

A Research on Consumer views of the Impacts of Electronical Commerce

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Abstract - Commerce is a new term that refers to the practice of buying, selling, or exchanging services and information over computer networks. WOM marketing is the informal means of disseminating information from one client to another without the intervention of a marketer. As a result, the study's goal is to concentrate on one sort of WOM: online user-generated evaluations, despite the fact that other types of WOM are equally worthy of inquiry. This study examined the variables that impact and hinder e-commerce deployment among SMEs in the NCR. The convenience sampling strategy was used to choose 10 SMEs for the sample size. The Statistical Package for Social Sciences (SPSS) software was used to provide analyses on demographic data, e-commerce benefits, barriers, perceived characteristics, and adoption based on study objectives. Profiles of SMEs will be displayed, along with frequency and percentage distribution. T-test and ANOVA analyses were also used to evaluate the benefits and drawbacks of e-commerce for various demographic groups. Despite the fact that other types of WOM are as deserving of inquiry, the current study focuses on one sort of WOM: online consumer-generated evaluations.

Keywords - E-commerce, Word of Mouth, SPSS, SMEs.

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INTRODUCTION

Due to changes made to the way imports are regulated by the government, the promotion of innovation, the support of business owners, and the provision of necessary financing during the early stages of the business, the Indian government has demonstrated a keen interest in the development of small and medium-sized enterprises. This is due to the fact that it acknowledges the importance of SMEs in both the domestic and global economy. The Small Industries Development Organization (SIDO) has been assisting small businesses by providing training and technology development services (Shridhar, 2006). To give access to computer services in places where there is no private, individual access to computers, libraries and information centres have been constructed (Sreenivasulu and Nandwana, 2001). It is surprising that despite statistics provided by the OECD1 showing that India is in the lead when it comes to building the Information and Communication Technology infrastructure, the state of e-commerce development among small and medium-sized businesses in India as a whole has not prompted many researchers to study the e-readiness of E-businesses that are small to medium sized. There are still a lot of unanswered issues regarding the potential of e-commerce for SMEs and the tactics they will employ to take advantage of the advantages of the electronic environment, despite efforts by various state governments.

Regrettably, the adoption of internet technology by Indian SMEs has lagged far behind that of many other economies, making it hard for them to fully benefit from e-commerce. The smallest and medium-sized businesses in India are currently unaware of how investing in e-commerce could benefit their operations and give them a competitive edge, despite the fact that it is becoming a more popular way to help businesses compete in the market and thus contribute to the economic development of India. This needs to be seen in the context of how the SMEs' operating environment affects their preparedness to adopt e-commerce, taking into consideration the perceived advantages, difficulties, and variety of e-commerce uses.

The availability and falling costs of personal computers have had a substantial influence on SMEs' ability to implement electronic commerce (Cragg and King, 1993; Poon and Swatman, 1999). However, for many businesses, the impact of e-commerce has been a mixed blessing. When a company develops e-commerce, expenses almost always climb before any cost reductions from increased efficiency or revenue gains become noticeable. Many small and medium-sized enterprises are still hesitant about generating money online as a result of this.

E-COMMERCE

According to Turban et al., "e-commerce" is an emerging word that denotes the practise of buying, selling, or exchanging services and information using computer networks (2002). Using telecommunications networks to connect business partners (often customers and suppliers), Raymond defined e-commerce as "functions of information exchange and commercial transaction support" (2001). Harrington and Reed define e-commerce as "the electronic exchange of information, commodities, services, and payments" (1996). According to Choi et al., 1997, e-commerce, is "the use of electronic methods and technology to conduct business, including internal business, business-to-business (B2B), and business-to-consumer (B2C)". E-commerce was described by Kalakota and Whinton as "the purchasing and trading of knowledge, commodities, and services over the Internet" (1997). In accordance with APEC, e-commerce is "the use of computers and electronic networks to conduct business through the Internet" (1999). E-commerce is "the use of the Internet and World Wide Web to promote and sell products and services," according to Nickerson (2001). E-commerce is defined as "any use of ICT that helps improve its relationships with customers and suppliers" (Payne, 2002). It would be a massive task to examine e-commerce in SMEs using all the models mentioned. In India, where SMEs are still in their infancy, B2C commerce has reportedly been the most common use of SMEs. The focus of this dissertation was restricted to B2C commerce alone after preliminary interviews with small- and medium-sized business owners/entrepreneurs revealed that alternative models currently seem to be irrelevant for SMEs.

E-BUSINESS

Most literary works interchange the terms "e-commerce" and "e-business" (Electronic Business) due to frequent definitional misunderstandings among authors. IBM was the first to introduce the term "e-business," which describes doing business online (Deitel & Nieto). E-business, according to Amro (2001), is "a secure, flexible, and integrated approach to delivering differentiated business values by combining the systems and processes that run core business operations with the simplicity and reach made possible by internet technology." Comparable to IBM's, this definition (p. 7). The sales cycle is a part of e-business, which Deitel and Nieto define as a subset of e-commerce.

When compared to e-commerce, which involves "trade among customers, business partners, and vendors," e-business is made up of these similar components but also includes tasks that are managed within the company itself. Turban et al.'s study from 2003 used the term "e-business" in its broadest sense and equated it with "e-commerce." Using electronic platforms and tools to conduct a business' operations is referred to as "electronic business," according to Kotler

(2003). Intranets are made to make it easier for employees to communicate with one another as well as download and upload data to and from the company's computers, in contrast to extranets, which are made to make it easier for information exchange, orders, transactions, and payments with important suppliers and distributors.

E-COMMERCE IN INDIA

To evaluate the current condition of e-commerce in India, a variety of reports that periodically appear in the news might be employed. The Confederation of Indian Industry commissioned the Indian Market Research Bureau to perform a survey on e-commerce, and the findings are consistent with the idea that e-commerce has a "global flavour" that sets it apart from traditional kinds of trade. Evidently, e-commerce is starting to tap into all of India's potential. While e-commerce-based businesses are having a noticeable influence on the competitiveness of technology, on the one hand, Indian e-commerce solutions are becoming more and more in demand on a worldwide scale. India may surely have a big chance thanks to entrepreneurship and business. In fact, India is positioned to grow significantly in the world of e-commerce. Evidence for this may be found in the exponential growth of Internet users. Internet users made up 10.1% of the population in 2011, as seen in Exhibits 1 and 2. The Boston Consulting Group estimates that India will have 330 million Internet users by 2016, up from 125 million in 2011.

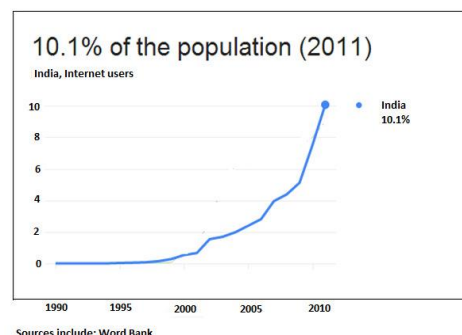


Exhibit 1

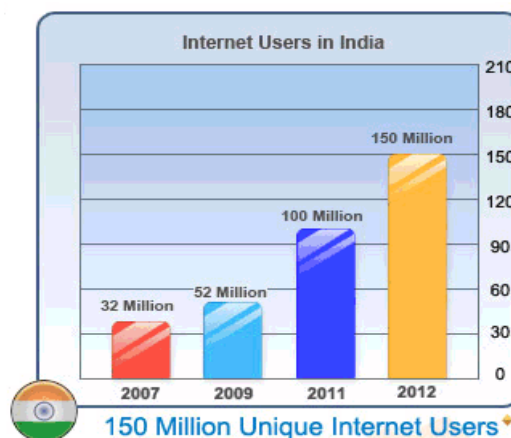


Exhibit 2

Internet and Mobile Association of India (IMAI) report claims that e-commerce services are growing in popularity in areas like legacy application integration, Internet application integration, the conversion of enterprise resource planning (ERP), electronic data interchange (EDI), customer relationship management (CRM), customer service management (CSM), new IT frameworks, and integration with business systems (strategic IT consulting).

THE BENEFITS OF ELITE COMMERCE

SMEs are believed to benefit greatly from e-commerce, making them more inclined to use it. The cost of information transmission and transfer is reduced, which is a major benefit of e-commerce technologies. The use of cheap brochures results in lower publication and mailing costs. The ability to be used as a marketing tool is another benefit of information and communication technology in e-commerce. New products or services can be offered on the Internet quickly, and it is a cheap method of catalogue distribution. Internet users can access commercial content day or night using the WWW.

Most people agree that using the internet to link a business with its customers and offer goods and services to regional and international markets is affordable (Hamill and Gregory, 1997; Haynes and colleagues, 1998). Perceived benefits are the advantages that e-commerce provides over conventional methods of conducting business. Company and economic studies that highlight the advantages of e-commerce claim that it has provided new methods for creating business possibilities and fostering strong economic growth (Wong, Hsu, & Steele, 2005). E-commerce usage has increased, bringing income to nations while also bolstering their economies (Mandal, 2004; Rose & Straub, 1998).

The price of market research is significantly reduced by e-commerce. In both domestic and foreign markets, potential or target consumers may be contacted. Furthermore, a great website that is both entertaining and offers the data required for making purchase decisions quickly improves the reputation and public awareness of an organization.

GOVERNMENT INITIATIVES TO ENDORSE E-COMMERCE

Over the last several years, the Indian government has taken significant steps to foster an atmosphere suitable to e-commerce activities. These are some examples:

- Publication of the Information Technology Act of 2000, which established a cyber-law framework in the country.
- Authorization granted to private Internet Service Providers to establish international gateways.

- Permission to access the Internet via the cable TV infrastructure.
- Beginning of construction of the National Internet Backbone.
- The privatisation of national long-distance telecommunications services.
- No monopolisation of undersea fibre access for ISPs.
- Free right of way for private access providers to establish optical fibre networks along national, state, and other routes.
- The Department of Telecommunications has approved the connection of government and closed user group networks.
- The establishment of public telecoms information centres (PTIC) with multimedia capabilities has been authorised.

VIEWS OF CONSUMERS

It's challenging to ignore user input these days. Thanks to technology, word-of-mouth promotion now reaches thousands of current and potential clients in addition to a client's close friends and family. As a result, experts and researchers are researching the subject of user-generated content. The majority of recent research on this subject concentrates on using customer reviews to influence purchasing choices.

Customers share advice with one another on a variety of topics, from their favourite restaurant to their go-to medical professional. Without the help of a marketer, this informal technique of information sharing amongst customers is known as "word-of-mouth marketing" (WOM). WOM is essential because of its potential impact on consumer purchasing behaviour, customer acquisition, and increased organisation income. In fact, it has been proven that WOM has a favourable effect on customer acquisition. People used to suggest goods and services to their friends and family in the past. However, the development of the internet provided consumers with yet another forum to express their complaints. Despite the fact that other types of WOM are as worthy of inquiry, the current study concentrates on one sort of WOM: online user-generated evaluations. Many products and services are reviewed online by customers, but the hotel industry is well aware of these changes. It should go without saying that the kind and source of feedback are very important. This feedback might be positive or negative. The current study set out to ascertain how much importance hotel management accorded to each of these two characteristics. The current study shows how both positive and negative feedback is handled, the relative weight given to each, as well as some of the actions taken in response to such feedback, such as decisions regarding the amenities provided to guests, training initiatives, policies and procedures, and other crucial managerial decisions. Earlier research in the

hospitality industry concentrated on the procedures for handling complaints.

Online testimonials are a typical form of electronic word-of-mouth (eWOM) that can hasten or stall the market's uptake of recently unveiled services. Although empirical research demonstrates the influence of online reviews on attitudes and behaviours, little is known regarding the effects of the review's source, i.e., whether it comes from a peer consumer or an expert, on the review receiver. Two experiments that account for the reviewer's expertise and consumer status, the service's type (restaurant, mobile package, vehicle repair), the customer's level of general inventiveness, and the review's valence (positive, negative) reveal a complex interplay between the review's source and its valence. When compared to peer reviews by consumers, a positive expert evaluation seems to be more effective in increasing the recipient's desire to buy, while a negative peer review significantly lowers the recipient's intention to buy. Throughout the trials, we also find effects of the service category and consumer innovation. Our research expands on the existing body of exploratory data on the role of contributing factors in online reviews of different product categories.

Since World War II, the COVID-19 epidemic has caused the worst global economic shock. The recession caused by this pandemic altered the behaviour of businesses, consumers, and public actors by causing extensive structural changes. For example, eateries were required to lock their doors, and travellers were prohibited from entering certain nations. In addition, this crisis accelerated the digitization trend and forced business owners in a variety of industries to adopt new business models in order to survive. Additionally, the epidemic changed the demand patterns in various markets and nations, revealing flaws in the global supply chains of numerous markets and service networks. The COVID-19 outbreak has had a substantial impact on micro, small, and medium-sized enterprises (MSMEs), who frequently find it impossible to maintain themselves, let alone grow, under such harsh conditions.

Nowadays, it is widely acknowledged that digital applications and internet technologies are the finest means of forging closer ties with customers. Traditional marketing strategies are become more and more ineffective at delivering a sustainable competitive advantage and growth in today's incredibly unstable economic environment. Digital marketing communication technologies facilitate interactions between marketing partners and aid companies in establishing and sustaining long-lasting relationships with customers in accordance with their shared goals. Therefore, one of the goals of this study was to examine how the COVID-19 outbreak affected MSMEs' capacity to do business. The COVID-19 outbreak drastically changed everyone's lives, forcing businesses to adapt to a swiftly changing market environment. Businesses may embrace product and service innovation, meet shifting customer

expectations, and create new communication channels with customers thanks to customer relationship management (CRM). CRM aims to boost client satisfaction, loyalty, and retention while also identifying new business opportunities by employing a relational approach to manage business operations.

MATERIAL AND METHODS

- **Data Collection:** The information for the proposed study was gathered from both primary and secondary sources. The 10 SMEs operating in the chosen region were the subject of semi-structured interviews with proprietors, managing directors, and/or information officers. This qualitative data was used to supplement the primary data. The study's sample included a wide range of sectors, including those in information technology, manufacturing, services, textiles, and food-related businesses. Secondary data, on the other hand, will be gathered from various publications, journals, review/research papers, etc.
- **Sample Size:** According to some research, a sample size of 100 is regarded as little, between 100 and 200 as medium, and greater than 200 as big. As a result, for the majority of studies, a sample size of more than 30 individuals but fewer than 500 was suitable.
- **Sampling Method:** It is necessary to choose 10 SMEs using the convenience sampling approach. In order to choose respondents from a list of SMEs, a systematic sampling procedure will be employed for primary data collection. You may see the list of SMEs on the Small and Medium Industries Development Corporation website.
- **Statistical Analysis:** To achieve its goals, the research used a number of distinct analytical techniques. In order to offer analyses on demographic data, e-commerce benefits, hurdles, perceived characteristics, and adoption based on study objectives, the Statistical Package for Social Sciences (SPSS) software was utilised. Profiles of SMEs will be shown together with frequency and distribution by percentage. To evaluate the advantages and disadvantages of e-commerce for various demographic groupings, t-test and ANOVA analyses was also performed. To reduce, purify, and verify the accuracy of the data gathered, inter-item correlation, varimax rotation, and principle component analysis was utilised. To examine the interactions between moderators and independent factors on the dependent variable, a moderated multiple linear regression using dummy variables was used.

RESULTS

- SMEs primarily used e-commerce to 'extend and grow their business,' 'improve customer service,' 'attract and locate new clients,' and 'keep up with existing competition.' Real estate

developers, businesses producing automobile parts, and educational organizations, consulting firms, fitness firms, health care firms, retailing firms, and entertainment firms were among the early users of e-commerce in the service sector.

- According to the findings, the majority of SMEs have simply implemented basic e-commerce apps. Rather than using an e-commerce platform to facilitate online transactions, they frequently used the most common e-commerce technologies (e-mail and e-commerce) as additional marketing tools to present information about the company's products and services. The use of e-commerce applications like online payment systems and order processing is growing. Greater efforts are required, according to the findings, to assist and encourage SMEs to accelerate e-commerce adoption, particularly for more complex applications.
- This study examined the acceptance and development of e-commerce among SMEs from two perspectives: e-readiness and the economics of e-commerce among SMEs.
- It should be noted that the rapid increase in interest and use of e-commerce-related technologies by small and medium-sized businesses in the NCR does not imply an immediate or seamless transition to full-fledged electronic commerce.
- The level of e-commerce adoption among SMEs was determined using a mean measure of usage frequency across a collection of e-commerce applications.

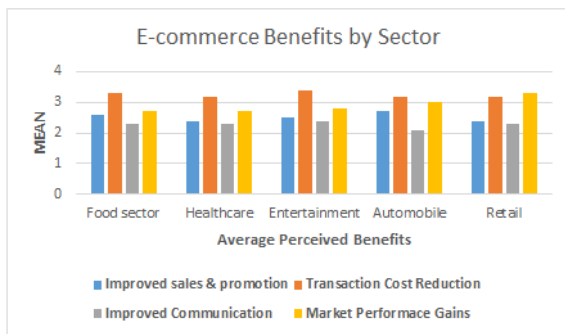


Exhibit 3

- Exhibit 3 depicts the sector-specific mean benefit scores. As a result, there is no consistent trend demonstrating that one industry benefits more from e-commerce than others.

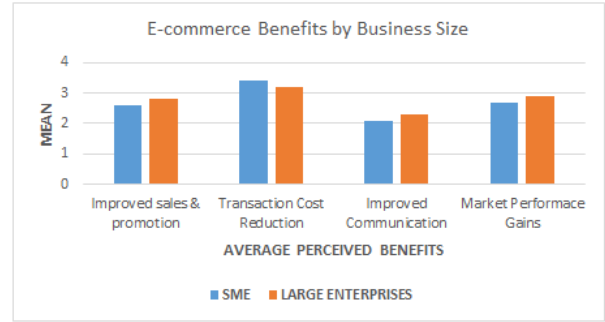


Exhibit 4

- Exhibit 4 reveals a more or less uniform pattern among organisations. Most businesses reported improvements in internal and external communications, as well as a mild to moderate increase in sales performance, while cost savings were the least realized, and market performance advantages and improved sales were only marginally experienced. In addition, the graph illustrates that small and medium-sized enterprises benefit more from e-commerce in the first two factors, namely market performance and communications. A one-way ANOVA was used to examine the significance of this difference.
- According to emerging market studies, top management in SMEs generally do not understand what e-commerce is all about, and this lack of understanding leads to them underestimating the impact of e-commerce and preferring to be "followers" rather than "leaders" in the adoption of e-commerce technologies.
- In terms of e-commerce planning and implementation, developing a consistent strategic strategy for e-commerce initiatives is the first step toward effective e-commerce adoption.
- This analysis hypothesised that differences in e-commerce development performance may be explained by e-commerce preparatory features.

CONCLUSION

The practise of buying, selling, or exchanging services and information over computer networks is referred to as e-commerce, a relatively new term. Without the help of a marketer, word-of-mouth marketing (WOM) is an informal method of spreading information from one client to another. Because of this, the study's focus is on one type of WOM: online user-generated reviews, even though other types of WOM are equally deserving of investigation. This study looked into the variables that affect and restrict the adoption of e-commerce by SMEs in the NCR. The sample size of 10 SMEs was determined using the convenience sampling strategy. In order to provide analyses on

demographic data, e-commerce advantages, disadvantages, barriers, perceived characteristics, and adoption based on study objectives, the Statistical Package for Social Sciences (SPSS) software was used. Along with frequency and percentage distribution, profiles of SMEs will be shown. The advantages and disadvantages of e-commerce for different demographic groups were also assessed using T-test and ANOVA analyses. The current study focuses on one type of WOM: online user-generated reviews, even though other forms of WOM are equally deserving of investigation.

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