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“Journal of Economics and Social Sciences”



Online shopping: some advantages and shortcomings

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Abstract

As we live in the century of rapid development of information technologies, it is very difficult to meet people who haven't heard of online shopping. Hundreds of thousands of Internet users daily resort to services of virtual shops. Internet trade gains steam both in Russia, and all around the world. This paper overviews some advantages and shortcomings of online shopping over shopping malls. Time and money saving possibilities, wide range of goods, convenient delivery and method of payment, and stressless gift-buying on holiday and pre-holiday days may be regarded as major pros of virtual shops, whereas insufficient demonstration of goods, difficulties in delivering to remote regions, risk of loss or damage, necessity of money conversion, obligatory registration procedure before shopping online are the main disadvantages.

Keywords: online shopping, online stores, virtual shops.

1. Introduction

Today Internet trade gains steam all around the world as well as in Russia. Online shopping continues to outpace growth in traditional retail. Half the smartphone owners in the group and nearly 60% of the tablet owners use those devices to make purchases [2]. According to the results of the research ACNielsen, conducted in 2006, every tenth inhabitant of the planet (627 million people) shops online. Books (bought by 212 million people) are regarded to be one of the most top-selling goods, followed by DVD and video games (135 million people). Approximately the same number of people prefers to pay their air tickets via the Internet. Another 128 million people use online services for purchasing clothes and footwear [6]. So what are the advantages and shortcomings of online stores in contrast to usual shopping malls? We will consider the main of them.

2. Advantages of online stores

2.1. Saving of time

You don't have to go out and visit a store in a mall anymore to buy a thing you need. What you should do is only do a web search and to choose a suitable Internet resource. It is possible to make purchases in an online store at any time, 24 hours a day and 7 days a week. Another additional convenience for online shoppers is that it is possible to find a desired item using a number of query

parameters – from the size and colour of an item to the product data which, without doubt, saves lots of time. In case shoppers fail to find what they want, many services analyse user inquiries and provide the shopper a selection of goods substitutes.

Recent research by analysts and retailers has turned up significant gender differences when it comes to online shopping. The most striking is men's need for speed. "Men tend to value their time more," says Sucharita Mulpuru, a Forrester Research analyst. Some retailers are launching shopping sites just for men, while others, including Neiman Marcus Group and Saks are beefing up their men's sections and tweaking their sites to make it easier -- and faster -- for men to shop [5].

2.2. Economy of money

Goods prices on the Internet resources are much lower than those that are presented in conventional stores. This might be explained by the fact that it takes online store owners less money to open a virtual platform since they don't need to pay rent for the premise, which might be quite expensive depending on the location of the store, and employ staff. Sales and discounts in most online stores are offered more often than in usual stores.

On the other hand, most shoppers do not cite “lower prices” as their primary motivation for shopping the web, according to a new survey of over 1,000 consumers by Simon-Kucher & Partners, a global consultancy that counts retailers among its clients. That’s not to say that price doesn’t matter to shoppers – but its importance varies by product category:

- Shoppers surveyed (24%) cited “lower prices” as the primary motivating factor to purchase “vanguard” products — books, consumer electronics and entertainment – the study revealed.
- Meanwhile, 18% of respondents said “lower prices” was the main reason they bought “new frontier” items such as health and beauty products, toys/sports/hobby related merchandise, as well as clothing and furniture.
- However, when it came to buying food and beverages, shoppers surveyed ranked “better selection” as the leading impetus driving their purchase, the survey said.
- And “free shipping” was the leading motivation among shoppers (16%) buying commodity products like cleaning and paper products [4].

2.3. Wide range of goods

In online stores one can find a rich assortment of goods – from sports equipment to, for instance, goods for a garden and kitchen garden. Very often the item you need might be purchased only on the Internet due to its origin, price or qualities. It should be noted that to find the required thing in online stores is a lot easier than to spend hours searching for it in many shopping malls.

2.4. Total characteristics of goods

On the Internet before purchasing the item the shopper may study all product data which is often less abundant in a usual store in a mall. Moreover, some online stores provide customer reviews which might help you make up your mind and make the right choice. Besides, some websites give useful hints that could help to buy something special when buying a gift for acquaintances, colleagues and friends. For example, an exquisite fragrance for a girlfriend or a good garden set for a grandmother.

2.5. Psychological comfort of visitors

Online buyers are deprived of a necessity of joining a line in the hope of purchasing the item or waiting for their turn to talk to a consultant who could help to choose a product. Shopping on the Internet you can get an access to goods at any time which is convenient for you. No one will annoy you giving importunate advice and force you to purchase an item which you later might regret buying. In case buyers need some help, most online stores provide a hot line service or online-support chat that can be used to get some information on a product, delivery or online payment.

2.6. Convenient payment for purchase

There are several payment options when buying a product online. Shoppers can choose the method which suits them; either to make a prepayment using a credit card or electronic money or to pay for the purchased item after getting it.

2.7. Delivery options

Online buyers can choose the most convenient delivery method – standard delivery, express delivery, pick-up-point delivery or door-to-door delivery.

2.8. Comfortable purchase of goods on holidays

Before large holidays, usually, in shops there comes the agiotage, much similar to panic before a doomsday.

America is getting tired of buying things the old-fashioned way, with more consumers shopping online than in-store over the Thanksgiving weekend, according to the National Retail Federation (NRF). Consumers cited avoiding crowds, saving time, and finding better bargains online as reasons for avoiding stores, says the Consumer Technology Association (CTA), and retailers are adapting to these shifting habits, putting more of their door-buster deals online and extending their availability [3].

We can even sometimes face such outdated phenomenon as deficiency of some popular goods which are usually sold out right after it appears on market. If you visit a mall on pre-holiday days, you are very likely to meet lots of other like yourself shoppers trying to make a last-moment purchase. What is more, the traffic is usually extremely busy on these days. So if buyers wish to avoid preholiday bustle and crush and furious crowd, online stores could be a solution. But one shouldn't also forget about preholiday rush due to which there might be a delivery delay or even worse the purchased item can be lost or damaged. So reserving the desired item and buying a gift well in advance may guarantee that you holiday mood won't be spoilt.

3. Shortcomings of online stores

3.1. The goods can be evaluated only by eye

Shopping online, by mail order, over the phone or through a TV shopping channel can be more convenient and cheaper than the high street, although there can be drawbacks to not being able to see, touch or check the item you are buying [6].

Thorough acquaintance with the chosen goods happens only after their delivery, and the cases when the goods don't correspond to the descriptions on the Internet resource website are not rare. However it should be noted that the majority of online stores are not only interested in selling their produce but also in preserving fine reputation and its enhancing worldwide. All controversial issues can be resolved with the call center operator who very often works on a twenty-four hour basis.

3.2. A possibility of being deceived is one of the main drawbacks of online stores

Nearly half of consumers who bought goods online over the past two years had a problem with their purchase, new research has revealed. These range from being overcharged or incurring an unexpected fee to the items arriving faulty or damaged [1].

On the Internet it's possible to come across many reviews with complaints that the ordered things were fakes, and the online-store refused to return the money. Before purchasing in this or that online store, it is worth getting acquainted with buyers' reviews to make sure of receiving goods of good quality.

3.3. Difficulties with the delivery of goods

If you want to order in an online store a gift by a definite date, be it Christmas or St. Valentine's Day, then it would be better to think of it in advance so as to eliminate a possibility of late delivery which surely spoil the holiday mood.

It should also be noted that delivering the purchased item to the remote areas might be pretty expensive, and the total price can be equal to the price for the same item in a mall. Opting for a standard delivery an online shopper risks either receiving damaged goods or nothing, since very often such goods are stolen or lost on their way. The prohibitively high prices on express delivery sometimes make the game not worth the candle.

3.4. Currency conversion

There might be a difference in the price you see on your computer screen and the final price after purchasing the item due to the involvement of currency conversion operations.

3.5. Registration in an online store

To make purchases in an online store, in most cases, it is necessary to undergo the registration procedure. Even though it doesn't oblige you to purchase anything, however the whole process can be rather tiresome. Moreover, after the registration you are very likely to be included in the shop's mailing list, which means that you will receive all information on sales and discounts and you might end up making unnecessary purchases or exceeding your budget.

Conclusion

Thus, it is possible to conclude that only if buyers responsibly approach the idea with purchasing items online and study the reviews on the online stores (the goods they sell, their customer service, delivery, etc.) will the whole process be favourable and fortunate

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