E COMMERCE- AN ANALYTICAL PERSPECTIVE

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ABSTRACT:

E Commerce is the new buzzword across the country with a growing number of customers shifting online owing to the time and money constraints. The E commerce wave in India has been triggered primarily by two factors. Firstly, the burgeoning middle class with aspirational lifestyles and secondly the diffusion of telecommunication and smart phone technology. The meteoric rise of this sector reflects the urge of the new consumer segment which has distorted the conventional rules of marketing with regard to the purchase decision making process, logistical and delivery issues. Unlike traditional sectors this sector emerges as one which is diverse in its requirements necessitating the application of swift and clear strategies to complete the ultimate process of sale. The present paper is aimed at giving an overview of the Indian E commerce industry and its potential based on the presentation of Primary and secondary data collected via research.

KEYWORDS: Distortion, Virtual Groups, Decision Making.

INTRODUCTION:

India as a nation is increasingly embracing technology and in the field of marketing its E tailing that’s ruling the roost. The phenomenal increase in the number of online shoppers in reflected in the figure:
The Volume of the transactions is reflected in the figure 2.

Increased access to global products at the click of the button and enticing offers are swaying the minds of the ordinary consumers towards E-commerce. These factors have resulted in the growth of this sector at a CAGR of 41%. The rise of the mobile and telecom sector has been complimentary to this with the trending technologies of 3G/4G opening new geographical markets and sweeping wave of going cashless are further expected to fuel the rise of this sector. The simplification of the tax systems and improvement in the ease of doing businesses, greater digitalization and start up culture prevailing is further expected to boost the flow of investments into this sector.
The Evolution of the payment mechanisms in E commerce platform in India is reflected in the figure.

**E-PAYMENT OPTIONS:**

![Modes of payment for e-Commerce](image)

**REVIEW OF LITERATURE:**

E-Business probably began with electronic data interchange in the 1960s (Zwass, 1996). However, (Melao, 2008) suggests that it was only in the 1990s, primarily via the Internet, that e-Business has emerged as a core feature of many organizations. In his opinion, the hope was that e-Business would revolutionize the ways in which organizations interact with customers, employees, suppliers and partners. Some saw e- Business as part of a recipe to stay competitive in the global economy.

The term “e-Business” has a very broad application and means different things to different people. Furthermore, its relation with e-commerce is at the source of many disagreements. (Melao, 2008). A more comprehensive definition of e-business is: “The transformation of an organization’s processes to deliver additional customer value through the application of technologies, philosophies and computing paradigm of the new economy.” In a
Simple sense, E-Business can be defined as, “the organized effort of individuals to produce and sell, for profit, products and services that satisfy society’s needs through the facilities available on the Internet” (Brahm Canzer, 2009)

Some authors view e-Business as the evolution of e-commerce from the buying and selling over the Internet, and argue that the former is a subset of the latter. (Turban et al., 2006). Others defend that, although related, they are distinct concepts (Laudon and Traver, 2008). Others use both terms interchangeably to mean the same thing (Schneider, 2002)

Businesses also see tremendous opportunities for cost saving, revenue generation, increased market share, marketing and market access, and improving customer service through direct links that facilitate speedy enquiry and feedback. Similarly, consumers can inter alia, access the world market through the virtual economy on the Internet, choose from a wider variety of products, and shop in the comfort of their homes. Globalization and specifically liberalization of communication networks have all facilitated this break-through that further presents a massive boost for international trade (A. K. Sohani, 2009).

While previous research has examined Internet usage (Teo, Lim, & Lai, 1999), commercial websites (Gonzalez and Palacios, 2004), website design (Kim, Shaw, & Schneider, 2003), website effectiveness from the consumers’ perspective (Bell & Tang, 1998), pricing paid placements on search engine (Sen et. al., 2008), and bidding (Bernard and Simone, 2011). This form of online advertising emerged in 1998 [Fain and Pedersen 2006], rapidly has become the central business model of the major search engines [Jansen and Mullen 2008], and is one of the most rapidly growing segments of the online marketing area [SEMPO Research 2009].

Kesharwani and Tiwari (2011) studied the importance of website quality towards the success or failure of any e-vendor. Khan and Mahapatra (2009) studied that the quality of internet banking (i-banking) services in India from customer’s perspective. Malhotra and Singh (2007) carried out a research to find the i-banking adoption by the banks in India.

OBJECTIVES:

1. To present an overview of the e commerce sector in India.
2. To analyse, evaluate and deduce regarding various aspects of cyber purchasing.
METHODOLOGY:
The present paper is analytical in nature and based on both primary and secondary data. The data has been obtained via a questionnaire administered to 180 participants selected from various income levels. Random Sampling has been applied while collecting the data. The said data has been analyzed using statistical tools such as SPSS, MS excel to obtain the necessary presentation. Percentages, Graphs and Averages have been used regarding the interpretation.

PROFILE OF THE TABLE:
Sufficient Research has been done on the basic principles of E commerce. Through this paper I attempt to present the perceptions of online buyers towards the basic drivers and motivations for the purchase in the online Platform. The primary data for the study was obtained through a survey of 180 participants. The composition of the group was purposely chosen as a homogenous one to obtain the opinion of frequent buyers. Of the 180 participants 114 were males and 64 were females. The information was collected in three income categories of Up to 15k, 15k-30k and more than 30k. The results of the survey have been used to draw conclusions regarding the various aspects linked to marketing.

PERCEPTION ABOUT TIME AND MONEY:
The time factor has emerged as the most important factor influencing the purchase decision of the individual. More than half of the respondents have chosen time as the motivating factor. This was followed by money i.e. discounts and offers as a factor. This disproves the general notion that purchases in E commerce are discount driven. Further for about 80% of the respondents the purchase time has been just an hour.
INFERENCE:
These results indicate that e marketers tend to gain a lot with reduced purchased time that can be facilitated through greater Branding and standardization of the products. Branding and Standardization helps translating the value to other new products pushing their sale. The buyer in the present situation is faced with an explosion of information around him.

“Clarity of Marketing” without the additional clutter will ensure the ultimate sale. Umbrella marketing of products under a single name provides the customer retention and ensures shopping frequency as revealed by the respondents.

THE SENSITIVE CONSUMER:
Online Consumer is extremely sensitive to factors such as prices and quality. The infectious appeal of the virtual groups and discussion platform play an important role in making or breaking the brand image. A quarter of the respondents have “decided” to avoid the site in case of deceptive deals and false propaganda and another quarter have expressed their intention to share their experience with the peers. The flow of information presents an opportunity as well as a risk that has to be managed well for the marketer to make good of the situation. This calls for an effective and swifter communication between the marketer and consumer to avoid incidents such as the Big Billion day pitfalls.

<table>
<thead>
<tr>
<th>Choice Opted</th>
<th>Number</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Time Saving</td>
<td>70</td>
<td>39</td>
</tr>
<tr>
<td>Money Saving</td>
<td>45</td>
<td>25</td>
</tr>
<tr>
<td>Greater choice</td>
<td>33</td>
<td>18</td>
</tr>
<tr>
<td>Comparison</td>
<td>32</td>
<td>18</td>
</tr>
</tbody>
</table>
The new generation of consumers prefers a two way personalized communication unlike a mass communication which will ensure their loyalty towards the website. Online reviews, Blogs and other Platforms have become indispensable in the purchase decision making of the products. A dedicated online query mechanism would help the customers in feeling reassured.

**PERSONALIZED MAILS & REMINDERS:**

The respondent’s reaction to personalized mails and reminders seems to have no effect on the respondents with close to a quarter of them indicating that they do not read the mail and close to two Thirds of them reporting that it doesn’t affect their purchase. Further the view that such communication keeps the sellers name refreshed is also not fulfilled with less than 10% of the respondents reacting positively to it. This view is further collaborated by the fact that Pop ups for the products have been regarded as highly distracting with over 80% responding negatively about it. This calls for the focused and relevant communication about the product.
QUALITY OF THE PRODUCTS:
With regard to the quality of the product in an online purchase the current landscape is dominated by products of moderate quality. Two thirds of the respondents say they are moderately satisfied with the quality products. Incomplete evolution of the services and marginal penetration of branded goods across all sectors is slowing the transition in the quality of products purchased. This is reiterated by the finding that a quarter of the respondents choose online shopping for smaller value goods and personal visit for high value goods.
TRUST:

A third of the customers do not trust Online that may be attributed to technical, personal established beliefs or incidents. Gaining trust has been crucial to expand the base of the sellers is quite competitive. Close to 70% of the buyers reported ease of access as a must for purchase. As talked about earlier a simple pathway and basic atmospherics will go a long way in trust building process. Faster Delivery, efficient customer Service, better communication may play a highly persuasive role in convincing the conservative Indian customer.

<table>
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<tr>
<th>Choice Opted</th>
<th>Number</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Very Satisfied</td>
<td>58</td>
<td>32</td>
</tr>
<tr>
<td>Moderately Satisfied</td>
<td>104</td>
<td>58</td>
</tr>
<tr>
<td>Not satisfied</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Doesn’t matter</td>
<td>7</td>
<td>4</td>
</tr>
</tbody>
</table>
PACKAGING:

Packaging offers a greater opportunity for the sellers to focus to expand their sales base. Innovative and fool proof packing may enable the marketers to foray into premium products, high value products and into the field of perishables which remain relatively untapped. Contrary to the perception that packing is looked as secondary the survey establishes that an overwhelming number of respondents tend to see it as one generating a sense of safety and assurance.

<table>
<thead>
<tr>
<th>Choice Opted</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generates a sense of safety and assurance</td>
<td>129</td>
<td>72</td>
</tr>
<tr>
<td>Don’t tend to focus much on it.</td>
<td>21</td>
<td>12</td>
</tr>
<tr>
<td>Packaging is just for safety and nothing else.</td>
<td>28</td>
<td>16</td>
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CONCLUSION:

The findings of the paper indicate that there is a need to continuously evaluate the perceptions of customers towards the various dynamics of e-commerce. The principles governing these markets, the trend predictions and continuous consumer reach out programmes are of immense importance to reap the potential of the market. With added emphasis on digitization and the emergence of tech savvy demography this sector is bound to see changes in the most unconventional manner demanding flexible, swift and innovative processes and technology for last mile delivery.
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