



# CUSTOMER PERCEPTION TOWARDS ONLINE SHOPPING

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## ABSTRACT

The traditional means by which consumers shop for and purchase goods and services has been altered by the internet extensively during and after the pandemic. Going digital is the latest trend in this age and time that is changing at a fast rate. To keep ahead of the competition, every- small or big - business is increasingly attempting to establish an online presence. Online comparison shopping for prices, product features, and post-purchase support services is another way that consumers use the internet. Online shopping, sometimes known as e-shopping, is a type of electronic commerce that enables customers to make direct purchases from merchants over the Internet using a computer browser. Online shopping is more popular with consumers since it saves time and offers a wider variety of products than traditional offline stores. And maybe most importantly, receiving items at home eliminates the need for travel.

**Key Words:** Online shopping, e-shopping, consumer, online presence, internet

## INTRODUCTION

The development of e-commerce began during globalization, during which several businesses began focusing on their sales and marketing efforts through the internet. Therefore, it is easy to say that “*e-commerce is a form of business which allows easy transaction of goods and services from a seller over the internet.*” (Shopify, 2022). By visiting a website, consumers search for a product they would like to buy directly from the seller or from different vendors using a “*shopping search engine, which provides the product's availability and pricing to different e-retailers. The process is called business-to-consumer (B2C) online shopping.*” (Schreiber, 2022).

The internet has changed the way consumers buy goods and services. Companies across the world have started using the Internet as a medium of lowering the price of their products in order to meet heavy competition in the market by using competitive pricing. The Internet is also used to communicate and spread information, to sell, take feedback and conduct surveys with customers.

Customers use the Internet to purchase the product online, compare prices and quality, check product features and to find out about the after sale service facilities they will receive. The Internet helps companies to become more efficient and reach potential customers. *“Electronic commerce draws on technologies such as mobile commerce, supply chain management, online transaction processing, electronic data interchange, inventory management system, electronic fund transfer etc.” (Chandrashekarappa .U, 2022).*

The main reason for the development of e-commerce across the globe is due to the changing lifestyle of people and the constant increase in online activity. Online shopping saves time and provides a more inclusive and personal shopping experience while having the comfort of being at home.

However, a few issues with online shopping could be that the item ordered could be damaged or different than described, it is a time-consuming process, the quality of the product could be jeopardized, and there are chances of several scams that could lead to loss of money.

The prominent online retailing companies in India are Flipkart, Amazon.com, Snap deal, Myntra and e-Bay etc.

This research paper will mainly consist of the different consumer perceptions on online shopping and how online shopping is either accepted across a wide range of people due to its benefits, but is also rejected by several people due to its disadvantages and due to people being skeptical about online shopping.

## **PURPOSE OF INVESTIGATION**

There are many important reasons for this research to be made. One of the main motives to do an extensive study on the consumer perception towards online shopping and its evolution is to find out the in-depth reason of what consumers think about buying goods and services online and how it makes an impact in their lives both positively and negatively. It will also help companies understand how they can make a consumer's experience better to make sure they remain loyal to their brand.

Studying the evolution of online shopping helps us understand the behavior of consumers and understand how they are accepting this change in their lives from the start of the online shopping process to the purchasing of crypto currencies and NFTs (Non Fungible Tokens).

This research reveals a strong connection between brands and consumer relations and how brands try to interpret how consumers would react to their products online. It also showcases an ease of buying goods and services and the ease of reaching every corner of the world which tends to have positive impacts on both the stakeholders.

Hence giving an ideal opinion on whether consumers perceive online shopping as a boon or a bane and how their perceptions have kept changing over the evolution of online shopping.

## **REVIEW OF LITERATURE**

The previous research done on this particular topic has been moreover based on how the advantages and disadvantages of online shopping have affected people and their response to the same.

The author talks about online shopping which is the process of buying and selling goods and services through the internet. A topic that has become very popular recently, due to the increasing usage of internet and smartphone users (*Emerald,2022*).

The article also talks about how consumers buy several products like “*clothing, shoe, electronic items and services through online shopping according to their taste and preferences*”; it also talks about the fact that consumers purchase the products directly from producers without any middlemen which saves a lot of time, energy and money (Schreiber,2022).

Nowadays marketing and distribution of goods and services are carried out with the help of technology i.e. internet. Online shopping is the most preferable means of buying goods and services because of its convenience, availability of distinct brands. Technology provides end users to compare the attributes of different brands at ease. Sentimental analysis is feasible only in online shopping. Hence it is imperative to understand the perception of customers towards online shopping (Bloomenthal,2022).

The conceptual framework for the study was arrived at after incorporating major constructs previously identified in the literature. This paper makes an attempt to explore the factors influencing perception of internet users towards online shopping. Four factors which measure perception are identified i.e., Instant Review, Product Attributes, Relevant Information, Trustworthiness and their influence on Shopping Intention were analyzed using SPSS Software (Shanti.R,2022).

Web3 is driven by brand. Companies must consider aligning their strategic growth in this space by creating ethos and familiarity with consumers on wholly digital platforms. In a Web3 marketplace that is (in theory) community-owned, e-commerce outlets must examine their motivations, make their ethos clear, and recognize what elements of their strategy can and should be prioritized (Gaizutis, 2022).

Web 3.0 or so called "Internet 3.0" is a popular 3D internet application. The emerging economics burgeoning Internet population will soon have an array of Web 3.0 in which to work and play. Although some strategies of web 3.0 platforms have been proven to be successful for attracting user acceptance in the developed countries, the effects of these strategies are questionable in the market of emerging economics.

In this study, we investigate the Web 3.0 market and e-commerce strategies in one of the biggest emerging economies in the world (Bloomenthal, 2022). Based on the uses and gratifications theory, this study compares the different strategies of these local companies, and tries to explain the difference of e-commerce strategies between these competitors, and how can these Web 3.0 competitors survive in the environment of emerging economics.

Limitations and Implications are discussed in the end.

## OBJECTIVES

The main purpose of this research is to effectively interpret and analyze the main reason behind the changing perceptions or the based perceptions of consumers throughout the evolution of online shopping and what causes them to have a positive or negative perspective on online shopping.

- Emphasis on the major factors affecting the perspective of consumers about online shopping.
- Impacts of the positive and negative points on customer perspective.
- Giving an insight on the future of online shopping which may include the use of web 3 including the purchases of NFTs and Cryptocurrencies.

## STATEMENT OF PROBLEM

With all its uses, online shopping has several flaws too which causes customers to get skeptical of them and is the reason why the perception about online shopping changes for several people. These problems may include quality issues which means the quality of the product may not be seen before ordering hence, defective goods can be sent.

Prolonged delivery causes consumers to wait for a longer period of time for their orders. Lack of security as there could be several frauds that take place during online shopping in which one could lose a large sum of money

ordering a product. Unclear research policy in which the company may refuse to replace or take back an order due to the return policy not being mentioned properly.

These problems change consumer perception regarding online shopping and need to be catered to through this particular research paper.

## **RESEARCH METHODOLOGY**

The data used to examine the research question was derived from several resources which include websites, consultancy reports, newspaper articles and e- books and primary research. The main focus of this research paper will be on the perspective of different types of customers over online shopping.

The Internet brought about a change not only in the lives but also the lifestyles of people which included online shopping which is a way to shop through the internet while being in the comfort of home.

Specifically talking about Online Shopping, which brought about a massive change in consumer perspective towards shopping had all kinds of perspectives which will be shown through past data, present data, and future predictions of how online shopping has revolutionized towards the web 3 side as well. This will help gain a complete overview not just of consumer perspective on online shopping but also through the different evolutions of online shopping.

## ANALYSIS AND INTERPRETATION

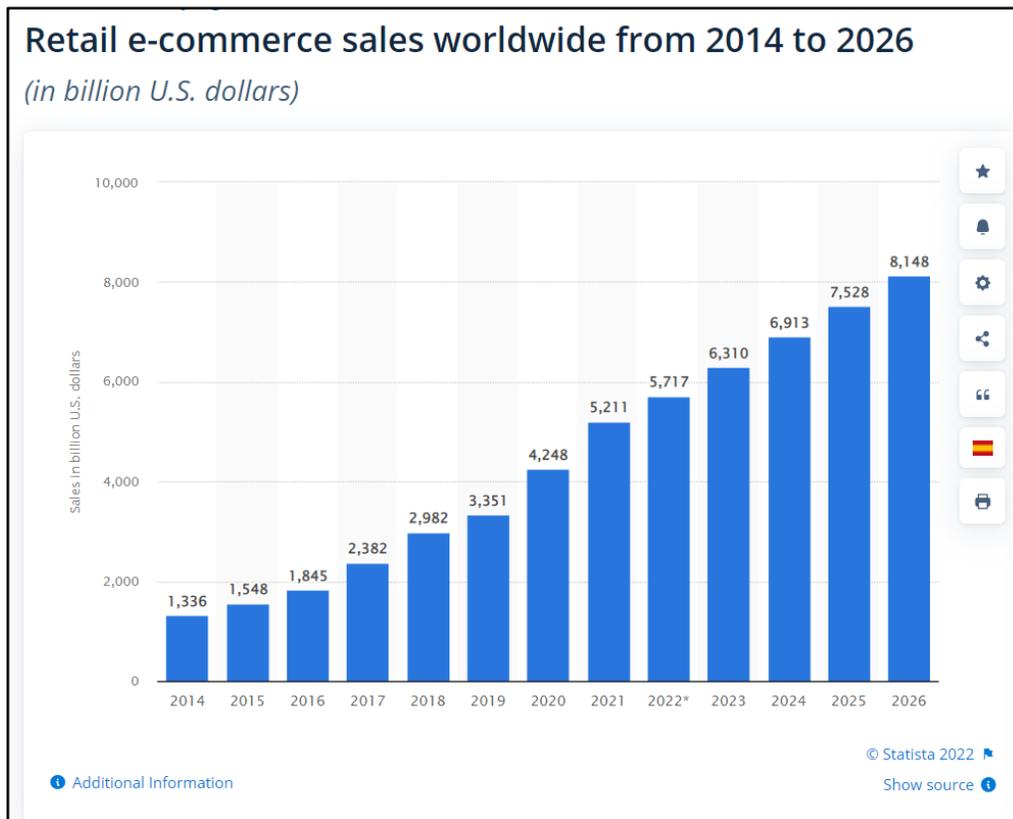


Fig1. E-commerce sales growth prediction graph from the year 2014 till 2026 (Source- Statista.com)

The graph above consists of data of the total e-commerce sales that took place across the world and has dated from the year 2014 to 2021 and has predicted the growth of online shopping from the year 2022 to the year 2026 which shows a constant annual increase in the total amount of online shopping.

The data is proof that the annual sales from online shopping will show a constant increase due to factors which may lead to a positive impact on customers leading to them showing loyalty towards online shopping. The growing market is showing an increase in the value of it in billions starting from 1,316 billion USD to 8,148 billion USD.

Online shopping includes several positive points that cause the consumer to have a good or rather optimistic point of view on online shopping. Some of them are convenience where every customer by just sitting in their homes can order anything by just a few clicks, online shopping apps/websites also offer huge price cuts which makes it economical as well as having virtually no size limitation to an extent as the big players usually have connections with the producers themselves to whom they can order to make more of the product if need arises, online shopping also offers multiple payment methods as per the convenience of the customer such as net banking COD(cash on delivery) and debit or credit cards. But on the flip side online shopping also has some cons, such as, shipping costs, which increases the cost of delivery, and also that u don't get the in hand feeling of something by which u can get a better judgment of it's quality and if the product is worth it at all.

Online shopping apps/ websites also require us to give our private data such as debit card details, phone number, e-mail address and residential address, and in case of a scam/hack all that data could be misused by multiple parties.

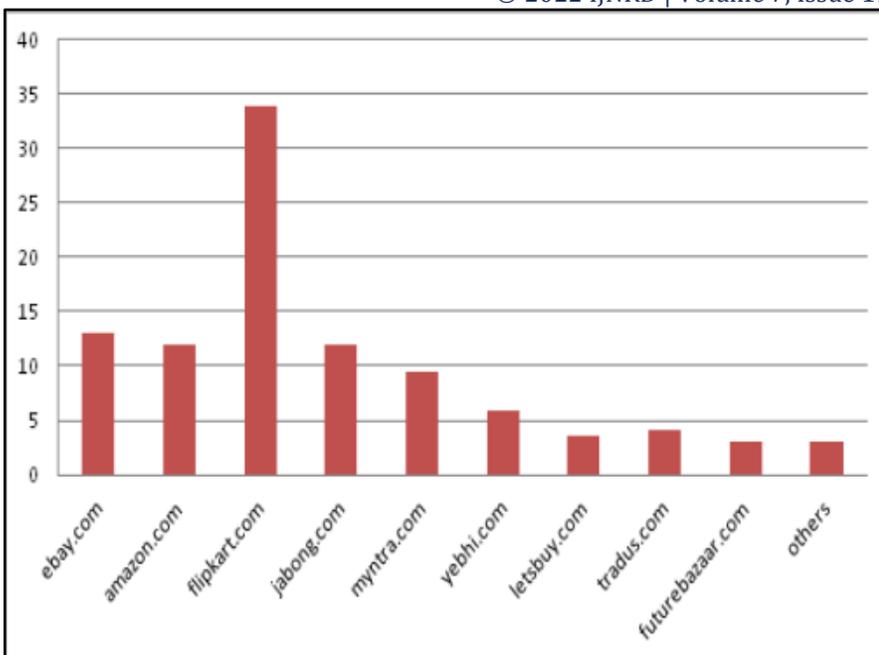


Fig2. Most used websites in India

The graph above showcases the most frequently used online shopping apps or websites in India which include ebay.com, amazon.com, flipkart.com which is mainly used by the Indian market, jabong.com, myntra.com and many more.

This growing market where the number of players keep increasing show that companies including both start ups and unicorns have started using online platforms as a method of selling goods which now allow them to increase sales and sell their goods and services at a higher rate, and for the customers has become a way of checking out different alternatives and choices to buy from keeping in regard the best price and quality available to them, reducing the risks of online shopping and also increasing the customer engagement and becoming a way of ease for the customers in a big way.

## CONCLUSION AND EVALUATION

Taking in regard to the research we have done, online shopping has surpassed the traditional ways of shopping both in value and volume. The research has given us the insight that customer perception towards online shopping is based on personal characteristics and varies from different customers from different regions and backgrounds.

Statistics show that people of today's generation are more attracted to online shopping than the older generation. The reason for that is that they are weaved by traditional ways of shopping and untutored on how to utilize and benefit from the internet.

The strength of this research is the fact that it has shown light to the most influencing factor of online shopping which is price, it is due to the fact that if the price of a particular product increases it will likely lead to customers substituting it with a cheaper choice. To tie it back to what we have researched, online shopping has a very vast scope and as we convey this to you, online shopping will improve and advance to greater heights.

However, the major limitation is about how bad service can make a consumer less trust the online shopping portals. Bad services such as: delivery or wrong item or item not being delivered at all. Such small inconveniences even if compensated leave a remark of bad service in the consumer's perception towards online shopping. Online shopping also comes with the risk of getting scammed/hacked if not paid attention to all security measures by the consumer about which the people have less knowledge about.

## FURTHER SCOPE OF INVESTIGATION

In this topic, we further would have researched about what the online shopping companies are doing to change the perception of the consumers and delved deeper into that topic and also researched about how companies in this market try to maximize profit but mostly always fail as the pricing is set to rock bottom for competitive advantage.

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