A Study of Customer's Attitude and Satisfaction with Reference to Online Shopping in Gorakhpur District

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Abstract:
The expansion of internet users in India provides an excellent platform for online shopping. The retail industry in Indian is rising at a good rate. In today’s scenario customers are adopting digital channel to purchase the product of their daily need and it fastening the growth of online shopping. The benefits of online shopping is gaining appreciation and getting attention to the retailers in India. Today we have seen that many online retailer selling huge quantity of product by celebrating big billion day sale. By cutting cost of marketing and the channel of distribution online retailers sell their product online at fewer prices. Today the customer received benefits from online shopping in the form of fewer prices, offers, comparison of product prices and features, guarantee, warrantee, after sales services etc. The companies are disseminating information to sell the product, getting feedback from customers etc. through the use of internet which helps in preparing marketing strategies effectively. In this paper I have considered the assessment of growth, advantages and limitations of online shopping in India and the factors which affect the growth of online shopping. Due to changing markets scenario, development of technology, secure payment gateways and busy schedule of customer, online shopping will grow eventually in the coming year. The study will provide information for the betterment of online shopping websites and challenges faced by retailers in India.

Key Words: Online shopping, growth, information technology, retailing
Introduction:

Online shopping concept was developed by Michael Aldrich in 1979. Online shopping is also known as e-shopping. It is form of electronic commerce which allows customers to purchase product or services directly from e-retailer over the internet using web browser of mobile application. In online shopping customer can go to the seller’s website, select the product and arrange for its delivery. The customer may pay for the product or services that he buy through the debit or credit card, internet banking, UPI payments or cash on delivery. In online shopping a customer can reach online store in 24x7 and purchase product or service anytime from anywhere. Increasing literacy of internet in India will increase the prospects of online shopping. The shopping through online mode over internet is growing globally.

Online shopping is the practice of searching and buying the products or services over the Internet. Due to technological innovations and customer’s awareness, the traditional way of shopping has become insufficient for individuals. The pandemic of COVID-19 enhance the growing speed of online shopping. In present time a customer can purchase anything from online mode. He can purchase goods like groceries; medicine, apparels, furniture, electronics, books, cell phones, etc. and also purchase services online like ticketing, brokerage service, banking service and job search service etc., everything can be purchased online.

Objectives

1. To study about the growth of online shopping in India.
2. To study the benefits and limitations linked with online shopping.
3. To explore the factors that amount for the growth of online shopping in India.
4. To contribute in sharing the information about the scope of improvement in online shopping website and challenges faced by online retailers in Indian market.

Research Methodology

Coverage of the Study: This research paper is restrained to the study of online shopping in India.

Source of Data: The study is based on secondary data. The data collected through various secondary data sources mentioned in references

Data Analysis: Keeping the objectives of the study in mind the data analysis and the collection of information from the secondary sources were made.

Review of literature

Dr. Renati Jayaprakash Reddyand Dr. Rojarani 2018, stated in their study about the growth of online shopping worldwide including India. They found that the growth in online shopping through smart phones increasing very fast. Price comparison through different websites helps customers to purchase online and it will trend to grow the online shopping. They correlate the growth of internet
users and growth in online shopping in India. They have also considered the problems of online shopping.

L. Kiruthika 2016, in his study describe that the critical factors like Price, Refund, Convenience, Auction websites, Security, Brand, Search engines, Promotion on B2C e commerce can lead internet users to accept online shopping. As per study he told that many online consumers benefited greatly by receiving better products and services and their opinion helps online retailers to form good marketing strategy. In his study he suggest to e-retailer to understand the behavior of consume which also helps them for the growth of online selling.

Abhishek Chilka and Sandeep Chauhan (2018) concluded in their study that India is witnessing the incredible growth in online shopping. They found in their study that increasing rate of internet users, heavy discount on product on online platform, changing behavior of consumer towards online shopping, busy lifestyle, exchange and return policy of e-retailers, use of social platform for marketing by e-retailers, cash back policy, 24X7 availability and secure payment gateway etc. are the drivers which helps in attracting to customers towards online shopping and in its growth.

Devangi Variya (2016) found in his study that the development of information technology fostering the growth of online shopping in India. He stated in his study that the rapid growth in smart phones users have great impact on the success of e-commerce rising markets in India. General merits of online shopping such as time and energy saving, convenience, prices comparability, easy payment and return policies become more attractive for online buying. He also stated that lack of infrastructure facilities for online shopping creating hindrance in the growth of online shopping.

**Growth in online Shopping in India:**

**Number of annual online shoppers in India from 2018 to 2020(in millions)**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Online Shoppers in India</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>110</td>
</tr>
<tr>
<td>2019</td>
<td>135</td>
</tr>
<tr>
<td>2020</td>
<td>150</td>
</tr>
<tr>
<td>2021</td>
<td>190</td>
</tr>
</tbody>
</table>


As per the report published on statista.com, there were around 150 million online shoppers in 2020 in India, compared to about 135 million online shoppers in 2019. The growth rate in online shoppers is approx 11 percent from 2019 to 2020 compare to 22.72 percent in 2018 to 2019. In 2018 there were 110 million online shoppers are there in India. The number of online shoppers is expected to increase from 150 million to 190 million in 2021 compare to 2020 which would be near 27 percent. The data of 2021 was till July so the number of shopper will increase further.
Internet Penetration Rate in India from 2007 to 2021

<table>
<thead>
<tr>
<th>Year</th>
<th>Internet Penetration Rate(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>4</td>
</tr>
<tr>
<td>2008</td>
<td>4.4</td>
</tr>
<tr>
<td>2009</td>
<td>5.1</td>
</tr>
<tr>
<td>2010</td>
<td>7.5</td>
</tr>
<tr>
<td>2011</td>
<td>10.1</td>
</tr>
<tr>
<td>2012</td>
<td>12.6</td>
</tr>
<tr>
<td>2013</td>
<td>15.1</td>
</tr>
<tr>
<td>2014</td>
<td>18</td>
</tr>
<tr>
<td>2015</td>
<td>27</td>
</tr>
<tr>
<td>2016</td>
<td>34.8</td>
</tr>
<tr>
<td>2017</td>
<td>34.4</td>
</tr>
<tr>
<td>2018</td>
<td>38.02</td>
</tr>
<tr>
<td>2019</td>
<td>48.48</td>
</tr>
<tr>
<td>2020</td>
<td>50</td>
</tr>
<tr>
<td>2021</td>
<td>45</td>
</tr>
</tbody>
</table>

Source: statista.com/statistics/792074/india-internet-penetration-rate/

As per the above figure it is found that the Internet penetration rate in India went up to approximately 45 percent in 2021, which was only four percent in 2007. The growth rate of internet penetration from 2007 to 2021 is near 1125 percent. It is good growth rate but as per data it can be said that near half of the population of India is out of reach from internet. Although these figures seem relatively low, it meant that nearly half of the population of 1.37 billion people had access to internet that year. As per the data it can be observed that in India there is a lot of opportunity for online selling and marketing because of unused market. The online shopping can be enhancing by developing infrastructure for the same.

From the above two reports it is found that approximately out of 685 million internet users in 2020 there are about 150 million online shoppers in India which is near 22 percent of the internet users. If it is compared to the data of 2018 with same population, the internet users are approx 520 million and online shoppers were 110 million which is near 21 percent of the internet users. If it is compared, the growth rate of internet user from 2018 to 2020 it is about 32 percent but growth rate in online shoppers is about 36 percent from 2018 to 2020. So it can be said that increasing rate of internet enhance the growth of online shopping in India.

As per Indian E-Commerce Industry report Sept 2021, the Indian E-commerce market is anticipated to grow up to US$ 111.40 billion till 2025 from US$ 46.2 billion as recorded in 2020. As per the report, the growth for the industry has been triggered by increasing in the internet and smart phone penetration in India.

As per the statista report the share of digital retail shoppers in India was 11 percent in 2019 as a share of the population of India. This was a considerable increase compared to only 1 percent in 2012.
Market size of e-commerce industry across India from 2014 to 2018, with forecasts until 2027

<table>
<thead>
<tr>
<th>Year</th>
<th>Value in Billion US Dollar</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>14</td>
</tr>
<tr>
<td>2015</td>
<td>20</td>
</tr>
<tr>
<td>2017</td>
<td>39</td>
</tr>
<tr>
<td>2018</td>
<td>21.9</td>
</tr>
<tr>
<td>2020</td>
<td>30</td>
</tr>
<tr>
<td>2021</td>
<td>84</td>
</tr>
<tr>
<td>2024</td>
<td>99</td>
</tr>
<tr>
<td>2025</td>
<td>188</td>
</tr>
<tr>
<td>2027</td>
<td>200</td>
</tr>
</tbody>
</table>


As per above data the growth in e-commerce industry from 2014 to 2017 is 178.57 percent which was expected to grow at 500 percent till 2021 from 2014 and 1328.57 percent from 2014 to 2027. The expected jump is very high and if happen it will provide great opportunity for employment and business in India.

**Benefits and limitations of online shopping**

Nothing is perfect in this world. Everything has its own advantages and limitations. Online shopping is also having its own advantages and limitations. Whether to prefer online shopping or not, we should have information about the benefits and limitations of online purchasing.

**Advantages of Online Shopping**

1. **Convenience:** In online shopping platform customers can purchase from anywhere as per their console. In online shopping everyone have 24x7 opportunities to shop online. Online shopping saves time and effort. In online shopping, the customer gets detailed information about the product and it customer can easily cancel the transactions.

2. **No Crowds:** At festival seasons and holidays it is common to see the crowd at shopping places. But in online shopping, customer does not have to look crowds because he can buy from his convenience place.

3. **No stress:** In online shopping there is no any pressure from seller side to buy particular product. In online shopping customer can purchase through their choice and available information on website. So they preferred to purchase necessary things only.

4. **Time Saving:** Online shopping helps customers to save time by giving option to buy the things from anywhere and at anytime. It saves traveling and queue time.

5. **Economical:** Marketers or e-retailers offer heavy discounts to attract the customers for online shopping. It saves money and energy of the buyers.
7. **Reviews of product:** Customer’s online buying decision mostly influenced by reading online review post by those who already used the product purchased online. It helps to get the indoors information about the product in which they are going to decide for purchase online.

8. **Numerous varieties:** It is one of the best rewards for customer shopping online. In this, the customer has several options and brands to select from a single place. In online shopping platform there is a large amount of collections available.

9. **Price comparison is easy:** The customer can easily compare the price and quality of product with the help of available information given on e-retailer’s website. The customer can compare the price with given option and from offline market.

10. **Online tracking:** When customer purchased online, he can track the order and delivery status of the product and its location online. He can also cancel the order any time during delivery.

**Disadvantages of Online Shopping**

1. **Wait in delivery:** It is a big drawback of online shopping that it took long duration of time to deliver the product at its destination. It will take 4 to 20 days to reach the doorstep of customer. Customer when want on the spot delivery then prefer to buy the product from marketplace in offline mode.

2. **Lack of considerable discounts in online shops:** Substantial stores say to give considerable discounts as compared to online stores; this is a giant drawback for the online e-retailers.

3. **Lack of touch with objects:** It is impossible to touch the product in order to get the correct idea of the quality of product in online shopping. It can only be possible when the product is booked and delivered to customer or by reaching the physical store to buy the things.

4. **Lack of quality and appearance:** Sometimes customers get low quality product against his expectations and it results lost of customer who buy the product online.

**Growth factors of online shopping in India**

1. As per business standard article, content search in Hindi grown up the 155 percent in past years. As per the report the growth of urban area leads online shopping. Besides it, the growth of mobile commerce, growing uses of debit card and cashless transaction, growing investment in logistics and warehouses leads to the growth of online shopping in India.

2. Demonetization, digital India campaign, technology led purchase revolution, mobile wallet pay, big billion day sale, heavy discount, use of smart phones etc. boost the online purchase in India says proschoolonline.com.

3. Cash on delivery, busy life style, product comparison with price and specifications, availability of variety of product etc also fostering the growth of online shopping in rural and urban area of India.
Conclusion

Online shopping in India is growing very fast. It will expected to reach 300-350 million shoppers by 2025. In the year 2021 the percentage increase in online shoppers in India is expected to be 27 percentages which is very high. Incredible use of internet and smart phones raise the growth of online shopping. Search option in multi language also helps in growth of online shoppers in India. Demonetization, easy use of e-wallet, debit card, credit card, attractive prices and heavy discounts, festival offers, product comparability, availability of variety of product, users review etc helps customers to buy the product and services online. Besides this there are some factors which provides hindrance in the growth in online shopping like delay in delivery, cash on delivery, online fraud, risk in online payment, lack of infrastructure, low rate of internet penetration, less education etc. are the barriers in online shopping in India.

Findings

1. In India the expected growth rate in online shoppers would be 27 percent in 2021.
2. The internet penetration rate is 45 percent in 2021 which is 1125 percent of internet penetration rate in 2007.
3. Content search in Hindi is grown by 155 percent from past years. It leads to development of search engine to search in different languages.
4. Online shoppers in India are expected to reach 300-350 million by 2025.
5. The expected growth in e-commerce industry in India is 200 US billion dollars till 2027.
6. The main growth factors of online shopping are busy life style, use of smart phones, availability of variety of product, review of user of product, information, discounts etc.
7. Fears on online shopping are security issues, delay in delivery, language problems, online fraud and low internet penetration rate etc.
8. Major challenges faced by e-retailers are cash on delivery, cancelation of order; technology uses issue, awareness of customers etc.

Suggestions

1. For the growth of online shopping in India, it is needed to develop infrastructure facility.
2. Needed to improve internet penetration rate.
3. Needed to improve the system of payment and enhance the payment security.
4. Needed to improve the website design for easy search.
5. Needed to improve the search engine for the search in multi language.
6. Needed to improve the customer’s awareness.
Limitations

1. The research is based on secondary data only.
2. Very few data are used for the study.
3. Time limit was also a constraint.

References


