important sub variables were identified for the study. Mean score analysis was made. Mean score analysis shows the most influential factors in the different sub variables described as under:

1. Easy product selection was the most influential factor under the sub variable ease of use.

2. Online buyers look forward to usage of multimedia and colour graphics and display of colourful electronic images of the products under the dimension aesthetic design of the websites.

3. Online buyers expect websites to handle large volume of data when they look to the processing speed of the websites.

4. Online buyers most expected service from an e-tailer is receiving of confirmations when orders are placed.

5. On analysis of the sub variable security for consumers, the most influencing factor for the respondents is correct delivery of the products.
6. On analysis of the factor reliability, online consumers are most satisfied when the prices of the products are clearly stated.

7. Ability to search varieties of products through different portals is the most influencing factor from the view of online customers, when it comes to searchability of the products.

8. Gifts’ arriving in properly packed condition is the most important factor expected by online buyers when they analyse the quality of services of an e-tailer.

9. Providing access to latest products is the most influencing factor when the sub variable accessibility and convenience is analysed.

10. Possibility of replacement of defective goods is the most prominent factor identified on grievances and redressal mechanism available.

11. Attainment of satisfaction is the ultimate deciding factor with online buying experience.

5.2.7 Correlation analysis

Correlation analysis was made among the selected variables and the following conclusions are made:

1. Web site features are highly positively correlated with consumer satisfaction levels and online buying experience of the consumers.

2. Consumer satisfaction is significantly correlated with web site features and online buying experience.
3. Online buying experience is highly correlated with website features and consumer satisfaction.

5.2.8 Multiple stepwise regression analysis

An analysis of the relationship between the variables shows that the F value for summary table, ANOVA and coefficients table is statistically significant. Hence the null hypothesis is rejected and it can be concluded that there is a significant relationship between website features, customer satisfaction and overall assessment of online buying experience.

The F test shows that the summary table, ANOVA and coefficient models are statistically significant. Hence the null hypothesis is rejected and it can be concluded that there is a significant relationship between customer satisfaction and other variables like website features and overall online buying experience.

The F test shows that the summary tables, ANOVA and co-efficient module are statistically significant. Hence the null hypothesis is rejected and it can be concluded that there is a significant relationship between overall assessment of online buying experience the dependent variable and the independent variables customer satisfaction and web site features.

5.2.9 Factor analysis

All the variables are highly important. The variables like web site features, customer satisfaction and overall assessment of online buying experience together account for 76% of variance and they have been grouped as a single factor and the factor has been given an appropriate name as “online consumer marketing experience”.

5.2.10 Cluster analysis

Cluster analysis reveals the existence of two groups among the customers.

The mean values of the first cluster are lower for all the three variables. In other words, both the clusters differ from one another for all the factors considered in the study.

The result highlights the existence of two groups among the customers. The first group shows a lower perception levels with regards to web site features, customer satisfaction and overall assessment of online buying experience. The second group shows a comparatively higher perception level with regards to website features, customer satisfaction and overall assessment of online buying experience. All the three variables are highly significant @ 1% level of significance. The first cluster is named as a group with “moderate perception level;” and second group with ‘higher perception level”.

All these suggest that all the core variables taken for analysis are important in playing a dominant role in influencing customers while buying goods online.

5.3 SPECIFIC OBSERVATIONS OF THE ONLINE BUYING CONSUMERS

The following are the textual feedback recorded by the sample respondents for the improvement of online buying experience:

1. Comment boxes on ‘likes’ and ‘dislikes’ of the products can be shown for every product online. It will greatly help the customer to know much more about the product than through the opinions of other people.

2. Multiple delivery channels may be used for speedy delivery.

3. Unbranded products may be also be added.
4. Good backend mechanism required for payment security.

5. A week’s time should be given to the purchasers from the date of receipt of items to verify, check the functioning of item “as listed in the display of item” and return it if not specific or not functioning.

6. Installation of better or more effective customer care services.

7. Refund/ Replacement should be allowed on products where customer is not satisfied due to performance issues.

8. Information regarding ombudsman can be displayed clearly. Cool off period for the cancellation of purchased goods should also clearly stated.

9. The items sent must be packed properly and must be handled with care.

10. Original /genuine products must be sold.

11. More information’s and facilities can be provided regarding recent arrivals and offers.

12. Cancelling of products and refund of amount to the bank must be made easier and faster.

13. Privacy and security should be present.

14. Delivery fees should be reduced.

15. On return of defective goods delivery fees should not be charged again.

16. Need more advertisements for online purchases and people should be educated regarding online purchase.

17. More transparency is needed.

18. Refund/ cancellation policies to be more clear.

19. For sites like Ebay, Amazon there should be a more standardized way of verifying seller credentials (other than by way of buyer ratings).
20. Some websites do not deliver products in small towns/villages which needs to be improved.

21. Delivery times should be flexible. Staff should deliver the products even after their working hours, as this may be better for working professionals as they are usually not available at home during office hours.

5.4 IMPLICATIONS OF THE STUDY:

Undoubtedly online marketing is expected to make a mark, yet as the present study reveals a lot of improvements are needed, if online marketing is to become a real challenge to traditional marketing. The heartening fact for online marketing is that it has bright prospects by improving upon its own darker sides to make things more easier for the consumers. Many key areas like delivery of products, quality of products/services, security issues, trust issues, provision of information have to be looked after.

It is generally observed that convenience, time saving, variety and comparison possibility as the reasons motivating internet users to shop online. On the other hand transaction fulfilment, product genuineness, credit card security, lack of touch and feel and waiting for delivery have been observed as the major stumbling blocks causing reluctance amongst Indian minds to shop online. Majority of the traditional Indian population is not overtly excited in choosing internet as the retail channel as they look to shopping as an entertainment activity. It therefore becomes imperative for internet retailers to formulate their marketing strategies in generating attractive retail websites so that despite Indian habits, Indians are still tempted to buy.
The present study reveals that youngsters below the age of 30 years account for a major share of internet usage. Youngsters are school students, college going students and working people or unemployed people. Younger generation has always exhibited a positive disposition towards adoption of a new innovation and understands the technological changes and complexities optimistically than the elderly segment. It is also found that the younger generation is less concerned about the security and reliability aspects of internet technology.

Older people, who could be either employed or retired use internet occasionally. Computers intimidate many elderly leading to reduced internet activities among older population. Also perceived enjoyment associated to traditional shopping prevent older generation to adopt internet as the purchase channel. For example a student familiar with technology may buy a CD online because they are comfortable with the technology. An elderly person looking for a classical CD would probably not have access to the technology and might prefer to purchase an item in person.

It is observed from the study that books, CD’s and electronic goods are the more popular items bought online. Textiles are the least preferred item. Lack of touch -feel-try creates concerns over the quality of the product on offer. Online shopping is not quite suitable for clothes as the consumer cannot try them on. With the development of technology the firms may adopt improved product presentation with 3D rotation views and virtual try on. This might promote emotional and sensational stimulation which may increase the online purchase of clothes, furniture, jewellery etc.

Though online retailing has a bright future, internet retailers should incorporate “trust building” programs in their strategies in order to cater to the trust
element in internet retailing. Customer Relation Management programs could prove to be very appropriate for future non-store retailing. Success of e-marketing is largely dependent on the level of trust an internet buyer perceived on internet retailers. Gaining loyal e-customers has become a matter of rising concern to e-retailers. In the virtual environment, a consumer cannot physically check the quality of a product before making a purchase, or monitor the safety and security of sending sensitive personal and financial information example: credit card details through the internet to a party whose behaviours and motives may be hard to predict. Security concerns are very important to both companies and consumers participating in online business. It is observed despite guarantees of safeguarding their customers’ information many companies have been caught breaching their policy by selling confidential customer data. However, the web community is working out security measures to ensure security including data protection and advanced encryption to guarantee privacy.

Online security is a huge barrier to online retailing. Customers often worry about theft of their personal information. The above problem is reflected in the present study, where respondents have assigned the last but one rank for the variable security.

**Suggestions:**

i. Traditional Indian population is not excited about choosing internet as a medium of shopping. Therefore, it is imperative for internet retailers to formulate their marketing strategies in generating attractive retail websites so that despite the Indian habits, Indians are still tempted to buy online.

ii. Fear of cyber crime is the biggest challenge to e-commerce adoption in India. Though many security measures are employed when using credit or debit
card for online payments, still consumers have their own inhibitions about fraudulent cyber activities. Therefore, credit card companies should develop improved security programmes updating with the global technology to gain consumer’s confidence.

iii. Online consumers are worried about the privacy of the data. They are scared that their personal and financial information will be stolen. Therefore it is important that both technological and legal tools should be used to enhance the security of e-commerce. It becomes necessary for an internet retailer to guarantee secured online transactions.

iv. Since online buying does not allow customers to touch, feel, smell or taste the products before buying the retailers should have liberal return policies, if the online customers are dissatisfied with the product. This would improve the online sales.

5.5 SCOPE FOR FUTURE RESEARCH

Based on the findings of the present study, the following suggestions are made for the purpose of future research in this area:

The study could be based on a larger sample and the samples could be drawn from other big cities and extended to two tier cities also. It is also suggested that a comparative study be made between online marketing in India with other countries. The regulation mechanism of online marketing could be explored. Specific issues in online marketing like privacy and security needs are to be examined in greater detail. Grievances and redressal area can be dealt with in detail. Legal and ethical issues can be examined. The analysis of the social impact of computer technology and the corresponding formulation and justification of policies for the ethical use of such technology needs to be explored.