Analyzing online retail market strategies' influence on consumer purchase and attitude patterns

[1]PARALA VENKATA SREE VYSHNAVI

UGC NET Junior Research Fellow in the Department of Business Management, Vikrama Simhapuri University, Kakuturu, SPS Nellore district, Andhra Pradesh, India, vyshnavi_s@yahoo.in

[2]SUJA SASIDHARAN NAIR

Professor in the Department of Business Management, Vikrama Simhapuri University, Kakuturu, SPS Nellore district, Andhra Pradesh, India, sujavsu@yahoo.in

CONTRIBUTION STATEMENT - Although the studies earlier depicted the difference in consumers' purchase and attitude patterns between Millennials and above 30 age group, this study found the similarity in the Tier II city and a town between them. It also studied the attitude of the consumer towards the marketing strategies and the extent they would increase the sales.

ABSTRACT - Due to the rise in the standard of living and digitalization, the online fashion market has its prominent place in the Indian retailing of apparel and mobile phones. It is found to be the better alternative especially in tier II and other cities where there is no enough space for a mall. Two-thirds of the Millennials are shopping web. The belief that women shop more than men is proved false when we look at the statistics that 45 percent of the women shop online as against 55 percent of men [7]. There is a notable new trend of customers from rural areas apart from cities and towns who are visiting online stores. It is also estimated that India had a fashion retail market of Rs.3.2 lakh crores in 2017 [6]. The overall online purchase growth of smartphones is at 40 percent followed by fashion at 18 percent. Hence the paper is focused on identifying the strategies followed by the online stores and analyzing the customer purchase and attitude patterns in web shopping with a sample survey. It was found that the Flipkart's strategy of surprise check on sellers to ensure product quality and Amazon's strategy of efficient delivery would increase the sales among all age groups of the web shoppers. While the Amazon's strategy of introducing content with regional languages and virtual trial rooms would increase the sales among undergraduates, especially who don't have computer knowledge.

Keywords: age group, apparel, and mobile phones' purchase influence, marketing strategies, payment option, sales promotion, web stores, and web shoppers

I. INTRODUCTION TO WEB STORES

Flipkart is leading in its marketing of smartphones and fashion, while Amazon in grocery, appliances, media, and electronics [1]. Jabong launched luxury and designer segment to create a different experience for its customers while Myntra ensures its customers with its fashion adopting to the changing fad [6].

Myntra had a double-digit profit margin in 2017 by having marketed its own nine in-house brands in its virtual stores. It had a 1.2 billion-dollar sales in 2017[7]. Flipkart together with Myntra and Jabong has two-thirds of India's online fashion market[2]. The other web shops like Amazon, Paytm mall, snap deal and shop clues following it [1]. Flipkart has around 400 brands and 40 exclusive fashion collections [5]. Craftsvilla, an ethnic store is found in Flipkart, Amazon and Myntra stores.

II. REVIEW OF LITERATURE

Coming to the earlier studies, David, Elena and Detmar (2003) examined the purchasing intentions of customers and found that there exists a significant difference between the purchase intentions of potential customers and repeat customers [12]. Kotler and Roberto (1989) analyzed the social marketing strategies by conducting a field experiment for the target population. They found that the tangible products and intangible products have a different promotional management approach [13]. Roderick et.al (2007) studied E-marketing and reviewed international surveys. They suggested the success comes from the enhancement of marketing practices [14]. Kirthi and Shelby (2002) developed the e-marketing mix. They found out that there are more overlapping elements and it indicates the integration across them [15]. Gerald and Valerie (2000) suggested that interactive decision aids are

significant to influence consumer purchase decisions [16]. Audrey et.al (2007) found the need for SMEs to use e-marketing to its fullest potential. For this purpose, they developed an approach which could be economical [17]. Hsin et.al (2009) tested the customer satisfaction and loyalty with respect to perception. They found that e-service quality had an influence on the customer satisfaction and loyalty [18]. Jagadish and Arun (2005) found that international e- marketing strategies are changing and hence future strategies won't be having any essence of today [19]. Flipkart in its recent survey found that millennials of age 18-30 years prefer good camera while that of age 30-45 years prefer long battery life to purchase a smartphone. Black followed by blue and red are the most preferred colors.

Although the earlier study by Flipkart depicted the difference in consumers' purchase between Millennials and above 30 age group, this study found the similarity between them in the Nellore district. It also studied the influence of the marketing strategies on consumer purchase and the extent they would increase the sales.

OBJECTIVES

As the study was undertaken with a purpose specific to the marketing strategies of online stores and their influence on the consumers, the objectives are as follows:

1. To identify the marketing strategies followed by the online stores to improve their sales and thereby profit
2. To analyze the customer purchase and attitude patterns in web shopping.
3. To find out the extent new marketing strategies penetrated to the target customers.

III.   RESEARCH METHODOLOGY

The research is carried out with both primary and secondary data. The secondary data collection is made from the web sources. Primary data is collected with a questionnaire from millennials of 18-30 years and above 30 years in the Nellore district of Andhra Pradesh in India.

The strata were selected based on the recent trend of inclination of millennials towards the online purchase and usage of social media. Thirty samples of web shoppers were taken with a questionnaire for the purpose. Stratified sampling technique is used for the analysis of strata millennials and web shoppers of above 30 years. Of the 30 samples, 15 were millennials and 15 were above 30 years of age. t-test was conducted as the sample size is 30. The tool used for testing is SPSS software package.

Thought the scope is very less the testing is done to ensure its significance. It was also found by close observation during the data collection that, most of the online shopping is done by the millennials; and the middle age group are not directly purchasing online but will ask their children to purchase online and hence the millennials are choosing the websites they know. Hence, the research is found valid.

IV.   MARKETING STRATEGIES OF THE FIVE ONLINE STORES

a. Flipkart

When it comes to smartphones, Flipkart in its recent survey found that millennials of age 18-30 years prefer good camera while that of age 30-45 years prefer long battery life to purchase a smartphone. Black followed by blue and red are the most preferred colours[4].

Flipkart found that 32% of its sales were lost due to product cancellations and returns. So it is aiming to reduce product returns and improve its' customer experience. Flipkart is asking its' customers to give scores depending on the product and service quality of the seller. It is also encouraging competitive pricing and providing a new list of products depending on the popular customer searches. It also conducting surprise checks on sellers to ensure product quality[3].

b. Amazon

Amazon had its fashion studio in Gurugram to promote its brand. It also linked with shoppers stop to ensure faster delivery to the customers[5]. It is stepping into the grocery business to tackle the competition. It is planning to introduce trial room prime wardrobe in India and introducing regional languages in content for better customer experience. For efficient delivery, it is planning to geotag the entire country and Artificial Intelligence for recommending a specific product to the value chain[11].

c. Myntra and Jabong

Myntra TV will host shoppable videos and it will be a big move in branding its content and first of all in the web shopping[6]. It is focusing on a bunch of new categories-personal care, home, jewelry and wearable technology thereby gaining a new segment of the market. Expanding Roadster, its private label brand and Mango with around 10 and above stores across India is its new strategy of expanding its business. To improve its Net Promoter Score, it added a new element of try and buy, thereby allowing the customers to order different sizes for a style and buying the piece which fits best. To calculate the return ratio, Artificial Intelligence is being used [7].

Jabong is using online shoppable fashion week and ramp walk video to promote its brand. It also introduced an online shop to expand its market [6].

d. Craftsvilla

As an ethnic store base, it created its own brands such as Jharokha, Avanya, Anuswara, Mirwasa, and Sutva for handloom weaves and handicrafts. As it has customers are mostly women around 95 percent, it launched a campaign, MySareeMyStory to enable women to speak out how they overcome the stereotyping. It promoted its brand by advertising with themes like Hazaron rang, latestselatest and aaj jane ki zidd na karo [8].

e. Voonik

It personalizes the customer experience with its technology and lot of options [9]. Its sellers are the masters of the craft. It added kids wear to its product mix to penetrate into new segments of the market.it has

launched Voonik TV and entered into video commerce thereby promoting the brand and expanding its business. It is penetrating into rural markets with launching handloom.

V.   RESEARCH FINDINGS

- **A SAMPLE SURVEY OF MILLENNIALS**

53.33 percent of them had the town as their residence while 46.67 percent of them were from a city. The same proportion was followed in the case of gender.

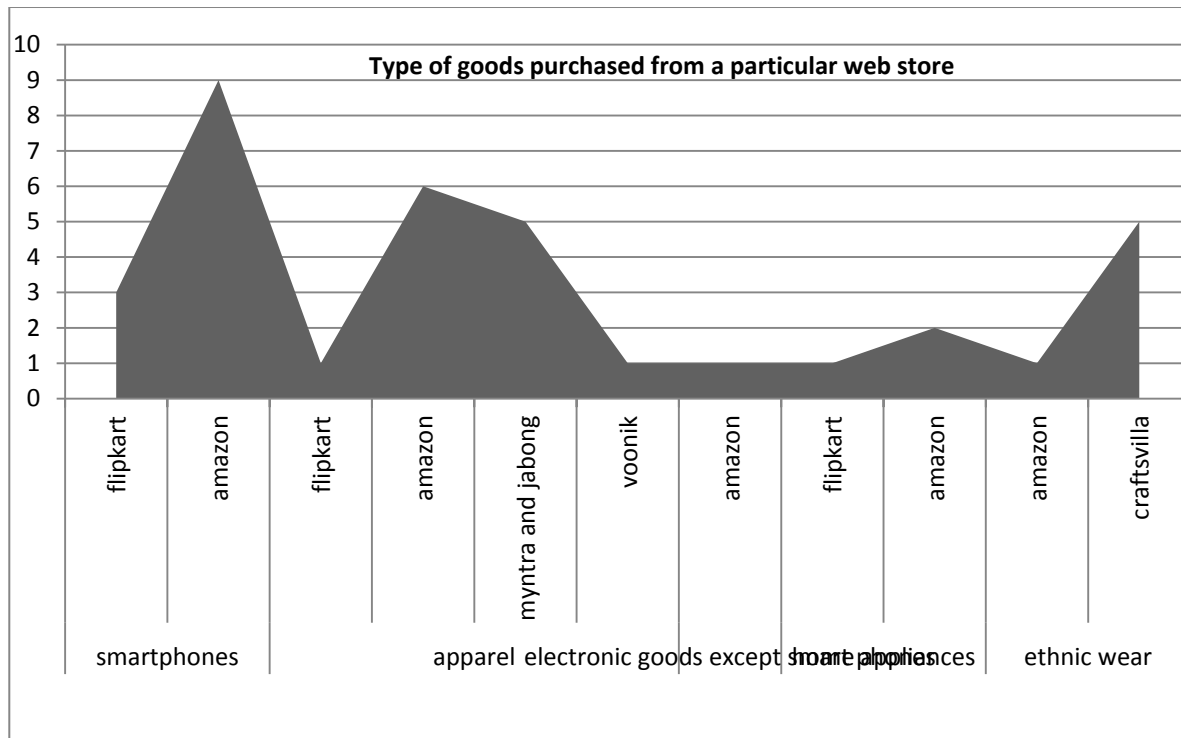b. **Type of goods purchased and the web store chosen**

Chart 1: types of goods purchased from a particular store by millennials

The selection of the web store was done based on the two factors: product and service quality and offers and discounts.

c. **Payment option**

10 out of the 15 millennials had their payment mode as cash on delivery while 4 of them had credit or debit card payment and the rest paid through internet banking.

d. **Preference to the types of sales promotions**

12 out of the 15 millennials were attracted to discounts/rebate sales for the purchase

e. **Marketing strategies of the online retailers' influence on millennials to increase the purchase**

Surprise check on sellers to ensure product quality and introducing virtual trial rooms could increase the purchase online for 12 millennials. 2 of the rest were of the opinion that trying different sizes and buying fitted one would increase their purchase online. Left

66.67 percent of them were graduated, 33.33 percent of them were post-graduated. 66.67 percent of them were students, 26.66 percent of them were employees and 2.67 percent of them were scholars. 33.33 percent of them earning 3 to 5 lakhs per annum.

a. **Purchase influence**

7 out of 15 millennials purchased online under the influence of advertisements. 5 out of 15 had social media influence while the rest had the influence of branding and social events.

out one was of the opinion that shoppable videos would increase the online purchase. It was observed that launching own brands, content with regional languages and efficient delivery would not affect the purchase increase in millennials.

- **A sample survey of above 30 years**

80 percent of the above 30 years age group had the town as their residence while the rest were from a city. 66.67 percent of them were female. 60 percent of them were graduated, 33.33 percent of them were post-graduated. 66.67 percent of them were students, 93.33 percent of them were employees and a housewife. 33.33 percent of them earning 7 to 9 lakhs per annum.

a. **Purchase influence**

9 out of 15 above 30 years age group purchased online under the influence of advertisements. 4 out of 15 had the influence of branding while the rest had the influence of social events.

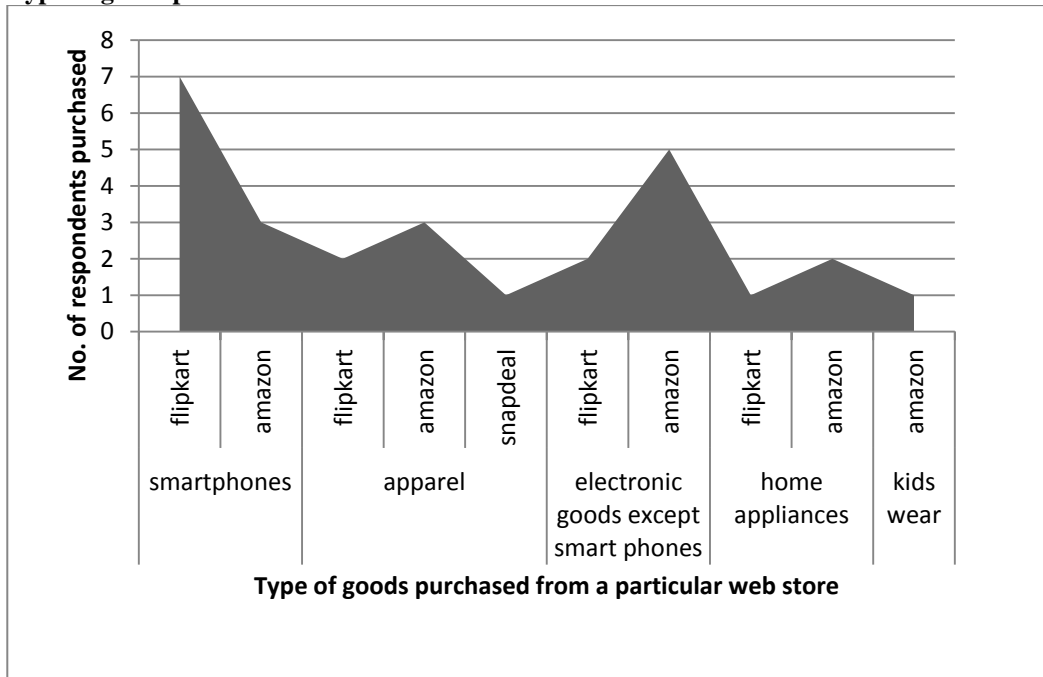**b.   Type of goods purchased and the web store chosen**

Chart 2: types of goods purchased from a particular store by above 30 years age group

The selection of the web store was done based on the two factors: product and service quality and offers and discounts.

c.   Payment option

9 out of the 15 above 30 years age group had their payment mode as cash on delivery while 4 of them had credit or debit card payment and the rest paid through internet banking.

d.   Preference to the types of sales promotions

12 out of the 15 above 30 years age group were attracted to discounts/rebate sales for the purchase while the rest were attracted to off-season reduction sales and festival incentives.

e.   Marketing strategies of the online retailers' influence on millennials to increase the purchase

Surprise check on sellers to ensure product quality and efficient delivery could increase the purchase online for 10 above 30 years age group. two of the rest were of the opinion that trying different sizes and buying fitted one and having content with regional languages would increase their purchase online. It was observed that introducing virtual trial rooms, shoppable videos and launching new brands would not affect the purchase increase in the age group of above 30 years.

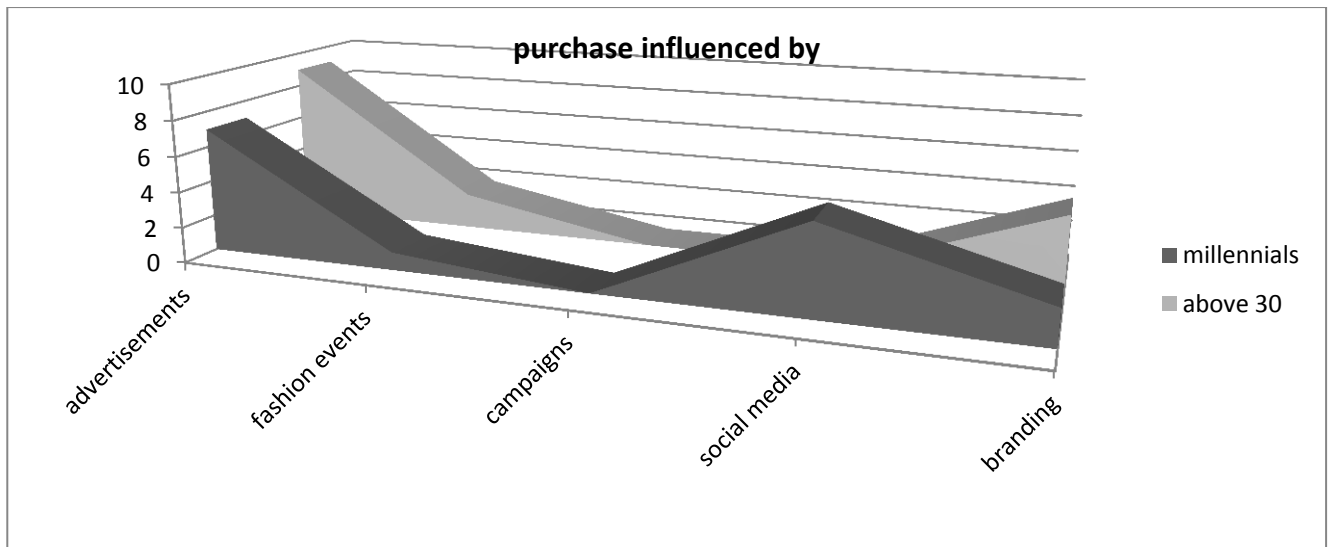•   **Illustrating different purchase influences of millennials and above 30 years age group**

Chart 3: factors influencing purchase by millennials and above 30 years age group
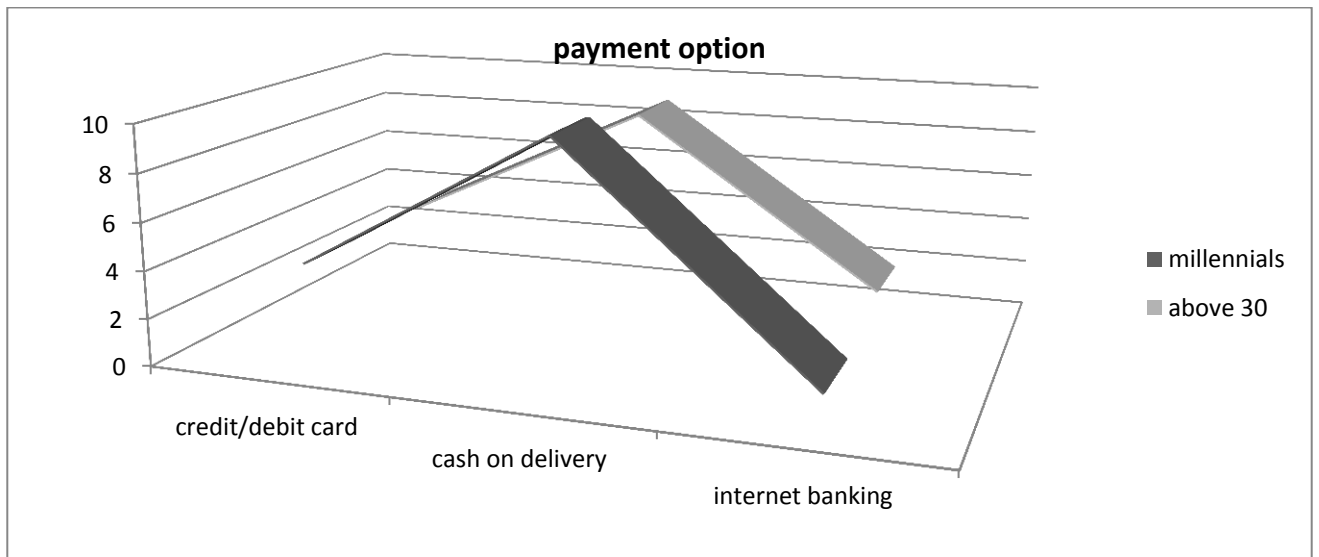
Chart 4: payment options are chosen by millennials and over 30 years age group
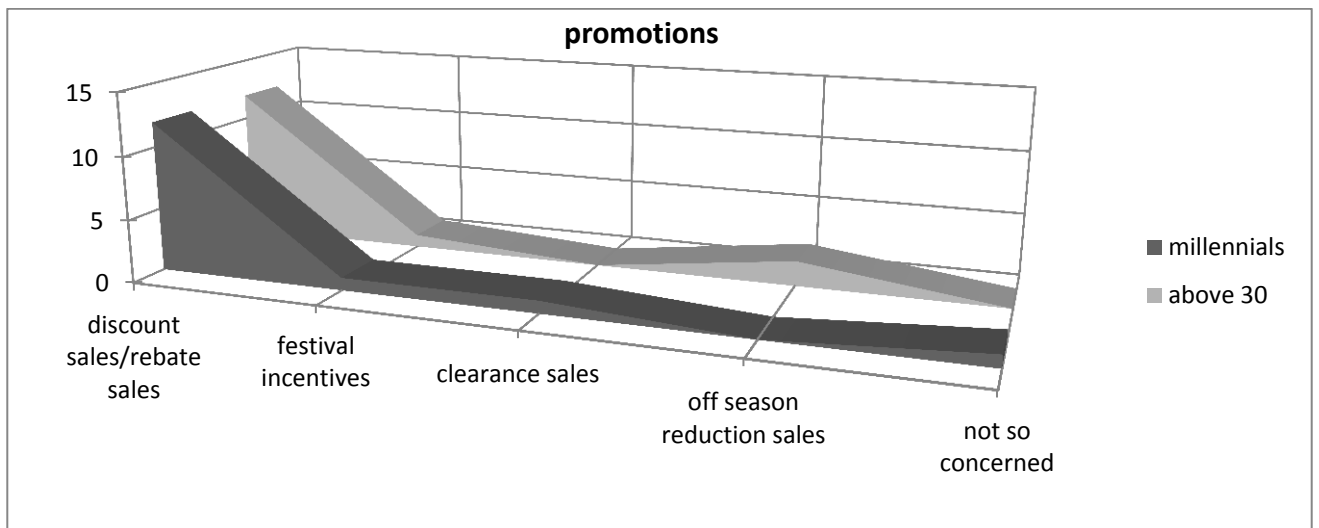

Chart 5: promotional strategies influencing the purchase by millennials and over 30 years age group
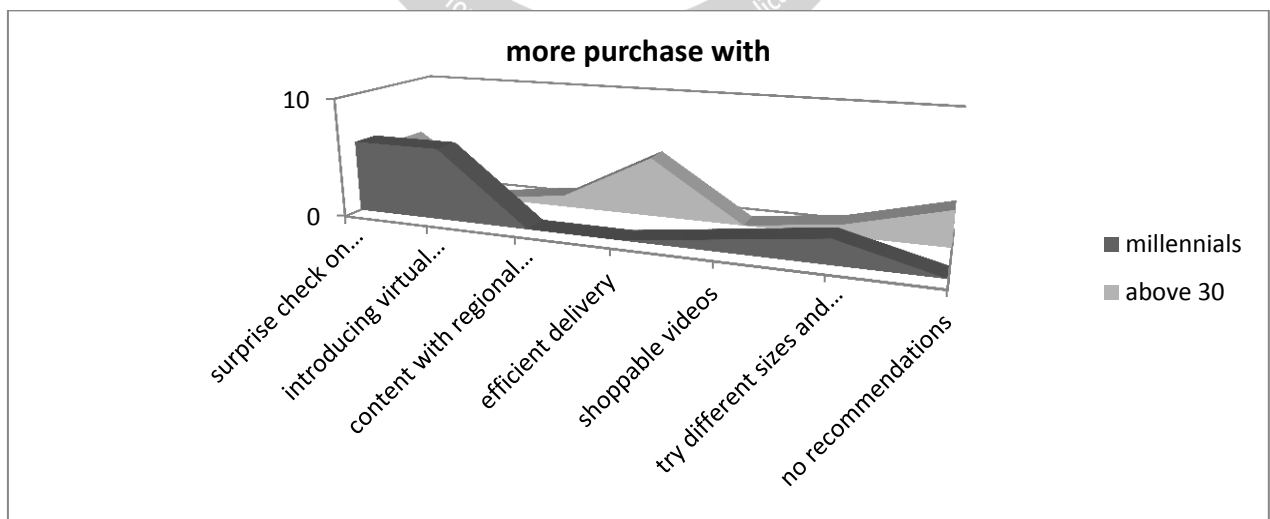

Chart 6: factors affecting the purchase increase in millennials and over 30 years age group

5.   RESULTS OF T-TEST

t-test for independent samples is conducted as the sample size is less i.e. n=30. It is conducted to determine whether there is significant difference between the two groups. Hence this test is selected to know whether there is significant difference between the purchase and preferences online for the millennials and above 30 years age group.

testing is done at 5% of level of significance. 5% of marginal error is allowed. So if the result contains more than 5% of significance at an F value then H_0 i.e. null hypothesis is accepted as it is beyond the error rate taken otherwise, the alternate hypothesis H_1 is accepted.

Independent Samples Test

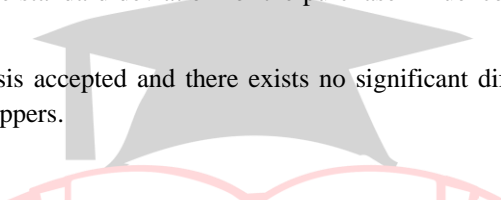|		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Purchase influenced by	Equal variances assumed	.240	.628	.594	28	.557	.375	.631	-.918	1.668
	Equal variances not assumed			.595	27.662	.556	.375	.630	-.916	1.666

Table 1: Independent sample t-test on the purchase influence of the two groups-Millennials and above 30 years age group

H_{10}: There exists no significant difference between the purchase influence on millennials and over 30 years web shoppers

H_{11}: There exists a significant difference between the purchase influence on millennials and over 30 years web shoppers

As significance value of 0.628>0.05, the standard deviation for the purchase influence on both millennials and above 30 years are nearly the same

The t-test concluded that null hypothesis accepted and there exists no significant difference between purchase influence on millennials and above 30 years web shoppers.

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Purchase increase with	Equal variances assumed	1.431	.242	-1.759	28	.090	-1.333	.758	-2.886	.219
	Equal variances not assumed			-1.759	26.370	.090	-1.333	.758	-2.890	.224

Table 2: Independent sample t-test on the attitude of the two groups-Millennials and above 30 years age group towards the marketing strategies

H_{20}: There exists no significant difference between marketing strategies that increase the purchase of millennials and above 30 years web shoppers

H_{21}: There exists a significant difference between marketing strategies that increase the purchase of millennials and over 30 years web shoppers

As significance value 0.242>0.05, F=1.431. The t-test concluded that null hypothesis accepted and there exists no significant difference between marketing strategies that increase the purchase of millennials and above 30 years web shoppers

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper

Problems faced	Equal variances assumed	4.023	.055	-2.975	28	.006	-1.867	.627	-3.152	-.581
	Equal variances not assumed			-2.975	27.344	.006	-1.867	.627	-3.153	-.580

Table 3: Independent sample t-test on the problems faced by the two groups-Millennials and above 30 years age group

H_{30}: There exists no significant difference between the problems faced by millennials and over 30 years web shoppers

H_{31}: There exists a significant difference between the problems faced by millennials and over 30 years web shoppers

As significance value $0.055 >= 0.05$, F=4.023. The t-test concluded that null hypothesis accepted and there exists no significant difference between the problems faced by millennials and over 30 years web shoppers

VI. CONCLUSION

From the testing conducted, it is found that there exists no much significant difference between the purchase influence, marketing strategies that attract and the problems faced by the millennials and above 30 years age group. It was also found by close observation during the data collection that most of the online shopping is done by the millennials; and the middle age group are not directly purchasing online but will ask their children to purchase online and hence the millennials are choosing the websites they know. Indirectly in most of the cases it is the millennials in the family who are choosing the online stores and making payments. Hence it is revealed.

From the research conducted with 30 samples, it was found that Voonik introducing kids' wear in its product mix has a little influence on the above 30 years age group as they were seen buying them from Amazon webshop. It was also found that the launching of new brands by Craftsvilla would not increase its sales while the Flipkart's strategy of surprise check on sellers to ensure product quality and Amazon's strategy of efficient delivery would increase the sales. The Amazon's strategy of introducing content with regional languages and virtual trial rooms would increase the sales among undergraduates, especially who don't have computer knowledge while the Myntra and Jabong's strategy of introducing trying different sizes and buying the fitted one would have some influence in increasing sales. The Myntra, Voonik and Jabong's strategy of introducing shoppable videos would have a minor effect in increasing sales.

The recommendations of the study were that online stores which ensure product quality, efficient delivery would increase the sales of them the most and allowing the consumers to pay on delivery will increase the consumer market of the online stores.

The further research can be taken up with a large sample size and including the rating and scaling techniques and testing with factoral and ANOVA analysis with cross tabulation to know the inter-relations and the exact factors affecting the consumers.

ACKNOWLEDGMENT

LIMITATIONS OF THE STUDY

The study was conducted with a meagre 30 samples so the results could not be applied universally mainly to the city population. This study might also not be applicable for affluent population and those who are techies.

REFERENCES

a. Websites

[1] This Is Why Amazon Hasn't Beaten Flipkart In India Yet. Available from: https://www.bloombergquint.com/business/2018/03/23/this-is-why-amazon-hasnt-beaten-flipkart-in-india-yet#gs.zTl8uyc

[2] India's Flipkart fashion arm says private labels post operating profit. Available from:

[3] https://retail.economictimes.indiatimes.com/news/e-commerce/e-tailing/indias-flipkart-fashion-arm-says-private-labels-post-operating-profit/60308943

[4] Flipkart has a plan to lower product returns, improve customer experience. Available from: https://economictimes.indiatimes.com/small-biz/startups/newsbuzz/flipkart-has-a-plan-to-lower-product-returns-improve-customer-experience/articleshow/65777000.cms

[5] Flipkart survey: people love notches, want high-performance chipsets. Available from:

[6] https://www.gsmarena.com/flipkart_survey_people_love_notches_want_highperformance_chipsets-news-32899.php

[7] Top two online marketplaces battle for pole position in fashion category. Available from: https://www.thehindubusinessline.com/info-tech/queen-of-the-ramp-flipkart-or-amazon/article9867788.ece

[8] Decoding the Future of Online Fashion Shopping with Gunjan Soni. Available from: https://www.indiaretailing.com/2018/05/21/fashion/decoding-the-future-of-myntra-jabong-with-gunjan-soni/

[9] We are defining what fashion is for consumers: Myntra, Jabong CEO. Available from:

[10] https://www.livemint.com/Industry/NbRXq7X1C2HYI6To3ikLKI/We-are-defining-what-fashion-is-for-consumers-Myntra-Jabon.html

[11] The Story of Craftsvilla's Growth in the Indian Market. Available from:

[12] http://www.adageindia.in/marketing/the-story-of-craftsvillas-growth-in-the-indian-market/articleshow/65748248.cms

[13] Exclusive: Voonik is Redefining Fashion E-commerce for Indian Masses. Available from:

[14] https://www.businessinsider.in/exclusive-voonik-is-redefining-fashion-e-commerce-for-indian-masses/articleshow/58044307.cms

[15] Fashion portal Voonik forays into video commerce. Available from: http://timesofindia.indiatimes.com/articleshow/59701317.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

[16] Amazon's India Strategy Post Flipkart – Walmart Deal. Available from: https://www.infoholicresearch.com/amazons-india-strategy-post-flipkart-walmart-deal/

b. Articles

[17] David, G., Elena, K., & Detmar, W.S. (2003). Inexperience and experience with online stores: the importance of TAM and trust. IEEE Transactions on Engineering Management, 50, 307-321.

[18] Kotler, P., & Roberto, E.L. (1989). Social marketing. Strategies for changing public behaviour. Free Press New York, 12, 401.

[19] Roderick, J.B., Heidi, W., Nicole, E.C., & Wesley, J.J. (2007). Is e- marketing coming of age? An examination of the penetration of e- marketing and firm performance. Journal of Interactive Marketing, 21, 2-21.

[20] Kirthi, K., & Shelby, M. (2002). The e-marketing mix: A contribution of the e-tailing wars. Journal of the Academy of Marketing Science, 30, 487-499.

[21] Gerald, H., & Valerie, T. (2000). Consumer decision making in online shopping environments: The effects of interactive decision aids. Retrieved from https://doi.org/10.1287/mksc.19.1.4.15178

[22] Audrey et.al (2007). E-marketing and SMEs: operational lessons for the future. Emerald Group Publishing Limited, 19,234-247.

[23] Hsin, H.C., Yao, H.W., & Wen, Y.Y. (2009). The impact of e-service quality, customer satisfaction and loyalty on e-marketing: Moderating effect of perceived value. Total Quality Management and Business Excellence, 20, 423-443.

[24] Jagadish, N.S., & Arun, S. (2005). International e-marketing: opportunities and issues. Emerald Group Publishing Limited,6,611-622.