



A STUDY ON GROWTH OF ONLINE SHOPPING IN INDIA

K.Sudha* Dr.A.Soundara Rajan**

**Ph.D Research Scholar, Reg. No: 11123, Research Centre: Scott Christian College, Nagercoil.
(Affiliated to Manonmaniam Sundaranar University, Tirunelveli, Tamilnadu, India).*

***Former Associate Professor & Head, Dept of Commerce, Aditanar College, Tiruchendur.
(Affiliated to Manonmaniam Sundaranar University, Tirunelveli, Tamilnadu, India).*

Abstract

In the last few decades internet has luteinized the lives of millions of users with its immense applications. With the growing proclivity and economic growth online shopping has increased drastically. The world of electronic commerce, also known as e-commerce, enables consumers to shop at online stores and pay for their purchases being contented at home. By just clicking a mouse, shoppers can buy any product online -- from household items to home loans. Consumers expect merchants not only make their products available on the Web, but also to make payments a simple and secure process. Online shopping is beneficial for both consumers as well as merchants. With the fast growing technology online shopping is emerging in India at a very faster rate. According to a new report, India saw a 128% growth in interest from consumers in 2012 as compared to that of 2011. This paper is a study on the reason describing the attraction of the people towards online shopping and various factors affecting it.

Key Terms: - Online Shopping; E-Commerce; Internet; Consumers; Online Stores; Payment Modes.

Introduction

Online shopping was invented and pioneered by Michael Aldrich in the UK and is gaining grounds in India also. Online shopping is far better than traditional shopping as everything is available to us at our door step just with the availability of internet. Consumers need not to go to crowded markets, standing in queues and spending hours searching for apropos purchases.

Online shopping is beneficial not only for buyers but also sellers, as they get detailed information about the product pinned together with the reviews of existing users. Online shopping is like a web-mart where all the goods are available. Online shopping portal provides us with benefits to shop every item extending from minor purchases of books, grocery, clothing, footwear etc. to that of major supplies like furniture, electronics, cars, residential buildings etc.

Online shopping portals are witnessing a whopping 200% growth in the sale of electronic items every year. This is driven by the demands like mobile phones, iPods and MP3 players not only from metros but also from small cities. Apparels and accessories (30%) emerged as the second biggest product category after consumer electronics (34%) and is expected to become bigger than consumer electronics this year. Other popular searched categories include books (15%), beauty & personal care (10%), home & furnishings (6%), baby products (2%) and healthcare (3%). Fitness equipment like treadmills and lifestyle items like sunglasses are a big hit among Punjabis. Some Online Shopping portals in India are [www. Homeshop18.com](http://www.Homeshop18.com), www.flipkart.com, www.yebhi.com, www.myntra.com. American online retail giant Amazon.com has also made an entry into the Indian market in 2012 with Jungle.com, an online shopping site powered by the \$ 48 billion company.

Rationale For Online Shopping

People like to buy things from web-marts (Online stores) rather than virtual markets because of their hectic routines. Here are some reasons how online shopping is taking place of virtual shopping.

1. Ease
2. Availability of Assortment: The key benefit people get is increased variety. Online shopping sites contain wide variety of goods both high-quality and mild-quality keeping in mind the level of people.
3. Information: The consumers can get full information about the product with its reviews being posted by existing users.
4. Difficulties with offline shopping: Personal circumstances had made people to rely more on the internet. These factors help to underline the benefit of the internet, as well as how some come to rely on it. Poor choice of local shops Non availability of the transport facility.
5. Time Saving: Now-a-days lifestyle is so busy that people are unable to go to crowded markets.
6. E- Shopping is a boon as it saves a lot of time.



7. Review of products: Now if one wants to buy a product, he/she is no longer limited to asking his/her friends and families because there are many product reviews on the Web which give opinions of existing users of the product.
8. Lower price: Online stores provide consumers with lots of new schemes and discounts on different range of purchases.

Modes of Payment

Online shoppers commonly use credit card or PayPal account in order to make payments. Some other use Cash on Delivery, Debit Card, Online e-Payment, Mobile Payments, Bank Transfer. According to the reviews by Dr. Anukrati Sharma [1] the basic mode of payment used is cash on delivery (COD) as it is secure.

Some Fears With Online Shopping

Some people do not prefer online shopping because of some issues related to their privacy and security.

Fraud :Consumers are at peril of fraud than face-to-face transactions. Merchants also risk fraudulent purchases using stolen credit cards or fraudulent repudiation. Consumers have the fear that their credit card information is leaked out and stolen.

Hacking: Hacking is the main problem with the web. Hackers break into a merchant's web site and steal names, addresses and credit card numbers.

Phishing: Sometimes consumers are fooled thinking that they are dealing with a reputed online seller.

Some Steps To Improve Online Shopping Fraud: To increase security and reduce fraud consumers must follow some steps:

Shop at Secure Web portals: Research thoroughly about the website before ordering and check whether it is offering a secure portal or not. Secure websites use encryption techniques to transfer information from buyer's computer to the online seller's computer. The only person who can decrypt the code is the person being granted with access privileges. Steps to see whether the website is secure or not: Look at the URL address it must https://. The "s" indicates that Web site is secure.

See a closed padlock at the bottom of your screen. If that lock is open, assume the key is broken and it is an unsecure portal.

Check Out The Security And Private Policies of Websites And Be Aware of Cookies

Online merchants as well as other sites watch our shopping and surfing habits by using "cookies," an online tracking system that attaches pieces of code to our Internet browsers to track which sites we visit as we search the Web.

Use of credit cards is secure: Consumers must use credit cards for secure payments.

Keeping passwords private: The passwords of credit cards, debit cards etc. should be kept private as they can be misused. Keep changing passwords regularly.

Be aware of digital signatures: Digital signatures are generated electronically and used for authentication and integrity.

Online Shopping In India

Online buying is growing exponentially throughout the world. UK is biggest online shopping nation in the world followed Denmark, Norway and Korea [11].In Nigeria and other African countries [13] the number of users is still far below the world average which is around 30%. Now-a-days due to the availability of faster internet networks E-commerce activities are expanding at a faster rate in Nigeria, South Africa and Kenya. In South Africa, 51% of individuals with internet access shop online whereas, in Kenya, only 18-24% makes online purchases. In Nigeria approximately 28% of the population has internet access according to ITU figure. According to the study the swiftness of online shopping in Pakistan is slugging as compared to India and other countries [2].

The total value of E-Commerce activities in India has surpassed Rs.5.7 billion during 2004-05 and Rs.23 billion by the year 2006-07.

According to Rajan Anandan, VP & Managing Director of Google India[7], with approximately 8 million Indians shopping online in 2012, online shopping industry in India is growing rapidly and will continue to see exponential growth.

According to a survey conducted by IMRB International and IAMAI [5], there was an estimate of 137 million Internet users in the country as of June 2012. Of which, 99 million were from urban parts of the country, the remaining 38 million were from rural India. So, online shopping is flourishing not only in metros and urban areas but also in rural areas. Of which Hyderabad sits a big hit [10]. Online shopping in China topped 59.4 billion Yuan in 2005, more than 90 per cent from previous years [8].



Results and Implications

As the survey conducted on 250 respondents it has been noticed that 72% female and respondents who are between age of 21-30 are more attracted towards online shopping. Mostly shopped website is Homeshope18 with 23.6% users is visited once in a week to check for new updates, schemes and trends. The money Australians spend on online shopping is anticipated to increase by about \$10 billion within the next five years. In the U.S., Forrester Research shows that \$248.7 billion online sales are expected in coming years. In Western Europe sales are expected to reach 14 billion euros (\$155.7 billion), with annually growth of 11% per cent. European online retail sales will reach €191 billion by 2017– reflecting an 11% compound annual growth rate (CAGR) over the next five years.

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