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A STUDY ON PROBLEMS FACED BY ONLINE CONSUMERS AT VIJAYAWADA

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ABSTRACT

One of the most challenging sectors of the e-retail market today is the fulfilling customer needs through online shopping websites. Since the mid-1990's multiple companies have entered the e- marketing. Few have survived. What is it about e-market that make them fail? What makes them succeed? Given that the industry is still in transition, it is difficult to find definite answers to these questions. With the goal of gaining useful customer insights on these issues, in this paper we analyse-marketing, past and present, discuss different business models employed, as well as order fulfilment and delivery strategies We also discuss alternative order delivery methods, including, attended and unattended home delivery, in-store pickup, and third-party pickup locations.

KEYWORDS: Online retailing, E-commerce, consumers, online shopping.

INTRODUCTION

At first the internet was only used for communication purposes i.e for sending and gathering the information. The internet changed the way of living standard and become as a part of modern life across the world. It has given many benefits like providing information, convenience, time saving, cost benefits, foreign brands. The growth of internet usage has lead to e-commerce. Most of the people aim is to buy the products from online stores and few people evaluate the products with offline stores.

Online Shopping concept was first established before the World Wide Web (WWW) was in use with real time transaction processed from a domestic television. The technology used was called Videotext and was first established in 1979 by M. Aldrick who designed and installed systems in the United Kingdom.

Commerce via the Internet, or e-commerce, has skilled rapid growth since the early years. It is well known to most of the Internet researchers that, the amount of online business-to consumer (B2C) business is increasing annually at a very high rate. Organizations need to develop strategies with the

focus on changes in modern life. Online shopping holds a great potential for youth marketers. The current growth in the mall culture in the country has in fact made consumers more conscious about different options and encouraged them to search and finally purchase online. The growth in the number of online consumers is greater than the growth in Internet users, indicating that more Internet users are becoming plesant to shop online. Until lately, the consumers generally visit online to reserve hotel rooms and buy air, rail or movie tickets, books and various electronic devices, but now more and more offline product like clothes and various accessories are being purchased. At present the market is estimated at Rs.46000crores and is growing at 100 percent per year. They are various factors affecting the online shopping.

The factors that affect the customer insights towards the online shopping are as follows: delivery, response time, payment problems, advertisements, searching for products, ease of access, security, easy way to understand, comparison of products, quality.

DESCRIPTION OF THE PROBLEM:

➢ **Product Delivery Time**:The estimated delivery time is based on the seller's handling time, the shipping service selected, and when the seller receives cleared payment. In certain cases, the accurate delivery time will vary. By knowing the accurate delivery time, you can determine how long it will take to receive the item.

➢ **Handling time**: Sellers are required to specify particular time which take to package and ship the item after receiving cleared payment. Sellers may select a handling time between 1 to 30 days.

➢ **Shipping services**: Some shipping services provide an appropriate for number of days that it will take the carrier to deliver the item to the buyer. This transit time does not include the seller's handling time. It includes normal weekdays.

➢ **Cleared payment**: A payment is considered "cleared" after the money from the buyer has been deposited into the seller's account. If the buyer pays by Paisa Pay, the payment may clear immediately. However if the buyer pays by cheque it may take several days. The delivery time varies for all sites. Minimum it takes 4 days to deliver the product if the product is available.

➢ **Payment**:Online shoppers commonly use a credit card or a PayPal in order to make payments. However, some users need to create accounts and pay by alternative means, such as billing to mobile phones and landlines and Cash on delivery (C.O.D.)

OBJECTIVES OF THE STUDY:

• To identify the types of problems faced by consumers while buying goods from online stores.

• To know the level of privacy and security while making transactions online

HYPOTHESIS:

H_1- there is significant relation between the privacy and security statement before buying online with age and profession.

H_2- there is significant relation between the inability to deliver a recognizable and trustworthy service with profession

H_3- there is significant relation between the problems faced during purchasing a product with age.

SCOPE OF THE STUDY:

The study aims at finding out the problems faced by the consumers while they purchasing online. Our scope of study is in Vijayawada.

LIMITATIONS:

• The survey is restricted only for Vijayawada

• The survey around 280 people.

• We have made analysis in Vijayawada, on the online shoppers of all age group

E-COMMERCE

The term "**E- commerce**" refers to the use of an electronic way to carry out remunerative transactions. Most of the time, it refers to the sale of products via Internet, but the term *e-*Commercealso covers purchasing mechanisms via Internet (for B-To-B).

E-commerce or electronic commerce, has experienced rapid growth in the last few decades. The internet has changed the way consumers buy goods and services. Generally, consumers would visit a conventional retail store, look for the required product, comparing the alternative products available in the store, and would finally purchase it by paying at the counter.

However the present situation has changed with the arrival of 'online shopping'. Moreover, many organizations have started to use the internet as a stage for selling their products as it allows them to cut various transaction costs, it would reduce the price of their products being sold. This has become a global sensation, and it allows the organization to stay ahead of others in the highly competitive markets. A client who purchases on the Internet is called a cyber consumer.The vogue of online shopping throughout the world has increased due to its comfort and often due to the lower prices offered.

REVIEW OF LITERATURE

Online shopping is getting popular in the younger generation. It is mainly preferred by females as compared to males because buying online can be of great benefit to the consumer interms of convenience and time saving(Preeti Singh &Prof.RadhaKashyap).

Long lasting products are in high demand and most customers buy at least once in a month. Comfort being the main reason to purchase online, to benefit discounts and offers is another reason and customers also use online platform to check variety of goods available. If the problems regarding payment and delivery system are recovered and guarantee regarding quality of the product is provided there will be further scope for increasing online retailing(P.L.Padmaja and Dr.V.Krishna Mohan).

The online stores should give more priority to their marketing plan for increasing the number of online customers, because majority of Indians will change their smartphones in the next six to seven years. The online stores should pay an interest to solve the problems faced by the online consumers. If they fail to solve the problem, it is very difficult to attract new consumers and keep hold of existing customers. The problems faced by the online buyers are: delivery problems, return refund issues and poor response of customer care (Dr. G. Karthikeyan)

The testing indicated that financial risk and non-delivery risk has negative effect on attitude toward online shopping behavior. That is, e-retailers should make their website safer and assure customers for delivery of their products. (Mohammad Hossein MoshrefJavadi, Hossein Rezaei Dolatabadi1, MojtabaNourbakhs, Amir Poursaeedi& Ahmad Reza Asadollahi) .

The future of e-commerce in India would be much benefited in the future years if all necessary factors would be executed, by establishing cyber so that consumers would be benefited. Logistics have been a greater issue for online retailers in India, which leads them to build their own strategy in the absence of established systems to handle cash-on-delivery (COD) and same-day shipments.Overdependence on cash-on-delivery mode of payment remains worrisome as the transactions add about 3 per cent additional costs. Also, the additional processes required for cash-on-delivery orders, longer payment cycle, higher instances of returns and associated costs are hurting(RajendraMadhukarSarode)

RESEARCH METHODOLOGY

Primary data: The primary data will be collected mainly with the help of a questionnaire designed for the purpose of the study. In addition to this, data will also be collected through customers, consumers who use online shopping websites.

Secondary Data: The secondary data will be collected from different sources like

- Journals, Magazines, etc.

- Organizational manuals
- Websites
- Published and unpublished content and reports

POPULATION: All the online consumers of Vijayawada are taken into my study to identify the problems facing by them while doing online shopping.

SAMPLING SIZE: Talking into account the nature and the extent of study along with the constraint of time, a sample size of 280 respondents were taken. The survey was conducted over a period of 120 days.

SAMPLE METHOD: The researcher has followed the convenience sampling method for this project study

RESEARCH DESIGN:

❖ In the research design of this project the study was conducted by the survey method.

❖ The primary data is collected through the data collection instrument i.e. questionnaire

❖ For this project area of research is Vijayawada city.

DATA ANALYSIS TECHNIQUES

Statistical tools like percentage analysis, graphical representation; chi-square test has been used to analyze the data. For analyzing such data the software that has been used is SPSS to analyze the problems which are faced by the consumers while shopping through online.

As discussed above Chi-square test has been used to analyze the data. Chi-square test is a test which shows the relationship between two attributes. Chi square test is a technique which is used to test goodness of fit. Therefore, the following table shows the relationship between the problems faced by the consumers with their age and profession.

Test-1 Presence of a privacy and security statement before buying online

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 – 25 Years	162	57.9	57.9	57.9
	25 – 40 Years	78	27.9	27.9	85.7
	40 – 60 Years	12	4.3	4.3	90.0
	Below 18 Years	28	10.0	10.0	100.0
	Total	280	100.0	100.0	

From the above table Out of 280 respondents about 57.86% of respondents are 18-25 years , 27.86% respondents are 25-40years, 4.29% of respondents are 40-60years and remaining of respondents are 10% are below 18 years. This shows that 18-25 age group people regularly go for online shopping

profession of the individual

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business	64	22.9	22.9	22.9
	Government Employee	24	8.6	8.6	31.4
	Others	26	9.3	9.3	40.7
	Private Employee	60	21.4	21.4	62.1
	Student	106	37.9	37.9	100.0
	Total	280	100.0	100.0	

From the above table out of 280 respondents about 22% of respondents are business people , 9% respondents are government employee, 9% of respondents   belong to other category,22% of

respondents are private employee remaining 37% of respondents belong to student. This shows that students are interested in online shopping.

AGE:

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	24.601[a]	15	.056
Likelihood Ratio	18.703	15	.228
N of Valid Cases	280		

a. 11 cells (45.8%) have expected count less than 5. The minimum expected count is .04.

PROFESSION

Chi-Square Test

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	37.825[a]	20	.009
Likelihood Ratio	34.775	20	.021
N of Valid Cases	280		

a. 14 cells (46.7%) have expected count less than 5.

The minimum expected count is .09.

As the chi-square value of privacy and security statement before buying online with age and profession0.056 and 0.009 which is less than or equal to 0.050,we accept H_1 and reject H_0

Therefore there is significant relationship between privacy and security statement before buying online with age and profession.

Major reasons for the current lack of trust online is the inability of the E-companies to deliver a recognizable and trustworthy service.

profession of the individual

		Frequency	Percent	Valid Percent	Cumulative Percent
	Business	64	22.9	22.9	22.9
	Government Employee	24	8.6	8.6	31.4
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	Private Employee	60	21.4	21.4	62.1
	Student	106	37.9	37.9	100.0
	Total	280	100.0	100.0	

From the above table out of 280 respondents about 22% of respondents are business people , 9% respondents are government employee, 9% of respondents belong to other category,22% of respondents are private employee remaining 37% of respondents belong to student. This shows that students are interested in online shopping.

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	37.748[a]	20	.010
Likelihood Ratio	42.024	20	.003
N of Valid Cases	280		

a. 13 cells (43.3%) have expected count less than 5. The minimum expected count is .51.

As the chi-square value of the inability to deliver a recognizable and trustworthy service with profession. 0.010 which is less than or equal to 0.050,we accept H_1 and reject H_0Therefore there is significant relation between the inability to deliver a recognizable and trustworthy service with profession.

Problems faced during purchasing a product.
Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 – 25 Years	162	57.9	57.9	57.9
	25 – 40 Years	78	27.9	27.9	85.7
	40 – 60 Years	12	4.3	4.3	90.0
	Below 18 Years	28	10.0	10.0	100.0
	Total	280	100.0	100.0	

From the above table Out of 280 respondents about 57.86% of respondents are 18-25 years , 27.86% respondents are 25-40years, 4.29% of respondents are 40-60years and remaining of respondents are 10% are below 18 years. This shows that 18-25 age group people regularly go for online shopping

Chi-Square Test

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	37.748[a]	20	.010
Likelihood Ratio	42.024	20	.003
N of Valid Cases	280		

a. 13 cells (43.3%) have expected count less than 5. The minimum expected count is .51.

As the chi-square value of the problems faced during purchasing a product with age is 0.010 which is less than or equal to 0.050,we accept H_1 and reject H_0Thereforethere is significant relation between the problems faced during purchasing a product.

Findings

➢ It is found that 55% of the females do online shopping. This shows that females showing interest to do online shopping for having comfort life.

➢ Mainly unmarried people are interested to do online shopping rather than married or students. This shows that unmarried showing interest to do online shopping for having comfort life and very less students are interested in online shopping.

➢ Among the given 5 online websites, it is found that people are interested to shop through amazon rather than other websites.

➢ Most of the people feel cash on delivery is the best recommendable service rather than Emi or net banking as they feel that there is a chance of risky because there personal information may be released to other third-parties.

➢ Based on my findings, the perception of consumer towards risk of unauthorised access of their personal information is neutral

➢ Majority of the respondents feel neutral to the statement ,I observe that the due to there experience with online shopping website e-companies as well , there is a lack of trust on e-companies towards secure statement.

➢ As majority of the people feel neutral to the statement as now a days most of people are seeing the privacy and secure before buying a product in online.

➢ Most of the people feel neutral to the statement as due to lack of trust worhty towards e-companies they fail to deliver trustworthy to their loyal customers.

➢ Respondents felt that they are facing many problems while purchasing online, majority felt that delivery problems and technical errors are occurring more.

Suggestions

• A good number of respondents felt that while they are paying they feel insecure about the payment, so it is better to improve or resolve this type of payment problems at payment step.

• Here we can see that most of the people feel that privacy and security statement is not up to the mark, so the company should concentrate on the security procedure and create awareness

among the customers about their privacy statements to make these customers loyal towards them.

- People feel that there is a possibility of unauthorized access to my personal information so the company should resolve this type of problem.
- Most of the respondents are facing delivery problems like receiving the wrong product, late delivery, all such problems should be resolved if not company should replace the correct product to the customers or amount should be refundable

Conclusion

The study investigated that how the e-store design and outlook impacts customer behavior and how e-retailers incorporate these factors and mold it according to the preferences of the consumers. And also preferences of customers and wanted to find out how they ranking for website appearance amongst other factors like secure development. It is proved that privacy and secure in e-retail stores is the most important factor to gain loyality of the customers.   The online customers of different areas are satisfied with the usage of websites, security in online payment and the quality and timely delivery of goods. Also, for security purposes, most of them prefer third party mediation for their online payments. Convenience in searching e-tailer's website, quick loading and an valid product/service delivery system are considered essential for customer's acceptance of online retailer e-retailers should make their website safer and assure customers for delivery of theirproducts.Based on the findings it is observed that females are much interested to shop online to make their life much convenient an easy.

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