



A STUDY ON E-COMMERCE AND E-RETAILING: ANALYSING THE FACTORS AND PERCEPTIONS OF INDIAN MILLENNIALS FOR ONLINE PURCHASE AND IT'S IMPACT ON MARKET AND RETAILERS IN INDIA

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Abstract

The Internet is an integral part of our everyday lives. We rely on the internet for almost all of our everyday tasks. Until the emergence of e-commerce in India, buying and selling were done in the marketplaces without the internet, but now our lives have become easier because of the many benefits of e-commerce. Because to e-commerce websites in India, we are able to purchase and sell things of our choosing at a reasonable price via online shopping. Marketers and service providers like Amazon, Flipkart, and others use cutting-edge tactics to attract and retain consumers. An understanding of why Indian millennials shops at an online store in India and how they see these shops is critical. In this work, it is examined in the context of India. Millennials are generally pleased with the products and services provided by a small number of internet merchants. Four characteristics were shown to be statistically important when it came to millennials choosing an online store.

Keywords: Retailing, Millennials, Service Quality, Perceptions

INTRODUCTION

In the current global corporate landscape, India has established itself as a prominent participant. Researchers in the field of international business and management have focused on China's economic development since reforms began in 1991. With a view

toward determining which papers have been influential, which issues have received the most attention, which main findings or what additional research is needed, this paper examines recent publications in leading business and management journals on the impact of e-commerce on Indian commerce.

The advent of online shopping has ushered in a new era. It's a 'disruptive' invention that's upending the status quo in the commercial world. When a company or a person uses an electronic network, such as the internet, to do business, this is referred to as "electronic commerce." There are a variety of ways to conduct e-commerce, including the purchase and sale of products and services, as well as the transfer of money or data. Whether it's a business-to-business transaction or a business to consumer or a business-to-business transaction, these commercial transactions take place. The word "e-tail" refers to online retail transactional procedures. Email, fax, online catalogs and shopping carts, Electronic Data Interchange (EDI), File Transfer Protocol (FTP), and Web services are all used to perform e-commerce. To put it another way, it's a more complex version of catalog shopping. The term "e-commerce" refers to the practice of doing business online. Everything from customer service to new product development has already been impacted by ecommerce. For example, online advertising and marketing, online ordering, and online customer support are all made possible by this new sort of information-based business process. In the last few years, there has been an increase in the number of businesses embracing ecommerce. Portals in India are increasingly turning to e-commerce for income rather than solely on advertising. Flowers, greeting cards, movie tickets, groceries, electronic devices, and computers are just some of the things and services that may now be purchased online.

The term "e-commerce" refers to the online exchange of goods, services, and data. Electronic commerce encompasses much more than just online shopping and product sales. The full online process of creating, promoting, selling, delivering, servicing, and paying for products and services is included. It's all happening online. In this context, it refers to any commercial transaction that takes place directly between a firm and its partners or consumers using electronic communication and computerized data processing technologies. When it comes to cutting costs while simultaneously improving the quality of goods and services and speeding up service delivery, E-Commerce is a cutting-edge approach to business. The e-commerce market in India has grown tremendously in the last few years. In addition to selling to clients, E-Commerce has emerged as a critical tool for both small and major enterprises throughout the globe. In spite of the fact that there were less internet users in India at initially owing to a lack of internet offices and public awareness, online purchasing began to take off in the country. While this may be true, things have changed in our country, and the e-commerce business is growing rapidly.

E-Commerce and its Impact on Indian Market

It is widely acknowledged that India is one of the world's fastest-growing economies, according to reports from the International Monetary Fund (IMF) and the Central Statistics Office (CSO) (CSO). In India, e-commerce has grown at an unprecedented rate due to the rise of retail as a prominent market sector. E-commerce sales in 2016-17 totaled \$16

billion, with Morgan Stanley predicting a seven-fold increase in sales over the following two fiscal years. E-commerce is predicted to reach \$120 billion by the end of the year, as well. India's e-commerce business is being fueled by the following factors:

- Foreign Direct Investment
- Goods and Services Tax
- Participation of niche companies in online exchanging

LITERATURE REVIEW

Menal Dahiya, (2017) The Internet has become an essential part of our daily lives. Nearly all of our daily tasks include some aspect of the internet. Prior to the arrival of e-commerce in India, buying and selling were carried out over the counter in physical marketplaces. However, the many benefits of e-commerce have made our lives easier. Ecommerce websites in India allow us to buy and sell the things of our choosing at a reasonable price when we conduct our online shopping, making it a popular kind of ecommerce. The impact of an e-commerce website on various marketplaces and businesses is substantial. In this article, we'll look at the various marketplaces and merchants, and how ecommerce has affected them.

Dr. Mahesh, thank you (2016) Computer networks such as the internet are used to exchange goods and services through electronic commerce, or e-commerce. Mobile commerce, electronic store transfer, production network management, internet marketing, online exchange processing, EDI, inventory management systems, and automated information collecting systems are just a few examples of the many technologies that go into e-commerce today. Conventional merchants and ecommerce suppliers have very different business models. E-core retailing's is in its ability to contact clients in a way that differs from traditional brick-and-mortar businesses all the way down to their front door steps. E-commerce is having a significant impact on traditional stores in India. As a result, they've been reducing the effectiveness of their online marketing efforts. It is the primary goal of the study to get an understanding of the current state of e-commerce in India. The impact of online shopping on traditional brick-and-mortar stores. Electronic commerce is having both good and bad effects on traditional retail.

Dr. Naveen Kumar, thank you so much for your time (2014) Electronic commerce (e-commerce) is the future of retail. E-commerce is also a viable option for future company ventures. Our country's e-commerce sector is growing at a rapid rate. The Indian e-commerce industry has seen rapid growth in the last several years, thanks in part to an expanding population of internet users and a favorable demographic profile. E-Commerce will continue to provide enormous growth potential in the years ahead. There are, however, certain issues that need to be dealt with appropriately. An effort has been made to assess the current state of E-Commerce in India, to study the problems of ECommerce, and to discuss the future of E-Commerce in India within the scope of this article.

Anurag Mishra is the author of (2017) The goal of this investigation is to learn more about the impact of e-commerce on the national and global markets. Around the globe, the e-commerce industry is growing at a breakneck speed. Studies in rich nations show that it is already developing and providing advantages, but it is also having a good impact on the

development of emerging countries. Economies throughout the globe will see a rise in information and data technology development as a result of globalization and the easing of trade restrictions. In a growing nation, e-commerce is playing a key role in generating more money, increasing client base, and creating more jobs in the Information Technology industry.

Aggarwal, S., Singla, A., & Aggarwal, R. (2012), Retail sales in India were \$471 billion in 2011, and the authors believe that the size of organized retail was \$260 billion, with a 21 percent penetration rate, according to their analysis. Permitting foreign direct investment (FDI) may also strengthen supply chain technology, as the authors point out. Competitive dynamics may benefit local players, consumers, and suppliers. A major advantage of FDI for India, according to the study, is the creation of a world-class supply chain architecture that reduces corporate information, production, and transaction costs while also opening up new markets. Farmers and customers will continue to benefit from lower prices as long as companies like Wal-Mart price based on long-term average expenses. Regulation of anti-competitive business practices, regulation of the workforce, and environmental protection are all responsibilities of the federal government. The administration must be able to demonstrate that it is serious about its policies.

DIFFERENT MARKETS AND RETAILERS IN INDIA

Markets

- In a physical market, clients connect with the vendor face-to-face and exchange money for the goods or service they are interested in purchasing. Shopping malls, department shops, and other places that serve as physical marketplaces come to mind.
- In the non-physical market, clients do not physically visit the vendor and do not engage face-to-face with each other. The product is purchased by the customer on the internet, and payment is made in an electronic fashion. Flip kart, Amazon, and eBay are a few examples of these kind of marketplaces.
- While at an auction market, products are sold only to the highest bidder, and those with lesser bids are not considered for purchase.
- Materials are bought and sold in this market in order to make a finished product.
- Drugs, firearms, and booze are just a few of the illicit wares available on the "Black Market," which is run by unscrupulous individuals.
- Products based on information and knowledge are marketed in the "Knowledge Market."
- It's possible to trade cash or other liquid assets here, such as stocks and bonds. In the financial world, there are three basic kinds of markets: The stock market, where stocks are traded; the bond market, where bonds are traded; and the currency market, where currencies are traded.

Retailers

- As a department store is a merger of many smaller businesses under the same corporate umbrella, it carries a large range of items. Customers benefit from the convenience of being able to purchase a large range of items in one location.

- As a result of consumer demand, supermarkets are increasingly stocking a wider range of merchandise than only food and drink. Because of its strong purchasing power, it is being sold at cheap prices.
- In order to store, display, and sell a huge number of items, warehouse merchants locate in areas where the premises rent is relatively inexpensive.
- A specialty retailer specializes in the sale of a certain service or product and provides clients with professional advice and high-quality service. They raise the value of their offerings by including complementary items in the same retail location.
- E-tailer–E-Tailers are those vendors that allow consumers to purchase products online and deliver them to their homes, allowing them to reach clients over a large geographic region. With cheap rent and expenses, they are able to keep their costs low.
- Because of its proximity to residential areas, convenience stores charge a premium for their restricted product selection.
- This store offers discounts on less trendy goods by purchasing them from suppliers and reselling them until the line is finished. The remaining items are then returned to the source at a reduced price.

IMPACT OF E-COMMERCE ON MARKET AND RETAILERS

Impact on Market

- Promoting products is easier and less expensive with Ecommerce because of the large number of potential clients that can be reached online and the resulting savings in advertising costs that can be used to a variety of company endeavors.
- In order to improve customer service, consumers may search for extensive information about the product or marketplace that sells the product and can compare the pricing of other marketplaces.
- When it comes to establishing a brand online, new company owners may do it at a low cost by employing engaging photographs.
- Advertising has always been one-way, but with the rise of e-commerce, it has become two-way, with consumers being able to explore the market place and product, as well as compare pricing, and even ask questions to the online shops.
- Consumer-tailored items are those that are produced specifically for a certain customer or group of customers. It'll be a great venue to do business and bring in new clients.
- With ecommerce's order taking being so simple, it saves a lot of time and money, allowing businesses to focus on other aspects of their business while focusing on ecommerce sales.
- Customer Value-Traditionally, the primary focus was on obtaining a high value from consumers. Now, merchants are building long-term connections with consumers to gain long-term value by providing them unique prices, a shift from the days when just customers were a primary focus.

Impact on Retailers

- Turnover-Offline merchants' turnover has decreased as a result of e-commerce, a

danger indicator for the company.

- On the rise of internet retailers, physical merchants are seeing a drop in profit margins. Because of the competitive nature of the market, they are forced to offer their products at prices that barely cover their operating expenses and do not allow for any profit margins.
- In order to remain in the market and attract clients, offline merchants have to sell their items at a discount since internet stores provide a lot of discounts.
- Variety of Stocks-Online shops provide a wide range of products that offline merchants cannot match because of the large losses that retailers face at the end of the year due to unsold inventory.
- Services to customers are another area where brick-and-mortar merchants excel above their online counterparts. Like online stores, repair and after-sales services, home delivery, and other items and services are available via these channels as well.
- The low costs given by internet businesses encourage consumers to browse physical stores before making an online purchase. Because of this, they have a greater number of potential clients than real ones.
- For online merchants, advertising is all that matters in order to attract clients and boost sales. A single opportunity for advertising is not missed by them.



Figure 1: Impact of e-commerce websites on offline retailers in terms of different aspects.

CHALLENGES FACED BY E- COMMERCE IN INDIA

Infrastructure Problems:

E-commerce relies heavily on the Internet. Unfortunately, India's internet penetration is just 0.5 percent of the population, compared to Singapore's 50 percent. Per thousand people in India, there are just 3.5 computers, compared to 6,000 in China and 500 in the United States. As long as phone lines are available, PCs can still connect to the Internet. It's still a long way from the average person to e-commerce. E-commerce has a long way to go before it can reach the world's 1 billion people. Aside from that, the price of computers and internet connectivity is prohibitive for most people.

Absence of Cyber Laws:

E-commerce is also beset by difficulties due to a lack of regulations in the form of cyber

laws to govern online transactions. It is believed that the World Trade Organization would soon establish cyber regulations. India's IT law, which was enacted by the Indian Parliament on May 17, 2000, aims to deal with the rapidly expanding e-commerce industry legally. The law also aims to remove legal difficulties caused by new technologies in order to encourage e-commerce. The measure currently solely covers commercial and criminal law. However, it does not include concerns such as individual property rights, content control, or privacy and data protection particular laws.

Privacy and security concern:

As of today, quite vulnerable issues related to e-commerce are privacy and security. So far, there is no protection offered either by website or outside watchdogs against hazard created by exploiting one's privacy.

Digital illiteracy and consumer psyche:

E-commerce in India is now beset by a colossal problem: widespread digital illiteracy. On the other side, India has become devoid of software engineers as a result of the ongoing emigration of highly trained computer engineers from the country. A serious danger to India's information technology sector has been presented by this. To solve this issue, it's obvious that we must stop the computer brain drain and utilize computers in our nation.

Virus Problem:

According to a computer that began in Manila, there is a serious issue with computer viruses when it comes to e-commerce operations. On May 5, 2000, a computer virus known as "I Love You" spread from Manila, Philippines to the rest of the globe and corrupted millions of files, causing a \$7 billion damage to the government and companies. The perpetrators of "virus" attacks must be punished severely, or they will have a long-lasting impact on the relatively new e-commerce industry in India.

Hypotheses of the Study

Hypothesis 1: The quality of services provided by online retailer is not satisfactory

Hypothesis 2: There is no significant difference between customer's perception scores regarding quality of services of selected online retailers

Research Methods

According to the findings, online retailers like Amazon, Flipkart, and Snapdeal conducted a poll in Pune. With the use of the convenience sampling method, a survey was issued to a random sample of 250 clients (all millennials). Online questionnaires utilizing Google forms were used to survey only millennials who had shopped in the past three months. The sample included 177 men and 73 women. Only four of the clients have purchased from Snapdeal in the past. In other words, the data analysis did not take into account these four feedbacks. Flipkart received 91 votes, while Amazon received 155 votes. Snapdeal had the last word. With the use of an in-depth questionnaire prepared expressly for the research, primary data were gathered.

An online retailer's service quality was measured through a questionnaire. In order to gauge the level of consumer satisfaction with online merchant services, the replies were rated on a five-point Likert scale, from 1 (strongly disagree) to 5 (strongly agree).

Secondary sources for the data included journal publications, magazine articles, news items, and websites on the Internet. To conduct statistical analysis, SPSS was used to do factor analysis and t-tests.

Data Analysis and Interpretation

Validity and Reliability of Data

Reliability test of data was carried out using Cronbach Alpha Test in SPSS.

Table 1

Reliability Statistics			
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	Based on	N of Items
.931	.887		24

With a Cronbach's alpha value of 0.931, we know that our scale has excellent internal consistency with this particular sample.

SPSS was used to conduct a correlation study to determine the validity of the findings. The Sig (2 tailed) was determined to be 0.000 for all of the questions. In other words, the survey we've put together is reliable. Finding the most essential aspects millennials give attention when doing online buying was done by doing factor analysis using principal component analysis in SPSS.

Table 2: Rotated Component Matrix (Factor Analysis)

	Component			
	1	2	3	4
Online retailer website mobile app is attractive	.465	.290	.145	.563
Website mobile app of online retailer opens Immediately	.173	.344	.265	.544
Website mobile app is user friendly	.187	.233	.214	.705
The product photos are clear and features are Explained in easy language	.021	.144	.173	.742
If the product is faulty I am assured of replacement or refund	.077	.611	.365	.305
Delivery boy provides me product and the service Satisfactorily	.085	.268	.638	.274
Reviews of product are Authentic	.016	.312	.694	.092
Online retailer assures me about privacy of my personal data	.365	.465	.396	.261
The product reaches me on time as per specification give	.216	.089	.802	.249
Service is always performed right the first time	.446	.056	.668	.202
The product is always the same which I have ordered	.250	.673	.224	.128
If the product is faulty replacement of product or	.139	.649	.496	.153

money is refunded				
Behaviour/Mails of customer care executives instills confidence	.366	.610	.321	.167
Online retailer understands the specific needs of Customers	.411	.466	.272	.463
It is easy to reach the appropriate staff person by telephone	.682	.156	.295	.209
Customer care executives show politeness respect consideration	.718	.354	.120	.235
Website tells me exactly when the product will reach me	.562	.172	.457	.306
Feedback system of retailer is easy and quick	.636	.189	.357	.356
I feel safe and secure in online money transactions with online	.252	.602	.156	.312
Product which I want to buy can be searched immediately on the website	.427	.239	.202	.586
Employees of online retailer refrain from pressuring me to buy	.708	.218	- .091	- .022
Online retailer guarantee its services	.533	.512	.307	.108
Products I have received through online purchase are durable	.490	.528	.207	.288
Prices of Products which are purchased online are always less	.210	.578	- .148	.263
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.				
a. Rotation converged in 8 iterations.				

From Table no. 02, following factors were found in the factor analysis which is statistically significant while choosing online retailer for buying the product by the millennials.

- a. Website design and website response.
- b. Access of retailer's staff in case of any issue or problem
- c. Assurance of security and confidentiality of data
- d. Actual service provided by Online retailers and final price of product

Location of product categories, attractiveness, and responsiveness all play a role in website design; these elements may also affect how fast customers can download products and how long it takes them to access the site. The safety of online transactions and the privacy of personally identifiable information given by customers are at the heart of security assurance. Product booking and delivery within the specified time frame and to provide exactly what was booked are what constitute actual service. Before making a buying choice, many consumers shop around for the best price. The availability of personnel in the event of an issue with an online transaction, such as a credit card being deducted but no purchase being placed, a defective product being delivered, or a delayed delivery, is also critical. For online shops, all of these criteria should be addressed while building their services.

Hypothesis 1 was tested using a single sample t test with a test value of 5 to compare perceptions of online merchants. All variables had Sig. values below 0.05, which was determined to be close to 0.000. As a result, we reject the null hypothesis and support the alternative hypothesis that internet merchants' services are good. Adding a table of t tests is challenging because of the page limit.

An independent sample t test was used to compare consumer views of Amazon and Flipkart, in order to test hypothesis 2. Table of independent t tests can't be included because of the limited amount of pages. It is agreed that there is no significant difference in consumer perceptions of services provided by Amazon and Flipkart since the Sig is above 0.05 for all variables studied.

Conclusion

The results of the study show that website design and responsiveness are important considerations when making a purchase from an online merchant. For one thing, they'll search elsewhere if they don't get an answer quickly enough. Another element to consider is the quality of customer support offered by the online merchant. Security and confidentiality of data are also crucial considerations when selecting an online business. Last but not least, millennials in India value customer support given by online retailers in the event of a problem. The millennials want the same sort of reaction from the website since they are youthful and vibrant.

By the end of this article, we've concluded that e-commerce is excellent for consumers since it delivers a large range of items and services, together with detailed descriptions and eye-catching images, right to our door. Customers like the ease of use, while businesses benefit from the ability to reach new markets through the internet. For example, the cost of advertising can be reduced since numerous people can be targeted over the internet, new brands can be built and maintained, and custom-made items may be produced to meet customers' specific demands. Ecommerce has a positive influence on the market. Retailers can't keep vast inventories like online businesses do since doing so would cost them a lot of money. E-commerce has the opposite effect on brick-and-mortar stores because consumers purchase at cheap prices from online shops, forcing them to cut their own prices as well. To draw in consumers, they must increase their out-of-home advertising expenditures. In addition to the benefits, e-commerce imposes some restrictions on markets and retailers, such as the high cost of website creation and maintenance; the high cost of infrastructure required to fulfill orders placed by online retailers; and the security and fraud risks associated with online shops' growing popularity.

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