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Standards & Trends in Online Shopping Industry



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Abstract

Online shopping is the process whereby consumers directly buy goods or services from a seller in real-time, without an intermediary. Shopping in India has witnessed a revolution with the change in the consumer attitude and the whole format of shopping also shifting. The traditional retail shopping has been hit by online shopping called Electronic commerce, E-commerce or e-Commerce. In online shopping, buying and selling of products or services is conducted over electronic systems such as the Internet and other computer networks. This idea started in 1990's and over the period some features and concepts have become standards of online shopping system. This paper collates and discusses prominent and most successful terminologies in detail.

Keywords: Please add some Keywords

Introduction

Online shopping was invented and pioneered by Michael Aldrich in UK. In 1979, he connected a modified domestic television to a real-time transaction processing computer via a domestic telephone line. The system was first used for business to business (B2B) transactions in UK, Ireland and Spain. In 1989, the invention of **World Wide Web** by Sir Tim Berners-Lee, a software engineer at CERN, Switzerland radically transformed the concept of Aldrich into the modern concept of online shopping.

The first internet ordering system was created by Pizza Hut in the mid 90's and since then major players developed in the e-commerce industry like Ebay, Amazon and Groupon. E-commerce is growing rapidly and changing the way consumers shop. Retailers need to embrace this change and adapt to consumer demands, because within a couple of years there will be more online sales than there will be at the physical stores.

The modern consumer prefers to shop online because of the convenience. He can buy a huge variety of items from online stores, and just about anything can be purchased from companies that provide their products online without the hassle of physically visiting the brick-mortar store. Books, clothing, household appliances, toys, hardware, software, and health insurance are just some of the hundreds of products consumers can buy from an online store.

Online Shopping Portal

The website that display and offer the products to the consumers over the internet is known as online shopping portal, webstore or e-store, etc. The products are exhibited through images, physical characteristics, online reviews, quantity, price etc. A good online store is easy to navigate and browse for possible purchases. It has a product catalog that customers can use to browse the search criteria (usually a type, price, material, age, etc.), information about the products, the sellers, and the service centre. Generally, the e-stores also display their business conditions and a complaints procedure.

1. Standard Features Of Online Shopping Websites

Product Categories

The horizontal/vertical Menus of the e-store is divided into multiple sections/categories for a range of products. The most popular category listings are Electronics, Apparels, Books, Home & Kitchen, etc. These categories may be further divided into groups/sub-groups depending upon the range of products available with the e-store. The advanced IT technology is being used to make it more customer friendly as well as appealing.

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The Search, Filter & Compare are the most popular IT tools that has now become pattern with every web-store. The SEARCH feature has an input box with a SEARCH button. The customer types his query product in the box and clicks the SEARCH button. This facility helps the customer to directly reach to his requirement without hassle of manoeuvring through the product categories and thus save their time.

Similarly, the FILTER feature helps the customer in sorting the products on multiple criteria like brands, features, price, size, color, etc. This is an auto-generative feature that automatically becomes active when the customer is surfing through the products range. This feature may have different criteria with different types of products and is being developed through high end computer logics.

The COMPARE tool is another prominent feature that is present on almost every online shopping website. This tool helps the customer to compare between multiple products on various parameters like physical characteristics, price, etc. This facility helps the customer to analyse and decide on a better offer for their value of purchase. However, this feature has the limitation on the number of products that can be compared at one time but this limitation doesn't daunts the user in using and making their decisions.

Shopping Campaigns

The Shopping Campaign or Product Listing Ads is a facility used by online shopping portals to highlight their product mix so as to create interest of the consumers who visit their webstore. These campaigns are special window on the e-store websites to display the products in rotating cycles. In order to attract customers to purchase from these campaigns, the product images, brand values, punch lines, sales promotion schemes, consumer preferences are appended to the rotating product display.

Shopping Cart

Nearly all online shopping websites offer the option of an online shopping cart to customers as it is beneficial to the business as well as to the customer by allowing later to purchase more than one item at a time. The online shopping cart is a virtual method of keeping track of one's planned purchases on a website. Multiple items may be added to a shopping cart on a website; then, when one is ready to check out, it is simple to purchase the items in one easy step. To access the shopping cart on a website, usually one only needs to click on a small "shopping cart" icon near the top of the page.

Payment Gateway

The ability to accept payment over the Internet is critical to the success of any online merchant. Multiple payment gateways is an essential feature of a good online store. It makes the payment procedure hassle-free by offering the consumers an option of paying through a payment gateway they trust. Online stores prefer the most reliable payment gateway demanding low transaction fees which is also specific to the country. Some merchants have agreements with credit card, debit card, online payment processing

companies/banks that take a portion of the merchant's sales total as payment for this service. Other businesses may choose to use a service, like Paypal, that processes payments connected to an email address. *PaisaPay* is a service that was built in India, for India and is not something eBay offers anywhere outside of India. The money is kept in an escrow account till a buyer receives a product and confirms so in a reasonable amount of time. Recently, many companies have started with the facility called "Cash on Delivery" where the customer is offered the product with the condition that he has to pay on the delivery of the products. This new mode of payment ensures trust on online merchant as well as help the customer to take a look and feel at the time of delivery before making payments like in a retail shop.

2. Online Shopping Concepts Online Marketplace

A marketplace is where the buyers and sellers come and transact in healthy and safe environment. On the same lines, major eCommerce websites provide *Online Marketplace* for individual sellers and buyers. These sellers need not to invest in infrastructure or marketing but upload a picture of the product on such online marketplace and sell their product for a nominal fee of the marketplace. The two major eCommerce marketplaces are Amazon and eBay.

Amazon is the world's largest online retailer and it's been online for more than 25 years, so they have enormous experience and expertise in e-commerce. It was started as an online bookstore but soon extended its activity, letting everyone use their platform to sell almost anything they want for a fee, of course. It prevents possible fraud from customers and ensures them of their order's safety as well. This two-way security brings additional trust – most people tend to use well known marketplaces such as Amazon as it's generally considered to be safer than smaller competitors or private online stores.

A contemporary to Amazon, eBay has similar presence on the internet, but the business model is slightly different. The largest C2C (consumer to consumer) marketplace on the internet, it provides a possibility to sell nearly anything you want by setting up an auction as well as by a fixed price. If you're selling rare or unique items, the auction system might prove to be your best friend, as the price can inflate to unexpected levels. If your merchandise is widely available, selling with a fixed price might prove to be a better choice though. eBay has anti-fraud systems in place, increasing the confidence of customers, as they are ensured they'll get their money back if they don't receive exactly what they ordered. This usually leads to increased sales, as trust is one of the most important issues when buying online. eBay requires that all transactions are made through *PayPal* and this increases security of both parties.

Online Shopping Mall

Online shopping malls are websites that enable a multi-vendor checkout system enabling retailers to sell in one portal and allow the consumer to check out with one single credit card transaction. Collections of many traders with different offers

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directly on the same website are also sometimes known as online shopping malls or virtual shopping malls.

The Hunt

It is a latest tool that helps people track down things they want to buy using Pinterest, Instagram, Tumblr or any website with a photo of a product. While surfing the web, when you find something that appeals to you – a gadget, a piece of furniture, a pair of shoes you saw a celebrity wear – you can upload the URL or just post a picture of it, which lets everyone else browsing the site know that you're trying to find out where to get that product.

As you browse what items other users are seeking, you can "follow" their searches so that when they find out where to get their coveted handbag, dress or pair of shoes, you will be notified as well. If you see a product that you recognize and know where it can be purchased, you can let the seeker (or 'hunter') know all about it.

Showrooming and Reverse Showrooming

Showrooming or showcasing is the practice of checking out a product at a physical store but buying it online. The poor customer service at physical store and the availability of same product at cheaper price online are the prime reasons for such behavior of consumers. However, with electronics or other higher priced products consumer prefer reverse showrooming i.e. consumer research products online and then ultimately purchase them at a brick-and-mortar store.

Omni-Channel Retailing

Merchants today must use a variety of marketing tools to promote an online business. These sellers now understand that, with millions of online merchant accounts, a website alone will not sell goods. Some Internet companies also incorporate traditional marketing, such as direct mail or newspaper advertising. Other, creative forms of online marketing can include Internet ads, blogging, and social networking.

It is very similar to the evolution of multi-channel retailing, but is concentrated more on a seamless approach to the consumer experience through all available shopping channels, i.e. mobile internet devices, computers, bricks-and-mortar, television, radio, direct mail, catalog and so on. Retailers are meeting the new customer demands by deploying specialized supply chain strategy software.

The omni-channel consumer wants to use all channels simultaneously, and retailers using an omni-channel approach will track customers across all channels, not just one or two. Using omni-channel retailing while working with the "Connected Consumer", all shopping channels work from the same database of products, prices, promotions, etc. Instead of perceiving a variety of touch-points as part of the same brand, omni-channel retailers let consumers experience the brand, not a channel within a brand. Merchandise and promotions are not channel specific, but rather consistent across all retail channels. The bricks-and-mortar stores become an extension of the supply chain in which purchases may be made in the store, but are researched through

other "channels" of communication. With omni-channel retailing, marketing is made more efficient with offers that are relative to a specific consumer determined by purchase patterns, social network affinities, website visits, loyalty programs, and other data mining techniques.

Big Data can allow traditional retailers to deliver better shopping experience to their customers across all possible channels—in-store, online and on-the-go with mobile devices. The key is using data and analytics to better understand the behavior and preferences of shoppers to close the sale. Most consumers interact with brands or businesses with which they already have strong connection—a personal connection.

Retailers must better connect their online and physical stores, blending benefits into both at various points in the shopping cycle—from research to purchase—to build brand loyalty and repeat sales. In the store, retailers must infuse digital experiences, enable store associates with the technology to save the sale and embrace consumer-owned technology. Online, retailers must optimize their websites for various devices—from iOS, Android to Windows platforms. The empowered customer expects seamless experience off and online.

3. Online Shopping Trends

India's e-commerce market, which stood at \$2.5 billion in 2009, reached \$8.5 billion in 2012 and rose 88 per cent to touch \$16 billion in 2013. The survey estimates the country's e-commerce market to reach \$56 billion by 2023, driven by rising online retail¹. This survey was conducted in Delhi, Mumbai, Chennai, Bangalore, Ahmedabad and Kolkata and 3,500 traders and organised retailers participated in the it. According to the report, the online shopping grew at a rapid pace in 2013 due to aggressive online discounts, rising fuel prices and availability of abundant online options. Among the cities, Mumbai topped the list of online shoppers followed by Delhi, while Kolkata ranked third, the survey found. The age-wise analysis revealed that 35 per cent of online shoppers are aged between 18 years and 25 years, 55 per cent between 26 years and 35 years, 8 per cent in the age group of 36-45 years, while only 2 per cent are in the age group of 45-60 years. Besides, 65 per cent of online shoppers are male while 35 per cent are female. The products that are sold most are in the tech and fashion category, including mobile phones, ipads, accessories, MP3 players, digital cameras and jewellery, among others, it found. Those who are reluctant to shop online cited reasons like preference to research products and services online (30 per cent), finding delivery costs too high (20), fear of sharing personal financial information online (25) and lack of trust on whether products would be delivered in good condition (15), while 10 per cent do not have a credit or debit card.

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