FACTORS AFFECTING E-TAILING WEBSITE EFFECTIVENESS: AN INDIAN PERSPECTIVE

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Abstract

Internet retailing has emerged as an attractive alternative to traditional brick and mortar stores offering a number of advantages such as high speed of transaction, more number of selections and prices, convenience, time and space neutrality, fun and enjoyment.In contrast to the increasing volume of internet usage in India, e-tailing is still in the nascent stages in the country. Additionally, there are few studies related to B2C ecommerce in Indian subcontinent. Internet has proved to be an excellent medium for e-marketers to reach to a wider spectrum of audience efficiently. It has caused a phenomenal amount of change in the consumers' decision making process.

Keywords: Internet, retailing, B2C, Ecommerce, E-tailing

Introduction:

Internet Retailing or e-retailing or e-tailing involves retailing using a variety of different technologies or media to carry out a purchase activity. E-retailing can be accomplished either by combining new technologies with elements of traditional stores and direct mail models or using new technologies to replace elements of store or direct mail retail.

Internet Retailing is one of the most innovative and challenging contributions to the retail industry. It offers consumers an additional channel for information, service and purchasing along with additional benefits of choice, convenience and cost savings. Past two decades have witnessed a remarkable growth in global online retailing by gaining a significant share in overall retail sales.
If few years back technology brought the shopping information on to the laptops, today it brings the products right to the doorstep. With the use of internet as a medium, a person can buy products from a virtual store (shopping website). Though detractors to this technological advancement thought that this would take the joy off shopping, it has only added a whole new perspective to shopping.

Meaning of E-Tailing:

The word E-tail has its roots in the word 'retail'. Here the letter E stands for 'electronic' since the shopping process happens through the electronic media (internet). With the use of a web-space a virtual shop is created and the products are displayed through images in this space with the features and price tags. By accessing this shopping site a customer can choose his/her

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products into a cart. The payment to this product can be done in various modes as mentioned by the shopping site. The product would be delivered to the address specified by the customer.

E-tailing: 'Retailing conducted online, over the internet.' (Turban et al. 2006, p. 83)

Emergence of E-tailing in India

Organized Retailing is emerging and growing field, marketers finding new ways to cater need of customers and introducing distribution channel as per their needs, E-Retailing is an extensive arm of marketer to provide convenience to customers as well solving problem of infrastructure and inventory in their distribution channels. Time, lifestyle changes, technology, online payment options like visa card, master card, credit card etc. are factors which influence online buying option. India has an internet user base of about 137 million as of June 2012 (Hindustan Times, 31 December 2012). The Telecom Regulatory Authority of India (TRAI) pegged the number of Internet subscribers in India at 164.81 million as of March 31, 2013, with seven out of eight accessing the Internet from their mobile phones. (The Hindu, 24th August 2013)

ICRIER (Indian Council for Research and International Economic Relations) estimates retail accounts for over 10 per cent of India's GDP. Fuelled by increasing customer base, rising disposable income, changing lifestyles and growing absorptive power of the domestic market, organized retail sector is likely to grow at a much faster pace of 45-50 per cent per annum. Increasing tele-density, smart-phones, and internet connectivity is providing convenience for online shopping and E-Retail is also growing.

Technology penetration in India has triggered the pace of e-commerce's inception in the retail sector. Better internet facilities and hassle free online transactions have given a new dimension to e-retailing. The trend of online shopping in India on account of better payment options available, internet banking, credit cards, cash on delivery, demand drafts etc, more organized supply-chain systems ,customer care and internet availability at a cheaper cost. Improvements in telecommunication and increased internet speed and bandwidth has been the prime cause of internet penetration in not only in urban but also in rural India.

Literature Review

Various studies have highlighted that the level of trust and customer service towards online retailing is low amongst Indian population. 'Cyber-enhanced retailing', combines the advantages of e-commerce and traditional physical retailing (Otto and Chung, 2000).

A number of potential e-commerce based services could be adopted by traditional retailers to boost their profits. Convenience in product search and buying, better tracking of expenses and scope of informed buying are few of the main advantages of e-commerce (Rao, 2000).

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With reference to website quality, Tan et al. (2009) found that navigation and content are the most sought after factors while designing a web-site. Other important factors include categorization of information, colour usage, layout / space usage, graphics usage, establishing website's identity and presentation of information.

Bourlakis et al. (2008), on the other hand have identified that consumer trust and behavior are directly related to online retailing. E-retailers should incorporate various "trust-building" programs in their strategies to cater to the trust element in internet retailing. Consumer bodies and customer relationship management programs could prove to be very appropriate for future non-store retailing.

Schiffman et al. (2003) have examined the association between consumers' personal values and their attitudes, preferences and activities associated with internet use. Understanding the ways to target and communicate effectively with more selective segments or audiences should be of utmost importance for e-marketers. Advertising and other forms of marketing communication can imbibe some amount of personal values that appear to be linked to specific internet usage or activities.

Osterwalder and Pigneur (2002) believe that it's imperative for companies to understand, communicate and share, change, measure, simulate and learn more about the different aspects of e-business in their firm. Customer relationship can therefore be redefined by the firms by incorporating information strategy. Trust and Loyalty constitutes a very important factor in enhancing customer relationship especially in virtual world.

Sawney (2008) has identified various performance indicators critical to success of online retailing. Some of them include ease of navigation, quick loading times, accurate product/service delivery system, Clear transaction policies, online interactivity between buyer and seller, transaction safety, and transaction privacy.

Madlberger (2006) identified various exogenous and endogenous factors responsible for buying behavior of online shopping in a multi-channel environment.The exogenous (independent of the retailer) factors influencing online shopping behavior primarily include perceived convenience, perceived security and consumer's attitude towards catalogue shopping. On the other hand, attitude towards online shopping is the only endogenous factor influencing online shopping behavior.

So et al. (2005) investigated the influences of promotional offers and product categories on online shopping intentions. Results indicate a direct influence of web-search behavior and web-shopping adoption decisions on web-shopping intentions. Promotional offers enhance web shopping intentions. Internet retailers can make use of this marketing tool to boost their sales volume.

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In Indian context, Prasad and Aryasri (2009) have explored the determinants of shopping behavior such as convenience, customer service, trust, web store environment and web shopping enjoyment and examine the effect of these factors towards online buying behavior.

Kiran et al. (2008) have not only identified the factors affecting online buying behavior in India, they have also explored how online advertisements influence consumers to buy online. The authors have identified product information and reliability as the key contributing factor to internet retailing adoption. Yet another contributing factor is audience attitude towards e-shopping. Various constituent variables include responsiveness of websites for the information, positive outcome of the websites and the influencing power of advertisements. Influence of internet advertisements on e-shopping has emerged as another important determinant of online buying behavior.

Types of Electronic Retailing (E-tailing)

Business-to-Consumer (B2C) E-Tailing

Business-to-consumer retailing is the most common of alle-commerce companies and the most familiar to most Internet users. This group of retailers includes companies selling finished goods or products to consumers online directly through their websites. The products could be shipped and delivered from the company's warehouse or directly from the manufacturer. One of the primary requirements of a successful B2C retailer is maintaining good customer relations.

Business-to-Business (B2B) E-tailing

Business-to-business retailing involves companies that sell to other companies. Such retailers include consultants, software developers, freelancers, andwholesalers. Wholesalers sell their products in bulk from their manufacturing plants to businesses. These businesses, in turn, sell those products to consumers. In other words, a B2B company such as a wholesaler might sell products to a B2C company.

Objectives of the Study

- To understand the dynamics of the major factors that consumers look for in E-tailing website.
- To identify the impact of various website factors on intentions to buy online

Factors Influencing online buying behaviour

E-tailing is a very complex phenomenon and its adoption in quite difficult in a developing country like India as only literate people with computer skills can use internet and Purchase online. So, it is very important to understand the promoters and repressors of adoption of e-tailing. E-tailing offers a number of advantages to consumers such as high speed of

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transaction, more number of selections and prices, convenience, time and space neutrality, fun and enjoyment (Ariff, Yan, ZakuanIshak and Ismail 2013).

Osterwalder and Pigneur (2002) believe that it is vital for companies to understand, communicate and share, change, measure, simulate and learn more about the different aspects of e-business in their firm (as cited in Nayyar R. et al., 2010).

In order to enhance consumer satisfaction and e-purchase intentions, online stores should start improving the reliability dimensions, such as capability of delivering products as promised, providing up-to date and accurate information and strengthening the security of online transactions (Lee and Lin, 2004). Also, e-tailers should continue to offer customers with wide range of products and services. Consumers expect varietiesand alternatives including promotions, vouchersand discountswhich may intrigue them to purchase online (Vegiayan, et al, 2013).

Factors behind the Growth of E-tailing in India

- No rent or land costs: E-retailers do not require sophisticated showrooms in prime locations, and operate through their websites or portals. This significantly saves the store maintenance costs, which are pretty high for physical store retailers.
- Enhanced communication with the client: E-Retailing enables personalized interaction with customers.
- Universal reach: A supermarket has a limited geographical area of operation. It caters only to a limited number of customers of a particular locality, but a website can be accessed from any part of the globe, which increases its market multifold. Such websites also serve as a good medium of advertising at a minimum cost, and reach out to the world.
- Standard of living: The living standard of the people has made them inclined towards e-retail sites for shopping. The increased per capita income has also played its part in this inclination
- Availability of wider range: Online market offers a much wider range of products than any retail shop. People have wider options for the products online and even can buy those products that are not available at the retail shops.
- Internet Boom: After 2005, a rapid growth has been seen in the number of people using internet. This is due to enhanced broadband internet services and penetration of 3G services that has given faster internet access.
- Effortless and joyful shopping: Online shopping saves time. Shopping in the comfort of your home through the Internet is a huge attraction for customers.
- Any time accessibility: The online store is accessible 24×7 and delivers your products home. That saves time and effort.
- Prices can be compared: Online shoppers can compare the prices of the products they want to buy with competitive sites, and then go for the purchase.
- No duplication of products: Branded products are sold at competitive prices on credible online portals. This reassures the consumer that no duplicated, low quality products will be sold on these sites.
- Lifestyle: In this busy lifestyle, lack of time for offline shopping and urban congestion of traffic has also led to the boom of online shopping market.

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- Competition in online market: Competition among the online shopping websites has attracted more customers to go for online shopping.

Conclusion: Successful e-tailing requires strong branding. Websites must be engaging, easily navigable, and regularly updated to meet consumers' changing demands. Products and services need to stand out from competitors' offerings and add value to consumers' lives. Also, a company's offerings must be competitively priced so that consumers do not favor one business over another just for price reasons.

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