



ONLINE SHOPPING TRENDS GROWTH IN INDIA

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ABSTRACT

Shopping is part of every day's life. Some get the necessities from shopping, others get something more. It is viewed as a way to release the stress, a way to complete some desire in the mind, or a way to add some flavor to the mechanical way of life. With the development of modern technology, Internet offers people more and more convenience. With the help of the Internet, people can do a lot of things without going out, like paying bills, watching movies, study online and so on. Among those, the most attractive one for people is doing shopping online. Online shopping does have many advantages but everything has two sides, some people think that it also has many disadvantages. Online shopping attracts people because it has many advantages. Nowadays, more and more people, especially for the office worker, don't have that much free time to go shopping they're busy working, studying and doing other important things. So online shopping becomes the most convenient and best way for the office worker. Many people choose shopping online also because they can't stand that crowded and noisy environment. For shopping online, they just need to choose the article they want and pay online, and then shopping is finished. To most people, shopping is not a hard and anguished job anymore, they can just stay at home, click the mouse, spend several minutes to get what they want without stepping out of the room or standing in line for checking. Well doing shopping online is not always a perfect thing, it also has disadvantages. It seems easy and quick, but there's always a trap online. If you are careless, it will bring you some troubles. For example, if you order a cloth online, at the moment you get the item, you may find that the color is different from what you saw online, or the size is either too small or too big because it is not available to try on before ordering, or the material of the cloth is not what you want. There are also many swindlers waiting for you to bargain with. You would pay for the article but couldn't get anything ultimately. So online shopping is offering convenience as well as disadvantages. On one hand, we enjoy shopping without going out. On the other hand, we need to be very careful when choosing and trading online. According to (ASSOCHAM) report India's e-commerce market was worth about \$2.5 billion in 2009, went up to \$6.3 billion in 2011, \$16 billion in 2013 and is expected to touch \$56 billion by 2023 which will be 6.5 percent of the total retail market. India's internet economy will grow to \$200



billion by 2020 and will contribute 5 per cent to the gross domestic product (GDP) of the country, according to a report by the Boston Consulting Group (BCG) and Internet and Mobile Association of India (IAMAI).

KEY WORDS:Internet, Online Shopping, ASSOCHAM (Associated Chambers of Commerce and Industry of India), Internet and Mobile Association of India(IAMAI).

INTRODUCTION

Shopping is one of the essential part of our daily life. We're using different types of shops to buy different kind of things every day. In general, there are two types of shopping: traditional shopping and on-line shopping. Both of them have some merits and shortages respectively. Today we can divide our life into two parts- 1. Physical life, 2. Virtual life. In physical life, we meet each other physically. But, in virtual life we're using digital technologies (like internet) to meet each other. Today virtual life is also very true as our real life, we are doing almost everything in our virtual life. Yes! everything like- talking, communicating, entertainment, business, banking, playing, shopping, educating and many more. Online shopping started at 1994 by Pizza Hut. In the same year a German company Intershop Communication introduced world's first online shopping system. After that Amazon (1995) and eBay (1996) was launched one by one. Now online shopping is so much popular that E-commerce B2C product sale in USA touched around \$200 billion, it is almost 1/10 of total retail product sale in USA. Research says that online retailer in the USA will worth around \$300 billion by 2015. Not only in the USA, online shopping is now becoming too popular to all nations and all kinds of people. The e-commerce

market in India has been growing by leaps and bounds for the last few years. The trend is expected to continue as the e-commerce market in India is estimated to be worth \$16 billion in 2013 and is expected to touch \$56 billion by 2023, according to the latest ASSOCHAM report. Consumer behavior and shopping-trends have helped the Indian e-commerce industry to record a staggering 85% growth in 2013. The e-commerce market in India will control 6.5% of total retail market by 2023. Young generation on the internet has emerged as the driving force behind the growth of the e-commerce industry in India. Nearly 90% of online shoppers in India belong to the 18 - 35 year age group, while 8% fall in the 36 - 45 year age group. While classifying the online shoppers based upon gender, men contribute more to online shopping revenue. Nearly 65% of online shoppers in India are male as against 35%, who are female. Online shopping in the country will touch \$15 billion by 2016, with over 50 million new buyers emerging from tier 1 and tier 2 cities, finds a survey report from search giant Google and Forrester Consulting. The total number of online shoppers in India will nearly triple to 100 million by 2016, including 40 million women, the report added.



Source:—trak.in

Figure:—1

As per the Figure:—1, the number of Indian shoppers online will grow from 20 million to 40 million by year 2016.

OBJECTIVES OF STUDY

(a) To study the behavior of customer to on-line shopping. (b) To study the impact of on-line shopping.(c) To study the attraction of customer to on-line shopping. (d) To study the advantages and disadvantages of on-line shopping.

RESEARCH METHODOLOGY

The present study is based on the secondary data published by various agencies and organizations. The present study makes use of data and information provided by various websites, annual reports, IMAI and KPMG Report 2013, ASSOCHAM and PwC Report 2014, *Media Reports, Press Releases, Department of Industrial Policy and Promotion (DIPP)*, research reports, *consumeraffairs.nic.in* etc.

ADVANTAGES OF ONLINE SHOPPING

Online shopping offers so many advantages for consumers. It is very easy to shop your favorite items from a large number of online shopping sites available on the internet. You can perform an online shopping from your home comfort. Here is no need to go to the crowded supermarkets or shopping malls during festival seasons. You just need a PC or a laptop and one necessary payment sending option to shop online. All types of items like-cars, books, apparel, jewellery, baby care, gifts, tools, etc. can be shipped using online shopping system. Not only these, you can also buy from foreign countries by few clicks on your mouse. And of course you will get your ordered items at your door. Just take a look what type of facilities you'll get by using the online shop- (1) It is very easy. (2) You will choose your favorite items from variety of online shopping sites comparing price and quality.(3) No need to go physical shops. You will have more time for your family. (4) Just need a computer and a payment sending option (like-net banking, credit card, ATM card).(5) Almost all kinds of items can be brought through online shopping system.(6) You can buy foreign goods from your bedroom.(7) You will get your goods at your home.(8) It is very secure.(9) Customer service is available.Where those shopping in retail parks might have to wait for certain items (such as sofas) for up to two months, generally

online shopping offers a swift dispatch of goods, eliminating that waiting time – after all, once we've spent our money, we don't want to wait.

DISADVANTAGE OF ONLINE SHOPPING

There is also having many disadvantages of online shopping system. Those are-(1) you can never verify you're purchased goods using your own hands. Here you have to depend on picture, videos and descriptions. But the chance of defects is low. (2) Sometime you will pay much higher price for a particular item. (3) If you using ATM card, debit card, credit card, then there will be a question about your bank account security. Think twice before putting your card information into an unknown shopping site (site without HTTPS). (4) Here is no guarantee that you will receive your goods at time. Shipping will be delayed. (5) You have to pay a lot of extra if you buy from foreign shopping site

SECURITY TIPS

Today, online shopping is ideal for many of us – people with disabilities, people with children, people with hectic schedules, and others who just may not have the time *or* the energy to spend all day walking around the mall. In today's world of commerce, the Internet fills a need for busy consumers similar to those mail-order catalogs that were so popular a century ago in rural America (and still popular these days for some with limited Internet skills or who may not have readily available Internet access).Most of us here at BFC have found that today's online shopping experience is much safer, more efficient, and immensely more convenient than a trip to the mall.And for careful shoppers, shopping online is usually more cost-effective. Following points should be taken into mind at the time of online shopping :-(1) Compare price from other site. Also from local market. (2) Read products descriptions, reviews and terms and conditions after purchasing. (3) Avoid using cards, try to use- net banking, check, PayPal. If you wish to use card then always use 3D secure site (An additional security layer for online transaction). Use those website which started with HTTPS. (4) Read user experience about your selected goods and the

shopping site. (5) Try to buy goods from your own country shopping sites to avoid late delivery and higher shipping cost. (6) Always use reputed online shopping sites.

TOP ON LINE SHOPPING SITES IN INDIA

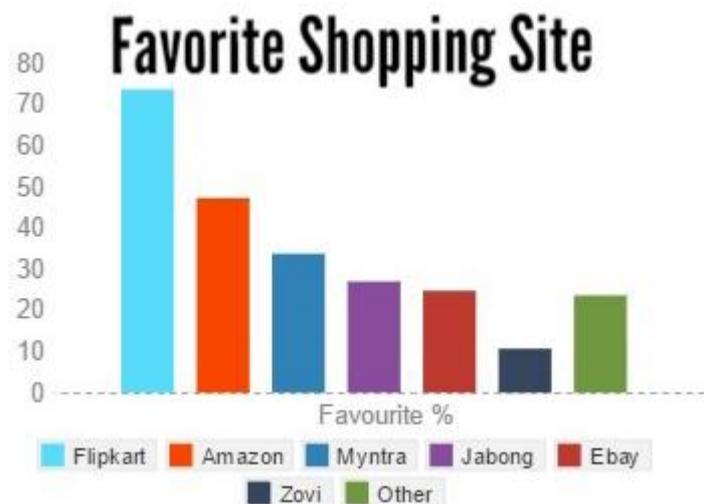
Online shopping has become a popular trend in India now. People have been enjoying the convenience of having their order shipped right to their doorstep. But people often get confused in selection of reliable sites as there are a plethora of sites, and everyone claims to be reliable. But in actual only few are up to the mark. Thus to facilitate to customers, here is list of top 10 online shopping sites:—

- 1 . Flipkart :**—Corporate office Bangalore, Karnataka , Establishment - 2007 ,Business - Online shopping store , Website - www.Flipkart.com
- 2 . Ebay India:**—Corporate office - Mumbai, Maharashtra , Establishment - 1995 ,Business - Online shopping , Website - www.ebay.in
- 3 . Snapdeal:**—Corporate office - New Delhi, India , Establishment - 2010 ,Business - Online marketing and shopping , Website - www.snapdeal.com
- 4 . Jabong :**—Corporate office - Gurgaon, Haryana , Establishment - 2012 ,Business - Online shopping

— fashion and Lifestyle , Website - www.jabong.com

- 5 . Myntra:**—Corporate office - Bangalore, Karnataka , Establishment - 2007 ,Business - Online shopping - fashion and Lifestyle , Website - www.myntra.com
- 6 . Tradus:**—Corporate office - London, UK , Establishment - 1997 |Business - Online Shopping & Auction , Website - www.Tradus.com
- 7 . Junglee:**—Corporate office - Hyderabad, India , Establishment - 2011 ,Business - Online Shopping , Website - www.jungle.com
- 8 . Homeshop18:**—Corporate office - Noida, Uttar Pradesh , Establishment - 2008 ,Business - Media and Online Shopping , Website - www.homeshop18.com
- 9 . Shopclues :**—Corporate office - Hyderabad, Andhra Pradesh , Establishment - 1981 ,Business - Online Shopping , Website - www.shopclues.com
- 10 . Yebhi:**—Corporate office - Gurgaon, Haryana , Establishment - 2009 ,Business - Online shopping , Website - www.yebhi.com

Others:— Two online shopping site that leading the whole E-commerce B2C system and they are Amazon and eBay. These two are the icon of online shopping marketplace. Almost every kind of products and services are available here. Here is a list of best online shopping sites—Amazon, eBay ,Wal-Mart Online,Best Buy (USA,Mexico, Canada) ,Macy’s,6pm.com,Home Shopping Network etc.



Source:—Couponrani.com,/ dazeinfo.com Figure:—2

As per Figure:—2 Flipkart was the most favoured online shopping site for 74% of the customers, followed by Amazon (47%) and the fashion brand Myntra (34%) coming third.

ONLINE SHOPPING IS BETTER THAN OFFLINE SHOPPING

Online shopping has become a popular trend for a variety of reasons. With the wide availability of internet, people have found convenient ways to communicate and do business through the world's biggest media outlet. Many online businesses offer lower prices as the Internet space allows them to make higher profits at a lesser cost. This fact is advantageous to business owners and online shoppers as well. In recent years, the online shopping industry has absolutely exploded, to the point that there are now many people who will only buy new products online. It's not difficult to understand the potential benefits of online shopping, but at the same time there are also people who are sticking to ordinary shopping, and they have their reasons as well. Ultimately, it certainly seems as if things are trending toward online shopping becoming more and more popular, but it is also highly unlikely that ordinary stores are going anywhere. So, where do you stand on the issue? Here is a brief analysis of the factors that play into the debate. Because of the numerous advantages and benefits, more and more people say they prefer online shopping over conventional shopping these days. It's important to understand the psyche of the online shopper. Cater to this and you'll have them flocking to your... er, online store. Here's what they say are important to them – and here's how you can get a leg up by catering to these desires and fantasies. Know what the consumer wants and play to it – plug into your thinking all the ways that you can meet these desires, through your competitive intelligence, competitive pricing, customer service, and more. From shopping in their pajamas to convenience for elderly and disabled, the consumer comments below highlight what's positive about online shopping for them. Also because of wider choice, not subject to upselling or impulse buying, better prices, good for the environment, and more. There are many reasons for online retailers to be sanguine about the future of online retail. Here are some consumers' reasons for buying online, in their own words:—(1) **Convenience**:- Where else can you do shopping, even at midnight, wearing your

jammies? You don't have to wait in a line or wait till the shop assistant helps you with your purchases. You can do your shopping in minutes even if you are busy, apart from saving time and avoiding crowds. Online shops give us the opportunity to shop 24 x 7 and also reward us with 'no pollution' shopping. (2) **Better Prices**:- I get cheap deals and better prices from online stores because products come to you directly from the manufacturer or seller without middlemen involved. Many online shops offer discount coupons and rebates. (3) **Variety**:- One can get several brands and products from different sellers at one place. You can get in on the latest international trends without spending money on travel; you can shop from retailers in other parts of the country or even the world without being limited by geographic area... These stores offer a far greater selection of colors and sizes than you will find locally. If you find that the product you need is out of stock online, you can take your business to another online store where the product is available. (4) **Fewer Expenses**:- Many times when we opt for conventional shopping we tend to spend a lot more than the required shopping expenses, on things like eating out, traveling, impulsive shopping etc.(5) **Comparison of Prices**:- Online shops make comparison and research of products and prices possible. Online stores also give you the ability to share information and reviews with other shoppers who have firsthand experience with a product or retailer. (6) **Crowds**:- If you are like me, you would like to avoid the crowds when you do the shopping. Crowds force us to do a hurried shopping most of the time. Crowds also create a problem when it comes to finding a parking place nearby where you want to shop and going back to your vehicle later loaded with shopping bags. (7) **Compulsive Shopping**:- Many times when we go out shopping we end up buying things which we do not require because of the shopkeepers' up selling skills – or we'll compromise on our choices because of the lack of choices in those shops.(8) **Discreet Purchases**:- Some things are better done in privacy. Online Shops enable me to purchase undergarments and lingerie or adult toys without the embarrassment that there are several people watching me and my choices.

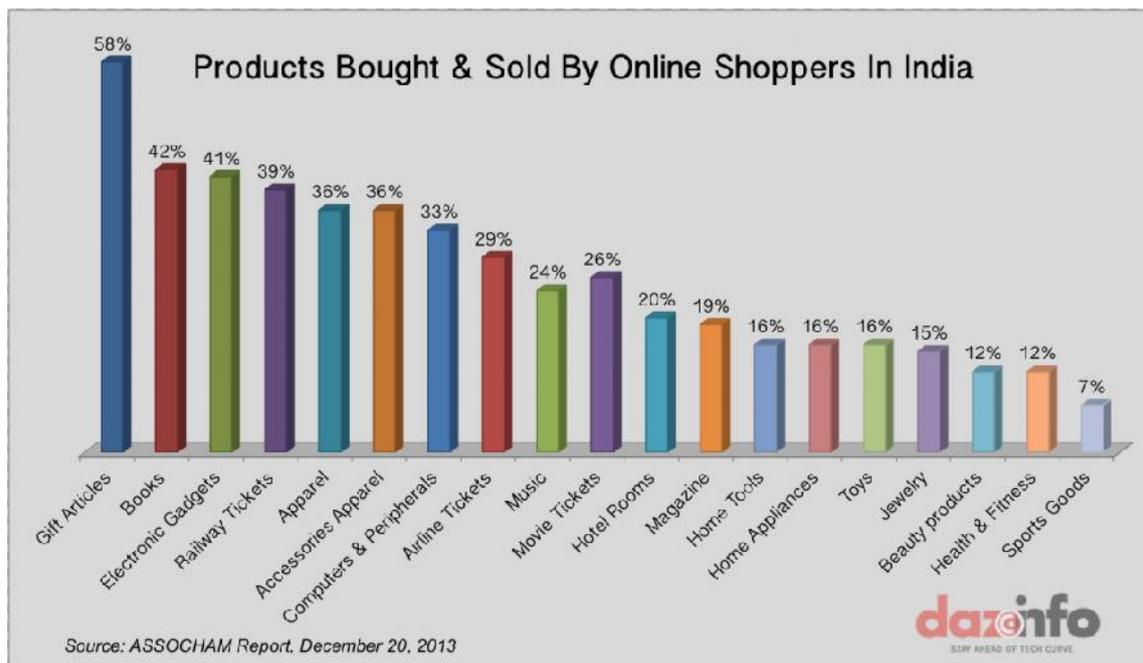


Figure:—3

The Figure:—3 highlights the products bought & sold online. It depicts that Gift articles (58%) remain the favorite among online shoppers in India, followed by books (42%) and electronic gadgets (41%).

LIST OF COUNTRIES BY INTERNET USERS IN THE WORLD (2014)

Rank	Country	Internet Users	1 Year Growth %	1 Year User Growth	Total Country Population	1 Yr Population Change (%)	Penetration of Pop. with Internet	Country's share of World Population	Country's share of World Internet Users
1	China	641,601,070	4%	24,021,070	1,393,783,836	0.59%	46.03%	19.24%	21.97%
2	United States	279,834,232	7%	17,754,869	322,583,006	0.79%	86.75%	4.45%	9.58%
3	India	243,198,922	14%	29,859,598	1,267,401,849	1.22%	19.19%	17.50%	8.33%
4	Japan	109,252,912	8%	7,668,535	126,999,808	-0.11%	86.03%	1.75%	3.74%
5	Brazil	107,822,83	7%	6,884,333	202,033,670	0.83%	53.37%	2.79%	3.69%
6	Russia	84,437,793	10%	7,494,536	142,467,651	-0.26%	59.27%	1.97%	2.89%
7	Germany	71,727,551	2%	1,525,829	82,652,256	-0.09%	86.78%	1.14%	2.46%
8	Nigeria	67,101,452	16%	9,365,590	178,516,904	2.82%	37.59%	2.46%	2.30%
9	United Kingdom	57,075,826	3%	1,574,653	63,489,234	0.56%	89.90%	0.88%	1.95%
10	France	55,429,382	3%	1,521,369	64,641,279	0.54%	85.75%	0.89%	1.90%

Showing 1 to 10 of 198 entries

Table:—1

Source: **Internet Live Stats** (elaboration of data by International Telecommunication Union (ITU) and United Nations Population Division)

Table:—1 shows that China, the country with most users (642 million in 2014), represents nearly 22% of total, and has more users than the next three countries combined (United States, India, and Japan). Among the top 20 countries, India is the one with the lowest penetration: 19% and the highest yearly growth rate. At the opposite end of the range, United States, Germany, France, U.K., and Canada have the highest penetration: over 80% of population in these countries has an internet connection. An Internet User is defined as an

individual who has access to the Internet at home, via computer or mobile device.

MORE VIEWS OF CUSTOMER'S ABOUT ONLINE SHOPPING

(1) Shopping online is so much easier than lugging my daughter around with me, and you can find great deals just about everywhere, that make up for the shipping and handling fees. (2.) Online shopping will become a necessity for most of the people in the world. You can easily compare price, features, function, and get the latest updates of any

products just by your mouse.(3.) Online shopping makes it easy for me to compare sellers before buying. I can get more detail before making a decision to buy or not.(4) Nowadays the car park charges are so high that it puts me off; and with online shopping I can look at what they have to offer without being bothered or interrupted by shop assistants.(5) With online shopping, we all benefit greatly from this endless competition between online retailers. Another excellent way to save money by buying online is deals offered by retailers, great discounts and savings only for those who purchase specific products online.(6) It is so much easier to sit at home, find my size, color, and style and then it's delivered to my front door.(7) One can shop online from a worldwide selection of a specific product. Everything is just one click way from you – and online comparison of prices helps to buy cheapest product within a specific quality range.(8) Online shopping is convenient and hassle free. In India more and more people are shopping online each day. And they are reaping the benefits as well. Some websites are also offering online shopping of grocery products – which I think is a leap forward from the typical online selling.(9) Better prices is one of the main reasons that online shopping has taken off. The simple fact that the middle men are cut out of the delivery chain leads to a reduction in the cost and thus the final price of the product.(10) I love online shopping because my dog is not allowed in a lot of stores, even though he is well behaved. I hate crowds and lines too. In 2014, 50 per cent of shopping queries were made through mobile devices, compared to 24 per cent in 2012. India's e-commerce market is likely to have a whopping 100-million customer base, with women being the major contributors, and would be valued at \$15 billion by 2016, according to a report released by Google on Thursday. Online search giant Google, in association with Forrester Consulting, released their latest report on online shopping trends, indicating the figures for India. From a customer base of mere eight million in 2012, it has climbed to 35 million in 2014, according to the report, which also claims that by 2016 India's customer base will be 100 million a phenomenal growth of over 12 times in just four years.



The current valuation of the market, which stands at about \$3 billion for e-commerce now, is also set to shoot up to \$15 billion by 2016. The report was released during Google's announcement of the Great Online Shopping Festival – the 2014 installment of its yearly online shopping festival between December 10 and 12. Following browsing trends, which have broadly shifted from the desktop to mobile devices in India, online shopping is also expected to follow suit, as one out of three customers currently makes transactions through mobiles in Tier-1 and Tier-2 cities. The number in Tier-3 cities is even higher, with every with every second person shopping online through their mobile. In 2014, 50 per cent of shopping queries were made through mobile devices, compared to 24 per cent in 2012.

Rajan Anandan, managing director, Google India, said: "Mobiles are driving the growth in every single Internet product entity. In other markets, Internet took off on the desktop; in India, its happening on mobiles." Identifying the gender contribution to the shopping debate, the report states that women would be the most significant contributors to this growth comprising almost 40 per cent of the projected customer base. Although men account for the majority of the customer base as of now, in Tier-1 cities, women spend almost double the amount men spend on online retail. In terms of frequency as well, women outnumber men, shopping more number of times. Nitin Bawankule, industry director for e-commerce, Google India, said the current gap was due to product categorisation where electronics and mobiles make up for almost 75 per cent of the traded products, mostly dominated by men. Women still maintain their hold in the "soft segments" such as apparels, skin care products, jewellery, home furnishings, small appliances, and accessories. However, Bawankule claims, as more and more women have taken to the browsing experience, the growth rates in these sectors have shot up significantly. For instance, the highest growth rate was seen in the apparel segment – almost 64 per cent over last year, followed by baby care products at 53 per cent, beauty and personal care products at 52 per cent and home furnishings at 49 per cent.

Compared to this, the currently dominant segments of electronics has seen the least growth of just about 35 per cent over last year. The online retail boom, however, has been plagued by a series of unfortunate events with some of the major e-commerce giants receiving flak from consumers during the bumper sale days. Google claims though the growth numbers seem promising, a staggering 62 per cent of the respondents in their survey showed they were not satisfied with the service from the merchants. Privacy remained the top concern with almost 65 per cent of the respondents, who said they were gravely concerned about sharing their personal information. The tangibility factor amounting to trust also remained a major deal breaker with almost 55 per cent thinking the products may not be up to the mark.

CONCLUSION

Online shopping has emerged as one of the most popular Internet activities, providing a variety of products for consumers and a multiplicity of sales challenges for e-commerce players. It is safe to conclude that the Internet is a collection of new media that have a huge potential to be a popular channel for electronic commerce. Internet shopping resembles conventional in-home shopping in that the customer makes transactions without physically visiting a store. The Internet provides means to distribute marketing information in ways similar to conventional direct marketing, like catalogs and targeted direct mail. The Internet has other appealing properties too. It is cheap, and it helps personal communication between the seller and the buyer. It is useful for distributing digital products, and it can shorten the time between purchase decision and delivery. It also gives the customer certain extra benefits, like the ability to compare and discuss products. The average Internet user is quite similar to the average in-home shopper, at least what comes to socio-economic group: both are well educated, have a high income and occupational position. Moreover, the average Internet user is a male aged 20-40 years, which is a very active group at in-home shopping. In-home shopping has a number of benefits to the customer: it is convenient, it offers product assortment and uniqueness, a geographically larger shopping

area, and often a better price too. All these benefits apply also to Internet shopping. The major disadvantage of in-home shopping, namely risk due to inability to see the product and make comparisons, and to delivery delays - applies to Internet shopping too. In an empirical WWW survey, the following factors were found to increase the likelihood to shop on the Internet: previous activity in in-home shopping, computer or Internet related work, Internet experience, active Internet use, and product uniqueness. Risk due to inability to inspect the product, payment method and slowness of buying were found to decrease the likelihood to shop. Thus, the conclusion of this presentation is that Internet shopping is a new method of non-store shopping that will explode in the next few years due to the number of active consumers. Indian e-commerce and online shopping are set to witness greater heights in the coming years, not just owing to the increasing internet population, but also due to the changing dynamics of the supporting ecosystem. The key players in the market are undertaking rigorous efforts to further enhance the areas like payment structure and logistics. Moreover, the Indian consumer's perception of online shopping has experienced a substantial change and for the good. In view of these developments, both the investors and the aspiring e-commerce players have been granted numerous opportunities, who were thus far limiting themselves to the sidelines. Today, they are all taking a keen interest in the country's e-commerce market. India now has over 200 million Internet users and by 2018 almost half the country will be connected through the Internet, says Google India. As the trend toward online shopping continues to grow, the number of people who shop online is also increasing.

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