

AN EMPIRICAL STUDY OF INDIAN DIGITAL CONSUMER INDUSTRY AND EMPHASIS ON CASH ON DELIVERY SYSTEM IN INDIA

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ABSTRACT

In the era of globalization, companies are using the Internet technologies to reach out to valued customers and to provide a point of contact 24 hours a day, 7 days a week. E-commerce and e-marketing are the two important terms in the new Internet-based business domain. In India online retailing is growing at very fast rate, expected to be at Rs.7000 crores by 2015. Many new competitors are emerging every day. All of them are trying to be unique and different from each other. Importance is that all leading sites are providing Cash on Delivery option for consumers so that they can build trust and sense of security among the existing and potential consumers. In this paper, the focus is upon to find out prominent reasons why cash on delivery system is important for online retailing in India in the context of consumers and what online retailers are doing to digest its sufferings and make it more efficient. **An empirical study with the help of factor analysis is carried out** in order to understand why the online industry is not so likely happy to provide COD because of transaction failure rate of around 45%, but still they are providing COD, and thus positive & pain points are analyzed from both business and consumer end. Expected outcomes will be in favor of development and enhancement of industry to reach almost five times from its current size to much more; also E-tailing is expected to grow around 80% during the current year and would be one of the key pillars of growth. Online shopping consumers in India wants to have wide range of payment options but they have a fear of fraud on internet, because internet in India is still not that much developed as it is in other west nations at Present. That is the main reason why India consumers go for cash on delivery system. That is a matter of great worry for the owners of the websites because of the fact that cash on delivery system is not liked at all by them, because of rate of refusing by Indian consumers. Until the internet payment option won't be of zero defect in India may be in near future, COD will be the only option for both consumers and owners.

KEYWORDS: Cash on Delivery (COD), E-Commerce, Retailing