Chapter 1
Introduction: ZMOT and e-retail

One medium whose growth has been extraordinarily phenomenal over past few years has been internet without any doubt. This has led to a new era in human evolution where information is easiest to attain. In fact the primary activity that is done on Internet nowadays comprises mainly of exchange of information or services. Thus, in a way it was imperative that buying and selling would also become a common activity on World Wide Web as there is a huge potential for it becoming a universal portal for exchange of goods, services as well as information.

There are numerous advantages of online buying, some of which are noted as follows:

- It is convenient and also saves a lot of time
- Features could be compared with similar products instantaneously
- Travel time and money is saved
- Huge variety is available
- Information generated from users of the same product is available
- User can customize their products

But, no matter how easy and convenient the whole deal is, yet internet shopping is least accounted for amongst the total internet usage in India. Perceived risks are actually the reasons that customers are averse to buying online. Since there is no physical contact thus development of trust is very difficult and so we need to identify ways in which we can leverage this opportunity and market online.

On September 12, 2005 Wall Street Journal published a cover story that revolutionized the world of marketing and set new standards for the future. The story was about the crucial seven seconds that after a shopper encounters a specific product in the market. It led to the discovery of first and second moments of truth which have become sensational and critical for marketers worldwide as more and more money is being poured to identify them and win more customers through effective marketing at those moments. First moment of truth is the moment when the customer discovers the product on the shelf and second moment of truth is the moment when the consumer actually uses the product and the experience derived from it. Both of them are essential for any companies' success.

But, after a few years another guy named Jim Lecinski once again changed the paradigm of marketing by discovering what he called as the zero moment of truth or ZMOT in his seminal work winning the Zero Moment Of Truth whilst working with Google. So what is ZMOT?

ZMOT is essentially the precise moment when a consumer uses a knowledge source like a laptop or a mobile phone to access internet to learn about a new product or service that he/she would like to purchase. All of us do that. We ask friends on social media about movie reviews, we go to blogs to learn about the capabilities of any new gadget that has made a recent entry into the market, we even go to video sites like You-Tube to check out how the car that we are going to buy looks and drives. In other words, we collectively learn and individually decide at such a fast pace that was not prevalent before.

Basic changes that have occurred today as say a decade before are well defined by Lecinski as follows:

- The whole journey of making a purchase decision has vastly undergone a change. The erstwhile sales funnel has given way to a multi-channel discovery as described in the diagram below.
- Messages are no longer sufficient. Now companies need to propel conversations about their brand. Shoppers nowadays are high on sharing information. So it's a extremely tough world out there.
- Word of mouth was always strong but now it has become one of the strongest and fastest mediums; thanks to the digital age.
- Consumers are researching online for even the most low ticket items like Band-Aids or maybe even chewing gums

- All moment of truths are converging as our gadgets like laptops and mobiles are becoming a converging point for knowledge, sale as well as experience of various products and services.

Figure A: The shopper's multi-channel journey

Source: http://www.smartinsights.com/content-management/content-marketing-strategy/googles-zmot-brilliant-or-bocks/

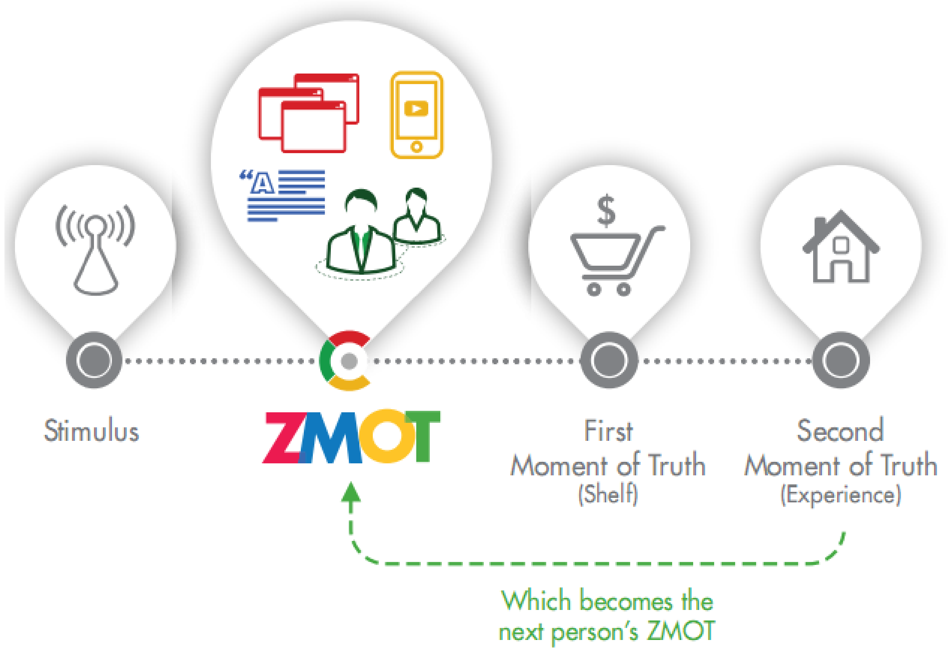
Thus, we know that stimulus, shelf and experience are the traditional marketing steps. But, Lecinski has identified a new step between stimulus and shelf, which constitutes learning so that the purchase decision could be made. This step is the ZMOT and it is equally relevant for both B2B as well as B2C industries.

It can be explained further with the help of following diagrams:

Figure 2-1: The traditional 3-step mental model

Source: http://www.jellyfishpublishing.co.uk/our-approach/zmot/

Figure 2-2: The new mental model



Source: http://www.jellyfishpublishing.co.uk/our-approach/zmot/

Thus, ZMOT is the moment between the stimulus to buy (when the need arises) and the FMOT (when the product is encountered on shelf).Internet has completely revamped this in between moment. According to Lecinski, in today's digital savvy world it is this moment that makes all the difference as the customer is knowledgeable and knows what he requires and thus looks for sources of information on new media. Thus, if we can somehow market ourselves at this critical moment we would be successful. This ZMOT is extremely helpful in understanding and influencing consumer behaviour especially on internet.

Saatchi & Saatchi were the pioneers in utilizing this ZMOT revolution. According to their framework, ZMOT can be broken down into following ingredients:

- It is indeed an online phenomenon- typically starting on the multitude of search engines like Google, Yahoo, Bing and even on YouTube
- It can happen anytime and anyplace: Availability of internet on mobile has made information gathering an instantaneous process
- It is a pull based marketing environment; Customer knows your product as well as competitors, so you can't push your product down their throats

- It has an emotional element attached to it
- Everywhere the conversations are going on and your brand has to be a part of it

A stark percentage figure that was found in Google research was that 54% of consumers who use online resources compared products with the help of various comparison websites available. Especially, in today's world that is recovering from recession socks, saving money is of utmost importance and ZMOT can help them to effectively achieve so.

One of the conventional mediums that expanded million fold since the advent of internet is word of mouth. Word of mouth itself has undergone many changes since.

The characteristics of new word of mouth are as follows:

- Customers are connected to each other and talk directly via multitude of social media available online
- Expert reviews and opinions are easily available for free on various review sites like Epinions, Zomato etc.
- You can comment as well as rate products online
- There are many sites where people share advice and opinions with each other
- Even the search results that we see are paid for so that brand visibility could be increased

But there is an essential disparity between the old word of mouth and new one. It is no longer just one to one. In fact, now word of mouth has become one to millions. One bad experience can damage the reputation of the company as it would be shared instantaneously with millions.

What drives this impetus of online word of mouth is the fact that all of us like to try out something endorsed by someone we know or admire. That is exactly what makes celebrity endorsements a success and that is what drives online word of mouth too. In fact it is so powerful that when Google decided to come up with their own social networking site, they decided to add a +1 button to it. It is like a Facebook like but with much wider scope of sharing. Lecinski even goes on to say that it is better in finding consumer insights than any focus group discussion. A focus group discussion in his words is artificial as respondents know that they are being watched and are getting paid for their answers; so most of them change their responses knowingly or unknowingly in accordance to this fact; but on the social media platform the voice of consumer is unadulterated by any bias of any kind.

What makes ZMOT critical is the fact that it is even more applicable to local vendors as most of the internet search is actually local. The following chart was formed by. It shows number of sources utilized by average shopper whilst making a purchase decision online and how many of them can actually be influenced at ZMOT:

Category	No. of sources used	Average usage across Sources	% influenced at ZMOT
Automotive	18.2	34 %	97 %
Consumer electronics	14.8	30 %	92 %
Voters	14,7	35 %	95 %
Travel	10.2	22 %	99 %
OTC drugs	9.8	18 %	78 %
Grocery	7.3	15 %	61 %
Packaged goods	7	14 %	63 %
Fast food joints	5.8	12 %	72 %
Banking	10.8	25 %	91 %
Insurance	11.7	26 %	94 %
Credit Card	8.6	19 %	81 %
Investments	8.9	20 %	89 %

Thus, above table makes it abundantly clear that ZMOT has the potential to influence each and every industry. Even though above data is from USA, still we can say that India is moving towards similar statistics pretty fast and some of the above mentioned industries in India will replicate such data within next 5-6 years.

According to Wendy Clark, CEO Integrated marketing communications Coca-Cola; there are four types of conversations going on online:

- Paid: Which consists of advertising as well as media paid by the company
- Owned: These are the assets that are controlled by the parent company itself e.g. packaging
- Earned: These are the ratings and reviews earned by the company due to the performance of its product or service
- Shared: Areas which don’t come under direct authorization but can be collaborated upon e.g. for Coke it would be McDonalds restaurants

This is the area where ZMOT is most effective. The trick lies in creating sharable content that would be appreciated and people would want to show or recommend it to their peers. User generated content is indeed a very strong influencer.

Another area that needs immediate focus by industries today is mobile phone. Even if you are running an online portal and do send regular e-mailers to your subscribed patrons, yet it is important to create SMS alerts as well as rich media text that would be compatible via smart phones. The simple reason for this being the fact that, mobile is a device that a consumer carries all day long. A Google study has even found that 95% of smart phone users might even use their phone in loo. That is the power of this small device; it gives brands a first mover advantage like no other medium has given before. As soon as the sale starts at a particular company’s outlet, they can make it known to their regular patrons and they might even sell their merchandise within minutes of the sale being announced.

One more area that we need to focus upon while talking about ZMOT is the second most used search box in the world after Google: It is YouTube. YouTube in past few months has become advertisers’ paradise. Usually also consumers do check out videos of their favourite brands on YouTube, but apart from that brands especially online portals are buying side widgets and banners on YouTube plus video ads before or even between popular videos. This trend is extremely popular in India too and thus showcases that brands are increasing identifying YouTube as a force to reckon with in terms of online advertising. In fact many of these advertisements are targeted intelligently on the basis of the videos that you have watched most recently or liked. Many a times, you'll find that YouTube side widget will only show ads from the recent online portal that you made a purchase or even just visited. This type of specific and targeted advertising was unheard of before and now is indeed a part of ZMOT, thanks to the internet revolution.

Thus, in this world of accelerated marketing the five key insights that have emerged in terms of ZMOT marketing are as follows:

- Every shopper is different from others
- It has never been so easy to walk out of the store
- Shopping cart abandonment is on an all-time high
- Push advertising is not enough anymore
- Cross-shopping behaviour is rapidly increasing as the sales funnel has given way to a multi-channel approach

According to a Google study, an average shopper consults 10.4 sources of information before making a purchase decision; which is double from the number in 2010. This gives us an indication of how fast ZMOT is growing. E-retail is still finding its roots in India and thus it would be fascinating to see the impact that ZMOT has on an emerging e-retail market as India. But one this is increasingly evident. The usual retail format of mom-dad stores is diluting and giving way to easier and efficient ways of buying and selling. Today's consumers is more educated than ever before and it should not be seen as a roadblock but rather as an opportunity of a bright future where retailers can dream of end to end online to offline analytics that will drive immediate customer responses and can help them to create a kind of loyal following in days, that required years to achieve before.

Also, ZMOT has intrigued me personally too, as I believe that conventional advertising is taking a backseat and we need to look for disruptive and innovative advertising techniques that would not only capture customer attention but will actually increase the product purchase intention to a much higher extent. I feel customer trust in television advertising is dwindling and online has an ability to emerge as a much more trustworthy medium. Thus, I believe ZMOT has the potential to be one of those path breaking marketing techniques as one of its cornerstones is online word of. Thus, a combination of all these reasons prompted me to dwell deeper in this area.

So, even if ZMOT is not set tightly as yet in India it is indeed finding its roots. This study will try to find out the existing ZMOTs for Indian online retail stores as well as a few drivers for future growth. It would also establish a simple model that could be effectively used by Indian marketers to incorporate in their marketing mix.

Chapter 2
Literature Review

There are very few research papers that pertain directly to the subject as the subject itself is a relatively newer one. This literature review is divided into three parts for the sake of ease of flow.

2.1 ZMOT and Consumer behaviour of an e-shopper

Zero moment of truth is (ZMOT) a relatively new concept championed by Google and hence almost negligible amount of literature is available on it except two books by Jim Lecinski who is credited with discovering ZMOT. The first book winning the Zero Moment Of Truth deals with the inquisitive phase of a customer between the times when he feels the need for a product and when he actually goes in market to buy the product. Lecinski calls this as knowledge gathering phase as ZMOT and declares that marketing at this ZMOT can be a huge game-changer as customers are much more tech savvy now than ever before and use all kinds of new media before buying the product. This sentiment is reiterated by GMA and Google. According to research conducted by GMA 41% times brand selection happens at home. Through Google conducted research it was found out that 70% of Americans look at product review before making a decision. 79% of them use a smartphone to help with shopping and a whopping 83% mothers prefer to do online research after seeing a TV commercial that they like. Diamond and Cohen in their Digital Shopper Marketing (DSM) study explain that shoppers are now fully acquainted with various DSM tools like self-checkout, QR codes, printed coupons from internet; price comparison tools etc. and these technologies show a very high amount of usage. But, not all these are very helpful and a lot more is still to be done. They also emphasize that privacy protection is again very important to consumers and 74% of shoppers showed some concern about privacy infringement in their research.

In terms of shopping behaviour online and physically we again see a lot of differences. Online shopping behaviour depends on a number of factors e.g. gender is a factor as both the genders typically show a vast difference in online shopping behaviour. Men tend to be quick shoppers whereas women are more shopping for fun type. Geographies, age etc. are some of the other factors influencing e-consumer behaviour. Further e-consumer behaviour studies have shown that women are leveraging internet globally as much as men. But, they spend most of their time in connecting with people thus fulfilling their emotional needs. They share everything with each other and are like electronic sisters giving advice to each other on everything from clothes to husbands and boyfriends. They are also more receptive to advertising than men and thus are primary targets for online advertisers who are looking to capitalize on digital lives of women all over the world. The consumer of today is much more intelligent to the extent that researchers do not even need to ask questions anymore. They can just sit back and be participatory observers themselves. When you asked questions their responses could have been biased but now we can see the responses unfold themselves on various internet communities, blogs, helplines etc.

Some research has also gone into developing different categories for research on online behaviour. Two subsequent views have come out of them: Consumer orientation and technology orientation. Consumer orientation dwells in each consumers personal unique beliefs about online shopping. This orientation utilizes demographics, cognitive and physiological components, risks and perception of trust factors, motivations behind shopping and different methodologies of shopping. On the other hand technology oriented view dwells mostly on the technical aspects of the e-portals like ease of usage, look and feel of the website, additional features etc. Both of these views are complementary to each other.

Basically, consumer behaviour at any point is highly influenced by the peer circle of the consumer. Societal norms become unwritten rules for any consumer to follow and he does so to gain acceptance. In theory of planned behaviour, social influence is also one of the subjective norms.

And thus, that is where the ZMOT lies, to be present at the place where customer is looking for a product, its features and how effectively the product meets his needs. All these questions are easily answered online through these communities, blogs etc. and hence internet is the best place for ZMOT marketing.

2.2 Relevance of conventional advertising

Consumer of today is fully equipped to see through all the gimmicks done by advertisers. Google shopper research data says that an average shopper uses 10.4 sources of information to make a decision, up from 5.3 sources in 2010. In a research conducted on e-consumer behaviour it was found out that e-shopping is growing at a very fast rate whereas traditional shopping is struggling to maintain growth figures year after year. According to Jo Rigby, research director at EMEA; availability of multiple devices has led to hyper fragmentation, the explosion of the social media scene also has made brand communications hyper kinetic, behavioural targeting and the kind of data easily available has made advertising hyper personal and constant engagement of brands has created a hyper emotional space. Thus, traditional advertising may not be considered as strong and relevant today.

James Devon in his research on advertising of Everest brand concluded that TV advertising actually bolstered the number of people looking for Everest windows on internet significantly. Thus, acting as a valuable supplement for the brand and thus TV advertising was very useful for their particular brand. But, that may not work in every scenario. Payne, Samuel, Pharo and Doran in their research regarding television advertising quality metrics found out that only brand recall and message recall are meaningful drivers of sales in case of TV advertising amongst 40 different metrics identified by them. In case of print advertising; Hampel, Heinrich and Campbell researched on the profitability of print ads and found out that premium print advertising positively influences the purchase intention as well as increases word of mouth for the brand. Premium not only meant the quality of ad but also the brand name and the emphasis was the effect on word of mouth, purchase intention and willingness to pay price premium.

2.3 Rise of new media, Internet advertising and Internet Word of mouth

Georges Mao in his multiple channel analysis research found that Internet is the new hub for developing marketing strategies even for the traditional economy companies. Chow and Shi also found out that online research helps companies to grow at a faster rate than their traditional competitors. Philip Bonanno stresses in his article that it is time to engage the consumer like never before and in places where he least expects but will get affected the most. He believes that technology advancement is very effective in cutting the clutter in today's world. Also connecting loyal buyers together is a brilliant way to engage them and is done very effectively through social networks and online forums where they can discuss their experience with the product. The research conducted by Market Leadership Council (MLC) with Google brings to the fore how digital has changed the game in even B2B industry. Customers usually have progressed 60% through their purchase process before contacting a sales representative. Majority of this research happens online. Most organizations have already taken steps to strengthen their digital expertise so as to stay relevant in today's market and be ready for the future. It also boldly goes on to say that today digital should not be an afterthought but as much central a process as any other and that is where companies are lagging. Thus, it is recommended in the end that companies should strive hard and collectively with all stakeholders especially consumers to develop its digital foot-print.

Amongst key influencers advertising and media content ranks lowly at 19% and 16% respectively; while on the other hand long standing brand preference stands atop with 68% followed by coupons 48% and friends/family at 43% which proves that conventional advertising isn't as effective in attracting new customers but can help I retaining old ones who are familiar with the brand name, whereas, word of mouth and coupons collect much higher purchase intent influence ratings. It also reveals that 81% of shoppers do detailed research before shopping even in case of low ticket items. Again, it reemphasizes the growing power of digital media to drive a measurable response from the consumers. It also goes on to say that digital media is beneficial for both marketers as well as retailers and the greatest profit lies for the shopper marketer who takes holistic approach to build shopper experiences and applications thus moving away from push marketing and towards shopper engagement across multiple moment of truths. Pfeiffer and Zinnbauer maintain that online advertising and engagement activities conversion rate in terms of revenue generated is three times higher than any ATL TV channel ad. But, classical advertising is still relevant in terms of building brand strength and explaining brand positioning. They also emphasize on the fact that online referrals and word of mouth should be seen as an important strategic brand building exercise. Research done by Millward Brown agency reports that when consumer enter the store as shoppers, they come well prepared for their shopping experience. In terms of online research also the final objective should be to make the product as easier to find as possible by turning up in the right places at the right time. Also the brand-equity building can't be done inside the busy environment of the store; it has to happen outside the store. Research conducted by Janssens, Pelsmacker and Geuens on internet advertising considers a lot of modern factors to analyse the effectiveness of online advertising. One of the factors is gaze analysis wherein it is observed that when the number of gaze jumps is few web-goer is digesting the information with rather undivided attention. It was also found out that goal directed seekers are more receptive to information targeted at them. Social media has also made research attractive at very low cost and now we have to look at the consumer in a totally different way. In today's world research data has a very short shelf life as consumers are evolving and adapting to newer situations and products very quickly. Thus, Internet is the best place to do research as researchers can have quicker results in tune with the constantly changing society. Joe Rigby elaborates by giving the example of PepsiCo, which decided not to advertise in super-bowl in 2010 and instead invested 25 million dollars inn Project Refresh, which is a platform for supporting talented youth. Riegner also concluded in her research on word of mouth on internet that the most influential users on internet are people aged 24-44, who have embraced internet as a way of life. They are the heroes of Word of Mouth on Internet, which will see a considerable increase in coming years.

2.4 E-retail scenario in India

According to research conducted by MSL group on future of e-commerce in India it is estimated that transactions on Internet will be worth $10,000 million in 2011-12 which is almost 40% more than last year. This trend has been prevalent for past decade and has just been increasing in volume. E-retailing had a lowly share of just 6.48% but it was still the second best after online travel which took 80% of the market share. E-commerce in terms of sales has also been increasing at a very fast rate and will continue to do so according to research estimates. Doctor Suman Kumar and Doctor Kar from JIS College believe that Internet can be a very effective medium for growth of retail brands in India. They believe that the e-retail sector is growing pretty fast in India and amongst the toughest challenges is to retain the customer. It is extremely easy to lose an online customer and thus advertisers and their clients need to do something more than to just attract the customer towards their product. A compelling reason should also be there which can vary from security to word of mouth about their offerings. They believe that online customers are more sensitive and knowledgeable and hence much more difficult to retain. Jhamb and Kiran did a SWOT analysis of Indian retail industry and found that younger generation is in sync with the evolving retail patterns. They also found that location of retail business is the most important factor affecting organized retail in India and thus a better location means better business. Internet is a good alternative as it makes shopping much easier for today's convenience seeking shopper. Srikant and Dhanapal on their business review of e-retailing in India concluded that search engine marketing, search engine optimization and analysis by Google analytics are used by majority of Indian e-commerce players who are abreast with the latest technologies around the world. So India is ready for the e-retail explosion and the scene is getting bigger and better day by day.

2.5 Theoretical Framework

There are three theories that could be used to understand and develop the framework for effect of ZMOT on Indian audience and to come to specific hypothesis regarding the same. These theories are Decomposition Theory of Planned Behaviour, Hierarchy of effects and Relationship quality theory. Let us consider each of these theories one by one:

2.5.1 Decomposition Theory of Planned Behaviour

In the theory of rational activity it is argued that human behaviour can be controlled through intense willpower and is ignorant of the importance of involvement. This state of ignorance is improved by adding constructs from theory of planned behaviour. The emphasis is laid upon personal motive as well as external factors affecting the final purchase decision. Thus theory of planned behaviour argues that final purchase intention is a dependent variable on various factors like resources, opportunities and knowledge of usage implication of the product.

Found out that a positive subjective norm and a negative risk perception are both important for considering e-portals as a viable place to buy products from. They even specified certain factors useful in attracting consumer attention: Features of a website, Ability to interact, perceived convenience, reliability through information and assurance of high quality products. In terms of this study we will consider both norms from planned behaviour theory:

- "Positive Subjective norm": It involves the concurrence with opinions of other persons for decision of taking purchase action.
- Perceived Risks Analysis: the assessments of risks involved in making the final purchase by the shopper

2.5.2 Theory of Relationship quality

Quality of any product can be divided into 5 parts which are as follows:

- Tangibility
- Reliability
- Response
- Correctness
- Care

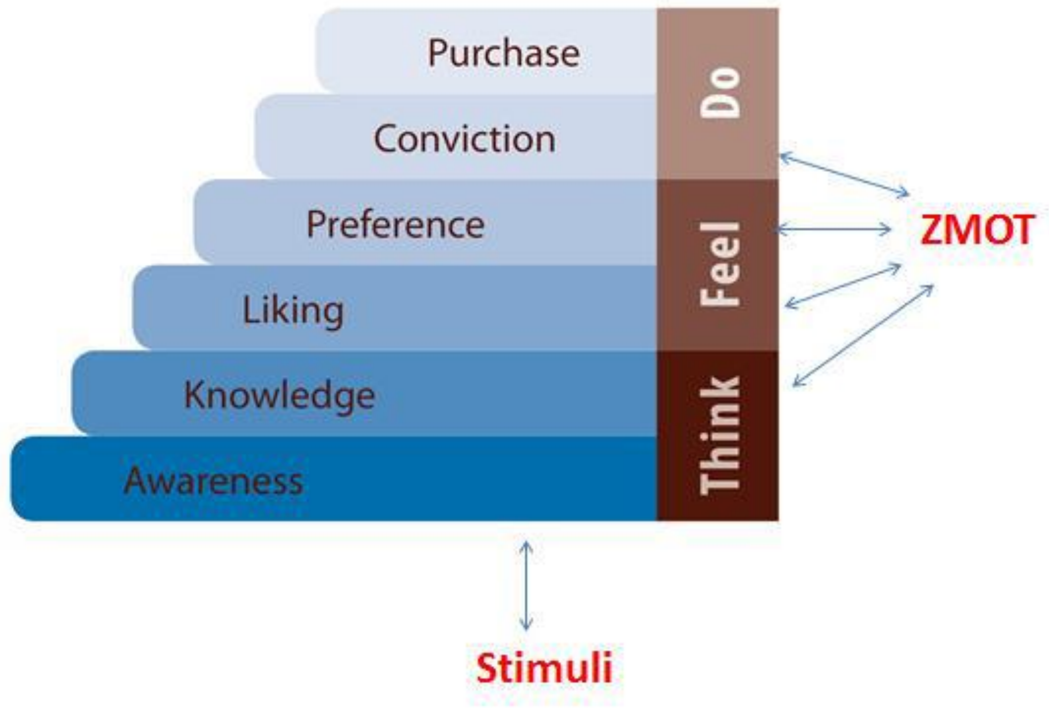
Also described quality expected by customers into two categories:

- A minimum quality level that should be provided in an ideal environment
- A quality level which can be achieved in a realistic environment

In their research, mention five gaps that determine service quality. Gap 1 and 2 deal with operating capability, knowledge resource and market information of the company providing the product/service. Gap 3 results from attitude of sales personnel and job training. Gap 4 results from exaggerated commitment from company's side and lastly gap 5 results from difference between perceived quality and actual quality level.

2.5.3 Hierarchy of effects theory

Above two theories set a framework for understanding the compulsion to concur to societal norms whilst buying online as well as the minimal quality levels required to influence a purchase decision. The third theory or rather the framework is Hierarchy of effects model created in 1961 by Robert J. Lavidge and Gary A. Steiner. Even though ZMOT discredits the funnel structure proposed by this framework by saying that multi-channel framework is at work yet we can use it to give a meaningful structure to this study which would be further elaborated in research methodology. Basically, this model proposes that there are six stages from stimuli generated by watching an advertisement to making the actual purchase decision. Marketers have to effectively utilize each stage so that maximum people can move from one stage to the other. It is shown as follows:



The first step in this model is that of awareness which leads to the stimuli of making a purchase and thus to further stages of Knowledge, Liking, Preference and Conviction; all of whom constitute the Zero Moment of truth and are influenced by variables defined in earlier 2 theories. Conviction and purchase also make the first moment of truth where consumer comes into actual contact with the product virtually or physically and decides to buy it. Conviction is a part of FMOT too as actual look and feel of product and packaging are still important factors for Indian context; but this study will focus only on ZMOT and stimuli part, so as to limit scope.

Chapter 3
Research problem

Since ZMOT is an extremely new concept so there is hardly any academic research done on it apart from Google shopper studies that is unique to American scenario. There has been a clear apparent shift in towards marketing through new media but very few research articles define the best practises especially in Indian scenario. Very less has been written on why people choose one website over the other and what are the metrics that lead to the final purchase decision and their effectiveness when compared to each other as well as conventional media. Also there is an apparent lack of research on online word of mouth (through blogs, referrals, reviews and social media) in brand and product promotion. Again a lot of research is indeed available on Indian e-commerce but not enough emphasis has been paid on online shopping behaviour of Indians and their biases and preferences. The scope of research in these areas is indeed immense but I will try to focus only on areas that strictly are defined clearly under conventional ZMOTs and how effective they are in Indian scenario.

3.1 Research Objectives

After evaluating the above gaps in literature the research problem is formulated as follows: **What are the Zero moments of Truth (ZMOT) in Indian online retail industry?** The primary purpose of this study is to evaluate the metrics that lead an online shopper in India to a purchase decision. I would like to find out the stimuli that bring the need for an online purchase and then how effective are the common ZMOT practises in Indian scenario for Indian consumers who like to shop online. Minor objective also is to analyse the effectiveness of online advertising and word of mouth vis-à-vis conventional advertising on Television, print, radio etc. All this would lead me to a best practise frame work in which I can devise what are the things that work in Indian ZMOT scenario and what are the things which still have a long way to go. The research objectives thus could be summarized below as:

- To find out the prominent parameters that lead an Indian online shopper to buy a particular product from a particular website

- To analyse the effectiveness of online Word of mouth (through blogs, reviews and social network) on purchase intentions of Indian online buyer

- To understand the effect of online advertising and compare it with conventional advertising through secondary research (TV and Print)

- Finally, **to chalk out a framework using effective stimuli, ZMOT moments and incentives given by e-portals; which will serve as a best practise standard for Indian Online retail Industry.**

3.2 Research Implications

Industrial implications: This research will enable e-retail industry players to understand when and where to market so as to increase their revenue through increased click through rates and final purchases. It will clearly define the opportunities where they can obtain and influence consumers and effectiveness of each opportunity against other e.g. It will enable a company like Jabong to know whether advertising on social media gets them more customers or active discussions on their blogs or is it consumer referrals. Thus, they can utilize those opportunities to maximize their marketing potential and ROI (return on investment). It would be ideal for new start-ups also who have a limited marketing budget and can't afford to get it wrong.

Academic implications: It will give a theoretical framework and techniques to maximize the effectiveness of an e-tailing website in Indian scenario. This framework can further be used to analyse the success and failures of certain campaigns and websites.

Chapter 4
Research Methodology

The research done is both quantitative as well as qualitative in nature. The quantitative component is descriptive, exploratory and diagnostic in nature. It aims to study the so called Zero moment of Truth in Indian online scenario by studying the various constructs that predominantly make up the zero moment of truth as described by Lecinski in his path breaking work. An extensive literature review led to the gaps in previously existing research as well as defined some of the metrics that can be analysed for further study. These metrics are the factors and stimuli that usually lead a consumer to make a purchase decision online.

We will follow the research model used by. The research model will basically identify the major driving forces and eliminate the lesser significant factors amongst these metrics so that an effective framework can be made that has higher probability of attracting consumer response for online research portals which is the qualitative part of the research design.
It is important to understand the profile of the target population and thus the profile sketch was generated after a thorough secondary research and online surveys were filled by only those people that satisfied those criterion. But, still unlike conventional market research there is no external force in deciding the sample whose views should be considered to arrive at a conclusion. And since decision to post anything online is solely dependent on the individual thus the representativeness of these views is entirely out of control of the researcher.

4.1 Research Design

Many ZMOT factors were already defined by Lecinski in his book, Winning the Zero Moment of Truth. Some of them were refined and even more stimuli and incentives were found through the extensive literature review as well as secondary research conducted. Using these derivatives, some direct metrics were estimated that have hypothetical relationship on purchase intention of Indian online shoppers. All these metrics can be broadly classified in following variables:

1) Demographic factors

a) Age

b) Gender

c) Occupation

<u>Stimuli Factors</u>

2) Offline stimuli

a) Conventional advertising

b) Word of Mouth through friends relatives

c) Chance encounter in a shop

d) Prior knowledge

3) Online stimuli

a) Advertising on Google

b) Advertising on YouTube

c) Advertising on any other website

d) Online user/expert reviews

e) E-mailer prompts

<u>ZMOT Factors</u>

4) Offline ZMOT(Word of Mouth of friends relatives)

5) Online ZMOT

a) Search engines

b) Comparison Sites

c) Brand Website

d) Range of choice available

e) User Reviews/Expert Blogs

f) Social Media WOM

g) You-Tube videos

h) Customer care executive

Incentives

6) Coupons

7) Brand Name

8) Aesthetics of Website

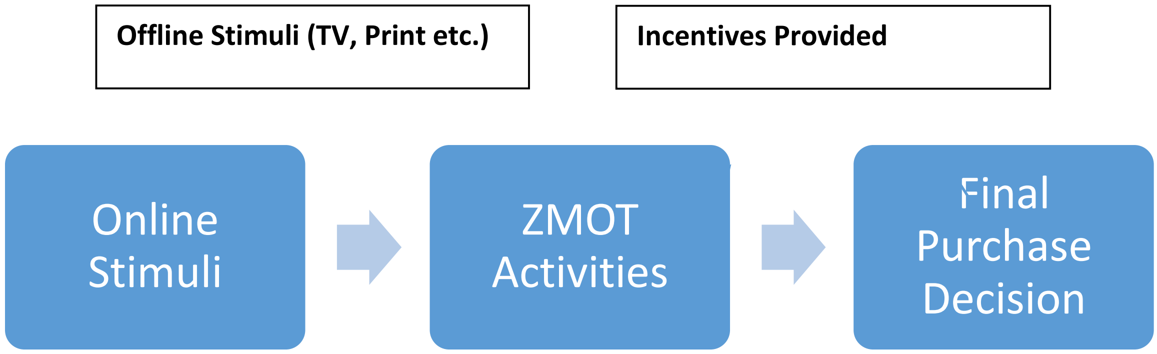
9) Delivery Time

10) Word of Mouth

11) Online advertising

These variables will be changed into specific set of questions using stratified random sampling from **112 respondents** of an **online questionnaire**; this study aims to find out the best practises amongst various stimuli that lead to an intention of online purchase, various ZMOTs that affect the purchase intention and various incentives given by e-portals to attract consumers. Additionally, we also seek to compare effectiveness of conventional advertising (TV, Print etc.) versus online advertising and also some of the items that have potential for online sale. We have also asked an open ended question to people who do not do online shopping asking them for the reasons for that. This study will combine the results from all this data and give a best practise framework for any online retail portal to be successful in India through ZMOT. The quantitative tools that have been used for analysis are descriptive statistics i.e. mean and standard deviation for analysing the best practises in aforementioned areas amongst the above given metrics.

The process that is exemplified through the study is better explained by following diagram:



As shown in the above diagram, we will identify the best online and offline stimuli. Online stimuli are usually followed up with ZMOT activities from the consumer and we will identify the best ZMOT activities as well as the best incentives according to our sample population. These will be identified amongst the already mentioned metrics that come out of comprehensive literature research and secondary research online. After all, these have been identified through a descriptive statistical analysis; we will combine the best practises identified with data collected through open ended questions and give a best practise guideline/framework suggestion for any e-portal to succeed in India online retail industry.

4.2 Guidelines for the questionnaire

1) To convert required data into a set of relevant questions that respondents will be willing to answer and which will generate apt information for quantitative analysis

2) To motivate and encourage the respondents to fill the survey responses honestly

3) Minimize the errors in recorded responses

4.3 Objective of the questionnaire

1) To get responses from two different samples: those who use online shopping portals and those who do not.

2) In case of those who use we intended to find the practises most preferred by them in terms of stimuli, ZMOT and company incentives. For others an open ended question asked about the reasons they do not engage in online shopping.

3) Thus, be able to give quantitative values for the variable defined in research model.

4.4 Method of questioning

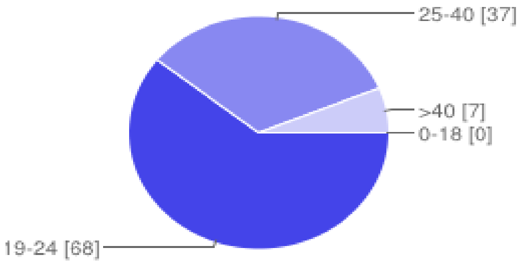
The questionnaire was made using Google form facility under Google docs. The made questionnaire was e-mailed to selected sample giving separate tokens to everyone so that no one could fill the survey twice. Their responses were recorded automatically through the robust technology provided by Google forms. Personal interviewing was avoided in this case because in-depth personal interview takes a lot of time and a study of this kind required a large set of respondents, at least 100, so as to be considered as a best practise guide. For, another reason the self-administered questions are kept simple and supplemented with detailed instructions to reduce bias on respondent side. The survey length is also medium to reduce bias induced by length of survey when respondents begin to fill random values.

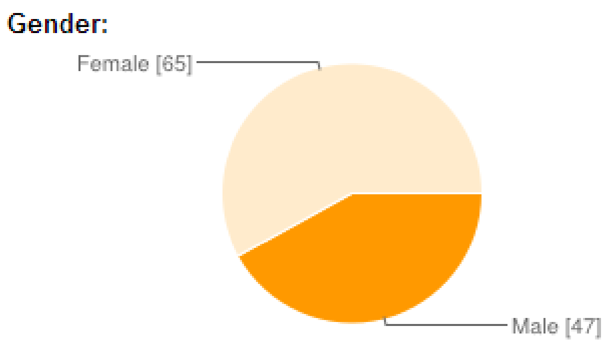
4.5 Sample Frame and Characteristics

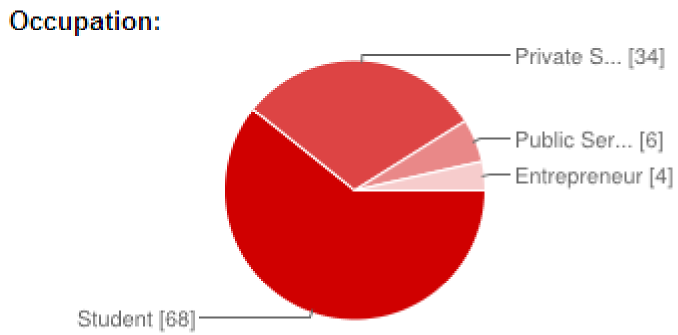
The population of interest was anyone who uses internet on a regular basis. It was sent to 300 respondents out of which 112 responded. Two sample sets were created, those who use internet for online shopping and those who do not. Random sampling was done i.e. everyone had the same chance of getting similar questions based on their choices and no one was preferentially chosen over others.

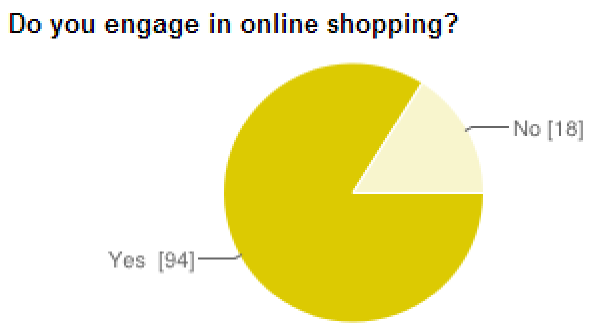
Out of 112 respondents, 68 were between the ages of 19-24, 37 between 25-40 and 7 were aged above 40. There were 47 males and 65 female respondents. Student was the most common occupation with 68 respondents. There were 34 private employees, 6 public service employees and 7 entrepreneurs. Out of these 94 responded in positive when asked if they engage in online shopping and 18 replied negatively. All these statistics are depicted in the pie-charts below:

Age:









4.6 Structure of the questionnaire

- **Questions with Multiple Choice**: To completely analyse respondents with respect to their preferences, they should be given ample choice to start with. So, we have multiple choice questions that ask them their usage pattern like rarely, sometimes, often, pretty often and almost always. This sets them at ease so that they can clearly formulate their thoughts while answering.

- **Ordinal Scale**: It is a scale in which numbers are assigned to different values of the response choices. It helps to determine whether an object has less or more of a particular characteristic without dwelling into the magnitude of how less or more. Thus, it can indicate a relative position but not the magnitude of difference between the variables. Thus, it is an ideal tool if we have to analyse the likeability of respondent towards a particular variable in comparison to others.
- **Open ended questions**: There was an open ended question asked in the end to both samples which in case of users of online shopping asked them for a product/service they want to be available online but is not available as yet. In case of people who do not do online shopping they were asked for a reason for that. Apart from that there text questions to describe the demographic that the respondent belonged to. All this was done so that a more comprehensive framework could be devised for final suggestions.
- **Dichotomous questions**: There were various dichotomous questions that asked for a yes/no response from the user to further analyse their behaviour and once again devise a thorough framework for final suggestions.

Chapter 5
Data Analysis

Data collected from all the respondents is further analysed starting with Cronbach's alpha test for reliability of the sample.

5.1 Cronbach's Alpha test for reliability

This is a very famous test that depicts internal consistency of the questionnaire. It is a very common tool to estimate the reliability of the psychometric test where many samples are taken. In this test the value lies between 0-1 and more the value will mean that the sample is more reliable as there is increased number of interrelations between the samples. Commonly accepted values for Cronbach alpha is given below. But, it is not true in case of every sample:

Cronbach's alpha	Internal consistency
$\alpha \geq 0.9$	Excellent
$0.8 \leq \alpha < 0.9$	Good
$0.7 \leq \alpha < 0.8$	Acceptable
$0.6 \leq \alpha < 0.7$	Questionable
$0.5 \leq \alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable

Now, we had three kinds of samples from which Cronbach alpha can be checked, namely: Stimuli values, ZMOT Values and Incentives. The result for Cronbach alpha in each case is depicted below:

Stimuli

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.722	.711	9

ZMOT Values

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.645	.654	8

Incentive Sample

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.799	.793	7

Thus, after examining all the samples for reliability and internal consistency, we can say that the samples are satisfactory as alpha is greater than .7 in 2 cases and .654 in one case. So, we can move onto the second part of the analysis.

5.2 Mean and Standard Deviation of each variable

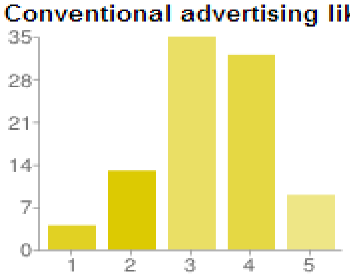
We will now check the mean (weighted average) and standard deviation in case of all the given variables one by one. After all the means with deviations have been found, we will rank all the practises under the three categories of three samples to find the best practises in each sample namely: Stimuli, ZMOT and Incentives.

5.2.1 Stimuli

Offline Stimuli

<u>Conventional Advertising</u>

Conventional advertising like TV ads, Print-ads, Radio or OOH



1	**4**	4%
2	**13**	14%
3	**35**	38%
4	**32**	34%
5	**9**	10%

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
s5	93	1	5	3.31	.978
Valid N (listwise)	93				

Thus, we can see that mean for conventional advertising is 3.31 in a 5 point scale where 1: Rarely 2: Sometimes 3: Often 4: Pretty Often 5: Almost always. Thus, as a stimulus for online shopping, for most of the respondents it lies between *Sometimes* and *Often.*

Word of mouth through friends/relatives

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
s4	94	2	5	4.10	.917
Valid N (listwise)	94				

Thus, we can see that mean for Word of Mouth is 4.10 in a 5 point scale where 1: Rarely 2: Sometimes 3: Often 4: Pretty Often 5: Almost always. Thus, as a stimulus for online shopping, for most of the respondents it lies between *Pretty Often* and *Almost always.*

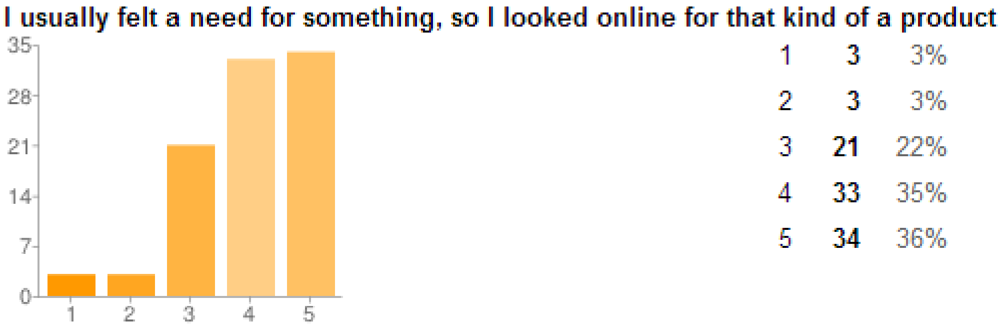
Chance encounter in shop

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
s8	93	1	5	3.28	1.164
Valid N (listwise)	93				

Thus, we can see that mean for Chance encounter is 3.28 in a 5 point scale where 1: Rarely 2: Sometimes 3: Often 4: Pretty Often 5: Almost always. Thus, as a stimulus for online shopping, for most of the respondents it lies between *Often* and *Pretty Often*.

<u>Prior Knowledge</u>



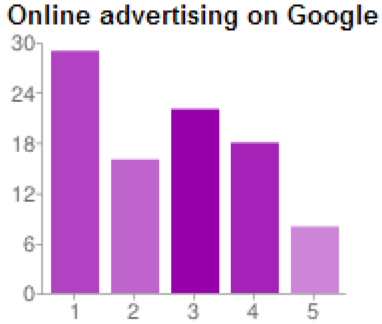
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
s9	94	1	5	3.98	1.005
Valid N (listwise)	94				

Thus, we can see that mean for Prior Knowledge is 3.98 in a 5 point scale where 1: Rarely 2: Sometimes 3: Often 4: Pretty Often 5: Almost always. Thus, as a stimulus for online shopping, for most of the respondents it lies between *Often* and *Pretty Often*

Online Stimuli

Advertising on Google



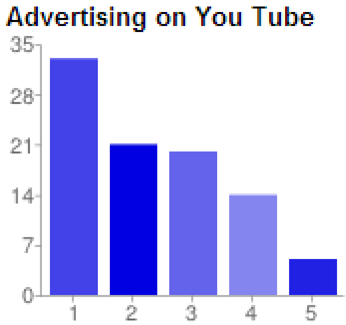
1	**29**	31%
2	**16**	17%
3	**22**	24%
4	**18**	19%
5	**8**	9%

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
s1	93	1	5	2.57	1.338
Valid N (listwise)	93				

Thus, we can see that mean for Advertising on Google is 2.57 in a 5 point scale where 1: Rarely 2: Sometimes 3: Often 4: Pretty Often 5: Almost always. Thus, as a stimulus for online shopping, for most of the respondents it lies between *Sometimes* and *Often.*

Advertising on YouTube



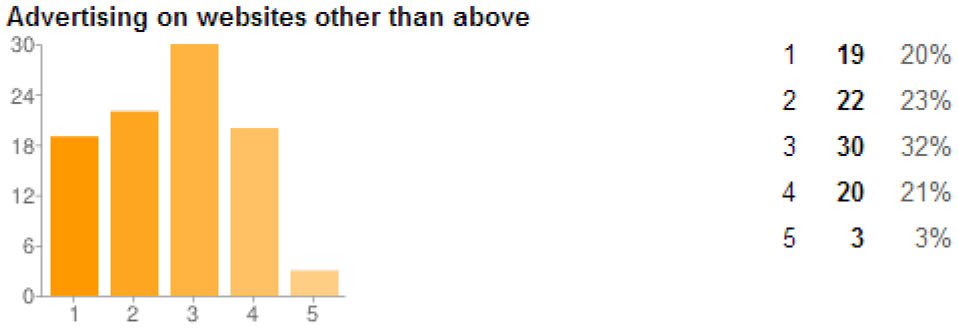
1	**33**	35%
2	**21**	23%
3	**20**	22%
4	**14**	15%
5	**5**	5%

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
s2	93	1	5	2.32	1.252
Valid N (listwise)	93				

Thus, we can see that mean for Advertising on YouTube is 2.32 in a 5 point scale where 1: Rarely 2: Sometimes 3: Often 4: Pretty Often 5: Almost always. Thus, as a stimulus for online shopping, for most of the respondents it lies between *Sometimes* and *Often.*

Advertising on any other website

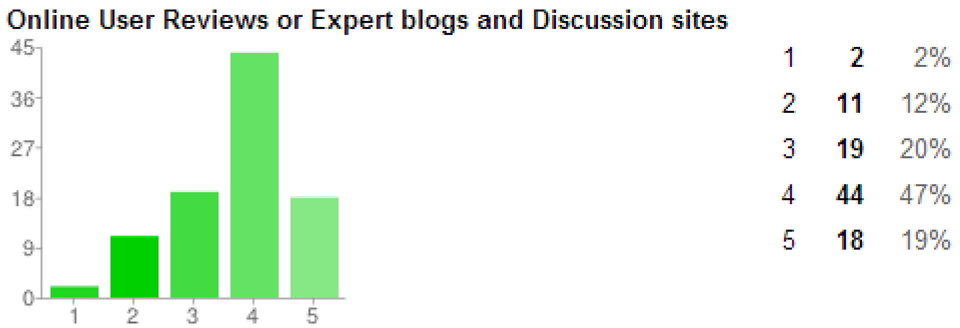


Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
s3	94	1	5	2.64	1.125
Valid N (listwise)	94				

Thus, we can see that mean for Advertising on any other website is 2.64 in a 5 point scale where 1: Rarely 2: Sometimes 3: Often 4: Pretty Often 5: Almost always. Thus, as a stimulus for online shopping, for most of the respondents it lies between *Sometimes* and *Often.*

Online User/Expert Reviews

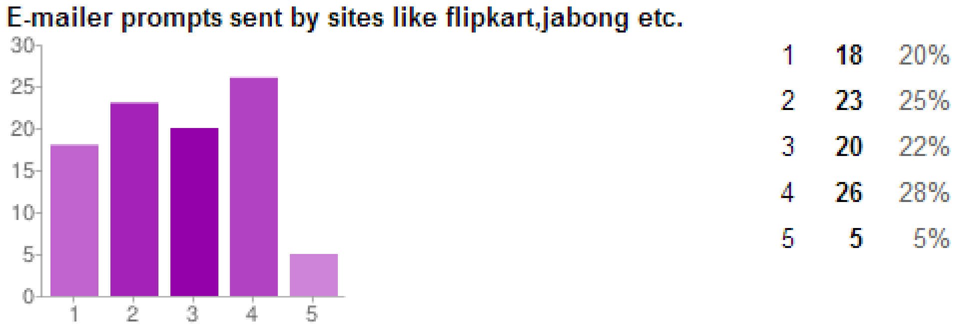


Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
s6	94	1	5	3.69	.984
Valid N (listwise)	94				

Thus, we can see that mean for Online reviews are 3.69 in a 5 point scale where 1: Rarely 2: Sometimes 3: Often 4: Pretty Often 5: Almost always. Thus, as a stimulus for online shopping, for most of the respondents it lies between *Often* and *Pretty Often.*

E-mailer prompts



Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
s7	92	1	5	2.75	1.219
Valid N (listwise)	92				

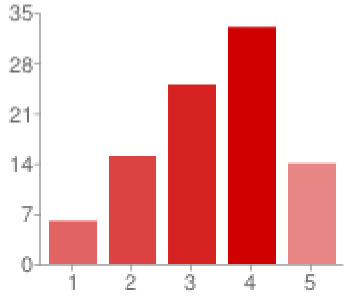
Thus, we can see that mean for e-mailers are 2.75 in a 5 point scale where 1: Rarely 2: Sometimes 3: Often 4: Pretty Often 5: Almost always. Thus, as a stimulus for online shopping, for most of the respondents it lies between *Sometimes* and *Often.*

5.2.2 ZMOT Metrics

These are the metrics that come into play after a stimulus has been evoked and before making a purchase decision, when people look for information regarding the product

Word of Mouth of friends

Ask friends/relatives about the product



1	**6**	6%
2	**15**	16%
3	**25**	27%
4	**33**	35%
5	**14**	15%

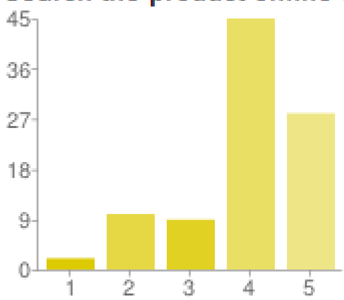
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
z1	93	1	5	3.37	1.121
Valid N (listwise)	93				

Thus, we can see that mean for word of mouth of friends/relatives is 3.37 in a 5 point scale where 1: Rarely 2: Sometimes 3: Often 4: Pretty Often 5: Almost always. Thus, as an information source during online shopping, for most of the respondents it lies between *Often* and *Pretty Often.*

Search Engines

Search the product online using any search engine



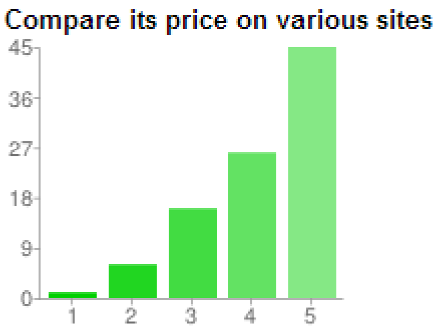
1	**2**	2%
2	**10**	11%
3	**9**	10%
4	**45**	48%
5	**28**	30%

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
z2	94	1	5	3.93	1.008
Valid N (listwise)	94				

Thus, we can see that mean for search engines is 3.93 in a 5 point scale where 1: Rarely 2: Sometimes 3: Often 4: Pretty Often 5: Almost always. Thus, as an information source for online shopping, for most of the respondents it lies between *Often* and *Pretty Often.*

Comparison Sites



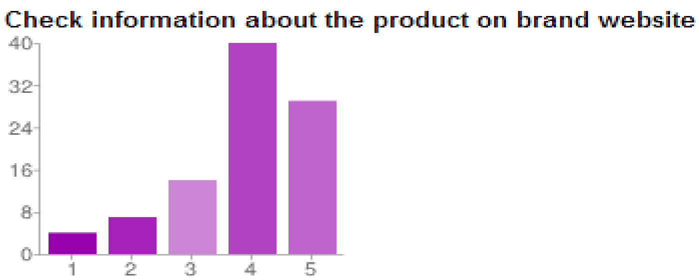
1	**1**	1%
2	**6**	6%
3	**16**	17%
4	**26**	28%
5	**45**	48%

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
z3	94	1	5	4.15	.994
Valid N (listwise)	94				

Thus, we can see that mean for comparison sites is 4.15 in a 5 point scale where 1: Rarely 2: Sometimes 3: Often 4: Pretty Often 5: Almost always. Thus, as an information source for online shopping, for most of the respondents it lies between *Pretty Often* and *Almost Always.*

Brand Website



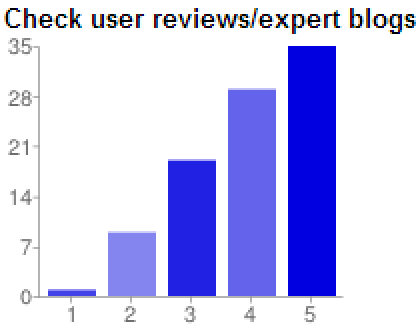
1	**4**	4%
2	**7**	7%
3	**14**	15%
4	**40**	43%
5	**29**	31%

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
z4	94	1	5	3.88	1.066
Valid N (listwise)	94				

Thus, we can see that mean for brand website is 3.88 in a 5 point scale where 1: Rarely 2: Sometimes 3: Often 4: Pretty Often 5: Almost always. Thus, as an information source for online shopping, for most of the respondents it lies between *Often* and *Pretty Often.*

User reviews/Expert Blogs



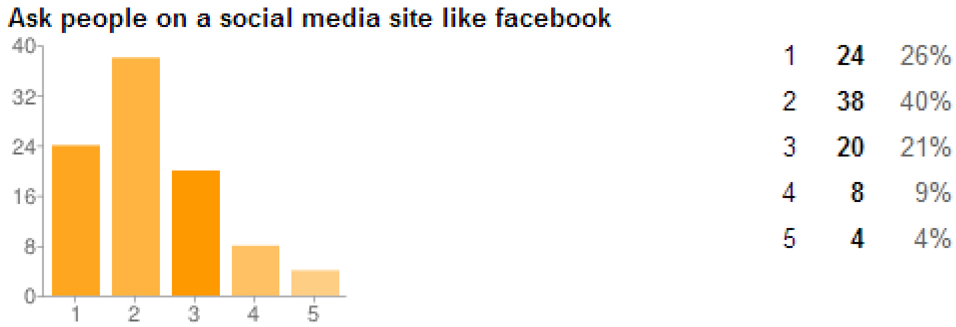
1	**1**	1%
2	**9**	10%
3	**19**	20%
4	**29**	31%
5	**35**	38%

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
z5	93	1	5	3.95	1.036
Valid N (listwise)	93				

Thus, we can see that mean for user reviews/expert blogs is 3.95 in a 5 point scale where 1: Rarely 2: Sometimes 3: Often 4: Pretty Often 5: Almost always. Thus, as an information source for online shopping, for most of the respondents it lies between *Often* and *Pretty Often.*

Social media Word of Mouth

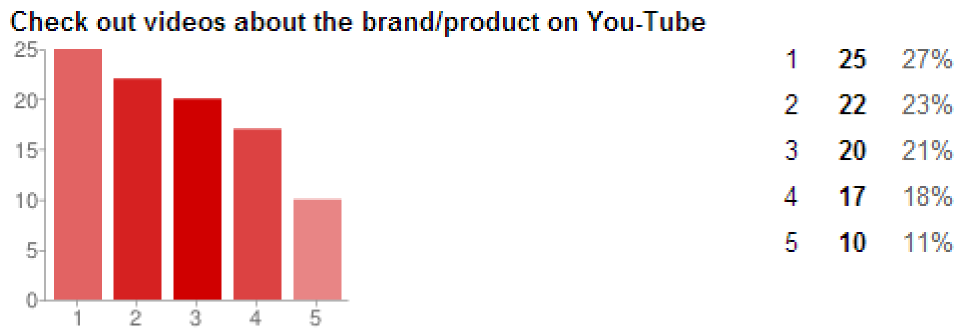


Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
z6	94	1	5	2.26	1.067
Valid N (listwise)	94				

Thus, we can see that mean for social media WOM is 2.26 in a 5 point scale where 1: Rarely 2: Sometimes 3: Often 4: Pretty Often 5: Almost always. Thus, as an information source for online shopping, for most of the respondents it lies between *Sometimes* and *Often.*

<u>YouTube Videos</u>



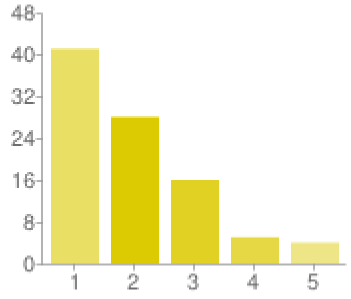
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
z7	94	1	5	2.63	1.336
Valid N (listwise)	94				

Thus, we can see that mean for YouTube videos is 2.63 in a 5 point scale where 1: Rarely 2: Sometimes 3: Often 4: Pretty Often 5: Almost always. Thus, as an information source for online shopping, for most of the respondents it lies between *Sometimes* and *Often.*

<u>Customer Care Executive</u>

Talk to a customer care executive



1	**41**	44%
2	**28**	30%
3	**16**	17%
4	**5**	5%
5	**4**	4%

Descriptive Statistics

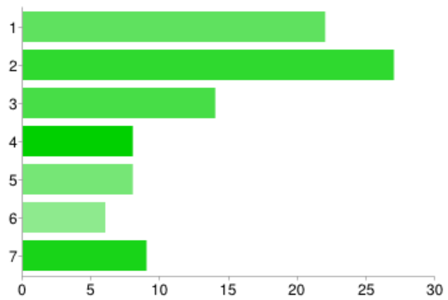
	N	Minimum	Maximum	Mean	Std. Deviation
z8	94	1	5	1.97	1.102
Valid N (listwise)	94				

Thus, we can see that mean for Customer Care executive is 1.97 in a 5 point scale where 1: Rarely 2: Sometimes 3: Often 4: Pretty Often 5: Almost always. Thus, as an information source for online shopping, for most of the respondents it lies between *rarely* and *sometimes.*

5.2.3 Incentives Metrics

<u>Coupons</u>

Rank the given options on how important they are in influencing your decision to buy from a particular online retail portal: [Discount Coupons]

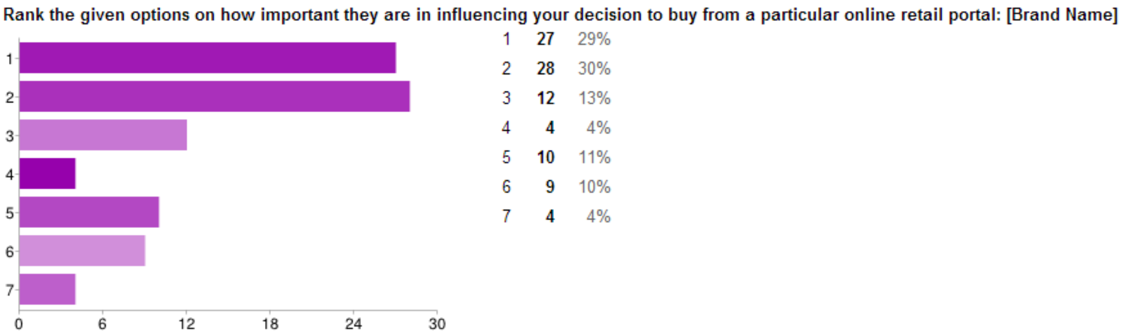


1	**22**	23%
2	**27**	29%
3	**14**	15%
4	**8**	9%
5	**8**	9%
6	**6**	6%
7	**9**	10%

	N	Minimum	Maximum	Mean	Std. Deviation
I1	94	1	7	3.07	1.947
Valid N (listwise)	94				

Thus, we can see that mean for Discount Coupons is 3.07 in a 7 point ranking table, where 1 being best and 7 being worst. This means that most people rank it as a top incentive for buying online amongst other given options.

Brand Names Available

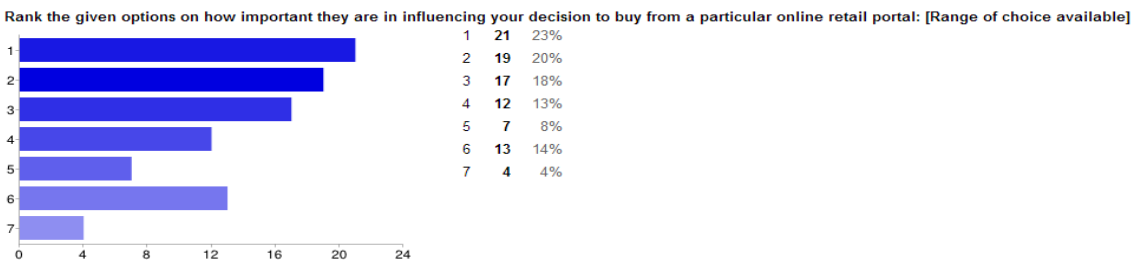


Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
i2	94	1	7	2.84	1.862
Valid N (listwise)	94				

Thus, we can see that mean for Brand names availability is 1.862 in a 7 point ranking table, where 1 being best and 7 being worst. This means that most people rank it as a top incentive for buying online amongst other given options.

Range of Choice

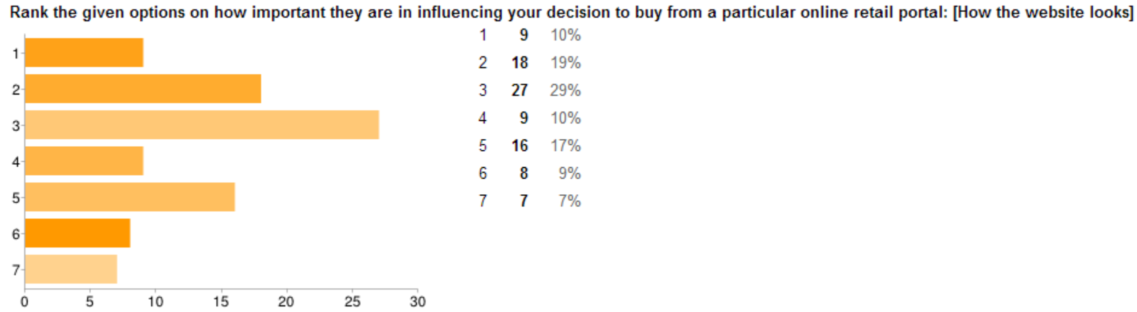


Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
i3	93	1	7	3.22	1.864
Valid N (listwise)	93				

Thus, we can see that mean for Range of choice available is 3.22 in a 7 point ranking table, where 1 being best and 7 being worst. This means that most people rank it as a top incentive for buying online amongst other given options.

Aesthetics of Website

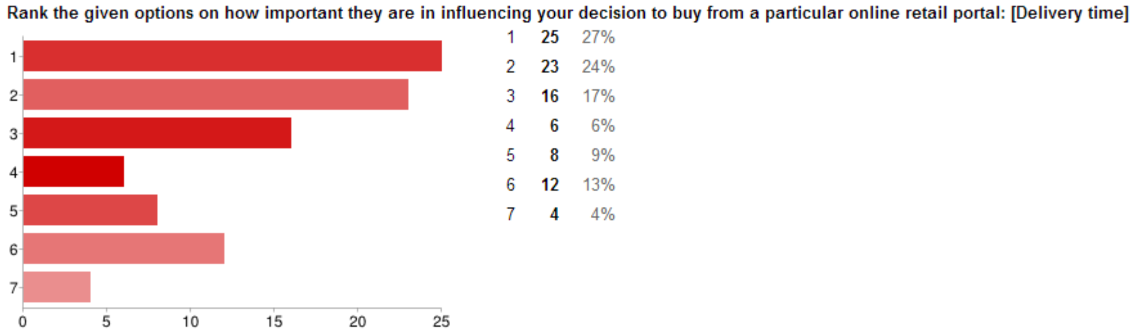


Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
i4	94	1	7	3.61	1.724
Valid N (listwise)	94				

Thus, we can see that mean for aesthetics of website is 3.61 in a 7 point ranking table, where 1 being best and 7 being worst. This means that most people rank it as a top incentive for buying online amongst other given options.

Delivery Time

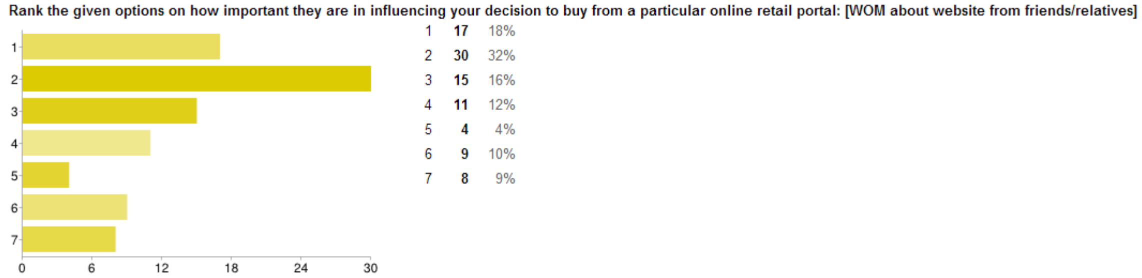


Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
i5	94	1	7	3.01	1.892
Valid N (listwise)	94				

Thus, we can see that mean for Delivery time is 3.01 in a 7 point ranking table, where 1 being best and 7 being worst. This means that most people rank it as a top incentive for buying online amongst other given options.

Popularity of website amongst friends/relatives

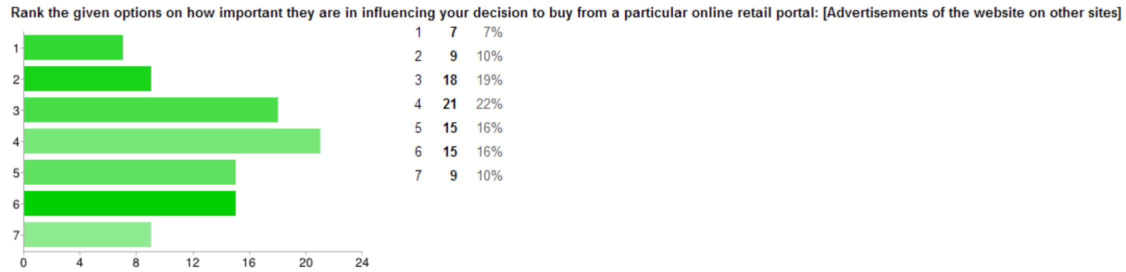


Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
i6	94	1	7	3.15	1.889
Valid N (listwise)	94				

Thus, we can see that mean for popularity of website amongst friends/relatives is 3.15 in a 7 point ranking table, where 1 being best and 7 being worst. This means that most people rank it as a top incentive for buying online amongst other given options.

Advertising on other websites



Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
i7	94	1	7	4.16	1.706
Valid N (listwise)	94				

Thus, we can see that mean for popularity of website amongst friends/relatives is 4.16 in a 7 point ranking table, where 1 being best and 7 being worst. This means that most people rank it as a middle incentive for buying online amongst other given options.

5.3 Research Findings

Thus, we can see that mean for advertising on other websites is 4.16 in a 7 point ranking table, where 1 being best and 7 being worst. This means that most people rank it as a mid-level incentive for buying online amongst other given options. Thus, a final ranking table for each of these three entities are obtained, which is as follows:

i. **Stimuli Rankings**

Stimuli Drivers	**Mean**	**Standard-deviation**	**Rank**
Conventional advertising methods	3.31	0.978	**4**
Word of Mouth	4.10	0.917	**1**
Chance Encounter	3.28	1.164	**5**
Prior Knowledge	3.48	1.005	**3**
Google Advertising	2.57	1.338	**8**
YouTube Advertising	2.32	1.252	**9**
Advertising on any other website	2.64	1.125	**7**
Reviews, blogs and discussion sites	3.69	0.982	**2**

e-mailed alerts	2.75	1.219	**6**

Thus in case of factors that act as stimuli to buy online, we see that Word of Mouth is easily ahead of the other factors. It follows the hypothesis made through the theory of planned behaviour that a lot of our purchase decisions are in response to our peer circle. After, that the second most popular result is reviews, expert blogs and discussion sites. This too is in accordance to theory of planned behaviour, as people seek solace in the advice of others around them especially experts and opinion drivers like celebrities. Surprisingly, the third most popular factor is prior knowledge or the fact that in their daily lives when consumers find a lack of particular product they look for it online. This factor has got nothing to do with advertising of any sort. Conventional advertising like TV, Print are the next best stimuli as they still effect the awareness part of the hierarchy of effects theory explained above. Chance encounter with the brand in shopping complexes, malls etc. come next and surprisingly conventional online stimuli like e-mail alerts, advertising on Google, YouTube and other websites come last. This proves that in awareness creation stage word of mouth and conventional advertising plays a much bigger role than online advertising itself.

ii. <u>ZMOT factors</u>

ZMOT factors	**Mean**	**Standard-deviation**	**Rank**
Word of Mouth	**3.37**	**1.121**	**5**
Search Engine	**3.93**	**1.008**	**3**
Comparison Sites	**4.15**	**0.994**	**1**
Brand Website	**3.88**	**1.066**	**4**
User reviews	**3.95**	**1.036**	**2**
Ask people on social network	**2.26**	**1.067**	**7**
YouTube videos	**2.63**	**1.336**	**6**

After getting the stimuli, the next logical point that is the core of this study is the knowledge hunting phase which determines what to buy and where to buy it from. It also makes the next four phases of hierarchy of effects theory. Here, the money conscious nature of Indian customer comes to the fore as the price comparison websites are the first place that the respondents chose even above the basic act of searching for the product on a search engine like Google, which incidentally comes third after user review blogs. It goes on to prove that Indian online buyer in most cases knows exactly what to buy, but the main question that arises is where to buy from and quality of the product from that particular place. That is why Brand website is the fourth most common place to check out the merchandise for this population. Word of Mouth that was number one in the stimulus phase has diluted to number five. That implies that Word of mouth is excellent in invoking a need or desire but beyond that logical thinking dictates the flow for majority of the audience. YouTube videos and Social network advice are the next most common things, which is surprising considering the fact that brands especially online portals spend a lot of money on YouTube advertising when it is not that important in either the stimuli or knowledge gathering stage. Surprisingly, talking to a customer care executive scores very low on this chart. It might be because people are not interested in taking pains to make a phone call or chat online with an unknown person, but at the same time they are ready to follow expert opinion of strangers who have used the product.

iii. Incentive rankings

Incentives	Mean	Standard-deviation	Rank
Discount Coupons	**3.07**	**1.947**	**3**
Brand names available	**2.94**	**1.862**	**1**

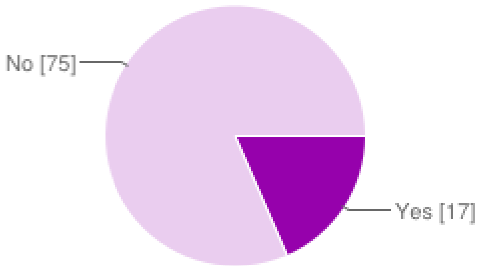
Range of Choice available	**3.22**	**1.864**	**5**
Aesthetics of website	**3.61**	**1.724**	**6**
Delivery time	**3.01**	**1.892**	**2**
Popularity of website	**3.15**	**1.889**	**4**
Advertisements on other websites	**4.16**	**1.706**	**7**

We have to keep that in mind that these incentives are the most commonly used one to lure customers in online advertising. Also they were measured on a ranking scale i.e. lower the value better it is as an incentive. Interestingly in this case almost all of them are actually very near to each other with high respective standard deviations. We can conclude from that, that all incentives are almost equally effective or ineffective. Surprisingly, the best incentive to choose one website over other from this study comes out to be the availability of brand names on the e-portal. Thus, portals stocking unknown brands should not do as good as those portals that do stocks brands known to the consumers. Delivery time is the second most important factor and the site that promises faster delivery will clearly be preferred over others. Discount coupons come in third followed closely by popularity of the website. It goes on to show that consumers do not usually go by the popular opinion of what website to choose even though it could be a factor in earlier stages when a person starts to buy online. After a point, consumer chooses his or her own favourite website which comes as a culmination of other factors. This fact can be further supported by the evidence that when asked in the survey to name the first online retail portal that comes to their mind, exactly 16 names came out from the sample of 93 respondents. Given below are the various responses gathered from the survey. Advertisements on other websites which is a supplement to increase the popularity of the website came in last, even though its average rank was near 4 which means that even though it is not a strong incentive when compared with others, yet it is a good enough incentive standalone.

5.4 Additional Information gathered

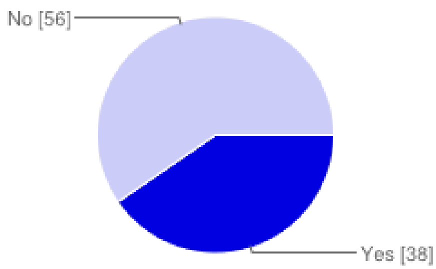
Some additional information was gathered in which we asked online buyers to compare the reliability of conventional advertising against online advertising as well as social media word of mouth. We also asked online shoppers if they did shopping from their mobile phones too. The responses that we got are as follows:

Do you use smart phones also, to do online shopping?



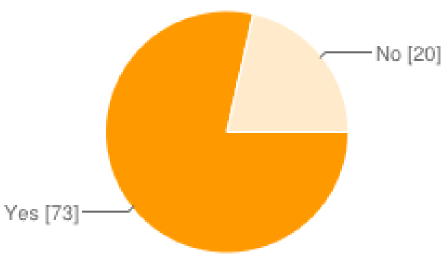
Yes	**17**	18%
No	**75**	82%

Do you think online advertising is more reliable than conventional advertising(TV/Print etc.)?



Yes	**38**	40%
No	**56**	60%

Do you think social media word of mouth is more reliable than conventional advertising?



Yes	**73**	78%
No	**20**	22%

Thus, from these results we saw that 17 out of 93 actually use a smart-phone whilst doing online shopping. It requires a very high level of engagement and goes on to prove that these people do a lot of shopping online. This figure has been increasing over the years and that is why though phone marketing is not that big yet it plays an important role in online retail. A large number of these retail portals are thus mobile compatible and have identified that future lies in mobile marketing. Also, another surprising result that we got was that 60% of people believed that online advertising was **not** as reliable as conventional advertising and yet they thought that online/social media word of mouth was more reliable than conventional advertising. It goes on to prove that faith in advertising as compared to word of mouth is much lesser even though, it might be from a person whom one does not know personally and who might have used the product even once. It goes on to prove that no publicity is bad publicity and companies should continuously put in efforts to build platforms where conversations about the brand occur with a greater reach. The reliability of conventional advertising, push marketing is fast dwindling and the need of the hour is to inculcate word of mouth which is number one in creating a stimulus for purchase and also an important factor in the knowledge gathering phase as found in this study. Both these questions were asked to help in developing the best practices framework.

5.5 Additional Real Time Consumer Insights

The questionnaire also had two open ended question, which served as the last pages for those who said that they do online shopping and those who said they do not. For those who did indulge in online shopping the last question was: What is that one product/service that they would like to buy online which is not available as yet. Some of the notable responses are as follows:

Many products/services from above responses are already available online, which shows that niche websites providing services that are in demand should market more often. Also, there is a huge market for health advice/drugs as well as groceries. If somehow these are made available locally by some online portals, they could gain prominence pretty quickly.

For the few people who replied that they **do not** engage in online shopping, we asked directly to give us one concrete reason why they do not engage in online shopping. We replied varied responses some of which are as follows:

“Usually whenever something is needed, a trip to the market is feasible. But I like the idea and soon I will start buying things online”

“I don’t trust the quality and timeliness of delivery. I need to touch and feel the product before buying”

“I don't know how it works, am a bit old fashioned, i find it more secure to just go to my usual stores”

“Clothes - I prefer the experience of going to a shop, trying out stuff and then buying them. Books - I don't see any demerit in not buying a book online, however I wouldn't get to come across any great book, which I might pick up at a bookstore (let’s say Landmark). Of course I could try the combination of identifying a book from a bookstore and then buy it online to capitalize on the discounts (e.g. Flipkart). But that hasn't become a habit as of now.”

“I do not, because, I don't see the need to buy online when everything is available very easily at brand stores outside.”

“No guarantee of products' quality; credibility of the seller/ brand; some web brands don’t have the option of refund/replacement.”

“I'm concerned about the quality and size of the product. When I shop online I get to see them in a photograph which doesn’t provoke me to buy things.”

“I do not trust the quality of products will be the same as promised and even if I can return it easily, I'd rather get it right the first time when I go shopping in person.”

All these were the prominent reasons given for not choosing to go for online shopping even though the concerned samples are people who use Internet pretty often. The main themes that come out of these insights are the same old themes of trust, credibility and transaction problems. There was also a theme of getting to know the things a bit, so eventually will become an online user. These can be tackled by conventional advertising as that builds credibility and trust factor for a brand as well as promoting word of mouth through your already existing customers by inculcating a community behaviour that encourages them to share more with their peer group. As credibility increases, so will the purchase intention.

Both these questions were asked to add as more information for the best practises framework which is explained in next section of the study.

Chapter 6

Suggestions: Best practise guidelines

So, after the study we have analysed some pattern that have helped us to develop this best practises suggestion guide for Indian online portals. These are as follows:

- Online retail portals are spending a lot nowadays on advertising on web resources like Google, YouTube etc. Even though they are helpful to increase the awareness and recall value for new websites yet they serve as very weak stimuli for inculcating a need to actually buy something. So, websites like flipKart which have already become famous amongst the masses should spend minimal budget for online advertising but newcomers should definitely go for them so as to increase recall.
- For websites that have already established themselves, it is better to inculcate word of mouth through communities on Facebook and other social networking sites. They should also inculcate community behaviour; something that Zappos has done pretty effectively in the United-States market.
- A good way to induce word of mouths is by giving incentives to people who share their pleasant experience of buying from their website on social media websites. For people like these discount coupons and early accessibility to the better brand names in the portfolio through regular reminders on e-mail and smartphones are the best incentives
- Conventional advertising is an excellent medium in building trust. Majority of the sample said that the first portal that came to their mind when they thought of an online retail portal was FlipKart and it was the first online retail brand in India to invest in conventional advertising. Since then brands like olx.com have also used the same route to build credibility. Amazon and e-bay invest heavily in conventional advertising in United-states market including Out Of Home advertisements. It increases the popularity of the brand too which was found as a good incentive to buy from a particular website. As, the credibility increases eventually the conventional advertising budget could be lowered.

- Expert opinions, blogs, discussion sites are an excellent way to increase credibility. An online shopper trusts the word of another online shopper above any advertising. These reviews are amongst the best ZMOT options and should be invested heavily into. In fact, no publicity is bad publicity in this domain. Even if a customer writes a bad review; it gives the enterprise an excellent opportunity to set things right in front of millions of people. This gives an impression that the company actually cares about its customers and will turn many of your customers into loyalists who will do free publicity on your behalf without paying anything by engaging in a mammoth word of mouth which in turn will bring a lot of new customers. Thus, a good experience (second moment of truth) can easily become a Zero moment of truth for millions and increase their purchase intention.
- Also, through the study we came to the conclusion that associate marketing is also an exceptional ZMOT. Comparison websites that promote your product bring you instantly before millions of people who are looking for the best deal. So, it is imperative to invest in partnership with these comparison websites. Even Amazon has bought junglee.com when it decided to enter Indian market.
- For a new website, the comparison modelling is a good business model as it is the primary ZMOT from which sample were seeking information even before search engines like Google.
- Aesthetics of website and popularity do not matter as much as a faster delivery time and availability of good brands with a greater range of choice. The primary motivation of shopping online is getting something good which is not available online as fast as possible. Thus, these functions actually score more than how the website looks and how heavily it advertises on other websites

Chapter 7

Limitations of Research and Future Study Scope

- To get a deeper understanding of the consumer, in-depth interviews followed by a rigorous content analysis should be done. But, due to the lack of time and huge numbers of responses required as the scope of study was rather large, it could not be done.
- A majority of respondents were students and primarily females. This type of a research should further divide the results among various demographics to understand how each of them behaves in similar circumstances.
- Weighted average is not a very effective measure in declaring the effectiveness of the metrics in respect to each other. Regression and correlation would have given a better understanding of which metrics are more effective when used together.
- The research was directional in nature and represents the digital opinion of only those who chose to participate and thus is not representative of opinions of all Internet users in general.
- Future research could focus on mobile and smartphones as the propagators of Zero Moment of Truth
- Some more interesting areas that can be covered in future are the diversity of digital opinions across geographic locations in India and how localized online portals succeed in building a strong following in specific regions but fail to do so everywhere else.

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Appendix

URL :

https://docs.google.com/forms/d/1lwpm9RCN74xB-R7eb8VlXTrfw2KGGgZhzGusrYba1o8/viewform

Questionnaire was as follows:

Article I. Survey for dissertation

Name:

Age:

- 0-18
- 19-24
- 25-40
- >40

Gender:

- Male
- Female

Occupation:

- Student
- Private Service
- Public Service

Entrepreneur

Do you engage in online shopping?

Yes

No

Section 1.01

Name the first online retail portal that comes to your mind:

What kind of products do you buy online?

- Fashion apparels/accessories
- Electronic Gadgets
- Books
- Entertainment related (Music,Movies etc.)
- Travel related
- Other

Section 1.02 Please score below mentioned on a scale of 1-5, according to how useful they are as stimuli for buying anything online.

1: Rarely 2: Sometimes 3: Often 4: Pretty Often 5: Almost always

Online advertising on Google

1 2 3 4 5

Rarely Almost always

Advertising on You Tube

1 2 3 4 5

Rarely Almost always

Advertising on websites other than above

1 2 3 4 5

Rarely ○ ○ ○ ○ ○ Almost always

Word Of Mouth through friends/relatives (Social media included)

1 2 3 4 5

Rarely ○ ○ ○ ○ ○ Almost always

Conventional advertising like TV ads, Print-ads, Radio or OOH

1 2 3 4 5

Rarely ○ ○ ○ ○ ○ Almost always

Online User Reviews or Expert blogs and Discussion sites

1 2 3 4 5

Rarely ○ ○ ○ ○ ○ Almost always

E-mailer prompts sent by sites like flipkart,jabong etc.

1 2 3 4 5

Rarely ○ ○ ○ ○ ○ Almost always

Saw the brand somewhere (Stores, Shopping mall) and decided to buy it online

1 2 3 4 5

Rarely ○ ○ ○ ○ ○ Almost always

I usually felt a need for something, so I looked online for that kind of a product

1 2 3 4 5

Rarely ○ ○ ○ ○ ○ Almost Always

Section 1.03 Please score below mentioned on a scale of 1-5, on what you usually do before making an online purchase

1: Rarely 2: Sometimes 3: Often 4: Pretty Often 5: Almost always

Ask friends/relatives about the product

1 2 3 4 5

Rarely ○ ○ ○ ○ ○ Almost always

Search the product online using any search engine

1 2 3 4 5

Rarely ○ ○ ○ ○ ○ Almost always

Compare its price on various sites

1 2 3 4 5

Rarely ○ ○ ○ ○ ○ Almost always

Check information about the product on brand website

1 2 3 4 5

Rarely ○ ○ ○ ○ ○ Almost always

Check user reviews/expert blogs

1 2 3 4 5

Rarely ○ ○ ○ ○ ○ Almost always

Ask people on a social media site like facebook

1 2 3 4 5

Rarely ○ ○ ○ ○ ○ Almost always

Check out videos about the brand/product on You-Tube

1 2 3 4 5

Rarely ○ ○ ○ ○ ○ Almost always

Talk to a customer care executive

1 2 3 4 5

Rarely ○ ○ ○ ○ ○ Almost always

Rank the given options on how important they are in influencing your decision to buy from a particular online retail portal:

1 being best and 7 being worst

	1	2	3	4	5	6	7
Discount Coupons	○	○	○	○	○	○	○
Brand Name	○	○	○	○	○	○	○
Range of choice available	○	○	○	○	○	○	○
How the website looks	○	○	○	○	○	○	○
Delivery time	○	○	○	○	○	○	○
WOM about website from friends/relatives	○	○	○	○	○	○	○
Advertisements of the website on other sites	○	○	○	○	○	○	

Section 1.04

Do you use smart phones also, to do online shopping?

Yes

No

Do you think online advertising is more reliable than conventional advertising (TV/Print etc.)?

Yes

No

Do you think social media word of mouth is more reliable than conventional advertising?

Yes

No

One product/service, you'd love to buy online but is not available as yet:

Submit Back