

E-Retailing: Grounds for Fiery Growth

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Abstract

Consumer is supreme and his perceptions are in a changing vibrant manner. Perceptions of consumers are consistently changing and there seems to be a substantial shift among the consumers towards their behavior towards e-retailing. At present, many consumers prefer to shop through e-retailing than to go in for physical outlets. The conception of going to big shops and malls are appreciated only in few packets in the metros and many have shifted their pattern towards e-retailing. E-retailing helps the businessman to sell the goods online and support the consumer to buy the goods online. Internet Service Providers join hands with the manufacturers and retailers to propagate the products and services of various types of sellers. The Indian consumers cannot be isolated from the International consumers in the fast expanding online markets. The online organizations are trying to switch the physical stores and the cost of sales seems to be consistently declining for the sellers. Various environmental forces influence the consumers to switch over to e-retailing. Information and products at door steps, easy payment method, quality and easy access are some crucial variables that induce e-retailing.

KEYWORDS: e-retailing, door step information, supply at door step, customer base, factor

Perceptions of consumers are endlessly changing and there seems to be a substantial shift among the consumers towards their behavior towards e-retailing. The conception of going to big shops and malls are appreciated only in few packets in the metros and many have shifted their pattern towards e-retailing. E-retailing is a blessing in disguise for any business to consumer transactions that take place with the help of Internet. E-retailing helps the businessman to sell the goods online and support the consumer to buy the goods online. Consumers browse products in Internet to place orders for specific goods. The present day consumers get noteworthy contentment and better goods at a comparative cheaper price. This trend has induced many manufacturers and retailers to go in for E-retailing.

NEED FOR E-RETAILING

The recent scenario of many foreign firms' penetrating Indian markets through E-Retailing is to be analyzed from the retailers, consumers and governments point of view. The contemporary day firms approach the market with various hybrid practices and attract the consumers with full vigour. Internet Service Providers also join hands with the manufacturers and retailers to propagate the products and services of various types of sellers. The Indian consumers cannot be isolated from the International consumers in the fast expanding online markets. The online organizations are trying to switch the physical stores and the cost of sales seems to be consistently declining for the sellers.

OBJECTIVES

The prime objective of this paper is to analyze the perception of present day consumers towards e-retailing process. For the purpose of attaining the objectives, 45 urban consumers who have purchased goods in e-retailing and 30 semi urban consumers who have purchased goods in e-retailing are selected as sample under convenient sampling method. Questionnaires are given to these sample consumers and the data are collected. The data are analyzed with suitable statistical tools. Factor analysis is done to identify the prominent factors that induce explosive growth of e-retailing.

FACTOR ANALYSIS

Factor analysis is a collection of methods used to examine how underlying constructs influence the responses on a number of measured variables. It is based on the *Common Factor Model*. The impact on e-retailing as perceived by the sample respondents are analyzed with the help of multiple variables. They are categorized as urban and semi urban consumers. Their opinions are computed based on their response and are measured with the help of Factor Analysis. It is a class of procedures identified for data reduction and summarization. The perception of consumers are classified with reference to the following factors: Information at door steps V1; Repeated Information V2; Features of the product V3; Timing of information V4; ;Price V5; Quality V6; No Intermediary V7; Attraction V8’ Easy Access V9; Customer base V10; Supply at Door Steps V11; Courtesy V12; Payment method V13; Family selection V14 and Friends recommendations V15. Data are collected using ‘Four Point Scaling Technique.

KMO AND BARTLETT’S TEST

The data relating to KMO measure of sampling adequacy and Bartlett’s Test of Sphericity are shown below:

TABLE – A1 – URBAN CONSUMERS

KMO and Bartlett's Test^a

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.695
Bartlett's Test of Sphericity	Approx. Chi-Square
	df
	Sig.
	243.360
	105
	.000

Bartlett’s Test of Sphericity is a test of statistics used to examine the hypothesis that the variables are uncorrelated in the population. Bartlett’s Test of sphericity shows that the approximate chi-square is 243.360 degree of freedom is 105 and significant at 0.00 levels. Kaiser-Meyer Olkin KMO measure of sampling adequacy is an index used to examine the appropriateness of factor analysis. Higher values between (0.5 to 1.0) indicate factor analysis is appropriate. Values below 0.5 imply that factor analysis may not be appropriate. In this case, the Kaiser-Meyer Olkin KMO measure of sampling adequacy is 0.695. Hence Factor Analysis is considered as an appropriate technique.

TABLE – A2 – URBAN CONSUMER

COMMUNALITIES

Communalities^a		
	Initial	Extraction
INFORMATION AT DOOR STEPS	1.000	.741
REPEATED INFORMATION	1.000	.814
FEATURES OF PRODUCT	1.000	.726
TIMING OF INFORMATION	1.000	.712

PRICE	1.000	.732
QUALITY	1.000	.839
NO INTERMEDIARY	1.000	.806
ATTRACTION	1.000	.810
EASY ACCESS	1.000	.795
CUSTOMER BASE	1.000	.533
SUPPLY AT DOOR STEPS	1.000	.623
COURTESY	1.000	.860
PAYMENT METHOD	1.000	.766
FAMILY SELECTION	1.000	.795
FRIENDS RECOMMENDATION	1.000	.797
Extraction Method: Principal Component Analysis.		
a. Only cases for which AREA OF RESIDENCE = URBAN are used in the analysis phase.		

Communalities are shown in Table A2 for urban consumers.

**TABLE – A3 – URBAN CONSUMERS
TOTAL VARIANCE EXPLAINED**

Total Variance Explained^a						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.040	20.263	20.263	3.040	20.263	20.263
2	2.446	16.308	36.571	2.446	16.308	36.571
3	1.933	12.889	49.461	1.933	12.889	49.461
4	1.551	10.339	59.800	1.551	10.339	59.800
5	1.241	8.275	68.075	1.241	8.275	68.075
6	1.138	7.584	75.659	1.138	7.584	75.659
7	.874	5.825	81.484			
8	.683	4.555	86.040			
9	.541	3.604	89.643			
10	.449	2.991	92.634			
11	.341	2.271	94.905			
12	.286	1.905	96.810			
13	.199	1.324	98.133			
14	.157	1.045	99.178			
15	.123	.822	100.000			
Extraction Method: Principal Component Analysis.						
a. Only cases for which AREA OF RESIDENCE = URBAN are used in the analysis phase.						

The Eigen values for the factors are in decreasing order of magnitude from factor 1 to 15. The total variance accounted for by all the 15 factors is 15. The first 2 factors account for 36.561 per cent; the first 6 factors account for 75.659 per cent and the first 10

factors account for 92.634 per cent as per Principal Component Analysis Extraction method.

**TABLE – A4 – URBAN CONSUMERS
COMPONENT MATRIX**

Component Matrix^{a,b}						
	Component					
	1	2	3	4	5	6
INFORMATION AT DOOR STEPS	-.378	.119	.372	.603	.240	.154
REPEATED INFORMATION	-.043	-.016	-.475	-.144	.352	.664
FEATURES OF PRODUCT	.600	-.477	-.196	-.072	.300	-.070
TIMING OF INFORMATION	.566	.069	.533	-.046	-.220	.229
PRICE	.182	.065	.606	-.352	-.268	.362
QUALITY	-.544	.603	-.188	.185	-.275	.183
NO INTERMEDIARY	.574	.407	-.055	.365	-.224	.352
ATTRACTION	.163	.123	.274	.764	.307	.123
EASY ACCESS	.342	.435	-.069	-.227	.654	.071
CUSTOMER BASE	-.099	.605	-.034	.015	.186	-.349
SUPPLY AT DOOR STEPS	.642	.045	.142	-.157	-.041	-.402
COURTESY	-.112	.763	-.462	.067	-.174	.131
PAYMENT METHOD	-.534	-.544	.421	-.005	.077	.031
FAMILY SELECTION	-.075	-.415	.564	.427	.337	.054
FRIENDS RECOMMENDATION	.828	-.207	-.176	-.141	-.126	.055
Extraction Method: Principal Component Analysis.						
a. 6 components extracted.						
b. Only cases for which AREA OF RESIDENCE = URBAN are used in the analysis phase.						

Component Matrix shows that 6 components are extracted under Principle Component Analysis method for urban consumers. An important output from Factor Analysis is the factor matrix or Component Matrix or Factor Pattern Matrix. In case of urban consumers, In component 1, higher coefficients are seen for friends recommendations, features of the product and no intermediary. In component 2, higher coefficients are seen for courtesy, customer base and quality. In component 3, higher coefficients are seen for price and family selection. In component 4, higher coefficients are seen for attraction and information at door steps. In component 5, higher coefficient is seen for easy access. In component 6, higher coefficient is seen for repeated information.

Urban Consumers: Factor analysis has its own standalone value. It is inferred that in component 1 friends recommendation has higher coefficient; in component 2 courtesy has higher coefficient; in component 3 price has higher coefficient; in component 4 attraction has higher coefficient; in component 5 easy access as higher coefficient and in component 6 repeated information has higher coefficient as regards urban consumers.

SEMI URBAN CONSUMERS

**TABLE – B1 – SEMI URBAN CONSUMERS
KMO and Bartlett's Test^a**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.560
Bartlett's Test of Sphericity	Approx. Chi-Square
	332.929
	df
	105
	Sig.
	.000

Bartlett's Test of Sphericity is a test of statistics used to examine the hypothesis that the variables are uncorrelated in the population. Bartlett's Test of sphericity shows that the approximate chi-square is 332.929 degree of freedom is 105 and significant at 0.00 levels. Kaiser-Meyer Olkin KMO measure of sampling adequacy is an index used to examine the appropriateness of factor analysis. Higher values between (0.5 to 1.0) indicate factor analysis is appropriate. Values below 0.5 imply that factor analysis may not be appropriate. In this case, the Kaiser-Meyer Olkin KMO measure of sampling adequacy is 0.560. Hence Factor Analysis is considered as an appropriate technique.

**TABLE – B2 –SEMI URBAN CONSUMERS
COMMUNALITIES**

Communalities^a		
	Initial	Extraction
INFORMATION AT DOOR STEPS	1.000	.899
REPEATED INFORMATION	1.000	.813
FEATURES OF PRODUCT	1.000	.880
TIMING OF INFORMATION	1.000	.855
PRICE	1.000	.884
QUALITY	1.000	.804
NO INTERMEDIARY	1.000	.915
ATTRACTION	1.000	.850
EASY ACCESS	1.000	.913
CUSTOMER BASE	1.000	.834
SUPPLY AT DOOR STEPS	1.000	.888
COURTESY	1.000	.838
PAYMENT METHOD	1.000	.854
FAMILY SELECTION	1.000	.889
FRIENDS RECOMMENDATION	1.000	.778
Extraction Method: Principal Component Analysis.		
a. Only cases for which AREA OF RESIDENCE = SEMI URBAN are used in the analysis phase.		

Communalities are explained in Table B2.

**TABLE – B3 – SEMI URBAN
TOTAL VARIANCE EXPLAINED**

Total Variance Explained^a						
	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.303	28.684	28.684	4.303	28.684	28.684
2	3.073	20.484	49.168	3.073	20.484	49.168
3	2.004	13.362	62.530	2.004	13.362	62.530
4	1.321	8.808	71.337	1.321	8.808	71.337
5	1.158	7.720	79.057	1.158	7.720	79.057
6	1.035	6.897	85.954	1.035	6.897	85.954
7	.630	4.198	90.152			
8	.496	3.306	93.458			
9	.280	1.865	95.323			
10	.253	1.690	97.013			
11	.177	1.182	98.194			
12	.107	.716	98.910			
13	.099	.658	99.567			
14	.059	.396	99.963			
15	.006	.037	100.000			
Extraction Method: Principal Component Analysis.						
a. Only cases for which AREA OF RESIDENCE = SEMI URBAN are used in the analysis phase						

The Eigen values for the factors are in decreasing order of magnitude from factor 1 to 15. The total variance accounted for by all the 15 factors is 15. The first 2 factors account for 49.168 per cent; the first 6 factors account for 85.954 per cent and the first 10 factors account for 97.103 per cent as per Principal Component Analysis Extraction method.

**TABLE – B4 – SEMI URBAN
COMPONENT MATRIX**

Component Matrix^{a,b}	Component					
	1	2	3	4	5	6
INFORMATION AT DOOR STEPS	-.333	.295	-.482	.599	.197	.267
REPEATED INFORMATION	-.530	.285	.074	-.002	-.530	.405
FEATURES OF PRODUCT	.397	-.549	-.278	.341	-.454	.147
TIMING OF INFORMATION	.812	.217	.106	.035	-.093	-.358
PRICE	.758	.350	-.347	.119	.011	.229
QUALITY	.549	-.382	.429	-.342	.226	.068
NO INTERMEDIARY	.704	.439	-.326	.234	.030	.254
ATTRACTION	.811	.190	.108	-.175	-.005	-.336
EASY ACCESS	.750	.415	-.255	-.157	.144	.261

CUSTOMER BASE	-.283	.786	.251	.092	.143	-.207
SUPPLY AT DOOR STEPS	-.456	.702	.083	.391	.102	-.130
COURTESY	-.306	-.262	-.302	.322	.678	.147
PAYMENT METHOD	.140	-.063	.785	-.253	.067	.382
FAMILY SELECTION	.231	.403	.633	.391	.086	.334
FRIENDS RECOMMENDATION	.218	-.735	.112	.349	.221	.087

Extraction Method: Principal Component Analysis.

a. 6 components extracted.

b. Only cases for which AREA OF RESIDENCE = SEMI URBAN are used in the analysis phase.

Component Matrix shows that 6 components are extracted under Principle Component Analysis method for semi-urban consumers. An important output from Factor Analysis is the factor matrix or Component Matrix or Factor Pattern Matrix. In case of semi-urban consumers, In component 1, higher coefficients are seen for timing of information and attraction. In component 2, higher coefficients are seen for customer base and friends recommendation. In component 3, higher coefficients are seen for payment method and family selection. In component 4, higher coefficient is seen for information at door steps. In component 5, higher coefficient is seen for courtesy. In component 6, higher coefficient is seen for repeated information.

Semi-Urban Consumers: Factor analysis has its own standalone value. It is inferred that in component 1 timing of information has higher coefficient; in component 2 friends recommendations has higher coefficient; in component 3 payment method has higher coefficient; in component 4 information at door steps has higher coefficient; in component 5 courtesy as higher coefficient and in component 6 repeated information has higher coefficient as regards semi-urban consumers.

FINDINGS AND SUGGESTIONS:

Consumers have more fondness for e-retailing. The consumers desire online products and sales process due to the following reasons.

- i) The consumers get information relating to the products and services and the information seem to be higher than that of physical stores.
- ii) The taking for getting information is comparatively lesser than that of physical stores or retail outlets.
- iii) The rate of products and services seems to be lesser due to the elimination of intermediaries.
- iv) The consumers have the chance to compare the cost of products and the services.
- v) The consumers have various methods to compare the standards and features of the products and services.
- vi) The consumers can feel and reach the products and services before they physically buy the product or service.
- vii) Many social networking sites provide multiple details about the products and services in some acceptable methods.
- viii) The explosions in the field of information technology and mobile computing have provided easy access to various products and services to consumers.
- ix) Many online firms have efficient consumer relationship management practices and some firms are really providing yeoman services.

- x) The prices noted in the products and services seem to be standardized and it may not vary with regard to consumers.
- xi) The expenses for providing physical environment for the online retailing is less and this creates an opinion in the minds of consumers that the products and services sold are comparatively cheap due to decreased fixed costs in the firm.
- xii) The consumers now can 'feel the products' online as they provide detailed information and additional information and uses for products without any hesitation.
- xiii) The cost of access to online market is least and the consumers perceive the varying pattern of physical stores to a higher extent.
- xiv) Consumers have ways to exhibit their loyalty towards particular brand and this in turn, surge the market share in e-retailing.
- xv) The consumers have various ways to go in for multi-channel retailing.

CONCLUSION

Change is inherent in each and every activity in business. E-retailing is a major area of study and it is going to change the entire scene of marketing in future. Multiple strategies are to be undertaken by the manufacturers, sellers and retailers to survive in the intense competitive e-retailing environment. The business people cannot ignore the explosive growth of e-retailing as it is a high competitive force in the future days.

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