

“INNOVATION OF ONLINE MARKETING IN GLOBAL SCENARIO”

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Abstract:

On-Line shopping is drastically changing the entire shopping scenario in India. Indian E-Commerce market is expanding at a rapid pace. Predominantly, maximum number of customers prefers online shopping despite we have many retail stores and markets. Customers basically prefer online shopping for the maximum range of benefits they get in the form of **variety of products and services, offers, discounts, cash backs etc** what the on-line sites are providing. **Customer’s main idea is to get the products at low cost** which the on-line retailers are satisfying. Eventually, customers slowly changed their opinion of shopping towards online. The budding growth of On-line shopping has evoked the hunch of conducting a study on customer behavior on on-line shopping. Through this paper, an attempt is made to understand how the customers prefer products through on-line and what factors will entice them towards their sites. **This paper covers the demographic factors, the purchase intentions, impulse buying, and frequency of purchasing and so of the customers. The study mainly focuses on Brick and Pick and Pure pick companies.**

The results of the study will reveal the facts on what basis the customers are preferring the on-line shopping and the process of buying the products. This will in turn help the on-line retail sites to know the actual intention of customers in selecting a specific shopping site.

Keywords: Retailing, On-line shopping, purchases intentions, impulse buying, demographic factors, Pure-pick companies, Brick and Pick companies.

Introduction

Consumers today have more shopping choices than ever before with traditional retail stores, catalogs, and various cable television shopping opportunities as well as the Internet (Sekely & Blakney, 1994; Szymanski & Hise, 2000; Taylor & Cosenza, 1999). Yet for all its diversity, retailing can be categorized into two broad types: In - store and non-store. In-store retailing or Brick and mortar, is the typical retailing method and represents the format where consumers come to a building where salespersons display and demonstrate the merchandise and its benefits, take orders and delivers the merchandise directly to the customer. (Levy & Weitz, 1998).

Pan (2007) defined purchase intention as the eagerness of purchasing the product. Similarly Engel, Blackwell and Miniard, (1990) defines purchasing intention as the psychological process of decision making. In online shopping, it is expected that shoppers are more likely to associate tangibility, high interactivity and enjoyment with their intention to shop.

As Bellman et al. (1999) mention, demographics are not so important in determining online purchasing potential. Whether the consumer has a weird life style and the time constraints the person are much more influential. Risk taking propensity is also a powerful factor.

Sultan and Henrichs (2000) in his study concluded that the consumer's willingness to and preference for adopting the Internet as his or her shopping medium was also positively related to income, household size, and innovativeness. Vijay, Sai. T. & Balaji, M. S. (May 2009), revealed that consumers, all over the world, are increasingly shifting from the crowded store to the one-click online shopping format. However, in spite of the convenience offered, online shopping is far from being the most preferred form of shopping in India. A survey among 150 internet users, including both the users and non-users of online shopping, was carried out to understand why some purchase online while others do not. The results suggested that convenience and saving of time driven Indian consumers to shop online; while security and privacy concerns dissuade them from doing so. The work of Kim and Park (2005) using U.S. samples suggests that their positive attitudes as well as willingness to search for pre-purchase information leads to a strong likelihood that they buy online. Online shoppers are required to possess computer skills in order to use the internet for shopping. Hence, those who are not comfortable with using the computer will likely do their shopping at the traditional store, modern shop, or discount store (Monuwe 2004) because it will be faster shopping there than in the Internet shop. Goldsmith and Flynn (2004) state that the home catalog is another traditional selling channel where people can shop at home because of varieties of products offered in the catalog. They can order through the phone or by mail. It is convenient except that they are not able to touch and feel products before purchasing.

PRESENT SCENARIO OF RETAILING IN INDIA:

The size of retail industry in an economy depends on many factors and the level of consumer spending is the most important among these factors. The retail sector in India has grown leaps and bounds in the last five years. The reason behind this growth has been the synergy of many propellants. The changing formats and consumer buying behavior brought a revolution in shopping in India. As such many retail businesses have started and brought all the

needs and wants of the customers at one roof. Increasing and emerging shopping centers, multi-plex malls, e-commerce sites so on are creating a revolution in Indian retail sector by attracting the customers by its offers, discounts, coupons and so on, Retailing in India adds 10% to the economic growth of the country's Gross Domestic Product (GDP). According to Indian Brand Equity Foundation (IBEF) it was stated that retail industry in India is expected to grow to US \$ 1.3 trillion by 2020. India is the fifth largest preferred retail destination globally. Even the worldwide markets also focus on India because of the huge population and customs and traditions of Indians (giving and accepting gifts during festivals, marriages, parties). Many metropolitan cities like Mumbai, Chennai, Pune, Kolkata, Nagpur, Hyderabad, Cochin, Bangalore etc has exquisite market for about all the products and services which offers for the new markets to penetrate.

ONLINE RETAIL:

On-line retailing is a non-store retailing, which allows consumers to search for, evaluate and order products through the internet. For many consumers the advantages of this form of retailing are 24/7 access, the ability to comparison shop, in-home privacy and variety.

Fast developing country like India is adopting many new facets for the growth of its economy and power. Influence of internet is making customers stick to the effortless pathway of buying goods and services. The life is getting busy and tiresome not only in metropolitan cities and even in the convention cities and spreading the same to towns and urban areas.

With increase in the kinship groups and both wife and husband being employees and having hectic work schedules made their life accustomed to facile methods of dealing the things right from taking care of their children (playschools) to shopping. So, they found on-line shopping is the best method where they can have effortless job. Other reasons like less time, extra working hours, and increase in the price of transportation, traffic jams and such made on-line approach of shopping, which will be at our notch in no time. Even the banking facilities like on-line banking or Internet banking, credit and debit cards made easy mode of payments. Banking sectors are even using this on-line shopping sites to attract the new customers by providing them with less interest credit card facilities, cash back facilities, zero percent EMI (Equated Monthly Installments).

On-line marketing of goods and services even increasing the extent of courier facilities and the logistics they use to send the orders in-time to the customers which is a big deal to the customers as well as the e-commerce sites. In- time deliveries, Cash on Deliveries are the added advantages of the e-shopping which is attracting the customers to the large extent.

Indian market is hegemonize by unorganized players but there is budding in the area of retail players as well. Most of the Internet users are youth and middle aged and educated people who search for newer trends in marketing and there is a drastic increase in the middle class income people and upper middle class population. We see big players like Amazon, Flipkart, Snapdeal, Ebay, Walmart, Shopclues, Limeroad, Myntra, Jabong, Fashion and You etc are the leading e-marketing sites and we even observe branded companies selling their products under their own websites irrespective of the above said sites.

E-Commerce has given rise in turn to e-purchasing and e-marketing. E-Purchasing means companies decide to purchase goods, services and information from various online suppliers. E-Marketing describes company efforts to inform buyers, communicate, promote and sell its products and services over the internet.

Online retail sales have exploded, growing at 30% per year. Online retailers can predictably provide convenient, informative, and personalized experience for vastly different types of consumers and businesses. By not having to bear the cost of maintaining retail floor space, staff and inventory, online retailers can sell low volume products to niche markets. Online markets even create impulse buying (buying without any plan or search) by giving many alternatives,

Online retailers compete among themselves in terms of 3 key aspects of a transaction:

1. Customer interaction with the website
2. Delivery of the product and
3. Ability to address problems when they occur.

We can categorize online retailers into two. They are:

Pure-Click Companies: These companies have launched a website without any previous existence as a firm. Commercial sites sell all types of products and services, notably books, music, toys, insurance, stocks, clothes, financial services and so on.

Brick and Click Companies/ Brick and Motar Companies: Existing companies that have added an outline site for information or e-commerce. Most of these companies have debated whether to add an online e-commerce channel for fear that selling their products or services online might produce channel conflict with their off-line retailers, agents or their own stores.

REVIEW OF LITERATURE

Review of literature related with influence of online marketing on consumers and also deals with business perspective. Then it reviews the current issues in online marketing and factors affecting adoption of online marketing. Further it provides a critique review of miscellaneous studies related with online marketing. This is followed by highlighting the research gaps and contribution of the present study.

Influence of online marketing on consumers

Major Characteristics of Online Consumers –

The typical Internet user of the twentieth century is young, professional, and affluent with higher levels of income and higher education (Palumbo and Herbig, 1998). They value time more than money which automatically makes the working population and dual-income or single-parent households with time constraints better candidates to be targeted by non-store retailers (Burke, 1997). Actually, both demographics and personality variables such as opinion leadership or risk aversiveness are very important factors that are considered in studies trying to determine the antecedents of Internet purchases (Kwak et al., 2002). Confirmatory work shows that income and purchasing power have consistently been found to affect consumers' propensity to shift from brick-and-mortar to virtual shops (Co-mor, 2000).

Internet usage history and intensity also affect online shopping potential. Consumers with

longer histories of Internet usage, educated and equipped with better skills and perceptions of the Web environment have significantly higher intensities of online shopping experiences and are better candidates to be captured in the well-known concept of flow in the cyber world (Sisk, 2000; Hoffman and Novak, 1996; Liao and Cheung, 2001). Those consumers using the Internet for a longer time from various locations and for a higher variety of services are considered to be more active users (Emmanouilides and Hammond, 2000).

Online Shopping Behavior - Identifying pre-purchase intentions of consumers is the key to understand why they ultimately do or do not shop from the Web market. One stream of research under online consumer behavior consists of studies that handle the variables influencing these intentions. A compilation of some of the determinants researchers have examined are: transaction security, vendor quality, price considerations, information and service quality, system quality, privacy and security risks, trust, shopping enjoyment, valence of online shopping experience, and perceived product quality. (Liao and Cheung, 2001; Saeed et al., 2003; Miyazaki and Fernandez, 2001; Chen and Dubinsky, 2003). Uncertainties about products and shopping processes, trustworthiness of the online seller, or the convenience and economic utility they wish to derive from electronic shopping determine the costs versus the benefits of this environment for consumers (Teo et al., 2004). Further studies aiming to complete the full set of factors influencing consumers' prepurchase intentions are still much awaited.

The Online Purchasing Process - Many studies frequently mention that there is a vast amount of window shopping taking place online but the number or the rate of surfers who turn into purchasers or regular buyers are very low (Mayer, 2002; Betts, 2001; Oliver, 1999). This might happen because of the lack of consumer intention to purchase an offering from the online environment at the outset. It might also happen because of various problems that arise during online shopping driving the consumer to abandon the task in the middle.

Common reasons for purchase reluctance are the difficulties and costs of distance shipping, inadequate amount of purchase related information, troubles experienced after the purchase such as delivery or refund problems, general security fear, and various perceived risks such as financial, product-related or psychological risks (Mayer, 2002; Chen and He, 2003).

Consumer Satisfaction and Loyalty in the Online Market - Investing in consumer satisfaction from the online experience and creating brand or site loyalty are critically important for companies that want to have a long run presence on the Web.

There are two approaches taken to induce loyalty into consumers in an online context. One approach is to focus on concrete factors. For example, creating a convenient and well-designed online store and offering secure transactions are the keystones of satisfying e-consumers (Szymanski and Hise, 2000). The online environment accommodates so many opportunities for creating loyalty that even offline offerings can be effectively facilitated with supporting after sale services provided through the Web (van Riel et al., 2004).

OBJECTIVES OF THE STUDY:

1. To study importance of online marketing in present global scenario.
2. To study the customer online purchasing process
3. To know the benefits of customers through e-shopping
4. To analyze the drawbacks in online shopping through secondary information

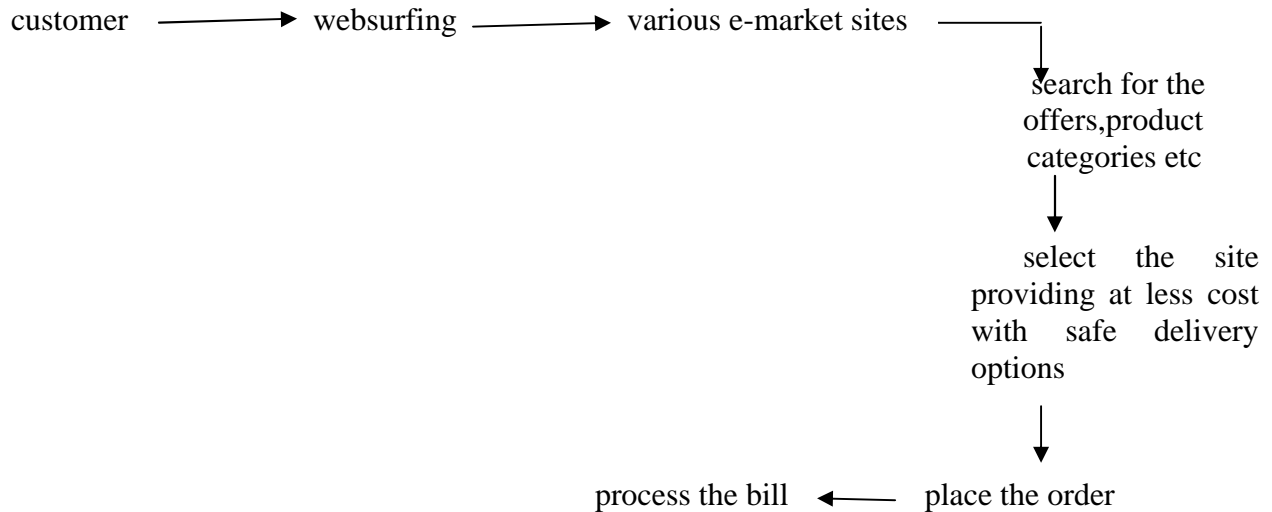
SCOPE OF THE STUDY:

1. To study mainly confine to online marketing in present global scenario and covers demographic factors, the purchase intentions, impulse buying and frequency of purchasing and so of the customers.
2. The study shows the importance of pure click and brick click companies.
3. This paper also covers budding growth on online shopping has evoked the hunch of conducting a study on customer behavior on online shopping.

NEED OF THE STUDY:

1. To understand the concept of online marketing in present global scenario through secondary information.
2. To know the importance of customers purchasing products/services through online/internet by observing the customer ratings and reviews in the websites.
3. To understand the changes of purchases of products/services in retail and online marketing.
4. To know the major benefits and drawbacks of customers for online shopping.

PROFILE OF THE TOPIC



CONSUMER ON-LINE SHOPPING PROCESS

Many steps are involved in on-line shopping right from need recognition to receiving the product in time. The above chart describes the process involved in buying the products and services through online markets.

- Initially customer search for the trusted and identifiable online companies whose brand name is recognizable, their location and contact details to be known.

- Customer will not just satisfy by the recognition of the company they even try to gather information about the reputation of the company by contacting with the previous customers if possible. (comments and reviews)
- After gathering all the necessary information they hunt at various trusted companies for the product which they wish to buy.
- Later they compare the product features, specifications, categories, reviews furnished at each site.
- Most importantly they look for the offers; cash backs etc at each site.
- Then they find out the billing details, guarantees before buying it. At this stage they clarify the doubts regarding returning of the products in case of defects.
- Companies should even mention their privacy policies which helps the customers.
- Later they make the billing with the trusted websites for not disclosing their personal bank details. This is not required if the customers prefer to buy with Cash on Delivery (COD) option.
- After this the bill will be processed and estimated delivery details will be displayed in the user registration details once the product is dispatched.
- Even the shipping details, tracking number and tracking alerts will be sent to the customer's respective registered mail ids and mobile numbers for the easy access of the customers.
- If the customers get satisfied with the safe delivery, originality of the product they make repeat purchases at the same site and they become loyal to that site.

Basically we observe that the users of the on-line shopping are young and middle aged and mostly of male gender. It is good even the on-line sites should focus on the female shoppers and increase their market.

ADVANTAGES OF ON-LINE SHOPPING:

There are many advantages of online shopping and this is the reason why online store are a flourishing business today. Listed below are some the major advantages of the online shopping.

- **Better Prices:** Most of the online stores offer the customers at a less cost what they would get at the physical stores.
- **Saves fuel, energy, time etc:** As present man has become as busy as a robot he always looks for the easy way of getting things. Online store satisfy all the needs what a customer expects in terms of saving his/her money.
- **Comfortable:** Online shopping is quiet comfortable basically for the women customers who feel ashamed of buying some personal care products in the stores
- **Variety of Products:** A variety of products are available in the online stores where a customer cannot find that many products in the physical stores.
- **24/7 Availability:** Online shopping stores open round the clock of 24/7, 7 days a week and 365 days where we find in rare cases in the conventional retail stores.
- **Decrease the waiting time:** The waiting time for paying the bills creates the customer impatient. This will not be observed in the online shopping.

DISADVANTAGES OF ON-LINE SHOPPING:

Every aspect will have its own disadvantages. Online shopping too is having some cons. Here are the problems what the customers face with the online shopping:

- Lack of credit card security and privacy protection during bill payments.
- Technical problems that arise when accessing the website.
- Difficulty in finding specific products that the customer intends to buy.
- Creating Impulse buying to customers.
- Lack of personal service which is found in normal shopping.
- Inability to use sensory evaluation.
- Another frequently mentioned Internet shopping obstacle was slow download speeds or the time it took for a website to be completely displayed on one's computer screen

SUGGESTIONS:

The results of the study can be deployed by the online shopping website in reengineering their approach to reach the customers in a superior way to be the leaders in the market. Online websites should concentrate more on the female customers where their needs and wants are more and should fascinate them where they can improve their sales to a greater extent. They should try for the faster delivery methods and should endorse call centers for clarifying the customers issues clearly which couldn't be solved to the fullest extent through the mail conversations. They should add the instant regalement which is unaccounted in the present websites. Reliability counts a lot to the customers and the online shopping sites. So, reliability should be elevated to create confidence of the customers.

CONCLUSION:

The overall study proves that the customers are partaking online shopping as a very advantageous method of buying goods and services. If we observe, these days the frequency of buying through online has increased to a greater extent because of the services what the online websites are providing. Though, online shopping owes some disadvantages but it is running through the success path by overcoming hurdles with the advantages. The information generated from the study can be used by online websites for their future advancements and to attract more and more loyal customers.

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