

EFFECT OF INTERNET MARKETING ON THE PURCHASE PATTERN OF THE HOUSEHOLDS OF TOWNS IN JABALPUR

Uma V.P. Shrivastava

Department of Business Administration,
Hitkarini College of Engineering and Technology, Jabalpur

Dilip Singh Hazari

Principal, Maharashtra Institute of Higher Education, College of Commerce and Management, Jabalpur

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Abstract

Combining the traditional methods with online information marketers has discovered a successful marketing pattern. The traditional marketing methods of print, television, and direct mailings are being complemented with the use of e-marketing strategies; thus saving time and money. Over the last two decades it has been noticed that the human lifestyles are changing faster than their thoughts. This study is focused on the middle income house-holds with a monthly income ranging from 30k to 60k. This research study comprehends the level of awareness and acceptance of internet marketing amongst the consumers in this defined income group. It also helps understand the perception of these consumers about on-line shopping and its various aspects. The study involves a sample size of 593 working consumers both males and females between the age of 25 yrs to 45 yrs. The most important finding of the study includes the fact that, there are sites where these consumers are comfortable and confident shopping while there are an other few which they do not trust.

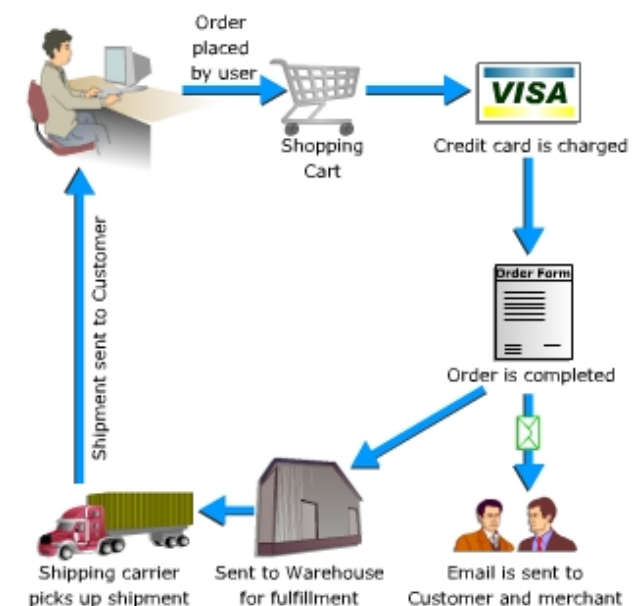
Keywords: On-Line Shopping, Internet Purchases, Accepted Online Shops

Electronic marketing on the internet has been bounded into the forefront of marketing communications. Not because it is a proven medium for marketing but because it offers vast, yet undiscovered potential for profitable business activity. The year of 1994 is being called the year of the internet primarily because it was the first year its potential as a marketing tool was considered. The release of world wide web (www) browsers in 1994 was the catalyst of the media attention. The web's easy-to-use, point and click interface and graphic and multi-media presentation abilities created a branch of the internet for which the business world was waiting. The www has done for the internet, what apple macintosh and microsoft windows did for desktop computing. The web made internet user friendly for the common person. We've all been waiting for the electronic marketing channel and now its potential is available. Unfortunately it took slightly a longer time to be recognized. Internet marketing is today country's fastest growing sector and this is because of the various factors like convenience, quick, lower cost, better information inflow etc. There are a few negatives of the internet service system, but those as compared to the benefits are small and negligible. There are a large number of internet shopping sites which are more convenient than actually an individual mobilizing himself from one destination to another to make the purchase. Internet shopping procedure is a very simple, swift and trust-worthy mode of shopping. It is a procedure which is safe and secured subject to the purchasers being aware of the spam sites. Even the payment mode is so systematic that there are no chances of mistakes.

Online order placement

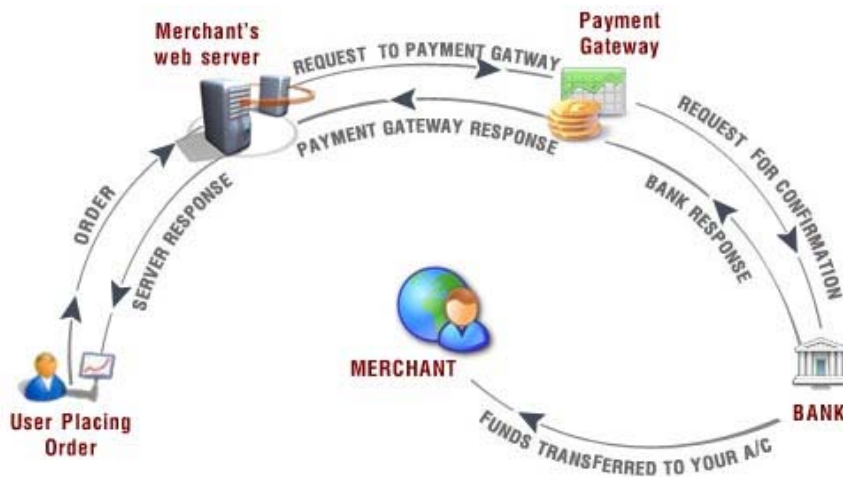
In an internet shopping procedure once the order is placed by the purchaser, the payment has to be made by credit / debit card, on authentication of the same, the order for the material shipment is sent to the merchant and the instructions to pay the merchants account are made to the

bank. In this process depending on the distance, in most of the cases the orders are received in two to three working days.



Online payment procedure

It provides a secure connection between your online store and your internet merchant account. The service that, automates the payment transaction between the shopper and merchant. It is usually a third-party service that is actually a system of computer processes that process, verify, and accept or decline credit / debit card transactions on behalf of the merchant through secure internet connections. The payment gateway is the infrastructure that allows a merchant to accept credit / debit card and other forms of electronic payment, when referring to payment gateways used for internet transactions.



How it works

visitor places the order on the website and it is sent to the merchant's web server in encrypted format. This is usually done via ssl (secure socket layer) encryption. The transactions details are then forwarded to the concerned payment gateway. The transaction information is then passed on to the merchants acquiring bank by the payment gateway. Merchants acquiring bank then forwards the transaction information to the issuing bank, one that issued the credit / debit card to the customer. Then the card issuing bank sends a response back to the payment gateway. The response includes information that whether the payment has been approved or declined. In case of declination the reason is also sent in the response. The response is then forwarded by the payment gateway to the merchant's server. At merchants server the response is encrypted again and is relayed back to the customer. This allows the customer to know that whether the order has been placed successfully or not. The entire process typically takes less than 5 seconds. At the end of the bank day (or settlement period), the acquiring bank (or card issuing bank) deposits the total of the approved funds in to the merchant's nominated account.

Purpose of study

The basic purpose of study was to to understand the level of awareness amongst the people of a specific class, to understand the level of acceptance of this mode of marketing, consumer perception about internet shopping considering the various factors of concern and to understand the purchase pattern and consumer behaviour regarding internet marketing.

Literature reviewed

Zentner alejandro, "research overview" 77-2, 2009, journal of school of management, new delhi: "online shopping and its impact on the music retailers". This paper uses records of music retailers for the years 2002 to 2009 to examine how internet use, file sharing, and online sales of records have affected the entry and exit of music specialty retailers. Malhotra Abhishek, "reporteur", university of

delhi - department of economics, 2010. "economic dynamics and quality assurance for the online shoppers across market segment" 276 - 89. Every new method of trade offers an opportunity for economic agents to compare its costs and benefits relative to the status quo. Such comparison motivates sorting across market segments and reshapes the whole marketplace. The internet provides an excellent example: it introduces substantial search cost saving retail stores and avoids new obstacles for sellers to convey quality. Patel Vipul, "academics", business school, Mumbai, 2011: the problem studied in this paper is a

predigestion of the decision faced by online retailers that advertise on publisher or comparison-shopping websites. A retailer may sell its product not only through its online stores, but also through the websites of one or more third parties. However, the retailer has to pay a certain amount to such third parties in an action-based payment scheme, such as a cost-per-click (cpc) scheme. Krishnan Ramayya, "journal of public policy and management", 2009, university of rohtak. "a study on price competition and internet retailers" 83-91. Two conflicting predictions have emerged regarding the effect of low-cost information on price. The first states that all internet retailers will charge the same low price for mass produced goods. The second states that internet retailers will differentiate to avoid intense price competition. Kohli Sarvraj and Tiwari A.K.: "changing trends in online shopping and behaviour of youth", "bhavishya" - journal of management and technology 43,2 (2010); mentions about the changes seen in the decision of the youths about their shopping choices and destinations. It also analyses about the choices and preferences of the respondents from the different socio economic classes. Asawale Tushar and Dhage D.K.: "growing internet / online shopping industry in india with special reference to the improved services being offered", "the management index", 49-336-89. The paper discusses about the potential jobs related to the internet shopping industry in india and the increase in the per capita income of the lower masses. Jain R.K. (2010) - "impact of online shopping on the youth of today in the different parts of the country"- "pratigya" journal of economics and social sciences 187-98. The research paper categorically talks about the changes in the choices and life style of youth owing to internet shopping; due to easy cash available to them and the quick and consumer favouring facilities being offered by these sites.

Limitations of the study

The major limitation of the study has been its area of coverage. Forming final views on the basis of work in just one city might be skewed. Since every city has its own culture, life style and working style, it can be assumed that

this study fits the finds for the city where the work was done and can neither be replicated nor assumed to be true for other city.

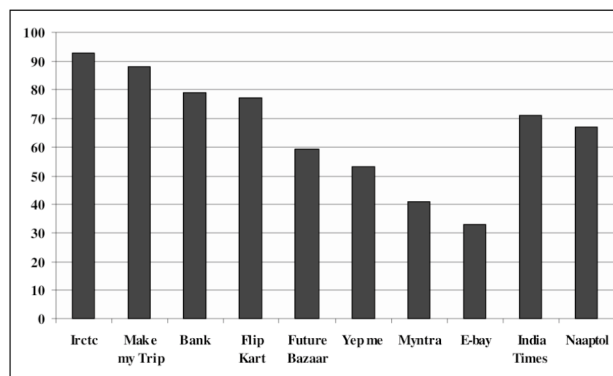
Sample and methodology

The basic procedure consisted interviews through convenient sampling and fgd. The study involves a sample size of 593 working consumers both males and females between the age of 25 yrs to 45 yrs. This includes males and females of Section A1, A2, B1 and B2. It is assumed that the people of these section have the buying capacity as an influence of and reaction to word of mouth and advertisements. Both quantitative and qualitative data was collected for analysis.

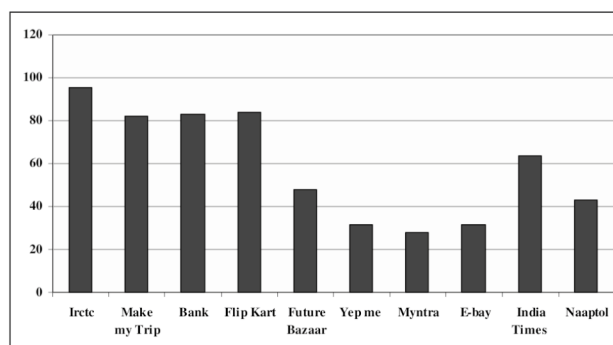
Understanding of the study

With the fast changing life style and requirements of the people in today's scenario internet shopping has come as a boon in disguise. Right from shopping for personal needs to rushing for ordering a bouquet delivery on friends' special day where you can't reach; has become a very easy mode of operation. During the course of study it was observed that there are sites for various different kind of products like consumables, consumer goods, services etc. These sites had there own benefits and lacunas. Sites related to travel and tourism, banking etc were the most trust worth sites. Whereas sites which not only sold goods but also provided bid and purchase option were equally popular. There are sites which help you sell your not required products are also very popular. The prime objective of the study has been of understanding the level of awareness amongst the people in the defined category. To our surprise these classes of people are very highly aware of internet shopping practices. Although they were not very clearly aware about the various sites providing various services by there names but still they were clear about the fact that there are sites where in any kind of purchases can be made conveniently. They are best aware of the sites of railways and banks Since this study was done on the respondents between the age group of 25 yrs and 45 yrs the factor of awareness was found very closely linked with the factor of trustworthiness. Consumers were well aware and fairly trusted the internet shopping sites of irctc, make my trip and there respective banks while they had a slight hitch about the consumer purchase sites. Although a very high percentage of people were aware, trusted, supported and shopped from a consumer site called flip kart and rated it as the highest trustworthy, reliable, smooth, swift and fastest in terms of product quality, rates and delivery service. Thus the public interest sites picked up a higher place in the mind of the people and sites related to consumer purchases followed. It can also be said that, the public utility sites have better awareness and acceptability followed by the pleasure sites.

People in these types of interactions are fairly price conscious and thus a mixed opinion about purchase and bidding sites relating to their reasonability, quality and service was being

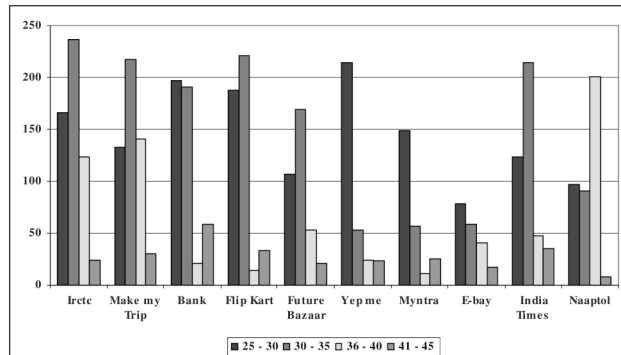


received. Further it was noticed that the awareness was very closely associated with acceptance. It was seen that of the total respondents about 96% used irctc and 82% used make my trip sites very frequently for their personal bookings. Both the sites deal with ticket shopping. Majority consumers were aware of the movie ticket shopping process and since have a computer system in the houses today is no big deal, most of them preferred purchasing tickets online instead of taking the chance of buying in on the window with the risk of being sold out. Apart from the public utility sites of irctc, mmt and banks the only commercial brand which has successfully established its creditability amongst the consumers regarding price, quality, delivery speed etc. Is flip kart. Lowest concerns were with yep me and mynta and that was because people still have not yet developed trust on these sites regarding any aspect. They still find them only a marketing means and gimmicks.



Another concern focused during the study has been regarding the perception of people about dealing with such sites. The points of concerns which came into light during the discussion has been of safety of transaction on these sites regarding payment, surety of receiving goods and then security of receiving undamaged good quality goods, regarding the exchange policy and after sales service etc. Some positive views received supported that the process of internet shopping is fairly comfortable, convenient in terms of operational use and time saving. It also provides substantial options. There are sites which also provide exchange services, money back services, trail options, cash on delivery option and many more. There are sites like "naap tol" which are bidding sites, wherein

you bid for a product of your choice and get good deals. Sites like “flip kart” are swift and quick in delivery with quality undamaged and ensure delivery in two to three working days.



Considering the various age brackets different purchase patterns and opinions were received from the respondents. Respondents in the age bracket of 30-35 yrs used utility sites more as against the shopping sites. Their reasons for the same have been that, it saves a lot of time and energy as well as it is very easy. Whereas the younger lot used the pleasure and luxury shopping sites more. The logic of this lot has been that they get good deals at fairly good prices and are not required to hunt too much as what they need is just a click away. Moreover it has been noticed that, the marketers keep launching a lot of new fashion products which are readily available on internet for purchase. Youngsters catch up with this opportunity to be the first one in “fashions’ who’s who”. Respondents in the higher age bracket were not very indulgent in any kind of internet shopping for various reasons. These respondents were either not very comfortable about the idea of shopping without seeing the goods. Secondly they could not completely trust the banking transaction methods. For majority of them internet shopping was the last option. Another point noted has been that, with the growing age the use of adhoc shopping sites goes on decreasing. The various reasons mentioned include, budgeted shopping and avoidance of not required purchases. A lot of respondents reported that, they keep hearing about a lot of internet shopping sites; where they do surf and visit but do not end shopping. It is because they are either brand conscious or do not trust all the sites. They did confess that, when ever they wish to make a purchase they do visit “flipkart” to check available options and prices. It was clearly understood that bank internet operations being the choice of selective respondents who actually were into buying and selling on financial products, irctc is the site which is visited and used by a very huge number of people and is very successful in terms of consumer service and satisfaction. Followed by this “flip kart” is the commercial site which is highly trusted and used for purchase of products right from books to house hold items, from mobiles to garments etc. This was because it is reliable, reasonable and fast in terms of delivery.

Key findings

The awareness level amongst the people of the city is fairly high. Awareness is more relative for eg: younger crowd is more aware of the sites related to pleasure, luxury and academic shopping, whereas the bigger group is more aware about the sites for reasons. Acceptance is conditional i.e. Public utility sites are more readily accepted as against the pleasure shopping sites. Almost all the age groups prefer purchasing movie tickets online for surety reasons. Online booking has made it convenient from the point of view of saving the time to run to the ticket counter. Consumers in growing age brackets use utility sites more frequently since it saves a lot of time and energy; whereas people in the younger age use pleasure shopping sites more widely for fast, easy and affordable reasons. About 93% consumers visit irctc site thrice in every week, which makes it the most frequented site for any respondent to visit. Flip kart is another site which is supporting the shoppers in their choice of product purchase. Easy information about railways bookings has lead to an increase in the air ticket bookings. Due to increase in traveling of people, internet shopping has helped in terms of booking hotels, buses and taxis. This is in addition to the other service industry facilities being available on online shopping. Number of people involving in internet shopping is growing at a steady rate which is for reasons of convenience, easy, affordable prices and timely delivery avoiding a lot of hassles. Internet shopping has although increased not required shopping of a lot of products, but still it is widely accepted on grounds of convenience.

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 - www.futurebazaar.com
 - www.ebay.com
 - www.myntra.com
 - www.rediffshopping.com