

Impacting Factors for Online Shopping: A Literature Review

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Abstract:- The intention of current study is to understand why buyers are opting online shopping over traditional shopping & their online shopping experiences. Hi-tech innovations have entirely changed the business process across all industry today. This change in technology and internet usage has reduced the gap between business and buyers. In this digital world, there is high use of digital devices such as laptops, tablets, Smartphone's. In current scenario information, communication and evolving latest technology are moving to Smartphone's. Different internet services 3G, 4G technology in the wireless communications have also enhanced the speed, effectiveness and flexibility in the mobile internet transactions and with many applications in the Smartphone's. Almost every player in E-commerce has introduced their mobile application to increase business. It has been found that convenience; time, easy approach are some factors affecting online buying decision. This paper looks at online market in India, resisting and motivating factors which will help e-tailers to increase online market in India.

I. INTRODUCTION

Online shopping is growing tremendously across the world particularly in developed nations. Online shopping involves no travel, easy accessibility, convenience and time saving. It has been observed that the amount of buyers purchasing online are rising and quantity of their purchase is also rapidly increasing. India's E-commerce profits is likely to jump from US\$ 39 billion in 2017 to US\$ 120 billion in 2020, growing at an annual rate of 51 per cent, the highest in the world. However increasing internet penetration has helped to expand the potential consumer number. The digital transformation in India is expected to increase 829 million by 2021 from 444.96 in 2017. India's internet economy is expected to double from US\$125 billion as of April 2017 to US\$ 250 billion by 2020, majorly backed by e-commerce.

During 2018, electronics is currently the biggest contributor to online retail sales in India with a share of 48 per cent, followed closely by apparel at 29 per cent.

Buyers are using the Internet not only to buy goods and services but also to gain knowledge about potential purchase. Customers are now able to use internet for variety of purposes such as research, communication, online banking

and also shopping. With this Internet usage it has become new method for online business and communication. With this advantages Internet has become new method of communication and conducting business conveniently. The impression of online website has become important factor, marketers has to find ways to satisfy buyers with impressive websites. Recent report by Morgan Stanley projected that by the year 2020, India will have almost 320 million online shoppers. That's 6.4 times more than the estimated 50 million shoppers we had back in 2015.

II. OBJECTIVE

- To understand the concept of online shopping and the factors impacting the same
- To analyze related literature in view of factors impacting online shopping.

III. CHANNELS OF SHOPPING

In the current situation the modes of shopping classified as Online shopping and traditional brick-mortar shopping. With the rise of Internet technology customers were able to experience new channel that is internet shopping or online shopping. This online shopping has help consumer to shop anytime anywhere without travelling. With the further advancement of internet technology and mobile technology customers using mobile apps for online purchases.

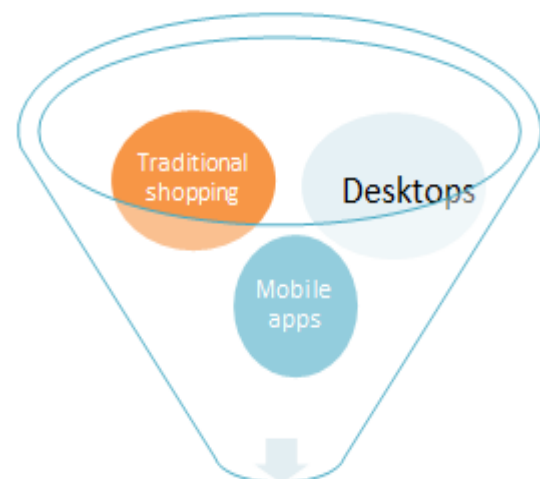


Fig 1:- Modes of shopping

IV. ONLINE SHOPPING (THEORETICAL BACKGROUND)

Online shopping involves no travel, easy accessibility, time saving and convenience, but online buying does not allow touch and feel of the product, also lack of interpersonal communication, incurs delivery cost & handling cost.

Customers nowadays finding online shopping more convenient as it involves no travelling. Customers can buy any product/service just by clicking in their phone or computer.

A. *Motives of Online Shopping*

Online shopping observed more competent in meeting the consumer's needs and wants. It allows buyers to effortlessly gain the knowledge about products quality, availability, specification and prices, compare with other brand with just one click. Gender differences also been observed for shopping online.

Males generally view shopping as need driver, with minimum amount of effort and time. On other hand, females believe it enjoyable and relate it with a spare time, Helga et al (2004)

All time access and convenience are mostly reasons for online buying, Wolfenbarger & Gilly (2001). It has been observed that young generation are becoming more aware about personal image and fashion for those shopping in more entertaining pleasure filled activity. To know consumer reason to do online shopping it is important to think about the situational factors that lead to it. Shopping just by sitting at home without travelling is more fun. Online shopping is good particularly for people who have long job hours, no time to shop and also internet allowing to shop 24 hour basis therefore key factor is time limitation. Overall time efficiency and availability of shopping on 24 hour basis, convenience (i.e. queues avoidance) have been found important factors of online shopping.

Monuwe et al (2004) other is Immobility, for those buyers who are not capable to go out for shopping due to problems like health issues, disabilities. Geographical barrier is other situational factor buyers often need to travel to the store to get the products they need, So online shopping helps them to solve this issue. A lot of people lives in cities where proper transportation is not available so they force to shop at costly shops but online shopping has changed this scenario, Dennis et al (2007)

B. *Online Shopping Resistant Factors*

Major inhibitors of online shopping for this research adopted are lack of trust on online site, enjoyment of traditional shopping, complex websites, lack of touch and feel experience.

Enjoyment derived from traditional shopping affects negatively online shopping. Dabholkar (1966) enjoyment and control of website had constant effect on purpose to use technology-based phone shopping. Thus browsing refers to shopping activities end up as direct buying behaviour.

Lack of trust on website is another vital concern for adoption of online buying. Lundstedt (1966) articulated this consumer's trust on online website coming from decision to buy or not based on perceived risk. Trust is considered as controlling factor to understand performance of website. Trust is regarded as a control mechanism that is alternative to monitoring performance. Therefore in online buying scenario consumer has to trust on online website for the product purchase as he/she cannot inspect the product before purchase.

Karayanni (2003) Other factor is difficulty of website, if buyers observe difficulty in locating or handling shopping sites they would move away from online purchasing. Raman (2004) found that risk of online shopping increases, the lack of reliability also increase towards online shopping. The female shoppers preferred established old retail outlets to reduce the risk associated online shopping.

V. ONLINE VS TRADITIONAL SHOPPING

Traditional shopping helps to examine the product physically, communication with salesperson, physically checking of product, instant delivery but involves travelling, searching cost also more time consuming process.

Online shopping offers easy approach, convenient and saves time, with no travelling cost, no product carrying cost also no limitations on shopping time, but it does not give actual touch and feel experience. Pearson, Miller (2011) the strength of buyer willingness to make specific purchase through online sites is online purchasing intention.

Aron M Levin, Irwin Levin & Joshua (2005) studies that factors such as huge selection, easy shopping were prominent online shopping preferred. Traditional shopping is preferred when factors such as personal check and feel is important. In online shopping there is lack of social interaction, wherein traditional shopping allows face to face interaction of buyer and seller.

Online retailer gives experience of product through buyer review, in which buyers of product gives their views on product experience. Customers reviews is a kind of product information created by users based on their experience which help buyers to identify the product that suits them with required conditions to use.

In online shopping scenario, salesperson is not physically present. In order to solve customers' enquiries, problems retailers provide an assistant agent to enhance

consumers requests and enquiries. This mediator helps online buyers provides online consumers with a kind of social interaction with salesperson.

The change between brick and mortar store & online store is basically influenced by discounts. The huge discounts provided by online websites & cash on delivery facility are drawing customers across various cities in India irrespective of classification. Jonathan(2013)while finding factors like convenience, better prices, variety, fewer experience, careful shopping influence purchaser to shop online. Authors have discussed risk especially security related as it may end up losing potential customers. For the online shopping buyers must be comfortable with internet use and must have good internet access. Older generation are not comfortable with using internet, so they end up shopping at traditional shops (Kim & Park 2005). Nelson (1974) suggested search and experience goods are two product types. For the Search goods, essential parameters of products/services are evaluated before purchase. In case of experience goods products/services are often used directly as the cost to evaluate is higher than direct experience. According Korgaonkar, silverbalt & Grad (2006) experience goods have higher perceived risk than search goods as online shopping does not give direct touch and feel of the products.

VI. PERCEPTION OF ONLINE SHOPPING

It is essential to understand buyer's perception while shopping online. Consumers perceive higher level of risk while shopping online. Mitchell(1999),perceive risk is influential factor for explaining buyer behaviour because buyers are like to avoid loss to get maximum purchase .This makes important for managers to understand consumer's perceived risk. Higher the risk of an individual towards an online channel, the lesser is his/her chance of using it for their purchase decisions (Im, Kim & Han 2008). Different types of perceived risk studied are Monetary (Financial), product performance risk, convenience/time risk & delivery risk (Priyank Sinha 2014) .

A. Monetary Risk

(sweeney et al 1999)In case of online shopping there are chances to misuse of credit/debit card information, so buyers are afraid of loss of money. Many customers think that credit/debit card information is wrongly use over the Internet hence it is major avoiding factor for online shopping (Forsyther & shi 2003)

B. Product Risk

It is dominating in online shopping because consumer cannot touch the product physically. This makes fear regarding colour, size or quality of product .It changes with product category. Buying standardised products like computer, books, other electronic gadgets assumed to be less risky than to buy experiential products such as apparels, fashion accessories (Bhatnagar et al 2000)

C. Convenience Risk

Forsythe et al (2003) risk related to loss of time in purchasing product/service. Consumers who are not aware to use of internet find it difficult to browse shopping sites and to get required product. Delay in download of images/videos, confuse websites lengthy transition process are some issues for perceived convenience risk.

D. Delivery Risk

Wrong delivery, late delivery are some important concerns and complaints of Indian online buyers (saroja 2010). In online scenario buyers finds it difficult to locate seller address which will solve their complaints regarding product delivery. The shopper perception changes with the kind of products they required to purchase. Nelson (1974) suggested search and experience goods are two product types. For the Search goods, essential parameters of products/services are evaluated before purchase. In case of experience goods products/services are often used directly as the cost to evaluate is higher than direct experience. According Korgaonkar, silverbalt & Grad (2006) experience goods have higher perceived risk than search goods as online shopping does not give direct touch and feel of the products.

VII. DEMOGRAPHIC FACTORS

Some buyers do not shop online as they think traditional shopping as enjoyment, mood improving social activity, to hangout with friends (Liu et al2013). In the online situation, researcher has found that females observe greater risk for online shopping (Garbarino et al 2004). Previous studies shows that females are less willing to purchase online & spend less money than males (Allen 2001),while male perceive online shopping more positively than females (Slyke 2002). Hill et al (2013) generation Y finds online shopping as attractive and they spends more time to get the desire product, they are very much attentive towards sales promotions, discounts and influenced by latest fashion by celebrities. Chahal (2005) Males are more interested in electronic goods and females are interested for apparels, Males are inclined towards online shopping while females towards traditional shopping. Lokken,cross ,Halberh,stanfords(2003) classified online shoppers as those who had made purchase via net & compared those who had not .Result of the study showed that online US shopper were younger & had more self reported computer skills than non online shoppers. Shalini et al (2013) Online buyers are educated and have good knowledge. Bannerjee ,Dutta & Dasgupta (2010) study reveals that most people with high disposable income with internet efficiency more likely to engage in online shopping. Attitude to buy or not to buy is one of the factor impacting consumer decision.Less searching cost is motivating factor for internet user to get the desired product. If the information regarding products is well organised and easily accessed then customer would like to use Internet as shopping media (Wolfenbarger & Gilly 2001)

Buyers are motivated to shop online any for utilitarian or hedonic elements. In Utilitarian environment consumers looks for good/service, they need to fulfil quickly and efficiently with minimum irritation. Pookulangara (2011) found that approach towards channel switching was significantly influenced by hedonic & utilitarian beliefs in traditional and online shopping. In case of online shopping hedonic value preferred. Apparels are seen as hedonic element and younger generation are shopping through websites. Hedonic value is important factor in online shopping. Hedonic buyers look for website that not only provide quick access to products, safety of transactions but also provide virtual shopping and feel experience.

VIII. MARKETING IMPLICATIONS

Most powerful discriminate variable between traditional & online buyers was found to be online buying purpose, convenience, 24 hour basis availability, anytime anywhere accessibility. E-commerce players needs to design their promotion strategies focusing on time saving, easy accessibility, safety features to attract potential buyers. Saving time and convenience are most important factors for online buyers, thus e-commerce players should consider online shopping as complementary to traditional and target time pressured consumers. Major benefit of E-tailing is wide geographical coverage with short span of time. So, e-commerce players should take advantage by designing various promotional and discount schemes across the world. Online marketers should try not to collect any account or credit card related information on site rather consumers should be directed to safe payment gateway of standardised banks for all transactions. Insurance regarding security of their personal financial information should be displayed on websites. Online buyers browse the website to overview the website as recreational activity. E-commerce players should enhance consumer purchase by creating virtual shopping. E-commerce players should develop convenient and less time consuming website. Company should design time saving & convenience offering websites ,example keeping track of consumers common purchase, and making it visible on front page every time he/she browse through that website. Sales of Smartphone's & tablets increasing in India there are several implications for e-commerce practice. Rise of mobile advertising, app based shopping, making online vendors to develop app for their websites.

IX. CONCLUSION & FUTURE RESEARCH

Potential for business has grown globally as Internet has become important part of business. The research finding revealed that risk related to product, monetary risk, risk related to delivery has noteworthy impact on online shopping attitude. While customers were not much influenced by time risk. There is insufficient research on ways to get success in online business. Further research should focus on website technical features and promotional

strategies that will improve trust in using online website. Researcher should focus into how this mobile technology, internet growth will affect future shopping way and to understand whether traditional shopping will remain favourable method of shopping in next few decades.

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