HOW TO FACILITATE INTERNET SHOPPING IN CHENNAI METRO

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ABSTRACT

Consumer behaviour of Internet non-shoppers in Metros have been lacking. This study is an attempt to understand what can be done to facilitate local Internet shopping? Inducements for non-shoppers to purchase on-line include "Increasing web traffic", "Promotion of new mass loyalty", "on-line co-operative program" and "bricks & clicks". This study in Metro indicates that more effort needs to be made to improve Trust, Delivery Logistics and Payment Methods. Findings of this study on Metros Internet shopping consumer behavior will be beneficial to Multinational e-commerce operators when planning their move to Metros and Top-Tier cities.

Keywords: Internet Shopping, Marketing, Online shopping, Internet non-shopper, Internet shopping facilitator, Metro, E-commerce

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1. INTRODUCTION

Internet shopping is still relatively new and spreading in Metro. There is substantial reluctance by the general public to purchase and make payment on-line. Despite the recent down-playing of e-commerce, there is no doubt that the Internet, as a technology will continue changing world consumer practices.

2. METHODOLOGY

2.1. Overview

A focus group discussion of twenty five Internet non-shoppers was conducted to explore further the subject of how to induce on-line shopping in Metro, and to facilitate interpretation of the findings.
This study used a focus group methodology to collect information from Internet non-shoppers in Metro, regarding their experiences with Internet shopping, and how they could be attracted to shop on line. The current focus group was structured using broad, open-ended questions.

2.2. Sampling procedure and administration
Data for this research were collected by a focus group discussion, consisting of twenty five Internet non-shoppers ranging in age from 18 to 35 years old. Educational levels ranged from secondary school graduate to degree holder. They were recruited from office workers in different parts of Metro.

The discussion lasted for about eight and a half hours. To enable an open and free exchange of ideas, the participants requested that the meeting should not be taped.

2.3. The following guidelines and questions were provided for discussion:

- Competitive pricing;
- Convenience (shopping at home around the clock);
- Product variety;
- Personalized items;
- Bad physical shopping experience (for example; shopping embarrassing personal items; and queuing up for payment);
- Logistic support (for example; delivery delay; out of stock; delivery of wrong items; and goods arriving in bad condition);
- Payment security;
- Privacy and trust concerns; (9) Shipping cost;
- After-sales service (for example; no refund; and no return of goods);
- Web traffic and technology;
- Customer relationship management;
- On-line bulk discount
- Bricks and clicks; and
- Developing new mass loyalty.

The results reported are based upon the synthesis of the interview transcripts. Transcripts were read multiple times to insure thorough and accurate categorization of interviewees’ opinions. Common themes that emerged have been identified

3. FINDINGS AND ANALYSIS

3.1. Facilitators
The following is a summary of recommendations made by the focus group on how to facilitate Internet shopping in Metro:

3.2. Payment Security
Some of the respondents who mentioned payment security as an issue of concern were fairly confident that it is possible to overcome any future vulnerability in this area by developing more advanced techniques like encryption, digital certificates,
digital signatures and firewalls. One participant mentioned that the passing of appropriate enforcement laws were steps towards providing sufficient protection in Metro e-transactions.

3.3. Trust and privacy
It was suggested during the discussion, that the deployment of a range of remedial measures, for example, digital signatures, the creation of pseudo-identities and trusted third parties, will allow customers to engage in Internet-based transactions without necessary revealing their identity. Indeed, the e-operation management should realise that in most cases, it is the determination to apply privacy safeguard technologies that are lacking, not the technologies themselves. This view was shared by a majority of the participants. A few of them went further to state that the benefits of building trust and confidence in the e-economy will in the long term reflect favourably upon e-brand reputations.

In fact, it was suggested that consumers are willing to disclose personal information and to have that information subsequently used to create customer profiles for business use, if they also perceive that there are fair procedures in place to protect individual privacy.

Also, interviewees shared the view that sometimes they are entirely unaware that their personal data has been transferred offshore. To induce them to shop on-line, data collectors must state the purpose for which data is collected.

3.4. Bricks and clicks:
Respondents stated that personal contacts with employees are important in building trust. This is an added advantage in merging virtual shops with traditional, physical stores in order to promote sales for both of them. Consumers may go to physical stores to talk to sales staff and inspect, touch and otherwise experience products. Subsequently, when the need arises, they can place orders via the Internet. This model has been very successful recently in the United States, and is a fast growing business model.

In Metro, “bricks and clicks” operation has the added advantage that an on-line shopper can choose to pick up the goods themselves from physical stores. The latter may be located close to their office or on their way home. This saves the time and anxiety of waiting for delivery of goods. A few respondents specifically pointed out that they do not mind picking up goods ordered on-line, from pick-up points close to their working places. Thus, shipping costs associated with on-line orders will also disappear.

3.5. Popularity and brand name building:-
A majority of the respondents considers that a popular brand name associated with the e-retailer helps to increase their confidence in on-line shopping. “Trust” will be increased, while fear towards problems associated with “logistics” and “after-sale services” reduced.

Indeed, in the context of the Internet, the brand is the experience and experience is the brand. Loyalty is not won with technology. It is won through the delivery of a consistently superior customer experience.
3.6. Improve web traffic:
A few participants had indicated that they would only visit a web-site for fun. To induce them to consider on-line shopping, it must be fun. They had suggested that e-shops could add games, competitions, lifestyle information and links to other e-shops. These have to be changed everyday to reflect customer response. Also, there needs to be an easy navigation and e-shopping process to convince users to shop on-line. A respondent pointed out that broad bandwidth has been increasingly popular in Metro, making the downloading of games and video files faster and less of a waiting exercise.

However, one respondent stated otherwise. Making e-shopping fun would not make him consider shopping on-line. A purchase decision to him is based on pricing, product quality and delivery guarantee. Games and other attractions will only make him spend more time surfing the web site. It recommended that e-managers should aim not only to maximize the breath (time spent on a site) and depth (number of pages viewed) of visits to their website, in addition to the repeat-visit rate, but also, the amount of money spent per customer.

3.7. Customer Relationship management
A respondent indicated that one-to-one marketing is important to induce on-line shopping. In the Internet world, through the application of customer relationship management “CRM” software, e-shops can easily keep track of customers’ visit and preference records. This data can then be used to create an ongoing sales dialogue with each particular customer. Allowing for example, an e-retailer to take the initiative in introducing new products to fit that particular customer’s taste and budget. Such a task is formidable in a physical sales environment, while in the virtual world it is both possible and practicable. This “segment of one” is a new technology enabled marketing strategy that e-commerce operators should learn and apply. CRM also helps to facilitate on-line product personalization as well.

3.8. On-line Discount shop:
In general, interviewees think that the “on-line discount shop “concept is practicable, and may induce them to consider shopping on-line. This in turn confirms that “price competitiveness” is a major factor driving on-line orders.

An interviewee mentioned that merging an on-line discount house with a traditional physical store would help to solve delivery issues, and at the same time address the “trust” concern.

4. SUMMARY AND IMPLICATIONS
This study comes to a conclusion, that in order to develop a structural model of the components of a compelling on-line experience, it must be found to be positively correlated with fun and recreational uses of the web. The impact of download times and potential negative effects of waiting should be well considered. The user interface has been found to be a key to generating on-line sales. Service quality also includes fulfillment. Home delivery is likely to be a limiting factor for the whole on-line market.
REFERENCES


