

A Study on “Online Purchasing in the Wake of Globalisation: Key Challenges and Issues”

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Abstract

Technology has minimised the distances between countries, cities and people. People living in different parts of the world now have similar tastes, perceptions, styles and accessibility. Online shopping has opened the doors of globalization as it allows consumers to buy products from anywhere around the world. Earlier retailers who were locally-focused now have the opportunity to serve and communicate with a global audience. Shopping through online mode is democratised because of changes in global markets. The main objective of this paper is to understand the challenges and issues of online shopping in the present democratised and globalised economy. The data collection methods used for collecting information is through primary and secondary sources.

Key words: Globalisation, Democratisation, online shopping, consumer behaviour

1.0 Introduction:

Technology has minimised the distances between countries, cities and people. People living in different parts of the world now have similar tastes, perceptions, styles and accessibility. Online shopping has opened the doors of globalization as it allows consumers to buy products from anywhere around the world. Earlier retailers who were locally-focused now have the opportunity to serve and communicate with a global audience. Shopping through online mode is democratised because of changes in global markets. With the advent of information technologies and emergence of online stores, online shopping has not been the same as it was in the past. Owing to the fast moving lifestyle, online shopping has been a growing phenomenon in all across the world. It has changed the way consumers shop for goods & services

1.1 Online purchasing:

Online shopping is the process whereby consumers directly buy goods or services from a seller in real-time, without an intermediary service, over the Internet. It is a form of electronic commerce. The main advantage of online shopping is that it allows people to browse through many items and categories without leaving their house, to compare the prices of as many shops as they want, and also to order as many items as they can afford without having to worry about how they will transport them, because the online shopping websites also deliver the things to the buyer's home.

1.2 Globalisation and Democratisation of Online Shopping

Global online marketing is an important component of the overall globalization process. Because of globalisation, now every retailer in online business can have consumers from all over the world. The global reach of the online portals benefits consumers to buy goods and services of different varieties anywhere and at any location. Local retailers now have the opportunity to serve the global audience. If a brand doesn't have an online e-commerce presence, then they soon lose out to the competition. This has altered the business model for many retailers.

1.3 Change in consumer behaviour

Rapidly evolving technologies, changing demographics and consumer preferences has created a wealth of change in the consumer product industry. This shift in online purchasing patterns, driven by technology, has created a challenge for online and traditional store retailers and consumer organizations, impacting their overall globalization strategy. Consumers can visit online portals from the comfort of their homes and shop as they sit in front of the computer. With one click, customers can glance, the information regarding the product and services and they can buy a variety of items from online stores. In fact, consumer can purchase just about anything from retailers that provide their products online. With the development of the online revolution and the shift in buying behaviour among the consumers, the increase of online shopping has become a trendy way for consumers and retailers to trade online.

1.4 Issues in online purchasing:

Impact on brand loyalty: The online market is more crowded than ever and online consumers have more choice. This severely impacts brand loyalty. Online consumers are less loyal to brands due to an increasingly busy and competitive online marketplace.

Entry: Any online commercial activity must meet the necessary commercial, legal and regulatory requirements of each country they trade in. Companies must also ensure their patents and IP are protected in all the countries they are trading in to prevent possible infringements.

Adoptability: To reach a global audience, content must "speak" the local language. In addition to legal and regulatory communications, any branded or company information published online must be appropriate to its target audience. If products and services are sold around the world,

then any interaction with consumers has to be in the right language and culturally appropriate.

2.0 Research design:

2.1 Objectives of the study:

1. To understand the consumer behaviour towards online purchasing
2. To understand the effect of globalisation on online shopping

2.2 Research methodology:

This research is descriptive in nature. The main aim of this study is to understand online purchasing in the wake of globalisation. For this purpose both primary and secondary data collection method has been adopted. The primary data includes structured questionnaire method for which 100 samples were collected by using simple random sampling technique from various parts of Karkala Taluk. The Secondary data are collected through internet.

3.0 Analysis and Interpretation of data:

3.1 Table showing Gender of respondents

| Particulars | Male | Female |
|-------------|------|--------|
| Gender | 32 | 68 |

N=100

Source of Data: Survey

Interpretation: From the above table it is clear that, 68% of female respondents and remaining 32% of respondents are male.

3.2 Table showing Age of respondents:

| Age | Response | Percentage |
|-----------|----------|------------|
| 15-24 | 35 | 35 |
| 25-34 | 24 | 24 |
| 35-44 | 17 | 17 |
| 45-54 | 13 | 13 |
| 55- above | 11 | 11 |

N= 100

Source of Data: Survey

Interpretation: From the above table it is clear that, 35% of the respondents belong to the age group of 15-24, 24% of respondents belong to the age group of 25-34, 17% respondents belongs to the age group of 35-44, 13% of respondents belongs to 45-54, and reaming 11% of respondents belongs to the age group of 55 and above.

3.3 Table showing Frequency of purchase:

| Particulars | Response | Percentage |
|-------------|----------|------------|
|-------------|----------|------------|

| | | |
|-------------|----|----|
| Weekly | 0 | 0 |
| Fortnightly | 13 | 13 |
| Monthly | 52 | 52 |
| Quarterly | 27 | 27 |
| Yearly | 08 | 08 |

N= 100 Source of Data: Survey

Interpretation: From the above table it is clear that, 52% of the respondents prefer monthly online shopping, 27% of respondents prefer quarterly online shopping, 13% respondents prefer fortnightly shopping, 8% of respondents prefer yearly online shopping and no respondents prefer to shop weekly.

3.4. Table showing the Factors influencing online shopping:

| Particulars | Response | Percentage |
|-------------------|----------|------------|
| More reliability | 28 | 28 |
| More offers | 13 | 13 |
| Convenient | 24 | 24 |
| Modes of payments | 26 | 26 |
| Other | 08 | 08 |

N= 100 Source of Data: Survey

Interpretation: From the above table it is clear that, 28% of the respondents prefer online shopping because it is more reliable, 26% of respondents prefer its variety of payment options 24% respondents prefer online shopping because it is more convenient, 13% of respondents prefer online shopping because it gives more offers and remaining 8% respondents prefer of its online shopping because of other factors

3.5 Table showing Payment option:

| Particulars | Response | Percentage |
|------------------|----------|------------|
| Credit card | 14 | 14 |
| Debit card | 39 | 39 |
| Cash on delivery | 35 | 35 |
| Third party | 12 | 12 |

N= 100 Source of Data: Survey

Interpretation: From the above table it is clear that, 39% of the respondents use debit card for online payment, 35% of respondents use cash on delivery, 14% respondents prefer credit card payment, and remaining 12% respondents wish to make payment through third party .

3.6 Table showing Safety in online shopping:

| Particulars | Response | Percentage |
|-------------------|----------|------------|
| Strongly agree | 22 | 22 |
| Agree | 64 | 64 |
| Moderately agree | 11 | 11 |
| disagree | 03 | 03 |
| Strongly disagree | 00 | 00 |

N= 100

Source of Data: Survey

Interpretation: From the above table 64% of the respondents agree that online shopping is the safest mode of shopping, 22% of respondents strongly agree because they never faced any problem while shopping through online mode, 11% respondents moderately agreed that online shopping is safe remaining 3% of respondents disagreed because they faced problems while shopping through online mode.

3.7 Table showing Future purchase:

| Particulars | Response | Percentage |
|-------------|----------|------------|
| Yes | 86 | 86 |
| No | 14 | 14 |

N= 100

Source of Data: Survey

Interpretation: From the above table it is clear that 86% of the respondents are willing to continue purchase through online mode, and remaining 14% respondents wants to shift their purchasing method from online mode to offline mode.

3.8 Table showing inconvenience in online purchasing

| Particulars | Response | Percentage |
|-------------|----------|------------|
| Not at all | 68 | 68 |
| Some times | 13 | 13 |
| Always | 09 | 09 |

N= 100

Source of Data: Survey

Interpretation: From the above table it is clear that 68% of the respondents consider online shopping as a convenient mode of shopping, 13% respondent consider that sometimes online shopping is inconvenient and remaining 9% of respondent felt it is always inconvenient .

3.9 Table showing Increase in competition and innovation after globalisation

| Particulars | Response | Percentage |
|-------------|----------|------------|
|-------------|----------|------------|

| | | |
|-----|----|----|
| Yes | 64 | 64 |
| No | 36 | 36 |

N= 100

Source of Data: Survey

Interpretation: From the above table it is clear that 64% of the respondents think that globalisation has created innovation and competition in online shopping and remaining 36% of respondents think that globalisation does not created any innovation and competition.

3.10 Table showing most preferred online portals

| Particulars | Response | Percentage |
|-------------|----------|------------|
| Flip kart | 21 | 21 |
| Snap deal | 29 | 29 |
| Mintra | 09 | 09 |
| Naptol | 12 | 12 |
| eBay | 06 | 06 |
| Amazon | 23 | 23 |
| Other | - | - |

N= 100

Source of Data: Survey

Interpretation: From the above table it is clear that, 29% of respondents prefer to purchase from snap deal, 23% respondents prefer to purchase from Amazon, 21% respondents prefer to purchase from flipkart, 12% of respondents prefer Naptol, 9% of respondents prefer to purchase from Mintra, remaining 6% of respondents prefer to purchase from eBay.

3.11 Table showing Influence of MNC's on Indian consumer behaviour

| Particulars | Response | Percentage |
|-------------|----------|------------|
| Yes | 92 | 92 |
| No | 08 | 08 |

N= 100

Source of Data: Survey

Interpretation; From the above table it is clear that, 92% of respondents think that the MNC's influence the buying behaviour of Indian consumers and 8% of respondents think that MNC's doesn't influence the buying behaviour of Indian consumers.

3.12 Table showing Service of foreign portals

| Particulars | Response | Percentage |
|-------------|----------|------------|
|-------------|----------|------------|

| | | |
|-------------------|----|----|
| Strongly agree | 17 | 17 |
| Agree | 66 | 66 |
| Moderately agree | 12 | 12 |
| Disagree | 05 | 05 |
| Strongly disagree | 0 | 0 |

N= 100 Source of Data: Survey

Interpretation: From the above table it is clear that, 66% of respondents agree that MNC's provide a better services than Indian portals, 17% of respondents strongly agree that MNC's provide a better service, 12% of respondents moderately agree that MNC's provide a better service and 5% of respondents says that MNC's doesn't provide a better service compare to Indian portals.

3.12 Table showing the satisfaction relating to after sales service

| Particulars | Response | Percentage |
|--------------|----------|------------|
| Highly | 12 | 12 |
| Moderately | 26 | 26 |
| Satisfied | 54 | 54 |
| Dissatisfied | 08 | 08 |

N= 100 Source of Data: Survey

Interpretation: From the above table it is clear that 54% of respondents are satisfied with the after sales service of MNC's, 26% of respondents moderately agree, 12% of respondents highly satisfied with the after sales service of the respondents and 8% respondents dissatisfaction with the after sale service of online portals

4.0 Findings

1. The study shows that majority of respondents are females.
2. The study reveals that majority of respondents belongs to the age group of 15-24.
3. It is clear from the study that more number of respondents prefers to purchase on monthly basis because monthly salary is a main factor which influence them to go for monthly shopping.
4. Based on the study, reliability, convenience and mode of payment are the dominant factors influencing the respondents to prefer online shopping.
5. The study shows that, more number of respondents prefers to make payment through debit card. It because of demonetisation and contribution to cashless economy
6. It is clear from the study that, more number of respondents agrees that online shopping is the safest way of shopping.
7. Based on the study, majority of the respondents would like to continue online shopping in future days. It is because of better service of the portal.

8. The study shows that more respondents think that online shopping is more convenient than offline Shopping.

9. The study reveals that, globalisation has brought innovation and competition in online business.

10. Based on the study it is clear that, most of the respondents prefer snap deal online portal. Majority of the respondents feels that snapdeal provide variety of products and better service compare to other portal.

11. It is clear from the study that, most of the respondents buying behaviour are influenced by MNC's.

12. The study shows that, foreign portals provide a better service than Indian portals.

13. Based on the study, majority of the respondents are satisfied with the after sale services of online shopping portals

4.0 Suggestions and conclusion

4.1 Suggestions:

- a) Indian portals should provide better services against foreign portals, so that they can compete with well established MNC's.
- b) The most of the Indian retailers should think about globalise their business through the online portals to attract more number of consumers.
- c) The retailers should be very much careful while fixing prices for their goods as well as while providing online offers to sustain in the market.

4.2 conclusion :

Due to fast moving lifestyle, online shopping has been growing all over the world. With the developed internet penetration, increasing adaptation of devices like Smartphone's, tablets, laptops and access to the internet and the shift in buying behaviour among consumers has contributed to the rapid growth of the online consumer base. This technological advancements has brought a positive impact on growth of online business and globalisation of overall retail sector.

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