Emerging Profile of Online Shoppers in India: an Empirical Investigation and Implications

Mohan Agrawal, Jaypee Business School India
Vidushi Sandhir, Jaypee Institute of Information Technology, India
Gaurav Gupta, Delhi College Of Engineering, India

Online shopping is quite common these days in the developed world. Through smartly growing, online shopping is yet to become as strong and diversified as in the West. There are only few researches are reported that have focused on the Indian market. Towards the goal of better understanding, this study attempts to answer questions pertaining to the Indian online retail market particularly as it relates to the apparel market. The results of various empirical tests reveal great potential in converting the Indian street consumers into online buyers. This study should facilitate the upcoming retail brands in their market research before launching their online portals.

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Emerging Profile of Online Apparel Shoppers in India and Comparison with the US Online Shoppers: A Few Marketing Implications
Dr. Mohan Agrawal, Jaypee Business School
Vidushi Sandhir, Jaypee Institute of Information Technology
Gaurav Gupta, Delhi College of Engineering

ABSTRACT

Online shopping is most common these days in the developed world especially in the USA. Though rapidly rising, online shopping in the developing countries particularly in India is yet to become strong and diversified. The theme hasn’t been researched strongly either. Towards researching the emerging profile and indentifying differences between the American and Indian online shoppers, this study reports a survey and several other empirical tests. The study reveals a huge potential for converting Indian in-store consumers into online buyers. This study should facilitate retailers and brands in expanding their presence and impact though online portals.

The Online Context in India

According to the latest report on the Internet in India [I Cube Report, 2007] published jointly by the Internet & Mobile Association of India (AIMAI) and IMRB International, the number of internet users in India reached forty six millions in September 2007 and recording a rise of 40% over September 2006. Out of them, the number of active internet users was 32 million and maximum percentage of users was in the age bracket of 18-24 years. Active internet users were defined as those who have accessed the internet at least once a month.

The number of online shoppers, a subset of internet users in India, too is growing as rapidly. The same IAMAI report puts the total online transactions at Rs. 7,080 crores (approx $1.75 billion) for 2006-07. The business is forecast to grow by 30% to touch Rs. 9,210 crores (approx $2.15 billion) by 2007-08 (Source: http://trak.in/tags/business/2007/10/09/india-online-e-commerce-report). The trend is validated by Assocham New Delhi- the apex trade association of India, too is growing as rapidly. The same IAMAI report puts the number of online shoppers, a subset of internet users in India at Rs.5,500 crores ($1.35 billion) in 2007-08 (Source: http://trak.in/tags/business/2007/10/09/india-online-e-commerce-report).

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The Challenges

In this era, where Information Technology has penetrated deep into the lives of the common people, e-shopping forms an important means of trade. The internet revolution has brought a paradigm shift in the way things are done. The key to success is how well we integrate this medium in our business model (IAMAI Report, 2005). At the same time e-shopping presents several problems irrespective of the product type. The most pervasive challenge is the transaction security (information disclosure) and privacy and issues which were found to be significant obstacles to the adoption of online banking (Chen & Barnes, 2007). Information disclosure refers to the dissemination of information about the goods/ service, business (contact number, registration status) and transaction processes, including delivery, payment, warranty, refund, exchange and return. Security refers to the provision of a secure system for data and payment online. Privacy includes the collection, use and storage of personal and financial details in a confidential manner (Ha & Coghill, 2008). Furthermore, this anxiety over security issues is aggravated by the lack of awareness amongst the people about the security norms of e-transactions. Such frauds are called identity thefts and account for 32 percent of total complaints by the American consumers as reported by the Federal Trade Commission (Lopes, 2008). According to a survey by PayPal Inc. and Jupiter Research LLC, sixty-two percent of respondents said they feel more secure shopping online if they do not have to type in their credit card information, and seventeen percent said they specifically look for sites that accept PayPal and other reliable means. Without such security, the interests of the merchant, the consumer, and the credit or economic institution cannot be served. Privacy of transactions, and authentication of all parties, is important for achieving the level of trust that will allow such e-transactions to flourish. However, it is important that the encryption algorithms and key-sizes used will be robust enough to prevent observation by hostile entities and criminals (Reilly, Online Article).

Another deterrent in the success of e-shopping is late and poor delivery systems. A good number of complaints are lodged against slow, inefficient delivery where many consumers have received dysfunctional products. Many of them failed to receive their order in spite of having made their payments. Redress system is also a vital issue; Redress refers to the provision and
implementation of internal complaint handling systems and external services to resolve disputes. If consumers are not happy with solutions provided by e-retailers, and they cannot communicate to the e-retailers their complaints then this situation will have a damaging impact on the e-consumer’s trust and loyalty towards e-shopping.

Given below are some statistics (international), produced by econsumer.gov and released by the Federal Trade Commission in 2007 based on the consumer complaints received in the duration January 1- June 30 2007.

FIGURE I
E- Consumer Complaints
January 1 - June 30, 2007

This clearly shows that maximum violations were related to catalogue sales (45%) while others such as e-purchase of cars, clothing, and electronic items constituted 17%. Country wise research put United States, Canada and United Kingdom as the top three company locations against which complaints had been lodged. This data proves that problems like unsatisfactory service delivery are not confined to a particular region but are generic to e-marketing anywhere in the globe.

These background details have been talked about in detail in this study which actually mainly revolves around India to illustrate certain generic limitations of e-shopping which are country wise. The main hindrance in creating an online clothing market is the need for consumers to ‘touch and feel’ and examine the clothing’s ‘fit and size’ (Gupta, 2008). Even though websites may make efforts to be as descriptive as possible but if the mindset and psychology of Indians is not revolutionized, the apparel e-market can never be as successful as in the West. There are two types of e-marketers, whole and partial. The ones who belong to the category of whole are not into in-store shopping business and are engaged in e-business only, such as eBay, Sastashopping. The partial e-marketers are those who have both an e-consumer base and a non e-consumer consumer base such as, Future Bazaar, Pantaloons, Sifymall and many more. Leading retail stores such as Globus, Shoppers Stop have nil e-consumer base as they believe that the odds against the success of e-shopping of apparels in India are high.

In developed nations e-consumers purchase all kinds of items, from travel related to clothing to gifts. Unlike Indians, their shopping portfolios are not limited to electronic goods and travel (empirical results to prove the same are provided in the later part of the paper).

Apparel Shopping in India
Taking the cue from the rising online shopping in India, several major retailers like Reliance Retail and Future Group (Pantaloons) are building up significant online presence in parallel...
to their in-store or physical store formats a la mode the highly successful online-offline model of Wal-Mart. For instance, the online sale of Wal-Mart is growing faster than the sale of eBay and Amazon which are the pure online retailers. The same is expected of many retailers like Reliance and Future Group given their ambitious growth plans and financial muscle in setting up online channel to tap the fast growing e-commerce pie.

However it is not roses all the way. Many major retailers such as Shoppers Stop, Globus are still focused on in-store consumers as they have not succeeded much with the online model so far. Pantaloons has only a small e-consumer base while Shoppers Stop and Globus have little or no e-consumer base. It shows huge transition challenges, traditional mindsets of Indian shoppers and many more as possible impediments in setting up their online shopping portals. Another possible reason is the critical size the internet users must reach in India before apparel buying can be a popular medium. According to Fabmall’s CEO K Vaitheeswaran, “The internet penetration has to be first increased which is expected to reach 100 million in the next two years. The industry is growing at the rate of 30-40 per cent year-on-year and there is huge potential for all brands”

The Study

Many studies have been undertaken debating the pros and cons of e-shopping but none has focused specially on apparel buying online in the Indian e-market. As the internet users are increasing in the nation so is the awareness about e-shopping. Even though there is substantial e-shopping in the domain of travel/movie bookings, electronic items, but the area of online apparel shopping in India is underdeveloped and not studied well. Brands like Pantaloons and Big Bazaar are in the process of continually improving their online shopping portals and might pave the way for other retail brands who have not yet explored the e-shopping domain. Thus this research has opened up a topic which has not been debated as yet and might help strengthen some retailer’s belief in the success of online apparel shopping in India.

In view of the above, our study covers the following:

- The challenges facing online shopping, especially Indian online apparel shopping and their proposed solutions
- Comparative analysis highlighting the wide disparity in the online shopping culture in India and USA
- Learning from the USA online shopping business
- Conceptual model and recommendations for the marketers planning to start/upscale online portals

Several hypotheses have been taken for the same, which have been tested empirically. The hypotheses provide suggestions to brands to help them in planning to launch their online portals.

As the issue deals with online shopping so online survey was considered the best strategy to understand the behavior, preferences and psychology of online buyers. This survey was posted on various online communities in India and abroad. The questionnaire was framed keeping in mind certain hypotheses. Wherever found appropriate a comparison has been drawn with the online market abroad. To compare the e shopping behaviors in India and abroad, USA was taken as being representative of e consumer trends abroad. The survey was posted to maximum students of Duke University, North Carolina. Two hundred responses were received out of which seventy one percent or one hundred forty three were found usable.

A pre-test of the questionnaires was carried out involving 10 adult consumers, the questionnaires were modified according to the feedback of the respondents’. The careful and rigorous pilot test increased the reliability of the survey. The web-based survey required each respondent to answer every compulsory question before proceeding to the next to complete the questionnaire. Therefore, there were no missing data in this study (Saunders, 2003). Also, participants did not reveal their identity when completing the questionnaire. The anonymity of respondents improves the reliability of data collected (Mehta & Sivadas, 2003). Certain interview sessions were also held with the marketing heads of leading retail stores.

The survey questions ranged from demographic questions to generic questions regarding e-shopping. A special set of questions focusing on online apparel shopping was designed. A comments column was created inviting views about the topic being covered and suggestions on improving the survey. The survey met with a positive response and people were satisfied with the quality of the questions. Pie charts, bar graphs have been used to depict the data pictorially for better understanding.

The options of the survey questions were given certain weights which were then used in various statistical calculations like mean, standard deviation, variance and correlations. Care was taken while assigning different questions the weight so that there is no error in the interpretation of the results.

Findings

Sample Profile

70 people from India and 73 from United States filled the questionnaire accurately. The demography of the correspondents is as shown in the table

<table>
<thead>
<tr>
<th>Table I – Demographic Details of the sample taken</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INDIA</strong></td>
</tr>
<tr>
<td>Gender</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Age Group</td>
</tr>
<tr>
<td>18-24</td>
</tr>
<tr>
<td>25-34</td>
</tr>
<tr>
<td>35-44</td>
</tr>
<tr>
<td>45-54</td>
</tr>
<tr>
<td>&gt;55</td>
</tr>
<tr>
<td>Usage of Internet</td>
</tr>
<tr>
<td>Everyday</td>
</tr>
<tr>
<td>2-4 times /week</td>
</tr>
<tr>
<td>&lt;2 times /week</td>
</tr>
<tr>
<td>Almost Never</td>
</tr>
</tbody>
</table>
The data shows that 95.7% of respondents from India and 98.6% from USA access internet daily. This shows that the respondents would have had no problem in using a computer and searching the internet. 62.8% of Indian respondents were males, 37.1% females whereas, 56.7% of respondents from USA were males and 43.2% females. Thus there was not much gender disparity and almost both the genders participated almost equally in the survey.

Out of Indian respondents, 1.42% were above 55 years of age, 2.85% were between 45-54 years, and followed by 4.28% of 35-44 yrs. 12.8% of respondents were 25-34 yrs and majority were 18-24 yrs comprising 78.5%. Similarly, from USA, majority were 18-24 yrs comprising 66.2% followed by 27% being 25-34 yrs, 2.7% were 35-44yrs, 2.7% again were 45-54yrs and minimum participation was 1.35% of people above 55 yrs. This indicates that the respondents were mature enough to make independent decisions about purchasing items online and to have some knowledge about issues and policies associated with e-retailing (Ha & Coghill, 2008).

Depicted below are the graphical representations of the findings from the sample data clearly exhibiting the disparity in online shopping between India and USA.
C. Frequency of Online Shopping (in past 1 year)

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Every Day</td>
<td>45.7%</td>
</tr>
<tr>
<td>B. 2-4 Times a week</td>
<td>18.5%</td>
</tr>
<tr>
<td>C. 6-10 times</td>
<td>15.7%</td>
</tr>
<tr>
<td>D. 2-5 times</td>
<td>7.14%</td>
</tr>
<tr>
<td>E. Just Once</td>
<td>7.14%</td>
</tr>
<tr>
<td>F. Never</td>
<td>5.71%</td>
</tr>
</tbody>
</table>

D. Bought Apparel online

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Have never bought and will not buy in future</td>
<td>50.0%</td>
</tr>
<tr>
<td>B. Have never bought but might buy in future</td>
<td>32.8%</td>
</tr>
<tr>
<td>C. Have never bought but will certainly buy in future</td>
<td>11.4%</td>
</tr>
<tr>
<td>D. Have bought but will never buy in future</td>
<td>4.28%</td>
</tr>
<tr>
<td>E. Have bought and will certainly buy in future</td>
<td>1.42%</td>
</tr>
</tbody>
</table>

A. More than 20 times
B. 10-20 times
C. 6-10 times
D. 2-5 times
E. Just Once
F. Never
Several hypotheses have been taken, to prove which evidence in the form of empirical results are provided. Some of the hypotheses concern the problems generic to all product types in online marketing, while other hypotheses have been framed specifically for the online apparel market.

Data Analysis and conclusions

H1: There is a wide disparity in the penetration of e-marketing in India and USA

This is evident from the facts and figures obtained from the survey. In India only 5.71% respondents claimed to have shopped online more than twenty times in the last few years while 45.7% had never shopped online. While in USA, 31% of the respondents asserted having shopped more than twenty times and a mere 1.35% had never availed of the e-shopping provision. Exploiting this fact, we have explored a few dissimilarities between the Indian and American online market in an attempt to list a few possible recommendations inspired from the success of American online market. This refers to both generic and specific (Apparels) products.

H2: Security is a bigger deterrent for Indians than Americans in online shopping

The concept of shopping on the internet has just started to gain momentum in India owing to which there is a lack of awareness amongst the masses in matters of security. This ignorance breeds fear of online transactions and discourages online trading. Many consumers are wary of the repercussions of disclosing their credit card numbers unless they totally trust the site. Some consumers do have partial information regarding the threats proffered by internet transactions but their incomplete knowledge also produces adverse results. They might be aware of unsafe advertisements but their limited knowledge will make them
question whether a particular advertisement on a vendor’s home page constitutes a lucrative offer or an invitation to thwart (Jawahitha, 2005). This hypothesis can be supported by quoting some empirical results. While 64.2% of respondents from India felt that the security concerns in online shopping are grave, 52.6% of respondents from USA disagreed or strongly disagreed. Only 0.5% respondents from India were aware of security standards such as verisign, SSL, rest went with the brand name. In developed nations like USA, regular consumers are offered the store’s debit card which does not require them to use their credit cards and prevents security issues from arising. This method is in its embryonic stages in India with MTV and other known brands taking the lead.

**H3: Brand Name alleviates consumer’ security issues**

Creating a consumer experience that is synonymous with a particular (website) brand is becoming increasingly recognized as a vital driver of e-performance (Ha & Perks, 2005). It appears that brand experience is the preliminary condition to consumer’s e-commerce participation (Mithas, Ramasubbu, Krishanan and Fornell, 2007). Brand trust has been defined as ‘a feeling of security held by the consumer in his/her interaction with the brand, such that it is based on the perceptions that the brand is reliable and responsible for the interests and welfare of the consumers (Delgado- Ballester & Munuera-Alem, 2001).

It is easier for bigger brands to enter into online retailing than smaller brands because as shown by the correlation value 0.00573 between ‘Security’ and ‘Purchase Rate’ we know that higher the security assurance greater is the purchase rate. Furthermore, 52.1% of Indian respondents and 58.6% of respondents from USA consider brand name as the highest security sign in a website. Thus combining the above stated results we come to the conclusion that brand name can draw the attention of offline buyers and increase online apparel purchases. Moreover, only 17.08% of the respondents from India disagreed or strongly disagreed when asked if they would indulge in online apparel shopping if known and trusted brands entered the business. To strengthen this hypothesis we present another empirical result which showed that 51% of the respondents who looked for brand name as a security sign did not strongly agree that security problems are grave. Thus the above state results prove that brand name alleviates consumer’s fear pertaining to security problems. Furthermore, positive brand experience might show a positive reaction to pricing associated with the purchase and impact indirectly or directly on brand trust. Many consumers on the internet are price seekers, rather than loyal.

**H4: The outlook of Indian buyers towards online shopping needs a bigger transformation**

The psychology of Indian buyers is very different from that of the buyers abroad. Having accepted and adjusted to the e-shopping procedure, 67.5% of the buyers abroad stated e-shopping as their preference over the crowded streets as against a mere 37.1% of Indian respondents. Thus convenience of online buying is not the driving force behind the possibility of success in India and should not be the target of e-retailers. Consumers in India are yet to embrace the concept of internet shopping fully to appreciate the advantages offered in terms of convenience and 24x7 shopping. Hence in our model of speeding the process of converting India into an e-market we have not considered convenience. On the same lines, 87% of Indian respondents agreed or strongly agreed that they did not feel the ‘need’ to buy online. The unorganized Indian retail business thrives on personalization (Munjal, 2008) and it is this very outlook of Indian e-consumers that needs to be changed. Thus there is a requirement of creating a ‘need’ in the mindsets of Indian consumers by giving them satisfactory e-marketing services. For example, there is no value or convenience in what is available in online bookstores today, they seem to have no more depth than a crossword store, which is right next door (Bhattacharjee, 2007).

**H5: ‘Need’ for E-Shopping can be created by increasing the limited variety offered online in India**

Another issue facing the online consumers is the narrow and limited range of merchandise. This problem is specific to the Indian e-business, as only 26.95% of the American respondents agreed or strongly agreed to the lack of variety on the internet while 49.9% Indian correspondents agreed or strongly agreed to the same. This is the basic reason why people prefer buying books from an international retailer such as Amazon, Famball or FirstAndSecond where it is very difficult to find a book (apart from the new ones launched in US) (Bhattacharjee, 2007) than their Indian counterparts like rediff even if they have to pay hefty handling charges for the distance. Even the leading sites like ebay.in, indiaplaza.in, and indiatimes have very limited range of items and therefore are hardly attractive as against international sites.

The correlation 0.068591 between variety of merchandise and frequency of apparel shopping shows that if the variety provided online increases, the online apparel shopping will also increase. This brings out the observation that lack of variety is another deterrent to the success of online apparel shopping as an unlimited variety is provided on the streets and 65.9% of respondents from India agreed or strongly agreed that online shopping offers a limited range of merchandise. Thus an important remedy to increase e-consumer base is to provide users with variety to match the variety on the streets such that it leaves them with no reason to turn to the brick and mortar shops.

**H6: Online prices of Indian shopping portals are higher than in-store prices**

The worst part of Indian online shopping is that most of the goods are actually priced more than the in-store price (Bhattacharjee, 2007). Here in India, there are not many exciting deals and offers, delivery guarantee, after sales support or replacement warranty. This dissuades people from converting into e-consumers as all these deals and offers are offered on the streets. This is exactly where there is yet again a cosmic difference in USA and India. While 75.6% of the respondents from USA disagreed and strongly disagreed that internet prices were more than in-store prices, 85.7% of Indian respondents agreed and strongly agreed on the same. Whereas in developed nations like USA various discounts are offered for online buyers and generally consumers turn to internet in search of cheaper goods. Popular brands offer the facility of installments thus enabling the middle class to afford branded merchandise. Such provisions are absent in the Indian online market. But there have also been certain interesting applications like aggregation platforms such as price comparison engines, the more options shoppers have, the greater value they would see in platforms that offer a one stop comparison of products and prices across retailers. Several comparison shopping platforms have been launched in the Indian market. Tolmol.com and Bechna.com are the two most prominent ones. A reduction in rates of online goods will prompt users to turn to e-goods has been proved by calculating the correlation between the high online rates and the intention of users buying apparel online
which came out to be -0.07976. As the value of correlation suggests, the two clauses are inversely related, thus higher the rate of merchandize online, lower will be the population of online buyers and intention of people turning into online buyers.

H7: Need to Touch-Feel-Try is a major predicament for Indian online apparel market

Moving on to the online apparel business, the results of the survey were as per expectation. For respondents from India, online apparel shopping sounded outrageous because of their need to ‘touch-feel-try’ whose absence creates concerns over the quality of the product on offer (Internet and Mobile Association of India Report 2006). This problem is pervasive everywhere but has a greater impact in India due to its developing e-market. There was not a sizeable difference between the psychology of people relating to the need to ‘touch-feel-try’ with 75.6% of the respondents from USA agreeing or strongly agreeing and 82.8% from India. Also there was a positive and almost equal correlation for respondents from both USA (0.49809) and India (0.33221). This might lead us into thinking that online apparel business can not be successful, but an insight into the statistics reveal the reality which is far from the one stated above.

Only 5.7% of respondents from India had ever done apparel shopping as against 44.55% of respondents from USA. This mammoth difference in figures points towards the only possible explanation that even though people in the developed countries have the same attitude towards the ‘touch-feel-try’ problem but they have adjusted/are in the process of adjustment towards online apparel buying. 65.68% of the respondents from India expressed positive attitude towards apparel buying, these include people who had bought apparel online and were certain that they will do so in future, those who had never bought apparel online but felt that they might/certainly buy apparel in future. These surprising results prove that the Indian online apparel market has an untapped potential of developing into a big e-market. Thus the assumption by most of the retail stores like Shoppers Stop regarding the Indian public being unprepared for online apparel shopping is not entirely true. It is human tendency to resist change. The most natural instinct is to continue doing things the old way. And when changes are implemented, we try to fit them back into the mold because of our comfort level with how things used to work in the past. That is kind of how online apparel shopping has evolved. Even in the western world, not many physical retailers believed in online channel for apparels during its infancy – they looked at it more as a distraction. However, when they started understanding the potential of online shopping, more and more retailers began to build an online presence.

H8: Good websites designs are positively associated with e-consumer responses.

Additionally the problem of lack of proper descriptions on the site leaves the consumers with an unsatisfied experience wherein their need to ‘touch-feel-try’ is far from met. 62.7% of the Indian respondents believed that the descriptions of products on the sites were inadequate. If online shopping has to match the consumer base of in-store consumers in the apparel industry it is essential to use proper graphics and descriptive images to give the users as real an experience as possible. Otherwise the advantages of online apparel shopping such as convenience, time saving and 24x7 availability will be overshadowed by the huge difference in the personalized shopping experience and a superficial online shopping experience. Only 17.5% of the Indian respondents who had never done online shopping disagreed or strongly disagreed and asserted that they would not do online shopping if the description of products (especially clothes) is made appealing and vivid using graphics. Thus there is a need to implement better web site designs which offer a more fulfilling consumer experience. Research shows that consumers are more likely to visit, purchase, and repurchase from better-designed online stores (Liang & Lai, 2002). Also a correlation value of -0.49214 between the problem of lack of proper descriptions on the site and the need for people to ‘touch-feel-try’ proves that if websites are made more vivid and graphic, the ‘touch-feel-try’ outlook towards apparel e-shopping can be changed.

### TABLE III

Summary of Hypothesis and Results

<table>
<thead>
<tr>
<th>NUMBER</th>
<th>HYPOTHESIS</th>
<th>RESULT</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>There is a wide disparity in the penetration of e-marketing in India and USA</td>
<td>SUPPORTED</td>
</tr>
<tr>
<td>H2</td>
<td>High Security Measures lead to more online purchases</td>
<td>SUPPORTED</td>
</tr>
<tr>
<td>H3</td>
<td>Brand Name alleviates security issues of consumers</td>
<td>SUPPORTED</td>
</tr>
<tr>
<td>H4</td>
<td>The outlook of Indian buyers towards online shopping needs to be changed</td>
<td>SUPPORTED</td>
</tr>
<tr>
<td>H5</td>
<td>E-Shopping provides less variety, increasing the same can augment the</td>
<td>SUPPORTED</td>
</tr>
<tr>
<td></td>
<td>e-consumer growth</td>
<td></td>
</tr>
<tr>
<td>H6</td>
<td>Online prices of Indian shopping portals are higher than in-store prices online apparel market</td>
<td>SUPPORTED</td>
</tr>
<tr>
<td>H7</td>
<td>Need to Touch-Feel-Try is a major predicament for Indian</td>
<td>NOT SATISFACTORY</td>
</tr>
<tr>
<td>H8</td>
<td>Websites designs are positively associated with e-consumer responses</td>
<td>SUPPORTED</td>
</tr>
</tbody>
</table>
This model has been developed keeping in mind the statistics mentioned above. As proved above, convenience is not a driving force behind the increase in the number of e-consumers, the reason being the nascent methodology to which only 35.69% of Indian respondents have adjusted as against the whooping 98.3% respondents from USA. Thus convenience does not figure out in our model. It is believed that convenience will certainly be a vital factor once the culture of e-shopping sets in at par with the developed countries. Broadly, there are two kinds of factors which influence the performance of online shopping portal

**External factors**

These are the macro variables that determine the performance. They are intrinsic to the environment (say, a country) and cannot be controlled by the company. The company has therefore to work around these factors for its success.

- **Penetration of the internet** – compared to the US, India has very low penetration limiting the market reach.
- **Outlook** - The “touch-feel-try” problem is prevalent in India as well as the USA. The outlook of American buyers towards online apparel shopping has changed over the years as against Indian buyers. In spite of its drawbacks, online apparel shopping culture has set in the USA drawing a large populace of Americans buyers.
- **Awareness** - This includes awareness in general about the brand, the brand online portals and security.

**Internal factors**

These are factors which can be controlled by the organization and thus a manipulation of these determines the strategy of the company.

- **Product variety** – the variety offered by the website leads to the attractiveness of this line of business
- **Pricing mechanism** – Any monetary benefit offered in online shopping as against in-store shopping will draw consumers.

An appealing pricing mechanism coupled with reasonable product variety can create the *Need* for online shopping. This is crucial in furthering growth of online shoppers and gives them the much desired reasons for endorsing online shopping as against in-store shopping.

- **Site Description and Aesthetics** - This is an indispensable factor especially for apparel shopping. It helps in reducing ‘touch-feel-try’, increases trust and comfort
- **Brand Value** - Increases consumer trust
- **Security** - The more secure the site, the more comfortable the consumer

**Consumer Trust**, once secured will boost the performance of the online portal and can be achieved by building the brand name and securing the site by employing the best standards.

Brand name/value has been recognized as a vital factor which can appeal to the people and make them buy online. 52.1% of Indian respondents and 58.6% of respondents from USA consider brand name as the highest security sign in a website. The basic reason for this conclusion is the fact (proved above by empirical results) that people consider security as one of the main impediments in buying online, but majority of those who look for brand name as a sign of security do not feel that security problems are grave, thus brand name ‘generates security’ amongst users as shown in the model.

Once brands realize the significance their name carries they will be less hesitant in surging ahead with the decision of increasing/launching their shopping portals. Even in other nations, brand name is the safest bet for consumers as it removes the problems of ‘touch-feel-try’ eventually. Consumers do not think twice before buying a clothing item from a trusted and tried out brand because the fit and touch is already known. Thus our emphasis in the model is to provide solutions to known brands so that they can create a large population for e-consumers.

There is a need to provide an online experience that matches the personalized experience of in-store shopping, especially in...
India where certain people have been going to the same shops in their family for decades. This can be achieved by enhancing the shopping websites to serve mainly two needs, firstly they should be user friendly and easy to operate and secondly they should be descriptive with lots of graphical representations. Among consumer-related IT investments, the creation and maintenance of an effective Web site are critical elements of IT and of the marketing strategy of firms (Mithas, Ramasubbu, Krishanan and Fornell, 2007).

Additionally, managers need to know the effectiveness of their Web site in meeting the needs of their Web site visitors to improve loyalty to their Web site (Mithas, Ramasubbu, Krishanan and Fornell, 2007). Secondly an understanding of Web site visitor profiles and their needs enables a company to tailor not only its prospective consumer interface but also its future line of product features and offerings. This can be achieved by employing various statistics like hit count versus purchase count and many others. The best way to reach out to people is to create blogs and discussion forums for them so that they have the freedom to rate the quality of service delivery and leave behind suggestions. Thus managers will get what they want as the suggestions are a representative of consumer satisfaction. Also forums will generate a higher degree of trust and comfort for the new e-consumers who can satisfy themselves before making an e-purchase by reading the responses regarding the service delivery. Thus brands should generate better web site designs.

As website designs are enhanced, people get more idea about the products online by looking at the animations and descriptions. Content pertains not only to the verbal information but also to the usage of graphics, animated objects, pictorial representations, and other multimedia artifacts present in the Web site (Mithas, Ramasubbu, Krishanan and Fornell, 2007). Thus good websites enhance consumer experience. Also managers can control the degree of freshness of Web site content by making design choices, such as use of dynamic pages and the more frequent updating of content, depending on business needs and consumer expectations (Mithas, Ramasubbu, Krishanan and Fornell, 2007). Good websites have been known to generate consumer loyalty as it gives them a personalized attention to match the personal care at street stores. Consumer loyalty is an important determinant of long-term business success. Several studies have documented a favorable effect of consumer loyalty on usage levels, future revenues, cost of future transactions, price elasticity, consumer deflection, warranty, and field service costs (Anderson & Fornell, 1994).

Generating variety and complaint systems (redress) have also been discussed in detail above. A good redress system generates a higher level of security and comfort as it strengthens the belief that in case of a delivery mishap a proper action will be taken. Thus good complaint system generates security.

As the level of trust, security and comfort will increase, people will start taking risks of buying all kinds of merchandize online ranging from electronics to clothing. Thus the ‘touch-feely’ factor will be eliminated.

After having conducted various empirical tests it is clear that India has a lot of potential to be a leading e-market place. The bearing of e-shopping especially the retail businesses on the Internet have created opportunities to the consumers to transact online with comfort and convenience. Nevertheless, the ultimate success of e-shopping will depend to great extent on the interest and confidence of consumers. The hesitations which leading apparel brands are dealing with can be dealt with by understanding the psychology of likely e-consumers and gaining their trust and confidence.

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