

An Analysis of the Perception of the Customers Towards E-Marketplaces in India

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Abstract

E-Marketplaces are single-window applications where online selling and purchasing of goods across the country can be done. They provide an additional channel to market the products and customers can purchase a wide range of products. This program is the platform that offers products and services with less marketing expenses as compared to other selling channels; it also allows organizations to reap new opportunities in other countries around the globe. However, E-marketplaces are becoming popular with customers as it is very convenient for customers to compare prices and products. Digital technologies help people in their everyday lives as they provide information not only on retail stores or on government policies but also to share information on problems or issues. Without Digital technology's Computing and Mobile applications, these days no economy can think of the speedy economic growth and welfare of their people.

The journey of E-Marketplaces in India attained a milestone when the Digital India program was launched on 1st July, 2015 by the central government of India. This program focused on the development of secure and stable digital infrastructure, delivering government service. Therefore, the present study focused on determining the overall perception of customers concerning E-Marketplaces in the Indian economy. The size of E-marketplaces in India is yet small in comparison to its population size though as per this study perceptions of customers are changing positively towards these markets.

Keywords: E-Marketplace, Electronic Services, Electronic Commerce, Customers, Perceptions

Introduction

The introduction of Internet technologies in the organizations and availability of information has transformed the business processes and structure of the market (Standing et al., 2006; Grover et al., 1999). It is difficult to define various benefits of e-marketplaces as the environment is developing very fast (Malone et. al, 1987). Though today's consumers are more inclined towards e-marketplaces over old market structures as these have more efficiency.

Multiple buyers and sellers can buy and sell products from each other at e-marketplaces at the price determined by them as per the rules of exchange. These E-markets places help both buyers and sellers in exchanging information, goods, and services as well as in making payments. These facilitate both, provide infrastructure, and processes, and also set rules of interaction (Mohan, 2005).

In the beginning, E-marketplaces were using proprietary systems for connecting buyers and suppliers and this system established the hierarchy system in the market. The buildup cost of these systems was very high, whereas use was limited and only organizations with the integrated system were able to use these. These web-based e-marketplaces have made it possible to connect many buyers and suppliers and buyers can pay electronically (Standing, 2013).

The significance of e-marketplaces is that this market has made it possible for buyers to buy goods by sitting at home; they can compare goods and prices from the sellers from different brands. Even during the Covid-19 pandemic when most people were under quarantine, these E-marketplaces fulfilled the needs of people.

E-Marketplace

E-Marketplace is a virtual marketplace where buyers meet with the sellers to negotiate to do business and also exchange information regarding products and services (Archer and Gebauer, 2000).

In this era of web technologies, e-marketplaces are those platforms where multiple buyers and sellers can do transactions through the internet (Russ, 2001). These Electronic Marketplaces distribute product offerings via the Internet and also facilitate both buyers and sellers in business transactions electronically (Segev et al., 1999).

An E-marketplace is a virtual online market platform where multiple buyers and organizations –who want to sell their products, register themselves to conduct business over the internet. These virtual platforms of markets have removed middlemen from the transaction between seller and buyer. These electronic marketplaces have enabled buyers to compare various products and services on different parameters like performance, quality, and price. Through these virtual market platforms, buyers have access to a wide range of products and services from the different all around the globe, and on the other hand, the sellers have reached to a large pool of customers more conveniently and affordably.

E-marketplaces of India-

In India, there are government e-marketplaces as well as private sector organizations market places are there. As per Statistica Digital Market, Outlook, and E-marketplaces in India will keep on increasing for the next few years. The popularity of E-marketplaces has increased during and after Covid 19 pandemic. As per TRAI, internet users are increasing year by year all over India. As per the Economic Times report, dated July August 8 2022, the size of the e-commerce market will increase to 120 billion US dollars by 2026. Some big private sector e-marketplaces of India are Flipkart, Amazon India, Snapdeal, Mynta, Nyka, Meesho, Jabong, Pepperfry, Pharmeasy, Healthcart, Fashionara, Ajio etc.

Literature review

The internet has provides an effective online platform that allows the business to meet the continuously growing demands of customers with speed, efficiency and at lowest cost (Pagini & Pardo ,2017)

Organizations can do business on e-marketplaces as they were doing in the transactional market except in these virtual market platforms transactions are executed through electronic channels. In the simplest form, e-marketplaces are information systems comprising multiple organizations where buyers and sellers can intercommunicate about product offerings and prices (Bakos, 1997). The information

technology has supported the e-marketplaces & business in boosting relation between among partners (Derrouiche et al. 2010).

An e-marketplace is a virtual platform that enables potential trading partners to be identified and help in the execution of a deal electronically (Amorim and Pratas, 2022; Choudhury et al., 1998).

E-marketplaces have a vast range of benefits including better customer acquisition, reduced search costs (Bakos, 1997), refined brand awareness, more product information, and personalized packaging (Dai and Kauffman, 2006). The satisfaction of customers of e-marketplaces can be enhanced by enhancing quality system & information quality (M. Maghfur, Ratih Hurriyat, Moch. Adieb Sultan ,2021)

Research Methodology

Research is a systematic investigation involving the collection & analysis of data for providing a solution to the problem under study (Cooper and Schindler, 2002:14). Different problems require different types of data, different types of analysis, and research methods to provide solutions to problems. For getting the best solutions for the problems one has to use the best-suited research methodology. Research methodology means techniques and procedures used by the researcher for collecting & analyzing data for getting a solution to the problem.

There are two types of data which is used by the researcher to get solutions – Primary & Secondary. This study is based on primary data obtained through a self-designed questionnaire related to E-marketplaces based on a 5-point Likert scale ranging from strongly agree to disagree strongly. Since it is not feasible to analyze the whole population under study, the respondents were sampled from Delhi NCR. Five main E-marketplaces of India were selected for this study, these are- Flipkart, Amazon India, Snapdeal, Myntra, and Nyka .

Objectives of the study

The objectives of the study are –

1. To evaluate the perception and attitude of the customers towards e-marketplaces and their offerings.
2. To find out variables responsible for the lower degree (lesser extent) of customer satisfaction.

Data analysis

To analyze the satisfaction level and attitude of customers about e-marketplaces and their offerings, respondents were asked to evaluate each statement ranging from highly dissatisfied to highly satisfied on a 5-point Likert scale. The collected data is analyzed statistically using measures of central tendency.

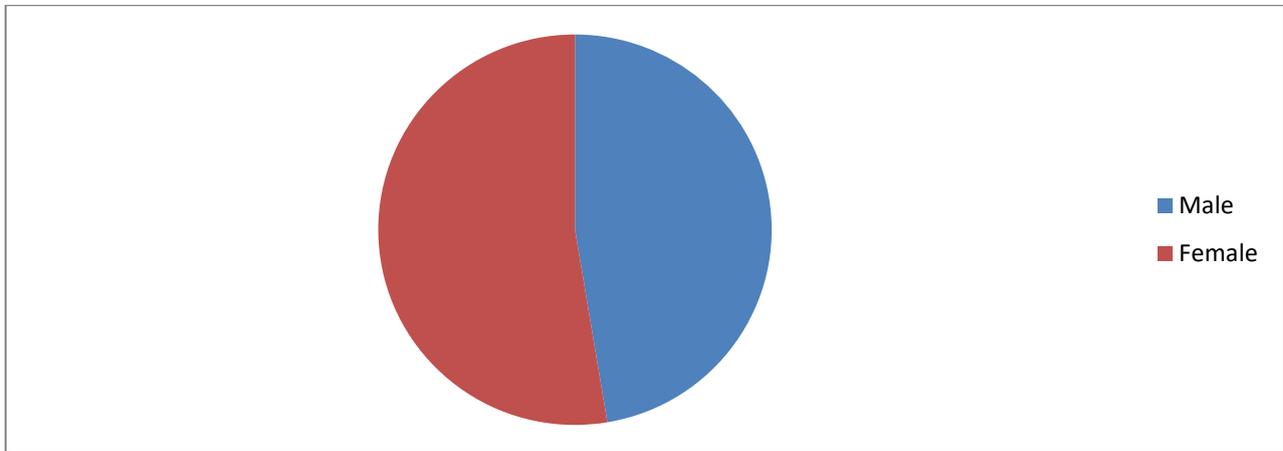
Demographic Profile of Respondents

Table-1

	Gender
Male	225
Female	250

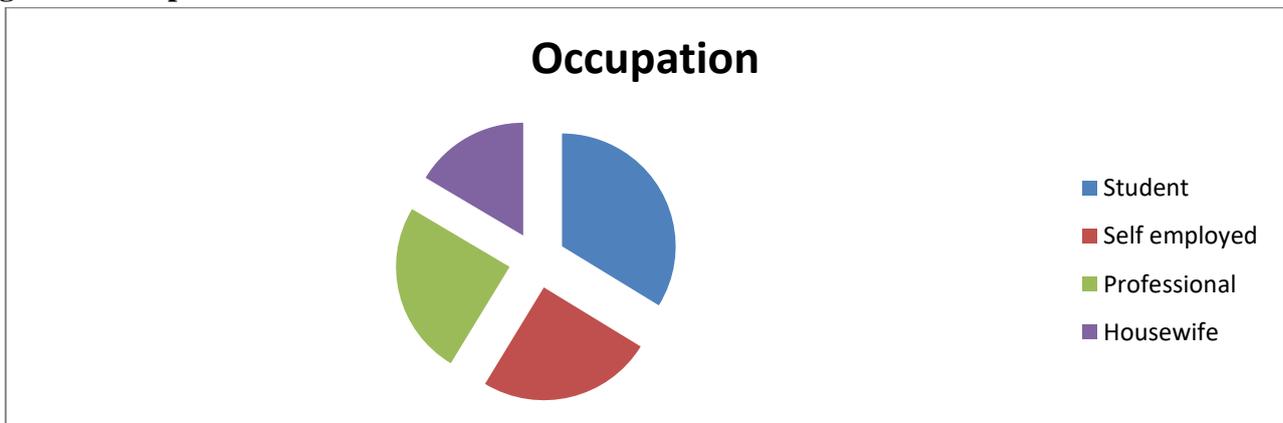
Total	475
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Figure-1 Gender



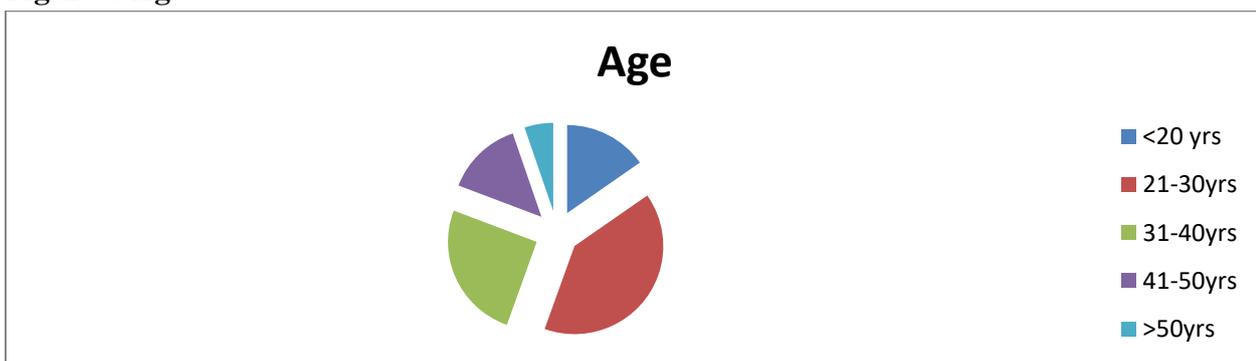
From Figure 1 it is observed from the number of respondents that these days both genders are shopping from e-marketplaces these days.

Figure-2 Occupation



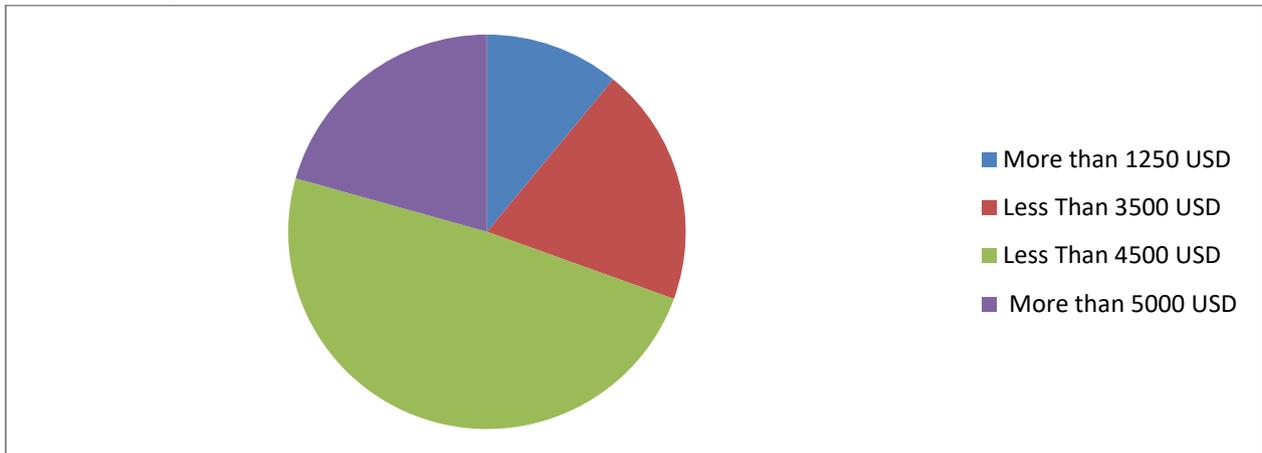
From Figure -2, it is observed that respondents included in the study are from different occupations. Some respondents are students, some are housewives and some are professionals and self-employed.

Figure-3 Age



From the figure-3 it is clear that respondents included in the study belong to different age group, though most of the respondents are from 21-30 and 31-40 years age group.

Figure-4 Family Income



From Figure-4 it is observed that respondents included in the study are from different family income groups, though it is observed that a huge number of respondents included in the study is from the family income group less than 4500USD.

Table 2 Response of Respondents on E-marketplaces

Variables	*Mean Value of the Respondents
Variety of Products	3.8
Cost of Products	3.8
Flexibility in Payments	3.7
Credibility of Products	3.3
Quality of Products	3.8
Speed of delivery of products	3.6
Customization of products	3.4
Quality of communication from Company	3.3
Replacement policy of products by e-marketplaces	3.7
Festival schemes	4.1
Promotional schemes	3.7
Availability of products with the latest trends	3.8

Security of payments transaction	3.6
Availability of brands	3.8
No of customer touchpoints	3.6
Refund Policy	3.3
Description of product	3.6
Accuracy of the description of the product	3.6

Table-3: Overall perception of Respondents

Variables	Mean Value(out of 5) of responses of respondents
e-marketplaces are good for the country and environment as it means paperless transactions	3.62
e- market place means getting all goods and services in the easiest way	3.46
e-markets place means opportunities of selling products by rural Businessmen/Handicraft men	3.93
e- market place means digital empowerment of people	3.52
e-marketplaces mean shopping without wasting time	3.92
E marketplaces mean getting affordable goods along with a choice	3.83
e-marketplaces mean availability of products from all across the world	3.62
e-marketplaces mean availability of good quality products	3.84

Findings

The key findings are based on facts and are interpreted in terms of objectives. Based on the analysis of primary data, the following are the major findings of this study:-

- The study reveals that approx 35% of customers still have doubts while purchasing from e-marketplaces with the variables like Customization of products, refund policy, and regard to Quality of communication from the Company in the case of an exchange of products.
- The study reveals that customers are some satisfied with the variables like availability of brands, cost of products, festivals schemes, variety of products, and availability of brands regarding e-marketplaces. And customers have shown positive responses toward these variables.
- As per the study though the overall perception of the customers towards e-marketplaces is that e-marketplaces are a good opportunity for those small businessmen and handicraftsmen from rural areas who were not able to reach the vast majority of customers across the globe earlier, can reach with help of e-marketplaces.

- As per this study, approximately 63% of customers have started shopping from e-marketplaces just to save time.
- As per this study, approximately 61 % of customers think that they get good quality products at an affordable price from e-marketplaces.
- As per this study, e-markets are enhancing the role of paperless transactions and customers get to buy goods from all across the globe in one place.

Conclusion & Implication of the Study

E-Marketplaces are single-window applications where provide sellers can market the products and customers can purchase a wide range of products. The researcher conclude from the above research that a very high percentage of customers have started purchasing products from e-marketplaces as they are getting to choose from wide variety at reasonable cost moreover this is saving their time too. E-marketplaces are providing platform for the small businessmen and handicraftsmen to sell their products across the globe. The result of this study can be used to frame policies for e-marketplaces and to enhance the performance of the e-marketplaces.

Future Scope of the Study

This study has focused on studying the perception of today's customer while buying products and services from e-marketplaces over a limited sample, but further studies can be done on as what factors are playing influencing the customer perception and on what age group or on what income level .

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