Factors Influencing Awareness of E-Commerce: An Empirical Study of Ludhiana District

Sakshi Verma, *M.Com, Department of Commerce, A.S.College, Khanna*

Abstract

E-Commerce is a form of modern business, which addresses the requirements of business organizations. It can be broadly defined as the process of buying or selling of goods or services using an electronic medium such as the Internet. Various models of E-Commerce are used nowadays like (B2B) business to business, (B2C) business to consumer etc. Now the products and services are available 24 hours. The purpose of this study is to find the various factors and the intensity to which they influence the awareness of E-Commerce among people in Ludhiana District. Some of the determinants that can be said to having an impact over E-Commerce's awareness and usage are like literacy, region, occupation and age etc. Survey research was adopted with questionnaire as data collection instrument. Quantitative and qualitative basis of research has been used. Empirical study of Ludhiana District has been conducted.
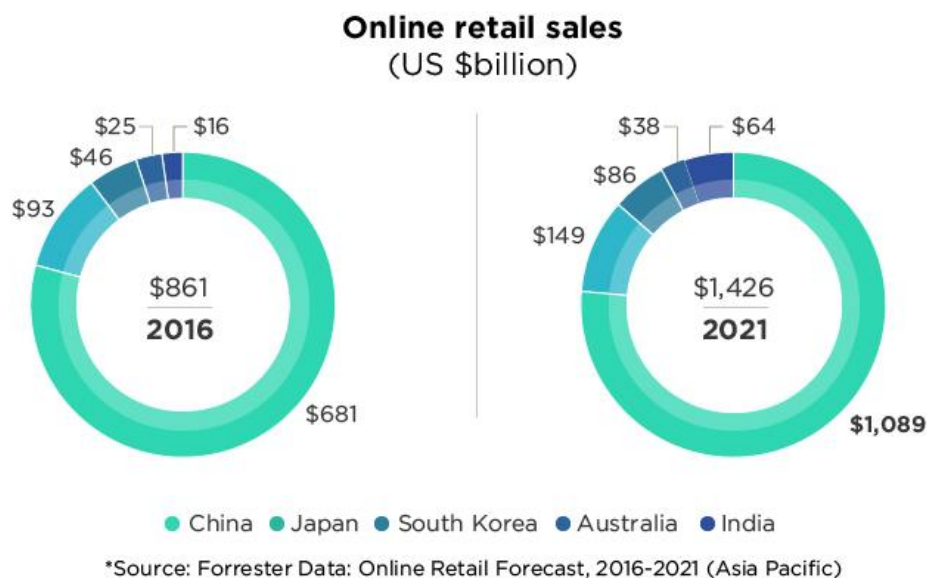
Keywords: *E-Commerce, Awareness, Determinants, Empirical*

Introduction

E-Commerce is a form of modern business, which addresses the requirements of business organizations. It can be broadly defined as the process of buying or selling of goods or services using an electronic medium such as the Internet. Various models of E-Commerce are used nowadays like (B2B) business to business, (B2C) business to consumer etc. Now the products and services are available 24 hours.

India is becoming shopper's paradise for those who sell their products and services online. India is the country with large population; those are the heavy users of smart gadgets. Availability of reducing broadband subscription charges and introduction of 3G and 4G services has made the consumers, the driving force of E-Commerce in the country.

According to a new study by Forrester Research, approximately a fifth of total retail sales will take place online by 2021 in Asia Pacific, with 78 percent of that coming from mobile, up from 63 percent in 2016.

Online retail sales
(US $billion)

● China ● Japan ● South Korea ● Australia ● India

*Source: Forrester Data: Online Retail Forecast, 2016-2021 (Asia Pacific)

Objectives of the Study

- To study the various factors affecting the awareness of E-Commerce in Ludhiana district.

Concept

Ludhiana is a city and a municipal corporation in Ludhiana district in the Indian state of Punjab, and is the largest city north of Delhi. It is the largest city in the state, with an estimated population of 1,693,653 as of the 2011 Census. The population increases substantially during the harvesting season due to the migration of laborers from the eastern states of Uttar Pradesh, Biharand Odisha. It has an area of about 3,767 square kilometers. The city stands on the Sutlej River's old bank, 13 kilometers south of its present course. It is a major industrial Centre of northern India.

This paper focuses on studying the various factors prevailing in the market that effect the awareness of E-Commerce like, Age, Education, Sex, Occupation, Income etc. it is a study of District: Ludhiana

E-Commerce implies trading through internet; it has been gaining a huge importance since mid 90s. However, E-Commerce is getting more and more attention from entrepreneur and consumers. E-Commerce is used at a global level; various sites for trading like Amazon India, Flipkart, Snapdeal, E-bay, Alibaba etc. are very popular. There are various models of E-Commerce:

1. BUSINESS-TO-BUSINESS (B2B)

2. BUSINESS-TO-CONSUMER (B2C)

3. CONSUMER-TO-CONSUMER (C2C)

4. CONSUMER-TO-BUSINESS (C2B)

5. BUSINESS-TO-GOVERNMENT (B2G)

6. MOBILE COMMERCE (M-COMMERCE)

1.) Business-To-Business

The buying and selling of goods and services between companies online or commerce between businesses that is conducted electronically or collaboration among business communities over the internet.

E.g.:- Ferguson, Quill, Grainger.

2.) Business-To-Consumer
B2C E-Commerce, in which online businesses seeks to reach individual consumers, it is the most well-known and familiar type of E-Commerce.
E.g.:-Amazon, Flipkart, Snapdeal etc.

3.) Consumer-To-Consumer

C2C ventures provide a way for consumers to sell to each other with the help of an online business. The first and best example of this type of business is e-bay.com. This introduces online auctions.

E.g.:- half.com, craigslist.com.

4.) Consumer-To-Business

When an individual sells products and services to a business.

5.) Business-To-Government

It is commerce between public sector and government. It refers to the use of E-Commerce for public procurement, licensing procedures and other government related procedures.

E.g.:- Business pay taxes, file reports, or sell goods and services to govt. agencies.

6.) Mobile Commerce

Any E-Commerce is done through wireless environment, especially via internet.

Research Methodology

The study is mainly concerned with studying the various factors that affect the awareness and usage of E-Commerce in a definite region i.e. Ludhiana. Hence various data and methodology is considered in the report preparation. The main data sources are:

Primary Data

The primary data refers to original information gathered for a specific purpose and provides up to date, accurate and relevant information and it is gathered in an investigation according to the needs of the problem.

Tools to collect the primary data

Survey method with the help of questionnaires, interviews, personal observation, and direct consultation with respondents has been used as a way to collect primary data.

Sampling unit

It refers to the individual who are to be surveyed in the study and these are the people living in Ludhiana or the regions under it.

Sample size

 It refers to the number of people surveyed for this topic, in the study 50 respondents were surveyed and their response has been drawn.

Secondary Data

The secondary data can be defined as data collected by someone else for purposes other than solving problems being investigation and previously meant for another purpose.

A secondary data is collected from the books, internet and other publications.

Factors Affecting the Awareness of E-Commerce in Ludhiana District.

To increase the convenient understanding of the data, I would like to analyze the collected data in a systematic manner and interpreted with the most suitable method possible.

Gender

Gender affects the buying behavior of the consumer. Gender classified on sex basis i.e. male and female. The differentiation between the gender is necessary as people of different gender have their specific technology perception. The following pie diagram shows the result:

**Diagram 1:** *Analysis of respondents on the basis of gender*
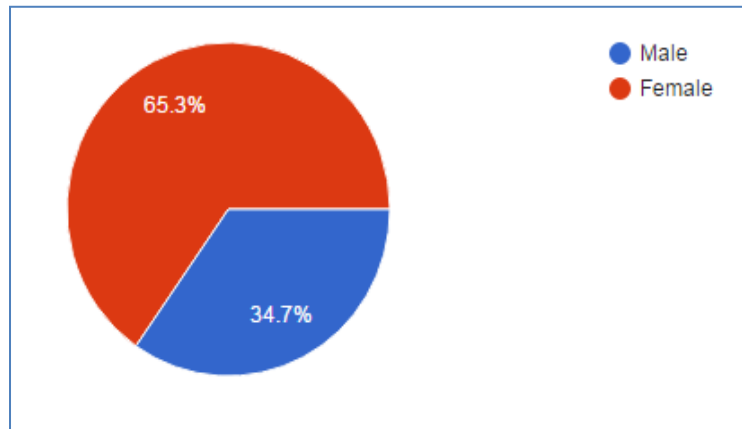
The above diagram depicts the percentage of male and female. Approximately 65% of respondents are female and 35% of respondents are male.

Geographical Location

The location of respondents affected their E-Commerce usage a lot. The areas under Ludhiana district are divided into sub-urban and rural areas. For the convenience of respondents sub-urban is shown as urban.

*Diagram 2: Analysis of region as a factor influencing E-Commerce*
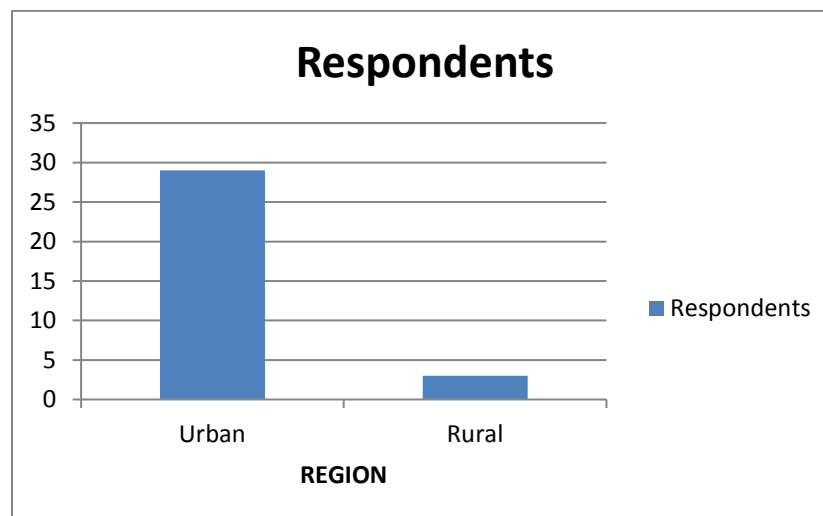
The above diagram is showing that people from urban areas prefers the usage of E-Commerce than the people belonging to rural areas. 29 respondents from urban areas are using E-Commerce and 03 respondents are from rural area.

Criterion or Features

Because E-Commerce offers a lot of features it becomes a task for the respondent to see what feature he chooses over the other. Respondents use E-Commerce for separate reasons and they give preference to different features or benefits of it like price, choice, quality, payment security, fast delivery etc.

*Diagram 3: Analysis of usage of E-Commerce o the basis of its criterion*
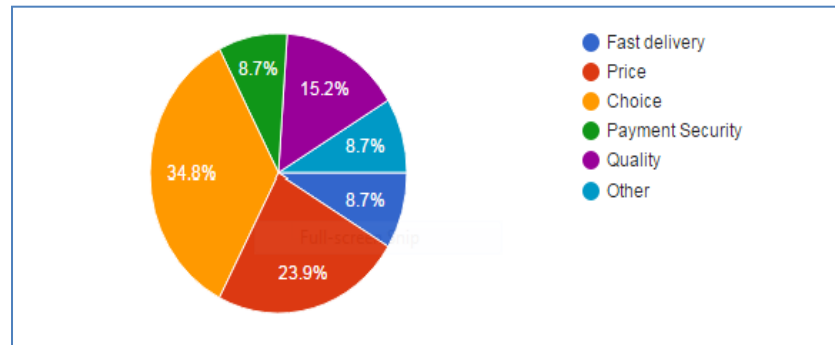
The above diagram indicates that the most important factor that influences the usage of E-Commerce among respondents is CHOICE i.e. respondent prefer E-Commerce because it avails a variety of products and services. After this main priority is given to price. The feature with lowest responses is fast delivery and others.

Purpose of Usage

E-Commerce is attracting sellers and buyers very much because it has multipurpose usage for the users.

*Diagram 4:Analysis of purpose of usage of E-Commerce*
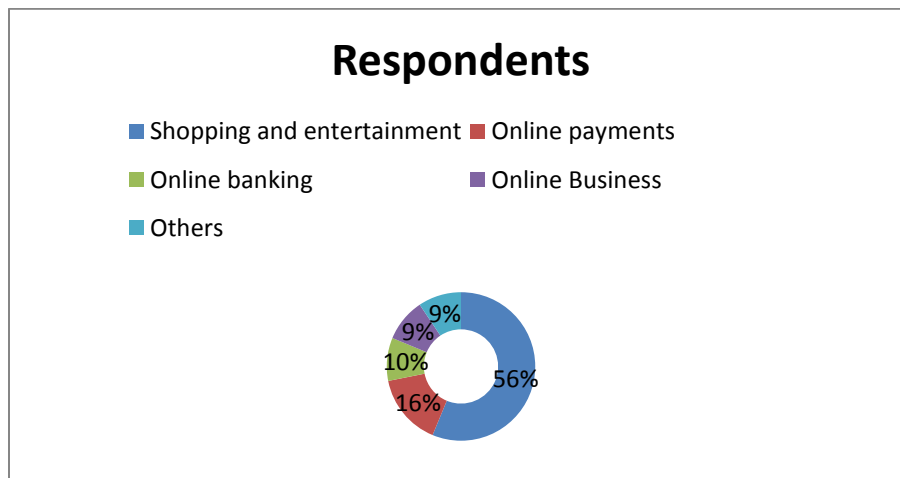
The diagram- 4 is clearly showing that most of the respondents i.e. 56% use E-Commerce for shopping. It depicts that the main advantage of E-Commerce is the variety, price and other things that affects the usage among them. Around 16% use is for online payments and the least is for online business and other purposes.

Educational Qualification

Our main objective in this is to find out that whether education is also a factor that affects the awareness regarding E-Commerce in Ludhiana district. As we know that education nowadays plays a great role in market as customer education can lead the market to different way

Diagram 5: Analysis of relation between education and usage of E-Commerce in respondents
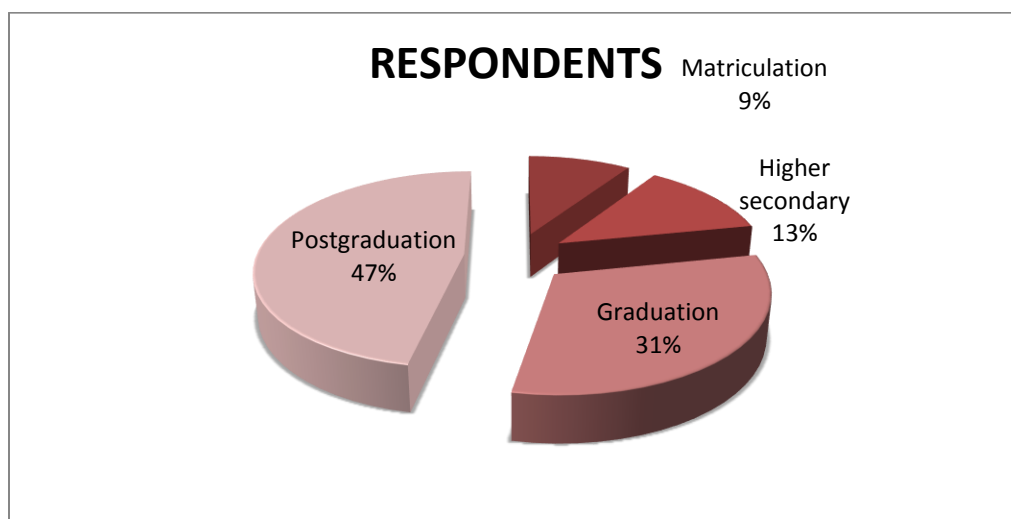

The above diagram shows that the most highly qualified respondents are the higher users of E-Commerce i.e. they do online transactions as 47% respondents who use E-Commerce are postgraduates and respondents with lowest education level i.e. matriculation are the rare users of internet i.e. 9% .Also, there are less number of users from the higher secondary qualification i.e. 13%. Therefore it represents that respondents with education qualification more than higher secondary are more likely to use online trade.

Occupation

Occupation of a person greatly affects his habits and interests. It has been seen that person with different occupations like household, business, service class etc. largely affects their behaviour and pattern of spending. This is why this factor has been included in the study.

*Diagram 6: Analysis of occupation and E-Commerce usage relation*
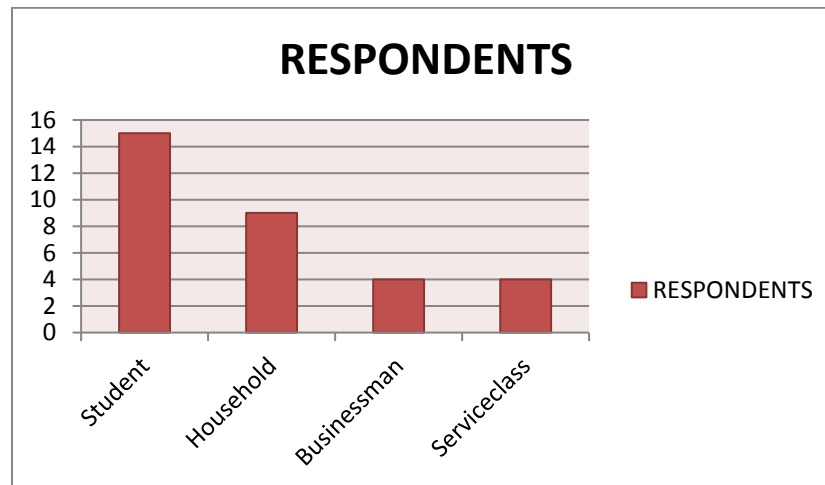
The graph itself shows that the main users of e-transactions are students with highest numbers. Service class and businessman are at a same level in case of usage of E-Commerce. There can be various reasons behind the non-usage of e-transactions by these classes.

Satisfaction Level

Higher the satisfaction of consumers, higher would be the sales of seller. The satisfaction of respondents affects the usage of E-Commerce. If a user is dissatisfied then it becomes difficult to convince them to use a technology as they start to resist it.

Diagram 7: Analysis of satisfaction level of respondents
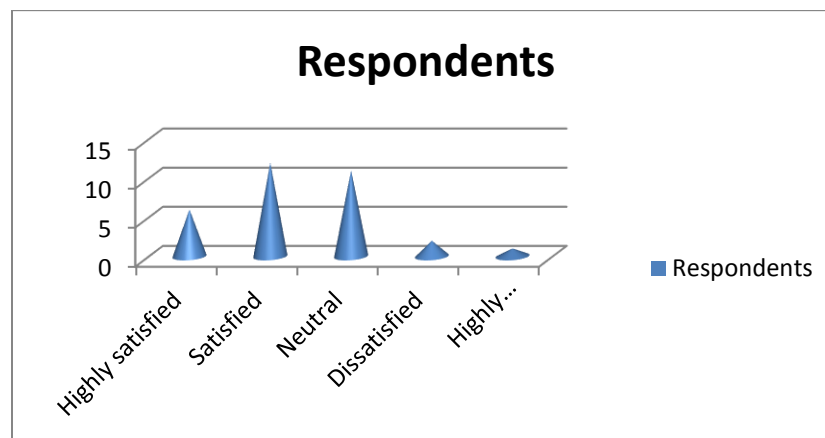
The graph above shows that most of the respondents are satisfied with E-Commerce. There are very less respondents who said highly dissatisfied with E-Commerce, it indicates that there are chances to enhance and improve online commerce.

Findings

With the present obstacles in the real world the researcher is able to find some of the following points after conducting the study. These are the factors that influence the usage of E-Commerce in Ludhiana District. District word here includes Ludhiana itself and all the areas under it. The findings are as:

- Females are the main users of online trade as we can see that most of the times the purpose of using e-transactions is shopping so we can say that females under Ludhiana District are the main prominent users of E-Commerce.
- The geographic location of people affects the usage of technology very much either because lack of facilities or any other reason, respondents are not aware about E-Commerce.
- The availability of lot of varieties over internet, it gives a great opportunity to buyers to have a choice between wide range of products. Also the price availability due to frequent sales etc has a great impact over its usage.
- E-Commerce has been seen as a great platform for shopping at reasonable prices and many more features. But due to the busy routine, users of online payments have also started to pay bills etc. through internet.
- Mostly the respondents with higher education i.e. above graduation perform more usage of E-Commerce.
- Most of the respondents feel either satisfied or neutral with the usage of E-Commerce. This can be increased to a great level as a lot of opportunities are there.

Suggestions

At the end we can say that however there is a positive response towards E-Commerce from various aspects but still there are many things which can be molded or introduced. The researcher has come up with the following suggestions that may prove to be helpful for the encouragement of E-Commerce so that its whole benefits can be enjoyed.

- Awareness –it has been noticed that the non-users of E-Commerce are mainly resisting E-Commerce usage because there are not even aware of what it actually is.. So the awareness about the benefits of using E-Commerce must be spread more and more so that the user base can increase.
- Reduction in extra charges- the charges on e-transactions like taxation, delivery charges must be reduced. This can also be done by reducing taxation on shipping etc.
- Technological advancement- People who are not technology savvy are unable to use E-Commerce because they find it difficult to operate it. So speaker mode must be introduced just like Google provides the speaker facilities.
- Education- India is a great platform to expand business because of availability of large

customer base when it comes to the education of students, subjects like E- Commerce must be of a mandatory nature in practical application because practical application and theoretical concepts have some differences.

- Adaptability- Because of the changing picture if India after demonetization, it has become a topic of significance importance for the people to understand that for an advanced and healthy nation, they have to support the government and its programmes.

Things are easier said than done but still there a lot of ways in which the scenario of India can be improved. If everything goes its right way then surely our Nation can develop.

References

- https://yourstory.com/2017/02/E-Commerce-forrester-research/
- https://www2.deloitte.com/in/en/pages/technology-media-and-telecommunications/articles/E-Commerce-in-india.html
- file:///C:/Users/expert/Downloads/in-tmt-E-Commerce-in-india-noexp.pdf
- http://webdesign.vinsign.com/what-is-ecommerce-importance.html
- http://ludhiana.nic.in/