



## AWARENESS OF E –COMMERCE TRADERS TOWARDS E – COMMERCE PRACTICES: WITH REFERENCE TO THANJAVUR DISTRICT, TAMIL NADU, INDIA

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### Abstract

E- Commerce means 'doing business through online'. It refers to the deployment of on line services and products over electronic and communication networks directly to customers. There are several major challenges and issues facing the e-commerce today. First, and perhaps most important is the security concern. The merchants are certainly concerned of giving their bank account number online or paying an invoice through internet. This study takes the merchants living in Thanjavur district as the population and 1,000 sample e-commerce traders were selected as per the convenience sampling technique. A well defined questionnaire was used to collect the opinion of the merchants using the e-commerce. This study concludes that, in general, most of the e-commerce traders are positive for e-commerce practices.

**Key Words:** E Commerce, Convenience, Fastness.

### Introduction

E- Commerce refers to refers to the paperless exchange of business information using electronic data inter change , electronic mail, electronic funds transfer, world wide web and other note work based technologies. In simple words, it means 'doing business through online'. It refers to the deployment of on line services and products over electronic and communication networks directly to customers. Through the e - commerce nobody need not visit to the business premises in order to carry out mercantile transactions. (Alagheband, Parisa, 2006). It also allows merchant people to go online for their business transactions and also electronically transfers funds to their accounts, pay bill, and conduct other banking transaction online. It relies greatly on information and communication technology (ICT) to attain its promise for 24 hours availability and faster delivery of business services.

The e-commerce is now a global phenomenon. It is a precious and influential tool for heavy development, supporting growth, promoting innovation and enhancing competitiveness. A physically powerful industry is essential in every country and can have a major affect in supporting economic development through competent financial services. It has had huge impact on the entire industry. It requires developing creative solutions of how to make full use of the new technology and how to provide their business people with high online service quality. When lacking face to face interaction, merchant people must increase the experienced online service quality among customers in order to attain and sustain competitive advantages and customer relationships.

### Review of Literature

**Joseph et al., (1999)** investigated the influence of internet on the delivery of business services. They found six underlying dimensions of e-commerce service quality such as convenience and accuracy, feedback and complaint management, efficiency, queue management, accessibility and customization. **Jun and Cai (2001)** identified 17 service quality dimensions of e commerce service quality. These are reliability, responsiveness, competence, courtesy, credibility, access, communication, understanding the customer, collaboration, continuous improvement, content, accuracy, ease of use, timeliness, aesthetics, security and divers features. They also suggested that some dimensions such as responsiveness, reliability and access are critical for both traditional and internet banks.

**Jayawardhena (2004)** transforms the original SERVQUAL scale to the internet context and develops a battery of 21 items to assess service quality in e-commerce. By means of an Exploratory Factor Analysis (EFA) and a Confirmatory Factor Analysis (CFA), these 21 items are condensed to five quality dimensions: access, website interface, trust, attention and credibility.

According to **IAMAI report on e-commerce (2006)** 43% of e-commerce users haven't started online financial transaction because of security reasons, 39% haven't started because they prefer face to face, 22% haven't started because they don't know how to use, for 10% sites are not user friendly and for 2% firms are not providing the facility of internet commerce. According to research 68% of the merchants cannot say that when they will be starting the financial transactions through internet. Maximum numbers of e- commerce users are male and maximum of them are in age the group of 25-35. Numbers of female users are very less i.e., 17% only.



Meuter *et al.* (2000) have identified critical incidents of customer satisfaction and dissatisfaction with technology-based service encounters. Given that business-to-business transactions are the fastest growing segment of technology-driven services (Hof, 1999); Meuter and his colleagues (2000) suggested investigating what drives business customer\ satisfaction or dissatisfaction with technology driven services.

### Statement of the Problem

There are several major challenges and issues facing the e-commerce today. First, and perhaps most important is the security concern. The merchants are certainly concerned of giving their bank account number online or paying an invoice through internet. The challenge facing the e-commerce industry is the quality of service – including both delivery speed (i.e., short advance time required in ordering) and delivery reliability (i.e., delivery of items/services on time), which caused many e-business failures in the earlier dot.com era. The issue of customer unfamiliarity with the internet, which is prominent among senior citizens, has recently caught some attention, because these customers believe that they are left at a disadvantageous position and have become very reluctant in doing business online.

However, it should also be noted that there are still businessmen who fear to make use of e-commerce, as they are concerned with security aspects of such a system. Further, the e-commerce requires access to a computer and access to the Internet which is an additional cost to the client. Moreover, customers may not be IT conversant to use the e-commerce.

So, it is clear that the business people face practical difficulties in usage of e-commerce due to lack of knowledge and temporary failure of systems. In the light of these problems the current study is taken up.

### Objectives of the Study

1. To analyse socio economic status of the e-commerce traders of Thanjavur district,
2. To examine the awareness of the of the e-commerce traders with their demographic features.

### Research Methodology

This is a sample survey that takes the samples from the large population to study the characteristics of the population. This study takes the merchants living in Thanjavur district as the population and 1,000 sample e-commerce traders were selected as per the convenience sampling technique. A well defined questionnaire was used to collect the opinion of the merchants using the e-commerce. A ‘Five point Likert’s scale’ is used to measure the awareness. Chi square test is used with the help of software to test the hypotheses.

### Analysis of the Socio-Economic status of e - Commerce Traders

Socio economic status of e-commerce traders takes an important place in this study. Analysis of the socio-economic status of e-commerce traders is a preliminary stage in the research process. In this section the demographic variables are taken into consideration for percentage analysis.

**Table 1: Personal Information**

Socio Economic Status	Variables	Frequency	Valid Percent
Gender	Male	495	49.5
	Female	505	50.5
<b>Total</b>		<b>1000</b>	<b>100.0</b>
Education	Upto HSC/PUC	167	16.7
	Diploma/ITI	264	26.4
	UG Degree	302	30.2
	PG Degree	209	20.9
	Professional/Others	58	5.8
<b>Total</b>		<b>1000</b>	<b>100.0</b>
Religion	Hindu	225	22.5
	Muslim	337	33.7
	Christian	254	25.4
	others	184	18.4
<b>Total</b>		<b>1000</b>	<b>100.0</b>
Monthly Income	Below 15000	134	13.4
	15000-30000	300	30.0
	31000-45000	348	34.8



	Above 45000	218	21.8
<b>Total</b>		<b>1000</b>	<b>100.0</b>
Place of Residence	Rural	271	27.1
	Urban	445	44.5
	Semi Urban	284	28.4
<b>Total</b>		<b>1000</b>	<b>100.0</b>

Source: Primary data

Table 4.1 is self explanatory in nature and it describes demographic features of the 1,000 selected e-commerce traders. From the table it is inferred as,

The male and female e-commerce traders are of nearly equal share in the total samples (male -49.5 percent; female 50.5 percent). This implies that the gender is not a hindrance among the e-commerce traders to do e-commerce functions.

In respect of the educational qualification, 30.2 percent e-commerce traders have degree qualification and they form the majority. It means the degree holders deal with the e-commerce very much.

Business/professional customers are of majority (33.7 percent) and this qualification may be useful to them for their e-commerce.

In the case of monthly income, majority e-commerce traders (30 percent) earn Rs.15,000-30,000 as their monthly income and it is one of the important factors.

44.5 percent e-commerce traders (majority) belong to the urban areas. It is clear that the e-commerce traders of urban areas are dealing with the e-commerce.

#### Analysis of Awareness Factors

The level of awareness is considered to be the most important aspect towards the e-commerce. The table 2 shows the awareness factors towards the e-commerce of the traders.

**Table 2: Awareness Factors**

Factors	Description	Frequency	Valid Percent
Website Concerned	Not at all aware	1	.1
	Slightly Familiar	124	12.4
	Somewhat aware	182	18.2
	Moderately aware	280	28.0
	Extremely aware	413	41.3
	<b>Total</b>	<b>1000</b>	<b>100.0</b>
Similar web site	Not at all aware	9	.9
	Slightly Familiar	66	6.6
	Somewhat aware	177	17.7
	Moderately aware	405	40.5
	Extremely aware	343	34.3
	<b>Total</b>	<b>1000</b>	<b>100.0</b>
Bogus web sites	Not at all aware	14	1.4
	Slightly Familiar	53	5.3
	Somewhat aware	174	17.4
	Moderately aware	375	37.5
	Extremely aware	384	38.4
	<b>Total</b>	<b>1000</b>	<b>100.0</b>
Mode of order	Not at all aware	9	.9
	Slightly Familiar	67	6.7
	Somewhat aware	193	19.3
	Moderately aware	363	36.3



	Extremely aware	368	36.8
	<b>Total</b>	<b>1000</b>	<b>100.0</b>
Mode of payment	Not at all aware	5	.5
	Slightly Familiar	58	5.8
	Somewhat aware	209	20.9
	Moderately aware	363	36.3
	Extremely aware	365	36.5
	<b>Total</b>	<b>1000</b>	<b>100.0</b>
Way to purchase	Not at all aware	1	.1
	Slightly Familiar	52	5.2
	Somewhat aware	202	20.2
	Moderately aware	414	41.4
	Extremely aware	331	33.1
	<b>Total</b>	<b>1000</b>	<b>100.0</b>
Details of company	Not at all aware	4	.4
	Slightly Familiar	70	7.0
	Somewhat aware	212	21.2
	Moderately aware	383	38.3
	Extremely aware	331	33.1
	<b>Total</b>	<b>1000</b>	<b>100.0</b>
Availability of different types of products through e- commerce	Not at all aware	6	.6
	Slightly Familiar	40	4.0
	Somewhat aware	224	22.4
	Moderately aware	406	40.6
	Extremely aware	324	32.4
	<b>Total</b>	<b>1000</b>	<b>100.0</b>
Benefits of e- commerce	Not at all aware	8	.8
	Slightly Familiar	49	4.9
	Somewhat aware	172	17.2
	Moderately aware	430	43.0
	Extremely aware	341	34.1
	<b>Total</b>	<b>1000</b>	<b>100.0</b>
Inconvenience e- commerce	Not at all aware	5	.5
	Slightly Familiar	51	5.1
	Somewhat aware	181	18.1
	Moderately aware	356	35.6
	Extremely aware	407	40.7
	<b>Total</b>	<b>1000</b>	<b>100.0</b>
Laws regulating the e- commerce	Not at all aware	4	.4
	Slightly Familiar	52	5.2
	Somewhat aware	195	19.5
	Moderately aware	399	39.9
	Extremely aware	350	35.0
	<b>Total</b>	<b>1000</b>	<b>100.0</b>

In respect of the web site concerned, it is very basis for going to online.41.3 percent e-commerce traders have extreme awareness. 28 percent customers have moderately awareness. 0.1 percent e-commerce traders belong to not at all aware.



Existence of similar web sites is another awareness factor. In this aspect, 40.5 percent e-commerce traders have awareness moderately. Extreme awareness is of 34.3 percent e-commerce traders. 0.9 percent e-commerce traders do not have such awareness.

Bogus web site also exists to deceive the e-commerce traders. 38.4 percent e-commerce traders are of extremely aware group. 36.3 percent e-commerce traders have the awareness moderately. 1.4 percent e-commerce traders do not have such awareness.

Mode of order is of many types. 36.3 percent e-commerce traders have awareness moderately towards it. 36.8 percent e-commerce traders have extreme awareness. But, 0.9 percent e-commerce traders do not have any awareness towards the mode of order.

In respect of the mode of payment, 36.5 percent e-commerce traders have extreme awareness. 36.3 percent e-commerce traders have moderately awareness. 0.5 percent e-commerce traders have no awareness. It means that they place the order with the help of others.

41.4 percent e-commerce traders have moderately awareness towards the way to purchase and they form the majority. Extreme awareness is of 33.1 percent e-commerce traders. 20.2 percent e-commerce traders have awareness as to somewhat.

38.3 percent e-commerce traders have awareness at moderate level towards details of the company. 33.1 percent e-commerce traders have extreme awareness. 0.4 percent e-commerce traders do not have such awareness.

40.6 percent e-commerce traders have awareness moderately on the availability of different types of products. Extreme awareness prevails among the 32.4 percent e-commerce traders. 22.4 percent e-commerce traders have somewhat awareness. But at the same time, 0.6 percent e-commerce traders do not have awareness.

Majority e-commerce traders (43 percent) have moderately awareness towards the benefits of e-commerce . Next, 34.1 percent e-commerce traders have extreme awareness on the benefits. 0.8 percent e-commerce traders do not have awareness.

Inconvenience is the awareness factor that has 40.7 percent e-commerce traders of extreme awareness towards it. 35.6 percent e-commerce traders have moderate awareness towards it. 0.5 percent e-commerce traders do not have awareness.

In respect of the cyber laws, 39.9 percent e-commerce traders have moderately awareness. 35 percent e-commerce traders have extreme awareness. At the same time, 0.4 percent e-commerce traders do not have awareness towards it.

Once for all, among the eleven awareness factors, absence of awareness prevails among less number of e-commerce traders. Majority e-commerce traders have extreme awareness, moderately aware and somewhat aware.

### ANOVA Test for Gender and Awareness of Online Shopping Customers

#### Hypothesis

**Null Hypothesis H0:** There is no significant relationship between gender and awareness of e-commerce traders.

**Alternative Hypothesis H1:** There is significant relationship between gender and awareness of e-commerce traders.

**Table 3: ANOVA Test for Gender and Awareness of E-Commerce Traders**

Awareness Factors	F	Sig.
Web site concerned	.031	.861
Similar web site	.976	.323
Bogus web sites	1.671	.196
Mode of order	2.766	.097
Mode of payment	2.001	.157
Way to purchase	1.218	.270
Details of company	.063	.803
Availability of different types of products	3.557	.060
Benefits of the e commerce	2.428	.120
Inconvenience e commerce	7.053	.008
Laws regulating the on line shopping (cyber laws)	3.626	.057

Source: Output generated from SPSS 19



Based on the result generated by SPSS 19, the significant value of awareness of the e-commerce traders in respect of 'Inconvenience' are less than 0.05. So the null hypothesis is rejected in this case only. Therefore, there is significant relationship between the gender and awareness of e-commerce traders.

The other significant values of awareness of e-commerce traders in respect of 'Web site concerned, Similar web site, Bogus web sites, Mode of order, Mode of payment, Way to purchase, Details of company, Availability of different types of products, Benefits, Laws regulating the on line shopping (cyber laws) ' are greater than 0.05. So the null hypothesis is accepted in these cases. Hence, there is no significant relationship between gender and awareness of e-commerce traders in respect of these aspects.

### ANOVA Test for Education and Awareness of Online Shopping Customers

#### Hypothesis

**Null Hypothesis H<sub>0</sub>:** There is no significant relationship between education and awareness of e-commerce traders.

**Alternative Hypothesis H<sub>1</sub>:** There is significant relationship between education and awareness of e-commerce traders.

**Table 4: ANOVA Test for Education and Awareness of Online Shopping Customers**

Awareness Factors	F	Sig.
Web site concerned	14.526	.000
Similar web site	10.727	.000
Bogus web sites	12.840	.003
Mode of order	17.349	.000
Mode of payment	15.622	.000
Way to purchase	10.525	.002
Details of company	13.741	.007
Availability of different types of products	13.009	.000
Benefits	14.500	.000
Inconvenience	8.996	.000
Laws regulating the on line shopping (cyber laws)	16.601	.000

Source: Output generated from SPSS 19

Based on the result generated by SPSS 19, the significant values of awareness of the e-commerce traders in respect of 'Web site concerned, Similar web site, Bogus web sites, Mode of order, Mode of payment, Way to purchase, Details of company, Availability of different types of products, Benefits, Inconvenience Laws regulating the on line shopping (cyber laws)' are less than 0.05. So the null hypothesis is rejected in all the cases. Therefore, there is significant relationship between the education and awareness of e-commerce traders.

### Measurements of Awareness Factors Based on Chi-Square Test Statistics against Major Variables

**Null Hypothesis (H<sub>0</sub>):** The e-commerce traders are not aware with awareness factors of e-commerce.

**Alternative Hypothesis (H<sub>1</sub>):** The e-commerce traders are aware with awareness factors of e-commerce.

#### Awareness Factors

The awareness factors include 11 factors i.e., Web site concerned, Similar web site, Bogus web sites, Mode of order, Mode of payment, Way to purchase, Details of company, Availability of different types of products, Benefits, Inconvenience, Laws regulating the on line shopping (cyber laws).

**Table 5: Chi-Square Test for Awareness Factors**

	Web site concerned	Similar web site	Bogus web sites	Mode of order	Mode of payment	Way to purchase	Details of company	Availability of different types of products	Benefits	Inconvenience	Laws regulating the on line shopping (cyber laws)
Chi-Square	487.350 <sup>a</sup>	587.200 <sup>a</sup>	606.810 <sup>a</sup>	545.060 <sup>a</sup>	560.320 <sup>a</sup>	622.330 <sup>a</sup>	530.550 <sup>a</sup>	608.120 <sup>a</sup>	666.150 <sup>a</sup>	638.860 <sup>a</sup>	612.230 <sup>a</sup>
df	4	4	4	4	4	4	4	4	4	4	4
Asymp. Sig.	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 200.0.





From above table, it is found out that all the variables under awareness factors had significant value less than 0.05 at 5% level of significance, thus the null hypothesis is rejected. Thus it is concluded that the e-commerce traders have awareness towards 11 factors of e-commerce.

### Major Findings

- Among the eleven awareness factors, absence of awareness prevails among less number of e-commerce traders. Majority e-commerce traders have extreme awareness, moderately aware and somewhat aware.
- There is significant relationship between the gender and awareness of e-commerce traders. The other significant values of awareness of e-commerce traders in respect of 'Web site concerned, Similar web site, Bogus web sites, Mode of order, Mode of payment, Way to purchase, Details of company, Availability of different types of products, Benefits, Laws regulating the on line shopping (cyber laws) ' are greater than 0.05. So the null hypothesis is accepted in these cases. Hence, there is no significant relationship between gender and awareness of e-commerce traders in respect of these aspects.
- The significant values of awareness of the e-commerce traders in respect of 'Web site concerned, Similar web site, Bogus web sites, Mode of order, Mode of payment, Way to purchase, Details of company, Availability of different types of products, Benefits, Inconvenience Laws regulating the on line shopping (cyber laws)' are less than 0.05. So the null hypothesis is rejected in all the cases. Therefore, there is significant relationship between the education and awareness of e-commerce traders.
- All the variables under awareness factors had significant value less than 0.05 at 5% level of significance, thus the null hypothesis is rejected. Thus it is concluded that the e-commerce traders have awareness towards 11 factors of e-commerce.

### Conclusion

In the light of the overall findings in the current research, this study concludes that, in general, most of the e-commerce traders are positive for e-commerce practices. The current study also examined possible differences among subgroups of e-commerce traders in terms of sex, age, education and income. The analysis shows that there were significant differences in their attitudes due to these demographic variables, mainly of income. The study concludes that the e-commerce traders continue to turn to the web to shop for and purchase items and retailers continue to increase their online visibility through active marketing campaigns. The e-commerce traders has grown in popularity over the years, mainly because business people find it convenient and easy to bargain shop from the comfort of their home or office.

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