

CHAPTER - III

PROFILE OF THE STUDY

3.1 INTRODUCTION TO e-COMMERCE

With huge volume of technical advancements, the shopping trends among the consumers have drastically transmuted over the past few years. With a enormous effect of digital revolution over the commerce sector, people are more prospective to purchase a product online rather than visiting to a traditional store. Also, the sky-high attractiveness of online shopping has wholly unified into our lives and visualizing a day without it looks to be a overwhelming job. The Electronic commerce or e-Commerce is a business started to transmute from traditional tradeoff to digital tradeoff. Major businesses are held with the help of internet facility only.

HISTORY OF ONLINE SHOPPING

The online shopping system has rundown the physical railing and all over the world, everyone can trade their products with the help of the virtual stores. The initial version of online shopping was more than 40 years ago.

Buying and selling of goods, products, or services through the internet is known as e-Commerce or Electronic Commerce. These services are provided online over the internet network. Transferring of money, data and funds are also considered as e-commerce. Such business dealings can be completed in four ways: Business to Business (B2B), Consumer to Consumer (C2C), Business to Customer (B2C), Consumer to Business (C2B). The standard definition of e-commerce is a commercial transaction which happens over the internet. Online stores like Amazon, Myntra, Flipkart, Shopify, Quikr, Ebay and Olx are examples of e-commerce websites.

Types of e-Commerce Models

Electronic Commerce can be clarified into four main types. This classification is based on the parties involved in the transactions. Hence, the four basic electronic commerce models are as follows:

Business to Business (B2B)

In Business to Business transactions, the companies do businesses with each other. The end consumer is not involved hence, the online transactions are between the manufacturers, wholesalers and retailers only.

Business to Consumer (B2C)

In Business to Consumer, the company sell their goods and services directly to the end consumers. The consumer can browse their websites and can see the products, pictures and also they can read reviews of other consumers. At last, they place their order and the company send the goods directly to the consumers.

Consumer to Consumer (C2C)

In Consumer to Consumer, the consumers can make direct contact with the other consumers. No Manufacturers, wholesalers or retailers are involved. C2C helps consumers to sell their personal products and assets directly to the interested consumers.

Consumer to Business (C2B)

C2B is the reverse concept of B2C. Hence, the consumer offers products or services to the company.

MAIN FEATURES OF AN e - COMMERCE WEBSITE

While evaluating an e-commerce website, the consumers give importance to highly functional and user-friendly platform to boost-up the overall experience during the online shopping.

- **Simple features**, easy navigation tools, easy checkout flows are the important features of e-commerce sites.
- **Device** Compatibility and function on all mobile devices
- Allow consumers to use discount **code and promotional coupons to encourage the consumers to buy more products or avail services through the e-commerce sites.**
- Payment process is secured and reliable to bring trust on the e-commerce websites.

- Validation from old consumers and trusted sources helps for further expansion of the websites.
- Reviews, ratings, and photos that add to the product for easy buying helps the consumers to choose the various products.

WORKING MODEL OF e-COMMERCE BUSINESS

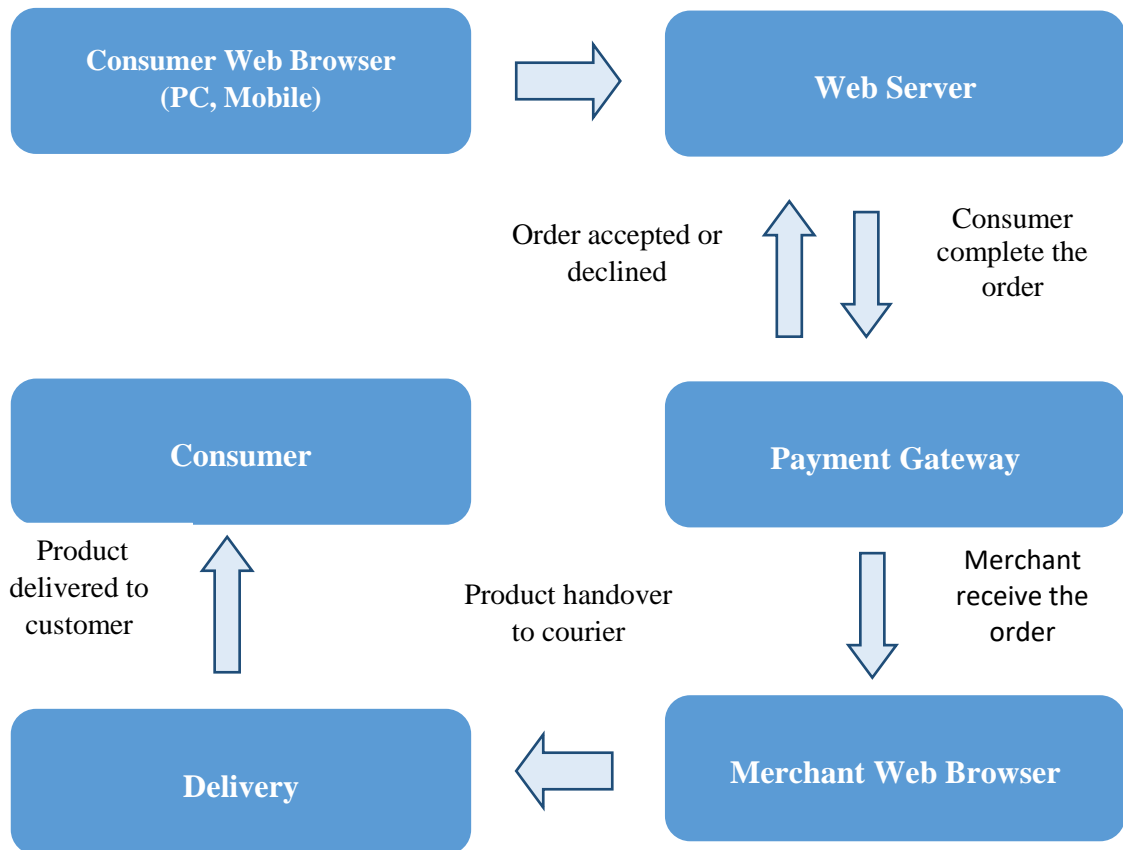


Figure 3.1

THE FUTURE OF e-COMMERCE

The future of e-commerce will be of great experience. By 2022, e-commerce revenue in the United States, alone is expected to reach \$638 million, with the toys, hobby and DIY vertical seeing the largest growth. Many Americans now see online shopping as a must-have: 40% opines they can't live without it. It's also interesting to note that looking ahead, e-commerce expert Gary Hoover's data projects e-commerce retail sales will eventually even out with that of brick and mortar. This means that even though the online sales trend will continue to grow, there's plenty of business to

go around. Experts also predict that, soon, most ecommerce interactions will be an Omni-channel experience for shoppers. This means they'll expect to be able to research, browse, shop, and purchase seamlessly between different devices and on different platforms. As per Statista, there has been a tremendous rise in the sales of e-commerce websites every year. With a massive amount of \$2.8 billion in the past year, retail e-commerce sales are estimated to reach \$4.88 billion by 2021.

Overall, we have to remember that e-commerce is still fairly new in the scenario of retail. The future holds endless opportunity, but its success and continuation will largely depend on buyers' preferences in the future.

3.2 ADVANTAGES AND DISADVANTAGES OF e-COMMERCE TOWARDS BUSINESS

ADVANTAGES

- **Speed up the processes of buying and saves time for consumers**

It speeds up the buying processes because when someone thinks of buying one specific product from the traditional store which is located very far and not easily available. Hence it saves the valuable time of the consumers in availing the specific product easily and swiftly.

- **Reduce recurring cost while hiring virtual support resources**

One of the aspect which can benefit in e-Commerce is that by acquiring employees is reasonable. Always it will make the existence of the company in a diverse location at the same time always. As compared to the retail locations, there is no need for more number of employees for e-commerce business.

- **Easy to attract consumers**

There are more number of ways to attract the consumers to sell the product effectively. Following are some of the practices which one can use to attract the consumers:-

- Sharing a coupon when customers leave the checkout page.
- By sending emails which are pitching upsell and cross-sell will attract the consumers.
- It can be made through the consumer's number of logins to a specific page with in a particular period of time.

- **Easy to encourage an instinct buy**

Instinct buying is one of the practices where it works as a common behavior of consumer's perception towards a particular product. By making the product more attractive with images, color options and by showing a video of the product, the consumers can be enchanted easily. Therefore, the consumer can get the same feeling of purchasing the product from the store.

- **Availability of Reviews**

It has so many positive references which can give added values to the e-Commerce website and help consumers to develop more faith over a particular product. It helps to understand clearly and more perceptible about the product helps with more product selection too.

- **Able to provide detailed information to the consumer.**

Every consumer expects for more details about the products so that it can help them to take a good decision on their purchases. It is a kind of description that really supports a lot to explore about a particular product. The information given about the product in detail makes the consumer to understand the features and the functions of the product and it makes them to lay them on a cart for their final purchase.

- **Best Quality of services at low operational cost**

In most of the cases, traditional retail stores have to invest a lot of amount to maintain their presence in the market. There are several open costs that affect the store which is traditionally owned. e - Commerce store help to cut off more than 60% of the price than a physical store. In the case of operation cost, it is very high in traditional stores when compared to the online store.

- **Quick and affordable marketing**

There are many ways to keep e-Commerce business into this online world through various ways of online marketing which are quick and affordable. By creating marketing videos, posting in Social Networking sites etc., we can reach the consumers easily.

- **Provide flexibility to the customer to buy product 24/7.**

It has more flexibility over the regular store because the services are available 24/7 and it helps to provide the services at any time and for anyplace. There is a lot of change in the online markets recently which provide services helping with the recommendation, sales support, chat support and even helps to find similar products.

e-commerce is one of the platform which is available for consumers 24/7 world-widely.

- **Less store setup cost and quick ROI (Return of investments)**

In case of e-commerce, it has less amount of investment as compared to the offline store. It takes a huge amount of investment to set up an offline store which affects the business a lot by lacking the return of investments. This happens because the investment which has been done over maintaining the store, is more than the amount of investment to make an online one.

- **No Geographical limitation, tap the global market form the day one.**

The customer can have access to the online store from anywhere in the world, which can globally be accessed. This is what every customer is looking forward as their service because sometimes customers are not able to find a particular product at the store location though, online store works like a magic to provide them with multiple options. Therefore, they can avail the services easily. That is the main reason why e-commerce store helps to be visible over the global market, where one will be fully available to everyone across the globe from the day one itself.

- **Reduce Resource hiring and training cost.**

In e-commerce, there is no need to hire many employees as compared to the store, when online store has been opened, half of the work has been done through approaching customers directly by providing detailed information and through visibility of the products. Hence, need not have to hire a seller to express everything about the product or have to train them. This is what makes e-commerce more effective in cost deduction of hiring and training employees.

- **Avoid human error while dealing with customers.**

In the path of e-commerce, there is no need to face the issue of human error because every product is updated with details on the site as that makes easy for the customer to have more visibility over the products. This is what makes the customer feel comfortable to buy online as compared to the store. The stores are way more difficult sometimes due to lack of options, comparison and descriptions.

- **Environment – Friendly**

e-Commerce is totally eco-friendly as compared to the store. It is because when we visit a store at a time of purchase, we receive a bill, receipts, coupons etc., These

harms our environment a lot and that is the reason why e-commerce bought such services which are much eco-friendly and easy to maintain.

- **Compare product and price**

In the world of e-Commerce, we can compare the products easily which shares a detailed description over it. The most beneficial part of e-commerce is that, the customers can avail and understand the product clearly. This happens totally opposite when the consumers visit a store. In store the customer might not be able to find the product and will not be able to compare it, even you might have to visit multiple shops to know the differences. This is what saves time for the customers when they look into the world of e-commerce. Every service which are been provided through e-commerce are made to serve customers to have easy access with more details and less time-consuming.

DISADVANTAGES

- **Lack of personal touch**

It is a kind of consumer feeling that consumer can't feel, touch, smell, taste and sound the product. This is what makes e-commerce sometime in a situation where customer faces bit trust issues over products.

- **Unsure about the quality**

One of the biggest problems with buying things online is that you will have no guarantee of a products' quality. Reviews are not always helpful and though all the researches will never assure you about the quality of a product.

- **Late Delivery**

When someone plans to order a product online they are never assured to get delivered as per time and there are plenty of issues which make such situation very delicate for customers. It is like we are waiting for an entire day leaving your work to just to receive a new phone for example and though it is not delivered on that day itself. Such a situation makes consumer wait a lot for the delivery but at end services almost loses the trust of customers on that moment itself.

- **Security issues**

e-Commerce sites record all the important details about the customers which are to be kept secured, because, it includes details like name, phone no, address, and bank details. Every online store has an issue with security whether they are small, medium

or enterprise businesses. In short, online store has security issues which can never be predicted in this world of e-Commerce.

- **Internet bandwidth**

e-Commerce is the store which totally runs on the internet and though it needs a good connection to run the business online. If the services are online, then there will be always some issues with the internet bandwidth and this issue works contrary from both the ends.

- **Some products are difficult to purchase online**

It is not that easy to trust on those which are kept online in an image to express, but, let's say for example, gold is not the product which can be easily purchased online. One has to verify physically and has to look on to the size too, so it is not easy at all to purchase online.

- **e-Commerce is highly competitive**

Every single step into e-Commerce is very competitive, because, the online market has been growing rapidly. One has to focus on the services and try to learn more about the strategies to make their visibility global market. It is a game of content which plays a unique role in the world of internet. Everyone tries to make searches easy with keywords so that their name pops up easily on the front page of the internet searches.

- **It is difficult to try before buying.**

You can say that online shoppers will not have much ability to inspect physically, even sometimes they lose the power to negotiate the price and payment terms might differ as compared to the local stores.

- **Site Crash issues**

This is one of the problems where we have to reckon the service to get online again because when you talk about e-commerce store, they face issue with servers sometimes which causes lots of problem on sales. It is because when the site goes down, the entire services won't be available and one has to wait for hours to get the store in online again.

INTRODUCTION TO BRAND

Branding

Branding is an act of evolving the brand and the process involves creating own place for the company or product in the market, planning brand strategy, creating verbal identity, designing product identity, writing brand slogans, and defining brand standards. Branding is a powerful marketing strategy which is used to perceive people towards the brand to influence their buying decisions. Branding is to identify with certain service or product when compare to other companies with similar service or product. Branding is a major part of e-commerce and that allow companies to develop their reputations yield by the original brand.

Brand

A brand is the image and personality of a product or service that a business provides. A product's features, such as logos or slogans, make it unique and different. Branding was originally used hundreds of years ago to differentiate cattle.

Brand Name

Brand name is how a company wants to show to their consumers or how the company wants to be identified by their consumers. Marketing department in the firm advertise or public campaign promote the brand message to the consumer in unique methodology. As a firm, they are responsible for providing unique offers to their consumers. Brand name includes trademark logo, color, name, symbols, and taglines.

Brand Image

Brand image is the perceptive of consumer about a brand. Brand image is formed automatically about a firm. Some consumers create emotional bonding towards a firm and some people feel lucky about the brand. Brand image is the character of a firm or the promise that consumer experiences and not what consumer proposes. Firm have to work hard to keep their promise to maintain consumer expectation and have a positive brand image.

Brand Attitude

Brand attitude is a perception of consumers towards a product due to market research. The brand attitude showcase what people think about a product, whether the product fulfill consumer need, and the consumer preference towards the product. Knowledge of brand attitude is very helpful in planning an advertising campaign.

Brand Attachment

Brand attachment is the emotional connection within consumers and brands. Like people get attached to a person, likewise the consumers get attached to a brand to use or to buy the product. The attachment with the brand definitely have these emotional connect. Attachment indirectly has strong influence on the brand image. Once Consumer gets an emotional connect with the brand, it is difficult to break it and they prefer that brand even when other brand provide better alternative.

Brand Loyalty

Brand loyalty is a habit of consumers to purchase one brand over another continuously. Consumers' trusted relationship is shown from the Consumer buying behavior pattern. Loyalty is definitely useful to the organization as it leads to continuous purchase, increase revenue, and consumer referrals.

Some customers are opinion less towards the brand they use as long as the other needs in terms of price or convenience are fulfilled. The consumer shift to a new brand if they are provided with a better offer.

Inertia loyalty is a consumer purchases continuously with an attachment towards the product. The consumers buy the brand because of their habit. Changing inertia loyalty into pride is not that difficult.

Premium loyalty, is the highest form of loyalty. When the consumer has high level of attachment and repeat purchase that coexist, it is pride. Premium loyalty is when the consumer feels proud about the brand and feels pleasure to share about the product with the friends and family.

ABOUT SHOPPING SITES

Amazon.in

Amazon was introduced by the name Cadabra during 1994 by Jeff Bezos at seattle. It was named as amazon.com during 1995 as an online bookstore and now it is acting as a biggest online retailer in the world. The company is named as Amazon as Amazon River is the biggest and the longest river in the world. The company starts to promote music and movies during 1998 and from that time onwards it started its operation in international level by taking over online retailers of books in Germany and UK. Along with that the organization deals with videogames, electronic goods, home needs, software, games, toys etc.

In the year 2002, they started Amazon Web Services, which provides statistical data on website popularity, Internet surfer's pattern

and different statistics for marketer development. During 2006, the business setup develop its AWS portfolio when Elastic Compute Cloud. They rents pc processing electricity as Simple Storage Service, which rents data storage through the Internet. From that year onwards, the organization managed the entry of humans and small businesses selling their property through their company web site. In the year 2013 Amazon landed in India.

Amazon has ownership on more than 40 subsidiaries companies, such as Zappos, Shopbop, Diapers.com, Kiva Systems (now Amazon Robotics), Audible, Goodreads, Teachstreet, Twitch and Jungle

Paytm.com

Paytm was founded during August 2010 by Vijay Shekhar Sharma in Noida, New Delhi. It stepped into e-commerce with online deals and bus ticketing. In the year 2017, Paytm stands India's first payment app. After that it introduced new plans such as Paytm Gold, Paytm Payments Bank, Inbox (messaging platform), Paytm Gold Savings Plan and Gold Gifting.

The Reserve Bank of India granted approval to Paytm for Payments Bank in August 2015. In 2017, it started Payments Bank to serve half-a-billion un-served and under-served Indians. In February 2017, established its Paytm Mall app, which has 1.4 lakh registered sellers. It also expands its business with the addition of e-retail and m-commerce stores. It has over 250 million registered users. The leading investors in Paytm are Alipay, SAIF Partners, Sillico Valley Bank, Alibaba Groups and Sapphire Venture.

Flipkart.com

Flipkart was launched in the year 2007 by Sachin bansal and Binny bansal. The flipkart has its registered office in Singapore and its headquarters at Bangalore. Most of the people preferred to shop in person and hence, they purchase the products whatever they like. Many consumers do not prefer for online payment due to the uneasy steps. Flipkart is the first online shopping website to provide Cash on Delivery facility. Flipkart took over Myntra.com, Mime360, WeRead, AdiQuity, LetsBuy.com, etc., to make strong itself in e-commerce industry. Flipkart depicts a successful journey from a small level book e-retailer to one of the India's largest e-commerce website. Currently Flipkart is in the hands of Walmart with 77% stake worth \$16 Billion.

E - Bay.in

E-Bay (electronic Bay Area) was founded in 1995 by Pierre Omidyar. E-Bay has trade over local, national and international sites in markets around the globe. It has local stakes in 19 countries and 8 foreign nations. The payment gateway provider is PayPal their own online payment service. EBay served as an intermediate and sold the items through sellers. It is initiated as Auction web and later on it is named as E-Bay. E-Bay took over Adding Jump Inc. Person-to-Person online trading site and Up4Sale for further development. E-Bay services are available in 180 Countries.

Snapdeal.com

Snapdeal.com was started during February 2010 by Kunal Bahl and Rohit Bansal. It is one of the largest online shopping site with more than 60 million products of various regional, national and international brands and retailers. It operates with 3,00,000 sellers and millions of users. It has partnered with several marquee investors and many more individuals like Black rock, Foxconn, Softbank etc.

ShopClues.com

ShopClues was established during July 2011 in Silicon Valley by Sanjay Sethi, Sandeep Aggarwal, and Radhika Aggarwal. It is an Indian based company located in Gurgaon. The company have over 6,00,000 merchants and 28 million products on its platform, serving over 32,000 pincodes across the country

Homeshop18.com

HomeShop18 is a leading online as well as TV shopping platform. The company was launched in 2008 and is a part of the Network 18 group. HomeShop18 is considered a pioneer of TV shopping in India and it is the largest such enterprise in the country. It offers customers a wide selection of products across various categories such as clothing, cameras & accessories, automobiles, computers & tablets, mobile phones, electronics, fashion accessories, footwear, groceries, home & kitchen, health & beauty, electrical appliances, jewelry, stationery & office supplies, watches, toys, gifts & flowers, and sports & fitness.