



Pricing In Online Shopping

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ABSTRACT

E-commerce is at the heart of online buying. It's called "online shopping" when you buy anything through a website. Despite the rise of internet purchasing, brick-and-mortar stores continue to dominate the market. Controversy exists as to which is better, and this researcher has not yet found evidence of it. There is still a lot of focus on the merits and negatives of online purchasing, the dangers of e-commerce, and the advantages of e-commerce over conventional shopping. Brick-and-mortar, catalogue, and internet shops are more common in today's increasingly complicated retail landscape. Strategic management and coordination of both online and offline pricing are essential for success in today's changing economy. A conceptual framework and a study plan are outlined in this article, which summarises previous results from both offline and online studies.

KEYWORDS: Pricing, Online shopping, E-Commerce, Product

INTRODUCTION

One of the four "Ps" of marketing research, pricing plays a critical part in establishing a seller's profitability. These are known as the "4 Ps." In order to maintain a long-term revenue management plan, pricing strategy is critical. Getting the proper pricing for a product at a time when the firm's profits may be maximised while also not harming customers' perceptions of price is a difficult issue. With revenue management, the company's existing resources are best used and wasted as little as possible, resulting in maximum income for the organisation. When it comes to managing revenue in the electronic commerce sector, one of the most often used and effective strategies is dynamic pricing strategy, in which the price of a product is set in line with market demand and supply. Retailers from over the world are increasingly looking to India as a high-potential source of revenue. Just recently, Indian customers have started to realise the advantages of purchasing online. Although the number of Internet users is increasing, this hasn't translated to an increase in online sales. Thus, it is essential to analyse the aspects that influence Indian customers' online purchasing habits in order to discover a solution to encourage their online shopping habits. The goal of this research is to discover the elements that influence Indian customers' attitudes regarding online purchasing by analysing Indian consumers' risk perceptions about online shopping.

LITERATURE REVIEW

Bindia Daroch et.al (2021) The purpose of this research is to analyse customer attitudes regarding online buying and the numerous variables that restrict consumers' willingness to purchase online. The study's goal was to learn about the difficulties that customers have while searching for products from online retailers. Users of online shopping sites were polled as part of this study, which used a quantitative approach. E-tailers engaging in e-commerce operations, whether customer-to-customer or customer-to-the-business, may benefit from this research. Managerial recommendations are made for enhancing online retail marketing methods in order to build customer trust. This study, in contrast to earlier ones, tries to discover the characteristics that prevent customers from purchasing online in the first place.

Zuzana Svobodová et.al (2020) Online buying habits are becoming more important as the industry grows and develops further and farther. Customers' online buying habits must be taken into account while developing and executing an e-commerce strategy for long-term success. An online customer's viewpoint on e-commerce strategy is examined in this research. E-commerce companies that specialise in the online sale of electronic goods are the topic of this research, which seeks to assess their strategic position in the eyes of their consumers. As a starting point, we'll look at what's driving people to purchase for electrical goods online right now. E-commerce enterprises' present economic performance and financial strategy are examined in the second objective of the study.

Nebojša Vasić et.al (2019) There are a variety of elements that affect how satisfied consumers are with internet purchasing. The issue of what factors influence consumer happiness while purchasing online is a reoccurring one in the marketplace. Underdeveloped marketplaces, where internet commerce is scarce, are especially vulnerable to this problem. It is vital to investigate and evaluate the link between consumer happiness and many characteristics in order to improve online commerce participation. That's why the study model developed in this work is designed to evaluate which online purchase characteristics affect customer satisfaction in Serbia. There are 26 components in the conceptual model, which are divided into seven variables: security, information availability (informational security), shipping (quality), price (time), and consumer happiness (customer satisfaction). Surveys and relevant Internet technologies were used to gather input model parameters for the survey. Confirmatory Factor Analysis and Partial Least Squares were used to test the model's validity. The results of the investigation show that consumer satisfaction in Serbian online shopping is closely related to the following factors: security, information availability, delivery, quality, price, and time.

Jozef Bucko et.al (2018) Finding out what influences people's decision-making when it comes to purchasing products online is the goal of this study. We looked at the factors that influence online shoppers' choices. With the use of principle components analysis (PCA), these requirements were reduced to seven elements. The new factors we constructed matched the data well in our model, so we ran a confirmatory factor analysis to make sure they were correct.

Dilip Kumar Sinha (2017)The CPI must be used to calculate retail inflation that accurately reflects the real-world impact of rising prices on consumers. This necessitates that the consumer price index (CPI) be a true reflection of prices paid by the general public, taking into account their purchasing habits. In recent years, e-commerce has become an integral part of our daily lives. Since pricing on the web-based marketplaces are more competitive than those of brick-and-mortar stores, people, particularly in metropolitan areas, prefer to buy products and services online instead of visiting physical shops. Consequently, collecting CPI prices only from physical stores will diminish the property of representativeness in the years to come. Consider including prices from online retailers into the CPI as soon as possible. That CPI was brought out for all citizens of India is acknowledged by this document. Using scanner data and on-line pricing to compile price indices has also been an effort to keep track of global developments. This activity has also been evaluated in terms of its potential and its potential obstacles. It has been recommended that in order to overcome the difficulties of including pricing from online retailers into index compilation, an Indian context has been taken into consideration.

METHODOLOGY

The research is both exploratory and comparative. Its goal is to learn more about how people see internet purchasing from the perspective of the customer. Research design and methods are discussed in this section. A well-defined questionnaire was used to collect the necessary data for the investigation. Collecting the information for this research required conducting a direct survey. Surveys were conducted mostly among students at Madras Christian College and Madras University. On-line retailing literature was used to operationalise all of the variables. People's Internet habits were examined in the first section of the questionnaire by asking them about their browsing habits, how much time they spend on the Internet, and what they buy online, as well as how often they buy things online. The second portion of the survey included questions about all factors, including questions about internet buying. This survey used a Likert scale ranging from 1 (strongly disagree) to 6 (strongly agree). The third section included demographic information such as gender, age, educational attainment, and income.

Explanatory Research Design In this study, an explanatory research design has been selected for describing and explaining the relationships among variables such as convenience, time-savings, price, product variety, intention to purchase apparel online, and antecedent variable such as user types (Amazon Prime member and non-Prime shopper). An explanatory research design is a correlational design in which the researcher describes and explains the degree of association (or relationship) between two or more variables.

Sampling method

Convenience sampling was conducted to select a sample from the population. Convenience sampling is a type of non-probability sampling method which allows researchers to collect data from the members of the population who are willing and available to be studied. Most researchers find convenience sampling an appealing option due to the numerous advantages it offers, which include expedited data collection, ease of research, the ready availability of data, and cost-effectiveness.

RESULT

Correlation

The Pearson product-moment correlation coefficients shown in Table 1 suggest that the constructs under research have strong and positive correlations. A p-value of less than 0.01 indicates that the correlations are significant. Convenience was shown to have the greatest linear association with the intention to buy clothes online ($r = 0.820$, $p\text{-value} = 0.000$). Hypothesis 5 is accepted since it is the most likely outcome. Therefore, there is a positive correlation between convenience and the desire to buy clothing online.

Table 1

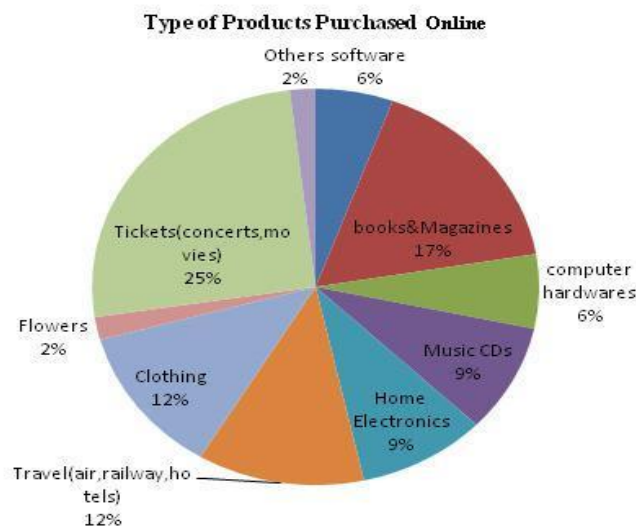
Pearson's Correlation Coefficients Matrix

Variables	Purchase			Product variety
	intention	Convenience	Time-savings	
Purchase intention	1			
Convenience	0.820**	1		
Time-savings	0.640**	0.705**	1	

Price	0.677**	0.663**	0.624**	1
Product variety	0.771**	0.794**	0.637**	0.696** 1

The instrument's dependability was tested in this investigation, and the results are summarised in Table 1. To guarantee validity, reliability, and appropriateness of fit across variables, all items assessing the chosen research constructs in this study were derived from prior similar studies in the area of online purchasing behaviour.

Type on Product purchased online



Out of the 100 people polled, it is clear that 5.6% bought software online, 16.74% bought books and magazines, 6.05% bought computers and hardware, 8.84% bought music and CDs, 9.3% bought home electronics, 12.09% bought travel services like airlines, rentals, hotels, 12.09% bought clothing, and 1.86 percent bought a lot of other stuff.

Table 2 DECISION TO PURCHASE ONLINE

	N	Mean	Std. Deviation
Delivery time	100	4.07	1.289
Reputation of the company	100	3.97	1.049
Guarantees and Warantees	100	4.21	1.094
Privacy of the information	100	3.97	1.193
Nice description of goods	100	3.97	1.105

Security	100	4.22	1.079
Prices	100	4.26	1.088

With a mean of 4.26, it's evident from the table above that product prices are the most significant determinant of online goods purchases. With a mean of 4.22, the security of the items is the second most important aspect, After delivery time, guarantees and warranties are the third most influential aspect on online purchases, with a mean of 4.21 out of 5 points. Following reputation as a determining factor is a mean score of 3.97 for each of the following three factors: information security, privacy, and an appealing product description.

CONCLUSION

As a result of the COVID-19 epidemic, the e-commerce market in goods and services will have to adjust to the new environment for a long time. E-commerce companies like as Alibaba and Taobao came from relative obscurity during the SARS (Severe Acute Respiratory Syndrome) outbreak in 2002-03, as well as an increase in teleworking services and B2B and B2C e-commerce. COVID-19, on the other hand, has the potential to spur greater digitization of society and the establishment of legislation and norms to govern online trading. E-commerce's future is anyone's guess. Diverse areas, such as travel, tourism, electronics, hardware, and clothes, are expected to increase in the future. Other factors that will help the E-Commerce industry in India grow include replacement guarantee, M-Commerce services, location based services, multiple payment options, right content and shipment option; the legal requirement of generating invoices for online transactions; quick service; T&C should be clear & realistic; the product quality should be the same as shown on the portal; and a dedicated 24/7 customer care centre should be tasked with answering questions.

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