



Should You Be Cautious When Shopping Online?

'Yes' is the finding of a survey conducted by *Consumer Voice* in November 2013. The survey covered a sample of 1,327 online shoppers, mostly belonging to Delhi-NCR (778), followed by Lucknow (209) and Chandigarh (204). Based on the responses from this sample and the overall satisfaction scores derived therefrom, in our first report we had identified Flipkart, Jabong, Myntra, Snapdeal and Amazon as the top e-commerce sites. In this concluding report, we identify the product categories from which maximum purchases are made and also take a deeper look at the problems consumers face when shopping online.

In our sample, around 65 per cent were males, showing a predominance of male consumers in online shopping. Around 48 per cent of the respondents were in the age group of 25–30 and 40 per cent were below the age of 25. Overall, a predominantly younger population (80 per cent) is shopping online in a big way. The majority of the respondents were employed in private service (42 per cent) and belonged to SEC A1 category (56 per cent).

What Products Do Consumers Purchase Online?

Electronics goods are the most purchased products online, with 64 per cent of respondents purchasing these in the last one year. This was followed by clothes (55.2 per cent) and accessories (46.3 per cent). Around 22 per cent of the respondents purchased books online, followed by 15 per cent purchasing personal care items. A small percentage of respondents purchased products from categories of food and kitchen (9 per cent) and stationery and toys (3.5 per cent).

This trend was observed across all the sites except Jabong, Zovi, Myntra and Yebhi, where clothes were the most purchased items (mainly due to their product portfolio), and Rediff Shopping, where personal care items were most purchased by online shoppers.

Problems when Shopping Online

Consumer detriment can cause the satisfaction levels for a consumer to drop when purchasing a product online. Consumers' shopping experience can be marred by unsatisfactory experiences because of delivery problems, poor quality of service, defective products, etc. For the purpose of our study, we have limited our focus to problems concerning delay in delivery, non-delivery, defective products, return/replacement/refund issues and poor response of customer care. Respondents in our sample were asked whether they faced any of these problems.



1) Non-Delivery/Delay in delivery: Out of the 1,327 respondents covered, 160 (12 per cent) had faced problems related to delivery with one site, and 22 had faced delivery problems with two sites. With a score of 13 per cent, Shopping Indiatimes was listed as the site with the highest percentage of respondents reporting some problem related to non-delivery/delay in delivery. It was followed by Rediff Shopping (9.7 per cent) and Tradus (8.8 per cent). Sites like Zovi (1.3 per cent), Amazon (1.3 per cent), Jabong (2.1 per cent), Flipkart (4 per cent) and Ebay (4.1 per cent) had the lowest percentage of respondents reporting problems with respect to delivery.

Non-Delivery			
SITE	SCORE	SITE	SCORE
Amazon	1.3%	Naaptol	4.8%
Zovi	1.3%	Yebhi	5.4%
Jabong	2.1%	Myntra	6.3%
Infibeam	3.9%	Snapdeal	6.4%
Flipkart	4.0%	Tradus	8.8%
EBay	4.1%	Rediff Shopping	9.7%
Homeshop 18	4.7%	Shopping Indiatimes	13.0%

Respondents were also asked whether the site with which they faced a delivery-related problem had provided any reason for the same. It was reported that almost 3 out of 10 were not given any reason by the respective site. This was mainly indicated by those who had purchased from Shopping Indiatimes (6.5 per cent).

Product 'out of stock' was reported as reason for non-delivery by 23 per cent respondents and reported as the main reason given by Rediff Shopping (2.8 per cent) and Infibeam (2 per cent). This was reported as the second highest response given by e-commerce sites, followed by problems in reaching address for delivery, as was indicated by 21 per cent respondents. Shopping Indiatimes was found to be the site reporting this response with the highest percentage of 4.3 per cent.

2) Receipt of defective products: Defective products refer to products that are damaged, do not function, have a product/accessory missing, are different from the one ordered, etc. Altogether 121 respondents (9.1 per cent) reported that the product they received from a site was defective. This was reported highest in the case of Shopping Indiatimes (13 per cent), followed by Rediff Shopping (9.7 per cent) and Infibeam (7.8 per cent). Amazon (1.3 per cent), Myntra (2.4 per cent), Homeshop 18 (2.6 per cent) and Jabong (2.9 per cent) had the lowest percentage of respondents reporting problems with respect to defects.

Delivery of Defective Products			
SITE	SCORE	SITE	SCORE
Amazon	1.3%	Snapdeal	4.4%
Myntra	2.4%	EBay	5.4%
Homeshop 18	2.6%	Naaptol	5.5%
Jabong	2.9%	Yebhi	6.0%
Zovi	3.9%	Infibeam	7.8%
Flipkart	4.0%	Rediff Shopping	9.7%
Tradus	4.4%	Shopping Indiatimes	13.0%

Damaged, broken, or non-functional products were the major type of defect found on delivery (26.5 per cent), followed by delivery of a different kind of product from what was ordered (25.2 per cent) and delivery of products of different size, colour, or specification (24.5 per cent). In terms of percentage, all of Shopclues respondents who received defective products reported damaged/broken, non-functional products as the main type of defect (2, 100 per cent). From our list of top 14 sites, the highest percentage of damaged products was found to be in the case of Shopping Indiatimes. A similar trend was observed in other types of defects like delivery of a different product from what was ordered or product received being of a different specification than ordered. A negligible percentage of people faced problems like missing accessories and poor quality of product, from sites like Naaptol (0.7 per cent).

3) Refund: Respondents who faced such problems were asked whether they had asked for a refund of the purchase amount and what was the response of the site. A total of 124 (9.3 per cent) out of 1,327 respondents reported asking for refund of amount from one or two sites. The highest percentage of respondents asking for refund was reported by Infibeam (7.8 per cent), followed by Tradus (4.4 per cent) and Shopping Indiatimes (4.3 per cent). Majority of the respondents who had asked for refund received only partial refund (52 per cent). One-fifth of the respondents also reported that

they received vouchers or credit points as refund and only-one tenth of respondents received full monetary refund. This suggests exercising of caution by online shoppers in confirming the e-commerce site's refund policy before the order is placed. Some sites do not give full refunds and in some situations they provide only vouchers for future purchases

Refund of Purchase Amount			
SITE	SCORE	SITE	SCORE
Naaptol	0.7%	Jabong	3.5%
Homeshop 18	1.9%	Myntra	3.5%
Snapdeal	2.5%	Flipkart	3.6%
Amazon	2.6%	EBay	3.8%
Zovi	2.6%	Shopping Indiatimes	4.3%
Rediff shopping	2.8%	Tradus	4.4%
Yebhi	3.4%	Infibeam	7.8%



This suggests exercising of caution by online shoppers in confirming the e-commerce site's refund policy before the order is placed. Some sites do not give full refunds and in some situations they provide only vouchers for future purchases.

4) Return/Replacement of products: Respondents were asked whether they had asked for return/replacement of a product they purchased from a site. Altogether 157 (11.8 per cent) of the total sample reported asking for a return/replacement of the product they purchased from one or two sites. Asking for a return/replacement was found to be the highest in

case of products purchased from Infibeam (9.8 per cent) followed by Shopping Indiatimes (6.5 per cent) and Myntra (5.5 per cent).

Return/Replacement of Products			
SITE	SCORE	SITE	SCORE
Tradus	1.5%	Snapdeal	4.2%
Homeshop 18	1.9%	Flipkart	4.2%
Amazon	2.6%	Jabong	4.7%
Zovi	2.6%	Naaptol	4.8%
Yebhi	2.7%	Myntra	5.5%
EBay	3.8%	Shopping Indiatimes	6.5%
Rediff Shopping	4.2%	Infibeam	9.8%

It was also found that in nearly 7 out of 10 cases (68.4 per cent) the product was returned or replaced within the time frame specified by the sites. This was reported by all 16 respondents who had purchased from Jabong, showing that this site had an effective service recovery process in place. This also suggests caution: before placing an order with a site, consumers must confirm if it was able to deliver a timely replacement to their address in case of such problems. Around 16 per cent also reported that the product was returned/replaced within considerable time and this was reported mainly by those who had purchased from Shopping Indiatimes (2.2 per cent) and Infibeam (2 per cent). These durations can vary by location and type of products as different products may be shipped from different warehouses. Also, products out of stock may take longer to be replaced.

Instances where the site refused to return/replace the product was found to be limited in cases where one out of ten respondents reported such a problem. This was mainly reported by those who had purchased from Infibeam (2 per cent). Homeshop 18 (1.9 per cent), Amazon (2.6 per cent) and Zovi (2.6 per cent) were listed as the sites with respondents reporting the lowest percentage of return/replacements against what was claimed.



5) Poor customer care service: Respondents were asked whether they experienced any deficiency of service in the e-commerce site's customer care in terms of failure to service/repair the product in time, failure to provide bill of purchase, etc., and what were the accessibility and response of the customer care in that regard.

Around 111 respondents had reported such deficiency in service, the majority belonging to those who had purchased from Infibeam (11.8 per cent) followed by Rediff Shopping (8.3 per cent) and Yebhi (5.4 per cent).

Poor Customer Care Service			
SITE	SCORE	SITE	SCORE
Amazon	1.3%	Flipkart	2.9%
Zovi	1.3%	Naaptol	3.4%
Homeshop 18	1.7%	Shopping Indiatimes	4.3%
Snapdeal	1.7%	Tradus	4.4%
Jabong	2.4%	Yebhi	5.4%
Myntra	2.4%	Rediff Shopping	8.3%
EBay	2.5%	Infibeam	11.8%



In nearly 7 out of 10 cases (68 per cent), the deficiency was in terms of non-responsive customer care and was found to be the highest in case of those who had purchased from Infibeam (7.8 per cent). Around 18.5 per cent reported failure of the site to service/repair the damaged or deficient product. This was mainly reported in the case of Infibeam (2 per cent).

It is heartening to note that consumers are getting savvy as they are willing to complain if they face any consumer detriment, so be prepared to complain if you face a problem.

Homeshop 18 (0.4 per cent), Amazon (1.3 per cent) and Zovi (1.3 per cent) were listed as the sites with lowest percentage of respondents reporting problems of deficiency in customer service.

Maximum percentage of respondents felt that they had to send constant reminders and problem was resolved after a long time (35 per cent). Only 25 per

cent reported that their problem was resolved in a short span of time. In terms of numbers, this was reported highest in case of those who had purchased from Flipkart. This indicates that Flipkart has been successful in ensuring speedy resolution of customers' grievances. The other major problem with respect to customer care service was their indifference to complaint lodged, as reported by 34 respondents. This was reported by 4 out of 6 of Myntra's customers facing the deficiency. However, it must be noted that Myntra is rated as one of the best in overall satisfaction score. This only goes to show the ability of the site to deal with service failures effectively. When we look at the overall percentage of respondents facing deficiency in customer service, it is only two per cent.

Customer Care Responsiveness			
SITE	SCORE	SITE	SCORE
Homeshop 18	0.4%	EBay	2.2%
Amazon	1.3%	Myntra	2.4%
Zovi	1.3%	Yebhi	2.7%
Naaptol	1.4%	Rediff Shopping	2.8%
Jabong	1.5%	Shop India Times	4.3%
Snapdeal	1.5%	Tradus	4.4%
Flipkart	2.0%	Infibeam	7.8%



Advice for Consumers

Go ahead and shop. Risks are low as compared to benefits. It is important to note that the number of respondents facing problems when shopping online – out of the total number of respondents using a particular site – ranges from one to ten per cent. Hence, the probability of facing a problem when shopping online is at the most one out of ten. This suggests that the risk is small and consumers should not avoid shopping online merely because some

consumers have faced problems. You are advised to go ahead if you feel there are benefits like cost savings or convenience. Also, problems in the nature of return/replacement only go to show that consumers are asking for returns/replacements of products if they find them unsatisfactory. It is heartening to note that consumers are getting savvy as they are willing to complain if they face any consumer detriment, so be prepared to complain if you face a problem. The customer care contact number or email ID must be kept handy to lodge a complaint as soon as you face a problem.

Popular sites like Flipkart, Jabong, Myntra and Homeshop 18 also have respondents reporting some problems related to delivery, defects, etc., ranging between 3 per cent and 5 per cent of total respondents using these sites. However, such problems do not stop consumers from shopping online because of the benefits like convenience, lower prices and the range of products.

We feel that online shopping is giving traditional brick-and-mortar retailers strong price competition. Online sellers are able to offer lower prices and consumers can compare prices in their local store before purchasing online. There are also consumers who check and compare prices/benefits online and then may buy offline in their nearby shopping centre if the price is about the same as offered by an online store.

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