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An analysis of price contemplation: Outlook and approach of Indian customers towards online shopping

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Abstract

Till date, existing Web portal Model is selling a wide range of products, with both depth and breadth of range. However, over recent years, consumers have become more discerning due to changing lifestyles, spending priorities and shopping patterns (Fisher, 1998). The focus of this research paper is to draw attention of marketers and shoppers towards the need to develop a hypothetical model named Global Super Store Model, is to change the consumer towards provision of providing a wide range of products with price comparison facility on a single portal along with a huge range of brand name suppliers.

Keywords: comparison, global super store, on line Shopping, Price, web portal model

Introduction

Every day, millions of people go online to do research about products and make purchases from thousands of different online merchants. The web allows us to do comparison and shop for the best deals and locate products that might otherwise be difficult to find. Existing Web portal Model is selling a wide range of products, with both depth and breadth of range.

Review of Literature

The Internet allows consumers to browse products or services extensively, search the newest products or services information, check and compare prices among all of the offers, and make/change orders instantly and easily. These allowable activities offer another way of convenience to consumers. For browsing the products/services, consumers only need to do is open a browser and exploring the shopping sites, which gives them more pleasure to seeking out the new information about the products and services than searching in physical stores, even some of them did not actually buying anything, but they still gain a new kind of shopping experience (Punj and Steelin, 1983).

Moreover, the web based contexts can easily and flexibility show the inventory of some niche products, and thus shoppers could looking for it by search through a large scale of product database. For some products, such as books and CDs, which shoppers are already known the quality, and that means the less quality concern for shoppers purchase it from online. Therefore, if the brand name and equity of products or services have embedded in shopper's mind, that means this products or services are more amenable to web based marketing.

According to the research by Bulkely and Carlton (2000), the majority of Internet shopping behaviours consist of one-time purchases, which is mainly according to consumer's different shopping motivations, such as convenience. Therefore, the Ecommerce shopping websites need improve their services or reduce the cost of products in order to motivating these one-time purchase shoppers to become loyal and regular consumers. In the aspect of costs, the E-commerce shopping websites have their strength than physical store, as they can remove the middle marketers (brokers, distributors), and that the lower warehousing cost and distribution expense can be added to online retailing channels for reducing the marketing price, which could greatly attract the price-sensitive shoppers come and purchase.

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Hypothesis

H1: It was hypothesized that there is no difference between people who believe that online shopping gives the facility of price comparison and those who do not.

H2: It was hypothesized that there is no difference between people who prefer online shopping over market shopping on same price.

H3: It was hypothesized that there is a significant difference between those who agreed that there is a risk of being overcharged through online purchase and those who did not.

H4: It was hypothesized that there is no difference in satisfaction between people on grounds of shipping charges.

Research Methodology

Data collection: The data was collected through self

constructive questionnaire which was administered on the selected sample by e-mails, or by posting a link on website and social networks.

Sample size: An online survey was conducted from 400 Respondents for our research. Out of them, 200 were male and 200 were female. Out of this 376 were complete valid responses. The age group of respondents was 18 and above. The respondents included students, housewives, retired people, professionals including teachers, software engineers, chartered accountants etc.

Tool / Technique used for Data analysis

Binomial Distribution was used to check role of price contemplation approach with online shopping.

Result and Discussion

Price comparison possibility

Table 1: Price comparison possibility in online shopping

	Category	N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)
Price comparison possibility	Group 1	666	.93	.50	.000 ^a
	Group 2	50	.07		
	Total	716	1.00		

Group 1: Price comparison possibility present in online shopping

Group 2: Price comparison possibility not present in online shopping

93% respondents agreed that in online shopping price comparison is possible of various companies producing same product while 7% respondents did not agreed to it.

A new distinctive feature that is price comparison is possible through online price comparison websites. This is because prices are checked and updated instantly through worldwide web. The instant and growing popularity of websites like policybazar.com, carwaala.com and smartprice.com is owing to this factor. Price comparison provides value for money to the customer.

It was hypothesized that there is no difference between people who believe that online shopping gives the facility of price comparison and those who do not.

The calculated value comes out to be lesser than 0.05, hence the null hypothesis is rejected that there is no significant difference on account of price comparison.

It is found from binomial statistical tool that respondents found a price advantage when they shop online i.e. they found that online shopping gives facility of easy price comparison.

Preference of Online Shopping

Table 2: Preference of Online Shopping over Market Shopping on same price:

	Category	N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)
Prefer online shopping than from market	Group 1	406	.58	.50	.000 ^a
	Group 2	298	.42		
	Total	704	1.00		

Group 1: Prefer Online Shopping than from Market

Group 2: Do not Prefer Online Shopping than from Market

58% respondents agreed that they would prefer online shopping than market or window shopping whereas 42% disagreed to it.

It was hypothesized that there is no difference between people who prefer online shopping over market shopping on same price.

The calculated value comes out to be lesser than 0.05, hence the null hypothesis is rejected that there is no significant difference between people who prefer online shopping over market shopping on same price.

This is mainly so because if the same product is available online and in the physical market, then purchasing it from online shopping would definitely save the costs of travelling and, hence money associated with it. It will also save time as we do not have to move physically from one store to another. It is a well-known fact that shopping online also provides a broader variety of products reviewed for better price comparisons. Hence, it was found that if the product has the same price both in shops and on the internet, consumers prefer to buy it online and not from retailer.

Risk of Overcharging

Table 3: Risk of Overcharging in online shopping

		Category	N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)
Overcharged	Group 1	5.00	390	.57	.50	.000 ^a
	Group 2	1.00	296	.43		
	Total		686	1.00		

Group 1: Agree that there is risk of overcharging in online shopping

Group 2: Disagree that there is risk of overcharging in online shopping

57% respondents found to have a perceived risk of being overcharged as against 43% respondents who disagreed to it.

It was hypothesized that there is a significant difference between those who agreed that there is a risk of being overcharged through online purchase and those who did not.

As the null hypothesis was rejected, it is concluded that there is no significant difference between people who feel that there is a perceived risk.

Online shopping websites normally add delivery charges that are not displayed when a proposed customer scrolls through the products available and is not fully aware of how the extra

charges are added. So there may be an innate fear of being overcharged while shopping online. But, there exists an efficient supply chain management system which works for websites involved in online shopping that delivers products on very nominal rates or, rather free delivery.

But, there exists an efficient supply chain management system which works for websites involved in online shopping that delivers products on very nominal rates or, rather free delivery.

In the statistical table above it was found that the respondents perceived risk related to get overcharged as their credit card details may be stored in retailer's database and information systems.

Charged for shipping

Table 4: Charged for shipping

		Category	N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)
Charged for shipping	Group 1	1.00	94	.14	.50	.000 ^a
	Group 2	5.00	574	.86		
	Total		668	1.00		

Group 1: Agreed that charges for shipping is an issue.

Group 2: Disagreed that charges for shipping is an issue.

It was hypothesized that there is no difference in satisfaction between people on grounds of shipping charges.

78% respondents agreed that they are less satisfied by shipping policy associated with online shopping service providers as they were charged for shipping. 22% respondents had no such dissatisfaction issue.

The shipment charges are effective dimension while shopping online as found in the table above that the respondents not like being charged for shipping when they shop online. It may also be observed that those sites that provide free shipping are hence, more popular under this criteria.

It was hypothesized that there is no difference in satisfaction between people on grounds of shipping charges.

As it is evident, calculated value comes out to be 0.00 which is far lesser than the 5% value. Hence, there is a significant difference between people who are satisfied with the shipping policy and those who are not. Online shopping is something that is in very nascent stage in India and there are concerns regarding logistics of online shopping.

Conclusion

Above discussion proves that price comparison is possible through online price comparison websites. This is because prices are checked and updated instantly through worldwide web. People prefer online shopping over market shopping on same price but people believes that there is a risk of being

overcharged through online purchase. People are satisfied with the shipping policy.

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