

Review on Logistics and Customer Service in Consumer Durable Goods in India

Anjitha Ashok Kumar K.P.

Research Scholar, Amity University, Noida, Uttar Pradesh, India

ABSTRACT

The study is conducted to identify the consumer's expectation on logistics and customer services while purchasing consumer durable goods. Essentially, the study progresses by adopting a model that addresses the consumer value recognition for using online network shopping versus in store purchase. Earlier studies depicted that the buying intention of people over online or offline network were affected by their perception about price, service quality, product quality, availability of products and so on. A review conducted on online and offline purchase pattern will help to evaluate the impact of buyer's buying behavior over these channels. The objective of this study is to provide an understanding on how the buyers measure the significance of logistics and customer service by comparing the online and offline shopping patterns for consumer durable goods. It is henceforth to analyze as to what factors influence the buying decision of the consumers. The shopping preferences of people differed according to their personal choices which were influenced by many factors. The age group focused for the study fall between 20 to 30 years. These age groups are more spontaneous, sophisticated and aware of technology. It was inferred that the male preferred buying goods offline than the female. However, there was majority for online shopping only if there was an improvement over the quality of logistics services provided.

Keywords: customer service, consumer durable goods, logistics, online shopping, offline shopping

*Corresponding Author

E-mail: anjithaashokkumar2015@gmail.com

INTRODUCTION

In this era of advanced technology people find ways to stay away from what consumes more of their time and energy. Things are made available to them when and where they demand. This is made possible through efficient logistics solutions and customer service. Regardless of which industry, logistics service quality and customer service are inevitable, and it plays an important role in how an individual look upon the functioning of an industry. Logistics and customer service provide place and time utility by transferring goods from the point of origin to the point of destination (i.e., from the manufacturer to the consumer). Put into

other form, value is attached to products when it reaches the customer end.

The expansion in innovation gives great chances to the vender to achieve the client much quicker, less demanding and in economic way. Web based shopping is rising quick as of late. Presently, the web holds the consideration of retail advertises [1].

Millions of individuals shop on the web. Then again, the acquiring of item from offline market is proceeding since years. Numerous clients go for obtaining offline shopping platform to look at the item and hold the ownership of the item soon after the installment for the item. In this

contemporary world client's dedication relies on the steady capacity to convey quality, esteem and fulfillment. Some go for offline shopping, some for the web and numerous goes for both sort of shopping [2]. However, web-based shopping is less demanding among the general population and involves less cost than the offline shopping. While settling on any purchase choice the buyer should know the medium to buy whether internet shopping or the offline shopping. Shopper ought to choose the channel for them which can best suit to their needs and wants and which can fulfill them. In this focused world how, buyer can choose the specific medium for their purchase of merchandise is vital to comprehend in an administrative perspective. The focal point of the examination is on the purchaser's decision to shop on web and at the customary stores in view of the logistics service quality and customer service made accessible to them [1].

Logistics is deemed as the mainstay of the economy, giving proficient and practical stream of products on which other business hinge on. Logistic industry in India is evolving abruptly; it is the flexibility of framework, innovation and novice sorts of specialist organizations, which aims at providing effective services at sensible cost. The logistics system is the interconnection between manufacturers and consumers for the procurement and stocking of inventory, accomplishment and the physical movement of goods which ensures consumer satisfaction. The industry shows tremendous development due to the progress in retail, online business and assembling divisions.

The consumer durable goods industry is one of the major dependents on logistics service industry. Through studies it has been found that the urban market account for about two-thirds on the consumer durable goods and it is likely to grow over the years. The rural market is also witnessing growth in the consumption of

consumer durable goods as the government has taken initiatives to invest in rural electrification. This will definitely bring a positive and tremendous growth to the logistics service industry and will lead to the overall development of the country.

The consumer durable products shape some portion of consumer merchandise which does not request tenacious buy as they may keep going for a more drawn out day and age. These products are additionally classified into two gatherings: durables and non-durables. Durables are probably going to have expanded life expectancy and are not anticipated that would be exhausted quickly.

The expanded life expectancy of solid merchandise makes them all the more exorbitant when contrasted with non-sturdy products. The consumer durable industry can be additionally arranged into two classifications:

- Consumer gadgets (dark colored products, for example, TVs, workstations, cameras, PCs and sound frameworks.
- Consumer apparatuses (white products): clothes washers, kitchen machines, cleaning types of gear, aeration and cooling systems and fans.

With the uninterrupted inflow of open pay and the advance of innovation, the requirement for the diverse consumer durable goods are developing. This thus has prompted an intense rivalry among the diverse purchaser strong brands available in the country and additionally the value gaps between a similar shopper merchandise of various organizations are shortening down. The household consumer durables division has watched a critical development in the course of the most recent couple of years. This area has a significant influence in the economy of the nation and provides employment to a great many individuals, all the more particularly to countless women in

the nation. The Indian TV and consumer durables advertise has been becoming huge, mostly determined by imports. Be that as it may, with the given macroeconomic components and government catalyst with "Make in India", India is very much situated to heighten its assembling base in the consumer durables. Indeed, even the makers on their part are anxious to put resources into India and extend their assembling base in the nation to satisfy household markets and furthermore to export with a specific end goal to pick up scale and make Indian logistics operations feasible.

Around 66% of India's consumer durables are at present sold in urban markets. The most supported consumer gadgets are the color TVs. Electric fans and air-cooling systems are favored because of India's hot atmosphere. The majority of customer durables generation happens in Delhi and Uttarakhand in the north, West Bengal in the east, Tamil Nadu in the south, and Maharashtra and Gujarat in the west.

PURPOSE OF THE STUDY

Most researches have been conducted to study the effect of customer behavior towards any product. The purpose of this study is to identify the buyer's reactions to the logistics and customer service of consumer durables in Indian industry. It explores the indifference if any, in the satisfaction derived when purchase is made online or offline by the customers.

LITERATURE REVIEW

Coordination administrations are firmly connected with clients in internet shopping condition. From clients' post-buy assessment, it can be perceived how much clients esteem coordinations benefit quality. Studies have demonstrated that administration quality is an essential factor which impacts consumer loyalty. Additionally, as one of the imperative connections in internet shopping, coordination administration and its quality effect sly affect consumer loyalty. In this

way exhaustive, auspicious, and dependable coordination administration can effectively build consumer loyalty. In light of their examination [1] raised a client arranged Logistics Service Quality model which depended on the time and procedure of Logistics administrations. This model was utilized to ponder the connection between various measurements and analyze how each measurement of coordination benefit quality impact consumer loyalty in various market fragment. Bian Wenliang [3] contemplated coordination benefits after online exchanges and discovered that coordination benefit observation factors had critical impact on consumer loyalty and enhancing coordination benefit quality is the key for B2C online retailers to pick up activities in the business sectors.

Chaing and Dholakia (2014) [4] did an investigation in which they inspected the reason for which the client buys products web based amid their shopping. For the most part there are three variables in their investigation those influences the purchaser to buy on the web or to go disconnected. Those are the openness highlights of the shopping destinations, the kind of the items and their trademark, and the genuine cost of the item. The investigation uncovered that the openness and the comfort of the shopping destinations make the aim in the client to buy or not.

Tabatabaei (2009) [2] has investigated the conclusion of the buyer who are acquiring on the web and the customer who are obtaining from disconnected market. The goal is to know why the customary clients shop on the web and what are the elements that impact them to buy on the web and what are the variables for them to not utilize the destinations for shopping.

METHODOLOGY OF THE STUDY

The approach involves quantitative and interpretative analysis of primary data. The primary data was collected through a set of questionnaires prepared in soft copy and

was circulated online. The questionnaire consisted of 15 questions which were primarily concerned about understanding the consumer preferences of purchasing consumer durable goods online or offline. The questionnaire was circulated among individuals of different sex, residing in different locations within India, who were employed and unemployed (students) but falling in the age category between 20 and 30 years. A successful 101 responses were collected online as part of the study.

FINDINGS AND ANALYSIS

This section further elaborates the primary data collected with the help of statistical tools such as bar diagrams and pie charts which illustrates the numerical data in pictorial form. The numerical data so collected demonstrates as to why consumers would choose online or offline platform for their purchases. The survey has helped to determine the buyer's choice

of platform if they prefer to buy online. The research could be appreciated for assisting to determine why consumers would prefer online shopping over offline shopping. The following data provides further in depth understanding on the research conducted through primary data analysis [5].

DATA ANALYSIS AND INTERPRETATIONS

101 respondents were considered for study. Figure 1 shows that 53.5% were males and 46.5% were females who responded to this survey. This gives general information on the sex ratio involved in the study carried out.

The second chart depicts the percentage of respondents who prefer buying consumer durable goods online or offline. From Figure 2 it can be inferred that 64.4% have responded to purchasing offline is better than 35.6% who shall rather prefer to make their purchases online.

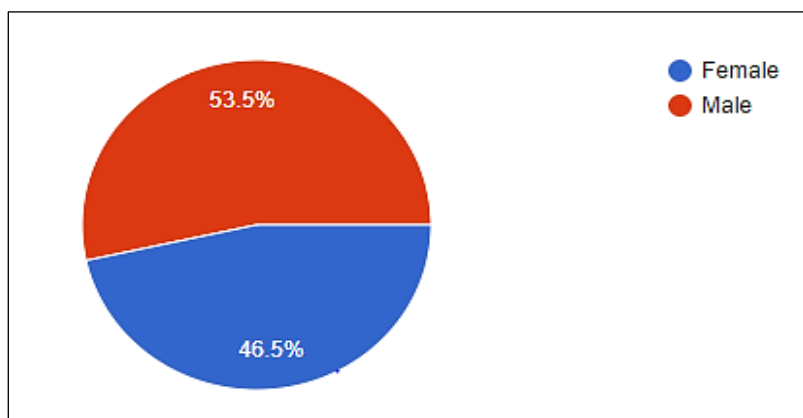


Fig. 1. Sex ratio of the respondents.

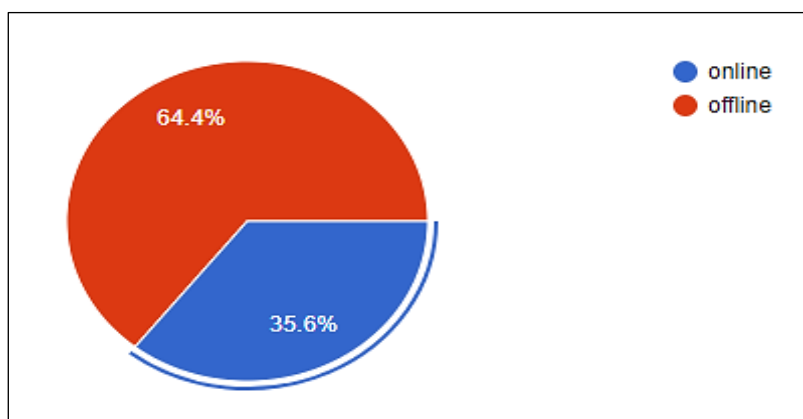


Fig. 2. Respondents who prefer buying consumer durable goods online or offline.

Figure 3 shows the reasons selected by the respondents for adopting offline network as their source of purchase. The respondents were given a maximum of three choices from six choices available to cast their vote. 73% of them have responded ‘no product disappointment’ as their reason for choosing offline shopping, with the least of 20% which accounts for ‘spend quality time with family and friends’. The other reasons being recorded in descending order as

- 70%—prefer to touch the product
- 41%—No shipping frustration
- 32%—in store discounts
- 30%—better return policies

Figure 4 shows the reasons opted by respondents for choosing online shopping. They were provided an option to choose to a maximum of three from seven options available to them. The highest was seen as 73% for ‘saving on cost and valuable time’ and the lowest being cast as 10% for ‘organizing finances easily’. The other

reasons being recorded in descending order as:

- 56% - convenient
- 56% - finding items which might not be available in stores
- 42% - no more waiting in lines and pushing through crowds
- 40% - shipping directly home
- 30% - No time limit (internet never close)
- 10% - organize finances easily

Figure 5 represents the type of consumer durable goods purchased by the consumers via online. Majority of them prefer to buy mobile phones online (65.3%), followed by kitchen appliances which accounts for 28.7%, laptops at a limited scale of 4% and the least at 2% which is represents television. This questionnaire was mainly focused on youngsters who began to explore the new frontiers of life. Thus, it is the reason for there being a majority of purchase for mobile phones and kitchen appliances.

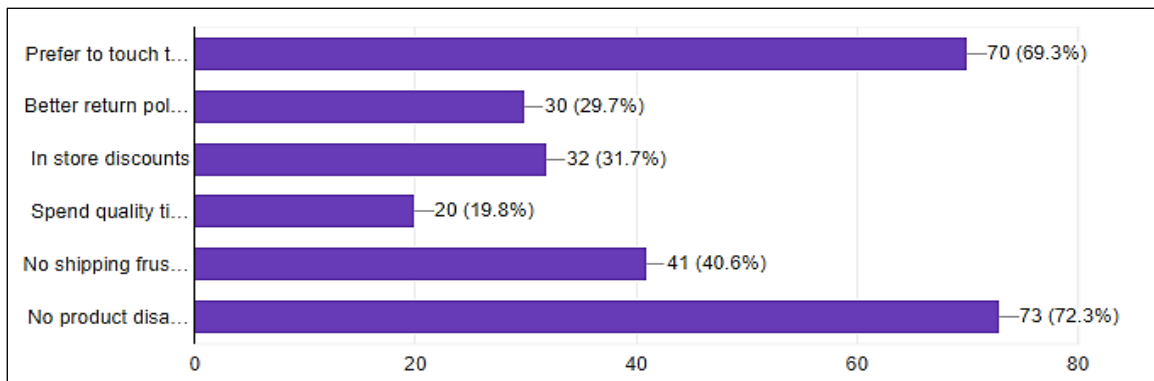


Fig. 3. Reasons for choosing offline shopping.

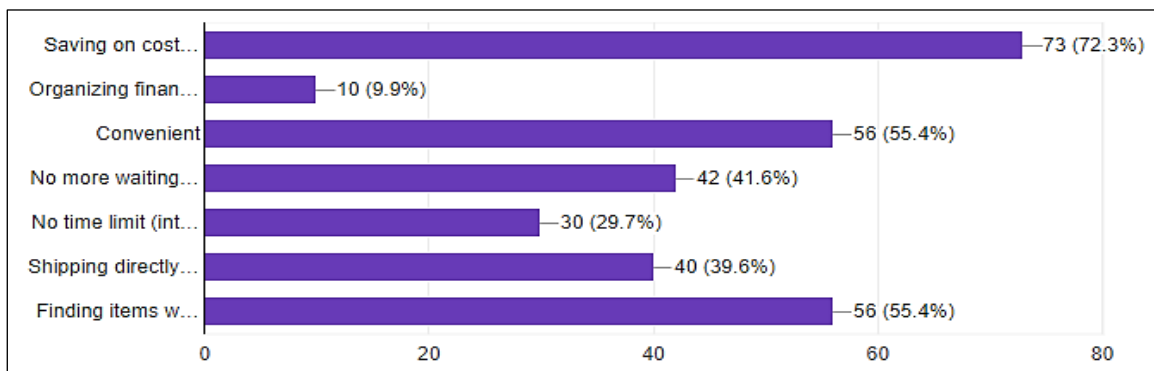


Fig. 4. Reasons for choosing online shopping

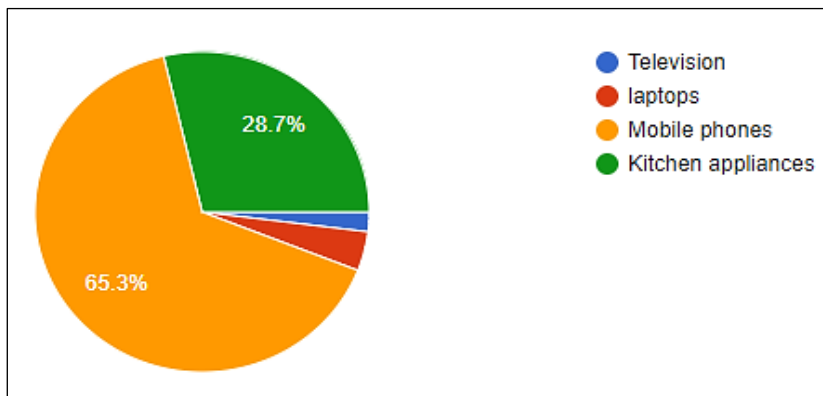


Fig. 5. Type of consumer durable goods preferred purchasing online.

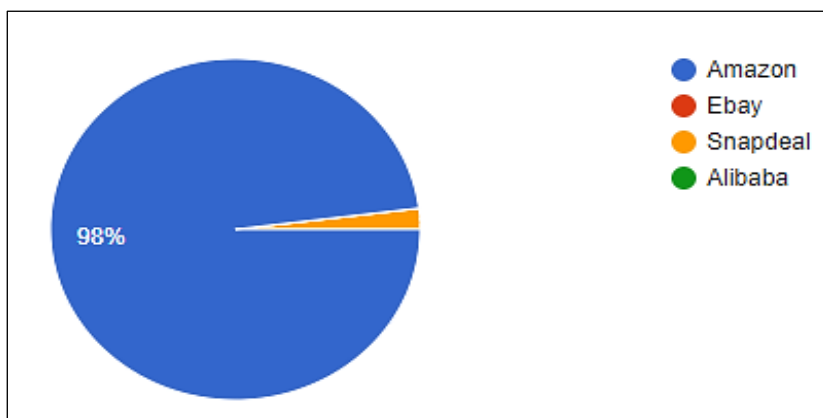


Fig. 6. Websites preferred for online purchase.

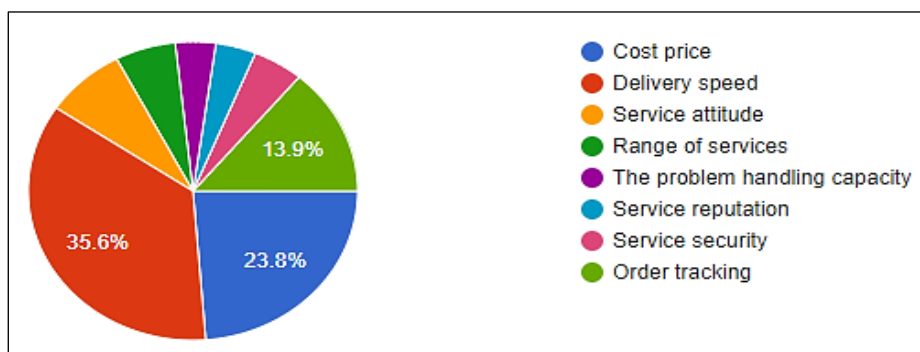


Fig. 7. Logistics factors that affect the online purchase.

From Figure 6, it is clear that most of them prefer buying their products through Amazon which accounts for 98%. Amazon has a huge market share in India and is the most preferred websites over other commercial websites due to quality products offered at reasonable cost. Following Amazon is Snapdeal at 2% which shows that their market reach is comparatively less than Amazon. E-bay and Alibaba will find it hard to pave their way as the market reach of Amazon is quite huge in India.

Figure 7 shows that delivery speed, cost price and order tracking are the main factors that affect the online purchase pattern. From among list of others factors the above-mentioned forms the crux of logistics system. For a successful logistics system, the three should be an accurate tracking system which enables the customers to know the location of their product and notification enabled to notify the arrival of the product. The product should be delivered within the time

specified without a delays at reasonable cost.

It is clear from Figure 8 that apart from many other factors logistics service quality is the leading factor that determines whether to carry out purchase online. Better services at a faster pace are always preferred by the customers and this enables the company to gain competitive advantage over their rivals in terms of service and quality of the product delivered.

Figure 9 shows that the customers 66.3% of the customers are ready to pay additional price for delivery on the same day whether purchased online or offline. It explains that if the retailers are ready to provide flexible logistics solutions according to the buyer's needs, the later wouldn't mind spending a little more than what expected.

Figure 10 is understood that 56.4% prefer cash on delivery followed by 22.8% who preferred debit card payment and another 17.8% who preferred credit card payment when purchase is made online.

Figure 11 shows the payment preference of the consumers when purchase is made offline. Large number of people prefers making credit card payment which accounts for 63%, followed by 24.2% who prefer making payment through debit cards and a 9% of them make cash payment. Whether online or offline purchase, payment through PayPal is less preferred by the buyers which according to study is due to transactional security reasons.

Figure 12 shows that 90% of the customers agree that the package and the product arrive safely to their destination. The efficiency of logistics system can be viewed when it provides satisfaction to the customers in terms of delivery and when the package and the product in it arrive intact to the destination.

Figure 13 is no different from the previous graph wherein the buyers have given the same opinion about offline purchase with regard to intactness in arrival of the package and the product to the destination mentioned by the customers.

Figure 14 depicts the package tracking system which has been rated as good by majority of the respondents. The tracking system can be improved through real time status updates via communicating with the driver and giving notifications which gives assurance to the customer that the product will arrive safely to the destination.

From Figure 15 it is clear that 84% of the respondents prefer to get the product couriered to their destination which over other modes of delivery available to them. In this fast-growing world, where everybody is busy people prefer getting things delivered to their destination rather than going and collecting it from a point. This is where a logistics service provider comes into scene by providing quality and cost-efficient last mile delivery.

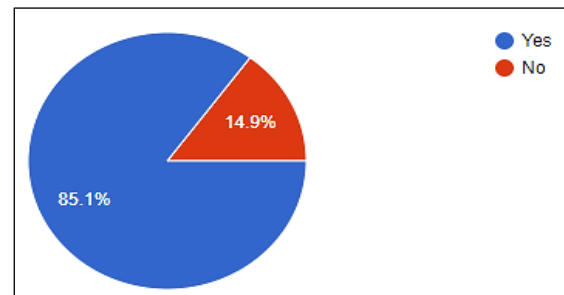


Fig. 8. Choosing online platform based on logistics service quality.

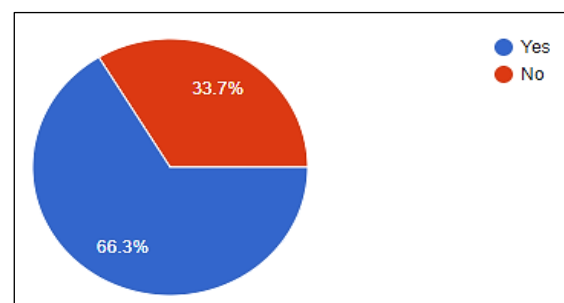


Fig. 9. Ability to pay additional price for delivery on the same day.

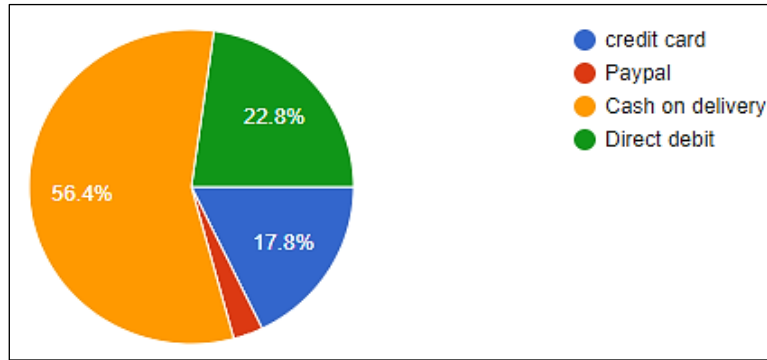


Fig. 10. Payment method preferred (online).

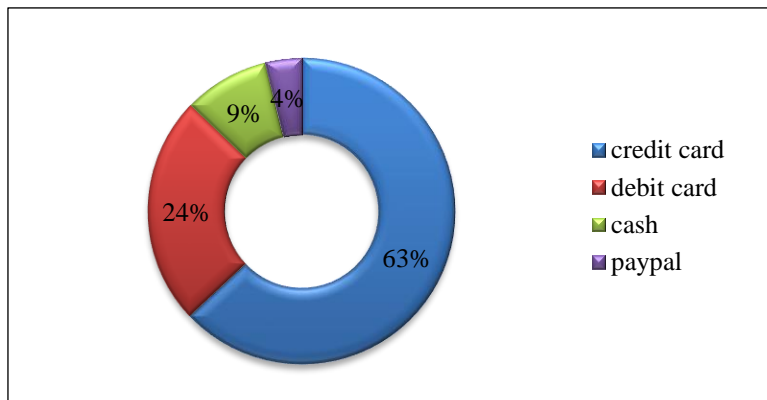


Fig. 11. Payment method preferred (offline).

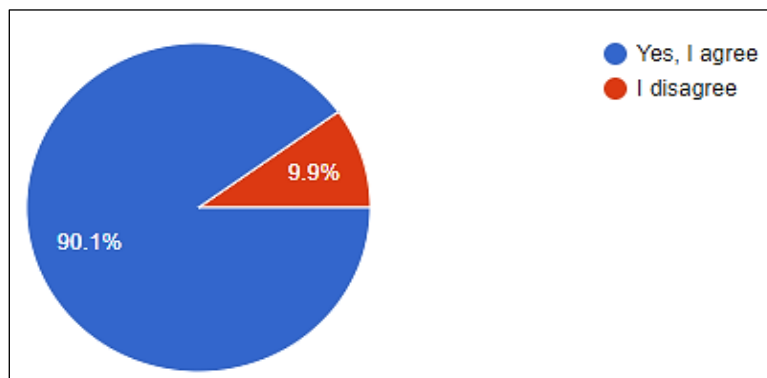


Fig. 12. Intactness of the product and the package when delivered at destination (via online purchase).

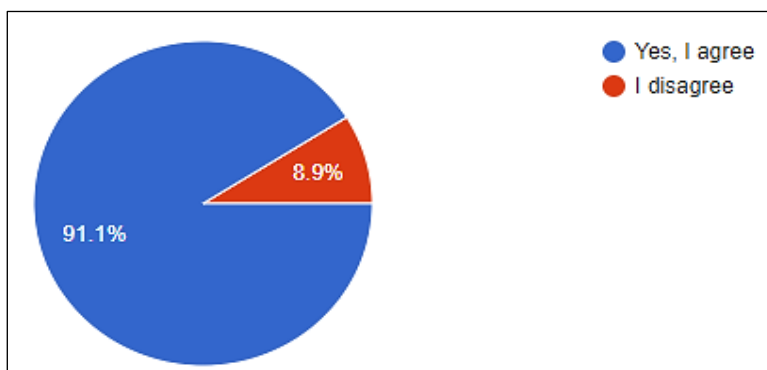


Fig. 13. Intactness of the product and the package when delivered at destination (via offline purchase).

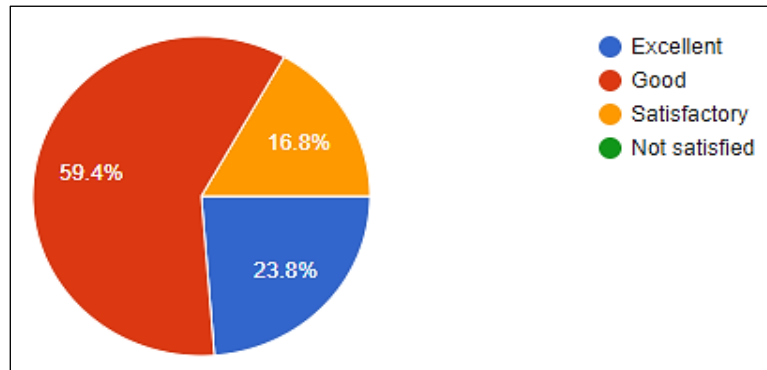


Fig. 14. Package tracking system.

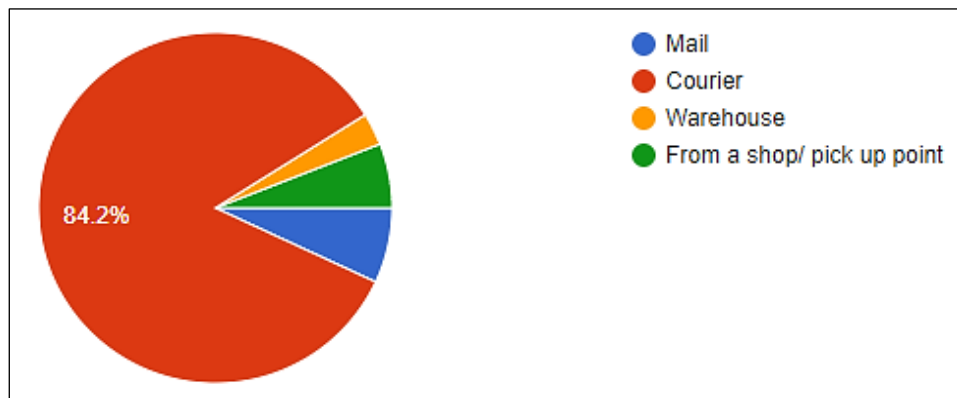


Fig. 15. Method of delivery preferred.

FUTURE SCOPE AND LIMITATIONS

When observed from the perspective of logistics solution, the buyers would equally prefer online or offline platform only if they are assured of quality services with efficient tracking system at a reasonable cost. Furthermore, apart from logistics there are many other factors that affect the online or offline purchase pattern which vary according to the preference and convenience of the customers. People prefer online purchase due to convenience as it could be made at any time at their choice and the products will be shipped directly to their home but has limitations that the product cannot be felt or touched by the buyer and the payment may not be secured wherein offline platform is preferred in this case. Again, limitations of offline are one has to travel to the store to buy the product and there might not be discounts available for the product that the buyers are willing to buy. Hence purchase

decisions of the buyers are more likely affected by their own desire and comfort.

CONCLUSION

Many of the respondents for this survey were male and from the review of both the genders most of them preferred offline shopping over online shopping platform. Though this was the case, regardless of online or offline shopping platform, the respondents' purchase decisions were based on the quality of the delivery service, cost and also on the efficiency of the tracking system. It was also observed that the respondents showed good interest in spending additional amount for delivery if the products could be made available on the same day of purchase which can be challenging for a logistics service provider. If they triumph in their attempt it could be considered as a remarkable success and could leave a signature behind. It would not become difficult for a novice customer to make their choice from a pool of logistics service providers.

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