



## A STUDY ON RISK IN ELECTRONIC RETAILING TOWARDS CONSUMER SATISFACTION IN NILGIRIS DISTRICT

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### ABSTRACT

*E-tailing requires businesses to tailor traditional business models to the rapidly changing face of the Internet and its users. E-tailers are not restricted solely to the Internet, and some brick-and-mortar businesses also operate websites to reach consumers. Online retailing is normally referred to as e-tailing. E-tailing (less frequently: etailing) is the selling of retail goods on the Internet. Short for "electronic retailing," and used in Internet discussions as early as 1995, the term seems an almost inevitable addition to e-mail, e-business, and e-commerce. E-tailing is synonymous with business-to-consumer (B2C) transaction.*

**KEYWORDS:** *E-tailing requires businesses, mortar businesses, organizations.*

### INTRODUCTION

E-tailing has resulted in the development of e-tailware -- software tools for creating online catalogs and managing the business connected with doing e-tailing. A new trend is the price comparison site that can quickly compare prices from a number of different e-tailers and link you to them. E-tailers always search new and innovative business models. Case in point being US based Power Reviews – where it provides free review technology to E-tailers and all it asks in return is that the reviews collected on the retailer's web site are syndicated, which is then aggregated on the Buzzillions.com, its sister website. Some Indian sites simply collect orders over a period of time say a week, order in bulk from the vendor and finally ship it to customer at a discounted rate. The customer is told beforehand about the delivery date, of course.

The Indian Retail industry has always thrived on personalization. The grocer, tailor or even the mom n shop apparel store owner knows the preferences, remembers customer's taste, budget and previous purchases. They sense the customer's mood too – which no CRM software can claim to do. Trying to personalize each customers experience – might be one way to grow. The Indian consumer is still very need oriented, not very impulse or deal oriented like the American counterparts. Hence it might make sense to create real consumer centric promotions constantly that provide real value to the Indian consumer. Slowly but surely this is happening in India.

### INTERNET MARKETING FOR E-RETAILING / SEARCH ENGINE OPTIMIZATION

Around the world all organizations have their websites; few of them generate more visibility and revenue.

For a web store / e-Retailing site, we need to study the business and marketing goals, and then pick / find the best keywords matching the products and services listed in our website. Based on the Keyword analysis we need to build quality unique content for the store which will



make the store to gain good ranking among the search engines. While publishing the content blended with product listing, we need to ensure that competitor web store strategies are analyzed and considered. Now it's the time to plan for the sitemap, which is all about when a visitor is browsing our site, they should feel easy to navigate to all pages of the site without any difficulties.

On the other side the site navigation should be developed as a RSS feed which is search engine friendly i.e. the site map will be read by the search engine crawler and got indexed, which results in good search results. After building the sitemap, we start building the static and dynamic web pages with unique content. Each page should be optimized (On page optimization) so that search engine ranks the page; on completing this process. We need submit our site URL / sitemap feed to all popular search engines viz., Google, Yahoo, MSN etc., After submitting the site, we need to have plans to index our site in popular directories, classified sites. And then start indexing in social book marking sites. Now a days the most popular sites Face book, Linked in and Twitter were few and there are 1000's of other book marking sites, in which we need to update our store information in relevant categories or Tags.

### GUIDE TO E-RETAILING RESOURCES

To help e-retailers find the right solutions and service providers to take their Internet retail businesses to the next level, the publishers of **Internet Retailer** --the most trusted source of journalistic information on web-based retailing--comes the **Guide to E-Retailing Resources**. This 248-page Guide contains business profiles and vital product and client details on more than 378 solutions providers in 17 different market segments that now define the multi-billion dollar market for e-retailing solutions. The Guide to E-Retailing Resources provides strategic data on all competitors in the following segments of the solutions market:

#### E-Retail + Traditional Retail Operations ("Clicks-and-Mortar")

Sites like macys.com and gap.com, as well as relative latecomers  $\frac{1}{2}$  walmart.com and jcpenny.com, are evolving into online branches of brick-and-mortar operations. This kind of site is not limited to the rich, famous, and nationally well-branded. Many smaller stores have used the Web to broaden their market by opening online branches, which make available to Web shoppers goods that were once accessible only to people near the store.

### REVIEW OF LITERATURE

**Joel E. Collier and Carol C. Bienstock**, Measuring Service Quality in E-Retailing, Journal of Service Research February 2006 vol. 8 no. 3 260-275

This study gives an awareness of how customers perceive service quality is essential to understanding what customers value in an online service transaction. Previous research in e-service quality has primarily focused on the interaction of the consumer and the Web site while missing the big picture that e-service quality is composed of more than Web site interactivity. The goal of this article is to extend the work on e-service quality to encompass not only Web site interactivity or process quality but also outcome quality and recovery quality. This study found empirical support for the use of formative indicators and the three-dimensional approach to conceptualizing e-service quality.

**Sunil Sahadev, Keyoor Purani**, "Modelling the consequences of e-service quality", Emerald 26, (2008)

The purpose of this paper is to model the consequences of achieving better service quality in e-services. The conceptual model finds significant support based on the empirical study. It is seen that the four components of e-service quality: efficiency, fulfilment, system availability, privacy, are linked to trust and satisfaction.

**Gwo-Guang Lee, Hsiu-Fen Lin**, (2005) "Customer perceptions of e-service quality in online shopping", International Journal of Retail & Distribution Management, Vol. 33 Iss: 2, pp.161 – 176

This paper develops a research model to examine the relationship among e-service quality dimensions and overall service quality, customer satisfaction and purchase intentions. The analytical results showed that the dimensions of web site design, reliability, responsiveness, and trust affect overall service quality and customer satisfaction. Moreover, the latter in turn are significantly related to customer purchase intentions. However, the personalization dimension is not significantly related to overall service quality and customer satisfaction.

**David M. Szymanska, Richard T. Hiseb**, E-satisfaction: an initial examination, *Journal of Retailing*, Volume 76, Issue 3, 3rd Quarter 2000, Pages 309–322

This study examine the role that consumer perceptions of online convenience, merchandising (product offerings and product information), site design, and financial security play in e-satisfaction assessments. They find that convenience, site design, and financial security are the dominant factors in consumer assessments of e-satisfaction. The authors discuss the implications of these findings and offer directions for future research.

**Rolph E. Anderson, Srini S. Srinivasan**, E-satisfaction and e-loyalty: A contingency framework, *Psychology & Marketing*, Special Issue: Behavioral Dimensions of E-Commerce, Volume 20, Issue 2, pages 123–138, February 2003

The authors investigate the impact of satisfaction on loyalty in the context of electronic commerce. Findings of this research indicate that although e-satisfaction has an impact on e-loyalty, this relationship is moderated by (a) consumers' individual level factors and (b) firms' business level factors. Among consumer level factors, convenience motivation and purchase size were found to accentuate the impact of e-satisfaction on e-loyalty, whereas inertia suppresses the impact of e-satisfaction on e-loyalty. With respect to business level factors, both trust and perceived value, as developed by the company, significantly accentuate the impact of e-satisfaction on e-loyalty. © 2003 Wiley Periodicals, Inc.

**Mark B. Kolesar, R. Wayne Galbraith, (2000)** "A services-marketing perspective on e-retailing: implications for e-retailers and directions for further research", *Internet Research*, Vol. 10 Iss: 5, pp.424 – 438

There has been an explosion in the number of retail Web sites since 1995, e-retail offering shares a few common elements specifically a product search facility (often augmented by a product evaluation facility), an on-line purchase function and a product delivery capability. The most influential element in the service experience is the relationship between the service provider and the customer. The Internet is a poor service delivery medium, it lacks the capability for direct personal interaction enjoyed by non-Internet based services. Sets out a number of marketing and Website design implications for e-retailers and suggests means by which e-retailers can manage customer perceptions to increase sales and develop greater customer loyalty.

**Srini S. Srinivasan, Rolph Anderson, Kishore Ponnaveolu**, Customer loyalty in e-commerce: an exploration of its antecedents and consequences, *Journal of Retailing*, Volume 78, Issue 1, Spring 2002, Pages 41–50

This paper investigates the antecedents and consequences of customer loyalty in an online business-to-consumer (B2C) context. We identify eight factors (the 8Cs—customization, contact interactivity, care, community, convenience, cultivation, choice, and character) that potentially impact e-loyalty and develop scales to measure these factors. Data collected from 1,211 online customers demonstrate that all these factors, except convenience, impact e-loyalty. The data also reveal that e-loyalty has an impact on two customer-related outcomes: word-of-mouth promotion and willingness to pay more.

### OBJECTIVES OF THE STUDY

- To determine and analyse consumer preferences regarding the profiles of an e-retailer
- To find the factors influence in e-retailing
- To find the factors that amount to the growth of e-retailing

- To analyze the customer service of e-retailing transaction
- To analyze the benefits of e-retailing to the customers & concern
- To find out the challenges of e-retailing in India.

## RESEARCH METHODOLOGY

### SAMPLING DESIGN:

In this study convenience sampling is used. Convenience sampling refers to the collection of information from members of the population who are conveniently available to provide it. A sample is obtained by selecting convenient population elements from the population.

### TOOLS USED FOR THE STUDY:

Questionnaire was collected on the basis of the various factors affecting industrial relation statistical tools used for analysis of data. The data collected were analyzed using the following statistical tools

- Percentage method

### SIMPLE PERCENTAGE:

Here the various factors are analyzed on the basis of the percentage of satisfied. among the samples size 120, from these samples the percentage of satisfied level is found to give conclusion.

## ANALYSIS AND INTERPRETATIONS

### PERCENTAGE ANALYSIS:

Percentage analysis is mainly used to determine the distribution of respondents coming under different categories. It is expressed in percentages mainly to facilitate standardization and comparison between two or more series of data. Percentages are used to describe the relationship.

**Table: Gender of the respondents**

S.No.	Gender	No of Respondents	Percentage of Respondents
1	Male	79	66
2	Female	41	34
<b>Total</b>	<b>Total</b>	<b>120</b>	<b>100</b>

### Interpretation :

The above table shows that out of 120 respondents 66% of the respondents are male category and the rest of 34% of them are female category.

**Table: Age group of the respondents**

S.No.	Age Group	No of Respondents	Percentage of Respondents
1	Below 20	6	5
2	20 -25	20	17
3	26-30	29	24
4	31-35	32	27
5	36-40	18	15
6	Above 40	15	12
	<b>Total</b>	<b>120</b>	<b>100</b>

### Interpretation :

In the age group of the respondents, 27% of the respondents belongs to 31-35 age group, 24% of them belongs to 26-30 age group, 17% of them belongs to 20-25 age group, 15% of them belongs to 36-40

age group, 12% of them belongs to above 40 age group and the remaining 5% of them belongs to below 20 age group.

**Table: Occupation of the Respondents**

S.No.	Occupation	No of Respondents	Percentage of Respondents
1	Student	11	9
2	Business Person	37	31
3	Corporate	25	21
4	Personal	29	24
5	Others	18	15
	<b>Total</b>	<b>120</b>	<b>100</b>

**Interpretation :**

In the occupation wise classification, 31% of the respondents are business person, 24% of them are personal, 21% of them are corporate, 15% of them are other category and the rest of 9% of them are student.

**Hobbies of the Respondents**

S.No.	Hobbies	No of Respondents	Percentage of Respondents
1	Internet Surfing	25	21
2	Movies	10	8
3	Music	17	14
4	Reading	11	9
5	Shopping	16	13
6	Sports	8	7
7	Television	9	8
8	Travelling	7	6
9	Gardening	11	9
10	Visit a Club	6	5
	<b>Total</b>	<b>110</b>	<b>100</b>

**Interpretation :**

About respondent's hobbies, 21% of the respondents said internet surfing, 14% of them said music, 13% of them said shopping, each 9% of them said reading & gardening, each 8% of them said movies & television, 7% of them said sports, 6% of them said travelling and the rest of 5% of them said visit a club.

**Table 3.7Opinion about electronic retailing high risk**

S.No.	Particulars	No of Respondents	Percentage of Respondents
1	Strongly Agree	19	16
2	Agree	29	24
3	Neutral	37	31
4	Disagree	14	12
5	Strongly Disagree	21	17
	<b>Total</b>	<b>120</b>	<b>100</b>

**Interpretation :**

Towards respondents opinion about high risk in e-retailing, 31% of the respondents are neutral in this, 24% of them agree this, 17% of them strongly disagree this, 16% of them strongly agree this and the rest of 12% of them disagree this.

**Table: Opinion about reduction in cost due to use of electronic media**

S.No.	Particulars	No of Respondents	Percentage of Respondents
1	Strongly Agree	28	23
2	Agree	43	36
3	Neutral	20	17
4	Disagree	23	19
5	Strongly Disagree	6	5
	<b>Total</b>	<b>120</b>	<b>100</b>

**Interpretation :**

Towards respondents opinion about reduction in costs because of use of electronic media, 36% of the respondents agree this, 23% of them strongly agree this, 19% of them disagree this, 17% of them strongly are neutral in this and the rest of 5% of them strongly disagree this.

**Table 3.9****Opinion about electronic retailing faster response**

S.No.	Particulars	No of Respondents	Percentage of Respondents
1	Strongly Agree	42	35
2	Agree	49	41
3	Neutral	18	15
4	Disagree	11	9
5	Strongly Disagree		
	<b>Total</b>	<b>120</b>	<b>100</b>

**Interpretation :**

Towards respondents opinion about faster response to the respondents in electronic retailing, 41% of the respondents agree this, 35% of them strongly agree this, 15% of them are neutral in this and the rest of 9% of them disagree this.

**Table: Opinion about bill payment process**

S.No.	Particulars	No of Respondents	Percentage of Respondents
1	Strongly Agree	32	27
2	Agree	59	49
3	Neutral	18	15
4	Disagree	11	9
5	Strongly Disagree		
	<b>Total</b>	<b>120</b>	<b>100</b>

**Interpretation :**

Towards respondents opinion about bill payment is easy in e-retailing, 49% of the respondents agree this, 27% of them strongly agree this, 15% of them are neutral in this and the rest of 9% of them disagree this.

**Table: Level of satisfaction about delivery timing**

S.No.	Particulars	No of Respondents	Percentage of Respondents
1	Highly Satisfied	20	17
2	Satisfied	35	29
3	Neither	41	34
4	Not Satisfied	11	9
5	Highly Not Satisfied	13	11
	<b>Total</b>	<b>120</b>	<b>100</b>

**Interpretation :**

In the level of satisfaction with the delivery of the product is on time, 34% of the respondents are neither in this, 29% of them are satisfied, 17% of them are highly satisfied, 11% of them are highly not satisfied and the rest of 9% of them are not satisfied.

**Table: Level of satisfaction with the customer service**

S.No.	Particulars	No of Respondents	Percentage of Respondents
1	Highly Satisfied	25	21
2	Satisfied	28	23
3	Neither	38	32
4	Not Satisfied	20	17
5	Highly Not Satisfied	9	7
	<b>Total</b>	<b>120</b>	<b>100</b>

**Interpretation :**

In the level of satisfaction with customer service for the products bought online, 32% of the respondents are neither in this, 23% of them are satisfied, 21% of them are highly satisfied, 17% of them are not satisfied and the rest of 7% of them are highly not satisfied.

**FINDINGS, SUGGESTIONS AND CONCLUSION****FINDINGS**

- The above table shows that out of 120 respondents Majority of 66% respondents are male category and only34% of them are female category.
- In the age group of the respondents, Majority of 27% respondents belongs to 31-35 age group and only5% of them belongs to below 20 age group.
- Majority of 46% respondents are degree qualified and only21% of them are diplomatic qualified.
- In the occupation wise classification, Majority of 31% respondents are business person and only9% of them are student.
- Among the 21 corporate respondents, Majority of 38% respondents are trading type and only10% of them are travels type.

- About respondent's hobbies, Majority of 21% respondents said internet surfing and only 5% of them said visit a club.
- Towards respondents opinion about high risk in e-retailing, Majority of 31% respondents are neutral in this and only 12% of them disagree this.
- In the level of satisfaction with the delivery of the product is on time, Majority of 34% respondents are neither in this and only 9% of them are not satisfied.
- In the level of satisfaction with secure payment mode, Majority of 31% respondents are neither in this and only 13% of them are highly not satisfied.

### SUGGESTIONS

- In the opinion about high risk in e-retailing, majority of the respondents are neutral in this, to eliminate this opinion all the retailing process should be simplified with security.
- Towards respondents opinion about increased exposure of products and services in electronic media, majority of the respondents are neutral, corporate company should take this issue with top priority to increase the sales by e-retailing.
- Sufficient information about the products should be clearly mentioned in online to clarify all doubts of the respondents which will increase sales as well as will increase satisfaction of the respondents
- The delivery timing should be at promised date given while retailing
- The payment mode should be more secured to increase billing cycle of the respondents
- Majority of the respondents said it require more knowledge, so all the operation of the e-retailing should be modified based on the easy latest technique.
- The premium charged during e-retailing should be at reasonable level, this should be centralized.
- The customer service should be improved to satisfy all types of respondents

### CONCLUSION

Electronic retailing is a powerful marketing technique for the right product with the right message to the right person. Electronic retailing, whether on TV or the Internet, is about motivation. This study has been conducted among the consumers who are using e-retailing (individual and corporate) successfully. All the findings and suggestions has been brought based on the respondent feedback.

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