

AUDIENCE MATTERS

ONLINE SHOPPING and SECURITY now go hand in hand!

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In India, Online shopping is making headway and more people are getting attracted towards shopping through e shopping as it is the easiest way of buying products while taking advice through experts and many online friends, which is a nice concept.

The best change that online shopping has brought to earlier means is that one can easily make payment through credit or debit card and get the product right at their doorsteps. Online shopping in India has reached high end societies where most of the people don't have time to go out for shopping. Social shopping has helped old people who cannot go out for shopping and also men who are not interested in shopping.

Online shopping is not only helping the customers but also helping the brands who sell number of products in just one click of customers. The Catwalk Shoes have also looked at newer mediums of reach for their target through online and television sales which have shown immense people buying shoes online. They have clocked 300 pairs being sold from sites like fashionandyou in a span of 3 days, which is very high.

Talking about the online shopping medium, Navmeet Arora, Head-Business Development, Catwalk Worldwide Pvt Ltd says, "Definitely it is and it is here to stay as shopping online results in a substantially increased sense of freedom and control as compared to offline shopping. The benefit is high as we can reach the broader audience with much less cost of selling and can offer them better pricing than in-store shopping. The advantages as mentioned earlier are reaching broader audience with much less cost of selling but on the other hand for our product category. Physical trail is an integral part of buying, which we are tackling by offering a "If you like it then pay it" kind of schemes. Pricing is definitely 20-30% lower in online shopping".

Arora continues, "We are very aggressive in promoting online shopping tie-ups with different portals like BSB, Fashionandyou, HS-18, 99 labels.com and offering very attractive pricing to customers and giving them the freedom to try the shoes and then pay it. We are the No. 1 Ladies footwear brand in India and are always in quest of strengthening our position by bringing international trends and fashion at very affordable pricing".

Adding about the growth of online culture, Sanjay Gupta, MD, Global Advertisers says, "Digital Technology is growing by leaps and bounds. Millions of people are using Internet for their personal and professional purposes therefore I believe online shopping empowers these very consumers to choose and to shop without going anywhere! The latest advertising trend also suggests that brand needs to invest on digital interface. Now consumers are

more internet friendly they buy clothes, Gifts, book tickets and make payments through websites. Things have become so easy that nobody in Tier I and Tier II cities like to spend hours in long queues. Everyday there are thousands of new users adding on world wide web for various functions so I am sure that down the line 3 years online shopping will become the most significant consumer behavior”.

Gupta adds, “Presently the online shopping culture in India is at growing stage, companies of all sectors (Telcomm, Retail, Food, Tourism) are making their presence felt on the internet by doing brand activation exercises which are quite successful in terms of monetary gains and brand awareness. Offline shopping is more of experience oriented shopping where the online is a way to save time so I believe it completely depends upon the customers preference and need. As an advertiser I think shopping at any junction becomes lucrative when it serves you with good options”.

According to the recent Nielsen report, more than eight out of ten Indian online consumers plan to shop online in the next twelve months, more than a quarter indicate they spend upwards of 11 percent of their monthly shopping expenditure on online purchases, and 71 percent Indians trust recommendations from family when making an online purchase decision, followed by recommendations from friends at 64 percent and online product reviews at 29 percent. The report also states that half the Indian consumers (50percent) use social media sites to help them make online purchase decisions, online reviews and opinions are most important for Indians when buying Consumer Electronics (57percent), Software (50percent), and a Car (47percent), more than four in ten Indians are more likely to share (post a review or Tweet or review) a negative product or service experience online than they were to share a positive experience. Also, in the next six months Indians are most likely to buy Books (41percent), Airline ticket or reservations (40percent), and Electronic equipment like TV, Camera, etc. (36percent) online. When shopping online, one third of Indians (33percent) purchase most frequently from websites which allow them to select products from many different stores.

When it comes to online shopping, people in India were very skeptical about the security but gradually they are relying on the medium and this is proved by the increase in number of online transactions. Gupta says, “Security issues have been a major hindrance for the growth of online shopping. I think there should be more stringent system to cover up the confidential details of the users. The online banking system further improved the online shopping trend of customer but I think there should be more transparency of the accounts for the user”.

Talking about the benefit of online shopping to Itz Cash Card, Shekher Srivastava, VP – Marketing, Itz Cash Card Ltd. says, “Online shopping is indeed a demanded category by our customers. We have been associated with some of the best online shopping providers thus providing convenience to our 10 million card holders. Shopping is one of the prominent categories of our business matrix and contributes 6-8% of our business utilization. It also helps in customer acquisition”.

According to Himanshu Srivastava, Vice President - Strategy, TechProcess Solutions Ltd, “TechProcess has witnessed a 25% growth over the past year in average transaction volumes for its online payment business while this is mainly due to acquisition of several large web merchants, it can also be attributed to the growing confidence of consumers in using the online medium to transact. TechProcess’ payment gateway is integrated with over500 of India’s leading web merchants & 24 of India’s leading public sector, private & foreign banks to effect online payments through net banking. In addition to net banking, TechProcess also supports payments through credit cards, debit cards, & cash cards. In the

current financial year, online shopping/services has contributed to about 16% of the total transaction volume & we expect these volumes to further increase”.

About the increase in number of people relying on online shopping, Himanshu adds, “Previously, there was resistance on part of customers to share details online, as security of payment transactions was one of their chief areas of concern. However, now there is a steady growth of internet users in India that are relying on the medium and quite comfortable disclosing their details online; this change could be attributed to implementation of security standards by banks & also increased consumer awareness. RBI has mandated security measures to be put in place by banks to decrease online fraud, e.g. the 2nd Factor Authentication Process for online credit card transactions that became mandatory in August 2009. With such processes in place, consumers feel more confident transacting online”.

Himanshu continues, “Additionally, there is quite a bit of media coverage on e-commerce & security; banks also make it a point to educate & inform their customers on any new security policy that is implemented. Thus, increasing usage & tested fool-proof security policies has led to end users getting more comfortable with online payment transactions. TechProcess’ payment gateway is ISO 27001:2005 and PCI-DSS certified, these are globally recognized information security standards. Through the TechProcess Payment Gateway, customers can transact online without fear of their personal and confidential information being compromised. Stringent security measures are adopted to ensure that critically sensitive information is protected”.

On the similar lines, Shekher adds, “One of the reasons is the high security measures undertaken by various payment solution providers. These providers adhere to all the compliances and adhere to best industry practices. Second is the high delivery ratio of the shopping portals. On time delivery in association with the logistics partners have built enough faith on the service providers. Alternate payment solutions like ItzCash which is a “use and throw prepaid card” and encourages use of new card easily obtainable on the retail network for another transaction is also a driving factor. Customer, without fear of fraudulently, being cheated, can boldly shop online. We have taken all possible measures with regards to customer security thus providing him a seamless experience while doing transaction online”. It has been widely seen that Indian customers still are in favor of traditional shopping.

On the same, Shekher says, “In India, there is a demographic divide which has been built up to support various formats of market. On one hand you have the traditional shopper who believes in the touch and feel concept and on the other had you have the modern shopper who likes to purchase from the virtual world. Though the graph tilt towards the traditional shopper but with better awareness initiatives, emerging alternate payment solutions like cash cards becoming mainstream will sooner than later shift the habit to virtual shopping from traditional shopping”.

When asked Himanshu, where does he see online shopping 5 years down the line, he says, “As stated previously, we feel that internet mobile will really push online shopping among the masses, mainly due to the cost & convenience factors. There will be a much more enthusiastic adoption of online shopping – especially among the young 25 to 34 age group, where electronic commerce seems to be the rule rather than exception. Today, shopping is the 10th most popular online activity in India (as per various studies) ranking below social networking, news and travel, but picking up more visits than government, music or sports websites. We feel that as the e-commerce market matures, online shopping will develop & gain more popularity, and will mirror the trend from the more developed markets”.