

A Study on Consumer Empowerment in E-Commerce – Challenges and Opportunities

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Abstract:E- Commerce completely changes the way organizations do business, E- commerce has unleashed yet another revolution which is changing the way businesses buy and sell products and services. Increasing technology changes has brought tremendous changes in online business transactions and processes (buying and selling) and currently this process has become common. Currently E-commerce portals are playing a vital role in online business and here most consumers have varying opinions or views on online transactions especially security, privacy and trust. Security and privacy are the two major aspects that drive online businesses which leads online consumers to develop trust on the e-portals. This paper examines the Challenges and Opportunities of E-Commerce.

Keywords: Organizations, E-Commerce, Transactions, Security, Privacy, trust, Challenges, Opportunity

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I. Introduction:

For developing countries like India, e-commerce offers considerable opportunity. E-commerce in India is in well grown stage, E-commerce is an act involving an online transaction. It could be anything from ordering a product or service online financial transactions such as payments to various services such as water, electricity, telephone, rail, road and air services, movement of money from one account to another. The opportunities that arise out of E-commerce are: E-learning, E-business, E-insurance, E-ticketing etc. The internet based E-Commerce, besides its own major advantages, has some dis-advantages too coming with it. These days, most of the web sites on the Internet are not focusing on the security, privacy and trust concerns of the consumers; which is highly essential for an ongoing relationship with the consumers. Most of the websites, unfortunately, are acting as online service catalogs providers or catalog display centers. Their failure to convince the consumers on the security and safety of their privacy issues is leading to failure of not being able to convert the clicks into closure of deals. This is simply because they are not effective on their website on the safety, privacy and trust related information as expected by the consumers of the present day. Therefore, here security, privacy and trust are the major concern of any consumer.

As more consumers are slowly but steadily moving from regular shopping to the internet shopping environments these aspects become very vital for the consumers. The competition is on the increase in this highly advanced segment of marketing, both in number and intensity. More number of websites or portals is offering their services/products with lot of value additions and better quality. Selling of the services or goods, groceries, clothes, music, travel, tickets, hardware, gifts, flowers, books are a part of the e-merchandise. Insurance, smart cards, debit cards, financial services, credit cards, internet banking, banking machines etc., are a part of the e-finance products. According to Hsu, Li-Chang & Wang, 2008; Walczack et. al, (2006) If any website seriously intends for retention of it existing customers (in addition to attractive more number of new customers), they need to incorporate in their marketing strategies the relationship paradigm.

Designing of a website is one of the critical parts of internet marketing strategies as well in addressing the security concerns of the customers/consumers. The characteristics that are generally emphasized in the website categories are navigation, privacy and security (or the trust). A website needs to be viewed as a virtual store from the consumer's standpoint and needs to gain customer's trust in order to create a meaningful shopping experience. A consumer's online interaction through the website can be co-related to the experience at a store in person. Naturally, consumers develop perceptions of trust basing on their website interaction and experience. However, the trust of a consumer developed on the website depends on the extent of confidence on the security and safety of the portal. Only basing on these factors the consumer's perceptions are formed either positive or otherwise.

II. Literature review:

Bart et.al., (2005) stated Every business entity needs to focus on the customer's perception of improving the security, in order to maintain long term relationship. This is an important aspect in view of the

fact that the customers depend on the internet for gathering the information as well as for purchases online and become very loyal to the company or a particular brand of the product they are interested in.

Bart et. al., (2005) stated the level of satisfaction derived by a customer by a portal depends to a great extent on the authenticity and believability of the information offered by a portal; Privacy refers to the rights of individuals and organizations to determine for themselves when, how, and to what extent information about them is to be transmitted to others - Udo, (2001).

Trust is a fundamental principal of every business relationship. Trust is the critical factor in stimulating purchase over internet; most internet marketing sites lack trust of consumer either in merchant honesty or competency. Thus trust plays a vital role on online consumer activities there by leading to ecommerce success - Corbit et. al., (2003).

Online consumers refuse to reveal their personal information on internet, so this results in browsing websites where personal information is captured or required or sometimes even false personal information could be given to use the context (Dinev and Hart, 2004); This could lead consumers not to use e portals for making transactions as such transactions need disclosure of sensitive personal information such as postal address, email, telephone numbers etc. (Dinev and Hart, 2004); In extreme cases it is seen that consumers sometimes do not show interest to use internet as they are more concerned about the privacy and sometimes consumers think that if they voluntarily enter the information, it could still exist in the client computer and host server websites, so this could ultimately lead to less use of internet or e transactions (Bandyopadhyay, 2009).

III. Research methodology:

Research methodology has many dimensions. It includes not only the research methods but also considers the logic behind the methods used in the context of the study and explains why only a particular method or technique has been used. It also helps to understand the assumptions underlying various techniques and by which they can decide that certain techniques will be applicable to certain problems and other will not. Therefore in order to solve a research problem, it is necessary to design a research methodology for the problem as the some may differ from problem to problem.

Objectives of the study

- To know the demographic profile of the E-Commerce respondents.
- To find the consumers level of satisfaction on E-Commerce Opportunities and disagreement towards Challenges
- To Analysis the relationship between Challenges and Opportunity in E-Commerce
- To Suggest the E- marketers to improvise their web portals and to increase the Consumer trust.

IV. Limitation of the Study

This study is limited to the customers with in Chennai city. The study will be able to reveal the impact of E - Commerce Privacy issues, Trust and Web Portal Product, Satisfaction and Disagreements. It also helps online marketers to know the level of service offered to its consumers. The 130 questionnaire distributed in Chennai city, 127 valid questionnaire selected for the study, It is difficult to know, all the respondents gave accurate information.

V. Analysis and Discussion

Classification of respondent’s Demographic Profile on the basis of Gender, Age, Occupation, Educational Qualification and Monthly Income

Demographic Profile	Frequency	Percent
Gender		
Male	82	64.6%
Female	45	35.4%
Age		
Below 18 years	13	10.2%
20 – 30 years	58	45.7%
31 – 40 years	37	29.1%
40 Above	19	15.0%
Occupation		
Student	20	15.7%
Salaried	47	37.0%
Business	33	26.0%
Professional	16	12.6%
Others	11	8.7%
Educational Qualification		
HSC	14	11.0%
Graduate	63	49.6%

Post Graduate	33	26.0%
Others	17	13.4%
Monthly Income		
Less than 20, 000	41	32.3%
20, 001 – 40, 000	50	39.4%
40, 001 – 60, 000	18	14.2%
Above 60,001	8	6.3%
Others	10	7.9%
Total	127 Respondents	100%

The Demographic profile table shows 64.6% of male and 35.4% of female respondents, 45.7% of respondents are 20 – 30 years and 10.2% of them are below 18 years, 37% respondents are salaried and 8.7% of them are working in other occupations, 49.6% of them are graduates and 11% respondents are HSC qualification, 39.4% respondents are earning 20,001 – 40,000 and 6.3% of them are earning Above 60,001.

One way ANOVA test between Monthly Income with respect to Challenges and Opportunity

Factors	Age group in years and Mean value				F Value	P value
	Below 18	20 - 30	31 -40	40 Above		
Challenges	1.92	1.41	1.43	1.53	1.319	0.271
Opportunity	1.85	2.00	1.97	2.00	0.178	0.911

There is no significant difference among Age group with regard to Challenges and Opportunity, Since P value is greater than 0.05, hence there is no significant difference among Age group with respect to Challenges and Opportunity. The mean value of Challenges and Opportunity are moderate towards E-Commerce in Chennai City.

KMO Bartlett's Test of Sphericity

KMO Bartlett's Test of Sphericity		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.769	
Bartlett's Test of Sphericity	Approx. Chi-Square	1113.604
	df	276
	Sig.	.000

The KMO counts 0.76 is a satisfactory count and therefore the factors with low KMO statistic values were dropped till the overall KMO rose above 76% and in this the KMO sampling adequacy is 76.9% which is regarded as Highly Satisfactory for this analysis and for further study.

Correlation and coefficient between Challenges and Opportunity in E-Commerce

Correlations significant difference between Challenges and Opportunity in E-Commerce		Challenges	Opportunity
Challenges	Pearson Correlation	1	.019
	Sig. (2-tailed)		.829
	N	127	127
Opportunity	Pearson Correlation	.019	1
	Sig. (2-tailed)	.829	
	N	127	127

The correlation table shows that the Pearson’s coefficient of correlation value for the relationship between Challenges and Opportunity in E- Commerce is 0.019. This indicates that there is a low level of positive relationship between these variables in E-Commerce. Since P value is greater than 0.05 the null hypothesis is accepted at 5% level of significance, hence concluded that there is no relationship between Challenges and Opportunity in E-Commerce.

VI. Suggestion and conclusion:

The Results shows E-Commerce consumers responded they have moderate level of challenges and Opportunities in using E-Commerce, the result of correlation and one way ANOVA test is same. The correlation result indicate there is a low level of positive correlation between Challenges and Opportunities in E-Commerce, Hence Consumer responses in both the analysis are same and they experiencing the Challenges as well as Opportunity to be flexible. Based on the Factor and Variable result E-Commerce challenges are increasing because of less focus on Privacy and Irrelevant Advertisements. E-Commerce Portals are not been updated and still running with old process which is slow downing the purchasing these disadvantages are challenging for the E-Marketers to work.

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