

CONSUMER'S SHIFT TOWARDS E-COMMERCE AND M-COMMERCE: AN EMPIRICAL INVESTIGATION

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ABSTRACT

Growth in online shopping for richer experiences has continued to increase over the years enhanced by technology on attracting the new waves of consumer to compete on all fronts. This paper deals with those trends that pose both challenges and significant opportunities in attracting the new generation of consumers for providing convenient and personalised ordering. In this study we also aim towards how mobile commerce is increasing day by day in modern business. Advancement in technology with the increase in internet users and mobile access among consumers of market has driven an unprecedented business model for customers service and virtually borderless. The shift towards e-commerce and m-commerce shopping landscape is gradually changing amongst them in terms of the types of product being online with highest growth potential. At the end this paper is going to introduce us with these segments to understand how it has been evolving by large over the past years for long term success about their products to provide a better experience. This paper is an end product of various analysis on how these sectors are showing a tremendous business growth to the consumers by providing multiple benefits to the consumers at an unprecedented rate. A sample of 123 respondents was collected from respondents through a "standard questionnaire," which was created on a five-point interval scale.

KEY WORDS: Commerce, Consumers, Business, Shopping, Growth, Unprecedented.

INTRODUCTION

Electronic commerce or E-commerce started over many years ago when the introduction of computer science and technology like Electronic Data Interchange (EDI) standard for the interchange of business documents, such as orders or invoices connecting the business individuals and their suppliers (Yazdanifard, et.al, 2012). The existence of information technology has played a vital role in the future development of these financial sectors to gain more competitive advantage over other competitors in an emerging economy (Kotabe & Kothari, 2016). Over the years this segment has become an indispensable part of the global retail framework with a vast number of digital possibilities (Hilbert, 2016). It is becoming more relevant, prominent and important amongst the

consumers for driving sales and building consumers' trust. The mobile commerce or m-commerce began its existence from the year 1997 and gained speed over the near years for conducting transactions in providing better experiences (Zhang, et.al, 2013). They provide many advanced features from a broader perspective as it has now become a global phenomenon to explore its full potential. This segment has appeared as one of the important contenders on the new business scene that has received the most attention amongst the consumers. Increase in the internet users have led towards this growth both in revenue and geographic reach (Aker & Mbiti, 2010). In this paper we are going to discuss how it has brought a lot of changes in all spheres of daily life by adding value to customer's satisfaction.

Customers or consumers get a clear advantage by the internet which provides them access to the global market for comparing prices across regions in gaining a stronger foothold in the multilateral trading system (Wang, 2012). The effects of both e-commerce and m-commerce are thus far appearing in all domain of business for reaching and interacting with consumers because of its determined essential properties such as personalization, flexibility and greater efficiency (McLean, et.al, 2018). Mobile commerce or m-commerce adoption has significantly attracted many consumers in providing those best benefits due to multiple factors as these are nowadays not only used for sending messages or calling but also in doing businesses and internal processes to support purchasing, selling and many other activities over internet. They have become so popular that consumers are beginning to use mobile commerce to develop a new platform for reaching masses to survive in the competitive commerce world. This paper will also introduce us with how it has been distinguished among the people to simply keep pace with development to encourage businesses between the consumers (Wilson, 2012). The basic objective of this paper is to publish the consequences of this shift from desktop to mobile devices at an affordable rate for making decisions online related to electronic market which provide user friendly environment.

LITERATURE OF REVIEW

In the last few years, it has been noticed that there has been an immense growth of wireless technology amongst the consumers of market. Due to advancement in the technological sector many of them is fundamentally substituting the conservative way of performing business over an electronic network, primarily internet (Varadarajan, et.al, 2010). Consumers are getting attracted through these features because the execution of e-commerce and m-commerce are taking shape in all sphere of business from customer's service to new product design (Niranjanamurthy, et.al, 2013). E-commerce or popularly known as internet commerce which requires the transaction of goods and services through transfer of funds as well as exchange of data over the internet (Niranjanamurthy & Chahar, 2013). It was first developed in the early 1970s and advancement in internet and

communication technologies within the last few decades has given birth to these online business organisational systems in order to reach a supply chain management system to enable development of competitive organisations. Nowadays lot of people are engaged or imprisoned by their household duties and work so it provides an opportunity to attract them by saving a lot of time to choose goods and services at best prices from these online stores. They provide a remarkable experience to the consumers and have gained so much popularity amongst all age groups to a wide range of facility and outcome (Mikalef, et.al, 2013). It has significantly grown over the years to provide better user experiences for driving sales. E-commerce or electronic commerce basically encompasses a wide variety of tools for buyers or sellers to conduct online marketing and sales activities on the business world (Mbatha, 2013). These platforms are powered by the internet in which the consumers are able to place orders by accessing easily through online stores for their required products or services via their own mobile devices. Explosive growth of mobile phone or smart phone users is proving to be a game changer which also facilitates new types of information based business processes for reaching and interacting with customers shows a tremendous business growth in India. Customers from all sections of the society are able to buy any product without leaving their home or workplace with just a few clicks on these virtual stores and they also provide lot of choices for consumers to choose a product from any vender anywhere in the world. The products or services offered over the internet are generally cheaper in comparison to these traditional shops. Several business organisations over the internet offer them at cheaper prices because the cost incurred by middlemen is eliminated to attract consumers (Toh, et.al, 2011). They enable to get proper product information regarding its benefits, compare their prices and finally evaluate its value with ample options available to us before committing purchase. Through the internet they are also able to clarify their queries if any doubts arise while selecting the products. This has changed the perception of every individual who are a part of these businesses whether a consumer or seller. The role is synonymous in all aspects of our daily lives as it offers a versatile shopping experience and rapid transactional facilities which enables secure purchase transactions (Zwass, 2010). Due to

large number of mobile applications, services and business models' people are getting transferred to mobile commerce for experiencing fastest transactions in the market as mobile users have intensely increased over the years. Mobile commerce has been beneficial in this technological era as it helps to use handheld devices for communication, inform transaction and for entertainment using text and data on high speed internet connections (Jahanshahi, et.al, 2011). It is also a branch of e-commerce technology which ensures flexibility and effectiveness to its users. Mobile commerce is becoming very popular in the country like India as the smart phone users reached to 173 million by the year 2021 because its usage provide instant satisfaction to consumers to simply keep pace with development (Agarwal, et.al, 2020). Availability of mobile phones at a reasonable and affordable rate creates a neutral infrastructure to provide better opportunities. They also provide with the assurance of secure transactions in bridging gap between sellers and customers. Mobile commerce is growing in fast way as a secured supplement through smart phones which have broadly shifted from the desktop to most citizens of the nations (Prakash, 2018). Usages of wireless devices help customers to pay the bill from its bank account, booking and cancellation of tickets using these commerce facilities. Cellular phones have become so popular that many retail businesses are beginning to use these commerce facilities in a more efficient way to attract and communicate with the customers. Therefore, the evolution of e-commerce has been pretty interesting as everything essential is delivered at consumer's doorsteps with easy return policies.

The government of India is promoting a more transparent mode of functioning by eliminating the involvement of middlemen in government purchases and other services through e-commerce (Shah & Patel, 2016). Considering online defence purchases helps them to terminate illegal money laundering and siphoning activities in procuring government deals and orders. During the period of demonetization various consumers of business sectors helped towards to opt for various digital payment options (Kandpal, et.al, 2019). Under the ministry of women and child development an e-commerce platform was launched for rural women entrepreneurs known as Mahila-e-haat which helps them to promote employment and

showcase their products online without any additional cost. They also started various online trading platforms for farmers from different states in order to connect them with a network of wholesale agricultural markets. The central government led many numerous initiatives like Make in India, Digital India, and start-up India to boost the e-commerce industry directly or indirectly. Government of the nation plans to create a \$99 billion dollar e-commerce industry by 2024 and \$200 billion by 2026 to accelerate several small retailers to expand their businesses. Online grocery market is estimated to reach \$20 billion dollars by 2024 from \$2 billion in 2019. Government e-marketplace was an initiative taken in August 2016 by the government for bringing transparency and efficiency to help channelize resources for various development schemes and projects. The volume of e-commerce order increased by 36% by the Indian consumer's in the last quarter of year 2020 (Einav, et.al, 2014). E-commerce platforms can be operated through night and day 24/7, seven days in a week and 365 days a year. The global e-commerce revenue is estimated to reach \$2,258,801 million in 2020. Some of the prominent globally recognised e-commerce platforms are as follows Amazon.com, Alibaba.com, ebay.inc, walmart.inc, and many to open up more opportunities for businesses.

The global pandemic has encouraged consumers to move towards technological world and has transformed online shopping attitude with adoption of e-commerce websites through social media platforms (Beyari, 2021). Covid-19 sparked a meteoric rise in online shopping which also affected the lifestyles and motivated many people to encourage their purchasing behaviours across industries to identify the priorities of consumers. This global pandemic accelerated the expansion of e-commerce towards new firms in spite of contact restrictions and other confinement measures (Foya & Garikayi, 2021). Despite the economic slowdown during the period of covid-19 these platforms recorded a positive sales growth in 2021. They were all likely to procure goods and services digitally for significantly limit physical interactions. Services such as digital payments or other certain financial services allowed them to drive down costs in becoming more efficient producers of goods. Google wallet was launched in the year 2011 to facilitate payments and ability to transfer money online. This has been

undoubtedly driving a significant share of current e-commerce transactions through these digital modes of payments which also enables to establish a credit history to bridge the financial gap (Akter & Wamba, 2016). According to a study the revenues of e-commerce have grown from \$280 billion in 2017 to almost \$500 billion by the year 2021 worldwide. They provide with more secure transaction through m-commerce digital wallet services as it saves the cardholders information while making a purchase which is quickly becoming customer's preferred payments method. Amazon pay, Paypal, Phone pe, Google Pay and many online payment platforms which provide a way to give customers more options for conveniently transferring payments for our products. These methods of digital wallets are easier to manage and help to store information for multiple preferred cards. The growth is far more prominent as consumers shift towards e-commerce during the pandemic have given a biggest push to this mode of digital payments. This segment has become a neutral alternative for all buyers as the numbers of digital buyers keep climbing every year to the ongoing digitalization of modern life (Sands, et.al, 2016). Recent rise and progression on information technology sector is levelling up the market for new players to set up their base to disrupt old functioning and flourishing out the traditional market patterns (Ernst, et.al, 2019).

Study's Objectives

1. To measure the shift of consumer towards e-commerce and m-commerce.
2. To ascertain the reasons of consumers shifting towards e-commerce and m-commerce.

Methodology

The study is empirical in nature. 123 respondents participated in the study. The data was collected from them through a structured questionnaire. Mean along with t-test is applied to identify the outcome. The method of sampling was convenience sampling.

Study's findings

Table 1 displays the Gender, Male respondents are 56.10%, and Female are 43.90%. The Age of the Respondents are, those who are of 22 to 25 years are 33.33%, those between 25 to 28 years are 31.71%, and those who are 28 years and above are 34.96%. With reference to the Occupations, Students are 17.07%, Service Class are 26.83%, Business class are 23.58, and others are 32.52%. Looking at the Usage Frequency of the respondents, Beginners are 31.71%, Average users are 41.46%, and frequent users are 26.83%.

Table1 Details of the Respondents

Variable	Number of Respondent	%
Gender		
Male	69	56.10%
Female	54	43.90%
Total	123	100%
Age		
22 to 25 years	41	33.33%
25 to 28 years	39	31.71%
28 years & above	43	34.96%

Total	123	100%
Occupation		
Students	21	17.07%
Service Class	33	26.83%
Business class	29	23.58%
Others	40	32.52%
Total	123	100%
Usage Frequency		
Beginners	39	31.71%
Average users	51	41.46%
Frequent users	33	26.83%
Total	123	100%

Table2 Shift of Consumers towards E-commerce and M-commerce

Serial No.	Statement of Survey	Mean Value	t-Value	Sig.
1.	Consumers are moving towards e-commerce as they find it time saving	4.12	6.997	0.000
2.	Buying products from online platform can be compared with other products easily with the help of feedback of other consumers	4.22	8.177	0.000
3.	E-commerce/M-commerce gives customer wide range of products to choose	4.17	7.730	0.000
4.	Convenience is one of the major advantage that customer gets from the e-commerce and give them full satisfaction	4.33	9.383	0.000
5.	A consumer can buy any product at any time and from anywhere through M-commerce	4.30	9.193	0.000
6.	Sometime few products are not available in local market, but can be purchased online	4.10	6.778	0.000

7.	E-commerce gives customer access to global market	3.67	1.939	0.027
8.	On being unsatisfied with the product, m-commerce and e-commerce provide the facility of return or exchange	4.25	8.591	0.000
9.	While purchasing a product through e-commerce a customer does not need to present physically	4.07	6.450	0.000
10.	M-commerce and e-commerce provides various discount schemes and other benefits	3.83	3.800	0.000

Table2 displays the Mean values for statement for the study done to know the “Shift of Consumers towards E-commerce and M-commerce” the first statement is about saving of time, “Consumers are moving towards e-commerce as they find it time saving,” the mean score is 4.12, the next statement is regarding comparison of products, “Buying products from online platform can be compared with other products easily with the help of feedback of other consumers,” the mean score is 4.22. Third statement is about the wide range of products, “E-commerce/M-commerce gives customer wide range of products to choose,” having the mean value of 4.17, Fourth statement is “Convenience is one of the major advantage that customer gets from the e-commerce and give them full satisfaction” with the mean score of 4.33. Statement “A consumer can buy any product at any time and from anywhere through M-commerce,” have scored the mean value of 4.30, next statement is about the availability of the product in local market, “Sometime few products are not available in local market, but can be purchased online” the mean value is 4.10, seventh statement is “E-commerce gives customer access to global market” with the mean value of 3.67. Next statement is regarding the return, and exchange policies, “On being unsatisfied with the product, m-commerce, and e-commerce provide the facility of return or exchange” have scored the mean value of 4.25. The last two statements are “While purchasing a product through e-commerce a customer do not need to present physically” and “M-commerce

and e-commerce provides various discount schemes and other benefits” with the mean score of 4.07 and 3.83 respectively. T-value of every statement in the context of Shift of Consumers towards E-commerce and M-commerce is significant because t-value statements are found to be positive and significance value also less than 0.05.

CONCLUSION

Industry of e-commerce and m-commerce is becoming a leader in electronics business world with huge popularity amongst the consumers in the forth coming years (Anuj, et.al, 2018). It provides new opportunities and it has impacted the traditional business system by changing the lives of people by making it easier. This is because each and every person is able to place order from anywhere which the help of these platforms. At the end this paper concludes that they are rapidly growing in the global business market from browsing new products, adding it to the cart and making payment through online modes in just few clicks by mobile operators. The Indian government is initiating essential steps to improve these sectors in the country for providing employment by improving internet connectivity and infrastructure building (Ramaswamy & Gouillart, 2010). Explosion of these internet connectivity through smart devices or mobile phones enable consumers to make decisions online by enhancing productivity. Business provider must ensure to

give importance to each and every customer by giving smooth services and many more options for secure payment transactions (Dasu & Chase, 2010). E-commerce and m-commerce are destined to grow both in revenue and geographic reach in India. T-test has been done to find out the outcome of the research, all the statements are found to be significant as the significant values for all statements is less than 0.05.

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