

A STUDY ON ONLINE SHOPPING IN INDIA – AN OVERVIEW

Dr. R. ANGAMUTHU

Assistant Professor

PG & Research Department of Commerce

Government Arts College

Tiruvannamalai – 606 003

Tamil Nadu

Abstract

In this paper study the Online Shopping in India – An Overview, here study the meaning of Online Shopping, Process, Merits and Demerits and Future Status of Online Shopping in India. Online shopping is the activity or action of buying products or services over the Internet. It means going online, landing on a seller's website, selecting something, and arranging for its delivery. The buyer either pays for the good or service online with a credit or debit card or upon delivery. The process of online shopping may be defined as when consumers decide to use the internet to shop. Hollensen (2004) alleges that the internet has developed into the "new" distribution channel. E-Commerce now comprises more than 13% of all retail revenue in 2019. Top 5 most visited shopping websites in 2019, according to Alexa: 1) Amazon.com, 2) Netflix.com, 3) Ebay.com, 4) Amazon.co.uk, and 5) Etsy.com. Amazon is the leading online retailer with net revenue of \$232.88 billion in 2018. The company set a record for profits in the first quarter of 2019, reporting net income of \$3.6 billion for the quarter, or \$7.09 per share, crushing analyst expectations for earnings of \$4.72 per share. Amazon continues to set a new high bar for profits every quarter, with the previous record of \$3 billion set last quarter. . However, the availability of online shopping has produced a more educated consumer that can shop around with relative ease without having to spend a large amount of time. At the end, it has been a win-win situation for both consumer and sellers.

Key Words: *Online Shopping, Fabmall, India plaza, SWOT Analysis and PayPal.*

Introduction:

The history of online shopping 1979 – It all began when Michael Aldrich 'invented' online shopping. Using videotext, a two way message service, it revolutionized businesses. Online shopping started early in 1995 by the introduction of internet in India. Online shopping became popular during the Internet boom in 1999-2000 with the well know auction site know as bazee.com. As of 2020, customers can shop online using a range of different computers and devices, including desktop computers, laptops, tablet computers, smartphones and smart speakers. India plaza was the first ever online shopping store; founder was K. Vaitheeswaran, founded in June 1999. Earlier it was named as Fabmall and was US based company, but after a period of time it was renamed and launched as Indiaplaza in India. Amazon launches first online shopping site in India. Online retailer Amazon has

launched its first shopping website in India. The company took its first steps into the Indian market in February 2012 when it launched Junglee.com, a site which allowed customers to compare prices online but not purchase items directly.

What is Online Shopping?

Online shopping is the activity or action of buying products or services over the Internet. It means going online, landing on a seller's website, selecting something, and arranging for its delivery. The buyer either pays for the good or service online with a credit or debit card or upon delivery.

The Online Shopping Process

The process of online shopping may be defined as when consumers decide to use the internet to shop. Hollensen (2004) alleges that the internet has developed into the "new" distribution channel. Using the internet to shop online has become one of the primary reasons to use the Internet, combined with searching for products and finding information about them (Joines et al., 2003). The following points show how online shopping takes place:

- Connect to the internet and open online shopping website
- Browse the website and choose purchase items
- Add the item in the shopping cart
- Continue shopping
- Checkout and submit orders
- Login or register on the website
- Choose transport mode and delivery speed
- Choose payment mode
- Enter personal details like shipping address, phone number, email etc
- Confirm order(s) and complete the payment
- Shopping success and logout.

Number of Internet Users by Country

Rank	Country	Internet Users (in millions, estimated)
1	China	748.4
2	India	455.3
3	United States	245.4
4	Brazil	140.0
5	Japan	115.4
6	Russia	109.8
7	Indonesia	84.0
8	Mexico	82.0
9	South Korea	73.2
10	Germany	69.5
11	Philippines	62.9
12	United Kingdom	62.7
13	France	54.5
14	Nigeria	53.0
15	Turkey	51.8
16	Iran	48.7
17	Vietnam	47.5
18	Egypt	44.0
19	Spain	39.7
20	Pakistan	31.0

Source: <https://www.worldatlas.com/articles/the-20-countries-with-the-most-internet-users.html>

Review of Literature

Aishwarya Goyal (2015) The rising use of internet in India provides an impetus to online shopping. Now Consumers are increasingly adopting electronic channels for purchasing their daily needed products. The increasing use of Internet by the younger generation in India is creating opportunities for online retailers. This study provides theoretical contribution in understanding the present status of online shopping and provides insights into consumers' online shopping behaviors and preferences. This study will contribute in sharing the information about the scope of improvement in online shopping website and challenges faced by online retailers in Indian market.

Sivanesan.R, (2017) The massive Indian market is changing fast. Internet access is mainstreaming among professionals and the use of mobile is intensifying. The pace of change continues to be rapid with digital channels constantly growing in volume and strength. More people spend more time online in India every year, and the digital tools and sites they use play an ever-growing role in their lives. Smart marketers keep on top of the scale of change and ensure their marketing strategies and touch point's mirror where the consumer is spending their time. This article shows the problems faced by customers in online shopping with special reference to Kanyakumari District.

Rajendra Kumar.R & Srikanth.J (2017) By having deep analyses of these two models through SWOT analysis, it was found that both models have equal weight age however, the market based model has more advantages than the warehouse based model in terms of product offering, price discount and delivery .So in the Indian Context, it is appropriate for the online shopping companies to prefer warehouse based model. Hence this analysis suggest ware house model.

Muthumani,A., Lavanya,V., & Mahalakshmi,R., (2017) Online shopping is one of the most popular ways to make purchases, but it's not something that everyone is comfortable doing. Shopping online is becoming more common every day, and spans every type of product and every type of shopper. Online shoppers are all ages, come from all types of backgrounds, and both men and women. Consider the advantages and disadvantages carefully so the researcher can make an informed decision about what's best for customer. In this paper an attempt is made to know the products purchased by consumers from online stores and to identify the types of problems faced by consumers while buying goods from online shopping. This study is based on primary data. The primary data were obtained through interview schedule. The convenient sampling technique was adopted for collecting data from respondents. In this paper the suggestions also given to overcome the problems faced by online shopping consumers.

Abhishek Chilka & Sandeep Chauhan (2018) Online Shopping or internet shopping consists primarily of the distribution, buying, selling, marketing, advertising and servicing of products with the help of internet and other computer networks. India is witnessing the tremendous growth in online shopping. This paper studies the recent scenario, recent trends in online shopping in India. For example, the interested categories of product, preferred way to pay online. Today's online shopping platforms provide many offers to consumer which attracts the consumer and drives their business. Along with that there are also problems in online shopping like quality, security etc. India's online shopping market is constantly growing at good phase.

Statement of the Problem

This paper aims to develop an online shopping for customers with the goal so that it is very easy to shop our loved things from an extensive number of online shopping sites available on the web. With the help of this we can carry out an online shopping from our home. Here is no compelling reason to go to the crowded stores or shopping centers during festival seasons. Simply require a PC or a laptop and one important payment sending option to shop online. To get to this online shopping system all the customers will need to have an email and password to login and proceed shopping. The login credentials for an online shopping system are under high security and nobody will have the capacity to crack it easily. Upon successful login the customers can purchase a wide range of things such as mobiles, books, apparel, jewellery, infant care, gifts, tools, etc. can be dispatched using online shopping system. Not just these, also purchase from outside nations by few clicks on our mouse. And of course we will get our requested ordered items at our door step. No need to go physical shops with this we will have more time to spend with our family. It Just need a computer and a payment making options like net banking, credit card, debit card or PayPal etc.,

Objectives of the Study

1. To analyze the merits and demerits of online shopping in India.
2. To analyze the current and future status of online shopping in India

Methodology

The present study is descriptive based and collected from Government reports, journals, articles, books, website, etc.,

Statistical Data about Online Shopping in India

1. E-Commerce now comprises more than 13% of all retail revenue in 2019.
2. Top 5 most visited shopping websites in 2019, according to Alexa: 1) Amazon.com, 2) Netflix.com, 3) Ebay.com, 4) Amazon.co.uk, and 5) Etsy.com.
3. Amazon is the leading online retailer with net revenue of \$232.88 billion in 2018. The company set a record for profits in the first quarter of 2019, reporting net income of \$3.6 billion for the quarter, or \$7.09 per share, crushing analyst expectations for earnings of \$4.72 per share. Amazon continues to set a new high bar for profits every quarter, with the previous record of \$3 billion set last quarter.
4. It's estimated that there will be 1.92 billion global digital buyers in 2019.
5. E-Commerce retail sales are expected to account for 13.7% of global retail sales in 2019.
6. The total value of global retail e-Commerce sales will reach \$3.45T in 2019.
7. Within retail e-Commerce, general merchandise will account for about 67% of sales, or \$401.63 billion.
8. The fastest growth in retail e-Commerce between 2018 and 2022 is expected in India and Indonesia.
9. E-Commerce retail sales are expected to account for 33.6% of total retail sales in China in 2019.
10. PayPal had 267M active registered accounts by the fourth quarter of 2018.

Advantages of Online Shopping

Due to rapid growth of technology, business organizations have switched over from the traditional method of selling goods to electronic method of selling goods.

- 1. Convenience:** There are no lines to wait in or cashiers to track down to help you with your purchases and you can do your shopping in minutes. Online shops give us the opportunity to shop 24/7, and also reward us with a 'no pollution' shopping experience. There is no better place to buy informational products like e-books, which are available to you instantly, as soon as the payment goes through. Downloadable items purchased online eliminate the need for any kind of physical material at all, as well, which helps the environment!
- 2. Better prices:** Cheap deals and better prices are available online, because products come to you direct from the manufacturer or seller without involving middlemen. Plus, it's easier to compare prices and find a better deal. Many online sites offer discount coupons and rebates, as well. Not only are prices better, but you can save on tax as well, since online shops are only required to collect a sales tax if they have a physical location in your state. Factor in the saved expense of gas and parking and you have saved yourself a lot of money!
- 3. More variety:** The choices online are amazing. You can find almost any brand or item you're looking for. A far greater selection of colors and sizes than you will find locally are at your disposal. Plus, the stock is much more plentiful, so you'll always be able to find your size and color. Some online shops even accept orders for out-of-stock items and ship when they come in.
- 4. Send gifts more easily:** Sending gifts to relatives and friends is easy, no matter where they are. All the packaging and shipping is done for you. Oftentimes, they'll even gift wrap it for you! Now, there is no need to make distance an excuse for not sending a gift on occasions like birthdays, weddings, anniversaries, Valentine's Day, Mother's Day, Father's Day, and so forth.
- 5. More control:** Many times, when we opt for conventional shopping, we tend to spend a lot more than planned and end up buying items that aren't exactly what we wanted (but we can't find anything better in the store). Online, you don't have to let the store's inventory dictate what you buy, and you can get exactly what you want and need.
- 6. Easy price comparisons:** Comparing and researching products and their prices is so much easier online. If you're shopping for appliances, for example, you can find consumer reviews and product comparisons for all the options on the market, with links to the best prices. We can research firsthand experience, ratings, and reviews for most products and retailers.
- 7. No crowds:** If you are like me, you hate crowds when you're shopping. Especially during holidays, festivals, or on weekends, they can be such a huge headache. Also, being crushed in the crowds of shoppers sometimes makes us feel rushed or hurried. You don't have to battle for a parking place. All of these problems can be avoided when you shop online.
- 8. No pressure:** Oftentimes when we're out shopping, we end up buying things that we don't really need, all because shopkeepers pressure us or use their selling skills to compel us to make these purchases.
- 9. Buy used or damaged items at lower prices:** The marketplace on the Internet gives us access to listings of old or damaged items at rock bottom prices. Also, if we want to buy antiques, there's no better place to find great ones.
- 10. Availability of online shop:** The mall is open on 365 x 24 x 7. So, time does not act as a barrier, wherever the vendor and buyers are.

Disadvantages of Online Shopping

- 1. Negative environmental impact of packaging and gas:** Having your purchase packed in several layers of plastic and cardboard packaging and delivered right to your front door is good for you, but not so great for the environment. Even if you try to recycle the cardboard, you're creating unnecessary waste by shopping online.
- 2. Shipping problems and delays:** Even the biggest and best shipping companies and online retailers have their bad days, so there's no way to ensure that you'll get your hands on your purchase in time unless you pick it up from a store. Items get lost, detoured, damaged, or delivered to the wrong address more often than you can imagine.
- 3. Risk of fraud:** If you're shopping online, there's a larger risk of fraud, credit card scams, phishing, hacking, identity theft, counterfeit products, bogus websites, and other scams are common.
- 4. Spending too much time online:** Especially if your job requires that you look at a computer all day, you might get burnt out on all that screen time. Shopping online can turn into a marathon of scrolling and clicking down rabbit holes and before you know it, you've been online for most of the day. The internet is a nice place to visit, but you probably don't want to live there.
- 5. Less contact with community:** If you do all your business online, you'll never have to leave your home. This might be great for a while but sometimes, you might want to go outside, breathe some fresh air, get a change of scenery, talk to real people, participate in your community, and just be a part of the crowd. Sometimes, a computer monitor can't compete with a real human connection.
- 6. No sales assistance:** In a store, there's usually someone to help you but online, you're on your own. If you're confused or have questions, it's just too bad for you. You might have to make blind purchases and mistakes you'll regret later because there was no one to talk to.
- 7. No support for local retailers:** If everyone started doing all their shopping online, all the local stores would go out of business. When all the stores in town are gone, we'll have to drive further and further away to shop at a real store. Many people and places have already experienced the negative and sometimes devastating impacts of e-commerce which take away jobs and devastate local economies.

Future of Online Shopping in India

- 1) The e-commerce market will account for 2.5 per cent of the India's GDP by 2030, growing 15 times and reaching USD 300 billion, a report said today. The current market size of e-commerce is USD 20 billion. The report by Goldman Sachs cited the "hyper growth in affordable smartphones, improving infrastructure, and a propensity to transact online," as key growth factors.
- 2) Further, India's attractive demographics - the youngest population in the world - should lead to over 300 million new online shoppers in the next 15 years, making e-tailing the largest online segment," it said. The report identified e-retailing, online travel, digital advertising market and electronic payments as segments that could "potentially catalyze domestic companies into multi-billion dollar businesses".
- 3) India will have the second-largest digital population in the world with 1 billion users by 2030, powered by online mobile penetration, it added. "India has enough spectrum and telecom infrastructure to provide 3G

data coverage to 25-30 per cent of the population," it said, adding that "further, 3G-enabled smart phones are available for USD 40 with more than 900 phones launches last year".

- 4) The payment landscape is also evolving fast with the launch of digital wallets and payment banks, despite 60 per cent of e-commerce transactions in cash-on-delivery mode, the report pointed out. "Logistics and infrastructure are bottlenecks, but also indirect drivers for online adoption," it added.
- 5) Over USD 6 billion of private funding has come into India in 2014 and "significant funds are still waiting, implying a potent eco-system is in place," according to the report.

Conclusion:

Online shopping is pretty popular among the young Indian blood. Many teenagers and bachelors are now using the E-Commerce for fulfilling their shopping desires. Most of them are completely aware of all the pros and cons of online shopping. Technology has made significant progress over the years to provide consumers a better online shopping experience and will continue to do so for years to come. With the rapid growth of products and brands, people have speculated that online shopping will overtake in-store shopping. In exchange, online shopping has opened up doors to many small retailers that would never be in business if they had to incur the high cost of owning a brick and mortar store. At the end, it has been a win-win situation for both consumer and sellers.

References:

1. Abhishek Chilka & Sandeep Chauhan, "Study on Recent Trends in Online Shopping in India", *International Journal of Scientific & Engineering Research*, Volume 9, Issue 2, February 2018, Pp – 30-33.
2. Aishwarya Goyal, "Rising Trends of Online Shopping in India", *Biz and Bytes*, Volume 6, Issue 2, 2015, Pp – 125-131.
3. Bhatnagar, S, Misra & Rao, HR 2000, 'On risk, convenience, and Internet shopping behavior - Why some consumers are online shoppers while others are not', *Communications of the ACM*, vol. 43, no. 11, pp. 98-105.
4. Chongtham, BD & Nil, RR 2012, 'Internet use among University students A case study of Assam University Silchar', *Pratidhwani*, vol.1, no. 2.pp. 183-201.
5. Muthumani,A., Lavanya,V., & Mahalakshmi,R., "Problems faced by Customers on Online Shopping in Virudhunagar District", *International Conference on Recent Trends in Engineering Science, Humanities and Management*", 2017, Pp-398- 405.
6. Rajendra Kumar & Srikanth.J, " SWOT Analysis of Online Shopping Models", *International Journal of Current Engineering and Scientific Research*, Volume 4, Issue 6, 2017, Pp 28-31.
7. Sivanesan.R " A Study on Problems Faced by Customers in Online Shopping with special reference to Kanyakumari District", *International Journal of Research in Management & Business Studies*, Volume 4, Issue 3 (SPL 1) July-September 2017, Pp- 22-25.
8. <https://www.worldatlas.com/articles/the-20-countries-with-the-most-internet-users.html>