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### E-COMMERCE TREND IN DEVELOPING COUNTRIES: A CASE STUDY OF CHENNAI

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#### ABSTRACT

The number of E-Commerce businesses has increased in tandem with the growth of the World Wide Web (www) because of the E-Commerce successes stories that are well-known and well-publicized. Many failures are there as well. The Internet has evolved into a powerful tool. It is a vital conduit for corporate success as it is a channel for communication and transaction. This has resulted in an increase in E-Commerce, and as E-Commerce has expanded, so has the number of people using it. Concerns regarding security have also increased. The words "security" and "protection" are frequently used. Consumers' lack of trust is one of the key reasons for their hesitation to buy off the E-Commercial platforms. Unlike traditional business, there is no physical exchange. In the internet environment, clues and physical interaction are important. It is more difficult to build trust with customers. Primary data and secondary data were collected. A self-structured questionnaire was framed for data collection. Primary data was collected by using simple random technique from 100 internet user in Chennai. As a result, it is even more critical for online vendors to learn to get a customer's trust as well as tackle the challenge in E-commerce. The findings of a study on a novel framework for assuring secure ecommerce transactions in developing countries are presented in this paper. Chennai is used as an example.

**Keywords:** E-Commerce, Trend, E-Commerce Trend, Chennai, Internet, Commerce, Trade.

#### 1. Introduction

As of June 2020, the population was 10.97 million, with a 5.58Mn internet penetration rate. The intensive use of Internet services serves as a focal point for the long-term viability of both socioeconomic and economic improvements. This has made it possible to deploy e-government, e-learning, and e-commerce, to name a few. To have a better understanding of electronic commerce (also known as "e-commerce"), it's important to distinguish between E-commerce and E-business. E-business is a hybrid of e-commerce and electronic business (e-business).

The term "electronic commerce" refers to the buying and selling through any electronic means (e.g., online shopping) and it is also referred to as e-business. E-commerce is a subset of information exchange. The term "business" refers to all of the operations that a company engages in for utilising computers to sell and acquire services and products. As a result, e-business encompasses information and communication technology with a slew of connected activities including online shopping sales supply chain automation, web advertising, management, and electronic payment systems, as well as order management. E-commerce is a subset of e-business. However, both terms are occasionally used interchangeably.

Commerce is a big part of E-commerce is a subset of e-business. However, the two terms are occasionally used interchangeably. Information technology is a system that involves not only computers but also people. Those businesses that revolve around the purchasing and selling of products and services to produce money, but also transactions that generate revenue aid in the generation of revenue in E-commerce. In its broadest sense, it entails making use of technological advancements to encourage everything that has to do with the exchange of goods and services, information exchanged

between computers and humans, or between traders and customers. The term Transactional E-commerce is further broken down into four distinct groups. These are business to business categories (B2B) [9]; business to consumer (B2C); consumer to consumer (C2C); C consumer to consumer C2B (business to business).

## **2. Review of literature**

The benefits of Internet shopping to consumers have been highlighted in various studies, including the ability to shop at any time and from anywhere, to search and browse products, to compare prices, and to make flexible electronic payments (Hoffman et al., 1995; Alba et al., 1997; Peterson et al., 1997; Strauss and Frost, 1997). Shim et al., 2001; Shim et al., 1999) Web design is typically not sufficiently academically inclined to formulate the relevant theories (Day, 1997). Elizabeth Goldsmith and Sue L.T. McGregor (2000) analysed the impact of e-commerce on consumers, public policy, business and education. A discussion of public policy initiatives, research questions and ideas for future research are? While previous research has examined Internet usage (Teo, Lim, & Lai, 1999) and commercial websites (Gonzalez and Palacios, 2004). Mauricio S. Featherman, Joseph S. Valacich & John D. Wells (2006) examined whether consumer perceptions of artificiality increase the perceptions of e-service risk. Website design (Kim, Shaw, & Schneider, 2003), website effectiveness from the consumers' perspective (Bell & Tang, 1998), paid placements on search engine (Sen et al.2008) were all some important constituents of E-commerce. Search engine has become a necessity for people to surf the web [Hsien-Tsung Chang, 2011]. Khan and Mahapatra (2009) studied that the quality of internet banking (e-banking) services in India from customer's perspective. Malhotra and Singh (2007) carried out research to find the I-banking adoption by the banks in India. Thus, it is high time that Chennai should act fast and decisively in order to use the growing electronic trade to our advantage.

The expressive aesthetics of web-sites that communicate a sense of inventiveness and individuality have been expressed by Lavie and Tractinsky (2004). When shopping for speciality items, this form of aesthetics is likely to play a significant impact because of their distinct traits, specialised goods benefit from expressive design. The importance of the shopping experience was underlined. Bauer et al. (2006) compared online retail services to traditional retail services. Retail services in the classic sense they discovered that internet retail services are divided into two categories. The client contact phase takes place online, followed by the fulfilment phase, which takes place offline. They also have indicated that delivering both hedonic and utilitarian features is a key component of website quality. In 2009, India's e-commerce business was estimated to be worth \$2.5 billion. It increased to \$6.3 billion in 2011 and to \$14 billion in 2012 billion in the year 2012. Approximately 75% of this is related to travel (airline tickets, train tickets, hotel reservations, and internet mobile phone purchases, re-energize, etc.). Online retail accounts for around 12.5 percent (\$300 million in 2009). Nearly ten million people live in India. In comparison to a global growth rate of 8–10 percent, internet shopping is expected to increase at a 30 percent CAGR. ([http://en.wikipedia.org/wiki/E-commerce in India](http://en.wikipedia.org/wiki/E-commerce_in_India))

According to recent statistics data, Indians are acquiring a wide range of things via internet shopping portals. Even used computers are now available for purchase on the internet. (Bhattacharjee Sarathi Partha, et al., 2012 ;) looks on the link between globalisation and ecommerce adoption or acceptance, which leads to performance and efficiency in the workplace when we compared to the United States and the United Kingdom, India has a far lower penetration of internet shopping and spending

### **E-commerce in world wide web**

E-commerce is one of the most important factors in the globalization of business. Other factors comprise reduce in trade barriers, globalization of capital markets, the movement toward International Financial Reporting Standards (IFRS), and Internet financial reporting. Internet financial reporting has been predominantly helpful to e-commerce companies (Hunter and Smith 2008). IFRS is a global standard for accounting and financial reporting (Smith 2008). The annual growth rate of e-commerce globally has been predictable as high as 28percent, while some individual countries have much higher growth rates. For example, in India, which has a younger than average market, the e-commerce growth rate has been projected as high as 51 percent.

### 3. Objective of study

In Chennai, the e-Business market is in its early stages of development. There will be significant expansion in the market, and it has been established that there are some risks associated with purchasing goods online. As a result, the purpose of this research is to look at the current market situation from the perspective of customers and to determine the economic and business growth of online businesses in India.

The following are the key research goals: -

- 1) To investigate the role of the e-commerce business in India's economic development.
- 2) To examine the change in e-commerce paradigm in the modern period.
- 3) To understand the growth of e-commerce in Chennai.

### 4. Data Methodology

This research paper was based on a Quantitative approach to examine a research problem. Both primary data and secondary data were used in this study. The samples were selected in Chennai. Snow ball sampling technique was used in this research. A pre-test of structured questionnaire was performed on a sample of ten respondents. Research sample consists of 100 respondents. In order to evaluate research results, descriptive statistics tools such as absolute and relative frequencies were used. Secondary data has been collected from various websites and books. The secondary process of information was focused on digitalization, e-commerce, digital technologies and social media platform.

### 5. Limitation

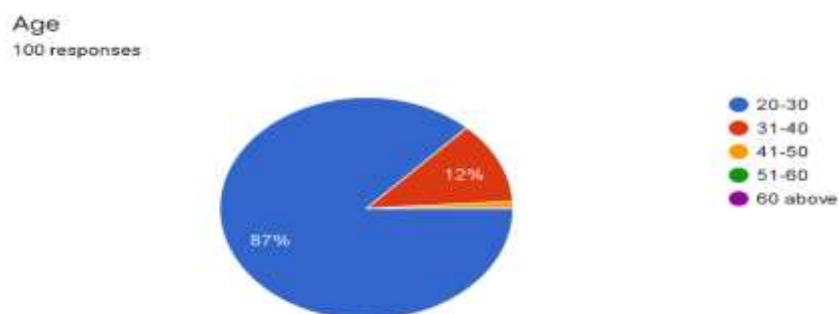
- The respondents are limited to 100 due to time constraint.
- Primary data was collected only from respondents in Chennai city.

### DATA ANALYSIS AND INTERPRETATION:

**Table 1.1 – Age of the respondents:**

Age	Number of respondent	Percentage (%)
20-30	87	87%
31-40	12	12%
41-50	1	1%
51-60	0	0%
60 above	0	0%
Total	100	100%

Chart 1.1 Age of the respondent



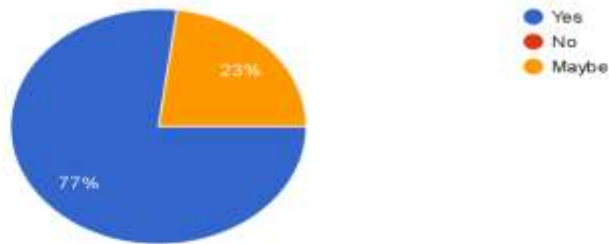
Source: Primary Data

The above table 1.1 and chart 1.1 shows that out of 100 respondents, majority of the respondents (i.e. 87%) were of 20-30 years of age and 12% of the respondents were of 31-40 years of age.

**Table 1.2 – Interested to buy online product**

	Number of respondents	Percentage (%)
Yes	77	77%
NO	0	0
MAY BE	23	23%
TOTAL	100	100%

Do you interested to buy online products  
100 responses



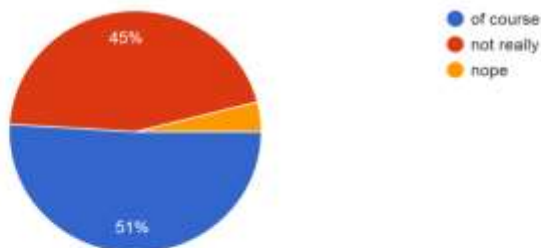
Source: Primary Data

The above table 1.2, and chart 1.2 shows that out of 100 respondents, majority of the respondents (i.e. 77%) selected 'yes' and 23% of the respondents selected 'may be.'

**Table 1.3 – Trust with Online products**

	Number of respondents	Percentage (%)
OF COURSE	51	51%
NOT REALLY	45	45%
NOPE	4	4%
TOTAL	100	100%

Do you trusting with online products  
100 responses



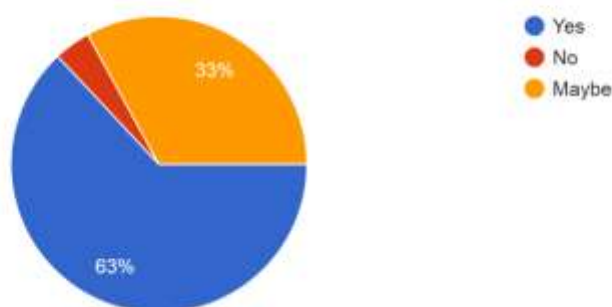
Source: Primary Data

The above table 1.3, and chart 1.3 shows that out of 100 respondents, majority of the respondents (i.e. 51%) selected 'of course' and 45% of the respondents selected 'not really' and 4% of the respondents selected 'nope.'

**Table 1.4 – Feel safe while order through online**

	Number of respondents	Percentage (%)
YES	63	63%
NO	33	33%
MAYBE	1	1%
TOTAL	100	100%

Do you feel safe while ordering through online  
100 responses



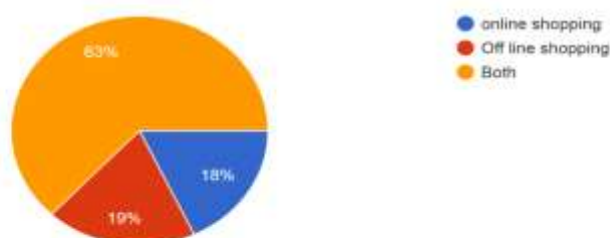
Source: Primary Data

The above table 1.4 and chart 1.4 shows that out of 100 respondents, majority of the respondents (i.e. 63%) selected 'Yes' and 33% of the respondents selected 'No' and 1% of the respondents selected 'Maybe.'

**Table 1.5 – Prefer online and offline shopping**

	Number of respondents	Percentage (%)
Online Shopping	18	18%
Off line Shopping	19	19%
Both	63	63%
TOTAL	100	100%

Do you prefer online or offline shopping  
100 responses



Source: Primary Dat

The above table 1.5 and chart 1.5 shows that out of 100 respondents, majority of the respondents (i.e. 63%) were said BOTH and 19% of the respondents were said OFFLINE SHOPPING and 18% of the respondent said ONLINESHOPPING.

## FINDINGS

- Most of the respondent was between the ages of 20-30 (i.e.87%)
- Majority of the respondents (77%) were interested to buy online products.
- Most of the respondents (i.e.51%) trust online products.
- Majority of the respondents (i.e. 63%) felt safe while order through online.
- Most of the respondents (i.e. 63%) preferred to buy both online and offline products.

## Conclusion:

The most important factor in the adoption of any new technology is raising customer awareness and educating them about it. The younger population of the city is more interested in E-commerce than of

the older population. As a result, it's possible that Chennai's elderly population are still hesitant to embrace online shopping as most service providers overlook the important and crucial step for every new technology's adoption: the customers' awareness on E-commerce irrespective of their age. As a result, the older consumers from Chennai are yet to embrace e-commerce, possibly because they are unaware of the benefits of such platforms or it could be that considerable trust has not yet been built among them on online transactions. The aim of this study is to find out role of e-commerce business in Chennai and its effectiveness in the modern period. This study also contributed to find out growth of e-commerce in Chennai. As a result, this shows that there is a positive attitude among the general public to buy online products and they feel safe while buying online products. It shows that the economic growth of Chennai has developed when compared to previous years.

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