7. SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

The present study has brought some novel contributions towards the knowledge of online shopping and found the factors influencing the e-consumer behavior towards online shopping of electronic products in Maharashtra state. This chapter summarizes the research findings, conclusion and provides recommendations for e-retailers.

7.1 Findings of the Study

1) The increasing adoption of devices like smartphones, tablets, and laptops, and access to the Internet through broadband and 3G has contributed to the rapid growth of the online consumer base. Maharashtra witness a shift in trend from traditional retailing to organized retailing to online retailing by the liberalizations on huge investments in online retail. Maharashtra with large population sizes and growing disposable incomes, offers a profitable investment opportunity to the marketers across the world of investments.

2) Demographic profile of respondents plays a very significant role when it comes to growing online consumer base for electronic products. Demographic profile study of respondents found that 77 percent of respondents were young demographics between the age group of 18-35 years. It clearly shows the urban youths either working or doing business and of the age group of 18-35 years are crazy to buy electronic products through internet. An age group of 18-35 is also called ‘Y’ generation are mostly attracted to buy android mobiles through online shopping. Youth contributes a considerable proportion of the online users with India’s youth comprising a significantly larger share than global internet users. This age segment forms the core customer base for e-tailing in India as they are aspirational, well-connected, tech-savvy, and mobile and have high spending power.

3) Top of the mind recall (TOMR) is the image, sound, name, brand or attribute that comes to mind immediately when asked respondents about electronic e-retailers. E-consumers recalled Flipkart first, followed by Snapdeal and Amazon respectively.
Flipkart is India’s leading e-retailer market place also known for innovation that has revolutionized online shopping like never before maintains top position in the consumer's mind followed by Snapdeal & Amazon. A secondary survey by ACNielsen also shows that though Amazon is no. 1 international e-retailer Flipkart is no. 1 Indian e-retailer.

4) Consumers today can shop literally everywhere within minutes, be it their workstations or homes, and most importantly, at any time of the day at their leisure. When it comes to Shopping for electronic products online Flipkart, as an electronic e-retailer, tops with 32 percent consumer preference, younger rival Snapdeal is a close second at 25 percent preference. US giant Amazon, which launched in India in 2013, is a distant third, at 24 percent, remaining 19 percent respondents had preferred the rest of electronics e-retailers.

5) When it comes to liking most about online shopping, most of the e-consumers likes “Cheaper prices” as their primary motivation for shopping electronic products online. E-consumers also like convenience, product comparisons, choices and superior availability. The e-consumer is more conscious about getting value for their time rather than value for their money, respondents like online shopping because it helps them to save their time.

6) Customer satisfaction level measures how products and services provided by an e-retailer meet or surpass the e-consumer expectation. Overall, most of e-consumers reported to have satisfied experience with the quality and services offered to them by e-retailers. E-consumers perceive that online shopping provides most satisfying and unique shopping experience than traditional shopping. The online shopping is a new experience for the consumers. They get huge discounts and offers on the products which the same they do not receive in traditional shopping.

7) Respondents were asked to rank the e-retailers provided to them according to their preference. With the help of the Friedman test the scores in each row of the data file independently of every other row. For each e-retailer, these ranks are summed and then divided by the number of e-consumers to yield an average rank for each e-
retailer. In overall response tended first rank to Flipkart followed by Snapdeal & Amazon. For the statistically significant results Friedman’s Test is used.

8) Product discovery is a major part of the shopping process irrespective of medium offline or online. To discover specific products online respondents visit Google, specific site for specific product categories, price aggregator sites and social media.

9) E-retailers mostly emphasize on safety in its website because these days consumers mostly like to have safe online shopping experience. Safety as the biggest deterrent, online shopping and has its risks. The popularity and profitability of e-retail has resulted in unscrupulous people looking to take advantage of unwary shoppers. A majority of respondent’s feel safe shopping online. Depending on the online store like Amazon and Flipkart, where matters are resolved relatively easily, respondents strongly stick to these reputed e-retailers and not spending money at smaller online retailers to avoid risk. Some respondents still feel unsafe providing personal information or making online payment.

10) The e-retail growth is being mainly driven by an increase in the frequency of consumers shopping online and spending more money through online channels. E-retail growth came primarily from an ever-growing number of first time online shoppers. The study reveals no specific frequency trend since majority 65 percent of respondent’s shops online as needed. Further analyzed, the data shows that 22 percent are shopping online at least once a month. 9 percent and 4 percent of respondents shop online once a week and once in few days.

11) E-consumers shop online making their own decisions about what technology to buy, prefer to shop online alone; by far the greatest influence upon purchasing decisions are user reviews on e-retail sites, expert review online and forums and online communities and reviews in specialist magazines. Consumers still take the advice of friends and family for online purchase decisions, family and friends help them choose what to buy online and consumers also make their purchases with their corporate office colleagues.

12) Almost half of the respondents have recently purchased electronic products online, making this the most common purchase category, while electronics are the most
popular purchase of overall, digital content such as smartphones, tablets and laptops tops the list. The study also finds that although 18-35 years age group shops more of Smart phones and less of Tablets & Laptops. Smart phones lead over Tablets & Laptops.

13) Mobile phone (Smart phone) as a most expensive electronic products purchased online, making this the most common electronics purchase category. E-consumers also brought Laptops, Tablets, Cameras, Smart watches, Televisions, small & large appliances as a most expensive products.

14) With nearly one-third of internet users already making purchases online, the e-retail growth will rely more on increased spending from existing buyers than first-time online buyers. According to this study majority, i.e. 57 percent of respondents have spent Rs.10, 001 to 50,000 as most amount, followed by Rs.2000 to 10,000 26 percent. 7 percent of respondents have spent Rs.1001 to 2000 and Rs.50, 001 to 100,000 each respectively. A small bunch of respondents i.e. 3 percent have spent Rs.250 to 1000.

15) In India, cash on delivery is the most preferred payment method, accumulating 75 percent of the e-retail activities (PwC, 2014). According to this research study, 78 percent of respondents preferred cash on delivery as a payment method, since the majority of transaction are cash transaction and people feel more comfortable making a cash transaction than online. Only 11 percent of respondents reportedly preferred a debit card as mode of payment and 5 percent have preferred credit cards as a payment method.

16) Quality mostly describes high end electronic products for e-consumers. Also recognition from people, status, celebrity endorsement, Prestige, Freshness, a memorable experience, Trustworthiness, Familiarity, Heritage and Ethical production describes the high end electronic products for e-consumers.

17) Respondents were asked how important Trust, Discounts, Schemes, Service & Quality parameters provided to them by e-retailers were and what extent they were satisfied with those parameters with their current e-retailer. Analyzed the help of mathematical tool known as Opportunity Matrix. Opportunity Matrix clearly shows
that, there is a high opportunity and scope for discounts, schemes & offers. Since respondents have rated discounts, schemes & offers parameters very important same they expect from e-retailers in the future transactions.

18) Comparison of various e-retailers was done on the basis of different parameters with the help of Modified-Multi Dimensional Scaling (MMDS). The basis of five important parameters chosen are trust, discounts, schemes & offers, service and quality. MMDS obtains the underlying dimensions from e-consumers’ judgments about the trust perception about e-retailers, the index score shows Flipkart as a leading e-retailer with index above industry average followed by Snapdeal and Amazon. E-consumers’ judgments on the discount perception about e-retailers, index results shows Flipkart as a leading e-retailer with an index which above industry average followed by Amazon and Snapdeal. E-consumers’ judgments on the schemes perception about e-retailers. The index results shows Flipkart as a leading e-retailer with an index which above industry average followed by Snapdeal and Amazon. E-consumers’ judgments on the service perception about e-retailers, index results shows Amazon is leading with an index which above industry average followed by Flipkart and Snapdeal. E-consumers’ judgments on the quality perception about e-retailers, index results shows Flipkart is leading with an index which above industry average followed by Amazon and Snapdeal. The index score for other e-retailers like Croma, Homeshop18, Ebay, Ezone and Indiatimes is up to industry average or below average. They quickly need to change their market positioning strategy for survival and growth.

19) Perception of consumers were mapped using graphical technique Perceptual mapping that attempts to visually display the perceptions of customers or potential customers. On Trust factor Flipkart, Snapdeal & Amazon were pursued very high. Amazon bags for Service and compared to Flipkart, Snapdeal and others. Overall Flipkart, Snapdeal & Amazon pursued approximately equal in terms of Quality & discounts and schemes and offers. Perception of other e-retailers Croma, Homeshop18, Ebay, Ezone and Indiatimes are below the mark on the cross all five parameters.
20) E-consumers decision making mostly influenced by marketing influences like the Price, Advertisements on TV, Newspapers & Magazines, Free samples, Quality of product & Brand Image/Name impacts most on consumers’ willingness to buy online.

21) Psychographics of major 5 sections- Subjective parameters, Pricing, Product quality, trust & major influences study shows

   i) Subjective parameters suggests to focus on cheaper price, want to try something new, Shopping through mobile is a good idea, 24-hours operation attracts to shop online as it is convenient, online shopping for limited edition products, buying goods that are not supplied with solid shops and shopping online to buy goods not available from the nearby solid shops or the solid shops in the city.

   ii) Pricing parameters suggests to focus on the lower price of the same product, willing to pay for a higher price for quality, more discounts for purchasing more is an advantage and Free delivery charge advantage.

   iii) Quality parameters suggests to consider all comprehensive factors to choose the best products, more variety of products sold indicates a better quality of products, Product quality is important to shop online, higher price indicates better product quality.

   iv) Trust parameters suggests to focus on the credibility of the online stores is important to affect my purchasing decision, online stores of well-known brand have higher trust, when I shop online, the more the positive comments indicates the higher the credibility of the seller.

   v) Online purchase decisions suggests to focus the attitude and efficiency of the online seller affect repeat purchasing behavior, purchasing from an online seller traded before, the quality of the products affects my repeat purchasing behavior, the regular promotion activities of the online seller increase repeat purchase behavior, the price of the products affects repeat purchasing behavior and the seller’s attitude affect purchasing decision.

22) Hypothesis Testing shows that

   i) Demographic factors such as Age group, Education, Income and Occupation of e-consumers significantly impact the e-consumer behavior.
ii) Discounts (Lower price) is most liked by e-consumers and have a significant relationship with their purchase decisions.

iii) The major trust factors affects e-consumer purchase decisions are Credibility of the online stores, online stores of well-known brand and the positive comments from consumers positively affects the e-consumer behavior towards willingness to buy from e-retailers.

iv) Cash on Delivery is a most preferred payment option by e-consumers.

v) The major marketing influences on e-consumer purchase decisions are Advertisement in TV, Newspapers & Magazines, direct mail, celebrity endorsement and free samples.

23) The One word describes e-consumers Online Shopping Experience, positive words: Extraordinary, Wow, Great, Exceptional, Excellent, Advantageous, Happy, Contented, Memorable, Dynamic, Delightful, Good, Joyous, and Secure. Negative words: Poor, Terrible, Bad, Negative, Sad and Unhappy. Overall, almost majority of e-consumers uttered positive words.
7.2 Conclusion

Due to fast moving lifestyle, online shopping has been growing drastically in India. With developed internet penetration, increasing adoption of devices like smartphones, tablets, and laptops, and access to the Internet and the shift in buying behavior among the consumers has contributed to the rapid growth of the online consumer base. The increase of online shopping has become a trendy way for consumers to shop over internet. The research indicates that shift in buying behavior towards online is positive due to reasons like cash on delivery, discounts, schemes & quality of products offered.

Increasing awareness towards use of internet, satisfactorily results in online shopping, rise in standard of living, occupation, influence of friends and attractive offers had affected purchase decision making. Youth contributes a considerable proportion of the online users with India’s youth comprising a significantly larger share than global internet users. ‘Y’ generation which are youths between the age group of 18-35 years were mostly attracted towards online shopping of electronic product through smart phones. Flipkart as India’s leading e-retailer has revolutionized online shopping like never before maintains top position on consumers mind followed by Snapdeal & Amazon. Flipkart to retain top position it needs to offer better schemes & offers with superior quality and service.

With nearly one-third of internet users already making purchases online, the e-retail growth will rely more on increased spending from existing buyers than first-time online buyers. When it comes to liking most about online shopping, most of the e-consumers likes cheaper prices as their primary motivation for shopping electronic products online and Cash on delivery is the most preferred payment method.

E-consumers decision making mostly influenced by marketing influences like the Price, Advertisements on TV, Newspapers & Magazines, Free samples, Quality of product & Brand Image impacts most on consumers’ willingness to buy online. Overall, most of e-consumers reported to have satisfied experience with the quality and services offered to them by e-retailers. Hence the study directs the e-retailers that they should focus on these important aspects in order to attract the more customers towards online shopping.
7.3 Recommendations

1) More discount compared to physical stores is a major pull for the customers to shop from e-retailers, to maintain this heavy discounts in the long term business will be the major challenge for e-retailers. Cost estimation & future planning of pricing, promotional activities will be essential to cater market demands.

2) Currently e-retailers offer very few or no Loyalty programs for e-consumers which most of the solid stores provide. To maximize customer lifetime value for long term run Loyalty Programs for existing high value e-consumers should be launched.

3) Online shopping services are mostly available in metro cities or in the urban areas for e-retailers to expand the customer base in smaller towns they need to do tie ups with small entrepreneurs & local suppliers.

4) Mostly when a new product is launched online ‘Stock out’ situation arises, which leads to unavailability of stocks, it demotivates e-consumer to wait a long time to buy online. Stock out situation need to be properly monitored, planned & estimation of demand should be calculated.

5) More of Brand & trust building exercises should be carried out in order to position a positive image of online shopping in consumers mind.

6) Cash on delivery is a most preferred option, but cash spending is limited and have restrictions. Consumers spend more with credit card compared to cash. Still consumer’s doesn’t trust e-retailer because of history of credit card frauds. E-retailers need to find a solution to this problem to increase spending in the future.

7) Currently products are couriered directly without route planning which results in cost to e-retailers. Google maps should be used for customer location finding.

8) Multiple order delivery of single e-consumer is not delivered by single person. It is delivered by different delivery boys. Multiple delivery planning should be done in order to save cost of delivery & time.

9) Most of the corporate houses in India offer Festive shopping cards for their employees as a part of corporate engagement. E-retailers need to launch such a festive shopping cards, such as Diwali, New Year, Bonus, Loyalty, etc.

10) Based on past purchases & transaction history e-consumers should get automatic Product recommendations which in turn will lead to increase in online shopping.
11) On Big billion day’s sale, Great Indian Festive Offers or similar offers stocks unavailability is a major concern. Product demand forecasting should be done and activity need to be pre planned in order to avoid spot stock out situation.

12) Consumers don’t get alerts & messages about new product, product/category launch, e-consumers have to visit websites for information. Consumers should get adverts, blinks, SMS or emails to be informed.

13) Product comparisons: currently consumers can compare maximum 5 products only. Customized product comparisons should be launched in order to make it easier for customers to purchase as per convenience.

14) Promotional activity through TV and newspaper is very expensive. E-retailers need to plan, newer ways to promote the product which will result to save the cost and pass on benefits to end consumers. The multilevel promotional activities in one of them where e-consumers will get royalty points for inviting new consumers though there referral codes.

15) The Indian customers give high importance of security and privacy concerns. Perceived privacy of customer information can be improved by ensuring that at no point of time the customer is asked for irrelevant personal information.

16) An Indian e-consumer still has a habit of checking the product physically before purchasing it, which creates a mental hurdle for him to shop online. So, e-retailers selling customized products should stress more on providing this facility with better communication to the customers through telephone or through product clear images and videos on their website.

17) E-retailers drastically need make their website more fast and convenient. Also they should make their website more attractive and appealing in order to retain the potential shoppers. Moreover, the e-retailer should ensure that the shopper easily and quickly gets to the final shopping-cart web page, instead of undergoing a series of clicks from one webpage to another.