



E-Tailing -An Untrodden Path. A Study of Comprehensive Model

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ABSTRACT

*The present age is exploded with technology in whatever we do. Rapid Internet penetration has made consistent access to technology possible. Altogether changing the way we used to live our lives. One such example is shopping. Internet is changing the very culture of shopping too. People can enjoy shopping around 24*7 due to e-tailing. The existing literature revealed that e-tailing is very common in developed countries but it is still at its formative stage in developing countries. This has opened up a new gateway for researchers to dig out more information to facilitate e-tailing in developing countries too. Since the literature available for understanding the attitude, intention, and perception towards online shopping is relatively less, the present study therefore, focuses on exploring the factors that affect the perception, purchase intention, and attitude of people towards online shopping and to serve the purpose a Model has been evolved considering the expectations of iGen.*

KEYWORDS : e-tailing, online shopping, B to C web sites , iGen

Introduction

Before discussing the proposed model for the study its inevitable to understand the background and future of E-commerce and its subset e-tailing, Which is discussed under the following sections.

I Present and future scenario of E-Commerce

India's e-commerce market rose 88% in 2013.¹ It is the increasing Internet penetration and availability of more payment options boosted the e-commerce industry in 2013² Further, Internet and Mobile Association of India (IAMAI), the industry body of online and mobile value added services, has pegged the size of net commerce in India at about 40,000 crore in 2012.³ Moreover, The survey conducted by Assocham had unearthed that India's e-commerce market, which stood at \$2.5 billion in 2009, reached \$8.5 billion in 2012 and rose 88 per cent to touch \$16 billion in 2013. The survey estimates the country's e-commerce market to reach \$56 billion by 2023, driven by rising online retail¹.

II Future of e-tailing a sub set of E- Commerce

Having close to 10 per cent of Internet penetration in India throws a very big Opportunity for online retailers to grow and expand as future of Internet seems very bright.² Internet has become the world's largest marketplace and revolutionized the ancient technique of buying and selling goods, and even services. (Vegiayan et. al). Moreover, The online retail market presents an attractive opportunity for entrepreneurs too, since it is growing rapidly and still forms only a miniscule portion of organized retail. Ernst & Young (2012).

Now, The retail industry campaign has been repainted by Internet and the rules of the game in retailing are fast altering. Online retailing forms a meager 0.08% of the entire Indian retail markets. Market players have to be more positive, revolutionizing and pioneering in their approach and offering to make serious inroads. Nagra & Gopal

III e-tailing Getting popularity silently.

e-tailing is at a very nascent stage in India and is expanding very rapidly. There's lot of opportunity for innovation and to provide value to the customers.³ It's very obvious to see why many of customers are switching on their computers instead of driving to the supermarkets. Today, online shopping has become massively convenient and offers wide range of products to be purchased. (Vegiayan et. al)

IV Challenges In e-Tailing

Primarily, adapting new and innovative technique which could enhance shopping experience and entertain shopper gives a challenge to e-tailing because "developed and fast developing countries have understood the influence of Internet, India is still ignorant and trying to deal with up with the technological developments". Nagra & Gopal.

Secondly, The growing number of players in e-tailing will make the competition stiff. Beating the competition thrown by Organized retail players by penetrating into e-tailing will be a big challenge.

Thirdly, exploiting the under penetrating segment is a challenge for e-tailers. A report by Earnest and Young had also identified the areas in e-tailing still unexploited. There are a number of underpenetrated segments such as online groceries in online retail. Players also have opportunities in sectors impacted by online retail. e.g. logistics, in which last-mile reach is a problem. Ernst & Young (2012).

Lastly, satisfying the iGen and working family class in online buying and attracting them for repeat purchase is yet another challenge. Meeting their expectation on web would be tough for e-tailers. Therefore, e-tailing can't flourish in India unless the on line sellers know what are the factors that affects online buying behavior? what is attitude and perception of the people towards the online shopping? What is their purchase intent and what is the expectation of internet generation?

V. Hindrance in e-Tailing- A skeptical mindset towards online shopping

Indians are somewhat reluctant to transacting online. Indians look at shopping as an entertainment activity and consider visiting malls and brick and mortar outlets as an escape from their day – to- day routine. Other factors holding them back from online shopping include fear of identity and financial theft, product genuineness, lack of touch and feel, delivery time and fixed price format. Nayyar and Gupta (2011) Those who are reluctant to shop online cited reasons like preference to research products and services online (30 percent), finding delivery costs too high(20%), fear of sharing personal financial information online(25%) and lack of trust on whether products would be delivered in good condition(15%), while 10 % do not have a credit or debit card amongst those surveyed¹. The prime obstacles in the way back-up of online shopping is that people usually get petrified when the other computer demands the complete details of the customers. Due to which a customer gets anxious that his or her personal details may get disclosed and their precious money and account details get damaged. Sajjad et.al. (May 2012). Liebermann and Stashevsky (2002) had also identified two central perceived risk that have a crucial effect on both Internet current and future users, and amount of usage: Internet credit card stealing and supplying personal information. (Tsai et al.). Common Internet usage concerns included the tracking of Internet activity by companies, employers, and the government. Other concerns included identity theft, spyware and viruses, unwanted email, and data security. In the context of online shopping, respondents reported significant concerns for credit card information theft.

VI. Literature

The importance of B to C to the future global economy is well known. Determining how to create B to C web sites that's can effectively attract and retain consumers so that key objectives, such as online purchase, web visitors satisfaction, repeat visits, and online customer loyalty are attained is an important step in developing an overall e business strategy of an organization. (Ranganathan, C., & Ganapathy, S.) (2002).

Retailers should give more importance to purchase quality to maintain their relationship with their existing customers as well as to attract new potential customers. Customer would feel appreciated and valued if retailers can create comprehensive FAQ page (frequently asked question). This would ease customer to find answer if they have any common questions and also they can get a quicker access to any of their enquiries. **Vegiayan, et al. (2013)**. Evaluating the customer's attitude towards online shopping and the factors affecting it can assist the marketers and managers to plan appropriate strategies in order to make more profit. **Halimi, et al, (2011)** To enhance customer satisfaction and purchase intentions, online stores should start improving the dimensions of reliability, such as capability of delivering products as promised, providing up-to date and accurate information, and strengthening the security of online transactions. **(Lee & Lin)**. Online retail players have a scope to focus on new product delivery models and payment mechanisms, since customer are facing problems with the options available **Ernst & Young (2012)**. Moreover, retailers should continue to offer customer with wide range of products rather than selling one or two items. Customer are always expecting for varieties and alternatives when purchasing. This also includes promotions, vouchers and discounts. These types of elements increase the interest of the customer to make their purchase. **Vegiayan, et al(2013)**. **Karve, Sunil** hinted that India's big retail companies should start with virtual 3D online shopping. 3D online shopping should offer the product such a way that it will enhance the customer shopping experience and it will be more entertaining and time saving. If companies offer discounts, free gifts and promotional offers in 3D online shopping then people would like to buy online. It is also found that 3D online shopping will help to increase the demand for online shopping.

VII Reference model/Models Proposed In Past

Hong, Weiyin and Thong, James Y.L. and Tam, Yan Kar They wrote that both online retailers and consumers will benefit from a Web site's interface design. Concluded that, a good fit between the information format and the shopping task will result in more *effective and efficient* online shopping performance.

Lee, K.O.M, and Turban, E (2001). Describes a theoretical model for investigating the four main antecedent influences on consumer trust in internet shopping, a major form of business –to- consumer e-commerce: trustworthiness of the Internet merchant, trustworthiness of the Internet as a shopping medium, infrastructural (contextual) factors (e.g., security, third-party certification), and other factors (e.g., company size, demographic variables). The findings indicate that merchant integrity is a major positive determinant of consumer trust in Internet shopping, and that its effect is moderated by the individual consumer's trust propensity. The construct of individual trust propensity is believed to positively moderate the effect of these antecedents on consumer trust.

Ujwala Dange and Vinay Kumar They developed an online consumer buying behavior a motive model titled "FFF model" on the basis of existing review of literatures for future researchers. The three F suggests factors¹(F), filtering elements²(F) and then filtered buying behavior (FFF Model) framework as a basis to empirically explore the factors affecting the online consumer purchasing process. Where 1st F represents the Factors which affect the buying motive in online shopping and 2nd F Represents the Filtering elements and the last F represents the Filtered buying motives. Their model could be used in future studies in the similar field to understand online shopping behavior.

Modified version of the SERQUAL Model is used in online shopping by **Lee, G.G and Lin, H. F (2005)** to examine how e-service quality dimension affect overall service quality, customer satisfaction and purchase intention And the analytical results showed that trust most strongly affected overall service quality and customer satisfaction for online stores . Second, the reliability dimension is a significant predictor of overall service quality, customer satisfaction and purchase intention in online shopping. Third, the dimensions of responsiveness mildly affects overall service quality and customer satisfaction for online stores. **Lee, G.G and Lin, H. F (2005)**

VIII. The Proposed model, "e-CO" of the study.

The model is shown hereunder in figure 1

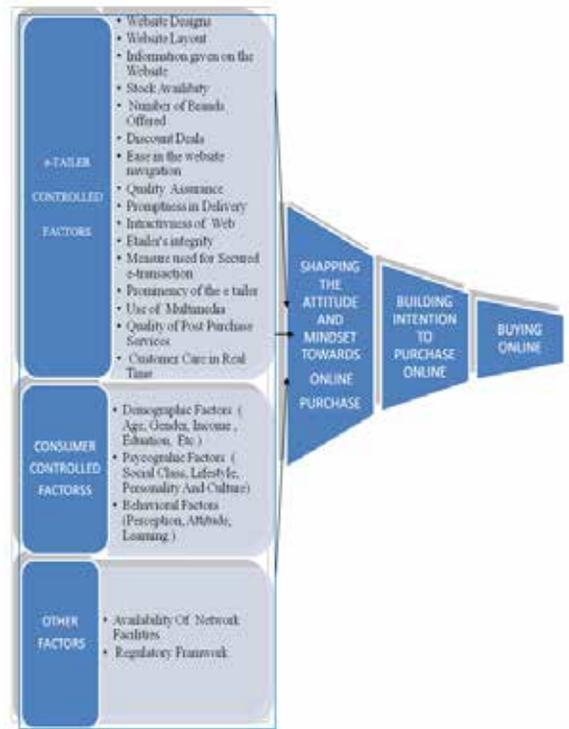


Figure 1 A comprehensive model, titled e-CO of the factors affecting perception, attitude and purchase intent in online shopping

The recent trends are signaling that e-tailing has huge prospects for growth in developing countries including India, so it becomes imperative for e-tailers to know what are the apprehensions of people in online buying.? Why do people hesitate in online buying and are skeptical about it? Although getting explicit answers to these questions is challenging.

Consumers' online shopping behavior hugely differs from their offline shopping behavior. So it becomes inevitable in e-tailing to understand the variables which influence the perception, purchase intent and attitude of the online shoppers. Researchers and experts have suggested e-tailers' to consider all those variables while designing the websites for e-tailing.

However, expectation of iGen and Nuclear families are not much taken care of in the existing literature. So, it becomes essential to include, the variables which would meet the expectations of iGen . Therefore, the study evolved with e-CO model. This model has been designed keeping in mind the expectation of iGen and nuclear families where parents are working. Also Due care has been taken to embodied the variables explored by the researchers in the past.

Explanation of the variables in e-CO model

Website Design- The visual elements that make up the theme and style of the website³

Website Layout- The positioning of the various elements that make a website. The layout is the hardest to change and thus must be settled and agreed upon early on the development process³

Information given on the Website- Text about product, purchase policy and terms and condition etc.

Stock Availability - Availability of the desired product in the stock.

Number of Brands Offered- Range of brands available on web

Discount Deals – Selling at reduced priced on bulk purchases and on buying in specific time limit.

Ease in the website navigation- Website should be easy to browse allowing the visitor to obtain information with minimum effort.^b

Quality Assurance- According to ISO - Quality assurance is a part of quality management, providing confidence that quality requirements (need or expectation that is stated, generally implied or obligatory) will be fulfilled

Promptness in Delivery- It refers to the immediacy in delivery of product ordered.

Interactiveness of Web- An interactive website is an Internet page that uses various software to create an interactive experience that allows the person viewing the webpage to be actively engaged with the site. This can be done for a number of reasons and by using various methods and software to accomplish this interactivity.^d

e-tailer's integrity- Strict adherence to a moral code, reflected in transparent honesty and complete harmony in what one thinks, says, and does^e.

Measure used for Secured e-transaction- It is one of the most important factor since the websites which provide the system for secured e-transaction encourages for online shopping.

Prominence of the e -tailer- it refers to popularity of the e-tailer.

Use of Multimedia- As the name implies, multimedia is the integration of multiple forms of media. This includes text, graphics, audio, video, etc.^f

Quality of Post Purchase Services- The degree to which a provided activity promotes customer satisfaction^g

Customer Care in Real Time – The e-tailers could offer the system where the customer can get the answer to their query in actual time during which a transaction occurs. This would give time utility to them.

Customer controlled factors- Which include Demographic Factors, Psychographic Factors and Behavioral Factor and are well discussed in many studies. The degree to which customer features affect online shopping has been testified in the existing literature already.

Network availability- Network signal is also required for the execution of e-transactions.

Regulatory framework- A system of regulations and the means to enforce them, usually established by a government to regulate a specific activity.^h

IX. Stages in the customers online buying behavior

Figure 2 gives a self-explanatory view of the steps followed by a customer in online shopping.

It is not universal in nature however, shows a common route in making online purchase.

In the very first stage, need germinate and the intent to buy online arouse. Before placing an order the customer select the website on

the basis of various parameters and then the product to be purchased after ensuring security and privacy of the transaction followed by receiving and usage of the product. The repeat purchase hugely depends on the customers experience at each stage. The post purchase behavior entirely depends on his shopping experience.

The e-tailers have to follow appropriate strategies at each stage to increase the number of purchases through online mode.



Figure 2 stages of customers online buying behavior.

Conclusion

Strategists have to presume the effect of the factors given in e-CO model while developing their strategies for e-business to enhance customer's online shopping experience and it would make them feel as if they are buying offline. The proposed model will open up a new dimension for researcher. It calls them to include more factors and discover how closely they are related with online shopping behavior in empirical studies.

E-tailres can accelerate their business by studying e-CO model and similar other models. The models will help them in understanding the factors that affect the attitude and perception of customer towards online shopping and thereby flourish e-tailing in India.

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