E-Commerce Trends in Tiruchirappalli.

B.Karthiga, Dr. Mrs. V.Sujatha,

Abstract

E-commerce stands for electronic commerce and pertains to trading in goods and services through the electronic medium. India is showing tremendous growth in the e-commerce. i.e. the Internet or phone. On the Internet, it pertains to a website, which sells products or services directly from the site using a shopping cart or shopping basket system and allows credit card payments. It involves conducting business with the help of the electronic media, making use of the information technology such as Electronic Data Interchange (EDI).
Keywords: Electronic Data Interchange (EDI), e-commerce

I.   Introduction

E-commerce stands for electronic commerce and pertains to trading in goods and services through the electronic medium. India is showing tremendous growth in the e-commerce. i.e. the Internet or phone. On the Internet, it pertains to a website, which sells products or services directly from the site using a shopping cart or shopping basket system and allows credit card payments. It involves conducting business with the help of the electronic media, making use of the information technology such as Electronic Data Interchange (EDI). In simple words, electronic commerce involves buying and selling of goods and services over the World Wide Web. Customers can purchase anything right from a car or a cake sitting comfortably in his room and gift it to someone sitting miles apart just by click of a mouse.

Electronic commerce is a reality, and is not just for big, multibillion-dollar corporations. Solutions exists today that enable companies of all sizes to do business over the web securely, affordably, and efficiently. The internet offers a great complement or addition to the existing sales with the potential users.

This paper highlights the growth of e-commerce in India, issues involved and projects how the e-commerce market is shared by various players with an analysis of level of awareness and usage of various e-commerce services in Trichirapalli.

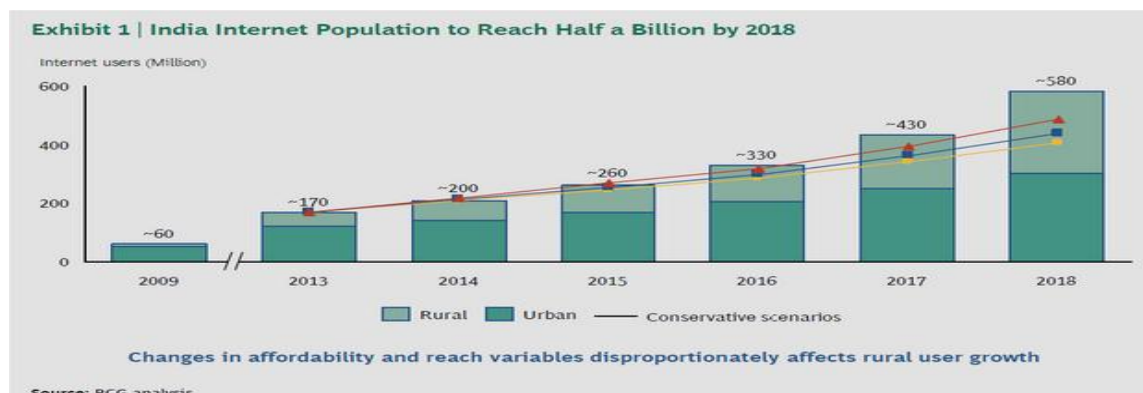### How E-Commerce has grown in India:

Doubling the online sales in last five years, E-commerce sector in India has started to take shape and is expected to continue the phenomenal growth. Many factors are coherently supporting the growth of E-commerce in the world, and especially in India. Moreover, the speed of the growth of E-commerce in India is remarkable. Factors such as increased use of smart phones, convenient and economic internet access, and busy schedules of working professionals etc., lead to the growth of E-commerce.

China is the biggest E-commerce market in the world, followed by the USA, and then India, but as far as the growth rate of this sector is concerned, India holds the first rank. According to an ASSOCHAM – Forrester study, as compared to annual growth of 51% for e-commerce market in India, the world leader, China stands on an 18% annual growth. The projections for future seem to be promising as the online sales in India are expected to hit $ 120 billion by 2020. The increased inclination of Indians towards the mobile phones, especially smart phones, creates a large platform for mobile commerce to flourish and as a result the percentage of mobile purchases in total E-Commerce sales is increasing every year

E-commerce and its growth have completely revolutionized the way consumers buy. Nowadays, the internet and associated services are not only confined to the urban regions. Internet access in India has huge penetration into the rural territories with the advent of different telecom players and acquired cellular bandwidth by telecom giants. This has led to a vast leap in the sales through mobile commerce. Increasing trust among people regarding online payments through net banking or debit and credit cards to a virtual portal is also adding to increased online sales.

Research scholar in Department of Commerce,Cauvery College For Women (Autonomous), Affiliated to Bharathidasan University,Tiruchirappalli-18.

Principal& Research Advisor, Cauvery College For Women (Autonomous), Affiliated to Bharathidasan University, Tiruchirappalli-18.

Exhibit 1 | India Internet Population to Reach Half a Billion by 2018

Changes in affordability and reach variables disproportionately affects rural user growth

Source: BCG analysis.

The E-commerce market in India is very aggressive. It is a battlefield, with major e-commerce players fighting each other to expand their territory. The mega sale offers rolled out majorly by Flipkart, Amazon and Snapdeal are an effort to penetrate into the market as deep as possible. These mega sale offers are backed by cut-throat competition, hence the price slashing to gain more on numbers. Flipkart was the first to enter the Indian E-commerce market, followed by Snapdeal and later by Amazon. In the battle between the three, Snapdeal has been the most unlucky competitor facing backlashes and controversies throughout its existence.

Owing to better quality and service, Amazon is treading ahead of Flipkart, leaving it behind in the race of most downloaded app rating by 'App Annie'. Also, by coming up with 'Amazon Prime', Amazon surely has secured a Prime position in the e-commerce market. Amazon prime is comparatively more successful as compared to 'Flipkart First' which came much earlier in the market, i.e., in the year 2014.

Having its own ups and downs, Snapdeal is now gearing up by learning from its own mistakes. The first step towards is rebuilding the brand identity through the 'Unbox Zindagi' campaign.
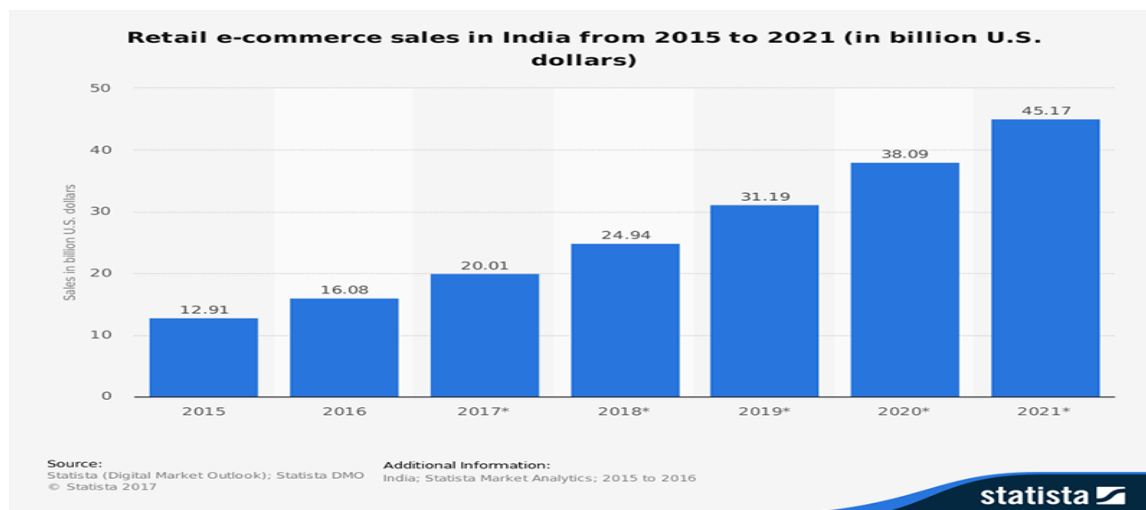
II.   **Online trading in India:**
Most of the Indian shoppers would actually like to touch and feel or even try a product before they would even think about parting away with their hard earned money to buy the product.

But this feature isn't available in the online stores, though these stores are offering huge discounts & promise of a quality service, in addition to the convenience of shopping.

So the Indian customers getting adapted to this, or is it the other way around, that the online stores have to adapt to the Indian market is yet to watched on. In any case, the online traders have to way in the following.
There is a lot of euphoria in e-commerce right now and the industry in India is expected to grow by 47% to reach Rs 46,000 core in 2011, according to a report published by Internet and Mobile Association of India (IMAI). Considering such a huge market potential.

Source: IAMAI survey,2017

An initial glance at the IMAI report can easily tell that online retail is n't doing that great compared to the whole market segment. If they compare the share of Online Retail in the growth of the total online commerce, one can easily see that there is huge potential for the online retails market to grow and capture the major part of the Indian e-commerce space.

Online Retail which primarily constitutes buying computers and computer peripherals, cameras, mobiles, MP3 players, home and kitchen appliances, books, flowers, toys and other gifts via Internet, currently has only 7.8 % of the e-commerce market share.

  To what extent that the Indian consumers are ready to adopt themselves to e-commerce environment is a million dollar question. Since

1. Lack of trust in Payment security:
Online payment via credit or debit cards isn't preferred due to security concerns.
2. Lack of trust in Product quality:
Unlike conventional shopping, buyers worry about online shopping. They aren't sure if they will get good quality products online
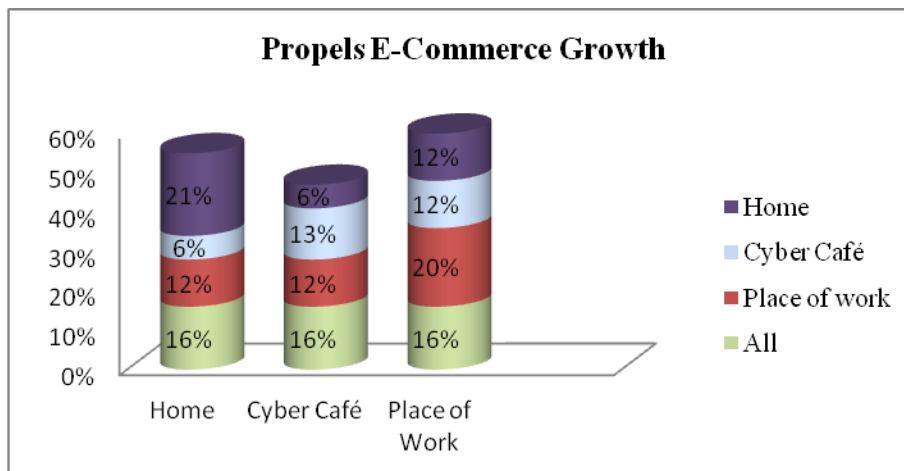**3. Lack of trust in Delivery of Goods:**
When a person is transacting over Internet, they are not sure who is sitting across the table. They are worried about delivery of goods. It includes issues such as delay in or non-delivery of goods.
4. Lack of touch & feel:
Touch and feel of product being purchased lacks while shopping online. Online shopping is best suitable for products and services that do not require touch and feel experience by buyer. Probably that's one of the reasons for books and ticketing being more successful than apparels while shopping online.
What propels this e-commerce growth?
The growth engine for e-commerce growth is mainly the internet, which is clear from the following chart:
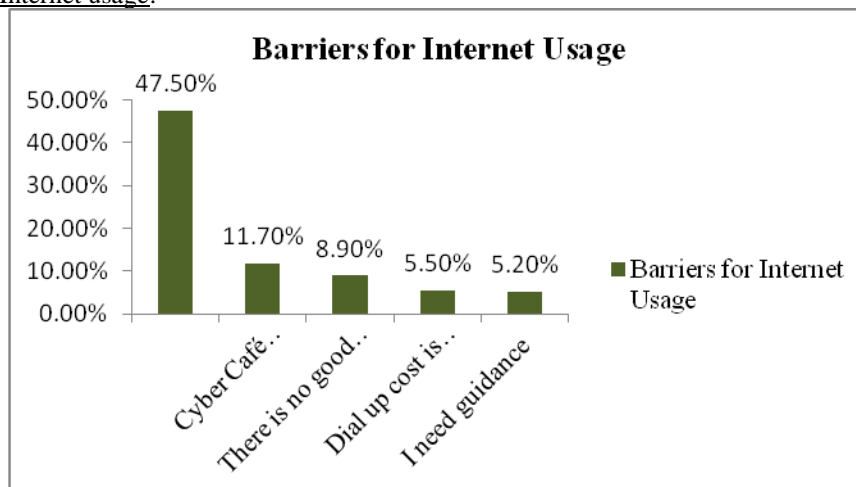
Propels E-Commerce Growth

However, online buying has not really picked up as expected, making internet more of a 'window shop' rather than an 'online market' in any true sense of the word (except for the travel products). The fact that the bulk of Indian consumer mass comes from the vernacular Indian world, the increasing usage of local language websites is one of the most important elements of internet usage to watch out for in the future.

- A deep dive at the above figures indicates that almost half of the regular internet users (46%) access the net from more than one place of access. The per capita 'places of access' averages at 1.7. On multiple access basis, place of work (office, school, colleges, etc.) still continues to be the single largest place for accessing internet at 60%.
- Usage from home follows at 55%, and then from cyber cafes at 47%.
- In terms of exclusive usage, while 1 in 5 internet users still accesses internet only from home (at 21%), another 1 in 5 also accesses it only from place of work (at 20%).
- About 1 in 8 regular internet users (13%) accesses the net exclusively from a cyber café.

Though the above figure may speak that the use of internet for e-commerce activities may boost e-commerce growth still further, a look at the following facts make one look at the success with skeptism.

Top 5 barriers of Internet usage:

IAMAI reports found an interesting bit of information regarding the barriers of internet usage.

The major barriers leading to measured growth of the Internet in India have been relatively low awareness and higher cost of accessing the Internet. With the continued technological innovations in the area of Internet, cost of accessing the Internet is expected to go down in the coming future with greater speed of access. Innovative content

delivery and provision of need-based applications like Online bill payment, Online ticket booking etc. will help in creating awareness among Internet non-users and will act as a driver for Internet usage.

III.   Issues that affect your e-commerce business:

E-Commerce is not limited to a choice of a shopping cart or a good-looking product. E-Commerce is well beyond that and they have to ponder various issues that may emerge, specifically in the e-commerce environment. In the following section some of the issues are highlighted remedies to deal with few of the business issues in e-commerce.

Security and Privacy:
E-Commerce fraud is on a rise and visitors are very skeptical about revealing their financial details online. The e-commerce store should build a climate of assurance for every new visitor coming to the store.

Processing Capability:
The speed and accuracy of various processes that go in managing an e-commerce store are also very important. The e-commerce store should be powerful, yet stable.

Order Fulfillment:
The major task is to deliver the orders placed on the online store within defined timeframe and above all, as shown on the e-commerce storefront.

Adoption of E-Commerce in Trichirapalli:
Having discussed the growth of e-commerce in India a study was conducted in Trichirappalli with 50 respondents to get a better insight of how e-commerce has taken-off here.

The study highlights customer awareness, usage and future adoption of e-commerce services. The primary data for the study has been collected through administering a questionnaires among 50 respondents in Trichirappalli. The inference and findings are summarized below.

Demographic highlights of the respondents:
- 26 are male and 24 are female customers.
- 38% are in the age group of 25-35.
- 42% of the respondents are Under Graduates.
- 50% of the respondents are working.

Table No:1 Awareness and adoption of E-commerce services (In Percentage)

Services	Awareness	Usage	Future adoption
Online payments	76%	30%	64%
Online Ticketing	68%	46%	60%
Travel related info	74%	46%	72%
Online purchase	64%	40%	56%
E-Tailing	72%	36%	62%
Internet Browsing	80%	60%	76%

Source: Primary Data

- It is very clear from the above the level of awareness for various e-commerce services is fairly good ranging from 60% to 80% for all services, its usage is not much encourage. The proportion of usage varies from 30% to 60% of the level of awareness while the future adoption rate is highly satisfactory.
- As regards online payment service, 76% of respondents are aware of the services, 30% of the respondents are currently using the services and 64% respondents would use in future and the remaining 24% of the respondents are unaware the service.
- 68% of the respondents are aware of the Online Ticketing services, 46% of respondents are currently using and 60% of respondents may use in future. Remaining 32% of respondents are unaware the service.
- In Travel related info, 74% of respondents are aware the service, 46% of respondents currently use the service and 72% of respondents would use in future and remaining 26% of respondents are unaware of travel related service.
- 64% of the respondents are aware of the online purchasing service, while 40% of the respondents are presently using the service, 56% of respondents would use in future and balance 36% of respondents are unaware the service.

- In E-Tailing service out of 72% of respondents who are aware the service only 36% of respondents are presently using them, while 62% of respondents felt that they would use in future. Remaining 28% of the respondents are not aware of e-tailing.
- In Internet Browsing 80% of the respondents are aware, 60% of respondents are currently using, 76% of respondents would use in future and remaining 20% of respondents are unaware of the service.

Table:No:2 To ascertain who is to be targeted (male/female) for e-commerce services, the following analysis is presented (in percent).

S.No	E-Commerce services	Total No.Of. Respondents	Usage (in per cent)		Overall in Total (In Percentage)
			Male	Female	
1	Online payments	15	67	33	100
2.	Online Ticketing	23	78	22	100
3.	Travel related info	23	52	48	100
4.	Online purchase	20	40	60	100
5.	E-Tailing	18	67	33	100
6.	Internet Browsing	30	33	67	100

Source : Primary Data

1. As regards Online payments and E-Tailing the proportion of male users are twice as that of female.
2. Male folk use Online ticketing more by nearly four times compared to their counter parts.
3. In Travel related services both men and women are more less equally divided with 52 and 48% respectively.
4. It is highly surprising to note that female respondents show more interest in Online purchasing and Internet Browsing.
5. A Perusal of the figures below indicates what factors motivated them to use various e-commerce services.
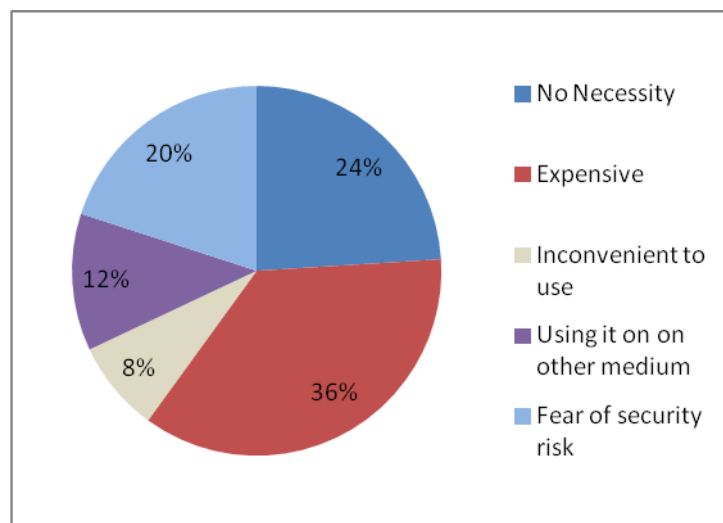
Table No:3 Reasons for using E-Commerce services (In Per cent)

SNo	E-Commerce services	Reasons						Total
		Useful	Convenient	Time saving	Ease of use	Enjoyment	Access to information	
1	Online payments	20	27	53	-	-	-	100
2.	Online Ticketing	22	13	52	13	-	-	100
3.	Travel related info	9	-	26	-	-	65	100
4.	Online purchase	-	40	25	25	10	-	100
5.	E-Tailing	28	50	-	-	-	22	100
6.	Internet Browsing	17	50	-	7	-	26	100

Source: Primary Data

- Convenience tops the list of reasons for use with 50% followed by access to information with 26% and usefulness ranks third with 17%.
  A look at why few of the respondents even after being aware of are not interested in using them reveals the following facts:
Reasons for not using E-Commerce services

Source: Primary data

IV.   Conclusion:

To conclude, e-commerce growth is in dispensable for the growth of the economy in future and stringent laws on regulation of e-commerce trading, policy for dealing with e-commerce crime and security threat etc., and better education to all would go a long way in bringing a well developed e-commerce economy.

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