

Consumer Attitude Towards E-Commerce in Kanyakumari District – An Analytical Perspective

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Abstract

Electronic commerce is the symbiotic integration of communications, data management, and security capabilities to allow business applications within different organizations to automatically exchange information related to the sale of goods and services. E-commerce was introduced 40 years ago and, to this day, continues to grow with new technologies, innovations, and thousands of businesses entering the online market each year. The convenience, safety, and user experience of ecommerce has improved exponentially since its inception in the 1970's. The present study analyzes the customer attitude towards E-commerce in Kanyakumari district. The study covered both primary and secondary data. For the present study 50 E-commerce users are selected. The samples are selected using convenient sampling method. Garrett ranking and weighted average technique are used to analyze the data.

Introduction

Electronic commerce, commonly written as e-commerce or ecommerce, is the trading or facilitation of trading in products or services using computer networks, such as the Internet or online social networks. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web for at least one part of the transaction's life cycle although it may also use other technologies such as e-mail.

The buying and selling of products and services by businesses and consumers through an electronic medium, without using any paper documents. E-commerce is widely considered the buying and selling of products over the internet, but any transaction that is completed solely through electronic measures can be considered e-commerce.

E-commerce businesses may employ some or all of the following:

- Online shopping web sites for retail sales direct to consumers
- Providing or participating in online marketplaces, which process third-party business-to-consumer or consumer-to-consumer sales
- Business-to-business buying and selling
- Business-to-business electronic data interchange
- Marketing to prospective and established customers by e-mail or fax
- Engaging in retail for launching new products and services
- Online financial exchanges for currency exchanges or trading purposes

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Review of Literature

Review of literature is needed for making a worthwhile contribution to the field in which the study is undertaken. Review of literature is essential to keep updating the field of research and enabling researchers to define the frontiers of related field.

Changchit et al., (2005) in their article "Online shopping; Company

business management" explains some interesting factors which is about to effect of online shoppers when they purchase from a website, more or less feedback to buy or to the website. They have been discussed the success of the business, online burden on their ability to attract and retain for customers to their customers are able to better use of their time than the prices and to get any type of product information through internet.

Monsuwe (2004) in his article "What drives consumers to shop online? A literature review" made a comparison of the traditional way of shopping and online shopping and comparison has shown that shopping online is more convenient to make purchases compared to the traditional ones. This has principally concluded on the fact that the internet allows for more information must be collected in minimum quantity of the effort, the convenience and invested time by the consumer.

Schlosser et al., (1999) in their article "Survey of Internet users' attitudes towards Internet" surveyed a national sample of over 400 participants and found no majority opinion of Internet advertising-about one-third of the participants liked, disliked, and felt neutrally toward Internet advertising respectively. The Internet users found online advertising was informative but less entertaining, and it did not encourage them to make purchases even they did not perceive it to increase product prices.

Objectives

The important objectives are

- a. To study the advantages and disadvantages of E-commerce.
- b. To analyze the consumer attitude towards E-commerce in Kanyakumari District.
- c. To document the major findings of the study.

Advantages Of E-Commerce

The important advantages of E-Commerce are given below as follows:

- There are several shopping search engines and comparison shopping websites that help consumers locate the best prices. While buyers love this, sellers find it too restrictive as many of them get filtered out of the consumer's consideration set.
- For people who are not situated in major urban centers, this can be a big advantage. Likewise ecommerce opens new markets for ecommerce businesses.
- Since there is no need for a physical store, ecommerce businesses save on one of the biggest cost overheads that retailers have to bear.
- Though there is nothing about ecommerce that makes it

- intrinsically oriented to discounts, the way online business has evolved has led to lowered prices online. This is an advantage for the buyer, but a disadvantage for the seller.
- Since there are no shelf size or store size limitations, ecommerce businesses are able to list many different items.
 - Eliminating the limitation of store-timings is a big convenience for consumers.
 - Auction sites and listing sites allow individuals to buy and sell from each other. This opens a whole new paradigm of ecommerce. The most famous enabler of consumer to consumer (C2C) ecommerce is eBay.com.
 - No longer does one need to go and buy a CD of one's favorite music. Within a few minutes, one can download digital products, such as music, and start using them immediately.
 - Online business has opened new vistas for consumers. It is now possible to list your requirements online, and have suppliers bid for your business.
 - Conventional wisdom lays a lot of emphasis on the location of the physical store. But ecommerce has liberated businesses from the shackles of location.
 - Ecommerce businesses are able to scale up easier than physical retailers, as they are not bound by physical limitations. However, with the choice of the right third party logistics provider, one can scale up one's logistics too.
 - Being liberated from a physical store also entails being liberated from the limitations of shelf space. This allows ecommerce businesses to "stock" a wide range of products.
 - Since the ecommerce merchant captures contact information in the form of email, sending out automated and customized emails is quite easy.
 - Using cookies and other methods of monitoring a consumer's behavior, an ecommerce website can customize many aspects of what the consumer sees.
 - In physical stores, many customers pay with currency notes. For a large multi-store retailer, this creates the need for careful cash management. For the tax authority, it creates a problem in being able to accurately evaluate a retailer's earnings. Electronic payments leave a stronger trail, and this helps the retailer as well as the tax authority.
 - The entire supply chain can be interlinked with business to business ecommerce systems, procurement becomes faster, transparent, and cheaper.
 - The consumer experiences the convenience of having goods home-delivered. But the logistics involved with delivering each individual item adds substantial strain to the ecommerce business operation.
 - If ecommerce businesses can tune into the order processing systems of their suppliers, they can maintain lower inventories and still not face stock-out situations.
 - Since ecommerce processes are automated to a large extent, fewer employees are required for lower-end jobs. Human resources can be used more effectively for higher-level functions.
 - Close to 100% of Internet users also use search engines. With the right ecommerce SEO, search engines can act as a great source of qualified free traffic.
 - Conventional retail focuses on stocking fast-moving goods. Pricey shelf-space dictates that items that do not move fast should be candidates for removal from the product portfolio. The economics of ecommerce permits selling slow-moving,

- and even obsolete, products to be included in the catalog.
- Since effective logistics is the key to a successful ecommerce business, the ability to trigger and monitor logistics online is a valuable tool for the ecommerce business.

Disadvantages of E-commerce

The important disadvantages of E-Commerce are given below as follows:

- There are many products that consumers want to touch, feel, hear, taste and smell before they buy. Ecommerce takes away that luxury.
- Ecommerce can only be transacted with the help of an Internet access device such as a computer or a smart phone.
- Not just does one need an access device, one also needs Internet connectivity to participate in ecommerce.
- Consumers and businesses alike suffer from credit card fraud. Some doomsayers go so far as to predict that fraud will lead to the demise of online business.
- Consumers run the risk of identity fraud and other hazards as their personal details are captured by ecommerce businesses. Businesses run the risk of phishing attacks and other forms of security fraud.
- If shopping is about instant gratification, then consumers are left empty-handed for some time after making a purchase on an ecommerce website.
- Consumers are often taken in by fly-by-night ecommerce websites that look good, but are up to no good. Scam artists often accept orders and then disappear.
- For an ecommerce business, its website is everything. Even a few minute of downtime can lead to a substantial loss of money, not to mention customer dissatisfaction.
- Regulators are still not clear about the tax implications of ecommerce transactions. This is especially true when the seller and buyer are located in different territories. This can lead to multiplicity of taxation as well as higher expense on accounting and compliance.
- Credit card issuers are quite liberal in permitting charge backs upon customer request. This puts the ecommerce businesses in a bad position if the goods have already been delivered.
- In the case of physical retail, customers are usually willing to travel to the retail outlet to return/replace goods if required. But receiving goods back is a bigger nightmare for an ecommerce business. This has led to the growth of the reverse logistics function.

Analysis of Data

Preference Given to E-Commerce Websites

The following Table indicates the preference given by them to the E-commerce websites. The ranks assigned by the respondents are converted into scores using Garrett ranking technique.

Preference given to E-commerce websites
Ranking Table

Sl. No.	Websites	Garrett mean score	Rank
1	Flipkart	50.53	III
2	Snapdeal	54.35	II
3	Ebay	47.68	V
4	Amazon	60.46	I
5	Naptol	48.20	IV
6	Others	38.78	VI

Source: Primary Data

From the above table we came to know that the Amazon scores 60.46 and holds the first rank, the snap deal scores 54.35 and holds the second rank. The Flip kart scores 50.53 and holds the third rank respectively.

Problems Faced While Purchasing Through E-Commerce

There are many problems faced by the customers while purchasing products through online. The ranks given by the respondents to the problems are converted into scores using Garrett ranking technique and presented in the table.

Sl. No.	Problems	Scores obtained	Rank
1	Faulty product	48.5	III
2	Does not match the demo model	53.5	I
3	Major problems with products	51.8	II
4	Failure to supply a product	49.09	IV
5	Replacement options	49.12	V
6	Delay in delivery	47.97	VI

Source: Computed Data

It is inferred from the above table that the purchased product does not match the demo model scores 53.5 and holds the first rank, the major problems with the product scores 51.8 and holds second rank and faulty product scores 48.5 and holds the third rank respectively.

Overall Satisfaction of Consumers Towards E-Commerce

The overall satisfaction level of consumers are assessed using the weighted average technique and given below in the table.

Overall satisfaction level of consumers towards E-commerce

Sl. No	Options	Scores	Rank
1	Safety and security	3.82	I
2	Quality of the products	1.69	V
3	Price	2.71	IV
4	Offers and discounts	2.75	III
5	Availability of products	3.16	II
6	Customer care services	1.57	VI

Source: Computed Data

It is inferred from the above table that the safety and security scores high and holds the first rank availability of products and offers and discount holds the second and third ranks respectively in the overall satisfaction level on E-commerce.

Major Findings of The Study

The major findings of the study are:

1. The Amazon scores 60.46 and holds the first rank, the snap deal scores 54.35 and holds the second rank in the preference given by the consumers towards the E-commerce websites
2. The purchased product does not match the demo model scores 53.5 and holds the first rank, the major problems with the product scores 51.8 and holds second rank and faulty product scores 48.5 and holds the third rank respectively in the problems faced by the E-commerce users in the study area.
3. The safety and security scores high and holds the first rank availability of products and offers and discount holds the second and third ranks respectively in the overall satisfaction level on E-commerce.

Conclusion

The e-commerce is not a kind of new industry, but it is creating a new economic model. Most of people agree that the e-commerce indeed to be important and significant for economic society in the future, but actually that is a bit of clueless feeling at the beginning, this problem is exactly prove the e-commerce is a sort of incorporeal revolution. This is due to the fact that the cost of running an e-commerce business is very low when compared with running a physical store. But most of the respondents are highly satisfied with the E-commerce business in the study area.

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