



CHANGING TREND IN ONLINE SHOPPING AS A MARKETING CONCEPT IN INDIA

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Abstract

In the fast growing world, consumers are ready for upgraded and modern technology to make their purchases. Many of the consumers in different age groups are finding their ways to make their purchase online through various platforms available. It is seen that there are some of the driving factors, which are trending in the online marketers. These factors influence the growth of online shopping and deliver a good profit to the marketers as well as to the consumers. The introduction of Artificial Intelligence (AI) strategies have added to the trend on online shopping. Other trending factors, attracting online consumers are voice search engines, personalized services, chatbots, difference modes of payment, subscriptions and discounts and many more. The present paper is the study to gain insight on the trending pattern of online shopping and their advantages to the marketers and the consumers. For the study a sample of 200 consumers from different backgrounds are taken into consideration. Random sampling is adopted for the study design and the data is collected through the Google form. The results of the study indicate that the modern AI techniques and Machine Intelligence is gathering huge potential in the online business.

Key words: Artificial Intelligence, Chatbots, Voice search engines, online shopping

1. Introduction

In the contemporary world internet is playing an important role in all different types of businesses. It has facilitated the development of business. The world is becoming techno savvy. The use of online market not only in urban areas of the nation but also the spread is over to the rural areas. Advanced Technologies and different type of applications used in computers and mobiles are encouraging the new buyers to shop online. Past few years it has been seen that there are different e commerce companies which have come up with different type of marketing strategies just to attract large number of buyers. Various types of marketers which are involved in such type of businesses Amazon, Flipkart, Snapdeal, Jabong, Paytm, Myntra, etc. Amazon and Flipkart have emerged as the most important online firms selling the products at a cheaper rate to the customers. However, in the recent days it has been found that then has been increasing competition among the firms. This competition has left the firms to build in different strategies to pull in the customers. The purpose of the present research is to analyze the changing trend of online shopping customers in India. The study is relevant for the online firms to increase their marketing strategies technically.

2. Literature review

2.1. Consumer are highly influenced by the advertising, price of the product, other promotional activities Kumar &Chawla (2017) states in their research paper that the buying pattern of the online used, income or pocket money available, and other factors such as the brand and other people's recommendation concerning the product.

2.2. Saini (2017) in her paper talks about the vast literature available on digital marketing. She talks how social media plays an important role to promote the growth of digital marketing. Paper talks about the patterns and trends related to social media as a tool of marketing over the past few years. This paper represents an exploratory effort into direction and analyses existing social media marketing practices and tools, their benefits and concerns associated with this type of marketing channel.

2.3. R. Rajendra& S. Asok (2017) in their paper talks about the reasons for failure of online shopping companies and the turnaround strategies used by them. In spite of spending huge amount of money for promotions and providing heavy discounts to its consumers, they are not able to perform well. Invariably, all of the companies are encountering same issues of profitability and they became clueless in the part of turnaround their operations. They have tried to analyze the complications in the online shopping and provide suggestions for the companies to use appropriate turnaround strategies to convert their operations to profitable one.

2.4. Padhi, Dushmanta (2017) describes about the beginning of major directional change of consumer behaviour, from physical stores to virtual stores in the retailing industry. In India, Internet is still considered a new medium to link consumers with retails, and paper says that Indians are still attached to the traditional brick and mortar stores; they consider online shopping as a risky alternative. In this study, author has attempted to find out the factors leading to perceived risk with online shopping. Reliability co-efficient for the scale containing 18 variables was satisfactory and factor analysis generated six major factors, product risk, financial performance risk, psychological risk, time risk, delivery capability risk and website performance risk.

2.5. Bishnoi, Sunita& Mittal, Archana (2017) said that retail market scenario has totally changed since the advent of online shopping. Though it is a very recent phenomenon in the field of e-commerce but due tremendous advantages it has gained popularity over the world wide from traditional method of shopping. It is believed to be the future of shopping in the world.

2.6. Chauhan, Gauri and Jain, Ruchi (2017) talks about the impact of demonetization on the online transactions. There has been a great turbulence in the Indian economy with the announcement of demonetization of Rs. 500 and Rs. 1000 notes. Demonetization is a term used when there is act of stripping a currency unit of its status as legal tender. This move had been taken in order to eliminate the use of black money and fake notes by reducing the amount of cash available in the economy.

2.7. D. Jigyasha and KaurJapneet (2017) talks about the consumer preference towards online shopping and traditional shopping. This era of business is marked with the high degree of dynamism. Due to technological advancement, shopping at the click of mouse is gaining popularity not only in today's generation but all age groups of the population. Online shopping has given the consumers the choice to buy anything, anywhere and any product, regardless of its location. It has come up as a boon for all types of consumers and it has something to offer for everyone. It gives edge to the customers over traditional shopping on account of advantages like time saving, low price, convenience, all time shopping accessibility, broad availability of products but involves the risk of personal privacy and transactional security.

2.8. Singh, Ranbir (2017) this paper examines the functioning and performance of websites of the healthcare industry. Websites of Medical tourism facilitators, hospitals and government organizations have become effective marketing tools in healthcare industry. Therefore, it is necessary to analyze the websites' contents, designing and periodical up gradations for maintenance of reliability and credibility to improve their performance.

2.9. Samson, M. Regina (2011) The Internet and web technologies had a great impact on the way companies run their businesses, especially when it comes to a complex business networks such as supply chains. The set of advanced web technologies called web 2.0 produced a lot of hype, but we have not seen concrete & tangible business effects and value creation of these technologies such as RSS and ATOM feeds, web services, Javascript and AJAX, web scripting, Mashups, programming frameworks and wikis.

2.10. Leake, William. andVaccarello, Lauren. (2012) Search engine optimization uses words and data to propel sites to the top of search results. Some marketers love stringing words together and those who dread writings. There

are also two types of marketers who work with data: those who love numbers and those who claim that numbers make their brains hurt. Creative types who invest in the emotional punch of a cool design or a resonant slogan may be prone to hate. SEO serves up the right results for the right person; it applies data to word choice, at the right time & in the right format.

3. Objective of the study

With the aim of analyzing the current trend online shopping in India, the main objective of the study is to check with the present status of online shopping by evaluating the type of online shopping, marketing strategies adopted by online companies and demographic details of the online customers. At the same time, the paper also evaluates what are the features used by the customers very frequently when they shop online. This will enable the researcher to come to the conclusion about the recent trends in online shopping.

4. Data collection

4.1. Primary Data

In order to fulfill the objectives set out, a sample study was undertaken using a well – framed questionnaire, which was duly filled in by the respondents. Respondents of varying nature were selected based on the important aspects such as their Age, Educational qualification, Occupation and so forth. A structured questionnaire was pretested and suitable modifications will be carried out later. A total of 200 respondents were chosen for the study on random basis.

4.2. Secondary Data

The primary data was supplemented by enough secondary source data. The secondary data pertaining to the study was gathered from books, journals, internet, and by utilizing the well –equipped libraries at different places. It was utilized to get the necessary and the latest information required for the study. Further, the secondary data was collected from leading journals, the internet and the encyclopedia etc. A number of standard text books were referred to obtain the pertinent literature on the topic.

4.3. Discussion and Informal Interviews were carried out.

5. Scope of the study

This study is confined only to Indian online users. This study has been conducted to analyze the changing trends in online shopping in India. Total 200 respondents in the age group of 20 to 50 years are taken into consideration. These respondents are using online channels to make their purchases.

6. Online marketing and changing trend

6.1. Definition of E-Commerce

Electronic commerce or e-commerce refers to a wide range of online business activities for product and services. It also pertains to “Any form of business transaction in which the parties interact electronically rather than by physical contact.”

E-commerce is usually associated with buying and selling over the internet, or conducting any transaction involving the transfer of ownership or rights to use goods or services through a computer- mediated network.

E-commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform, and redefine relationships for value creation between or among organizations, and between organizations and individuals.

6.2. Digital Marketing

According to the Digital Marketing Institute, Digital Marketing is the use of digital channels to promote products and services to consumers and businesses.

Digital marketing includes SEO (Search engine Optimization), content marketing, Search engine marketing, email marketing, content automation, campaign marketing, e-commerce marketing, social media marketing, social media optimization, display advertising, e-books option disks, games and any other form of digital media, it also extends to non-Internet forms of digital sources as SMS or MMS in phones.

The companies undertaking digital marketing focus on a customer centric approach towards its customers. The customer centric approach focuses on enriching customer value by reducing the efforts put by the customers. Their efforts to make purchase are reduced as they get their products delivered at their doorsteps. Digital marketing helps to create a cordial relationship between dealers and the buyers. The online traders such as Flipkart, Amazon, Snapdeal and so on with the help of their warehouses supply goods from the dealers to the buyers.

6.3. Types of Digital Customers

A research study was conducted by Digital Think tank GroupM Next, in which the company examined more than 168000 purchases of consumer electronics, why and where the buyers prefer going online. The research discovered some patterns in the data. They succeeded in dividing the online buyers into six different groups. These groups behaved in different ways and relied on some channels more than others and took distinct steps before making their purchase decision.

6.3.1 Around one-third (29 percent) of online buyers fell in the group, “Basic Digital Consumers.” This group has no problem in making their purchases online. They use search, retail and brand sites. They act similar to the way the consumers did back in the “good old days.”

6.3.2 The second group is called “Retail Scouts” and its percentage falls to 22 percent of buyers. This group takes faster purchase decisions (Averaging only three steps per purchase). They prefer search and retail sites such as Amazon and Walmart to brand sites, and are more comfortable using mobile and tablet devices, even when they are inside their homes. They’re the most receptive group to digital coupons.

6.3.3 The next group, “Brand Scouts”, is similar to the previous group; these constitute to 20 percent and make quick decisions as well and also place great reliance on paid search but prefer specific brand sites to retail sites and therefore are more loyal. Their decisions are less likely to be dependent on price and are more dependent on features and perks such as free shipping and money-back guarantees.

6.3.4 The fourth Category that constitutes to 16 percent of the consumers in the study is the “Digitally Driven Segment.” They give lot of importance to convenience and will avoid going to a store. They are also more receptive to advertising. Buyers in this group are 30 percent more likely to find advertisements valuable than other groups, especially paid search ads.

6.3.5 The fifth group, “Calculated Shoppers,” takes a long time to make their purchase (14 steps on an average). They will calmly go through all the options available to get the best deal. Buyers in this group are likely to be “show roomers” and will make the use of their mobiles to make price comparisons when they are close to making a purchase. This group is likely to use search and are responsive to advertising that offers discounts and specials.

6.3.6 The Final Group covered in the GroupM Next study was “Eternal Shoppers.” This group includes only 2 percent of the purchasers, but they stand out in the extremely long path to purchase (35 steps). They will make a thorough research on every online platform before making a purchase but they typically prefer paid search to navigate between them.

6.4. Factors responsible for changing trend in the sector of E-Commerce:

E-commerce has become a very important tool in the present day world. It has become mandate to be able to go hand in hand with the present technology, for doing so one has to join the e-commerce to compete with the rest of the world. Owners have to be constantly ready to cope up with the technological advancements and adopt them consequently. let us discuss some of the importance of e-commerce:

6.4.1 Customer Convenience:

It provides utmost convenience to the customers as they can get a variety of choices without moving out of their comfort zones, just at a click of button. They can also make comparisons of the same products from different online sellers and purchase the product at the most convenient prices.

6.4.2 Service available for 24X7:

This is the other biggest advantage of shopping from e-commerce companies, they have the benefit to purchase the goods at their own convenience, i.e. at any hour of the day and their order will be booked and later delivered at their doorstep.

6.4.3 Connect the globe:

The e-commerce websites provides services all around the globe. therefore they have the chance to reach and connect with the globe. This also results to higher turnover and success to their company.

6.4.4 Catch Customers on Social Media:

Today due to the popularity of social media sites, the e-commerce companies have the scope to reach to the bigger audience to sell their products. This has also given rise to additional means of advertising apart from Radio, Television, Newspapers and Magazines.

6.4.5 Attract New Customers with Search Engine Visibility:

It is believed that physical retail is run by branding and relationships, and online retail is driving by traffic that comes from search engines. Though it is not very popular among the customers to follow a link they come across in the search engine results and reach an e-commerce website that they must never have heard of.

6.4.6 Offer Product Datasheets:

E-commerce companies provide description and details of its products from an online product catalog. It has become convenient for the customers to get information about the product at any time of the day. Through this information, the customers and prospects can make a purchase decision of the products of the company.

6.4.7 Comprise Warranty Information:

E-commerce companies give information related to the warranty involved in some products within the e-commerce shopping cart. They also make sure that customers are aware of important terms and conditions that are associated with the purchase of their products.

6.4.8 Decreasing cost of inventory Management:

Because of e-commerce companies, the sellers can decrease the cost of managing their inventory of goods that they can automate the inventory management using the web-based management system. This helps them to save on their operational costs.

6.4.9 Keep Eye on Consumers' Buying Habit:

The e-commerce companies can easily keep an eye on the customers' buying habits and interests to cater towards their requirements. By fulfilling their needs constantly, companies can improve their ongoing relationship with the customers and build a long-lasting relationship with them.

6.4.10 Competence:

E-commerce companies can effectively and competently conduct their business, as their setting-up cost is very low as compared to expanding their businesses with huge number of brick and mortar locations. Limited number of licenses and permits are required to start-up an online store than a physical store. A lot of finance can be saved by using less number of employees to perform operations such as billing customers, Managing inventory and more.

6.4.11 Allow Happy Customers to Sell your Products:

Feedback plays an important role by way of comments and reviews by the previous customers to improve the sales of the e-commerce companies. This option cannot be available in physical stores; therefore, this option available with the online sellers is an additional advantage to them. It is important to disclose the customer's testimonials, reviews and product ratings as such things will help the customers to purchase the company's products.

6.4.12 Economical:

Unlike the physical stores, e-commerce companies need not to invest their money in store, insurance or infrastructure as all they need is an idea, unique products and a very well-designed website to reach their precious customers to sell their products and services. This aspect makes the e-commerce a lot more economical and reasonable choice for business.

6.4.13 Boost Brand Awareness:

E-commerce companies can boost their brand awareness in the market. Developing pages that can be indexed by search engine crawlers is one of the best ways to enhance their website's search engine optimization and enhance the target audience in the site.

6.5. Types of E-commerce

E-commerce refers to buying and selling with the help of the web. However, to be more specific, e-commerce has been divided into six major types:

They are as follows:

7.5.1 Business - to - Business (B2B)

7.5.2 Business- to- Consumer (B2C)

7.5.3 Consumer- to- Consumer (C2C)

7.5.4 Consumer- to- Business (C2B)

7.5.5 Business- to- Administration (B2A)

7.5.6 Consumer- to- Administration (C2A)

6.6. Trends in Growth of E-commerce

E-commerce sales worldwide will continue to grow in 2017, rising 23% to reach US\$2.3tn. According to marketer's estimates, e-commerce sales will account to one-tenth of total retail sales worldwide in 2017. China and the US will amount to US\$1.6tn in e-commerce sales in 2017, representing almost 70% of global e-commerce. while e-commerce in the US will grow by 15% in 2017, the Asia-Pacific region will have a 30 % growth rate in 2017, becoming a clear leader in global e-commerce development. This e-commerce growth in Asia Pacific is particularly driven by very high mobile commerce sales.

Double-digit growth will continue until 2021, according to marketer's forecast. Mobile is a key driver of e-commerce growth in North America. In 2017, M-commerce will account for 34% of e-commerce sales in the US, ahead of Canada's share of 29%. Consumers increasingly feel comfortable using a mobile device to shop; during Amazon's Prime Day in 2016, mobile app orders more than doubled compared to 2015.

Western Europe will record the slowest e-commerce sales growth rate of any region over the forecast period. sales will increase by 12% to reach US\$337bn in 2017. the share of total sales generated via e-commerce in 2017 will be the same for western Europe as in North America at 9%. By 2021, e-commerce will represent 11% of retail sales in Western Europe.

The UK is a clear e-commerce leader in Europe, with predicted sales of US\$110bn in 2017. E-commerce sales are predicted to grow at a faster rate in the UK (15%) than in other Western European countries in the 2017-2021 periods.

Very slow growth in e-commerce is predicted for the Middle East and Africa, online shopping will represent just 2% of total sales in the region in 2017 and this figure will not increase significantly up to 2021. Thus far, e-commerce activity has been hampered for socio-economic reasons and by consumer concerns about data security, a preference for paying cash and unreliable shipping. Amazon's acquisition of Souq.com, the region's largest e-commerce platform, may spur e-commerce growth in the Middle East.

In India, 72% of retail e-commerce sales will come via mobile devices in 2017, second to China. M-commerce sales in India will total US\$16bn in 2017, an increase of 61% on the previous year.

E-commerce has changed the outlook of traditional marketing, which was restricted to a limited audience. The definition of Marketing with context to traditional marketing was very restricted; the scope was very small, as compared to the Market, after the introduction of E-commerce.

E-commerce plays a very fundamental role in today's Modern era, where the audience is huge and not confined to a limited area, unlike the era of traditional marketing.

7. Research findings

Table 1: Demographic Aspects of the respondents

| Demographic Details | Components | Respondents | Percentage (%) |
|---------------------|--------------------------|-------------|----------------|
| Age | 20-30 | 145 | 72.5 |
| | 30-40 | 25 | 12.5 |
| | 40-50 | 30 | 15 |
| Gender | Male | 88 | 44 |
| | Female | 112 | 56 |
| Marital Status | Married | 52 | 26 |
| | Unmarried | 148 | 74 |
| Education | Upto 12th | 50 | 25 |
| | Graduation | 80 | 40 |
| | Post Graduation | 40 | 20 |
| | Other | 30 | 15 |
| Occupation | Non-Earning | 90 | 45 |
| | Public Service | 20 | 10 |
| | Private Service | 30 | 15 |
| | Private Ventures | 50 | 25 |
| | Self Employed | 10 | 5 |
| Size of Family | Upto three | 108 | 54 |
| | Four to Five | 43 | 21.5 |
| | Six to Seven | 27 | 13.5 |
| | Eight to Nine | 14 | 7 |
| | Above Nine | 8 | 4 |
| Monthly Income | Below Rs. 20,000 | 52 | 26 |
| | Rs. 20,000 to 30,000 | 70 | 35 |
| | Rs. 30,000 to Rs. 40,000 | 36 | 18 |
| | Rs. 40,000 to Rs. 50,000 | 30 | 15 |
| | Rs. 50,000 and above | 12 | 6 |

Table 2: Number of respondents engaged in buying commodities/services in stores after searching online

| Responses | No. of Respondents | Percentage |
|-----------------|--------------------|------------|
| Certainly Not | 62 | 31 |
| Hardly | 46 | 23 |
| Occasionally | 60 | 30 |
| Frequently | 20 | 10 |
| Very Frequently | 12 | 6 |
| Total | 200 | 100 |

Table 3: Number of respondents engaged in buying commodities/services online after searching in store

| Response | No. of Respondents | Percentage |
|-----------------|--------------------|------------|
| Certainly Not | 0 | 0 |
| Hardly | 40 | 20 |
| Occasionally | 50 | 25 |
| Frequently | 44 | 22 |
| Very Frequently | 66 | 33 |
| Total | 200 | 100 |

Table 4: Attractions influencing buyers

| Activities | No. of Respondents | Percentage |
|--------------------------|--------------------|------------|
| Various discounts/offers | 80 | 40 |
| Multiple Offers | 40 | 20 |
| Add-On Offers | 24 | 12 |
| Digital Promotions | 56 | 28 |
| Total | 200 | 100 |

Table 5: Criteria for choosing online retailers

| Criterion | Certainly Not | Hardly | Occasionally | Frequently | Very Frequently |
|---------------------------------|---------------|--------|--------------|------------|-----------------|
| Availability of the Commodities | 8 | 34 | 42 | 54 | 62 |
| Amount | 4 | 26 | 55 | 40 | 75 |
| Easy Accessibility | 6 | 18 | 68 | 34 | 74 |
| Return Policy | 12 | 25 | 56 | 41 | 66 |
| Quality of the Commodities | 10 | 18 | 44 | 38 | 90 |

Main Findings of the Study

- Previous experience of shopping online is available with almost all the respondents.
- The respondent's family income affects the online buying behaviour. There is direct positive relationship between both the variables.
- People feel that the marketing strategies planned with the help of Artificial Intelligence and Machine learning is pushing them to make more number of purchases.
- They even believe that the tailor-made approach with the combo offers are very useful and with discounted rate. This type of approach was not available earlier even in online shopping. The increasing amount of competition have given rise to such a situation.

8. Conclusion

From the research study the author concludes that the world of online shopping is changing tremendous. This change will take a heap in next few decades. The proportion of traditional mode of shopping will be diminishing and with the advent of new companies and increasing competition, consumers will get a twice benefit with not only the cost but also the product quality. With the technological progress, various modern techniques such as Artificial intelligence or Machine Learning have come into the picture. This has enabled the companies to understand the preferences of the consumers without even asking them personally. Consumer-centric approach is thus possible. In online shopping, consumers feel respected and they feel that their demands are met under one roof. At the same time, the online marketers have solved most of the problems which were existing earlier with the online

channel of marketing. This have enabled an error-free transaction, which was demand by the consumers in this fast-moving world.

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