CHAPTER 1

INTRODUCTION

1.1   INTRODUCTION TO E-COMMERCE

India has nearly 243 million Internet users and is the third largest country in terms of Internet population followed by China at 642 million and US at 280 million respectively. However, the Internet penetration is still extremely low. Only 20 per cent of the population is transacting online as compared to 46 per cent in China and close to 87 per cent in the US. It has been estimated that by 2015E that India will exceed the US in terms of Internet population. Almost all categories of the Internet are underpenetrated in India and these will continue to see growth in the coming decade.

E-COMMERCE is buying and selling of products using the electronic system such as internet. Electronic commerce draws on such technologies as electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. E-Commerce excludes online travel and online classifieds.

India has an internet user base of over 243 million users. The penetration of e-commerce in India is low compared to markets like United States and the United Kingdom but is growing at a much faster rate with a large number of new entrants.

1.1.1   DRIVERS OF E-COMMERCE ADOPTION

- Accessibility and convenience: The online shopping provides with the possibility to shop any time of the day and from anywhere. It was found that accessibility and convenience are the most important perceived consumer benefits of internet shopping as found in the empirical studies by Jarvenpaa and Todd (1996-1997).
- Global choice: The boundaries of e-commerce are not defined by geography. The consumers have an option to choose among the number of vendors and products- including an availability of hard to find products (Benjamin & Wigand 1995, Hoffman et al. 1995, Alba et al.1997).

- Online delivery: For digital products the whole commercial cycle, including distribution, can be conducted via a network providing instant access to products immediately when a need arises.

- Time savings: Customers may benefit from the shopping process which is faster in the market space than in the marketplace as a result of the rapidity of the search process and the transactions.

- Possibilities for comparison shopping: The internet marketplaces have the ability to reduce the search costs for price and product information by allowing consumers to shop from multiple vendors and conduct easy and quick comparisons of offerings and prices. (Hoffman et al. 1995, Hart et al. 2000)

- Access to extensive information: Many of the online shopping sites allow the consumers to have an access to greater dynamic information to support queries for consumer decision-making (Hoffman et al. 1995, Alba et al. 1997).

- Competitive prices. By embracing e-commerce, consumers may benefit from price reductions as a result of increased competition (as more suppliers are able to compete in an electronically open marketplace).

1.1.2 BARRIERS IN E-COMMERCE INDUSTRY

- Quality evaluation: On the Internet, it is difficult to make sure that (tangible) products have the desired features (design, material, colour, fit, etc.).This gives rise to a quality evaluation barrier to e-commerce. Findings by Kangis and Rankin in 1996 showed that the need to 'feel and touch' was the dominating disadvantage for all home-shopping services.

- Security risks: Security risk is one of the major risk involved in this industry. The credit card number being picked up by third-party hackers is mostly a perceptual problem in e-commerce. The fact remains that it may be one of the most complex barriers to overcome. Studies show that a large population of adopters as well as non-adopters of Internet shopping have security concerns.

- Lack of trust in virtual sellers: The fear of fraud and risk of loss are considered to be a significant barrier to B2C e-commerce, with multiple research findings supporting this assumption.

- Delivery time: In tangible product categories, any internet shopping method involves delivery time. It means that the Internet is at a disadvantage to the physical stores, as it

fails to meet the customers' needs for instant delivery of products. Consumers may thus feel reluctant to wait for the delivery of ordered goods for days and weeks if the same product can be collected immediately in physical retail outlets.

- <u>Lack of personal service</u>: E-commerce significantly reduces the personal service (human to human contact) characterizing traditional commerce. This may be an impediment to e-commerce for many consumers.

- <u>Lack of enjoyment in shopping</u>: Many consumers find the shopping experience (looking, feeling, comparing) in retail stores relaxing and enjoyable. The feeling of amusement and relaxation is unlikely to be marked in electronic settings.

- <u>Hard to find what you are looking for:</u> There might be a difficulty, to locate stores/products/information on the Web, emerging from limitations of the user (search engines used, or poor site usability, etc.).

- <u>Time-consuming nature:</u> E-commerce may offer consumers savings in time. However, using the Internet for commercial purposes may prove to be too time consuming for many users. There are multiple reasons for this:

  (i)   Difficulties locating Web sites, products or services

  (ii)   Registration procedures required to access services

  (iii)   Making price comparisons

  Also due to low bandwidth connections, using the Internet may be time consuming and frustrating.

- <u>Limited Internet/ computer experience</u>: India has underpenetrated internet services and not all the population using the computer is well versed with all the functions and facilities provided by the company i.e. there is reluctance in operating computers or browsing the Web.

India is among the top three countries in terms of internet population but among the most underpenetrated when it comes to e-commerce and online advertising. So opportunities are huge for India and it will continue to see growth for these sub-sectors of the Internet at 2x-3x level, compared to the rest of the world.

1.2   <u>INTRODUCTION TO THE COMPANY</u>

Bag it today (BIT) is a private online commercial shopping Website looks launched by The India Today Group. It was founded in 2009. It is an exclusive invitation–only online destination where members discover private sales on premiere brands. It offers its members fashion wear,

accessories, jewellery, lifestyle products, footwear, mobiles and electronics at discounted prices. Each sale is open for just a brief window of time. The focus is to provide a fantastic collection of sought-after offerings from the best brand names in the world along with helpful service and customer care.

Bag It Today is an invitation-only shopping club featuring the world's top brands at up to 75% off retail. Access to Bag It Today.com is reserved for registered members only. Membership is free with no obligation to purchase, but one must be invited by an existing member or be on the waiting list. Members shape the community by inviting new members - and in turn get rewarded with Rs 5 Bag It Today credit whenever a friend accepts an invite and Rs. 250 Bag It Today credit whenever any friend places their first order.

Each sale will start at a specific time and last only for a brief period. Members will be notified about the upcoming exclusive sale events or limited-stock offers in advance, by e-mails/sms and Bag It Today's social networking sites. Premium collections of merchandise will be available at the beginning of each sale. But once it's gone, it's gone! The same deal might not be repeated again. They aim to constantly improve the range of products they offer and have new stocks and labels arriving regularly.

Bag It Today is also engaged in Telesales, sales through print and television.

All the products which go live on TV can be viewed on the Website www.tv.bagittoday.com. One can order the products through this site also by calling on their customer care number.

Bag It Today has tie-ups with as many as 50 banks which allow users to make the payment through credit cards / debit cards / internet banking. The Airtel customers have exclusive right to pay through Airtel money option available with Bag It Today. Other partners are: Crazeal.com, Benefit plus, Koovs.com & Airtel.

1.2.1   IMPORTANT FACTS AND FIGURES RELATED TO BIT

Daily Revenue	$195
Monthly Revenue	$5860
Daily Page Views	65112(source:http://www.freewebsitereport.org/www.bagittoday.com)
COD (%)	55 %

Failure in case of COD	37%
Products available	Apparel , footwear , jewellery, accessories, electronics, mobiles , Home decor
Presence on social platform	Facebook:
	740202 likes
	723 talking
	Both customer engagement and product promotion posts
	(as on 15april 2015)

Upstream sites

The sites which visitors visit immediately
Preceding bagittoday.com

Unique visits (%)	Upstream Site
15.44	Google.com
11.19	Facebook.com
8.7	Google.co.in
4.49	Yahoo.com
2.47	Intoday.in
2.36	Rediff.com
2.27	Mailserv.in
1.45	Amulyam.in
1.15	Way2sms.com
0.98	Snapdeal.com

(Source: www.alexa.com)

Downstream Sites

The sites which visitors go after
leaving bagittoday.com

Unique visits (%)	Downstream Site
13.06	Google.co.in
12.59	Google.com
10.17	Facebook.com
3.9	Yahoo.com
3.38	Intoday.in
2.66	Yahoo.com
2.46	Rediff.com
1.52	Indiatodaygroup.com
1.23	Paisalive.com
1.18	Snapdeal.com

1.3   COMPETITOR ANALYSIS

A recent research done by Forrester (a leading global research and advisory firm) shows that by 2016, the e-commerce industry in India will be more than five times the size as it was in 2010. In this era of competition, Bagittoday identifies following as its competitors: Flipkart.com, myntra.com, snapdeal.com, Homeshop18.com, EBay.in, Fashionandyou.com, Jabong.com, star CJ.com

4.1	flipkart.com
Start-up	Started in 2007 by Sachin Bansal and Binny Bansal
Products available	Books ,consoles ,gaming accessories ,electronics, games ,music ,movies, mobile , mobile accessories, cameras , camera accessories ,computer , computer accessories, network components ,software peripherals ,home and kitchen , personal and healthcare ,TV and video, MP3 Downloads
	books (contributes to 50% of the revenue)
Revenue	$1.1 USD per month (Data Source: freewebsitereport.com)
Website looks	Sub categories mentioned on the top
	Popular products of each category present on the home page
	Wish list and wallet option (prepaid credit system where you can top up your wallet upto Rs 10000 which can be redeemed for future purchase)
Additional services & data	Flipkart Flyte - online music download store
	Flyte offers Digital Rights Management (DRM) free MP3 files at prices starting from Rs 6/ song & Rs 25 an album. Users can listen *to a 30 seconds clip before making their purchase. Flyte's collection includes music from 40 Indian & foreign languages and dialects across 28 genres(source :ibnlive.com)*
	Focus on CRM (70% repeat customers)

	0.5-6% commission for affiliates
	Ships close to 100000 items / day or about 30/ minute
	Around 50% of flipkart's orders are Cash on delivery
	Flipkart expansion - 150 cities in FY2013-14
	Flipkart acquisition - Mime 360, Letsbuy, Myntra.com
	Customers :40 million in 2015 (http://tech.firstpost.com)
	Website visits : 12.2 million daily (2015)
	Very wisely used SEO and Google ad words
	Focus on electronics in future
	Aims to grow at more than 100% each quarter
	Eight warehouse locations (Delhi , Chennai , Mumbai, Kolkata , Noida, Pune , Kochi , Bangalore)
	80% of all deliveries are from warehouse (source: broadbandindia.com)
	Employs 15000 people in warehouse management
	Traffic Net Worth $26.8 Million USD
	Daily Page views 12.2 Million
	More than 50% of orders from metros
	Flipkart has its own logistics, **Flipkart logistics (eKart)**
Social media	Facebook - 4607467 likes
	203858 talking about it
	focus on advertising products on facebook
	20-25 posts per day

	promoting by " Flipkart's Big Billion Day Sale "
	Contests & Promotions: What were your favourite experiences during your school days? (promoting stationary through this contest)
	Guess the perfume and win a gift voucher
	Twitter - very active- 15-20 tweets a day *(as on 15apr2015)*
Awards Won	Internet Company of the year (CNBC)- (2011-12)
	Co-Founder of Flipkart Sachin Bansal, got Entrepreneur of the Year Award 2012-2013 from Economic Times.
	Flipkart.com was awarded Young Turk of the Year at CNBC TV 18's 'India Business Leader Awards 2012
Overall rating on scale of 5)	Service and support	4
	Information Depth	4
	Content Timeliness	3
	Design /Usability	3
	Website Load time	4
	(source:mouthshut.com)	

4.2	
Start up	Started in 2007 by Mukesh Bansal, Ashutosh Lawania, and Vineet Saxena Acquired by Flipkart in 2013

Product	Formal wear ,casual wear ,ethnic wear ,footwear ,sportswear ,accessories ,winter wear ,innerwear for men ,women ,kids
Sales (approx.)	70% sales comes from men's category (source: thehindu.com)
Revenue	$203,285 a month (source:http://www.freewebsitereport.org/www.myntra.com)
Website Looks	Colourful logo which indicates energy, style and attitude
	Categorised collection for men, women , kids ,brands, sale , style blog on the header
	Sub categories like formal wear , casual wear, sportswear on the top
	Additional services and data the pictures of popular products of various sub categories
	My referrals' tab to refer to your friends
	Products available brand-wise also
Additional services and data	Funded by top tier Venture Capital Funds
	Started as online personalised merchandise portal
	Reach 9000 pincodes
	95.6% of its Users are from India
	Model :procure merchandise from various brands and make them available on the portal at the same time as on retail shops
	Daily Pageviews 2.3 Million
	More than 1000 brands with over 1,50,000 products
	India's largest online apparel seller in 2013

	Raised $14mn in 2011 from Tiger Global , IDG Ventures , IndoUS venture partners (for technology , logistics , supply chain ,marketing

In February 2014, Myntra raised additional $50 Million (Rs.310 crore) funding from Premji Invest and few other Private Investors. |
	Ships to **40 countries** globally
	Tier 2 and tier 3 contributes to 50-55% of its sales with the rest coming from top 10 cities
	Andhra Pradesh, with 500-550 orders every day, is one of its fastest growing markets and accounts for 10-15 per cent of the overall revenue(source:www.businessstandard.com)
	Over 23,00,000 daily visitors to the site(source:www.economictimes.com)
Social media	Active on facebook, twitter.
	Facebook - 2706267 fans
	88343 talking about it
	10-15 posts a day
	less of customer engagement programs
	most of the posts for product promotion
	Twitter- 50,500 tweets , 1919 following , 99,400 followers
	very active
	promote product by highlighting the features
	quick in responding to the customer's queries
	(as on April 18, 2015)

Awards Won	CNBC - TV18 Young Turks Award as one of the "Hottest Internet Companies of the Year 2011-12"
	Awarded "Best E-commerce Partner of the year 2011-12" by Puma India
	"Pride of India 2011-2012" for Most Successful Fundraising by IDG Ventures
	"Pride of India 2009-2010" award for Exceptional Business Growth by IDG Ventures
	Red Herring Global 100 winner 2010

Overall rating (on the scale of 5) `	Service and support	3
	Information Depth	3
	Content Timeliness	2
	Design /Usability	3
	Website Load time	3
	(source:mouthshut.com)	

4.3	snapdeal.com
Start up	Started in 2010 by Kunal Bahl and Rohit Bansal
Products	Mobiles ,apparels ,electronics ,cameras, lifestyle ,computer ,perfumes, jewellery ,books ,movies ,home and kitchen ,kids and toys ,luxury
Sales (approx.)	Worth 3,00,000 everyday (source: Indiatimes.com)
Revenue	Monthly Revenue $630,573

Website looks	Attractive deals for each product on the home page
	Sub categories mentioned on the homepage
	Daily deals and deals near your city option
	Recently sold items
	Refer a friend option which enables you to get upto Rs 100 on every friend's first purchase
	Refer a merchant option where you can refer your favourite merchant and the snapdeal can try to get it featured on its Website
Additional services and data	Offers upto 90% off on restaurants ,spas ,beauty services ,travel and more
	Traffic Net Worth $15.3 Million USD
	Users 25m in feb 2015 (10m in 2011)
	Linked with 5,887 Websites
	App that allows to buy deals against the balance of your phone (app gives you a bunch of merchants based on where you are and you can buy off the balance of your mobile)
	Most optimised advertisers on google (www.broadbandindia.com)
	One can get its Gift voucher redeemed and that snapdeal cash can only be used to buy deals and can't be redeemed in cash or any other form
	You can get your business registered with the snapdeal by providing them some basic information about your company and they revert back within 7 days
	Charges a marketing fee of 30-40% of the discounted price of the product.(www.broadbandindia.com)

	Differentiated branding : on valentine's day they sold a deal where the winner went on a date with Gul Panag for a full day , They sold a puppy on April 1
	Employees more than 7000
	Deal mix dominated by dining and personal care services
	Offering an assortment of 10 million products across diverse categories from over 100,000 sellers, ships to 5,000+ towns and cities in India
Social media	Active on facebook , twitter
	Facebook- 3227941 likes
	31100 talking about this
	20-25 posts a day
	separate page for each city
	wall postings talk about current deals
	separate feedback page where users can posts their comments
	snapdealstore: customer can buy the deal directly on facebook instead of going to the Website
	Feedback tab: collects feedback from the customers on the facebook page
	Soundcloud :to listen snap jingle
	engagement through contests- Pay Rs 0 and win mobile / pen drive / iPod
	Twitter - 18200 tweets ,1150 following , 136000 followers
	very active- 20-30 posts a day
	separate page for each region

	very active on responding to queries and offering deal
	(as in april 2015)
Awards Won	No.1 e-commerce site by Dataquest (2011)
	Silver award for best Website at IDMA
	Most innovative companies across Asia at 2011 red herring top 100 Asia
	E-retailer of the year & Best advertising campaign of the year- Feb 2012
	Winner of Red Herring Asia Awards 2011
	E-commerce site of the year at WAT awards that took place in Jan 2012, Mumbai
	Rated the #1 e-commerce site in India, in terms of traction by Dataquest/Sapient E-commerce Survey 2011
	Business Insider listed Snapdeal amongst the Hottest Internet startups of India for the year 2011
Overall Rating	Service and support 4
	Information Depth 4
	Content Timeliness 3
	Design /Usability 3
	Website looks Load time 4
	(source:mouthshut.com)

4.4	ebaY.in

Start up	Started on September 3,1995 by Pierre Omidyar
Products available	Fashion(Clothing,Accessories,Shoes,Handbags),Motors(Boats, Cars and Trucks,Motorcysles) Electronics(Camera ,Cell Phones ,TV, Video Games),Collectibles and art(Antique ,Stamps ,Coins, Dolls) Home ,Outdoors and Décor ,Entertainment (Movies and TV ,Music, Video Games),Deals and Gifts, Tickets(Concerts, Theatre)
Website Looks	Attractive **daily deals** for products on homepage
	All the **categories and the Sub-categories** for the products they sell
	Search shops for what you want to buy
	Community: Includes **recent announcements ,** various offers
	Answer centre (where buyers and sellers ask fellow members questions about buying and selling on eBay)
	Discussion board (place to meet other members ,get advice and to share and find information on everything)
	Gives the option of choosing colour while buying
	Global easy buy :Allows India shoppers to shop from international merchants, with international shipping and handling
	Items on Global easy buy cannot be returned
	Ebay Motors : Platform where corporate ,financial institutions ,fleet-owners can sell their cars to the automobile dealers across the country
	Ebay Photocentre: Ebay, in partnership with Snapfish photocentre, facilitates its users to print & share photos. It includes wide array of products ranging from t-shirts, mugs, calendars, notebook, stickers etc.

	Ebay Insurance :It provides life insurance ,general insurance and loan facility from Aviva, Religare, LIC ,HDFC, Bajaj ,Kotak Tata AIG & Bharti
	Ebay My City: Get to know all deals (restaurants, spa and wellness, holidays, events in your city)
	Deals of the week: Includes deals of the week (includes items like smart phones, cameras, laptops, PC, etc.)
	Price Point: Widest selection of lifestyle products starting from Rs 99 (upto Rs1999)
	My Ebay: Sign in and know the summary of your account: bids/offers won ,wish list Messages , purchase Start up, saved searches and saved sellers: users can save a search for an item or seller and view them anytime
Additional services and data	More than 2.1 mn registered users , come from over 4306 cities in India
	Approx 30,000 sellers sell on eBay India annually
	Can be accessed on the mobile web on m.ebay.in
	A health or beauty product sells every 1 min(source: pages.ebay.in)
	A mobile accessory sells every 2 min
	A piece of apparel sells every 4 min
	A mobile handset and a piece of jewellery sells every 3 minutes
	A piece of home decor and a car or bike sells every 6 minutes
	A watch sells every 7 minutes
	A laptop sells every 18 minutes
	See up to 3 years worth of purchases-Whether you need to keep an eye on domestic and international purchases , identify sellers you want to buy from again or retrieve information for tax purposes, one can see all purchases on eBay going back three years

	Sort lists by most-recently added-If you like creating lists in My eBay (such as a "Watched Items" list or a "Shoes" list), One can sort them by most-recently added within "Watch List & Other Lists" in My eBay's the easy way to view and compare your latest finds.
	Finding items to buy(Most people simply use the category feature and browse through thousands of items .But eBay's engine is extremely powerful and allows you to be very specific with searches.
	Online Payment Methods (PaisaPay)-Online Bank Transfer, Credit Card, Debit Card, Cash Card
	Offline Payment Methods-PaisaPay Cash on Delivery, Cheques, Demand Draft, Buyer picks up and pays
	PaisaPay is the only payment option for the new listed unless he completes 20 lifetime listings (the no. of listings created on any eBay from the time of registration)
Social Media	Facebook- 3283676 like this
	96813 talking about it
	25-30 posts a day
	focus on product promotion
	very less customer engagement programs
	Seller selection option where sellers can update or promote their product on the seller's tab and not on the wall
	Photos and videos for attracting customers
	Twitter-29000 tweets , 2877 following , 94400 followers
	15-20 tweets a day
	(as on April 18 ,2015)

Awards	Honourable President of India awards eBay India merchants the 'FIEO Online Retail exporter of the year 2014	
Overall Rating	Service & Support	2
	Information Depth	3
	Content Timeliness	3
	Design/Usability	3
	Website Load Time	3
	(source:mouthshut.com)	

4.5	
Start up	Launched in 2008 by Network18 group
Products available	Books ,music ,mobile, cameras ,electronics ,home appliances ,health and fitness ,home decoration ,kitchen and dining ,jewellery and watches , toys ,fashion accessories ,kids and babies ,personalised gifts, shop by brands
Revenue	Monthly Revenue $34,056 (http://www.freewebsitereport.org/www.homeshop18.com)
Website looks	Additional services and data all the categories and sub categories of all the products along with the popular products of each category
	The search dialog box facilitates the user to search the item of his choice
	Help ' section on the Website provides information about using Homeshop18
	Delightful offers
	HS18 TV Top Sellers (video available for some products)

	Additional services and data some of the bestselling products on the homepage
	TV schedule available on the homepage
	Provides customer review along with each product
	Option of order by phone
	Option of checking deliverable areas for each product
	3-4 angle view of image along with zoom option
	Delivery period mentioned along with each product
	Free shipping for all the products
Additional Services and data	It is growing at the rate of 200% quarter on quarter (www.moneycontrol.com)
	largest multimedia retailer in India with a user base of 3 million users
	Traffic Net Worth $828,689 USD
	Linked with 2,214 Websites
	Acquisitions - Conjoos.com (online books retailer) (www.moneycontrol.com)
	The gift vouchers are redeemable at various office locations of Videocon , Baggit ,UCB ,The Body Shop, Domino's Pizza , Citizen Watches and at around 50 more locations
Social Media	The products shown on TV are also available on Website
	Facebook- 1541016 likes this
	17221 talking about it
	10-15 posts a day
	Customer engagement posts: Tell your favourite midnight snacks.
	Which is your favourite place at home?
	you can shop on facebook .add your comments for the product

	youtube videos on facebook page
	question page - voting for the popular songs
	what do you look for when you buy a camera
	trolly-where you can tell your friends what you have bought not by informing them but by asking them questions
	Twitter- 31100 tweets , 131 following, 59100 followers
	5-7 tweets a day
	(as on April 20 ,2015)
Awards Won	E-Retailer Of the Year' Award at the 9th edition of Franchise India, 2011
	'Brand Excellence Award in Internet Business' category at the World Brand Congress, 2011
	Entrepreneur of the Year - Innovation in Technology' at Entrepreneur India 2013
	Organisational award for Retailer of the year (Organisation) - E-commerce & online shopping' at Asia Retail Excellence Awards-2013
Overall rating (on scale of 5)	Service and support 2
	Information Depth 2
	Content Timeliness 2
	Design /Usability 2
	Website Load time 3
	(source:mouthshut.com)

4.6	FASHION AND YOU — Indulge Yourself
Start up	Private online sales started in January 2010 by Harish Bahl (Chairman) and Pearl Uppal (CEO)
Products available	Apparel , footwear , jewellery , fragrances , home décor , cosmetics , watches , handbags , electronics , appliances ,books , bath essentials , innerwear
Website looks	Categories (home & living , kids , footwear , watches , fragrances) listed on the top along with the current sales , express sales and the clearance sales
	All the deals mentioned on the home page (mentions duration of the deal , discount percent , unique image)
	Wish list tab on the home page (one can add the brands they would like to see on the site)
	Return tab (not satisfied with a product? We'll pick it up from your doorstep)
	Magazine tab (Editors pick for men & women - order is dispatched within 24 hours of the certification)
	One can reach the blog of FNY through the home page (Go to shop , Get the look , Style guide , Fashion Buzz , TV , magazine)
	Invite friends and get Rs 750 on their first purchase
	Sizing (the sizing format is available for ladies' apparel , shoes & belts , mens' apparel , shoes & belts , youth shoe size , infant & kids shoe size
	This sizing chart allows you to convert your measurements into US , UK & European sizes
	Upcoming events highlighted on the site.
Additional services	Traffic Net Worth $917,714 USD
	Each sales starts at 11 am and lasts for 3 days on average

and data	3 angle view of images along with zoom
	Product description includes : For : M/W , Brand , Size , Material , product code , delivery , category , colour
	Pageload Time 3 second
	USP- Value and user experience (www.cxtoday.com)
	Inhouse data warehouse and logistics
	Relies on word of mouth and viral marketing (www.cxtoday.com)
	Linked with 763 Websites
Social media	Facebook- 1345315 likes, 6404 talking about this
Awards Won	Fashion eRetailer of the Year 2012
	Best Innovative Company At The CIO Choice Awards 2014
	Fashionandyou.com recognized by Dataquest amongst the top 20 Hottest Ecommerce Start-ups From India
Overall Rating	Service and support 2
	Information Depth 2
	Content Timeliness 2
	Design /Usability 3
	Website Load time 3
	(source:mouthshut.com)

4.7	JABONG COM

Start up	Started in 2011 by Rocket internet group (German Investment Firm)
Products available	Shoes , clothing , bags , home décor ,sports , jewellery , accessories , beauty , fragrances , home and living for men , women and kids
Website looks	Almost every information is displayed on a home page
	Search dialog box on the top
	Categories and subcategories on the top : shoes , clothing , bags ,home décor ,sports , jewellery , accessories , beauty , fragrances , home and living ,shoes , clothing , bags , sports , accessories , beauty ,fragrances are further categorised on the basis of men , women and kids
	For e.g. Shoes----Men----casual / formal/slippers /sports wears /sandals
	Active filters like colour , price , brand
	Sale tab (to see the latest sales)
	List all the brands in alphabetical order on the Website
Additional services and data	Star attractions of the site (COD and 30 day return policy) is well visible and stated prominently
	More than 1000 fashion and lifestyle brands
	Traffic Net Worth $10.3 Million USD
	Daily Pageviews 4.7 Million
	Wide range of international brands as well (Clarks, Tresmode, Hidesign)
	Commission for affiliates :above average payout of 10% for each sale
Social media	Facebook-
	3629827 likes
	37901 talking
	12-15 posts a day

	More customer engagement posts - What do you prefer to wear on Friday?
	Twitter- 26200 tweets, 455 following, 106000 followers
	10-15 tweets a day
	(as on April 20 ,2015)
Overall Rating (on a scale of 5)	Service and support 3
	Information Depth 2
	Content Timeliness 2
	Design /Usability 3
	Website Load time 3
	(source:mouthshut.com)

4.8	
Start up	Started in 2010. JV between Star Group and South Korea's CJO shopping
Products available	Fashion , kitchen , living , electronics , digital device , jewellery , beauty , books , accessories ,perfumes , lingerie ,cameras
Website looks	All the features are very well visible on the Website
	Advertise TV shopping on the Website through TV shopping schedule and the various events
	Events tab : features all the events currently running
	Top Sellers : features top 20 selling brands / items on the Website looks
	Recommend : it includes the recommended products in categories like kids zone , electronics , mobile phones , jewellery , shoes , home décor

	Search dialog box on the top
	All the categories and sub categories listed on the left corner
	Lists top 10 products of the week
	Star deal highlighted
	Capture customer review on the homepage
	Display of recently viewed products
	Customer board : allows customer to post their queries on the customer board
	Notice : all the notices to be conveyed to the users can be displayed on the notice board
	Bulk order enquiry and Franchisee enquiry can be made through the Website
	Top sellers of each category are featured on the home page
	Detailed product description (main item configuration , features, features description
	Customer review and delivery / exchange / return policy mentioned along with the product
	Video for some of the products
Additional services and data	Home Shopping Channel - Star CJ Alive (estimates Rs 5000cr turnover in next five years)(www.theeconomictimes.com) plans to launch two new channels by 2014 (either in Tamil/ Telugu / Kannada/ English)
	Traffic Net Worth $111,833 USD
	Daily Advertisement Revenue $153 USD
	65 % of electronics are sold on TV , households account for second largest chunk
	Also sell olive oil, spa products and foods, FMCG products

	Linked with 253 Websites	
	95% of the products are sold via the COD model	
Social media	Not active on social platform	
Overall rating(on scale of 5)	Host performance	2
	Plot	2
	Audience Participation	2
	Camera effects	2
	(source :www.mouthshut.com)	

(Source: http://www.freewebsitereport.org/)

1.4   COMPARITIVE ANALYSIS OF THE TRAFFIC STATISTICS

1.4.1 Global Traffic Rank- It is an estimate of the site's popularity. It is a combination of average daily visitors and page views on the website.
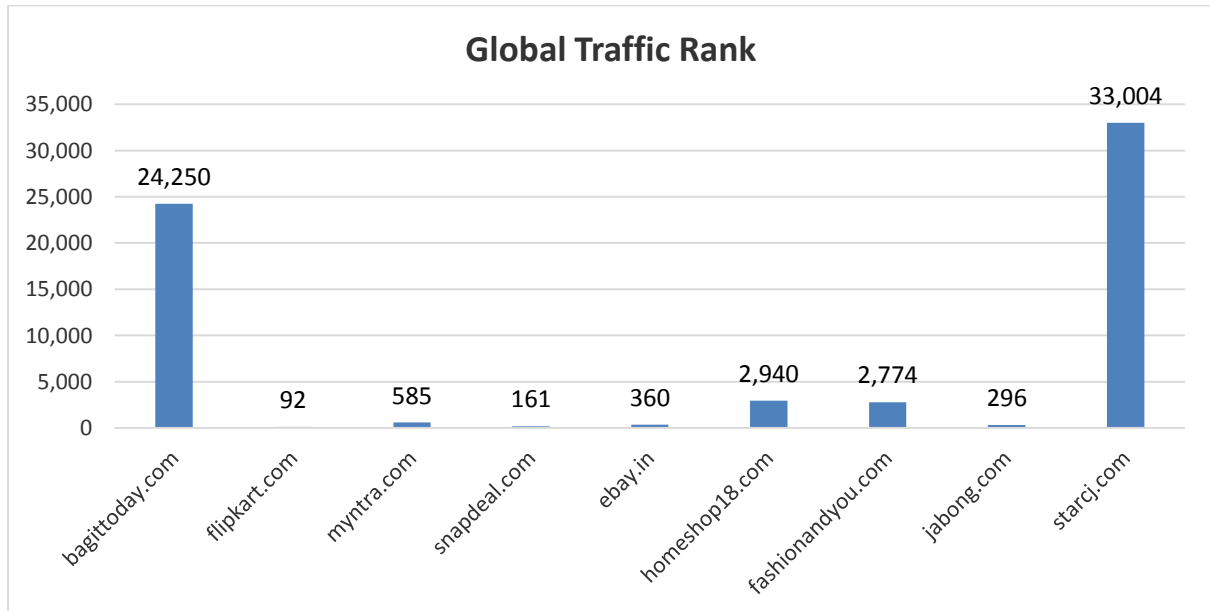
Figure 1. Global Traffic Rank (Data source: www.alexa.com *as on April 22, 2015*)

1.4.2 Traffic Rank in India- It is an estimate of the site's popularity in India. It is a combination of average daily visitors and pageviews on the website.
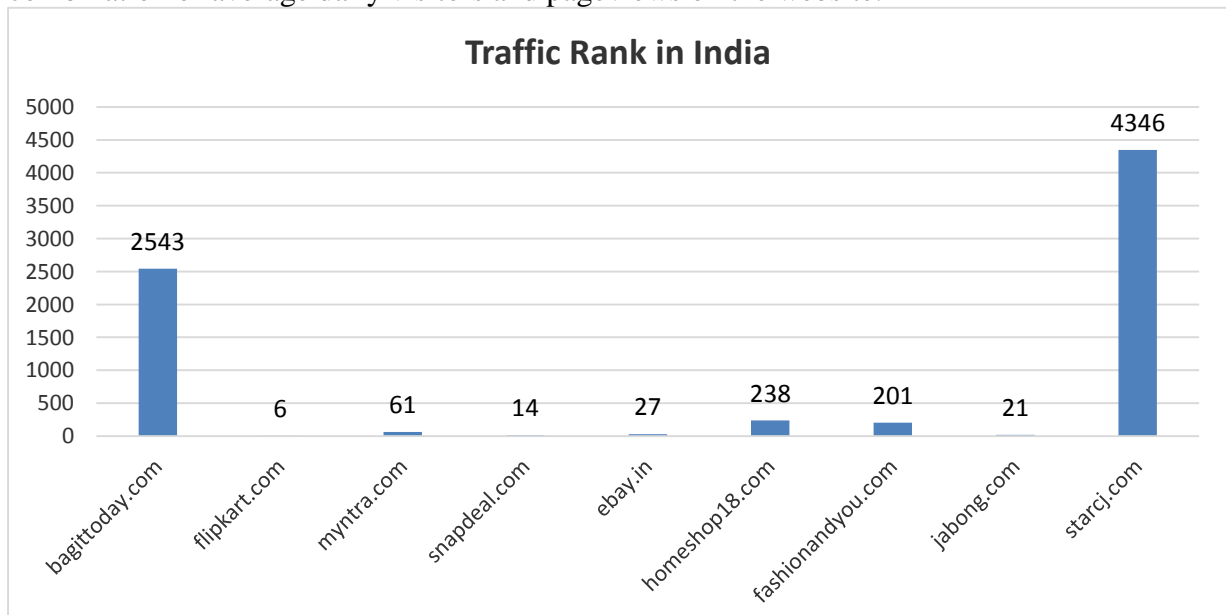
Figure 2.Traffic Rank in India (Data source: www.alexa.com *as on April 22, 2015)*

1.4.3 Traffic Average- It is the average number of views per user who visits the website.

Average Number of views per user
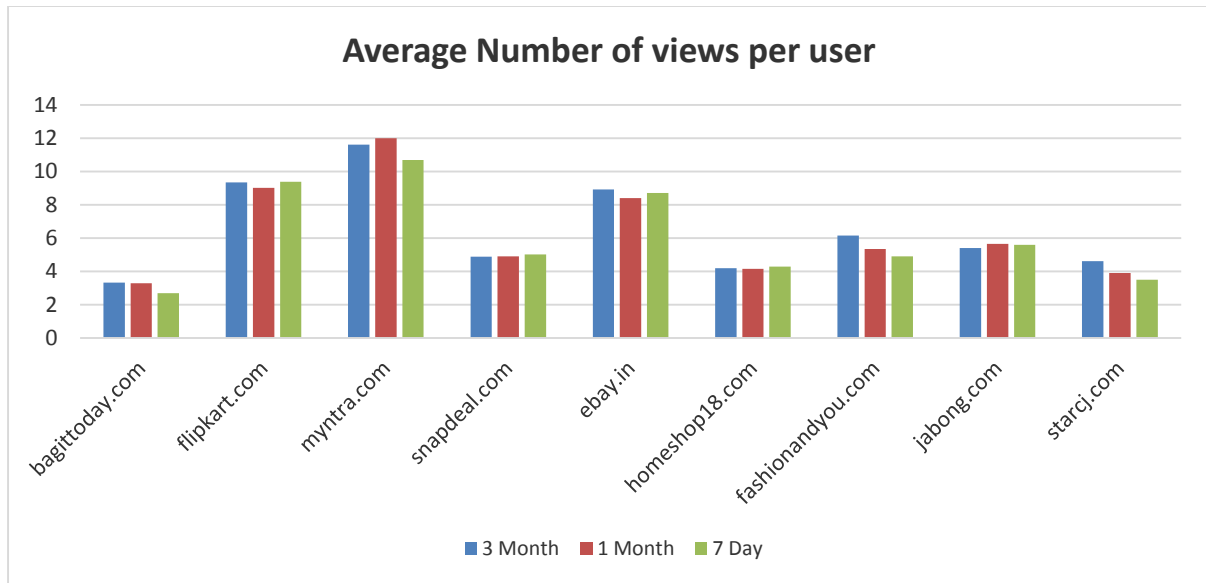
Figure 3. Traffic Average (Data source: www.freewebsitereport.com , *as on April 22, 2015*)

1.4.4 Page views- It is an estimation of number of Daily Page views per visitor.

Daily Pageviews per Visitor
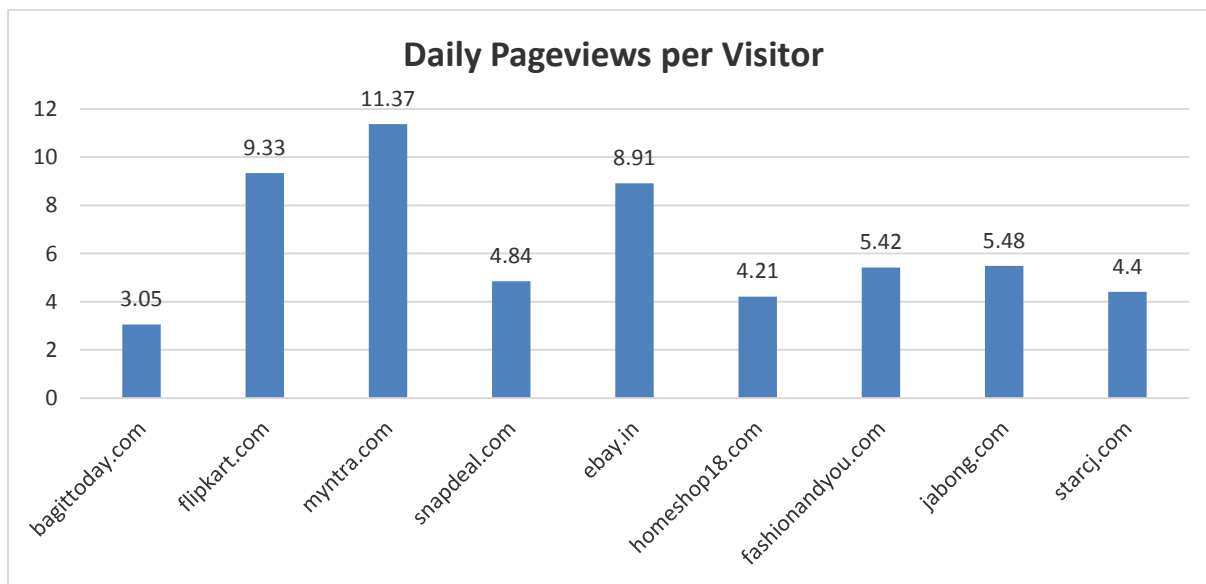
Figure 4.Pageviews (Data source: www.alexa.com *as on April 22, 2015*)

1.4.5 Bounce (%) – Estimated percentage of the visits to the website that consist of a single page views.
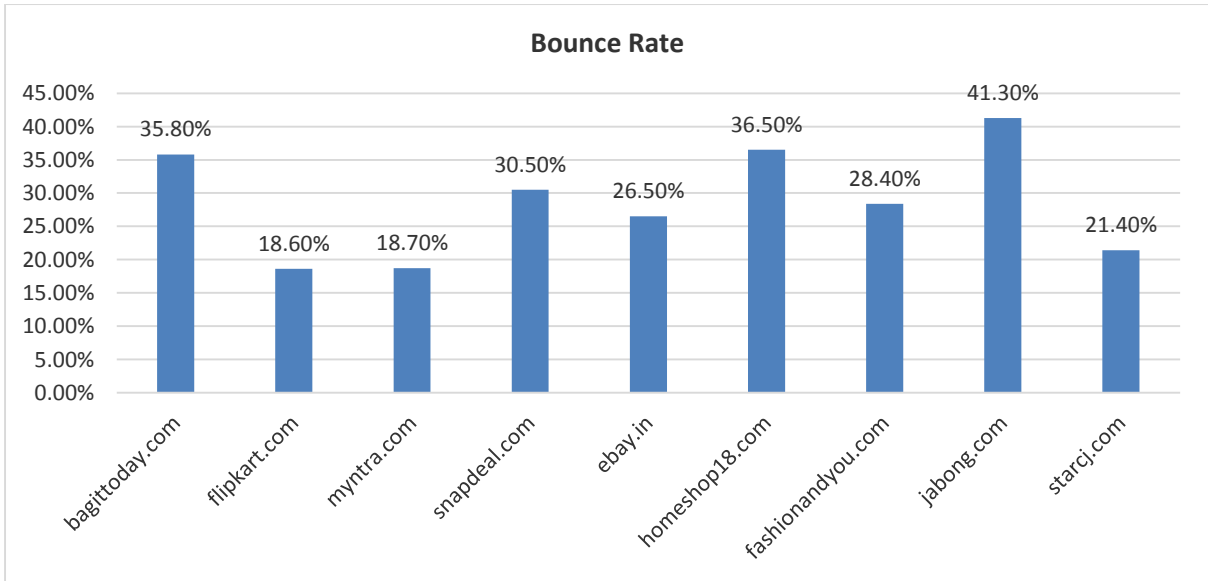
Figure 5. Bounce (%) (Data source: www.alexa.com *as on April 22, 2015*)

1.4.6 <u>Time on site</u> - Estimated daily time on site (mm:ss) for the website
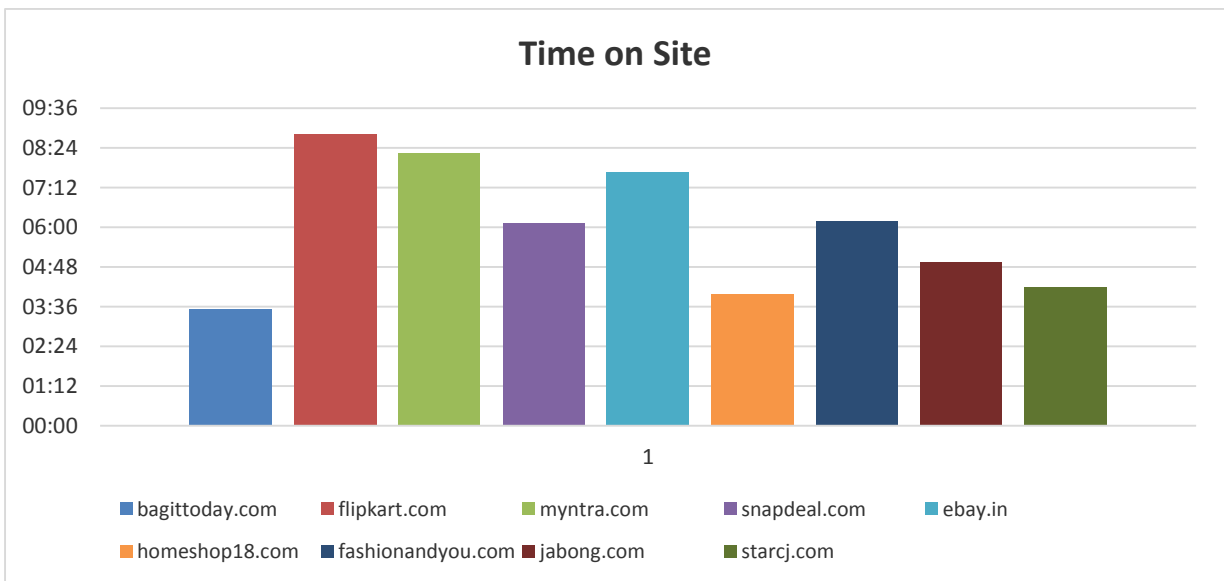
Figure 6. Time on site (Data source: www.alexa.com *as on April 22, 2015*)

1.4.7 <u>Search</u> – Estimated percentage of visits to the website that came from a search engine
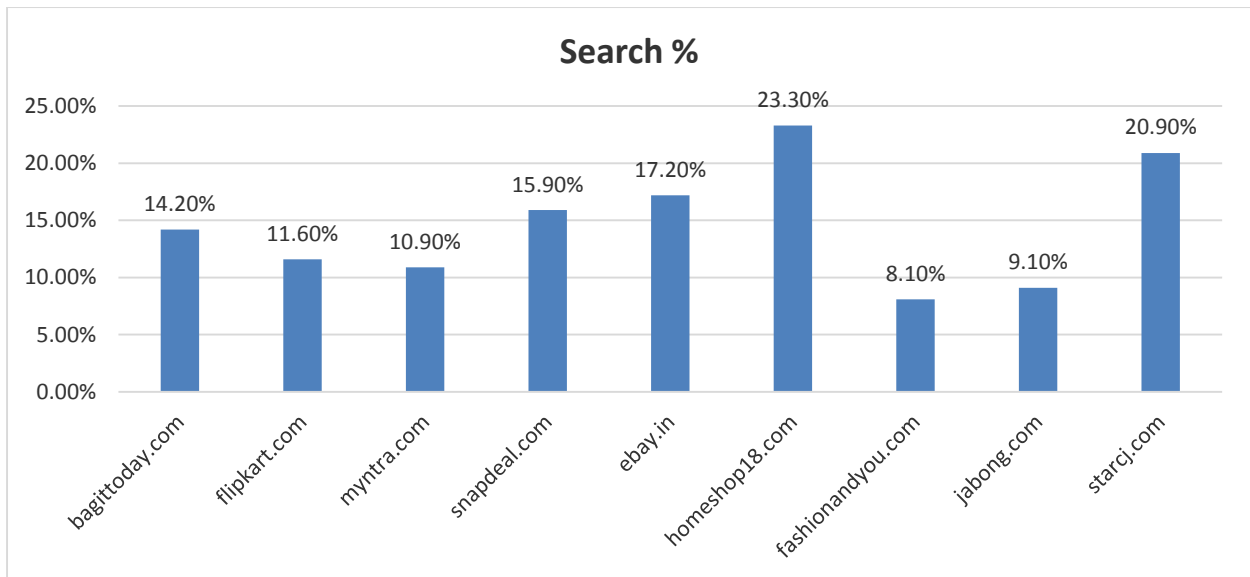
Figure 7. Search (%) (Data source: www.alexa.com *as on April 22, 2015*)

1.4.8 <u>Reputation</u> - The number of links to the website from sites visited by users in the Alexa traffic panel. Links that were not seen by users in the Alexa traffic panel are not counted. Multiple links from the same site are only counted once.
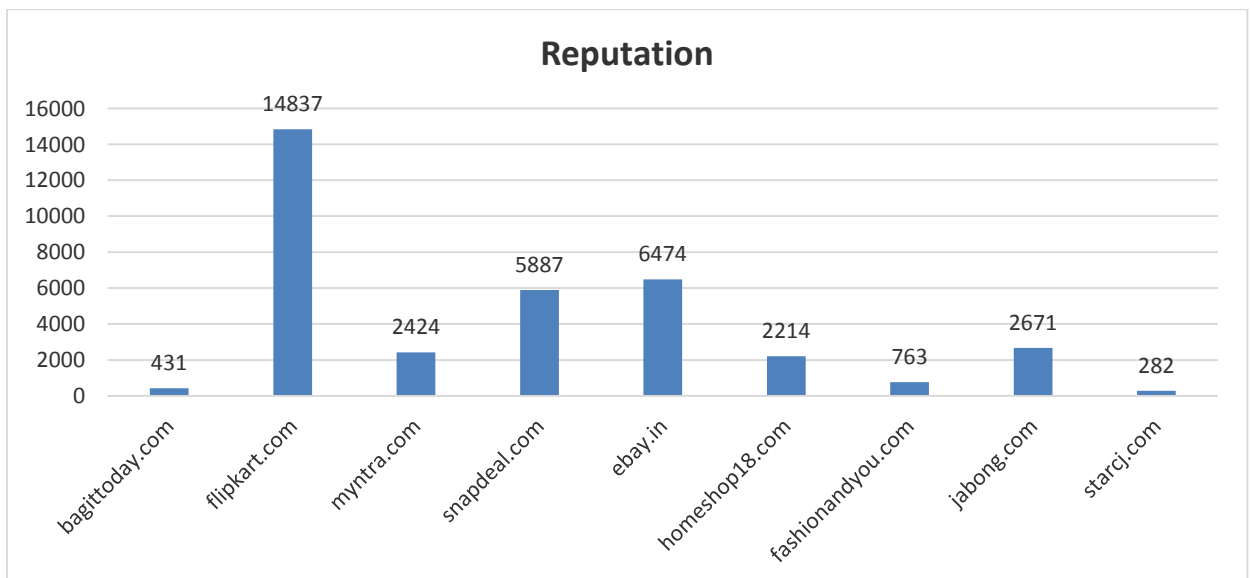
Figure 8.Reputation (Data source: www.alexa.com *as on April 22, 2015*)

1.5   PROCESS MAPPING

Merchandising
- Selection of vendor
- Preparation of codes for the material procured
- Raising P.O.

Marketing
- Putting the deals online
- Order Processing

Logistics
- Receiving goods in the warehouse
- Inventory Management
- Dispatching the goods to the customers
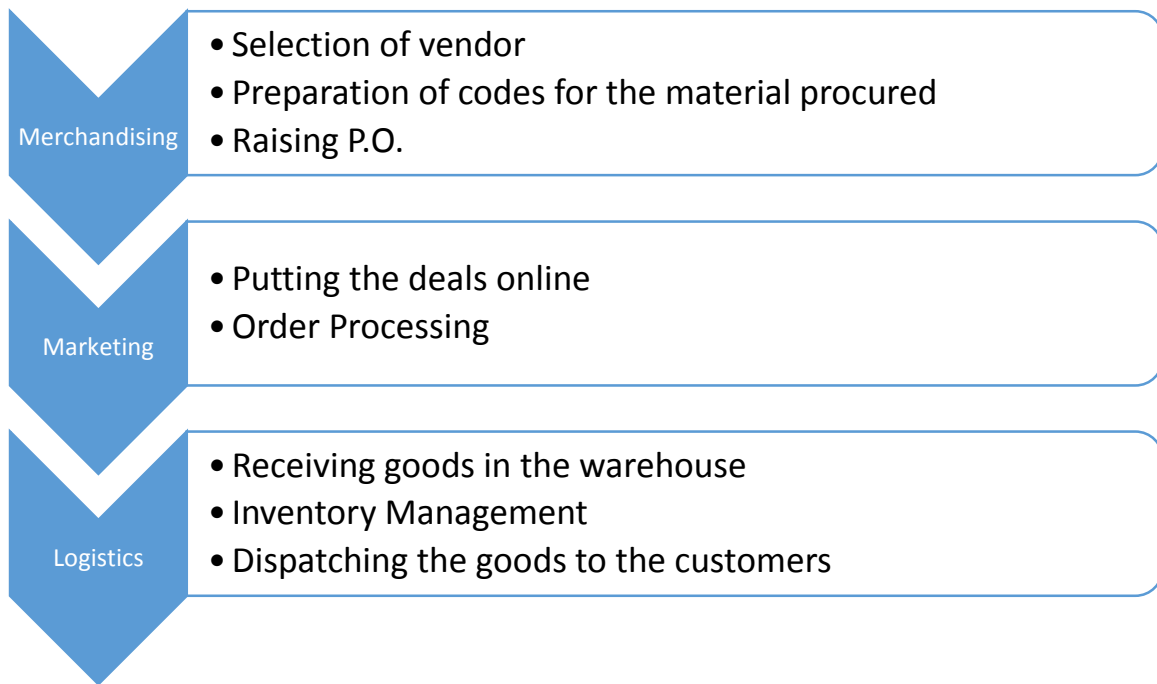
1.5.1   <u>MERCHANDISING</u>

The merchandising team of Bag it today is responsible for making the variety of products available on the site. They deal in variety of products ranging from electronics (camera, pen drives), apparel and foot wear, books, bed sheets, jewellery, handicrafts, gift items. They do highly reputed brands as well. The branded products include Nike, Reebok, Puma, D & G and other international brands.

The Vendor Request Form (VRF) is sent to the vendor signifying the commencement of the contract. The vendor is then expected to revert back with the duly filled VRF and the description, SKUs, Inventory, Bag it today price, MRP, S.P (optional), Central Sales Tax / Value Added Tax .The Purchase order is raised by the team in the name of the vendor.

The merchandising department prepares the item description and the codes for all the materials procured from the vendor using the oracle software .In case of new supplier, the code for supplier is prepared first

An automatic supplier code in oracle is generated once the required information is put in the software.

The Purchase order (PO) is raised by the merchandising team twice a week i.e. Tuesday and Friday to all the vendors whose products are running online at a point of time. The P.O indicates the item and the quantity required from the vendor. The order is then received in the warehouse

in the stipulated time period from where the dispatch of orders to customers takes place. This is a case for back to back order procurement from the vendor. In case of bulk buying all the products in the P O are procured beforehand and stored in the warehouse before the deal goes online. The payment is made to the vendor within a month.

1.5.2   MARKETING

The codes prepared by the merchandising team are sent to the marketing department. The marketing department then rename the products according to the codes generated and prepares the cost sheet. The cost sheet consists of:

- Mode of Payment (Credit card /Cash on Delivery)
- Model no.
- MRP
- Offer Price
- Percentage discount to customer
- Delivery charges
- COGS
- BIT discount on MRP
- Freight & Packing charges
- VAT Percentage
- VAT amount
- Cost of Transaction(bank / IVR / telecom)
- Cost of Acquisition (commission or media charges)
- Other Expenses
- Net Margin

The Offer price is exclusive of the delivery charges. The delivery charges are estimated at Rs 99. The freight and packaging charges are estimated at Rs 70. The VAT amount varies with the product from 12.5% to 5%. The cost of transaction consists of the bank charges, IVR or telecom charges. It is estimated at 2% of MRP or Rs 50, whichever is higher. The cost of acquisition consists of the commission or media charges and taken at 8% of the offer price. The other expenses may include any loss during transit or bad debt amount. It is taken at 10% of offer price. The offer price is set in order to earn at least 10% net margin.

The company uses Lead Management System (LMS) as a backend for display of products and recording the orders. All the members are allotted their user ID and respective passwords to login to the system. The members can login and can have access to the lead reports and the order reports. The lead reports records the cash orders while the order reports records the prepaid orders.

1.5.3 ORDER PROCESSING

The orders are received through:

- Website (Online sales)
- Television
- Telephone (Telesales)
- Tactical sales
- Sales through print media

The orders received through the website are extracted through the backend system i.e. Lead Management System (LMS) thrice a day. The credit card orders / prepaid orders are uploaded directly in the oracle software once the confirmation of payment is received from the bank. The COD orders more than Rs 2000 are verified through calling or by mail and then uploaded. The COD orders less than Rs 2000 are uploaded directly. The company calls on the customers through the four call centres: Kanki, IBS, One touch, CPCMS.

All the sales and operation related calls are made through these call centres. Also the print and TV inbound in done through these call centres. The other purposes of calling includes Telesales, verification of orders received from non-serviceable areas, Cash on delivery orders, follow up on couriers and the Non Delivery Report (NDR) calling.

The print and television sales are extracted once a day. And the orders are then processed in a similar way. All the orders uploaded may not be invoiced. This may happen because of the unavailability of the stock, receipt of order from Non Serviceable Areas (NSA) , mismatch of payment (portion of payment made through gift voucher).

For such orders the calling is made again and then the invoicing is done.

1.5.4 LOGISTICS

Logistics in e-commerce includes:

- Vendors receiving
- Inventory Management
- Dispatch

The warehouse of Bag It Today is located at Chhatarpur in New Delhi. The area covered is 40000 sq. Ft .There are four managers, four executives and four supervisors in the warehouse. The average delivery time for Delhi – NCR is 5-6 business days while for upcountry orders it may take 12-14 business days depending upon the availability of stock.

After the P.O has been raised by the merchandising team, the goods are sent by the vendor (according to the items in P.O) along with the invoice to the warehouse. The receiving team in the warehouse verifies the stock in the P.O with the invoice sent by the vendor. The logistic cost may be borne by the company as per the agreement with the vendor. If an extra stock is received, the same is informed to the merchandising department. The merchandising department may negotiate with the vendor and either raises the P.O for the extra stock received or the vendor may send an invoice for the same. The Store Receipt Material (SRM) is prepared at the warehouse and is sent to the Finance department and the merchandising department for the payment process. The goods received in the warehouse are then arranged according to the category. For e.g. there is separate shelf space allocated for apparel, footwear, handicrafts etc. The order processing team then process the orders. The verification of the address is done by the logistics team. Once the addresses are verified, invoicing is done. No invoicing is done for stock on hold or stock not available. The summary of the items is then prepared at the warehouse. According to the summary, the picking of various items is done by the inventory team at the warehouse .The same is then sent to the packaging team for packaging. The packing team verifies the stock with the summary and the goods are then packed. The invoice and the sticker of address are then pasted on the packet. All the packets are then kept in the dispatch area. All the packets are scanned before they are handed over to the courier representatives. The scanning allows tracing all the details along with the weight of the packet. The light packets in Delhi-NCR are sent through riders. There are 18 riders with the two wheeler vehicle. The upcountry orders are delivered through courier companies like Blue Dart, First Flight, and Quantium.

The courier company delivers the goods in the stipulated time period to the respective locations. If the customer refuses to accept the order or if not available on the address provided, the Non Delivery Report (NDR) is prepared by the courier company and is sent to the calling department of the company. The calling team makes three attempts to reach the customer, else reverse delivery is done. The goods are delivered by the courier representatives to the warehouse. The material is checked in front of the courier company representative and scanning is again done. If the goods are in good condition i.e. if they are not tempered, they are placed back according to the category.

When the customer wants to get his order replaced (i.e. when the order delivered is not up to the satisfaction of the customer or is tempered) he can call at the customer care number provided on the Website. The complaint is registered by the customer service department which informs the courier company for the reverse pick up. The product is then brought to the warehouse and scanning is done. The product is then arranged back in the warehouse as per the category.

CHAPTER 2

LITERATURE REVIEW

E-Commerce seems to be everywhere these days. It is nearly impossible to read a magazine or a newspaper without coming across an article about how e-commerce is going to change and affect our lives. It is widely accepted that e-commerce and internet technologies can benefit the organisations and businesses. It has become a topic of interest for many practitioners and analysers for few decades now.

In order to understand the acceptance of e-commerce, a report has been published on "Influence of online shopping information dependency and innovativeness on internet shopping adoption". It involves studying the impact of online shopping information dependency, domain specific innovativeness technology acceptance model (TAM) variables on future shopping. It shows that the consumer innovativeness has direct impact on the TAM .Online shopping information dependency can be increased with interfaces that are easier to use, but only if perceived usefulness remains high. Consumer innovativeness positively influences internet exposure and the ease of use perception of the shopping medium. It would help companies to know which communication strategies to highlight in order to get non purchasing web users to participate in e-shopping. This also shows that web design and content are key tools in attracting and retaining the online customers. It also recommended to target some advertising campaigns to the more innovative users.

In a study on "College students' attitude toward shopping online for apparel products" by Yingjiao Xu and V. Ann Paulins, (2005), it was found that students in general had positive attitude towards shopping online. The result of the analysis done using the statistical tools showed that the students who intended to shop online for apparel products had more positive attitudes than those who did not have the intention. It also showed that internet usage, employment status, and car access had significant influence on students' attitudes toward online shopping for apparel products.

Although many companies have entered the world of e-commerce in the past few years, very few have been able to attain the competitive advantage. In a study by Sohel Ahmad (2002) "Service failures and customer defection: a closer look at online shopping experiences", Managing Service Quality: An International Journal, unrealistic expectations and use of wrong

business model have often been mentioned as the major reason for companies' failures. Consumers are satisfied as long as online shops are able to meet or exceed services rendered compared to consumers' expectations. When a company fails to deliver as promised, there is a need to identify the fail points. The fail points need to be documented and the service delivery systems need to be reviewed and modified so as to minimize the similar service failures in the future. The service recovery process can have impact on negative or positive word of mouth. The most important reasons identified for shopping online were: convenience and competitive prices.

In a study on "Online apparel retailing: roles of e-shopping quality and experiential e-shopping motives" by Sejin Ha, Leslie Stoel (2012), some e-shopping quality factors have been identified. These are: privacy/security, web site content/functionality, customer service and experiential/atmospheric web site content/functionality and atmospheric/experiential quality. They have significant impact on e-shopping satisfaction contributing to e-shopping intention, while privacy/security and customer service have significant impact on e-shopping intention but not on e-shopping satisfaction. This would help internet and multichannel retail-marketers delivering fashion goods to better understand the online consumer response process and determine effective e-store management strategies that reflect the differing customer evaluation processes.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 STATEMENT OF THE PROBLEM.

This project aims to study the behaviour of the consumers while purchasing a product online from Bagittoday.in and identifying the touch points in order to improve the customer experience. It also aims to study all the processes involved when an order is placed online by the customer till the delivery of the goods. The learning from this would help in improving his overall experience of shopping from Bag It Today.

3.2 RESEARCH PROCESS

For performing the study the first step was to know the practices of Bag it today. It involved studying the website of the company, the kind of products offered, the kind of deals on the website, the product description information, the size information (in case of apparel) or the dimension provided.

A lot of information about improving customer experience when he visits the site was obtained by visiting the Website of the competitors and studying the features they provide to their customers.

Second step was to understand the processes of the company. It includes the process involved when the order is placed by the customer up to the delivery of the product.

Finally a questionnaire was made for the existing customers of BIT to do the gap analysis i.e. what the customers expect from BIT and what actually is delivered to them.

The data collected was then analysed to find out the categories people prefer buying from Bagittoday.in, their experience with the customer care and the services they expect.

3.3   RESEARCH DESIGN

The research design used for performing gap analysis for Bag it today was done majorly through **Quantitative Research Design** method. The reason behind choosing this form of research design for this analysis was that the quantitative techniques are extremely useful when performance or services are to be rated. In performing this analysis a lot of data had to be collected about the products and services provided by BIT.

3.4   DATA COLLECTION

3.4.1   INFORMATION NEEDED

The information needed for performing the gap analysis for Bagittoday is as follows:-

- Scrutinising the products and deals offered on the Website.
- Features and products available on the Website of the competitor.
- Collating the feedback of the customers about Bagittoday
- Scrutinising the order processing procedure of the company.

3.4.2   DATA COLLECTION FROM SECONDARY SOURCE

The secondary sources of data collection were:

- Website of the company
- Website of the competitors
- Articles available on the internet and research papers
- Collecting the reviews of the customer from the social networking sites and consumer review Website.

3.4.3   QUESTIONNAIRE DEVELOPMENT

The questionnaire was prepared after having complete information about the business model of the company, the kind of products they sell, all the processes involved when an order is placed by the customer up to the delivery of goods. The list of questions was then prepared keeping in mind the psyche of a customer when he shops online.

For conducting this analysis feedback from 150 customers was collected through social media. This data included the customers who have shopped from BIT from each state based on:

1) The activity they are acquired through (Telesales , website , TV , print)
2) The mode of payment (prepaid or credit card/ postpaid or cash on delivery)
3) Status of the order (fully processed or closed down)

The similar questionnaire was shared with the people at random. It included the responses of those people who have never shopped from BIT. They were provided with the link to the website and were then told to share their experience of visiting BIT.

CHAPTER 4

DATA ANALYSIS

Each question from the questionnaire was analysed keeping in mind the purpose of analysis. It will give an insight into the customer expectations from Bag It Today and what he actually gets from it.

4.1 ANALYSIS: PART I

The questionnaire was sent to the existing customers of BIT and data collected was analysed.

NUMBER OF TIMES A CUSTOMER HAS SHOPPED FROM BIT

The respondents were asked the number of times they have shopped from BIT
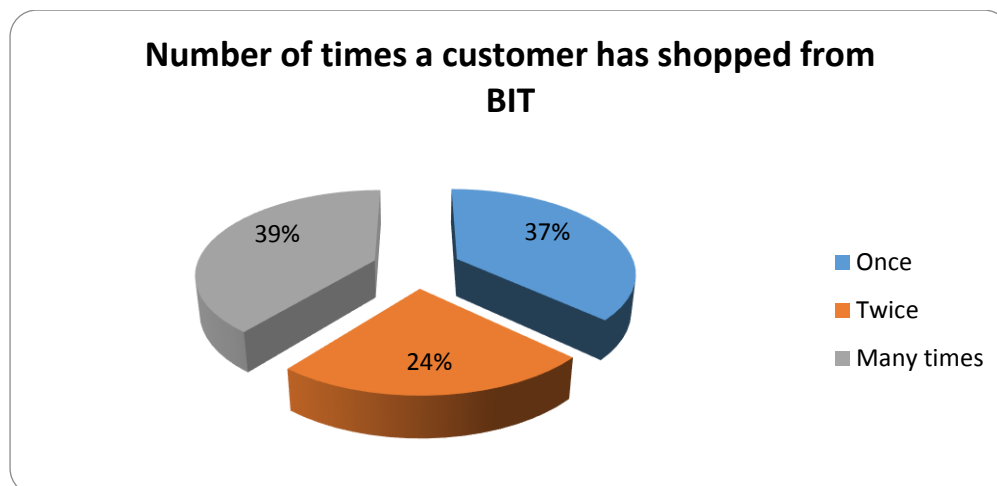
Figure10. Number of times a customer has shopped from BIT

This analysis shows that 37% of the customers have shopped only once from BIT and did not come back, 24% have shopped twice and 39% have shopped many times. BIT need to take considerable steps to retain its customer. It is easy to retain a customer than to acquire a new customer.

THE EASE OF BROWSING AND ORDERING OF THE GOODS

The respondents were asked how they would rate the ease of browsing and ordering of the goods from BIT
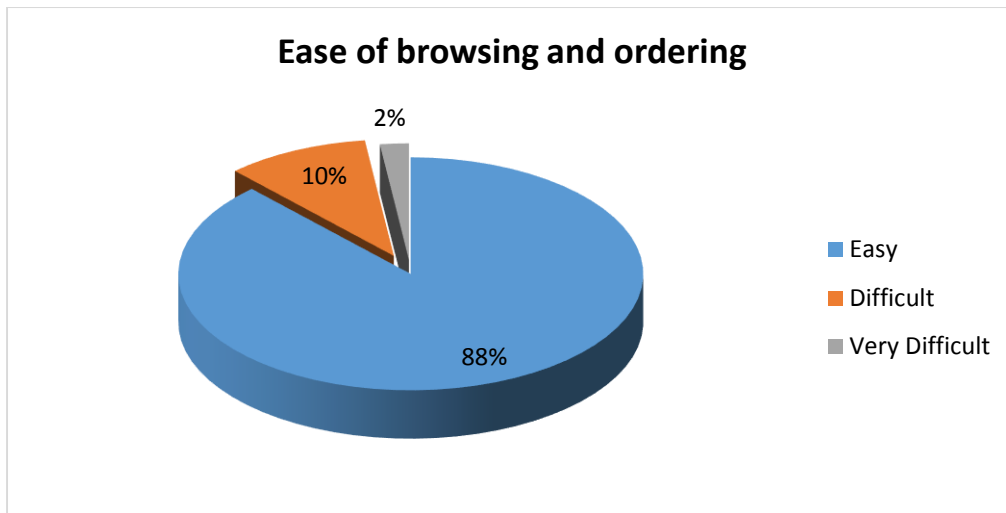
Figure 11 Ease of browsing and ordering of the goods

The above analysis shows that BIT site is user friendly. But they have scope of improvement in their website in terms of organising boutiques in alphabetical order or into various categories so that the 12% customer also rate BIT high in terms of easy browsing and ordering of the products.

THE PRODUCT DESCRIPTION AVAILABLE ON THE SITE

The respondents were asked how they would rate the product description information available on the website
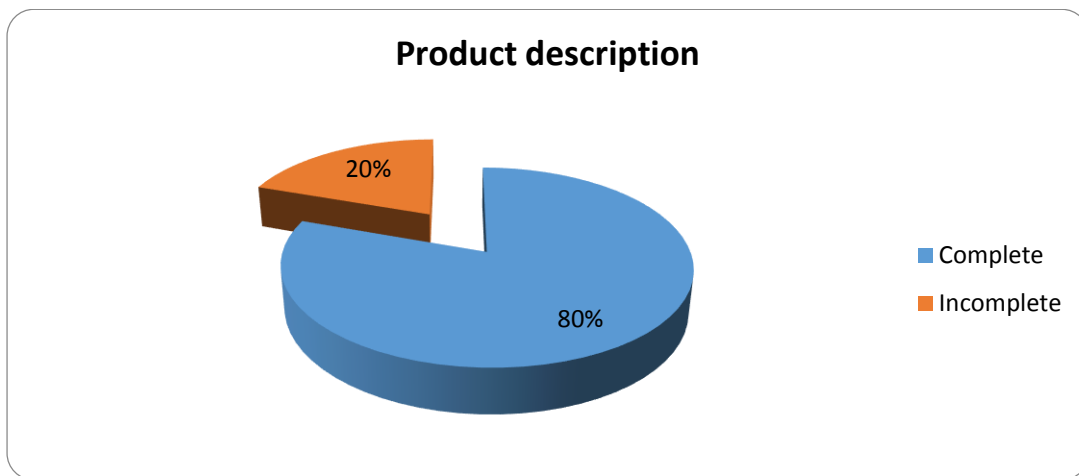
Figure 12 Product descriptions available on the website

The above analysis shows that 80% of our customers are satisfied with the product description available along with the product on the website while 20% of the customers find it to be incomplete. This shows that they may not come back again to our website. So BIT needs to work on this parameter.

DELIVERY TIME

The respondents were asked the time in which the product was delivered to them.
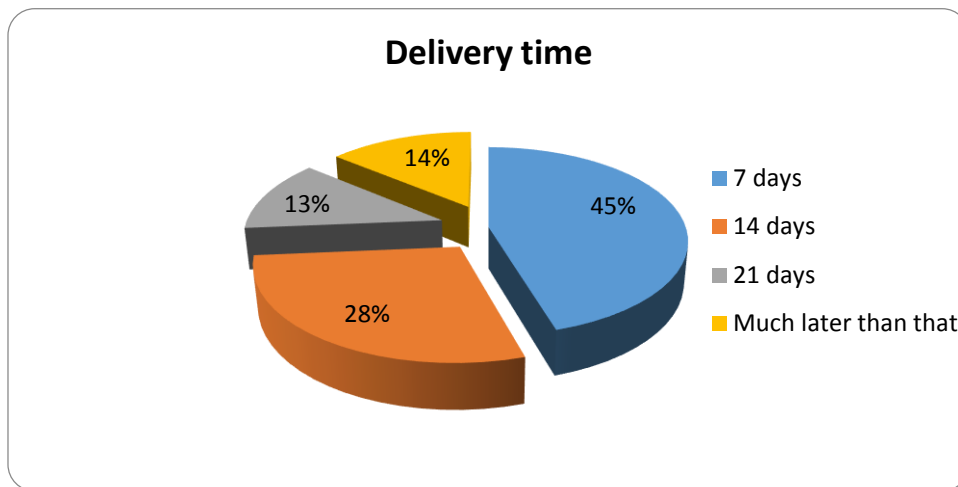
Figure13 Delivery Time

The above analysis shows that most of population i.e. 45% of the population received the goods within 7 days of ordering the goods 28% customers received the products within 14 days of the delivery, 13% within 21 days of ordering and 14% much later than that. This implies that BIT needs to work on their delivery services to cater to 27 % customers who received their products not even within 14 days of ordering the goods. There might be a possibility that they would not like to shop again from BIT

REASON FOR BUYING FROM BIT

The respondents were asked the reason buying from BIT
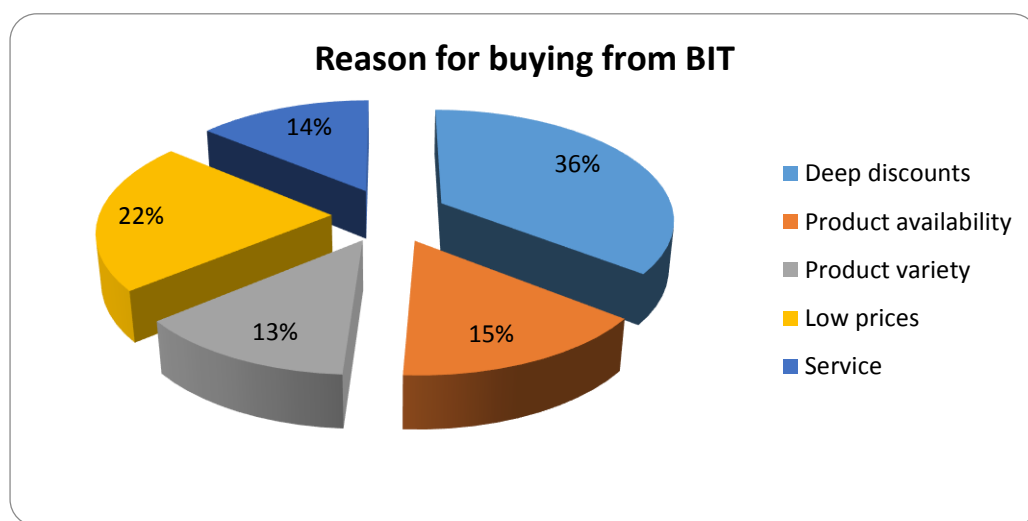
Figure14 Reason for buying from BIT

It is evident from the above analysis that 36% of the customers visit the website because of the deep discounts BIT offers. 22% of the customers considers BIT for shopping because of the low prices it offers, 15% believes that the products they desire for are available on the website, 13% because of the variety BIT offers and 14% because of the service offered to them. This shows that BIT should maintain its image of deep discounting site and should offer more variety and improve upon its services to retain its customers.

PREFERRED CATEGORY

The respondents were asked the category they would prefer to buy from BIT
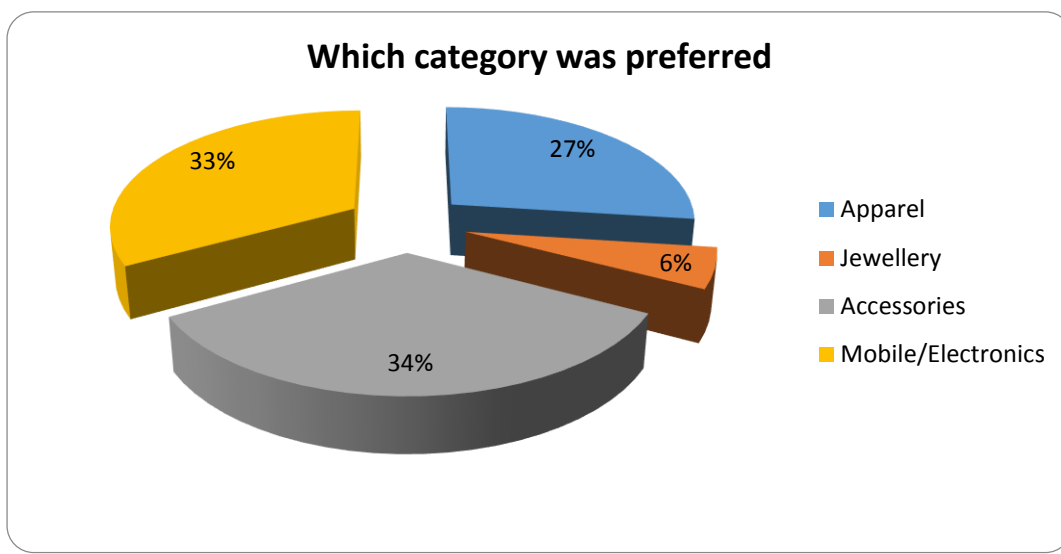
Figure 15 Preferred Category

The above pie chart indicates that 34% of our customers prefer to buy accessories from BIT, 33% prefer mobiles or electronics, 27% apparel, 6% jewellery. This shows that BIT should bring online more accessories and mobile deals. And should bring lucrative deals for apparel and jewellery.

CUSTOMER CARE HELPFUL

The respondents were asked if they were satisfied with BIT customer care.
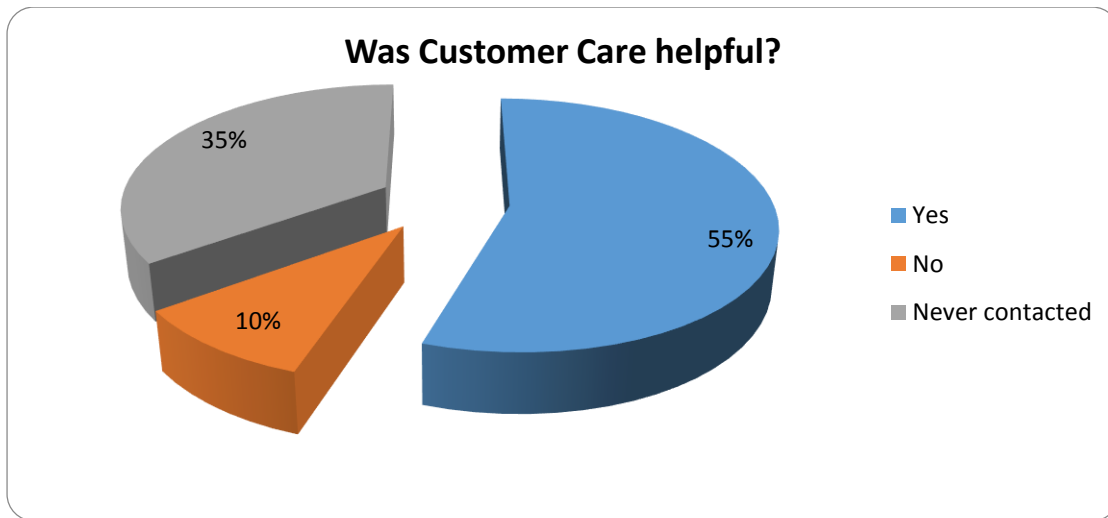
Figure 16 Customer care

The above analysis shows that 35% of the orders of BIT successfully reached the customers and they never contacted the customer care. Out of the 65% who contacted the customer care, 55% found the customer care to be helpful while 10% were not satisfied with the customer care.

REASON FOR CONTACTING CUSTOMER CARE

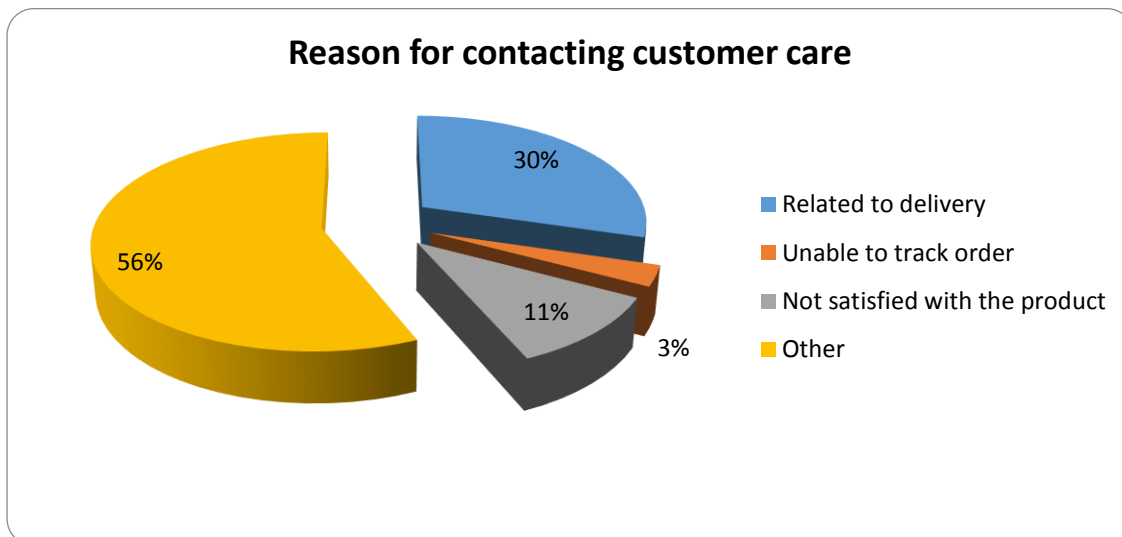The respondents were asked the reason for contacting the customer care.

Figure 17 Reason for contacting customer care

The above pie chart indicates that 30% of the customers contacted the customer care because they did not receive their consignment, 11% were unsatisfied with the product they received, and 3% of the customers were not able to track their order.

MOST IMPORTANT THING WHILE SHOPPING FROM BAGITTODAY

The respondents were asked the most important thing for them when they shop from BIT
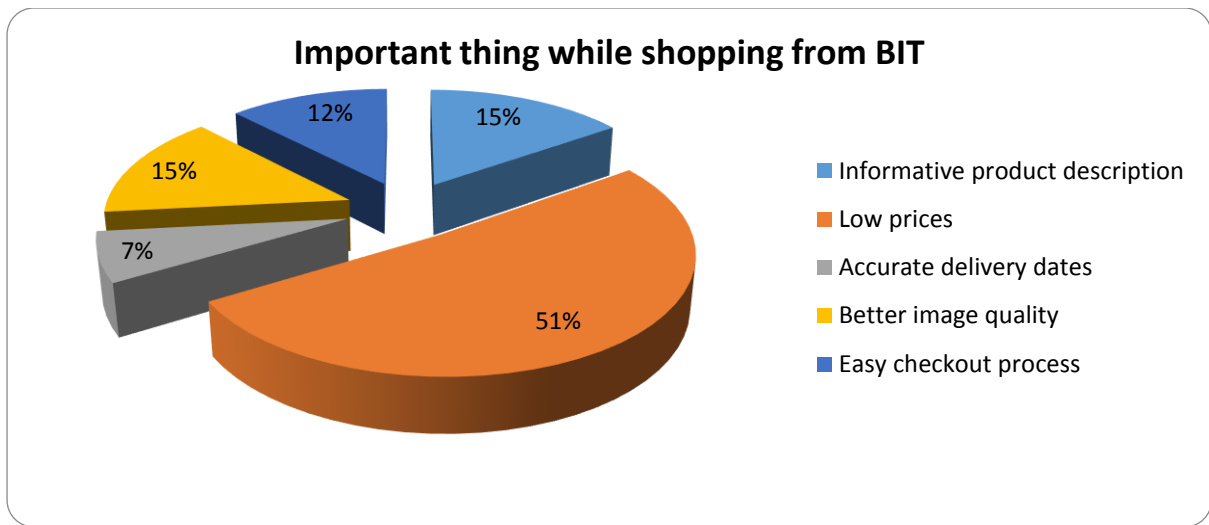
Figure18 Important thing while shopping from BIT

The above pie chart indicates that for 51% of the customers, the most important thing is the low price when they shop from BIT, 15% consider product description to be most important, 15% consider better image quality while shopping, 12% believe that check out process should be easy while 7% believe that delivery dates should be accurate.

RECOMMEND BIT TO OTHERS

The respondents were asked if they would recommend BIT to others
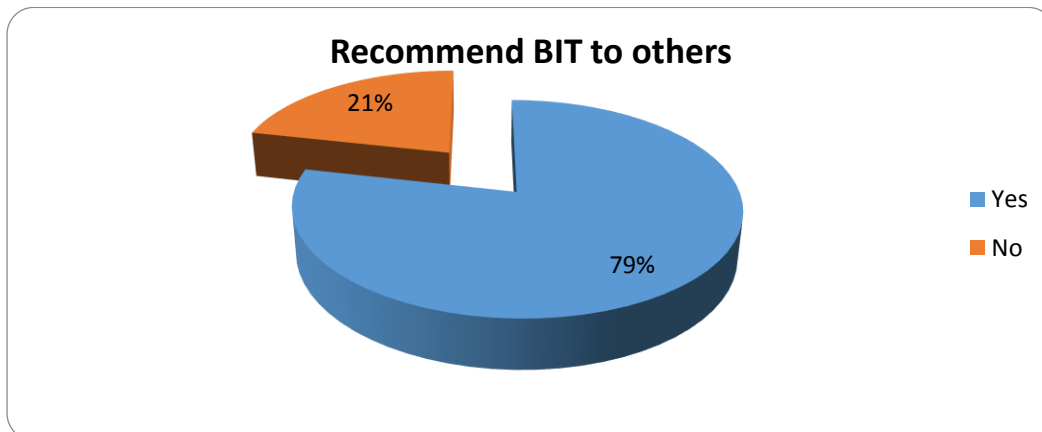
Figure19 Recommend BIT to others

This analysis shows that 79% of the customers are satisfied with BIT and would recommend BIT to others while 21% had a bitter experience of shopping from BIT and would not refer BIT to others.

AGE GROUP FOLLOWING BIT

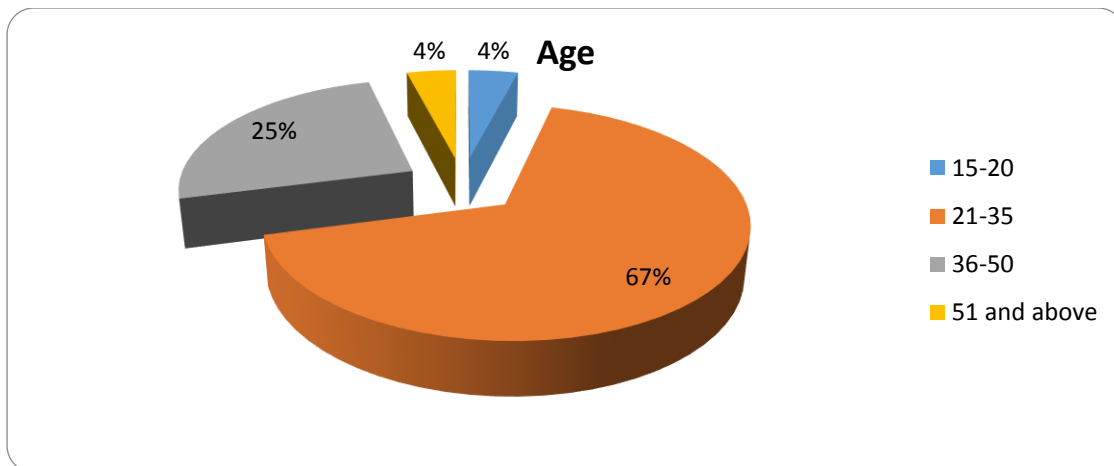The respondents were asked the age group they belong to.

Figure20 Age Group

This analysis indicates that 67% of the customers belong to the age group of 21-25 years, 25% belong to 36-50 years, 4% each to 15-20 years and 51 and above. This indicates that BIT should bring in more youth oriented products.

GENDER PREFERING BIT

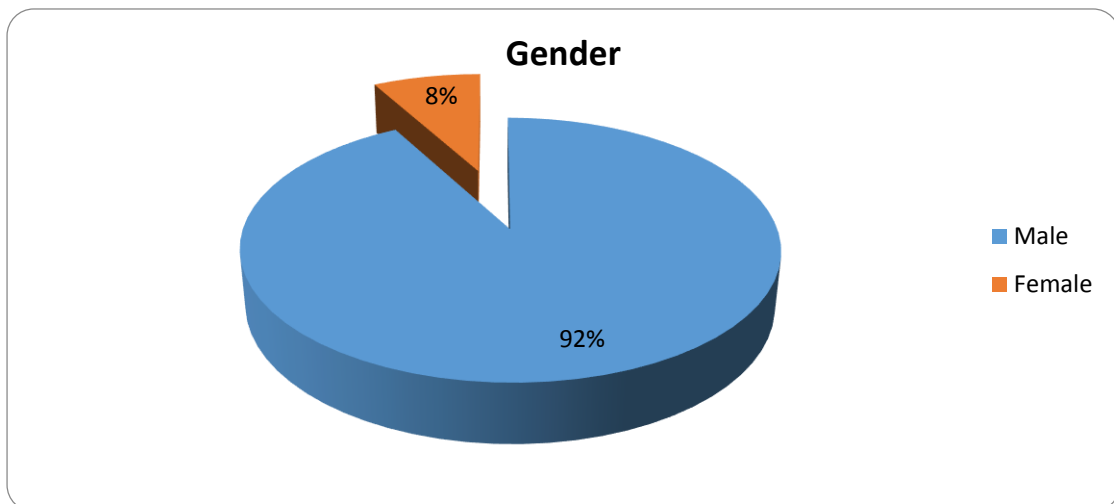The respondents were asked their gender.

Figure21 Gender

The analysis clearly indicates that 92% of the male shop from BIT and only 8% are women customers. BIT can bring in more male centric products or consider that more male customers spent time on online shopping rather than women.

4.2   ANALYSIS: PART II

A similar kind of questionnaire was shared randomly with the people. These included people who may not be the customers of BIT. The link of the website was provided to them and they were asked to visit the website of BIT and provide their feedback.

This questionnaire was shared with 90 people out of whom 70 people had never shopped from BIT. They shared their experience with us when they first visited the website.

EASE OF BROWSING

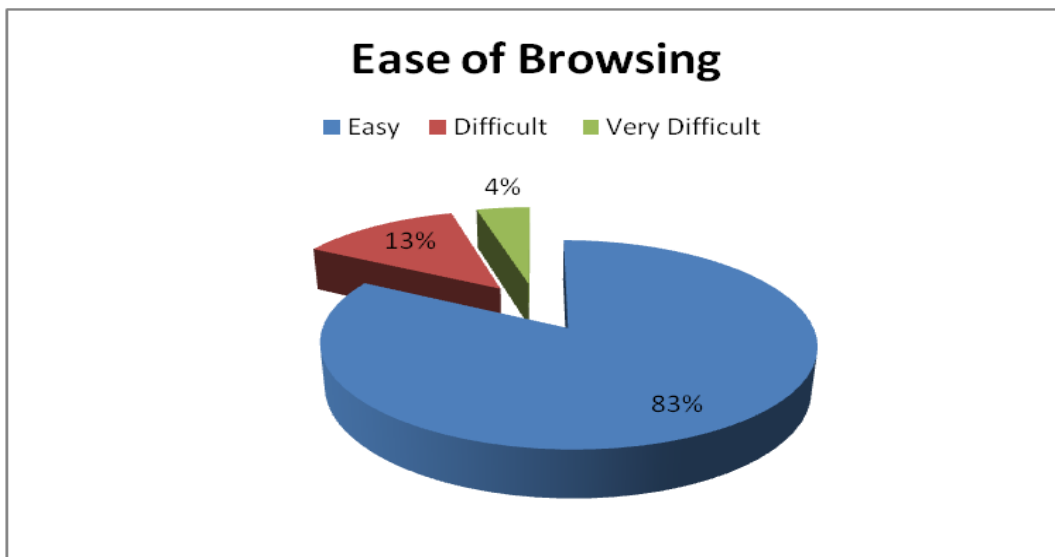The respondents were asked to rate the ease of browsing the website

Figure22 Ease of browsing

It is apparent from the figures shown in the pie-chart that majority of the people who visit the website find it easy to browse and leaf through the website.

DEALS ON THE SITE

The respondents were asked to rate the deals live on the website.

Figure 23 Deals on the site

It can be seen that majority of the people i.e. 69% of the people did not like the deals which BIT was running on their website.

PRODUCT DESCRIPTION INFORMATION

The respondents were asked to rate the product description information available on website.
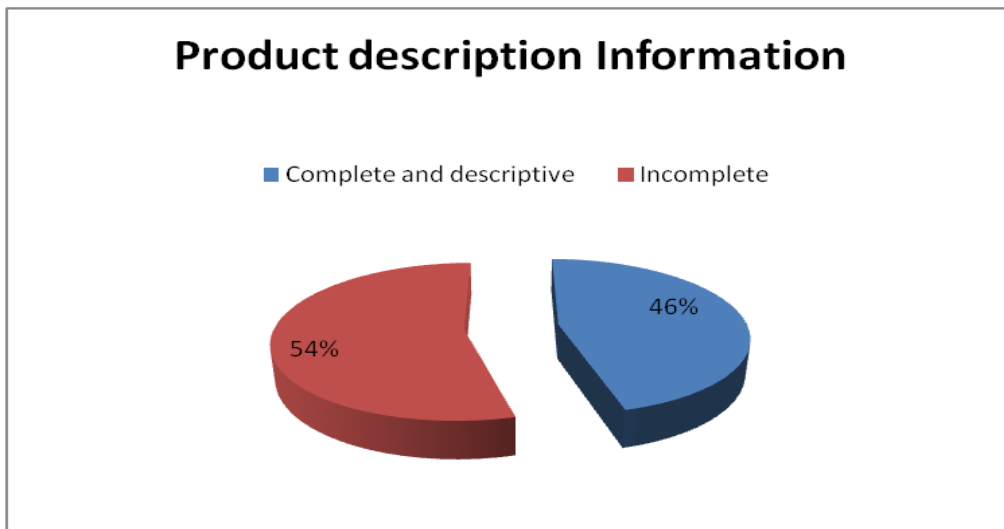

.
Figure 24 Product description

It can be seen from that more than 50 % of the people did not find the product description available on the website to be informative and complete. This would prevent the people from buying from BIT and visit again.

INTENTION TO SHOP

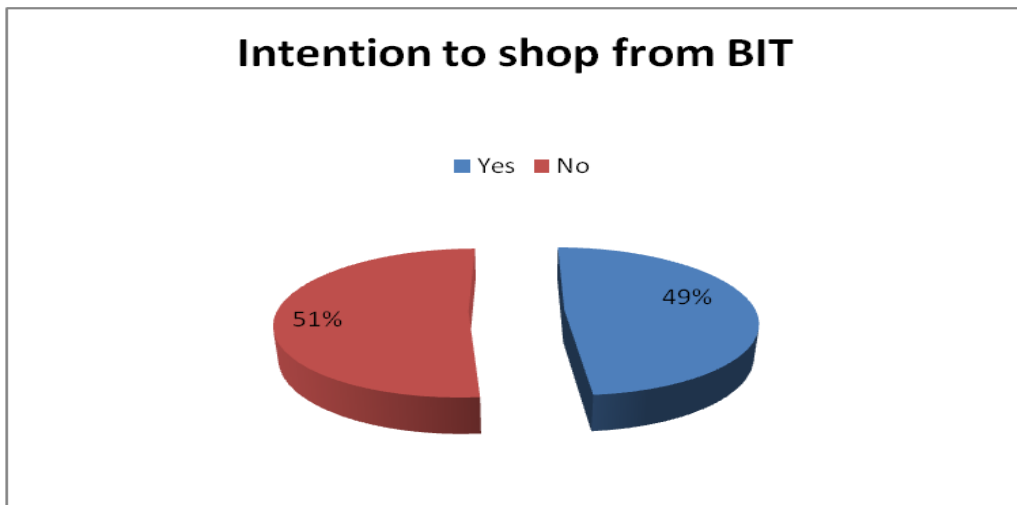The respondents were asked if they would like to buy anything from BIT.

Figure25 Intention to shop

More than 50 % of the respondents said that they would not like to order something from BIT.

PREFERRED CATEGORY

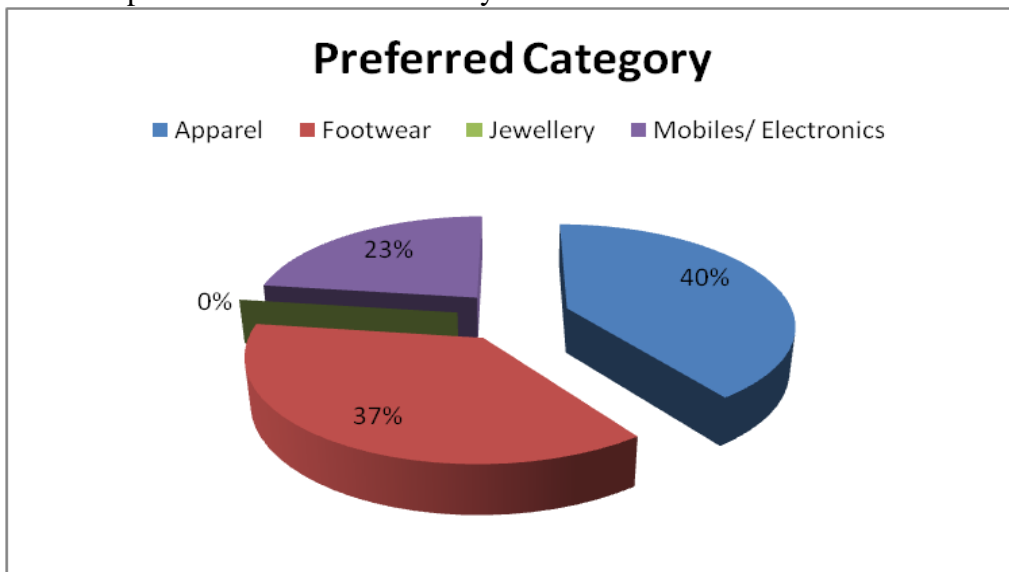Those respondents who wanted to buy from BIT were further asked their choice for category.

Figure26 Preferred Category

Out of the 49% who would like to shop from BIT found good deals on apparel and footwear. It was astonishing to find that no one was interested in buying jewellery online from BIT.

REASON FOR BUYING FROM BIT

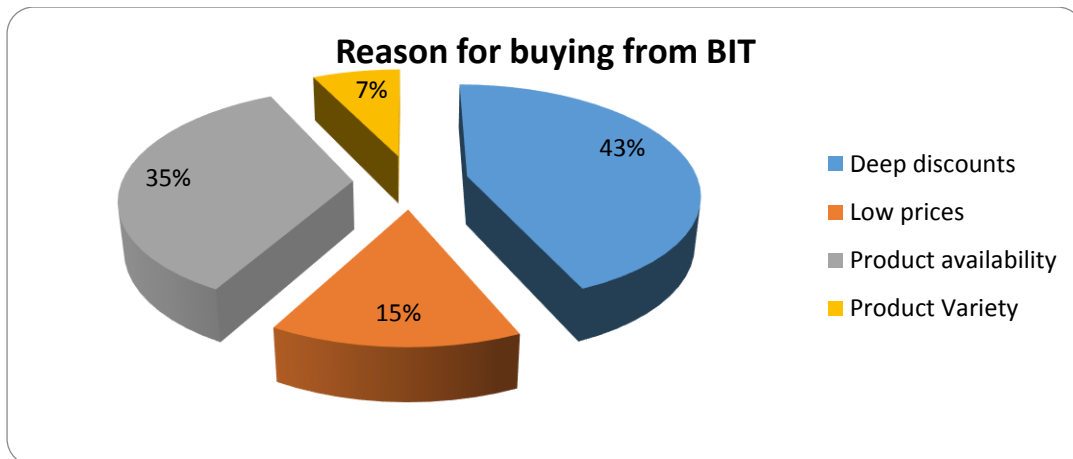The respondents were asked the reason for buying from BIT.

Figure 27 Reason for buying from BIT

43% of the respondents said that they would like to buy from BIT because of the discounts offered and 35% found that most of the products they looked for were available on the website. While just 7 % believe that BIT had a good variety to offer and would like to shop because of the product variety BIT offers.

RECOMMEND BIT TO OTHERS

The respondents were asked if they would recommend BIT to others

Figure 28 Recommend BIT to others
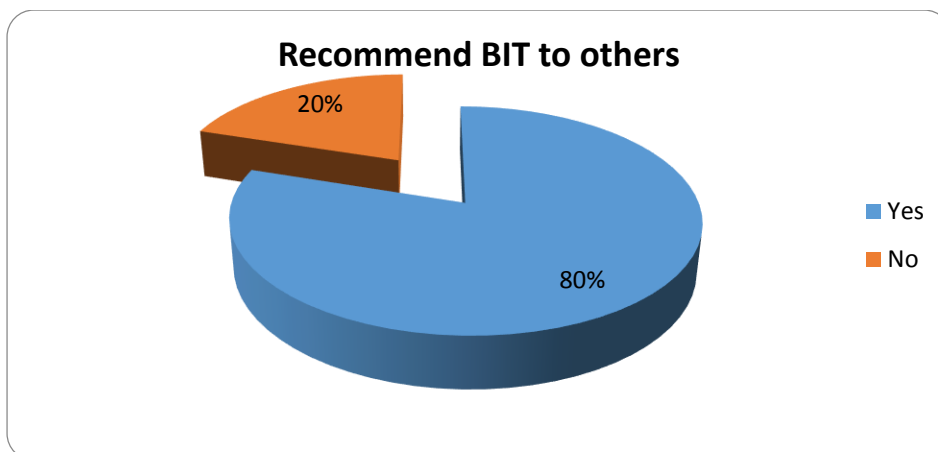
It is good to know that 80% of the people had a good experience of visiting BIT and would spread a positive word of mouth. While 20% would not like to visit the site again and would spread a negative word of mouth.
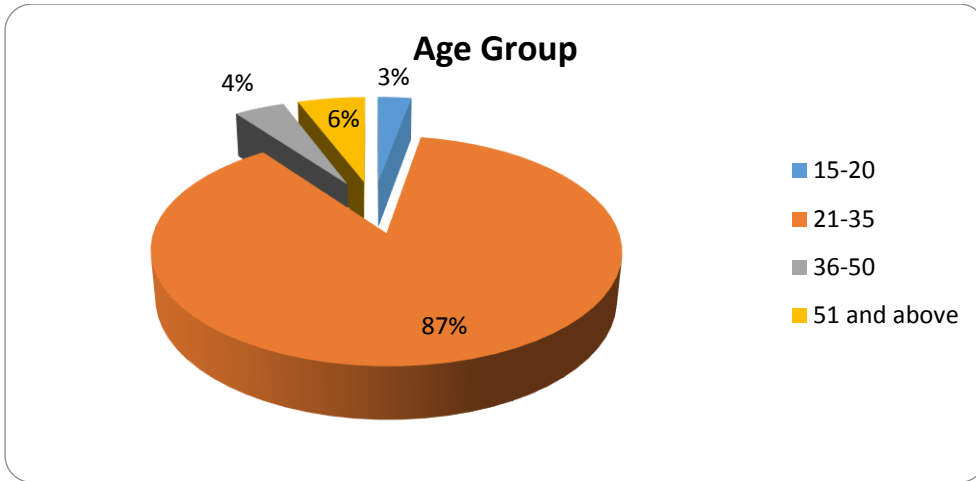
AGE GROUP

Figure29 Age Group

Most of the respondents who provided their feedback about BIT belonged to the age group of 21-35 years which is the target audience of BIT.

CHAPTER 5

RESULTS

<u>PART I</u>

Looking at the above analysis, it is apparent that BIT need to take retention steps for those customers who have shopped once or twice and try to resolve their issues and take their feedback in consideration to improve the services to them. BIT needs to take good care of those customers as well who have shopped many times from BIT and give exclusive offers to them so that they do not shift to competitors and spread good word of mouth. It costs less to retain a customer than acquire a new customer.

There is enough scope for BIT to improve upon its website by further categorising its boutique into apparel, footwear, jewellery etc. and improving upon its product description information available along with the product. It will help in improving the experience of shopping from BIT.

In online sales it is very important for the company to deliver the product to the customer in a good condition and on time. If a company fails to deliver its product on time, a customer may not like to come back again. In case of BIT, the orders of 27% of the customers were not delivered even within 14 days of the placement of the order. It is an alarming figure and it shows that BIT need to keep a check on its processes.

As per the analysis, it is seen that people prefer buying more of electronics and accessories as compared to apparel or jewellery. BIT should bring online better deals of electronics and mobiles and it also indicates that BIT sells more of standardised and branded products.

Also, the figures clearly indicates that most of the people visit the site because of the deep discounts it offers and would like to come again only if BIT offers low prices as compared to other sites.

BIT should take into consideration that 21% of the people who have purchased from BIT had bitter experience and would not recommend BIT to others. These customers would also spread bad word of mouth which can affect the image of the company and would spoil a base for potential customers as well.

It is also seen that majority of the customers of BIT are men in the age group of 21-35 years and this should be kept in mind while doing promotions and bringing the products / brands online.

PART II

Out of the 90 respondents, with whom the questionnaire was shared, 70 people or 78 % had never heard about BIT. This is an alarming number as 87 % of the respondents fall in the age group of 21-35 years and that is the target audience of BIT. These numbers clearly shows that BIT is not very active in advertising and promoting its website.

The 17 % of the population who did not find the site user friendly said that there should be category wise listing of the boutiques, brands for each category should be visible and users should be allowed to view the homepage without creating a login.

It can be seen that more than 50% of the respondents are not satisfied with the product description information available on the site. This shows that BIT needs to provide proper and complete product description as an incomplete description would result in a bitter customer experience and user would be reluctant to visit the site again.

Though 43 % of the respondents would like to buy from BIT because of the deep discounts, majority of the people didn't find the offers on the website too lucrative to buy. They found apparel deals to be good as compared to others. None of the respondents are willing to buy jewellery from BIT.

It was pleasing to find that 80% of the respondents had an overall good experience of visiting BIT and would recommend BIT to others.

5.1   CONCLUSION

There is a lot of scope for the e-commerce industry to grow in future only if technology successfully reaches the underpenetrated areas of the country. The rate at which the companies are entering into the industry each day is increasing at a much faster pace than the internet penetration and confidence among the people to buy online. A new entrant needs to offer a minimum of what all other players in the industry are offering and needs to build a credible differentiation strategy to sustain itself in the industry. All this requires a lot of investment and it has been found that the companies who started the venture as early as 2008 have not been able to break even till now.

Industry estimates say that India's e-commerce market is expected to zoom from Rs 81,525 crore market now to Rs 10,20,000 crore by 2020.The race to lead this is causing out more of buyouts. It can be seen that the sites are falling over each other to offer deep discounts but this only creates a disloyal discount shopper who moves from one site to another in quest of the cheapest deal. Venture capitalists say that they more than doubled the funding in the e-commerce over the past year and the average size of investment has $1 billion (source: http://www.ft.com, 3 Oct 2015). However having only the monetary resources is no guarantee to success. It can only delay the death.

Hundreds of internet start-ups went bust in 2000 and 2001 in the 'dotcom bubble' and comparing the current e-commerce rush may not be farfetched.

The availability of monetary resources along with the credible differentiation strategy to form a loyal customer base seems to be the key to survive.

5.2   RECOMMENDATIONS

1. Bagittoday can improve the quality of images displayed on the Website. A product should have 2-3 angle view of the images. It helps a customer in having a closer look at the product from all the angles and he may not be reluctant to purchase the product.

2. Bagittoday can improve upon the product description information available alongside the product. For e.g. BIT does not mention the size of the bangles which are put online. In case of apparel and footwear it can improve the description by providing accurate sizing charts.
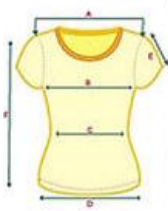
Women's Tee

	Measurement	XS	S	M	L	XL
A	SHOULDER	13	13.5	14	14	14.5
B	CHEST	28	30	32	34	36
C	WAIST	26	28	30	32	34
D	BOTTOM	30	30	32	35	35
E	SLEEVE LENGTH	4	5	5.5	5.5	6
F	TOTAL LENGTH	23	24	25	25.5	26

Bagittoday Description

Elite Openable Peacock Bracelet

SOLD OUT

Offer Details

Get Elite Openable Peacock Bracelet worth Rs 1000 for Rs 399 (60% Off)

Product Details

Elite Openable Peacock Bracelet:

< Prev item | Next item >

Rs. 1000

Rs. 399

Delivery Charges :Rs. 99.0

60% Off

Option to pay by cash on delivery

*Conditions apply.
*Offer valid till stocks last.

Click on image to see close up

Suggested Description

Quantity

BUY NOW ▸

Jpearls 3 Line White Pearl Bangles :

Pearl Colour : White
Pearl Shape : Button
Pearl Quality : Ana
Pearl Size : 4-5 Mm
Pearl Type : Fresh Water Pearls
Bangle Size : 2 X 6 Inches
Base Metal : Silver Alloy With Gold Plated

Make your Mother's Day bright by sending her your warmest and heartfelt gift from J Pearls. J Pearls is a part of the Sri Jagdamba Pearls Group and its ornaments are expertly hand-crafted, using only the finest freshwater pearls.

FOR: Women
BRAND: Jpearls
CATEGORY: Bangles
COLOUR: Pearl, Gold
MATERIAL: Silver Alloy With Gold Plated
SIZE: 2-6 Size

PRODUCT CODE: JP-OCT 628
DELIVERY: Guaranteed delivery before 8th May, 2012.
AUTHENTICITY: Every brand that we sell is the label it promises to be.

Share Now

BANGLES(SET OF 2)

You would also love

3. Bagittoday can ask its users to download the bagittoday android application so that the customers can get the deal information on their mobile handsets itself and the checkout time may be significantly reduced for the customers.

4. Bagittoday can offer gift wrapping option to the customer for additional charges. It may not be considered for COD payment option and for bulky goods.

5. Bagittoday can offer its customers the facility of e-gift voucher. It allows the customer to purchase the gift voucher for his near and dear ones. This may be redeemed by the customer himself or to whom it is transferred by the customer.

6. Bagittoday can allow its customer to post their feedback or enter their query by the side of the product itself. There could be like or dislike option available on the same page. This will help the company in knowing the popularity of the product and so they can bring up the similar products.

7. As it has been found during analysis that not many people are aware of Bagittoday so the company needs to focus on its promotional activities as well. Since it carries the name of The India Today Group with itself it needs to encash the name to the fullest. It can send a scratch card coupon (may be for a small amount Rs 50) along with some of the popular magazines of The India Today Group like Cosmopolitan , Autobild ,Gadgets and Gizmos ,Travel Plus. These magazines are targeted at youth. Also it can advertise online on some of the popular websites like youtube, The Times of India and other newspaper websites.

8. Bagittoday can include in its catalogue more of those products which have low transaction cost and it does not cost much to the company for holding and shipping. This may include stationery items, music and games, CDs or educational books and guides.

9. BIT has a different site, tv.bagittoday.com for shopping through TV. If we introduce a tab on the online shopping site, bagittoday.com, which leads to tv.bagittoday.com, there is a possibility that it would increase the traffic to the website and a visitor may be interested in checking out the products on bagittoday.com. Though the chances of the reverse to happen are less as BIT drives comparatively very less traffic to the TV website.

10. Bag It Today can target small town customers as well by giving franchise options. It can have franchisees in those areas which are non-serviceable or where it is difficult for couriers to reach.

    FOR BIT

    - Significantly lower customer acquisition cost

- Penetration to non COD towns well ahead of competition

- Fall in reverse logistics cost in case of COD non-acceptance

- Increase in connection with customers through human interface.

11. Instead of delivering goods through riders on two wheelers, BIT can use vans for delivery purposes in Delhi – NCR. This will allow company to deliver bulky goods through their own vans as well. Also a moving van on road will freely publicize the company.

12. BIT can initiate an open- delivery system. For e.g. if BIT is selling shoes worth Rs10000 on their website and a customer is really interested in buying that shoe but is reluctant to do as he is not very sure of his size and would not like block a huge amount in case the product delivered does not match up to his size. According to an open delivery system, the company's agent will carry the two required sizes to the customer. The customer can try out the shoe on delivery and accept the required order. This model can work for at least Delhi-NCR regions where the product is to be delivered by the riders of the company.

5.3   LIMITATIONS

1. The company has a user base of more than 10 million but the research was conducted on a sample size of 240 which may not be a representative of the entire customer base.

2. The data collected was based on the knowledge of the customer. For e.g. many of the customers did not remember the time duration in which their product was delivered to them and gave a tentative answer.

3. Due to the time constraint the analysis could not be conducted for those people who became members of BIT but did not shop anything from the site and also those members who left the site without paying.

CHAPTER 6

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CHAPTER 7

GLOSSARY OFABBREVIATIONS

1. BIT- BagItToday
2. PO- Purchase Order
3. SRM- Stock Receipt Material
4. VRF- Vendor Request Form
5. MRP- Maximum Retail Price
6. SP- Selling Price
7. VAT- Value added Tax
8. SKU- Stock Keeping Unit
9. TIN- Tax Information Network
10. CST- Central Sales Tax
11. COGS- Cost of Goods Sold
12. COD- Cash on Delivery
13. LMS- Lead Management System
14. NDR- Non Delivery Report
15. DNC- Do Not Call
16. NC- Not Called
17. IBS- Interactive Business Solutions
18. NSA- Non Serviceable Area
19. FNU- Fashion and you

APPENDIX

QUESTIONNAIRE (for existing customers)

How many times you have shopped from Bag It Today?

○ Once

○ Twice

◉ Many times

How would you rate the ease of browsing and ordering of the goods on Bag It today?

○ Easy

○ Difficult

○ Very difficult

How would you rate the product description information available on the site?

○ Complete and descriptive

○ Incomplete

Why would you like to buy from Bag It Today?

○ Deep discounts

○ Product availability

○ Product variety

○ Low prices

○ Service

What do you prefer buying from Bag It Today?

○ Apparel

○ Jewellery

○ Accessories

○ Mobiles / Electronics

In how many days your order was delivered to you?

○ 7 days

○ 14 days

○ 21 days

○ Much later than that

Was our customer care helpful to you?

○ Yes

○ No

○ Never contacted

What was the reason for contacting customer care?

○ Related to delivery / Consignment not received

○ Unable to track order

○ Not satisfied with the product received

○ Other

What matters most when you shop on Bag It Today?

○ Informative product description

○ Low Prices

○ Accurate delivery dates

○ Better image quality

○ Easy check out process

Which was the best deal ever on Bag It Today?

[   ]

Would you recommend Bag It Today to others?

○ Yes

○ No

Age

○ 15-20 years

○ 21-35 years

○ 36-50 years

○ 51 and above

Gender

○ Male

○ Female

Place

QUESTIONNAIRE (for potential customers)

Have you ever shopped from Bag It Today?

○ Yes

○ No

Those who have not shopped from Bag It Today

Bag It Today is an online shopping site by The India Today Group. Please visit their website http://www.bagittoday.com/today-boutiques.htm

How would you rate the ease of browsing on the website?

○ Easy

○ Difficult

○ Very Difficult

How would you rate the deals on the site?

○ Good

○ Bad

○ Average

How would you rate the product description information on the site? *

○ Complete and descriptive

○ Incomplete

Would you like to buy anything from Bag it today?

○ Yes

○ No

If Yes, What would you like to buy from Bag It Today?

○ Apparel

○ Footwear

○ Jewellery

○ Mobiles / Electronics

Why would you like to buy from Bag It Today?

○ Deep discounts

○ Low prices

○ Product variety

○ Product availability

Which product / brand would you like to see on Bag It Today?

[   ]

Which is the best deal you found on Bag It Today?

[   ]

Would you recommend Bag it today to others?

○ Yes

○ No

Gender

○ Male

○ Female

Place

[   ]