Key Drivers of Online Shopping Trends: An Overview

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Abstract

The rise of e-commerce and its future must be a major focus in the highly competitive e-commerce business. Online firms must always be thinking of new ways to keep their brand and items in front of their customers' eyes. Staying awake and current with e-commerce trends is one of the finest ways to do this. India is now a large E-Commerce sector, with people of all ages comfortably transacting online – and preferring to shop online rather than visiting physical stores for a wider range of options and offers. Trends in the e-commerce market are influenced by a variety of factors. What kind of shopping habits do customers have? What they buy and how they react to marketing strategies used by companies? Many new trends have emerged in the recent decade.

Keywords: E-Commerce, B2C, Retailing, Internet, Digital Payment, Trends in Online Shopping, Growth of Online Shopping

1. Introduction

Even in the midst of the pandemic, India's internet and e-commerce sector has mushroomed to become one of the fastest growing sectors of the country, even in the pandemic-hit economy. The e-commerce market in India is expected to reach INR7 trillion in 2023, growing at a CAGR of 20% during 2019-23[1]. The rapid increase in the number of internet users has attracted a number of new budding entrepreneurs to set up establishments by flooding the market with innovative pricing and stocking practices (marketplace vs inventory) while traditional players (brick and mortar stores) are catching up. Availability of numerous choices in terms of brands, discount offers, reduced delivery time, personalization, cash on delivery, digital payment infrastructure and easy returns have been major factors for development of the B2C e-commerce.

Thus the present study provides theoretical contribution recent status of online shopping and the factors affecting its growth.

2. Review of Literature

Aishwarya Goyal (2015) concluded that, with large scale global investments, growth of niche category e-commerce firms and the entry of global competitors/ brands, e-commerce landscape in India looks very promising. Apart from the traditional online formats of retail and lifestyle, newer online business segments like classifieds, real estate, grocery and healthcare have also become popular and will continue to gain traction. Consumer mentality and shopping patterns are changing very fast. Online shopping is going to become main stream in the next years to come.

Dr. Sunil Patel (2015) found that there is a huge potential for the online shopping in the future with the advancement in Information Technology infrastructure and awareness about the usage of internet in the rural as well as the urban areas. In the modern scenario, e-retailing and online shopping which will be the integral part and parcel of the people in India. Online shopping and e-Retailing in India can be a great success if the e-Retailers change their business models and understand their consumer more because consumer are the real kings.

Rahul Kumar (2016) documented that e-commerce market has arisen large possibilities for youth online shoppers and the online sellers should target this segment for better future growth; also find the various factors which helpful for online sellers to develop better marketing strategies. It will help to convert their potential online customers into active online customers; market segments like Toys, Flowers. Electric products, Mobiles and Home & Kitchen items must be targeted by the marketers to attract more and more online shoppers and highlighted that the research various online shoppers has shown fear of unsecured transactions in online payment and misuse of personal information given by online shoppers. Online sellers try to increase the faith of online shoppers regarding online shopping.

M. Swapana and C. Padmavathy (2017) concluded that the research is likely to receive increasing academic and managerial attention. Apparently, the research area is wide open to all kinds of theoretical and methodological contributions. In particular, it affords the marketing researchers the unique opportunity to permeate the regulation with new paradigms and techniques.

Abhishek Chilka and Sandeep Chauhan (2018) highlighted that people are spending high on apparels and mobile phones through online shopping. Male in India purchase 3 times more than females. And Indian consumers most preferred way to pay for online shopping is COD (Cash on Delivery). Attractive offers from online shopping companies are attracting Indian consumers. While the quality, lack of security, additional charges problems still exist and also concluded that online shopping India is here to stay and will be unstoppable in coming years

Sasikumar.P and Dr. M. Vijayakumar (2020) found that Increased Internet penetration, a hassle free shopping environment and high levels of Net savings see more and more Indians shopping online. The goal is not to convert all shoppers to online purchasing, but to show them it's an option. In addition to above, efforts need to be taken to educate the online buyers on the steps that need to be undertaken while making an online purchase.

3. Objectives

The Present study has been carried on for the following purpose:-

- ➢ To know the trends of online shopping
- ➢ To explore the factors that amount for the growth of online shopping

4. Methodology

Present study is a descriptive study that is based on the detailed review of earlier relevant studies and related websites on online shopping. All the information is collected through secondary data sources.

5. Trends in Online Shopping

Because of its vast reach and popularity, it has completely changed the way of entrepreneurs to do business and has been adopted by everyone from small businesses to the big giants. The timeline of the history of e-Commerce evolved till now are:

- **1969**: CompuServe, the first significant ecommerce company is established by Dr John R. Goltz and Jeffrey Wilkins by utilizing a dial-up connection. This is the first time ecommerce was introduced.
- **1979**: Electronic shopping was invented by an English inventor called **Michael Aldrich**. In **1979**, he invented the earliest form of e-commerce which allowed online transaction processing between business and customers, as well as between business and business.
- The invention of the first ever web browser, i.e. the **World Wide Web** in **1990** is the second major proponent of online shopping. Without an interconnected internet, there

would be no online marketplace at all. We owe this marvellous invention called the 'WWW' to **Tim Berners Lee**. That man is the major reason why millions of people have access to the internet which hosts numerous e-commerce platforms.

- After the establishment of these two very important platforms, the expansion of online shopping was only imminent. In **1994**, **Netscape** developed an encryption-based internet security protocol called **SSL** – or Secure Sockets Layer. Just ask any ecommerce owner how important an SSL certificate is for business.

- **1995** welcomed the biggest transformation of online shopping. The first online marketplaces were established. First came **Amazon.com**, arguably the biggest online marketplace launched by **Jeff Bezos**—yup, the richest man in the world as of 2019 with an estimated net worth of $115 billion.

- All these online marketplaces with no reliable payment gateway. It is **1998**, **PayPal** gets a full swing at the online payment system niche; quickly becomes a success.

- Once a dream, online shopping was now taking shape. Jack Ma, a failure in many things launched a very prominent Chinese marketplace in **1999** called **Alibaba.com**. You know the one.

- At the turn of the 21st century in **2000**, Google launched **Adwords**, an advertising service that allows sellers to place adverts in Google search results related to viewers' search preference. In other words, **Google** connected sellers to buyers on a greater scale.

- Another subtle yet huge idea changed the world of online shopping forever. In **2004**, **Shopify**, a prominent online storefront service made it possible for low-capital sellers to set up online stores. Shopify is to online stores as WordPress is to websites.

- In **2006**, **PayPal** launched a new way for people to exchange money and buy things they want online directly from their cell phones.

- As of **2020**, it's clear to see that the entire internet is now a virtual shopping mall. With people choosing to carry out trades on Instagram, Whatsapp and Facebook, it's safe to say that we are in the online shopping era.

5.1. Factors influencing online shopping growth

- ❖ **Increased access to internet services** has made it possible to make their purchase online. Better and faster 4G services have boosted the accessibility. Abundant choices of shopping sites provide wide range of products and services.

❖ **Offers and Discounts**: Online shopping operates on a huge scale and thus the products are offered at discounts. For e.g Amazon great Indian Festival, Flipkart's Big Billion days etc.

❖ **Changing Behaviour of Indian Consumers** has also changed over the years. Consumers are not only using internet for booking their air, movie or railway tickets, but are purchasing a number of other products such as mobiles, home décor, apparels, and electronics.

❖ **Time Consuming** Busy Lives leave people with less time to visit markets, malls or other conventional stores. Online shopping has made buying things very easy .

❖ **Exchange/Return Policy**: Online shopping these days provide various facilities such as exchange or return policy which are very useful.

❖ **Using Social Media for Marketing** Marketers are using social platforms like Facebook, Twitter, Google plus, to promote their products which lead's in consumer having more information. This has increased online shopping as these platforms are very famous.

❖ **Cash back Policy**-Special cash back policies offered by online shopping websites.

❖ **24*7 Service**-Customer Care services by many shopping websites helps solving customer queries. As a result, customer's trust is gained.

❖ **Safer online banking services** helped in gaining trust of consumers who earlier hesitated in sharing their details with shopping online.

❖ **Plenty of products** Various pages on Facebook and Instagram offers stylish and latest clothing, foot wear, fashion accessories, bags, mobile accessories and various products at affordable price which has made online shopping famous among the young consumers

6. Conclusion

E-Commerce business offers a potential competitive advantage to retailers and customers. In today's times, when most people are resorting to online shopping, the present condition of E-Commerce looks extremely positive as more and more people going online with their E-Commerce stores, and it is expected to be at its zenith in the coming years.

Moreover, the feedback of an online buyer should be captured to identify flaws in service delivery. It is a challenge for E-marketers to convert rare online buyers into frequent buyers through user friendly apps, websites and by addressing concerns about consistent and reliable

performance. With these descriptions, the study highlights the trends in online shopping and also exhibits the key factors that contribute in the growth of online shopping.

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