

**Competitive advantage attributes of an e-retailer over other e-retailers through  
differentiated marketing**

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## **Competitive advantage attributes of an e-retailer over other e-retailers through differentiated marketing**

### **Abstract**

**Purpose:** To study the major attributes that will provide competitive advantage to an e-retailer over the other e-retailers so as to carve out a space in the rapidly growing e-retail industry.

**Sample:** Survey of 100 respondents and 10 member Focussed Group discussion.

**Methodology:** A survey was designed based on the Independent variables and Likert scale was used to analyse the responses. Factor analysis to combine overlapping factors was done to ultimately arrive at the major factors

**Findings:** Independent variables viz., trust, convenience, advertisement, services and perception are significant factors imparting competitive advantage. However, Convenience has the highest weightage followed by trust.

**Conclusion:** An e-retailer focussing on these factors can differentiate its offering from its counterparts.

## **Competitive advantage attributes of an e-retailer over other e-retailers through differentiated marketing**

### **Introduction**

In recent years, online shopping has become the norm and all over the world, customers prefer to shop online as it has many advantages. On the customer's side, online shopping has eliminated such traditional shopping inconveniences of battling crowds, standing in long checkout lines and fighting for parking spaces at a busy mall. Customers are also able to compare the available products on different dimensions from a variety of various outlets through the internet, without spending a lot of time searching. In addition, it allows customers to browse online shopping web sites in the privacy of their home. On the business's side, the internet is significantly changing the way e-retailers present, advertise, sell and communicate with customers. Furthermore, it offers retailers a global marketplace that extends well beyond the traditional geographic markets serviced by their physical stores. Though an increasing number of consumers are turning to the Internet to make their purchases, yet, many e-retailers are going out of business or retrenching due to increasing number of competitors. Consumers are becoming savvier about online shopping, and increasingly judging e-retailers based on their experiences across the Web. To stay ahead of their rivals, e-retailers need to gain competitive advantage. One way to do this is to attract more customers and increase customer retention, for which e-retailers need to know what evaluative criteria consumers use when selecting an e-retailer.

The battle for primacy in India's blooming online retail industry is primarily waged on two fronts – electronics and fashion. But it is fashion and apparel that is of interest to the retailer as this segments offers huge margin. While portals such as Flipkart, Amazon and Snapdeal are jostling for the top position with e-retailers such as Jabong and Myntra, a new breed of fashion e-retailers are gaining attention. Multibrand fashion portals like Zovi and Yepme have tried to make their mark prominently in India's e-retail sector. With the increase in internet penetration across the country, it is expected that every e-retailer with similar product offering will have the same advantage to capsize the market. Thus, under such circumstances, when each retailer is trying to capture market share by making huge investments and coming out with innovative ideas like same day delivery, it becomes utmost important that the e-retailer strategize their plan taking into account their core competence such that they may differentiate their offering from other e-retailers.

A recent study demonstrates that electronic commerce constitutes an alternative to traditional brick-and-mortar shopping channels (Pavlou & Gefen, 2004). Even so, the Harris and Goode (2004) study of on-line buyer-seller relationships established that attracting new on-line customers and retaining existing ones is not easy. Indeed, in recent years, both academicians and practitioners have paid increased attention to the issue of on-line customer retention. This focus is essential, because not only is the cost of retaining existing

customers less than that of acquiring new ones, but also existing customers cost less to maintain than newly acquired ones (Lam, Shankar, Erramilli, & Murthy, 2004; Reichheld, 1996). Lam et al. (2004) even argue that “customer retention has a powerful impact on the performance of service firms and is considered by many service firms as an important source of competitive advantage”.

At a point when growing number of people are shopping online, the more an e-retailer is aware of the consumer perception, the more it is beneficial to their business. As per the researches done in this field earlier, few of the factors that seem to provide distinguishing factors are : User Interface, Coupons/Offer, Pricing of the product, pricing of the product, delivery speed and variety of offerings. On the basis of this, the empirical study will help to quantify how much of each of these factors and other factors that will be taken into consideration for the study, impact the mind-set of the consumer and enable an e-retailer to differentiate itself from others. Depending on the strength of each of these factors, the e-retailer can modify its existing market strategy by focussing on those factors which are not there in its portfolio of offerings. Since, all these factors will be empirically verified on the basis of the outcome of the survey conducted over an ample consumer size, the e-retailer might get benefitted by inculcating these attributes in their offerings. This will definitely provide them a competitive advantage over the others in the same industry.

### **Executive Summary**

The battle for primacy in India's blooming online retail industry is primarily waged on two fronts – electronics and fashion. But it is fashion and apparel that is of interest to the retailer as this segment offers huge margin. While portals such as Flipkart, Amazon and Snapdeal are jostling for the top position with e-retailers such as Jabong and Myntra, a new breed of fashion e-retailers are gaining attention. Multiband fashion portals like Zovi and Yepme have tried to make their mark prominently in India's e-retail sector. With the increase in internet penetration across the country, it is expected that every e-retailer with similar product offering will have the same advantage to capture the market. Thus, under such circumstances, when each retailer is trying to capture market share by making huge investments and coming out with innovative ideas like same day delivery, it becomes utmost important that the e-retailer strategize their plan taking into account their core competence such that they may differentiate their offering from other e-retailers.

**Intent of the study :** The research project is intended to study the major attributes that will provide competitive advantage to one e-retailer over the other e-retailer so that they can carve out a space for themselves in the Rs.13,800 crore e-retail industry. As a part of the study, the marketing strategy of various e-retailers and the perception of the consumer towards them will be analysed. This will help to come up with a gap analysis as to what are the offerings that entice the customers to become loyal to an e-retailer. The study will be supported by the major research works that have already been done in this area.

**Usefulness of the study:** At a point when growing number of people are shopping online, the more an e-retailer is aware of the consumer perception, the more it is beneficial to their business. As per the researches done in this field earlier, few of the factors that seem to provide distinguishing factors are: User Interface, Coupons/Offer, Pricing of the product, pricing of the product, delivery speed and variety of offerings. On the basis of this, the empirical study will help to quantify how much of each of these factors and other factors that will be taken into consideration for the study, impact the mind-set of the consumer and enable an e-retailer to differentiate itself from others. Depending on the strength of each of these factors, the e-retailer can modify its existing market strategy by focussing on those factors which are not there in its portfolio of offerings. Since, all these factors will be empirically verified on the basis of the outcome of the survey conducted over an ample consumer size, the e-retailer might get benefitted by inculcating these attributes in their offerings. This will definitely provide them a competitive advantage over the others in the same industry.

**Requirements:** The basis of the study would be a survey conducted over a wide segment of consumers distributed in different income groups and demography. The sample size would ideally be anything more than 100. The given sample size will ensure that almost all the major traits have been captured. The survey will be based on a questionnaire set which will have questions related to all the independent variables in the study. A consumer might take anything around 3minute to 5 minute to answer the questionnaire.



## Literature Review

E-tailing is the process by which a high degree of cost saving is attained by way of intermediation. The sector has shown huge growth since the increase of internet penetration in the Indian market and to a great extent has affected the profits of brick and mortar retailers adversely.

There are a number of e-retailers in operating in India and each follows a different business model such as inventory model, marketplace model or hybrid model which is a combination of both. However, no matter what model it follows, there are a number of attributes unique to an e-retailer which provides competitive advantage to one over the other. *Zeithaml (2002)* mentioned that the success of e-tailing depends on the efficient website design, effective shopping, prompt delivery, return and replacement process, period of filling out online orders form and speed of response time to e-customer queries. Customers can gather information on the same product from across different e-retailers and make the final purchase decision depending on various factors and this is where the competitive advantage comes into picture.

As per research conducted by firms, two-third to four-fifths of online buyers engage in narrowly defined searches for specific products (*Solomon, 1999*). A consumer is expected to buy from the e-retailer which provides wide range of products at affordable prices with special occasion offers and discounts. For the purpose of comparison, "Bizrate" includes an overall score for an e-retailer and provides ratings on the attributes of ease of ordering, product selection, product information, price, on-time delivery, product representation, customer support, privacy policies and shipping and handling (*Tam, 2002*).

The presence of a number of e-retailers offering variety of products and brands provides an advantage to the e-retailer which has got a brand image for example amazon, flip-kart, e-bay and Jabong. A lot of importance is attached to the entire web environment that is provided to the shoppers. In the current study, interface perception is defined as the extent to which a consumer feels satisfied about e-retailer website even before going to the website. Personalization, defined by Lee et al, is the matching of services, products and advertising content to individuals. For getting a customer preference, the e-retailers must differentiate themselves by understanding customer priorities and focussing on fulfilling customer's want and needs. E-retailer's web site can recognize a customer and then tailor the choice of products, services, and shopping experience for the customer. This is done using customization, which creates the perception of increased choice by enabling a quick focus on what the customer really wants. Customization can also signal high quality and lead to a better real match between customer and product (*Ostrom and Iacobucci, 1995*). In addition, individuals are able to complete their transactions more efficiently when the site is customized. A large product selection can, in fact, irritate consumers and drive them to use simplistic decision rules to narrow down the alternatives (*Kahn, 1998*). If the company is able to accurately tailor or narrow choices for individual customers, it can minimize the time

customers spend browsing through an entire product assortment to find precisely what they want.

A number of e-retailers comes out with **promotional offers**, coupons and discounts which entices the buyers to make the purchase. The promotions may vary from price to cross selling discount offers. The paper published by *Karen Gedenk, Scott A. Neslin, and Kusum L. Ailawad* states the understanding of the promotion and the impact of the promotional on human perception. Though in context of Indian market it is essential to study how this promotion is interpreted by end user who may or may not be in a condition to get maximum value out of this offer.

Many a times the consumer demand does not get fulfilled owing to the lack of web literacy or complicated features of the e-retailer website. As per the researchers conducted in this field, a trend in most major e-business is their creation of **interactive websites** that provide platform for virtual communities and personalization. According to Rheingold, virtual communities are social aggregations that emerge from the net when enough people carry on public discussions long enough, with sufficient human feelings, to form webs of personal relationships in cyberspace. The virtual community is a source of information related to the present and potential customers. This information increases vendor's understanding of buyer needs and ability to better customize the information output to its customer. The virtual community provides an advantage to the shoppers as they can learn about products not only from acquaintances but also from strangers who have had experience with relative products.

Firms can obtain a competitive advantage by implementing value creating strategies, not simultaneously being implemented by any current competitor. **Low price** is one of the feature by which an e-retailer tries to retain its customer but in the present day, there are a number of e-retailers which offers similar prices for same products. In a qualitative study focusing on switching behaviour in services, *Keaveney (1995)* reports that more than half of customers switched because of poor price perception (compared to competitors).

The **monetary risks** associated with online transaction deter a consumer to make purchase from websites which does not have a secure payment gateway. In the *Maignan and Lukas's research (1997)* shows that the financial risks have been cited as a main reason to stop internet shopping and security has become a major concern both in online transaction relationships.

*According to Amy Ostrom & Dawn Lacobucci (2008)*, Industries characterized by high risks a point of differentiation strategy that focuses on quality, **customization** and perhaps friendliness would be more sensible than one focusing on price. Service is the attribute which causes the differentiation in the market which already saturated with similar product and services. Apart from this the study conducted by *Dr.Gagandeep Nagra, Dr.R Gopal(2013)* to examine the impact of perceived risks, infrastructural variables and return policy on attitude toward online shopping behaviour indicates the very nature of excellent after-sales

services required by the human being in this e-world. Service is the only point at which human interaction happens in the e-world, hence it is essential that this interaction should be easier and beneficial for the customer and should give them the perception of risk mitigation.

As proposed by *Pingjun Jiang, Bert Rosenbloom (2008)*, **Variation** in satisfaction of shopping convenience influences customers' perceptions on the whole shopping experience with the store. Ease of finding and evaluating products through better search tools, navigation and faster checkout could reduce consumer search and switching costs. They also showcase that how in-process satisfaction (at-checkout and after-delivery), price perceptions, and overall satisfaction are interrelated, and how do any or all of these variables directly influence customer intention to return when the effects of all four are simultaneously considered.

**Price sensitivity** may not be a governing factor that describes how a customer chooses to make a purchase, other factors such as security and trust as well as service-quality attributes, such as speed and convenience, might play a vital role (*Liz Lee-Kelley, David Gilbert, and Robin Mannicom in 2003*). The objective of this study was to examine if the utilization of information gleaned from customer's online interactions to deploy targeted, personalized relationship tools (e-CRM) will lead to loyalty online (e-loyalty).

**Customization** helps e-retailers increase e-loyalty among consumers (*Khanh V. La, Rhett Walker, Booi Kam 2005*). Customers' loyalty depends mostly on the firm's capacity to help their clients save time, the company's level of expertise in its field, the appearance of its web site and its products' prices

Taking into account the huge source of **information** available to the consumers, it becomes necessary for an e-retailer to provide information that eases the shopping experience. The main result of Hennig-Thurau and Walsh's paper *Electronic Word-of-Mouth : Motives for and Consequences of reading customer Articulations on the Internet* , illustrates that consumers read on-line articulations so that they can save on time during decision making and also make a better purchase decision.

Taking the above study into consideration, a number of Independent Variables were found to impact the competitive advantage determining factors as the presence of them in the

portfolio of offerings of an e-retailer made it unique. These IV's could be grouped into few constructs which explains the overall nature of the Independent Variables.

Independent Variables	Construct
<ol style="list-style-type: none"> <li>1. Ease of operation</li> <li>2. Easy Product versus Price comparison on your sites</li> <li>3. Sales and Promotion on the main page</li> <li>4. Value Maximization of product by comparison</li> <li>5. Customization</li> </ol>	<b>Convenience</b>
<ol style="list-style-type: none"> <li>1. Virtual community</li> <li>2. Personalization</li> <li>3. Advertisement</li> <li>4. Sales Promotion</li> <li>5. Expert Opinion</li> </ol>	<b>Advertisement</b>
<ol style="list-style-type: none"> <li>1. Personal Security</li> <li>2. Consumer privacy on social sites</li> <li>3. Perceived degree of security in using personal details</li> <li>4. Guaranteed product quality</li> <li>5. Higher standard of conduct</li> <li>6. Safe Payment Options like cash on Delivery</li> <li>7. Lesser Critical Incidence</li> </ol>	<b>Trust</b>
<ol style="list-style-type: none"> <li>1. Response Time in Query resolution</li> <li>2. Delivery services like gift wrapping or occasion delivery.</li> <li>3. Perceived services on e-CRM</li> <li>4. Firm saving time</li> <li>5. Level of services</li> <li>6. Speed in delivery</li> <li>7. Loyalty Cards for frequent Shoppers</li> </ol>	<b>Services</b>
<ol style="list-style-type: none"> <li>1. Perception of good price</li> <li>2. Perception of quality</li> <li>3. perception of good deal for quality vs. quantity</li> </ol>	<b>Perception</b>

### Hypotheses

#### **1. Convenience**

There are many reasons for the rapid increase in internet shopping and mainly it is due to the benefits that internet provides. The internet offers convenience to the consumer in the sense that a consumer no more needs to go out looking for product information as the same is available on product websites along with reviews from previous users. As per *Fayu Zheng* in the journal, *Internet Shopping and its impact on consumer behaviour (2006)*, convenience is an important factor which a consumer looks for while shopping online.

#### **Null Hypotheses**

**H0:** The convenience of using your website does not lead to the competitive advantage to e-retailer.

#### **Alternate Hypotheses**

**H1:** The convenience of using your website leads to the competitive advantage to e-retailer.

### **2. Advertisement**

As per *Young Boem* in the paper *Creating Comparative Advantage in E-Commerce Industries (2004)*, Virtual communities and Personalization which are difficult to imitate by rivals plays a vital role in competitive advantage. The customer today wants to have shopping experience tailored to his/her exact need or preference. Personalization offering by an e-retailer gives the user a personal shopper treatment. An e-retailer advertising its product and its increased personalization offering is bound to attract more customers due to spread of awareness. The same has been talked about in the paper *Perception towards online shopping (1995)* by *Chuleeporn Changchit*.

#### **Null Hypotheses**

**H0:** The Advertisement of e-commerce website does not lead to the competitive advantage to e-retailer.

#### **Alternate Hypotheses**

**H1:** The Advertisement of e-commerce website leads to the competitive advantage to e-retailer.

### **3. Trust**

In the journal, *E-Commerce Best Practices: How to achieve an environment of trust and security (2012)* by *Balasundram Maniam, Lily Naranjo, and Geetha Subramania*, trust and security are two major factors which impacts uncertainty of purchases from an e-retailer. E-retailers have to achieve customer's comfort, so they have to enhance trusting beliefs and trusting intentions. In addition, an e-retailer must be authentic, provide confidentiality, respect privacy, protect data and not repudiate transactions to demonstrate that the customer is protected.

#### **Null Hypotheses**

**H0:** The trust of customers in your website does not lead to the competitive advantage to e-retailer.

#### **Alternate Hypotheses**

**H1:** The trust of website does lead to the competitive advantage to e-retailer.

#### **4. Services**

As per *P. Sathish Chandra & Dr. G. Sunitha* in the paper *E-tailing - The Mantra of Modern Retailer's Success (2012)*, while skills like speed, differentiation, and branding are equally if not more important in the digital world, it is the ability to transform core operations and practices to this new medium which might make the difference between success and failure. Also, *Joseph Pine II, Don Peppers & Martha Rogers* in their paper *Do you want to keep your customers forever? (1995)* focussed on the importance of customization, loyalty cards and one-to-one marketing. All of these basically combine to show the importance of Services offered to the customer for any e-retailer.

#### **Null Hypotheses**

**H0:** The services offered by e-retailers do not lead to the competitive advantage to e-retailer.

#### **Alternate Hypotheses**

**H1:** The services offered by e-retailers lead to the competitive advantage to e-retailer.

#### **5. Perception**

Many researches done in the field of online space has brought up the importance of understanding consumer perception in the competitive market both in the online and offline environment. In terms of reliability of sharing personal data and security during online transaction, there are some elements that affect the perception of the customer (*Lu, Chang & Yu, 2013*). Besides the quality of shopping experience, the link to a store's performance and its effectiveness can greatly impact the consumer perception about the product and services offering (*Ha & Stoel, 2012*). Every individual has a completely different perception about the services offered to them based on the experience he gained (*Ueltschy, Laroche, Eggert, Bindl, 2007*). As per *Norzieiriani Ahmad, Azizah Omar, T. Ramayah* in *Consumer lifestyles and online shopping continuance intention (2010)*, although the significant role of perceived usefulness, perceived ease of use, trust and habit are crucial in online shopping context, demographics and lifestyle characteristics also play an important role in customer buying behaviour.

#### **Null Hypotheses**

**H0:** Perception of consumer for your website does not lead to the competitive advantage to e-retailer.

#### **Alternate Hypotheses**

**H1:** Perception of consumer for your website leads to the competitive advantage to e-retailer.

### **Method**

The sample for our research survey were people in the age group of above 18 who generally prefer online shopping and visit various ecommerce websites to buy the products. Units of the defined sample were selected based on accessibility.

*Qualitative Research:* To gain insights and understand the problem setting, Focus group Discussion and In-depth Interviews were conducted with the target group as part of Qualitative research methodology. This helped in bringing out the factors providing competitive advantage to an e-retailer. The process was repeated until sufficient number of factors covering all aspects was not found.

A total of 10 focus group discussions with 10 members each were conducted for this study with 10 In-depth interviews. Each Focus group Discussion and In-depth interview was conducted for 1 hour. Survey of 100 respondents was completed and the sample comprised of people who enjoy online shopping.

*Development of the Questionnaire:*

We determined the best method to collect data was an online survey that was simple & convenient for the target sample to respond to. On the basis of the focus group discussions and in-depth interviews, 27 Independent variables were found which can be affecting the sales of an e-retailer. Based on the cluster analysis, 5 factors were developed qualitatively such that a set of Independent variables fall into different clusters.

In the initial survey, the objectives and IV's were used to provide a basis to design the questionnaire.

Finally, a questionnaire with 34 questions of concern and research goals in mind was developed. All questions were written in an effort to solicit honest, unbiased, helpful answers in a manner that was not perceived as overly intrusive. The respondents in the sample size were majorly representative of the youth population.

*Data Collection Method:* To collect data from our population an online survey link was used. As responses were received they were automatically input into a spreadsheet for review and graphs were generated from the responses. Data from 100 respondents was gathered using a 5- point Likert scale before closing the survey and tabulating the results to create the final report.

*Data Analysis:*

*Quantitative Analysis:* To analyse the collected data statistically and determine the significant independent variables providing the competitive advantage, the following was used: Pre testing of the questionnaire was done to check the internal validity of the questionnaire. This is necessary as to understand how well the Independent variables weigh with respect to each other and it has to do with the design of the study as to what should be measured and what should not be measured. Cronbach's alpha analysis was used for this purpose.

To remove redundancy or duplication from correlated independent variables and to represent them with a smaller set of "derived" variables, factor analysis was used. As a

result, Five Factors viz., Convenience, Advertisement, Trust, Services and Perception were formed into two that were relatively independent of one another.

To investigate how the factors can predict the competitive advantage for an e-retailer, a multiple regression model was used. Using the competitive advantage as the dependent variable, and the factors as Independent variables, the analysis was performed to determine precisely which set of independent variables is influencing the competitive advantage.

### **Result**

To check the construct reliability, Cronbach's was calculated on each construct to measure internal consistency reliability for the individual scales and the overall measures.

Construct	Cronbach Alpha Value
Competitive Advantage	.634

Convenience	.849
Trust	.657
Services	.707
Perception	.679
Advertisement	.723

All the constructs scored above 0.60 and therefore are considered reliable in all aspects. The regression test clearly shows the significance of all items (Trust, Convenience, Service, Perception, and Advertisement) on the competitive advantage of e-retailer.

### **Hypotheses Testing**

H1 to H5 hypothesis are tested with regression. The entire hypotheses are tested with 95% significance factor. The results are enclosed in table mentioned below

**Note: statistical significance of the test (alpha: 0.05,\*, 0.001); CA: Competitive Advantage**

Proposition	Causal Relationship	Beta-Coefficient t	Significance	Result
H1	Trust→CA	.372	.001	Supported
H2	Convenience→CA	.416	.000	Supported
H3	Services→CA	.197	.003	Supported
H4	Perception→CA	.222	.000	Supported
H5	Advertisement→CA	.276	.003	Supported

The given factors have shown a correlation of around 76 % for the Dependent variable. Despite that all the given factors are showing significance, there was some co-variance between the variables. To remove the given co-variance, we have performed the factor analysis and get two principal component PC1 (Trust) and PC2 (Convenience, services, Perception, Advertisement). After the performing the regression on the principle factors, the correlation got increased to 86.7%.

Proposition	Causal Relationship	Beta-Coefficient	Significance	Result
H6	Service Quality→CA	.766	.023	Supported
H7	Trust→CA	.336	.012	Supported

### **Discussion**

The increasing number of e-retailers entering into the market has made it of utmost importance to provide the minimal offerings already provided in terms of services and products. Given the low entrance barrier in the e-retail segment, we have witnessed a number of e-retailers that has started to operate in the past five years but only few of them

have been successful in capturing the user attention. In terms of market share, only few of them captures majority of the market. Thus, under such circumstances, it becomes inevitable to understand the factors which could provide competitive advantage to an e-retailer so that it can grow in the terms of increasing revenue.

Our study was conducted keeping in mind the e-retailers' issue on what to focus most on so as to be able to survive in the competition and making use of any of the important factors to offer a unique value proposition. The target customers for our survey were the youth who shop the most from these e-retailers because they are going to make the most impact in the success of the business by spreading awareness through Word of Mouth and in other ways.

The study indicated that amongst all the factors that were considered, *Convenience* has the maximum weightage. Thus, the more an e-retailer provides shopping convenience to the consumer, the longer it is supposed to last in the competitive environment. Convenience can be with respect to the simple web interface, customization offered to individual users, ease of operation for the user in terms of payment process, price comparison, most popular products on the landing page and product delivery options. The web interface and the landing page serves as the point of contact between the consumer and the e-retailer. A number of e-retailers have similar product offerings but only few of them are able to sell well owing to the simplicity of the web interface which allows consumers as users of their site to enjoy the shopping experience. The option of customization provides a user convenience in making the purchase in the form of the right product. A number of e-retailers provide the user the option to design their own product. This gives the consumer a feeling of ownership and also offers convenience in the sense that the consumer need not necessarily purchase the product on display online. The option of price comparison caters to the price sensitive customers and helps them select the product of their choice. The provision of most popular products on the landing page enables the consumer to get to know what kind of fashion is most preferred and is in demand and also to make the purchase rather than searching in the list of all the products to find the latest ones. Again, the option of sales and promotional offers on the main page of any e-retailer website enables an user to compare similar offerings from other e-retailers helps him make the purchase decision.

The next important variable was found to be *Trust*. In today's online world wherein user is quite often subjected to personal security threat, it becomes very important for the e-retailer to have the user's trust in the sense that any buyer would not be compromised with the privacy in terms of personal details and payment options. A number of e-retailers provide the option to the consumer to save the debit/credit card details so as to save time during later transactions. Consumers may be sceptical to provide the same data as the details may be misused without their getting to know it. Thus, an e-retailer should in some way instil confidence in the mind of the consumer that all such personal details will remain safe and secure with the e-retailer and will not at any point of time be misused. These days, a number of users are preferring cash-on-delivery option as many a times they don't trust the payment gateway aligned with any particular e-retailer. Further, this also makes the user

feel secure in terms of not sharing debit/credit card information through the payment gateway. Furthermore, even if they are not satisfied with the product, they do not have to keep track with the e-retailer to get their money back. The quality of product available from an e-retailer also plays a major role in attracting the users. Incidents such as wrong products getting delivered or difference in the product shown on the website and the actual product goes to a great extent in making a consumer change its buying decision from one e-retailer to the other. Thus, any e-retailer which wants to cut out a unique edge in its offering needs to win the trust of the consumer that their personal information and standard quality of the product will be safeguarded. Further, this would also involve consumer privacy on social networking sites.

The factor having third highest weightage is *Advertisement*. Any e-retailer needs to make an impact in the minds of consumer to attract them and this can most possibly be done with the help of advertisement. This is also a means to create awareness. Further, the more a user is exposed to the ads, the more he feels connected to the e-retailer. Needless to say, the ads which provide information on specific discounts go a long way in attracting a consumer to purchase from the e-retailer. Also, from the survey that was conducted as part of the study, it was found that the more a product is advertised, the more the consumer feels urged to buy from the given e-retailer. Popular social media such as Facebook may go a long way in doing this. These days a number of e-retailers advertise their product on Facebook and as per the consumer buying behaviour, different consumers get different offers of their home page. This further enhances the buying experience and thus provides consumer loyalty.

The next in line in terms of weightage is *Perception*. The success of an e-retailer to a great extent depends on what perception the user has regarding the product offering, quality of service, discount offerings, product quality and reasonable price charged. If an e-retailer is able to improve its perception in the consumer mind-set such that the consumer associates them to the e-retailer every time they go online, this would hugely impact the survival in the competitive landscape.

The fifth important factor was found to be *Services*. Services such as gift wrapping, early resolution of any query or loyalty cards for frequent purchasers also go a long way for an e-retailer to uniquely carve itself amongst its various other counterparts. Early query resolution also makes a consumer feel that he/she is valued and hence offers the scope of repeat purchase. Loyalty cards also go a long way in making the consumer feel loyal towards an e-retailer due to the special offers extended to them on account of their prior purchase and depending on their lifetime value.

The analysis further indicated that Convenience, Services, Perception and Advertisement could be grouped under the same factor which may be denoted by *Service Quality* and *Trust* can act as another independent factor.

Thus, the research helped to evaluate all the important factors that can provide competitive advantage to an e-retailer and also the order of importance of these factors. If properly implemented, any e-retailer can uniquely position itself in the online market by emphasizing on these factors.

### **Limitations & Future Scope**

The study has primarily focussed to find the key attributes which an e-retailer should focus on so as to offer a differential marketing offering to its customers, thus leading to a competitive advantage factor as compared to its online counterparts, and attract more of the consumers towards them. However, the sample size selected for this study was 100 and the focussed group discussions were carried out in groups of 10 people. Thus, with an

increase in the sample size, the weightage of each of the five independent variables viz., convenience, trust, services, advertisement and perception might change. Also, with a group of 10 members in a focussed group discussion, there may have been few other aspects of online shopping which could not be concentrated upon owing to the discussion going on in a definite direction. By having smaller groups, few more factors might come into light. Furthermore, with the changes in the government policies and other external factors, an e-retailer may design its offerings to take advantage of it and exploit it in order to supersede other e-retailers. The influence of external factors such as policies, inflation mergers were not taken into consideration in this study.

With technology changing every day and more number of online users moving away from laptop/desktop towards smartphones as a convenient medium, the aspect of technology in the smartphone application interface could be an important factor which may be explored in the near future provided there is some method to measure the impact of technology as such. Similarly, the external factors as discussed above could also be taken into account while doing future research in this field which could possibly open up new avenues of creation of competitive advantage. With the advent of new and innovative ideas in the online retail space, there may come up other factors based on the platform of operation or business model which any e-retailer might take the advantage of to have competitive advantage over the others.

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## Appendix

### Questionnaire:

1. Name
2. Gender

Male/Female

3. What is your age group?
  - a. 15-25
  - b. 25-35
  - c. 35-45
  - d. 45-80

4. Have you done any online shopping before

Yes

No

5. How often you do the online shopping
  - a. Once in a week
  - b. More than
  - c. Once in a month
  - d. More than once in a month
  - e. More than once in a year
6. How much do you spend on online shopping (Approximately) in a month
  - a. 0-1000
  - b. 1000-2500
  - c. 2500-4000
  - d. 4000-5500
  - e. More than 5500

7. You shop from e-retailers which provide superior products than other e-retailers

- a. Strongly agree
  - b. Agree
  - c. Neither agree nor disagree
  - d. Disagree
  - e. Disagree completely
8. You shop from E-retailers, who understand your buying behavior
- a. Strongly agree
  - b. Agree
  - c. Neither agree nor disagree
  - d. Disagree
  - e. Disagree completely
9. You shop from E-retailers, which provides operational excellence
- a. Strongly agree
  - b. Agree
  - c. Neither agree nor disagree
  - d. Disagree
  - e. Disagree completely
10. You prefer the e-commerce site which is quick and easy to complete a transaction
- a. Strongly agree
  - b. Agree
  - c. Neither agree nor disagree
  - d. disagree
  - e. Strongly disagree
11. You prefer an e-commerce site which is simple to use
- a. Strongly agree
  - b. Agree
  - c. Neither agree nor disagree
  - d. Disagree
  - e. Strongly disagree
12. You don't use websites which are simple in use?

- a. Strongly agree
- b. Agree
- c. Neither agree nor disagree
- d. Disagree
- e. Strongly disagree

13. You prefer a site which help you to compare the prices of product from different e-commerce sites

- a. Strongly agree
- b. Agree
- c. Neither agree nor disagree
- d. Disagree
- e. Strongly disagree

14. You do prefer a website which provides in-depth information about the products

- a. Strongly agree
- b. Agree
- c. Neither agree nor disagree
- d. Disagree
- e. Strongly disagree

15. The product shown on websites is similar to the product which is delivered to you by e-commerce sites

- a. Strongly agree
- b. Agree
- c. Neither agree nor disagree
- d. Disagree
- e. Strongly disagree

16. E-commerce websites protects the information about your shopping behavior with its competitors.

- a. Strongly agree
- b. Agree
- c. Neither agree nor disagree
- d. Disagree
- e. Strongly disagree

17. Products which are shown online and products which are delivered are not same

- a. Strongly agree
- b. Agree
- c. Neither agree nor disagree
- d. Disagree
- e. Strongly disagree

18. Acceptance of delivery mistakes does not increase your trust on the e-retailer

- a. Strongly agree
- b. Agree
- c. Neither agree nor disagree
- d. Disagree
- e. Strongly disagree

19. Acceptance of delivery mistakes increase your trust on the e-retailer

- a. Strongly agree
- b. Agree
- c. Neither agree nor disagree
- d. Disagree
- e. Strongly disagree

20. Your Inquiries are answered promptly when you face any problem with e-commerce sites.

- a. Strongly agree
- b. Agree
- c. Neither agree nor disagree
- d. Disagree
- e. Strongly disagree

21. E-commerce site delivers your product in a proper condition without any thing broken.

- a. Strongly agree
- b. Agree
- c. Neither agree nor disagree

- d. Disagree
- e. Strongly disagree

22. E-commerce sites provides easier way to return your product back.

- a. Strongly agree
- b. Agree
- c. Neither agree nor disagree
- d. Disagree
- e. Strongly disagree

23. Returning a product which was purchased from online sites is not an easier task

- a. Strongly agree
- b. Agree
- c. Neither agree nor disagree
- d. Disagree
- e. Strongly disagree

24. Products don't get delivered on the specified time

- a. Strongly agree
- b. Agree
- c. Neither agree nor disagree
- d. Disagree
- e. Strongly disagree

25. Products purchased from online websites are not delivered in proper form.

- a. Strongly agree
- b. Agree
- c. Neither agree nor disagree
- d. Disagree
- e. Strongly disagree

26. E-commerce sites sell good Quality products at the lower prices
- Strongly agree
  - Agree
  - Neither agree nor disagree
  - Disagree
  - Strongly disagree
27. You think quality is essential for website to progress in terms of growth.
- Strongly agree
  - Agree
  - Neither agree nor disagree
  - Disagree
  - Strongly disagree
28. You would prefer buying from a retailer if it provides products at a low price than others
- Strongly agree
  - Agree
  - Neither agree nor disagree
  - Disagree
  - Strongly disagree
29. You think e-commerce online advertisement motivates you in buying the product from particular website?
- Strongly agree
  - Agree
  - Neither agree nor disagree
  - Disagree
  - Strongly disagree
30. You likely to buy from the website after watching advertisements of the product from particular website
- Strongly agree
  - Agree
  - Neither agree nor disagree
  - Disagree

e. Strongly disagree

31. Advertisements are not a reliable source of information about the quality of products on the websites.

- a. Strongly agree
- b. Agree
- c. Neither agree nor disagree
- d. Disagree
- e. Strongly disagree

32. Advertisement increases your awareness about online shopping websites.

- a. Strongly agree
- b. Agree
- c. Neither agree nor disagree
- d. Disagree
- e. Strongly disagree

33. Please list a few (2 or 3) e-retailers/websites you often visit for shopping

34. Please enter a few factors that you consider while buying products online, which we have not covered.