A Study on Competition between E-Commerce and Traditional Commerce-Its Growth and Effectiveness

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Abstract— Information Technology has been playing a vital role in the future development of financial sectors and the way of doing business in an emerging economy. Increased use of smart mobile services and the internet as a new distribution channel for business transactions and international trading requires more attention towards e-commerce security for reducing fraudulent activities. The advancement of Information and Communication technology has brought a lot of changes in all spheres of the daily life of human beings. E-commerce has a lot of benefits that add value to customer satisfaction in terms of customer convenience in any place and enables the company to gain a more competitive advantage over the other competitors. This study predicts some challenges in an emerging economy.

Keywords: E-Commerce, Information Technology, Customer Satisfaction, Business

I. INTRODUCTION

The customary trade is the place where each of the three segments is physical. Interestingly, these parts are on the whole computerized at the center of electronic trade, where creation, yet additionally conveyance, instalment, and utilization (perusing on the web or handling by a PC program) happen on the web. The excess white territories are important for customary electronic business, in which a portion of the parts is computerized. For instance, items might be physical, yet advertising and instalment might be directed on the web; items might be computerized, however, instalments could be made by means of checks or purchasers might be perusing printouts rather than screen yields. The developing utilization of computerized measures for business-to-business exchanges and buyer advertising is apparent which shows that electronic trade rules the conventional market. The majority of current electronic trade applications and issues fall inside the white territories managing one perspective on a specific pivot, for instance, setting up a web store, content digitization, electronic instalments, internet showcasing, etc. . The Internet becomes an elective correspondence medium, yet a microcosm, or an electronic adaptation, of actual business sectors with attributes that are in a general sense not quite the same as actual business sectors. This computerized universe of business, in which market foundations, specialists, and items are turning out to be "virtual" and local to the Internet, is additionally at the centre of electronic trade financial aspects. The principle distinction between the computerized universe of business and the conventional, actual business world stems from the very idea of digitized items. Nonetheless, there are numerous reasons why shoppers also will act distinctively in an organized market. For instance, admittance to item data through the organization utilizing modern PC projects will positively influence the manner in which shoppers analyze costs. Thusly, proficient shopping will influence item decisions, evaluating systems, and serious endeavours among dealers. Business associations and connections will likewise be influenced as spatial and fleeting restrictions of the market are eliminated and supplanted by various contemplations of costs, efficiencies, and the method of collaboration on an organization. All in all, the market climate, empowered by the open appropriated Internet, looks like no other actual market. The actual distance and topographical geography of a market are supplanted with network structures and inclination-based market domains. Subsequently, the goal is to examine the monetary parts of this recently developing business sector of electronic trade by applying standard financial instruments and by assessing subjective contrasts in financial efficiencies and authoritative changes Electronic trade, usually known as an online business, is the purchasing and selling of item or administration over electronic frameworks, for example, the Internet and other PC organizations. The electronic business draws on such innovations as electronic finances move, store network the executives, Internet advertising, online exchange preparing, electronic information trade (EDI), stock administration frameworks, and mechanized information assortment frameworks. The current electronic business regularly utilizes the World Wide Web in any event at one point in the exchange's life-cycle, in spite of the fact that it might include a more extensive scope of innovations, for example, email, cell phones and phones too.

II. REVIEW OF LITERATURE

Internet and e-commerce are closely wrapped towards developed countries. But they can achieve tremendous benefits to developing countries if it is applicable as an ideal business purpose. E-commerce is a revolution in business practices (Ohidujjaman, et al 2013). The term commerce is viewed as transactions conducted between business partners. Electronic commerce is an emerging concept that describes the process of buying and selling or exchanging products, services, and information via computer networks including the internet (Anupam-2011). Commercial transactions involve the exchange of value (e.g., money) across organizational or boundaries in return for products and services. Exchange of value is important for understanding the limits of e-commerce. Without an exchange of value, no commerce occurs (Laudon and Traver). E-business has changed processes within and between enterprises. Electronic Data Interface (EDI), widely introduced twenty-five years ago on dedicated links between firms, showed how information could be directly passed from the operating systems of one enterprise into the order processing, production, and logistics systems of another(Clayton and Criscuolo.

III. TRADITIONAL COMMERCE V/S E-COMMERCE MODELS

A. *Traditional Commerce*

Traditional commerce maybe began before written history when our precursors previously chose to practice their ordinary exercises. Rather than every nuclear family developing harvests, look for food, and make apparatuses, families created abilities in one of these zones and exchanged a portion of their creation for different requirements. It began with dealing, which in the long run offered a route to the utilization of cash, making exchanges simpler to settle. Be that as it may, the essential instruments of exchange were the equivalent. Somebody made an item or offered assistance which another person discovered important, and in this way was eager to' pay' for it in return.

1) *Buyer's Side of Commerce*

Regular product maintenance and make warranty claims.

- Identify explicit purchasing need
- Search for items or administrations that will fulfill the particular need
- Select a seller
- Negotiate a buy exchange, including conveyance, coordinations, examination, testing, and acknowledgment
- Receive item/administration and make installment
- Perform ordinary item upkeep and make guarantee claims

2) *Seller's Side of Commerce*

- Conduct statistical surveying to recognize customer needs
- Create item or administration that will address customer ' issues
- Advertise and advance item or administration

B. *E-commerce models*

Roughly dividing E-commerce into providers/producers and consumers/Customer one can classify E-com roughly dividing E-commerce into providers/producers and consumers/Customer one can classify E-commerce into the following categories:

- Business-to-Business (B2B)
- Business-to-Consumer (B2C)
- Business-to-Employee (B2E)
- Business-to-Government (B2G)
- Government-to-Business (G2B)
- Government-to-Government (G2G)
- Government-to-Citizen (G2C)
- Consumer-to-Consumer (C2C)
- Consumer-to-Business (C2B)

1) Business-to-business (B2B) describes commerce transactions between businesses, such as between a manufacturer and a wholesaler, or between a wholesaler and a retailer
2) Business-to-Consumer (B2C) is a transaction that occurs between a company and a consumer, as opposed to a transaction between companies (called B2B).
3) Business-to-Employee (B2E) electronic commerce uses an intra business network that allows companies to provide products and/or services to their employees.
4) Business-to-Government (B2G) is a derivative of B2B marketing and often referred to as a market definition of "public sector marketing" which encompasses marketing products and services to various government levels - including federal, state, and local - through integrated marketing communications techniques such as strategic public relations, branding, Marcom, advertising, and web-based communications. B2G networks provide a platform for businesses to bid on government opportunities. Government agencies typically have pre-negotiated standing contracts vetting the vendors/suppliers and their products and services for set prices.
5) Government-to-Business (G2B) is the online non-commercial interaction between the local and central government and the commercial business sector, rather than private individuals (G2C), with the purpose of providing businesses information and advice on e-business best practices. G2B model is not so common in India.
6) Government-to-Government (G2G) is the online non-commercial interaction between Government organizations, departments, and authorities and other Government organizations, departments, and authorities. G2G model of E-commerce is not so common in India.
7) Government-to-Citizen (G2C) is the communication link between a government and private individuals or residents. Such G2C communication most often refers to that which takes place through Information and Communication Technologies, but can also include direct mail and media campaigns. G2C can take place at the federal, state, and local levels. G2C stands in contrast to G2B networks. G2C model is also not so prevalent in India.
8) Consumer-to-Consumer (C2C)) (or citizen-to-citizen) electronic commerce involves electronically facilitated transactions between consumers through some third party.
9) Consumer-to-Business (C2B is a business model in which consumers (individuals) create value, and firms consume this value.

C. *Major e-commerce business websites*

- EBay
- Flip kart
- Myntra
- OLX
- Jabong
- Yebhi

D. *Objectives of Study*

- To examine the various e-commerce websites
- To evaluate the growth & development and operations of various websites
- To put forward suggestions to make the functioning of e-commerce websites more effective
- To identify the advantages and disadvantages of E-commerce websites
- To know the opinion of consumers about the cash payment system in the online websites.

- To know the satisfaction of customers towards e-commerce websites.
- To examine the effectiveness of traditional commerce in today's context

IV. METHODOLOGY

Both primary and secondary data is used for the study. The Secondary Data is collected from the information and feedback received from the questionnaires distributed to the respondents and for the secondary data internet, journals, and books are used.
Tools of data collection are as follows

A. Secondary Data:

Based on the objectives of the study and research approach, a questionnaire is developed for collecting Secondary Data.

B. Questionnaire Development:

A questionnaire is used to collect the data. It is developed after a thorough discussion with the Dealer and Project guide by keeping a view of the objectives of the study.

C. Sampling Techniques:

Data collected on the basis of a convenient sampling technique.

D. Sample Size:

It is limited to 30 consumers.

E. Analyzing the data:

The data are tabulated according to the respondent's responses using percentages, aggregated scores, which are essential for study, which helps in the proper analysis of data, and also graphs are used in the analysis for easy and quick interpretation.

F. Period of Study:

The study was conducted during the period of 3 months of December 2014 to February 2015

G. Limitations

- Statistical data collected from the internet may not be reliable
- Feedbacks received from questionnaires may be biased and are only based on personal opinions
- The future of e-commerce in India forecasted here are only predictive and not accurate
- It is very difficult to compare between two e-commerce websites as each of them deals with a different variety of products and services
- Data may be generalized to an extent.

V. DATA ANALYSIS& INTERPRETATION

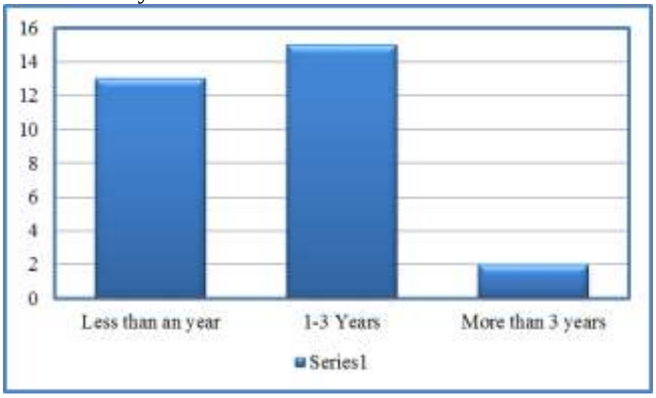
This chapter is allocated for the analysis and interpretation of the data we collected. This analysis is based on a random sampling technique. We distributed 30 questionnaires and 25 respondents among them were male and the rest were female. 70% of respondents are aged below 30 and 23% are aged between 30 and 50. The rest of them (7%) is aged above 50.

A. Years of E-Commerce Usage

Sl.No	Years	No. of respondents	% of respondents
1	Less than a year	13	43
2	1-3 years	15	50
3	More than 3	2	7

Source: Secondary Data
Table 3.1:

Majority of respondents (50%) have been using E-commerce for 1-3 years, 43% for less than a year and remaining 7% for more than 3 years.



PURPOSE OF ECOMMERCE WEBSITES

Sl.No	Purpose	No. of respondents	% of respondents
1	Personal	26	86
2	Business	2	7
3	Both	2	7

Source: Secondary Data
Table 3.2:

Majority of respondents (86%) have been using E-commerce websites for personal use, 7% for business and remaining 7% for both personal and business.

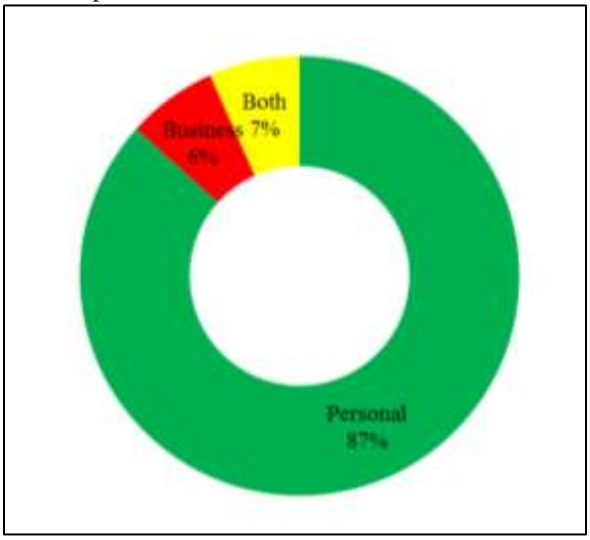


Fig. 3.2:
Figure shows the purpose for which respondents use E-commerce websites
Source: Based on table 3.2

B. Satisfaction Level with Payment Mechanism

Sl.No	Status	No. of respondents	% of respondents
1	Satisfied	28	93
2	Unsatisfied	2	7

Source: Secondary Data
Table 3.3:

Majority of respondents (93%) are satisfied with the payment mechanisms of E-commerce websites and the remaining 7% are unsatisfied.

C. Does Ecommerce Eliminate Middlemen?

Sl.No	Opinion	No. of respondents	% of respondents
1	Yes	18	60
2	No	3	10
3	Cannot say	9	30

Source: Secondary Data
Table 3.4:

Majority of respondents (60%) say that E-commerce eliminates middlemen. 10% say that it does not and the rest are not sure.

D. Prominence of Domains in E-Commerce

Sl.No	Domain	No. of respondents	% of respondents
1	Outfits	18	42
2	Electronic Items	11	26
3	Real estate	1	2
4	Matrimony	0	0
5	Stocks and Shares	6	14
6	Travel and Tourism	4	9
7	Banking and Others	3	7

Source: Secondary Data
Table 3.5:

Most prominent domain based on the votes of respondents arranged priority wise are outfits, electronic items, stock and shares, travel and tourism, banking and others, real estate and matrimony.

E. Satisfaction with Customer Support Offered by Websites

Sl.No	Status	No. of respondents	% of respondents
1	Satisfied	23	77
2	Unsatisfied	7	23

Source: Secondary Data
Table 3.6:

Majority of respondents (77%) are satisfied with the customer support offered by E-commerce websites and the rest 23% are unsatisfied.

F. Prices of Products Offered by E-Commerce in Comparison with Retail Stores

Sl.No	Prices	No. of respondents	% of respondents
1	Higher than retail	2	7
2	Cheaper than retail	22	73
3	Cannot say	6	20

Source: Secondary Data
Table 3.7:

Majority of respondents (73%) find prices offered by E-commerce websites more reasonable than retail stores. 7% find the other way around and the rest 20% are neutral.

G. Quality of Items Offered by E-Commerce Websites

Sl.No	Quality	No. of respondents	% of respondents
1	Extra ordinary	0	0
2	Good	26	87
3	Average	4	13
4	Poor	0	0

Source: Secondary Data
Table 3.8:

Majority of respondents (87%) find the quality of items offered by E-commerce websites good and 13% find it average.

H. Favorite Features about E-Commerce Websites

Sl.No	Features	No. of respondents	% of respondents
1	Reliability	5	7
2	User Friendliness	14	18
3	More collection of products	15	20
4	Cost effectiveness	9	12
5	Safety	1	1
6	Efficient product delivery	5	7
7	Cash on delivery	19	25
8	Offers	8	10

Source: Secondary Data
Table 3.9:

Cash on delivery is the most favorite feature about E-commerce websites followed by variety of products, user friendliness, cost effectiveness, offers, reliability, efficient product delivery and safety (in order).

I. Product Delivery Time

Sl.No	Delivery time	No. of respondents	% of respondents
1	Within a day	1	3
2	Within 3 days	8	27
3	Within a week	19	63
4	More than a week	2	7

Source: Secondary Data
Table 10:

Majority of respondents (63%) were able to get the product delivered to them within a week.

J. Offers from E-Commerce Websites

Sl.No	Frequency	No. of respondents	% of respondents
1	Always	5	17
2	Sometimes	21	70
3	Rarely	4	13
4	Never	0	0

Source: Secondary Data
Table 3.11:

Majority of the respondents (70%) get offers occasionally whereas 17% of them always find good offers and 13% gets offers only once in a while.

K. Customer Preference of E-Commerce Websites

Sl.No	Website	No. of respondents	% of respondents
1	Ebay	7	23
2	Myntra	5	17
3	OLX	3	10
4	Flipkart	10	33
5	Jabong	4	14
6	Yebhi	1	3

Source: Secondary Data
Table 3.12:

Majority of the respondents (33%) prefer Flipkart as their favorite E-commerce website followed by eBay, Myntha, Jabong, OLX, Yebhi (in order).

L. Preference to E-Commerce or Traditional Commerce

Sl.No	Type of buying	No. of respondents	% of respondents
1	E-commerce	15	50
2	Traditional commerce	15	50

Source: Secondary Data
Table 3.13:

When considering the responses of different people with different age groups, we cannot give priority to e-commerce or traditional commerce.

M. Frequency of Online Purchases

Sl.No	Purchases per Month	No. of respondents	% of respondents
1	Less than 3	26	87
2	3-5 times	3	10
3	5-10 times	1	3
4	More than 10	0	0

Source: Secondary Data
Table 3.14:

Majority of the respondents (87%) are found to purchase online only less than 3 times a month. 10% of them purchase online 3-5 times a month, 3% purchase online 5-10 times. There were no respondents who purchase more than 10 times a month.

N. Challenges to Implementation of E-Commerce

Sl.No	Factors	No. of respondents	% of respondents
1	Slow penetration of internet	6	17
2	Low customer awareness	15	42
3	Security concerns	9	25
4	Lack of trust	6	17

Source: Secondary Data
Table 3.15:

Majority of the respondents (42%) find low customer awareness as the main challenge for the successful implementation of E-commerce. 25% of then find security concern as a major threat. Rest of them finds slow penetration of internet and lack of trust as a major threat.

O. Major Drawbacks of E-Commerce Websites

Sl.No	Drawbacks	No. of respondents	% of respondents
1	Cannot touch and feel	25	60
2	Lack of security	5	12
3	No mechanism for product comparison	4	10
4	Insufficient details about the products	2	5
5	No delivery of products in your locality	6	13

Source: Secondary Data
Table 3.16:

Majority of the respondents (60%) find the tangibility factor as the major drawback of E-commerce websites.

P. Suggestions to Improve E-Commerce Websites

Sl.No	Suggestions	No. of respondents	% of respondents
1	Improve product quality	2	4
2	Return the products if not satisfied	16	34
3	Reduce technical errors	6	13
4	Provide more product details	5	10
5	Ensure reliability of product delivery	10	22
6	Ensure safe payment mechanism	8	17

Source: Secondary Data
Table 3.17:

Majority of the respondents suggested to improve the return policy (Return the products if not satisfied).

Q. E-Commerce Superiority over Traditional Commerce

Sl.No	Superiority	No. of respondents	% of respondents
1	E-commerce is superior	21	70
2	Traditional commerce is superior	9	30

Source: Secondary Data
Table 3.18:

Majority of respondents have the opinion that e-commerce is superior over traditional commerce.

R. Best Market Place for Different Commodities

Sl.No	Commodities	E-commerce	Traditional
1	Electronic	25	5
2	Jewelers	15	15
3	Automobiles	20	10
4	House property	18	12
5	Consumer goods	12	18
6	Fast Food	5	25

Source: Secondary Data
Table 3.19:

VI. Findings

- About 60% of the Customer of E-business sites are men with without a doubt, not many female Customer .
- There were some uncommon changes in the field of online business and because of which numerous new web based business sites were dispatched because of which Customer have developed quickly.
- About 86 % of Customer use E-commerce sites for individual use.
- 93% Customer are happy with instalment component and there are truth be told, less objections in regards to the instalment framework.
- Availability of wide assortment of items is one of the significant reasons why individuals pulled in to E-commerce sites.
- E-commerce sites smoothens business by making client and financial specialist organization.
- E-business sites helps in wiping out brokers by giving elective promoting channels. 60% of Customer state that web based business wipe out agents.
- Electronic things and outfits are the most unmistakable spaces in E-commerce.42% and 26% of Customer use web based business for these buys.
- Prices of items online are less expensive than retail locations in light of the fact that go betweens are not included.
- E-commerce sites take sensible consideration in contribution client assistance to the Customer Quality of things gave by E-business sites is acceptable.
- Cash of conveyance highlight is one of the significant highlights answerable for making a feeling of security in the brains of Customer .
- Most of E-commerce sites convey the item to the client inside seven days in the wake of submitting a request. In metropolitan zones the Customer get item conveyed to them inside 3 hours of submitting a request.
- All the subtleties and data with respect to the item to be bought from web are accessible in E-trade sites itself.
- Flipkart is the most loved alternative of Indian Customer because of their highlights like Cash on Delivery, Easy Return Policy, and a Wide assortment of items. Around 33 % individuals flipkart.
- Most of the Customer of E-commerce sites buy just under 3 times each month through internet shopping and depend more on regular retail locations.
- Most of the E-commerce sites Customer enquire about the items they wish to buy on the conversation and audit gatherings inside the site.
- The significant limitations looked by E-business sites in catching the market are low purchaser mindfulness.
- The regular disservice of buying items online is that the Customer can’t contact and feel the item.
- The discussions raised by conventional retailers are not upheld by Customer. Around 80 % of Customer state that they are not worried about the new debates as to burden issues raised.

VII. Suggestions

- All E-commerce sites should expand mindfulness among individuals by broad promotions over web, TV, papers, radio, magazines and so forth and other media.
- Reliability of sites should be expanded to build the feeling of trust in the psyches of clients.
- E-business sites ought to guarantee great quality items are made accessible to clients.
- E-business sites should lessen the time taken for item conveyance.
- E-business sites should zero in on growing their inclusion to provincial territories and distant areas.
- Return Policy should be guaranteed by all E-commerce sites to their clients so client has a sense of security to purchase their items.
- E-business sites ought to give house to house conveyance framework to the clients.
- sites should make essential strides in diminishing specialized blunders.
- More subtleties of the item should be given and each site should have their own conversation and survey discussions.
- Better after deal administrations should be given.
- Better framework for correlation of items inside the site should be given.
- International brands should be made accessible to the neighborhood markets through E-trade.
- Benefits should be given to ordinary clients.
- Internet office should be caused accessible to all pieces of the nation since an enormous bit of the populace or economy to have no admittance to Internet and this makes it outlandish for them to channel E-trade.

– By receiving conventional trade and web based business exchange, a shop will get on the web and disconnected sources.

VIII. CONCLUSION

On the basis of the present study, it can be concluded that E-commerce is very much essential in the present world. E-commerce has grown immensely over the last few years. E-commerce is still in the growing phase as a large portion of the population is still unaware of E-commerce and how to purchase online. There is a vast scope for improvement of E-commerce, but there still persist a lot of drawbacks which need to be rectified in order to make E-commerce more efficient and effective in all aspects. Due to the e-commerce there are various several positive and negative opportunity e-commerce had brought on in couple of past years. Globalization is the important impact of the e-commerce as it result of online communication and transition beside some of difficulties came due to the e-commerce is very convent due easiest way to make transition of goods and services, it also help to save time and money.

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