

E- Commerce & the Impact of Electronic Commerce on the Retail Industry in Kashmir.

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Abstract:

E- Commerce is the broad concept in present era on the one hand it is the development of the state in terms of digital India concept launched by our Prime Minister. It is very developing step for the youth and its use is directly presenting its effect on the retailer as retailer gets less benefit out of this as the customers are directly taking the advantage use e-commerce. The increasing number of the publications past few years leads to greater variation of the definitions of e-commerce. The first definitions were simple – e-commerce has been defined as a process of buying and selling of goods over the Internet.

Summarizing, e-commerce is not restricted to buying and selling, and it has become a more open term than before. Therefore the following description of e-commerce based on the literature will be used:

E-commerce is a process of integration of all company's processes, activities and services toward buying and selling of products and exchange of information and funds with the company's partners via computer networks and electronic technologies (Adapted from Chong 2008; Chaffey 2007; Rainer & Cegielski 2011; Rayport & Jaworski 2002).

The term e-commerce and e-business are interchangeable (Rainer & Cegielski (2011, pp.201). Many people use e-business or even e-marketing, talking about e-commerce in a broader sphere (Schneider 2011, pp.4). Good illustration of the closeness between the two terms can be found in the IBM definition of e-business

1. INTRODUCTION

The Internet provides new ways for customers to shop for their needs. Internet technology is available almost everywhere on the planet and using the Internet for information is already the number one reason customers' state for being online. Internet technology allows products and services to be offered on a scale never possible before: a potential global market with a variety of choices that is simply not possible with limited physical floor space (Cunningham, 2000:35). E-retailers can now serve their customers 24/7 with variety of products and services at reduced price (Walsh & Godfrey, 2000). Though there a potential business benefits arising from the usage of Internet, successful e-retailing still face numerous challenges such as:

- Improved customer service
- Increased competition and
- Increased cost of website and content management

While these remain an important managerial challenge, there is also a changing wave of customers growing expectation for continuous improved products and service offering. Retail businesses should therefore take advantage of Internet opportunities and build enduring customer-retailer relationship for a sustained customer loyalty. More personalized service that satisfies customers need can be developed and deployed into e-retail environment (Windham & Orton, 2000:145) .

Definition of e-commerce

The increasing number of the publications past few years leads to greater variation of the definitions of e-commerce. The first definitions were simple – e-commerce has been defined as a process of buying and selling of goods over the Internet. The term was developed later and it was added “exchange of information” in addition to “buying and selling of goods” (Chong 2008, pp.470).

Rainer and Cegielski (2011, pp.201) defines e-commerce as a “process of buying, selling, transferring, or exchanging of products, services, and/or information via computer networks, including the Internet”. Moreover, this supposes continuous flow of information, before and after the process of sales. Rayport and Jaworski (2002) add that the process of exchange is technology mediated and that it is based on inter and intra organizational activities for facilitating such exchange. In this context, Chaffey (2007, pp.8) considers e-commerce as “all electronically mediated transactions between an organization and any third party”.

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The term e-commerce and e-business are interchangeable (Rainer & Cegielski (2011, pp.201). Many people use e-business or even e-marketing, talking about e-commerce in a broader sphere (Schneider 2011, pp.4). Good illustration of the closeness between the two terms can be found in the IBM definition of e-business: “the transformation of key business process through the use of internet technologies” (Schneider 2011, pp.4; Chaffey 2007, pp.14).

The Impact Of Electronic Commerce On The Retail Industry

Over the past few years, many businesses including retail organisations have identified the need to conduct business electronically. Electronic commerce can take different forms including Business-to-Business (B2B), Business-to-Consumer (B2C), Business-to-Business to-Consumer (B2B2C), and Consumer-to Business (C2B) transactions.

B2B electronic commerce refers to commercial transactions involving two or more organization, for instance between Tesco and its suppliers.

B2C transactions occur between an organization and its customers. The transaction between an individual purchasing an item from eBay constitutes an example of B2C.

Turban et al, suggested B2B2C e-commerce takes place when an organisation provides another client organization with a product or service which the client organization transfers to its own customers without adding value to it. An example of this type of e-commerce transaction can be university of Aberdeen providing its student with e-mail services through Windows Live. In this case students are the customers of Aberdeen University which is in turn a client to Microsoft.

Finally, C2B e-commerce refers to "individuals who use the internet to sell to organisations as well as individuals who seek sellers to bid on products and services they need (e.g.Priceline.com)"

According to a research conducted by Nikolaeva, R. (2006), the adoption of e-commerce in the retail sector was driven by organizational readiness and external influences for the majority of retailers. These results are in contradiction with the view from economic theory and most empirical studies which suggest that the adoption of e-commerce is mostly driven by its perceived economic value .

The development of E-commerce in the retail sector can be divided into two phases. The first phase was characterized by the belief of first mover advantage. Organisations which went online were the ones with considerable resources. During this first phase of e-commerce, organisations were more focused on market share, number of visitors to a website and gross revenues and expecting that in the long term, these would result in extremely high levels of profits . Experts predicted that e-commerce was going to create a 'frictionless commerce' due to factors such as 'disintermediation' and the elimination of unfair competition.

Nevertheless, this first phase of e-commerce saw a lot of online retailers going bankrupt and some of the traditional retailers which went online not being able to perform as well as they did in their normal brick and mortar setting. Example of E-commerce failures can be seen in the light of companies like eToys, Useem 2000, Perkins and Perkins 2001. This failure phenomenon has led many economists and business experts doubt the viability of e-commerce and even predict its collapse.

On the other hand, e-commerce has also seen some successes like eBay and today, as it is well known, millions of consumers purchase products of their favourite brands from home, using the internet at their convenience and this has resulted in a significant growth in e-commerce revenues. According to a survey of UK SMEs conducted by Actinic (UK e-commerce software specialist) in July 2010, there has been a 15% increase in e-commerce revenues over the period of April to June as compared to the same period in 2009. Also, more and more businesses including SMEs are present on the internet, in order to make their offerings accessible to a large number of people.

SAMPLE SIZE

We have taken sample size of “80” respondents.

MAJOR FINDINGS

In view of the data we got from the sampling of at least eighty people from different areas of work, belonging to different age groups and different sexes, we found that about 100 per cent of the people are aware of e-commerce.

However, among those about 70 per cent do prefer offline shopping over online. When asked about the reason of their preference, the answer was that offline retailers provide better services than online ones. It was due to this reason that 75 percent of the sample size voted against online service providers when it comes to the betterment of the services.

Moreover, more often than not people consider online shopping as distrustful. Only 30 per cent of the people said that the online shopping is gullible enough to go for it, reasoning that sometimes online retailers sell duplicate items instead of the original ones. While 60 per cent feel that online shopping is prone to duplicity, 50 per cent of the people feel that online good is the copy of the original one, consequently. Also, sometimes online shoppers would display one picture of an item but would send completely different one.

Equally, only 75 per cent of the people said that offline is more credible than online retailers. It is felt that in-store shopping is an experience in itself as touch-and-feel of the items is readily available and expertise of the shopkeeper is an added help in building the credibility. Face to face talking develops much credibility than talking to an unknown person behind the customer-care computer.

Subsequently, 60 per cent of the people felt that the online shopping is susceptible to fraud and dubious phenomenon. The most prominent reasons that came out of the sampling were that the quality is compromised in online retail shopping and the delivery is sometimes exploited by the delivery guy. Online banking process is prone to get hacked, moreover.

Consequently only 30 per cent of the people find that online is a favorable option for shopping over offline. People feel that it is time consuming and not worth the wait. Offline shopping does not end at shopping only, one gets to see the change in the city and the market prices. The new trends and new goods and services available in the market is an added benefit.

It is due to these half a dozen reasons that people have become so discomforted with online shopping in the valley that not even a per cent among the sample wants to buy luxury goods online. The risk factor is felt so high that buying a luxury good online has itself become a luxury.

Taking the argument further, the situation for the online services providers is equally disappointed. Only 10 per cent of the people prefer ordering services online. The rationality behind the results is that people find the online services expensive and rather not-so-helpful. Likewise, not a single person wants to buy heavy machinery or heavy items online. The logistics are not good enough to handle the heavy-weighted goods. Hence there was zero per cent result.

However, 25 per cent of the people say that they do order food online. But all of them spent almost nine months outside the valley. In valley, however, no one has yet ordered food online due to the erratic internet connection that is time and again being snapped by the government apparatus. Consequently, no such business is available round the clock here. Internet business becomes first casualty of the escalation of tensions in the valley.

The situation is not all the way same as 50 per cent of the people do buy stuff online during festival seasons, owing to the discounts and other sales available on the said days. The monetary incentivizing does play a dominant role here surpassing all the negative thoughts of shopping online. On account of that, 40 per cent

people believe that online goods are cheaper than the offline ones, which sounds like a breakthrough considering the previous results about credibility and gullibility about the online shopping in the vale.

80 per cent of the people suggested that offline retailers should provide online windows as well in order to fill the void created over the years of fallout by the online business. Though, in India 3D apps have been launched by the online retailers in order to give customer in-store experience but that seems a reverie for the people of valley.

CONCLUSION

Jammu Kashmir is a state with tremendous potential for online sellers. Since valley has been continuously in the headlines because of the prevailing unrest in the valley it has shattered the very base of the use of internet. People of the valley are techno oriented and like to make use of internet for shopping as well, but the situation makes it difficult to rely on internet shopping. E-curfew is now a matter of routine in the valley which keeps away not only the people who want to shop online but it also has a bearing on other classes of the Kashmir valley including the student community in particular. So it is the primary duty of the people in power to let this online platform open so that both the sellers as well as buyers will get benefitted. Moreover the various issues like service quality, safe transactions; seller credibility etc needs to be taken care off. To conclude, people in the valley have grown disappointed by the online retailers due to very many reasons. The security of their consume remains paramount, followed by credibility and time consumption. If these fallouts could be rectified, and technology upgraded, time is not far when the feelings about the online shopping could be reversed

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