Chapter 9. Conclusions and suggestions

CONCLUSION

Since the introduction of E-Commerce, there have been debates on future of its prospects in India. It would be as successful as it is in US or it is a mirage that attracts many but offers nothing worthwhile. True enough; the players in the online marketplace are still struggling to settle with a successful business model. Most of them are settling for Advertising Model, hoping it would help them break-even. However, to grow beyond, the majority of the revenue needs to be generated from customers. Customers on the other hand, have become choice-spoilt. There is no dearth of offerings for them. They skip from one seller to other in search of best deals in the standardized products market.

The E-Commerce Industry in India was worth Rs 7080 crores at the end of 2006-07. The adoption and usage of E-Commerce in the country is a function of the overall environment for Internet usage in a country. To correctly understand the likely growth path for E-Commerce in India it is imperative to understand the internet ecosystem in the country.

Some of the key variables that need to be understood are the proportion of computer literates, internet penetration, frequency of access to the internet, purpose of internet access etc. A correct mapping of these would help in understanding the overall framework of E-Commerce in the country.

The PC literate population is on a fast growth curve having grown 100% in 2006 over 2004. Though in India overall penetration is still low the important factor is that a critical mass of users is shaping up which will fuel rapid growth over the next 3-4 years. A Claimed or Ever Internet User is defined as one who has ever accessed Internet.
A subset of Claimed Internet users, active Internet users are defined as those who have accessed Internet at least once in the last one month. They are the regular users of Internet and are aware of the recent trends and applications emerging on the Internet. The population of Active Internet Users was 21 million in March 2006.

As these Internet Users mature with respect to exposure and awareness of internet, they tend to spend more time online; access internet more frequently and surf non-communication based applications and advanced online applications like gaming, E-Commerce, etc. However, e-commerce is still not the key driver of the internet. Internet usage in the country is still driven by email and information search.

India’s online population currently stands at around 100 million. The Internet user represents every facet of society and transcends any bias. ‘Business’ and ‘Enterprise’ have been equally keen on embracing this medium. An email address and a website has become a necessity and not a mere accessory or a luxury, for any self respecting business or enterprise will have a website. Changing lifestyles and shopping habits coupled with superior options and selections make this interactive medium most attractive to this e-generation. The opportunities of the medium to business include advertising space to strengthen brand equity coupled with lower infrastructure costs, unlimited shelf space, a global audience that can be catered to without the restrictions of time zones and working hours.

This study identifies the perspectives of the shopping habits of a growing demographic that has embraced ‘consumerism’ in its e-form and to highlight a realization amongst ‘enterprise’ that an online presence along with e-commerce and marketing models would go a long way in strengthening their economic goals. Moreover, deals with information to start online business or
improve online shop or enterprise in the core competitive area. Some facts with reference to online marketing in India are as follows:

As far as the growth of e-commerce industry is concerned it is growing by leaps and bounds as year on year growth of this industry from the year 2002-03 is more than 95% per year. Visitors Conversion ratio is also more than 55%, out of which the ratio of repeat purchase or loyal (for medium) customer is around 87%.

The future of online marketing is very bright as more than 70% customers are in the age group of 18-35, & around 85% of them are male, thus they are the persons who have disposable income in their hands. Moreover, 83% of them educated with a Bachelor or Post Graduate degree, it represents an educated audience and around 54% of online shoppers are at an executive level, 24% of online shoppers are professionals or self employed, it indicates an assured spending power. The most important fact is that 65% of online shoppers have been using the Internet for more than 5 years & around 45% of them use the Internet for more than 20 hours a week. It represents that the Internet is becoming an integral part of ‘daily activity’.

For the purpose of online payments 81% of online shoppers own a credit card & 75% of online shoppers own a debit card it signifies that all users are well prepared to finish the transaction. 67% of online shoppers have shopped online as recently as 3 months showcasing the growing acceptance of e-commerce.

To outline the current supply side industry, inputs were sought from key players operating in the B2C and C2C E-Commerce Industry, which was further divided into the following verticals:
1. Online Travel Industry, comprising Air, Rail, Hotel Reservations; Car Rentals, Tour Packages
2. Online Non-Travel Industry, comprising e-Tailing, Digital Downloads, Classifieds and Paid Content Subscription

The main products available to sell online in India can be listed as; Books, Electronic gadgets, Railway Tickets, Accessories apparel, Apparel, Gifts, Computer Peripherals, Airline Tickets, Music, Movies, Hotel Rooms, Magazines, Home Tool Products, Home Appliances, Toys, Jewelry, Movie Tickets, Beauty Products, Health & Fitness Products, and Sporting Goods.

The healthy part about the Indian Online industry is that 80% of online shoppers are satisfied with the online shopping experience, making a case for repeat purchases and peer to peer recommendations on this interactive medium. The rest are neither satisfied nor dissatisfied, therefore there is an opportunity to convert them towards this increasingly high satisfying index.

On the basis of the behavior of online shoppers towards buying online, Internet users can be classified into the following four categories: Conventional (People who shop in Brick and Mortar stores), Looked for Information (People who browse for information but do not shop), Apprehensive (People who will not shop on the net unless their concerns are addressed) and Enthusiasts (People who are willing to try out). Though majority of Internet users look for information on various product categories online, a relatively smaller portion of them actually buy online. Some of the reasons to explain this behavior are: fearful expectation with paying online, lack of touch-feel-try, concern with authenticity of seller and products sold online, time lag between placing order and delivery of the product.

The sequence in which the above-mentioned category of Internet Users can be targeted by the online players: enthusiasts, apprehensive, looked for Information and conventional.
It has been observed that most of the Online Shoppers start their e-Shopping journey with buying Air/ Railway Tickets. This might be because the service provided in case of travel, especially ticketing is undifferentiated with the place of buying the tickets. The buyer is ensured that he would get the same service as his co-passenger who has bought his tickets from the physical counters.

However, the need for ‘touch-feel-try’ might be important for product categories like Apparels, Jewelry. Product categories like Electronics, Mobile phones fall in the zone of ‘high-risk’ products, for which there are many ‘LFIs’ and very few ‘Enthusiasts’.

The above-mentioned factors make ‘Travel’ more attractive to the Enthusiasts than other product categories. As a result, the Online Travel Industry is growing at a faster pace than other online categories.

The revenue opportunities brought by Indian online commerce has only just begun to mature and is expected to grow exponentially as there are some triggers such as, time saving is the major reason that drives Internet users to shop online. It is followed by convenience of anywhere, anytime shopping online. Online stores do not have space constraints, thus, a wide variety of products can be put for display. Companies can display whole range of products being offered by them. This further enables the buyers to choose from a variety of models after comparing the looks, features, prices of the products on display. To attract customers to shop online, e-Marketers are offering great deals and discounts to the customers. This is facilitated by elimination of maintenance, real-estate cost of the seller, selling its products online.

On the other hand, in India shopping is an experience itself. Consumers look forward to it as an opportunity to get out of their homes and interact with other people. The recent growth in the malls and the hypermarkets only corroborate this fact. Thus, e-commerce has to bank on the convenience and
discount platform as there is no way that they can compete with the offline platforms on the experience that they provide.

Absence of touch-feel-try creates concerns over the quality of the product on offer. Another roadblock in the way of E-Commerce is lack of interactivity so as to allow for negotiations between the buyer and sellers.

In addition to above, the security of online payments is a major issue requiring immediate attention of the e-Marketers. Increasing rate of cyber crimes has made customer apprehensive of revealing their credit card details and bank details online.

Moreover, the duration of selecting, buying and paying for an online product may not take more than 15 minutes; however, delivery of the product to customer’s doorstep may take about 1-3 weeks.

There is no doubt that Internet shopping has a number of benefits to offer. With changing lifestyles, E-Commerce is surely the most appealing and convenient means of shopping. However, the grave issues surrounding the market do not make it the “choice” of most of the Internet users. Addressing the above specified issues, thus, has become critical to expand beyond the current user base.

**The major findings of the study**

There are two important components that have major impact on a sales oriented business Web site. Obviously every company spends a fair bit of time to get the benefit of enormously improved visibility through search engine marketing. But the second component that companies completely forget about is the aspect of being able to compel those new visitors to respond to the Web site.
1. Company’s Web site must be easily found by those who are searching on the major search engines.
2. And once it is found; it must include a solid call to action that gets the new visitor to take an action and respond.

It is only when both of these two elements together are made manifest in the company’s strategy, one without the other just won't have the same impact at all. For example site might have huge volumes of traffic built up using a variety of top strategies, but even if it has 20,000 new visitors per day, it is still possible for a Web site to flop, if all visitors are doing is hitting the back button and if none of that traffic is converting to sales. Site might have a very compelling flow of copy that reads well and would convert great, but what good is that high conversion ratio if only a handful of visitors can find the Web site. So company needs both to be easily found and good sharp calls to action in the content.

It is amazing how companies sometimes don't really think about their call to action. Sometimes companies assume people will just automatically know what to do next. The other findings of the study can be concluded in the following points.

**Activities of customers**
Most of the Indian online companies are not using any program to analyze the activities of the customers, how they have reached at the site, how they are attracted towards the site, how many visitors are converting into customers and importantly site’s are not having internal search option.

**Technical Issues**
Companies are using very heavy sites either contents or images wise, which take a huge amount of time in downloading specially due to the slow internet connections. Sometimes the site is working well showing the
inventory, allowing the customers to make purchase but at the time of billing it is showing some error or producing a wrong invoice. In case of BAMs the site is not updated from time to time, therefore it creates problems for the customer; as it shows some products but at the time of billing it updates and says NOT AVAILABLE.

- **Interactivity of the site**

  Several customers are not aware that the site they are visiting is not only showing the products but also selling them; it is so because there is no such indication which tells the customer that they can buy online. Most of the sites are using animation or flashes on home page which diverts the customer from main product. Sometimes customer wants more information about the product or service but he/she fails to get this information on the site therefore he/she quits the site. Most of the sites use the technical language while describing their terms and conditions, due to not understanding the exact meaning of it customer discontinue the shopping. As per consumers the home page of the sites do not show the product or services provided by them on the other hand it shows the advertisements, animations and about us column.

  Consumers hesitate to go for the online buying process because most of the time they are unable to get the price of the product or service before the billing option. Thus most of the time to know the price he/she has to go for billing option and then decides whether to buy at this price or not. If consumer finds a product to buy then it becomes difficult to know that what the name of this product is for the purpose of billing. Sites project the images of the product in very artistic manner which de-motivates the customers as they do not get the real feeling about the product. Consumers are unable to identify the product links on the site moreover the site search option is also
not available. Before buying consumers want to know about the physical address of the company but it is hardly available on the site.

**Visibility of the site**

The introduction and qualities of the product are written in a non-readable manner; sometimes product name is there but it is difficult to find out the qualities of the product or so many qualities are written within single line that makes consumer unlikely to read them.

Sometimes sites open well at office but not at home. The sites use technical words or long sentences, the customers feel uneasy to readout these technical words or long sentences, thus avoid the shopping on such sites.

**Brand Marketing for search**

Most of the companies are not working on search marketing; they do not have any sort of advertisements of their best selling products to put on the site; moreover companies are not using their brand name as at all for search; on the other hand some companies are spending a huge percentage of their sales on advertisement without understanding the profitability of their business.

**Search Engine Optimization**

These are technical issue & shall be maintained by the site developer. Some developers do not make the right use of description tags, meta description tags & title tags, heading tags, paragraph tags; which leads to lower chances of listing by the search engine. The different pages within the site are linked to the home page by different coding; which again reduces the chances of listing by search engine.

Companies are not aware about the helping hands for search engine optimization such as Google webmaster or yahoo site explorer; therefore
companies do not get the useful information about the problems, links and the other stuff that makes site better.

**Newsletter Marketing**

The basic wrong thing companies are doing is to trick customers to sign up for newsletter i.e. without their permission. Most of the time companies invite customers to sign up but without any incentive for signing up; therefore companies do not get the list of customer as nobody signs up.

In case a customer sign up there are no clear instruction on the site such as to add the companies address to their address book; therefore most of the newsletters send by the company moves into the spam folder of the customer. Moreover companies are neither using good subject lines not their name in the subject line while sending the newsletter. Sometimes after getting such newsletter customer fails to understand that what to do; as there are no clear instruction thus it becomes a puzzle.

Companies send newsletter every day & sometimes just stop sending any newsletter, both reduces its effect. Companies use a service provider to send newsletter, which is a black listed one. Customer should get few options about the newsletter as to unsubscribe it, forward to a friend etc. Last but not least the companies do not include their physical address with every newsletter.

**Building Relationship**

Most of Indian online companies fail to build relationship as the sites not even sending a thanks e-mail to the customer after the completion of an order or about the dispatch of the order or tries to know whether customer is happy with the interaction with site. Moreover companies register customers just to buy something.
• Non Functional site/pages

When a page of the site does not exist it gives a technical message i.e. ‘404 page not found’ error; consumers do not understand it and just quits. Companies are not using the similar domains/URLs; therefore they are missing customers e.g. www.google.co.in & www.google.com both leads to the same site. Thus they are similar domains/URLs. Companies are very strict about their registration forms, if a consumer missed an entry then they just give him/her a fresh form to fill; which irritates them.

SUGGESTIONS

A common suggestion is that the site must tell the customers in plain simple language exactly what it want them to do right on the page so they understand. Once company identifies the call to action, here are few suggestions for the companies to keep in mind:

1. Give people a non-threatening reason to take action right now.
2. Write the companies call to action so that the copy focuses on the visitor and does not focus on company.
3. Learn how to write the companies call to action.

Let's say a company is selling an e-book as a product and here is couple of examples to demonstrate:

First a bad example : (Read the following bad example out loud)
"In our e-book, we will teach the student how to take advantage of all of the strategies they need for success. How can anyone be sure they will gain the best information from our product? Here's why. We are the experts and we guarantee all of our products. Hurry and buy now!"
Let's talk about what is wrong and how it might be improved.

Notice it does not speak to the reader.
- Notice the heavy emphasis on terms like "we will teach," "we are the experts," "we guarantee," "our products" (These all represent very self focused terms)
- The dialogue does have the flow that it could have if it was written more focused on the reader.

Now let's change gears and write similar text so that it flows in a more compelling manner. Plus add in the benefit of a guarantee.

**Here is a better example**

"Now just imagine, once you read this e-book, your Web site could be taking more orders online, finding more new customers for you, converting more of your traffic into sales, and making your online business as successful as, or even more successful than, your competition. Plus do you know you have up to 90 days to decide if this e-book is right for you. That means you don't even need to think about making a decision. Just simply download the e-book right now and start discovering everything you need to know. The important thing is that you start now. Don't wait for your competition to get a head start. Download this e-book today and start using the information today. We've made it simple and affordable, and the rest is up to you."

**Now let us talk about why this works better**

- Phrases like "**Now just imagine**" help paint a picture in the mind of the reader.
• The copy now reads like dialogue or like someone was speaking directly to you.
   We have added in mention of a guarantee - which removes the feeling of risk.

  ◦ The dialogue flows to convince you to take action now.
    The dialogue is very visitor focused and mentions "you" much more than "we" or "ours."

  ◦ Non-threatening reason to respond is that you need to take action BEFORE your competitor does.

  ◦ Does not try to "push" the sale but leaves the reader in control by using phrases like "the rest is up to you."

4. One of the things companies can easily do is consider checking the Web statistics for busy pages that are already getting traffic in the Web site. Then review each of these individual pages to see if there are ways to enhance or improve the current call to action or if there is none, consider adding one in.

5. Remember to read the Web copy out loud to see how well it flows. Does it flow like dialogue or does it sound more like sales pitch trying to sell you something.

6. Work on the tone of the dialogue so that it reads warmly, nearly like a friend speaking directly to the company.

7. Have you added in some "trust building" factors. If you have a guarantee, be sure you add it in.

8. If your "call to action" is to get the visitor to make a phone call, try describing the action you want them to take.
Example:
Here's all you need to do. Walk over to the phone and give us a Toll Free call right now at 1-800 XXXXXXXX try make it real easy to read.

9. Sometimes company may want to include a few testimonials in with the call to action (depending on what it is.) Some customers may never visit a separate testimonial page, but sometimes a testimonial well placed near a call to action will help.

10. Is company working with all of the benefits in the dialogue? Make sure site is properly describing those benefits so that the emphasis is on the true value of what the reader will get for taking the action.

The above suggestions are for new comers whether they are pure play firms or BAMs, the firms already engaged in online marketing either pure play or BAMs; the suggestions to improve their online performance can be divided into following steps:
List of suggestions to improve online marketing

- **Analysis of the activities of the customers**:
  - Set up an analytics program. Google analytics is easy and free.
  - Set up conversion tracking in the site’s analytics program.
  - Use conversion tracking to figure out which advertising and keywords work, and which don’t. Stop wasting money.
  - Track the search terms customers use to find the site. Make sure that the products matching the three most popular search terms appear on the home page.
Do the same for site’s internal search. There must be an internal search option.

**Technical Check:**
- Resize and compress your images using an image editor.
- Go through the entire shopping cart & make sure that there is no error; such as page is secure but is loading elements.
- In case of BAMs pages are generated from database. Make sure that, wherever possible, those pages are using caching. That means the pages are generated only once every few minutes or hours, instead of every time someone visits the site. That will improve performance.

**Usability & Sales:**
- Home page must have a clear ‘shop now’ call to action button. If it is not there, add one. As some of visitors do not even know they can buy directly online.
- Remove all ineffective animations from home page. Do same with anything that blinks/flashes or moves. It is a distraction. Get rid of it. Always remember that you are not an amusement park.
- Certain buttons such as; show a product, show a price and ‘buy now’ or at least a learn more button, must be available everywhere.
- Terms of service should be written in actual, readable words, instead of legalese.
- Home page must have a heading that compels call to action.
- Home page must show the products. Most of the online stores fail to do this. Instead the front page is a testament of their web designer’s talent or lack of talent. Do not make that mistake.
On product pages, put price, and ‘buy now’ buttons together in one area of the page. Do not make consumers hunt around.

Product pages must have the product name in a heading at the top of the page. It is a very common mistake but most of the sites are doing it.

Use good product shots. Make sure every product page has a clear picture of the product. It does not have to be artistic. It just has to be clear.

Make sure all links are underlined and in a different color than the rest of the text.

If the site does not have an internal search tool, get one. Google custom search is easy to set up.

Make sure that buttons like ‘about us’ should not be in the main navigation.

Company’s phone number and other contact information must be available in plain view on each page of the site. It develops the trust.

**Typography & Style:**

In paragraph text, concentrate on line spacing and create an easier to read page.

Make sure that heading are closer to the paragraphs that belong to them than the others. It also adds to readability.

Never have more than 13-15 words on a single line. As readers have a hard time with more than that when reading online.

Use a font everyone has on their computers such as; Arial, Times, Times New Roman, Verdana etc. However, a different font may looks good but if the consumers do not have that font,
then their page will default to another typeface, and it may look messy.

○ Use short sentences & small words. Users are not stupid, but they are in a hurry.

- **Search Marketing**:
  - If you do not have a pay per click account, start one, at least with Google Adwords.
  - Create individual ads for a few top selling products, and point those directly at the product pages. Too often, site’s simply point ads at their home page and their sales improve.
  - Create individual ads for each category, and point them at the category pages.
  - Buy your brand name as a keyword. Lots of companies ignore this, thinking their search engine optimization techniques will do the trick. But unfortunately it won’t.
  - Use product names in the ads.
  - Know what your customers are worth. Make sure you are not over spending.
  - Check for broken links. If you have had pay per click account for a while, there may have some old ads, pointing at old pages.

- **Search Engine Optimization**:
  - Use real description tags. On product pages, make sure that the meta description tag includes the first sentence or two of the product description. While this does not directly affect rankings, but it will increase the chance that consumers will click on listing in the search ranking.
- Make sure that the product name in the title tag. By this site will get better rank for the name, and get better click as the listing will be more obvious.

- Always link to site’s pages in the same way. For example, do not link to home page using ‘www.xyz.com/index.html’ sometimes and ‘www.xyz.com’ other time. Always use ‘www.xyz.com’ the same goes for category pages.

- Set up a Google webmaster Tools account. Go to google.com/webmaster and open an account. Then verify the site as per their instructions. You will get feedback from Google about problems, links and the other stuff that makes the site move up or down in the rankings.

- Set up a Yahoo Site Explorer account. Go to siteexplorer.search.yahoo.com, register, and verify the site. You will get more useful information about how the search engine sees the site.

- Make sure heading are in heading tags, paragraphs are in paragraph tags, etc.

- **E-mail Marketing:**
  - Invite customers to sign up. When a customer completes a purchase, invite him/her to sign up for newsletter. Do not trick them or sign them up without permission.
  - Invite everyone to sign up. Offer free shipping to anyone who signs up for newsletter.
  - When someone signs up for newsletter, give him/her instructions for adding newsletter’s ‘form’ address to their address book. That makes less likely to land in the spam folder.
• Write a good subject line. Do not put ‘FREE!!!’ in the subject line. Write a clear, compelling line like ‘Free shipping before May 15th.’

• Include company’s name in the subject line.

• Make sure that someone previewing mail can see and act on the offer, right there. Do not make them hunt for it.

• E-mail regularly. Send out an e-mail every month. If customers start abandoning the list, slow down. But make sure that mailing is regular.

• Use a reputable e-mail provider. Use a major provider like what-counts or constant contact. They have agreements with most service providers to make sure that they do not get blacklisted.

• Include a clear unsubscribe option.

• Include a clear forward to a friend option.

• Include the company’s physical address in the e-mail. This builds trust.

• The Order Process:
  • After a customer completes an order, say thanks.
  • Be sure to send them an e-mail when they complete the order, when the order ships, and then a few weeks later to check in and make sure they are happy with their purchase.
  • Include company’s phone number in the status e-mail.
  • Do not make people register just to buy something.

• Responses of site when things go wrong:
  • Have a friendly ‘page not found’ message. When someone goes to a page that does not exist. There may be message as ‘404’.
page not found’ error. Replace it with something that explains what happened in plain language, and offers alternatives.

- Make sure that, if someone types the address in wrong, they still have a chance of landing on the site. For example, if someone types in ‘www.xyz.com’ he/she should land on ‘www.xyz.com’.

- Do not erase an invalid or incomplete form. If you send someone back to a form they did not properly complete, make sure their entries are still there. Nothing drives users crazy faster than having to type in their address again just because they forgot to enter their zip code.