Study of Level of Practicing E-Commerce and Perceived Satisfaction of It by Different Segments of Consumers for Different Segments of Consumers for Different Selected Products in Ahmednagar City

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ABSTRACT

E-commerce is very rapidly growing in various parts of the globe, not only in developed countries but also in the fastest developing economy like India. It is really a powerful tool to inform about latest products, to communicate and to give access to customers and to sell and complete transaction. However, it is observed that consumers prefer to go in for traditional way of purchase. This paper will be a research work to find out level of use of E-commerce in case of purchase of selected products like Books, readymade garments, shoes in Ahmednagar city. It will also highlight problems and reasons of not accepting this as a way to purchase. It will also show the level of perceived satisfaction of consumers in different segments in Ahmednagar City and will give remedial measures to overcome problems.

Key words: E-commerce, Perceived Satisfaction, Tool, Transaction.

Introduction

E-commerce, is the buying and selling of goods on the Internet. , Complements traditional trade. Now, technology has moved forward to the next level of E-biz. Technology moves so fast, it is overtaken before it can even be validated. E-commerce is like that.

E-commerce can best be described as buying and selling of goods and services over the Internet. This includes both business-to-business (called B2B) and business-to-consumer (B2C) transactions.

E-commerce technology is changing in a big way. Just keeping pace with the changing world will be a full time task. It is impossible for any individual to keep pace with all the changes to technology that are occurring today as he needs the assistance of staff, consultants, outsourced services and suppliers. Similarly, e-commerce involves a lot, just as one aspect of e-commerce such as the Internet, requires extensive knowledge of web languages like HTML, XML or Java.

Further, there are thousands of applications one has to know such as search engines, web servers, communications and networking. All these are significantly different than the internal technology structure of most organizations. In order to position the organization to take advantage of any changes in technology, one has to be cautious in investment. If the organization does not get the right benefits, it is advisable to buy the newest of everything which may result in inefficient use of your cash. But today, any company can capitalize on e-commerce. The potential dimension of e-commerce today is the substantial cost savings that could occur if a company's business is done electronically.

Definition of Electronic Commerce

This term has evolved from its simple notion of electronic shopping which in turn means all aspects of business and market processes enabled by the Internet and the World Wide Web technologies.

a. The narrow definition of e-commerce is :

i) Doing business online or

ii) Buying products and services through web store fronts.

Products could be trading of any physical products such as tractors, Cars, trucks etc.

Services could be distant education, online medical consultation with a hospital outside the country or arranging excursion etc.

E-commerce is a business conducted exclusively through an electronic format. It is derived from the phrase electronic commerce.

It is buying and selling, marketing and servicing, and delivery and payment of products, service and information over the Internet, intranets, extranets and other networks, between an inter-networked enterprise and its prospects, customers, suppliers, and other business partners.

E-commerce can be considered as:

iii) A strategy

iv) A technology

v) A system

vi) A separate business

vii) A sales approach

viii) A mystery and

ix) A combination of some of (i) to (iv) indicated above

b. E-commerce is the buying and selling of products, information and services over the Internet.

c. It is also a particular type of e-business initiative that is focused around individual business transactions that use the Net as medium of exchange, including business to business, as well as business to consumer.

d. It is defined as a modern business methodology that addresses the desire of firms, consumers and management to cut costs while improving the quality of goods and increasing the speed of services.

Broad Goals of Electronic Commerce

The broad goals are:

i)   Reduced costs

ii) Lower product cycle time

iii) Faster customer response

iv) Improved service quality

Electronic Commerce Technical Components

Following are the electronic commerce technical components:

i)   Client or PC work station

ii) Transaction server

iii) Database server

iv) Database transaction

v)   Router and

vi) Internet communication line

Status of Electronic Commerce

E-commerce is in its infancy but still it is the most popular way for a business to expand its customer base and increase productivity. Every business is found with a site on the web and online shopping has become popular in recent years. With an earth link total commerce package, you can sell your products worldwide through your web-based store.

Prospects of Electronic Commerce

Many believe that e-commerce will increase exponentially in the coming years:

i)   It is estimated that 148 million people are online and this figure is likely to double even much more year by year.

ii) In 1999, 100 million shoppers are expected to spend an estimates US 15 million in the cyber market space.

iii) In the next few years, the world and the world of marketing in particular are to be entirely transformed by the yet-to-be realized potential of e-commerce.

Advantages of Electronic Commerce

1. Distances do not matter in carrying out trade; you can reach the world any time you want. This helps companies to have a cheap and effective way of communication with suppliers on one side and with customers on the other (contact with suppliers via Internet or via an EDI system).

2. Unlike a brick and mortar store, an online store works 24 hours a day, 7 days a week, 365 days a year, round the clock.

3. Compared with a retail outlet or new office, the cost of setting up an e-commerce website is very low; can be integrated straight into your infrastructure with very little overheads or outlay.

4. More flexibility in a website to add and remove a product or products than in catalogues or brochures.

5. Being online, it potentially gives exposure to previously untapped market segments.

6. Error reduction because orders do not have to be re-keyed into order entry systems and increased efficiencies through the automation of the business processes.

7. Wider choice and no wastage of time (people who buy have to go outdoors and find a shop with a product of their desire). Now they can turn on their computer and select one of the thousands of online stores. Customers can find products from all over the world; so the amount of offers is much more than in a local shopping centre.

8. Buying/selling of items from any place using one's computer, if internet connection is available.

9. Can avail of services such as financial services, legal services, medical advice etc from appropriate portals.

10. Large variety of goods (more so in books, music etc) accessible easily, without spending time and money by physical (personal) visits and searching in various shops.

11. Availability of anonymous friendly advice on items one may like to buy/rent.

The major advantages to the business are:

1. A website helps the business to reach out to a worldwide customer base at a very low cost.

2. Reduction in order processing cost as manual data entry is greatly reduced. Business carried out faster, as all documents are exchanged electronically.

3. Inventory size reduced because, of reduction in transaction time.

4. Fund transfer is faster.

5. Large number of potential business partners can be quickly found and contacted using appropriate search enquiries and e-mail correspondences.

6. In some cases, middlemen such as retailers can be eliminated as a manufacturer can reach out directly to a customer to (eg. Dell Computers sells PCs in USA directly to customers) reduce cost and delays. Example of change is what is known as a supply chain.

Objective of the Study

1. To study e-commerce uses in Ahmednagar city.

2. To find out which products are dealt under e-commerce in Ahmednagar city.

3. To assess problems in using e-commerce in Ahmednagar city.

4. To suggest solutions to overcome the problems in using e-commerce in Ahmednagar city.

Research Methodology

Data Collection Method: Direct

Data Collection Instrument: Interview Schedule

Sample Size: 100

Research was conducted on one hundred customers including various cross sections of society viz. employed and self employed people, lecturers, teachers, businessman, housewives, students etc. (Accident sampling method).

Data analysis and Interpretation

Following are the observations and findings in the e-commerce market in Ahmednagar city.

a).Most of the consumers (95%) are using e-commerce for purchase of commodities like books, fans, electronic items, exercise equipments, diets, slim tablets etc.

b) However these customers belong to Ahmednagar but giving on-line orders to the vendors, companies located outside Ahmednagar.

c) Ahmednagar based vendors, hotels, shoes shops etc are not using e commerce. Customers also do not prefer space shopping instead they prefer marketplace shopping.

d) 80% customers are using e-commerce for purchase of rail, air ticket services, cinema tickets, banking services, etc.

Reasons for low acceptance of e-commerce in Ahmednagar city

1. Rigidity on the part of customers. They are not ready to accept this fact that without going to market place and without having socialization opportunities they feel disturbed.

2. Awareness about internet use, though widely spread up in young generation but middle age person do not prefer that as an alternative.

3. Some problems in e-commerce:

a) Connectivity problems,

b) Infrastructure problems, light problems,

c) Lack of detailed information about many products: there is a perceived risk in purchasing a product in e-commerce. And nobody is there to reduce that uncertainty as it   a   monologue channel and not dialogue channel (like personal sale).

d) Customers would like to touch, smell and feel the product but it is not possible here.

e) Some companies hide contact information and so customer feels it is risky as without name that they can held responsible in case there is a problem.

f) Sometimes it is a lengthy process to place order and so customers withdraw.

g) Customers do not get clear product idea.

So these are some of the problems because of which e-commerce is not preferred.

Suggestions

1. Creating awareness about role and utility of e-commerce by emphasizing disadvantages of going in crowded markets.

2. By creating more user friendly systems.

3. By constantly upgrading, and simplifying information on website.

4. By conducting regular surveys to find out problems of customers.

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