

Online Shopping System in Social World

Mr.M.K. Shrivastav

Assistant Professor
Department of IT
SRM University
NCR Campus, Modinagar

Rahul Shukla, Shivam Sharma

B.Tech Student
Department of IT
SRM University
NCR Campus, Modinagar

ABSTRACT

While social interactions are critical to understanding consumer behaviour, the relationship between social and commerce networks has not been explored on a large scale. In our study, we focus on how an individual's commercial transactions are embedded in their social graphs. By studying triads and the directed closure process, we quantify the presence of information passing and gain insights into when different types of links form in the network. Using seller ratings and review information, we then quantify a price of trust. How much will a consumer pay for transaction with a trusted seller? We conclude by modelling this consumer choice problem: if a buyer wishes to purchase a particular product, how does (s) he decides which store to purchase it from? By analysing the performance of various feature sets in an information retrieval setting, we demonstrate how the social graph factors into understanding consumer behaviour.

Keywords - E-Commerce, Viral Marketing, Recommender Systems, Triadic Closure, Price of Trust

INTRODUCTION

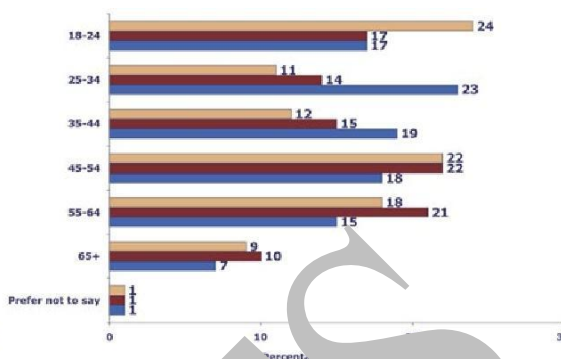
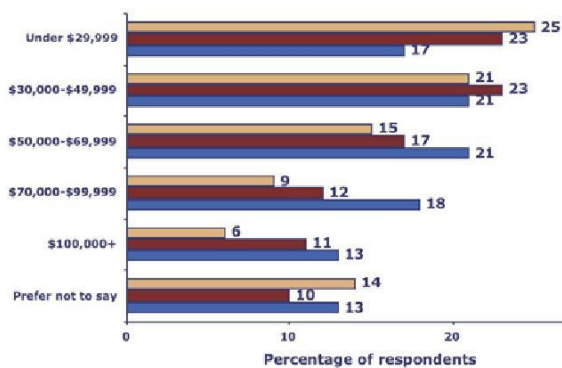
Use of personal social networks to gather information is fundamental to purchasing behaviour. It is something so common in our daily routine that we usually do not even make a note of it. When we make a purchase from a retail store, we often speak beforehand to the shopkeeper about suitable products. When we need to purchase something we are unfamiliar with, we consult our friends and family for advice. When we purchase a popular new product, we have an urge to tell everyone we know about it. Although personal social networks are implicit in the offline shopping experience, their introduction is relatively easy. Although e-commerce offers some challenges to retailers (such as easy comparison shopping driving, down margins), it also offers fantastic opportunities to firms that can provide an exceptional customer experience. The most successful retailers will deliver excellence throughout the entire shopping journey. Delivering an excellent shopping experience entails providing proper messaging and support to make customers aware of a product, offering information that is organized in a compelling fashion to help with research and consideration, and creating a seamless purchase process. After the sale is made, the work is not done. The most successful retailers ensure that the delivery process is efficient and reliable, and that customers receive an outstanding post-purchase experience, including follow-up with relevant and compelling sales offers and coupons. Understanding how social networks are used and how they shape purchasing decisions is one of the fundamental interests of e-commerce. Only recently have social networks been used in e-commerce applications to some success. For example, group purchasing companies such as Group on and Living Social allow consumers to come together to buy products in bulk and save money, while social shopping sites such as Kaboodle provide consumers the ability to share shopping lists with each other. The use of social networks in online shopping provides marketers and businesses with new revenue opportunities, while providing consumers with product information and both economic and social rewards for sharing.

The fundamental process we focus upon throughout this study is what we term information passing: an individual purchases a product, and then messages a friend, what is the likelihood that the friend will then purchase the product? Where will the purchase it from? Understanding the flow of social influence in commerce networks is an important question. For example, information passing provides insight into how

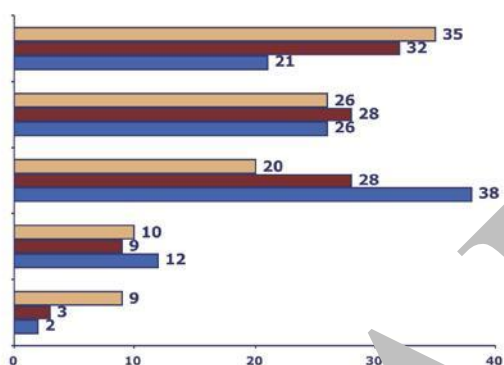
companies can structure online viral marketing campaigns to target consumers. It can also be used to optimize algorithms within product recommendation engines. However important information passing is to electronic commerce, it still has not been well studied on a large scale due to the inaccessibility of suitable data.

Online buyers and shoppers by income

online buyers and shoppers by age



Online buyers and shoppers by education



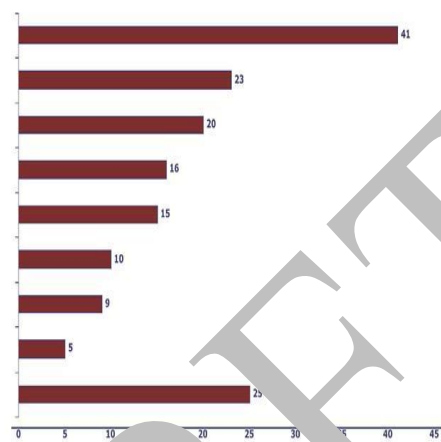
Online Consumer’s Experience

Customer expectations are higher than ever before – and technology is one of the major drivers behind the change. Not long ago, waiting until business hours to ask a question or receive customer service help seemed reasonable. Today, a detailed website, an effective social media presence and access to customer service any day and at any time through multiple channels represents the minimum customer service offering necessary for an engaged organization. In addition, the entire shopping process must be seamless and intuitive from marketing to fulfilment and beyond. Multi-channel commerce refers to customers interacting with companies through more than one method. Consumers sometimes buy at a retail store and sometimes online. Just as an omnivore consumes plant and animal matter, omnichannel is the most-effective approach when appealing to today’s consumer. Omnichannel shoppers typically spend 30 per cent more than average customers – in some cases, omnichannel shoppers make 3.5 times the purchases of typical customers. Not only do customers expect the same level of service, pricing and variety, regardless of which channel they peruse, they also expect the channels to work together seamlessly. For example, customers expect that they will be able to return a product they bought online to a retail store. A savvy retailer will view this as an opportunity, not a cost, since it provides an opportunity to interact with the customer, discover the source of dissatisfaction and perhaps replace the sale or even upsell to a new item.

Why Buy or Not Buy Online

Online purchasing appeals to users consumers in many ways. More than 55 per cent believe researching and browsing to compare prices is easier online than in physical stores.⁹ Thirty-nine per cent of consumers report that browsing online provides a greater selection than browsing in physical stores, while 22 per cent report that buying online is less expensive than in physical stores. The most important factor cited by consumers who do not make purchases online was uncertainty of various costs and product quality. When asked for the two most important reasons preventing them from buying online, 41 per cent of respondents cited concerns about shipping price and 23 per cent cited customs, brokerage or duty costs. For others, concerns about product fit (20 per cent) were important. The implications for retailers are clear: make sure the total price of a purchase is transparently and comprehensively communicated, and ensure that product quality and fit is guaranteed. The best practice is to provide a generous return policy and include a return shipping label with the original purchase.

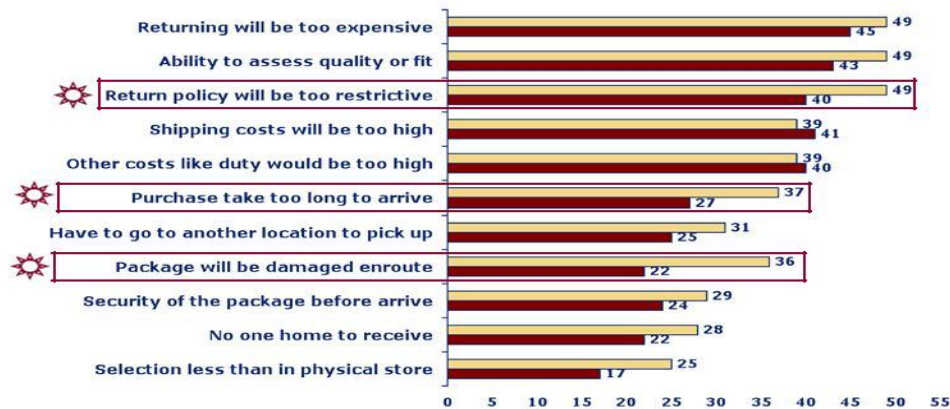
Reasons for never purchasing online



Shopper/Buyer Concerns about online shopping

Even among consumers who are active online buyers, concerns exist about shipping and delivery costs, selection, fit and returns. The nature of these concerns, however, deals mostly with uncertainty and inconvenience. Online shoppers' top concerns were with returns (would be too expensive, 49 per cent, and policy would be too restrictive, 49 per cent), product suitability (ability to access the quality or fit of the item, 49 per cent), and costs (shipping too high, 39 per cent, and other costs, 39 per cent). The next most important concerns dealt with implications of the shipping process (purchase will take too long to arrive, 37 per cent, and the package will be damaged en route, 36 per cent). In the following graph, the beige bars refer to online shoppers (customers who research online but do not make purchases). The red bars refer to Customers who made an online purchase more than three months ago. Three items show large differences between online shoppers and online buyers: "return policy will be too restrictive," "take too long to arrive" and "package will be damaged en route." All of these highlight the important role shipper's play in the online buying experience. To encourage shoppers to buy online, retailers need to clearly and unequivocally stress that their return policy is consumer friendly. Retailers also need to carefully consider the shippers they use given the importance placed on the protection of packages from damage or loss, and the speed and convenience of delivery. The concern about purchases taking too long to arrive implies the need to present shoppers with shipping speed options as well as accurate expected delivery dates at the time of purchase. Otherwise, retailers risk having an abandoned shopping cart. Shoppers also need a convenient delivery experience should they not be home at the time of delivery; 31 per cent of them are concerned about having to go to another location to pick up a purchase and, similarly, 28 per cent are concerned about not being home to receive the purchase. Clearly, the other location should be as convenient as possible to shoppers and should be chosen by them at the point of purchase – at the Web store.

Shopper/buyer concerns about online purchasing



SHOWROOMING

Show rooming is when potential customers browse for products in retail stores and perhaps try them out before searching for the product online to find the lowest price. There are Smartphone apps that make this process easier by enabling the customer to scan the barcode of the desired item and then automatically directing the consumer to a website offering with a convenient “buy it now” button that offers the product at a lower cost. In this case, the retail store has provided the space, sales service and inventory, but receives no financial benefit. An observant retailer can identify this activity and try to salvage the sale and customer relationship.

CONCLUSION

Canadian shoppers’ attitudes and satisfaction have clearly changed when it comes to the internet – online buying and shopping has become mainstream. Most Canadian consumers are comfortable with the process and, motivated by choice, convenience and overall cost, almost all are using the internet at least during the shopping and comparison phase. To attract attention and generate consumer demand for products and services, retailers need to deploy digital and physical promotional methods. The challenge for Canadian retailers now centres on providing the best customer experience and ensuring it melds seamlessly within an overall omnichannel strategy. Canadians want to easily research and compare products, engage in a discussion where required and have complete clarity when it comes to the total purchase cost as well as delivery and return policies. The major source of remaining anxiety is centred on questions of package security in transit and uncertainty about taxes and fees. Finally, retailers must adapt to all types of browsers and devices, as Canadians use all of them to make online purchases. Mobile devices are becoming increasingly important. The challenge is not only to make sure that shopping applications work on each device, but also that they make the best use of the features of each platform. Customers are interested in hearing from retailers through digital and physical channels. In addition, customer expectations are always growing. Savvy retailers will embrace the challenges and constantly improve the online shopping experience.

REFERENCES

1. The Role of Social Networks in Online Shopping: Information Passing, Price of Trust, and Consumer Choice By Stephen GuoStanford UniversityStanford, CA, USA (sdguo@cs.stanford.edu)
2. Online Shopping Research Paper (<http://onlineshoppingpaper.blogspot.com>)
3. Customer Satisfaction Towards Online Shopping with special References to Teenage Group of Jorhat Town By ArditaGoswami (<http://www.theglobaljournals.com>)