E-COMMERCE Vs. TRADITIONAL COMMERCE- STUDY OF CHANGE IN CONSUMER BEHAVIOUR

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ABSTRACT

This paper provides the detailed overview regarding the concept of change in consumer behaviour with the growing use of online stores for shopping as compared to traditional/ offline stores. There is a revolution in a way people like to shop today. Earlier there was only traditional/ offline store which was available for shopping. But nowadays people prefer shopping through online stores as it offers several benefits to the consumers such as availability of goods at lower cost, wider choice and time saving which in turn is changing the consumer behaviour also. E-commerce has made all types of products available 24x7 to the buyers. They don't need to go to the physical store to buy the product. They can just order online and the product will be delivered to them within few days depending on various factors.

E-commerce is showing tremendous business growth in India. Increasing internet users have added to its growth. Despite being the second largest user base in the world, only behind China, the penetration of e-commerce is low as compared to markets like the United States or France but is growing at an exceptional rate.An attempt has been made to study the changes in consumer behaviour among the Delhi consumers.

Keywords: E-commerce, Traditional commerce, online shopping, Electronic commerce.

1. INTRODUCTION:

E-commerce (EC) refers to the buying and selling goods and services through an electronic medium or network, like through the internet. On the other hand, Traditional Commerce can be defined as the business type which stresses on the offline exchange of goods and services, and it also includes all the activities which result in exchange, in some way or the other. The main necessity in this type of business is a presence of physical store is mandatory here as compared to the E-commerce where no physical store is required you just need to have a physical store to start up with. The main differences between E-Commerce and Traditional Commerce are:

a) In E-business purchasing and offering happens over the electronic medium while in Traditional Commerce it occurs in a retail location or a physical store.

b) In E-Commerce, there is no face to face communication on the other hand in Traditional Commerce face to face communication and interaction of people is a necessity for a transaction to take place completely.

c) E-Commerce gives 24x7 accessibility while Traditional Commerce gives availability just amid the working hours of retails store/physical store.

d) Internet business gives the purchaser favourable position of sparing his/her chance, time and cash while Traditional Commerce is a bit tedious as a man needs additional time and push to visit the retail location/physical store.

1.1 Types of E-Commerce Models:
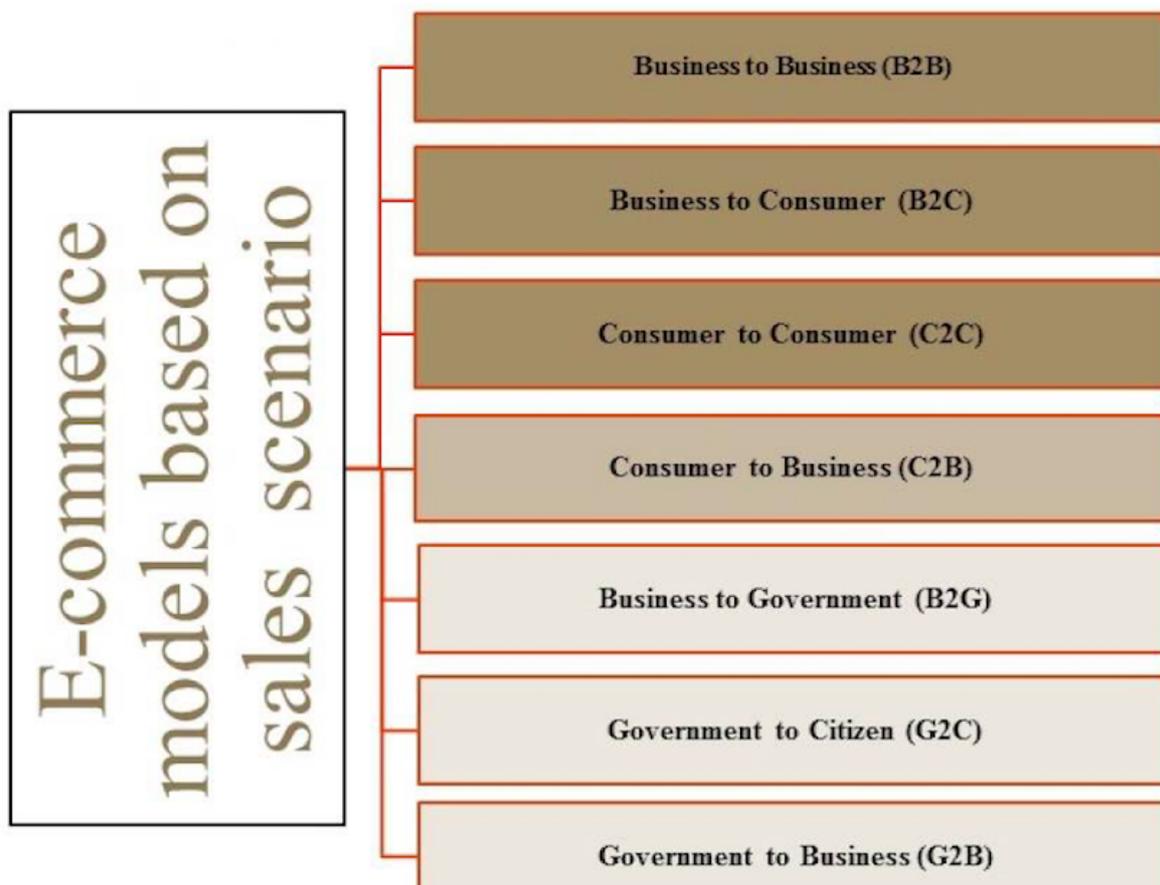
1.1.1 Business-to-Business (B2B)

Business-to-Business (B2B) e-commerce includes all electronic transactions or exchange of goods or service which takes place between organizations. Makers and customary business wholesalers commonly work with this kind of electronic trade.

1.1.2 Business-to-Consumer (B2C)

Business-to-Customer (B2C) e-commerce includes all electronic transactions or exchange of goods or servicesin which organizations directly sell to the final consumers.

1.1.3 Consumer-to-Consumer (C2C)

Consumer-to-Consumer (C2C) type e-commerce includes all electronic transactions or exchange of goods or services which takes place between consumers only.Usually, these exchanges take place through athird party, which gives the online platform where the exchanges are really completed between the consumers. For example, ebay.in, ebay.com etc.

1.1.4 Consumer-to-Business (C2B)

Consumer-to-Business (C2B) type e-commerce is a complete opposite of the traditional mode of exchanging goods. In this model, a large number of individuals make their goods or services available for purchase for companies seeking precisely these types of services or products.

1.1.5 Business-to-Government (B2G)

Business-to-Government(B2G) type e-commerceincludes all transactions conducted online between companies and public administration (government).

1.1.6 Consumer-to-Government (C2G)

Consumer-to-Government (C2G) type e-commerce includes all transactions which take place online between individuals and public administration (government).

1.1.7 Government-to-Citizen (G2C)

This model is also known as e-governance. This model offers ICT services to the country's citizen in an efficient and economical manner.

2. IMPACT OF E-COMMERCE ON CONSUMER BEHAVIOUR:

E-Commerce has a significant impact on consumer behaviour, let us discuss this in details:

Online retailers can be divided into following two categories:

First, retailers sell online and they maintain their traditional physical offline stores as well:

Under this category, those retailers come who have started their businesses through traditional offline stores and afterwards they started online sales store as well during the last decade so as to not miss a convenient opportunity of increasing generating more revenues. Retailers belonging to this category have a wide range of marketing tools available for them to be used in affecting consumer behaviour.

Second, retailers that only rely on the online store and don't have any offline store

This strategyoffers substantial benefits in terms of saving cost, because no offline store needs to be maintained and accordingly, fewer numbers of employees are sufficient to be employed, nevertheless this strategy limits the opportunities for retailers in terms of impacting consumer behaviour.

Unlike offline retailers, online retailers do not have the chances of affecting consumer behaviour through giving 'warm' customer service experiences/ benefit encounters by a human. Also, a specific level of security concerns related with to web-based shopping trade off the viability and effectiveness of customer attraction.

Nevertheless, online retailers can positively affect the level of purchaser conduct through improving specialized abilities of the website, providing comprehensive information about the products, reducing delivery time of the product and in a range of other ways.

Furthermore, e-commerce has impacted consumer behaviour through providing a wide variety of choices to consumers atvarious levels. Specifically, nowadays consumerhas an

advantage/ opportunity of comparing several aspects of products online prior to making a commitment to purchasing from a specific brand.

Overall this can be said that e-commerce has impacted consumer behaviour in a positive way more. And it has a great future and prospects for buyers as well as retailers (selling online) to make most of the opportunities available.

3. OBJECTIVES OF THE STUDY:

The research to study the change in consumer behaviour because of E-Commerce is based on the following objectives:

3.1 To study the impact on consumer behaviour and purchase decision because of E-Commerce in comparison to Traditional Commerce.

3.2 To have an insight into the concept of E-Commerce in India

4. RESEARCH METHODOLOGY:

4.1 RESEARCH TYPE: DESCRIPTIVE RESEARCH

4.2 SAMPLING TECHNIQUE: STRATIFIED SAMPLING

4.3 SAMPLE SIZE: 30

4.4 DATA COLLECTION: Data is collected through primary as well as secondary sources. Primary data is collected in the form of questionnaire survey method. Secondary data is collected from various references as mentioned below.

An attempt has been made to study the change in consumer behaviour of Delhi because of E-Commerce. Target population selected comprises of students, Business professionals, and other educated people of an urban area only. The study is undertaken by using stratified sampling in which population strata is divided according to gender, age, occupation. For the collection of data, a questionnaire was designed keeping in mind the objectives of the research.

5. DATA ANALYSIS AND INTERPRETATION:

VARIABLES	PERCENTAGE
GENDER:	
Male	43.33
Female	56.67
AGE:	
15-20	26.67
20-25	16.67
25-30	33.33
30-35	6.67
35-40	0
40-45	0
45-50	6.67
50-55	10

Question no 1. Do you prefer to shop in an offline store or online store?

| Offline Store	36.67
Online Store	63.33
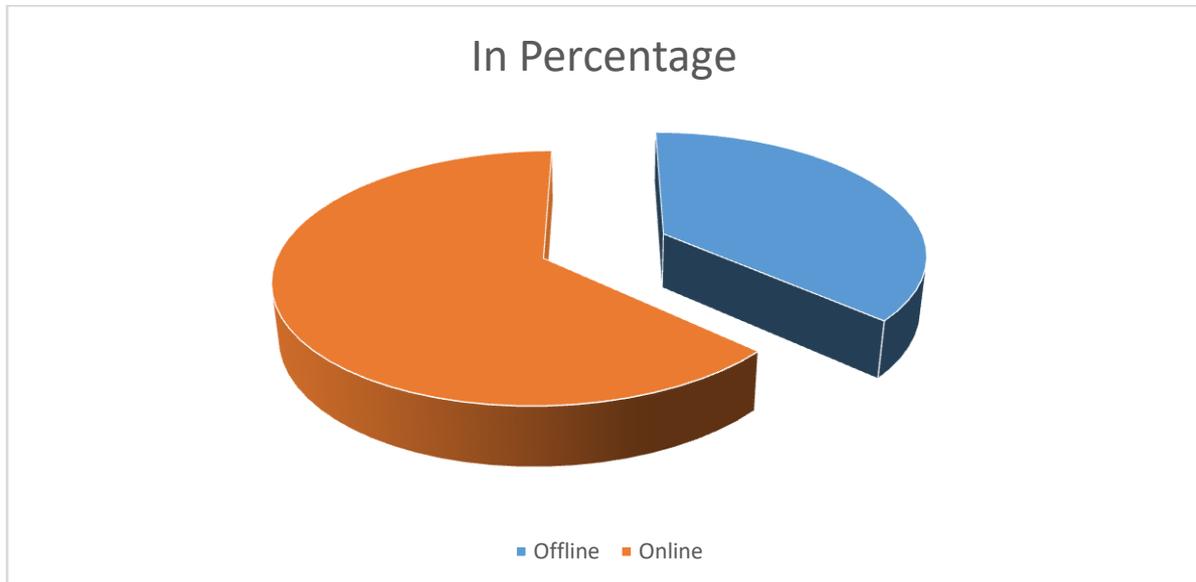
Question no 2. On what basis you select online or offline store for the shopping?

Depends on the product type	33.33
Depends on the price/ value of the product	16.67
Depends on your convenience	36.67
Any other	13.33

In Percentage

■ Depends on the product type ■ Depends on the price/ value of the product
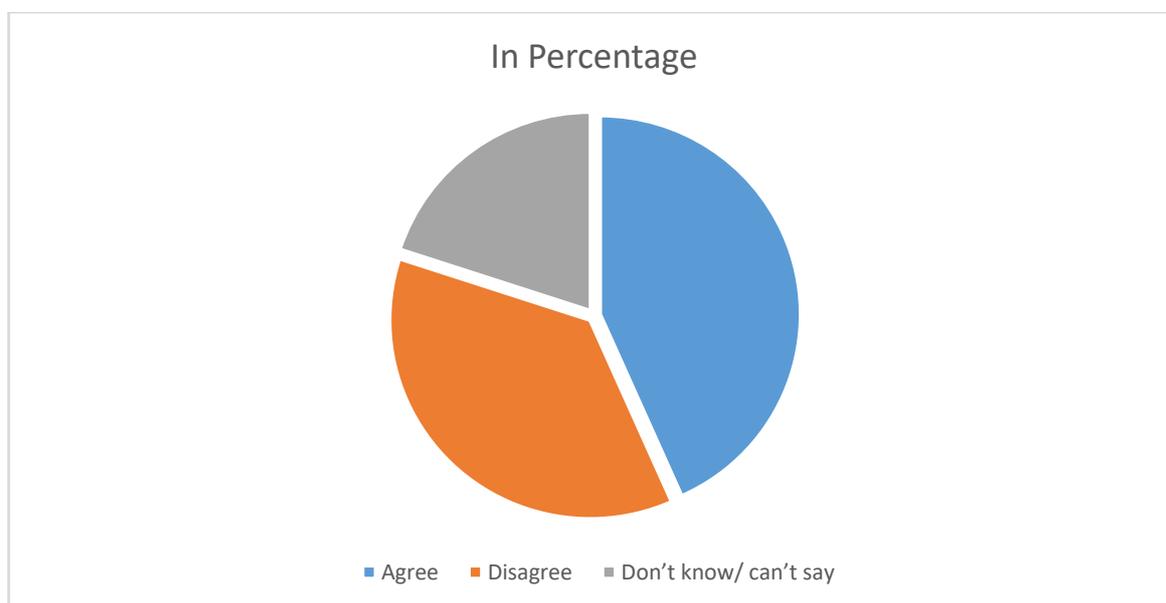■ Depends on your convenience ■ Any other
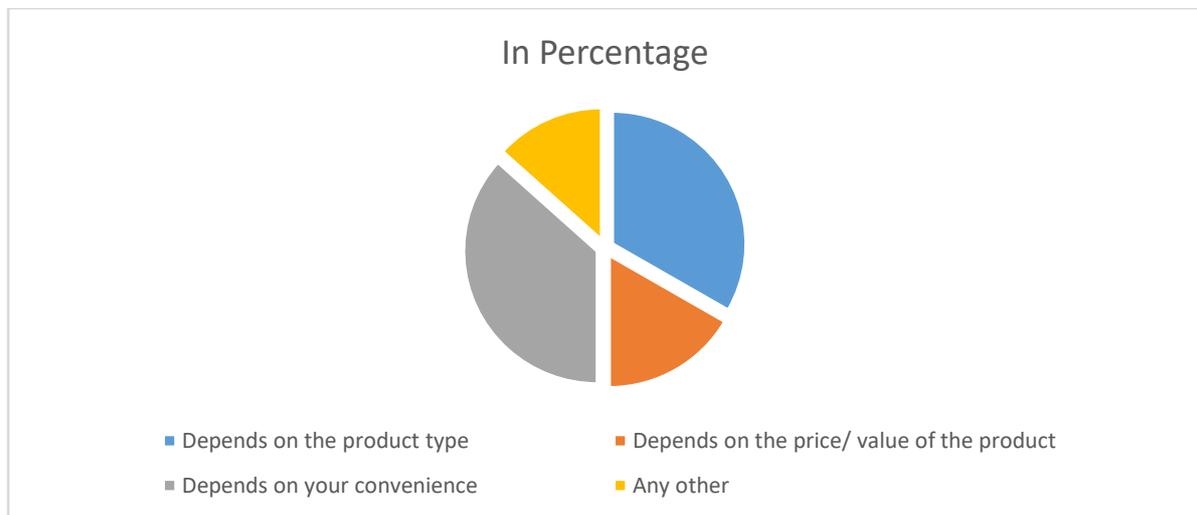
Question no 3. In case you are in hurry (immediate need) do you prefer online or offline store for shopping?
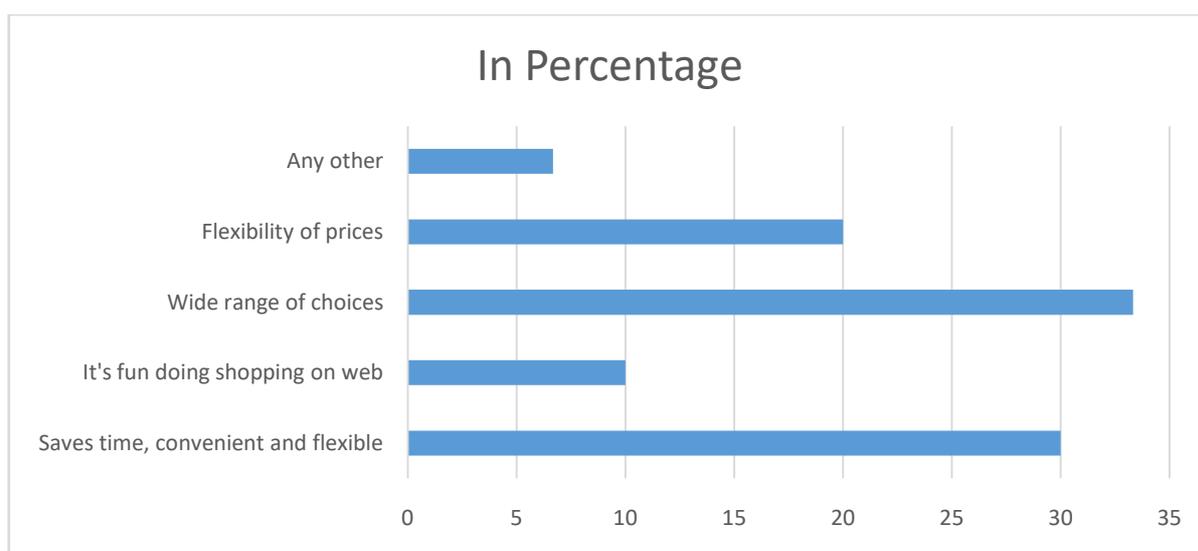
Offline Store	70
Online Store	30

In Percentage
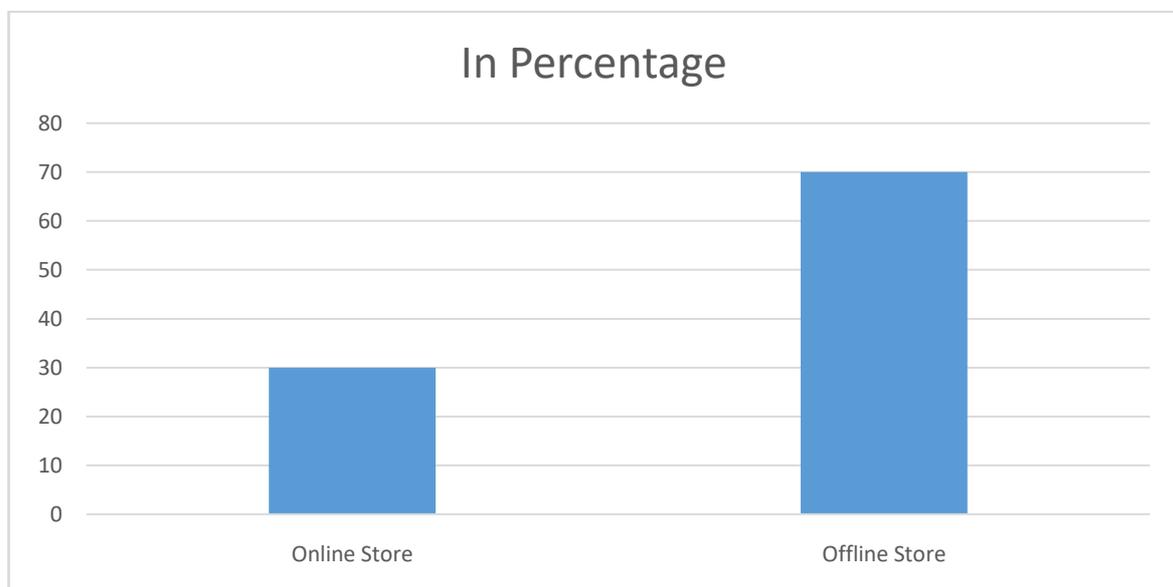
Question no 4. Do you think online shopping offers you better discounts and offers as compared to offline shopping?

Agree	43.33
Disagree	36.67
Don't know/ can't say	20

Question no 5. If you prefer online shopping?(choose as many reasons as applicable)

|	
Saves time, convenient and flexible	30
It's fun doing shopping on web	10
Wide range of choices	33.33
Flexibility of prices	20
Any other	6.67

Question no 6. Do you prefer visiting offline store before buying the item online?

Always	6.67
Frequently	23.33
Occasionally	26.67
Never	43.33
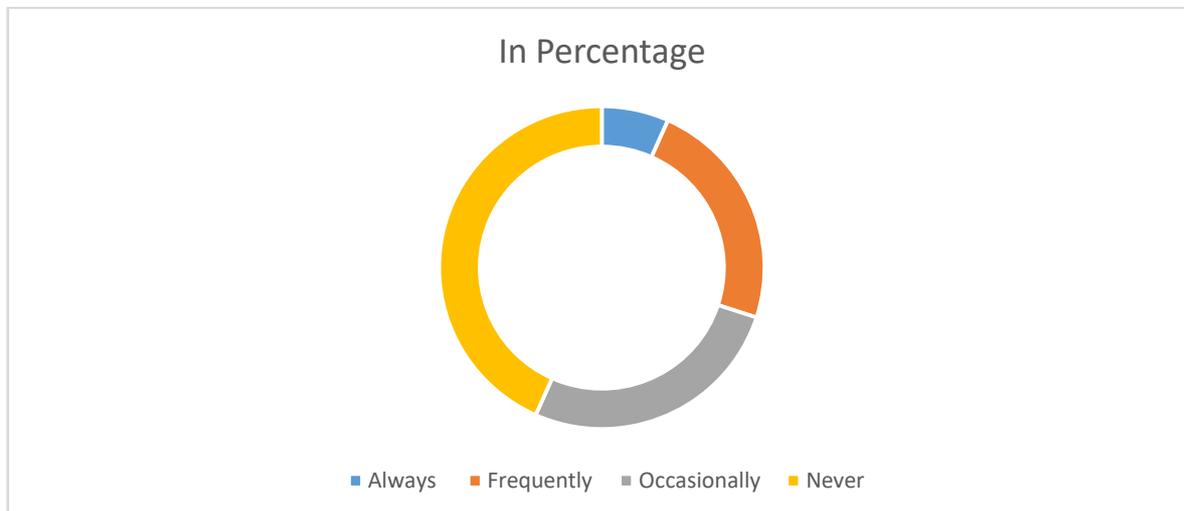
**Question no 7. Do you think online shopping is much riskier than the offline shopping in terms of cyber frauds?**

Yes	23.33
No	76.67
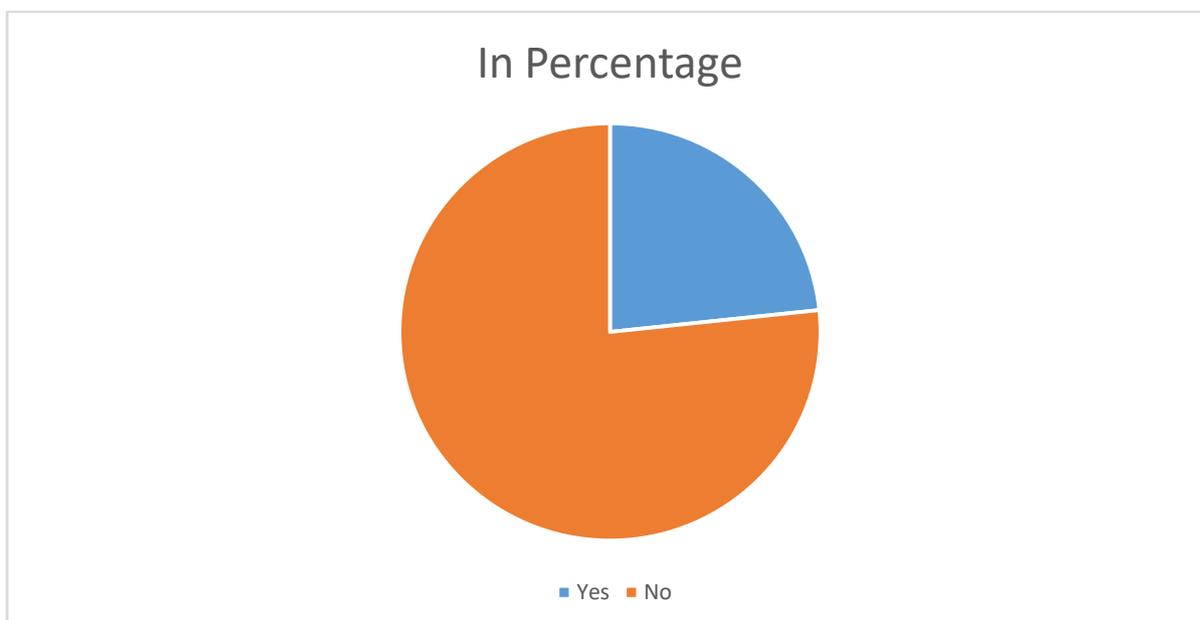
Question no 8. What according to you is future of E-Commerce in India as compared to Traditional Commerce?

Good	16.67
Very good	63.33
Not so good	10
Do not have a future in India	6.67
Don't know/ can't say	3.33

In Percentage

[Bar chart showing percentages: Good ≈ 16.67, Very good ≈ 63.33, Not so good = 10, Do not have a future in India ≈ 6.67, Don't know/ can't say ≈ 3.33. Y-axis ranges from 0 to 70.]
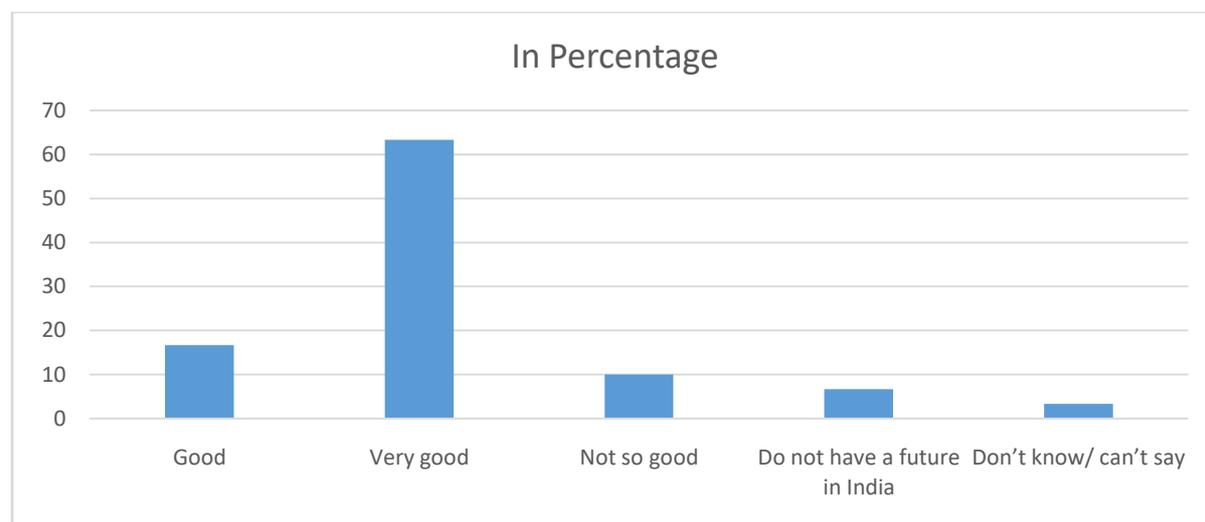
6. FACTS AND FINDINGS:

According to the survey, the results are as follows:

➢ Most of the consumers prefer online shopping as compared to offline shopping.

➢ Most of the consumers when in hurry or if they have any immediate requirement then they opt for offline retail stores for shopping.

➢ Most of the consumers thinks that online websites offer them better discounts and offers with wide range of choices as compared to offline stores.

➢ On the basis of convenience, consumers prefer online shopping.

➢ Most of the consumers don't prefer to visit offline store before buying the item online. They consider online shopping to be safe and secured in terms of cyber frauds.

➢ As per the survey result, this can be said that e-commerce has a very good future in India as compared to traditional commerce.

7. CONCLUSION:

At last, this can be concluded that throughout India, e-commerce (i.e. electronic commerce, or buying and selling over the web) is becoming more and more popular and consumer buying behaviour is also changing with time. They prefer online shopping as compared to offline shopping as online shopping gives them various benefits like flexibility, convenience, better offers and discounts, easy return policies and so much more. Sites such as Ebay, Flipkart, Snapdeal, and Amazon marketplace allow businesses/ people everyday to sell their products/ belongings to the end users or to each other for a little extra cash.

Thus, the scope of E-Commerce is very wide and innumerable opportunities are present for small and medium enterprises and with the adoption of right strategies, it can help turn a small business into an empire.

8. REFERENCES:

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➢ http://www.iamwire.com/2014/07/e-commerce-in-india-past-present-future/27805

➢ https://www.ibef.org/industry/ecommerce-presentation