



**Study of Impact of E-Commerce on Consumer Behavior in Indore District
(With Reference to Marketing of Selected Fast Moving Consumer Goods)**

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Abstract

Electronic marketing is a relatively new concept and crept into the business vocabulary in around 1970's. It refers to the flawless application of information technology from the point of origin to the ultimate destination of the products along with the entire value chain; the business process are carried out electronically and intended to accomplish the business goals effectively and efficiently. Electronic marketing brought a new dimension in marketing where customers can buy product and services online (B2C), one business house can interact and exchange something desired with another business organization (B2B). Another important change the internet has meant for business is that individual have the ability to communicate with one another, independent of location. (i2i; individual to individual); i2i plays a big role in influencing customer behavior and maintaining relationship. Neilsen sees e-commerce's contribution to sales growing on the back of growing smartphone penetration, increased data consumption, and efforts by large companies to make their products available online.

Introduction

E-business describes the use of electronic means and platforms to conduct a company's business. **E-commerce** means that the company or site offers to transact or facilitate the selling of products and services online. **E-purchasing** means companies decide to purchase goods, services, and information from various online suppliers. Smart e-purchasing has already saved companies millions of dollars. **E-marketing** describes company efforts to inform buyers, communicate, promote, and sell its products and services over the internet.

We can distinguish between **pure click companies**, those that have launched a web site without any previous existence as a firm, and **brick and click companies**, existing companies that have added an online site for information and or/e commerce.

Pure-Click Companies

There are several kinds of pure-click companies: Search engines, Internet Service Providers (ISPs), commerce sites, transaction sites, content sites, and enabler sites.



Commerce sites sell all type of products and services, notably books, music toys, insurance stocks, clothes, financial services and so on. Among the most prominent commerce sites are Amazon, eBay and Indiatimes.

Growth of E-Commerce in India

The Internet is most useful for products and services when the shopper seeks greater ordering convenience (e.g. books and music) or lower cost (e.g., stock trading or news reading). It is also useful when buyers need information about product features and prices (e.g. automobiles or computers). The Internet is less useful for products that must be touched or examined in advance. But even this has exceptions. People can order furniture from EthanAllen.com, major appliances from Sears.com, and expensive computers from Dell or Gateway without trying them in advance.

E-commerce in marketing of Fast Moving Consumer Goods in India

- As per Census of India 2011, 68 percent of India is Rural and Only 32 percent of India is Urban.
- Due to green revolution, white revolution, rural development, urban development there is a tremendous demand for both consumer durables and consumer non-durables in Rural India.
- There is development of infrastructure facilities in rural India in terms of development of power, transport, communication, education and health care facilities to mention a few. With the increasing development of internet facilities, mobile revolution, development of mobile commerce, there is a change in consumer behavior towards purchase of fast moving consumer goods through e-commerce.
- As per Nielsen research study FMCG sales on e-commerce sites will touch \$4 billion by 2022. Sales of fast moving consumer goods (FMCG) on the internet are expected to touch \$4 billion by 2022, contributing 5% to overall sales of packaged consumer goods sold in the country.
- Nielsen sees e-commerce's contribution to sales growing on the back of growing smartphone penetration, increased data consumption, and efforts by large companies to make their products available online.

Review of Literature

Electronic marketing is a relatively new concept and crept into the business vocabulary in around 1970's. It refers to the flawless application of information technology from the point of origin to the ultimate destination of the products along with the entire value chain; the business process are carried out electronically and intended to accomplish the business goals effectively and efficiently. Electronic marketing brought a new dimension in marketing where customers can buy product and services online (B2C), one business house can interact and exchange something desired with another business organization (B2B). Another important change the internet has meant for business is that individual have the ability to communicate with one another, independent of location. (i2i; individual to individual); i2i plays a big role in influencing customer behavior and maintaining relationship. Morgan and Hunt (1994) conceptualized trust as existing when one party has confidence in an exchange partner's reliability and integrity. They also argued that trust is a major determinant of relationship commitment and affects reliability and integrity. Ratnasingham (1998) argued that the trust in electronic marketing is vital and it should be used in a way that ensures e-commerce security. Although Electronic Marketing cannot be considered as a substitute of traditional marketing due to its own limitation, it plays a very important role in the modern world of marketing and it can be considered as supplement



to traditional marketing. Alongwith required information, customers can place orders for the product and payment can be made online. **(Kunal Gaurav, 2010)**

Electronic retailing, most commonly known as E-tailing, is nothing but shopping through the Internet and other media forms. E-tailing is, “retailing conducted online, over the internet”. E-tailing is synonymous with business to consumer (B2C) transactions. E-retailing comes under e-commerce. E-tailing helps retailers to build loyal customers and is aimed at selling in areas where do not have physical presence. E-commerce and E-tailing, from a business perspective, offer an opportunity to cater to consumers across geographies, with no operational timings, unlimited shelf space – and all this with miniscule quantity of infrastructure. Most growth drivers are in India’s favor – demographics, economy, changing life style, exposure to new ideas. There is no doubt that India is moving towards broadband, and is experiencing strong growth in Web-based sales. **(D. Muthamizh Vendan Murugavel, 2010)**

The world is moving towards Electronic Commerce activities at a very fast pace. Internet enables consumers to perform many stages of the sales process in a quick and efficient manner. It also provides comprehensive product information, facilitates comparison shopping, and allows for a condensed sales process. The risk perception associated with internet shopping affects online buyer’s purchase decisions. Researchers established that online shopping rate is negatively associated with the risk perceptions towards online buying. (Miyazaki and Fernandez 2001). Therefore, safe and responsible handling of online buyer’s information is the key to attract and retain those customers (Briones 1998). Gefen’s (2000) research indicated that consumer trust influences purchase intentions. Factor analysis revealed that eight important factors such as accessibility of information, reliability of information, availability of information, search-ability factor, convenient facility, security concern, trust concern, quality factor were identified. Online buyers could gain the ability to search for products not on display, gather information without taking up the salesperson’s time and even purchase or pay for products for immediate delivery, when conducting online shopping. It is clear from the research conducted that security is the important factor for online buyers when they conducted the shopping online. Customers want that the information of the product should be clearly mentioned on their respective websites. Another factor which influences the buyer is the reliability factor. Therefore, online transactions should be secure, reliable and trusted in order to attract and maintain existing internet users. The consumers hope that trading through the electronic media is safe and dependable and also they expect good value for their money. **(A. Sajjevan Rao & Mokhalles Mohd. Mehdi, 2010)**

Research Methodology

Objectives of the Study

1. To study the FMCG product consumption pattern of consumers.
2. To identify the buying motives of consumers.
3. To assess and compare overall buying practice of consumers.

Research Design

The study is based on both primary and secondary data of qualitative and quantitative in nature. The secondary data was collected from the e-resources available on various media websites. While the primary data was collected from Indore district by creating an online survey form on Google drive and collecting the response of respondents through various messaging applications.

**Sampling unit:**

Who is to be surveyed? The marketing researcher must define the target population that will be sampled. In the proposed research on study of consumption pattern sampling unit will consist of households of Indore representing cross section of the population including service class, professionals, daily wage earners, farmers, house wives and students.

Sample size:

How many people should be surveyed? Sample size will consist of 100 households of Indore, from the tehsils and towns of Indore District.

Sampling procedure:

How should the respondents be chosen? Researcher has used convenience sampling and quota sampling to obtain a representative sample.

Contact methods: Telephone interview and online interview, Google form was used as contact methods.

Respondents Profile**Table 1 Profile of Sample Respondents**

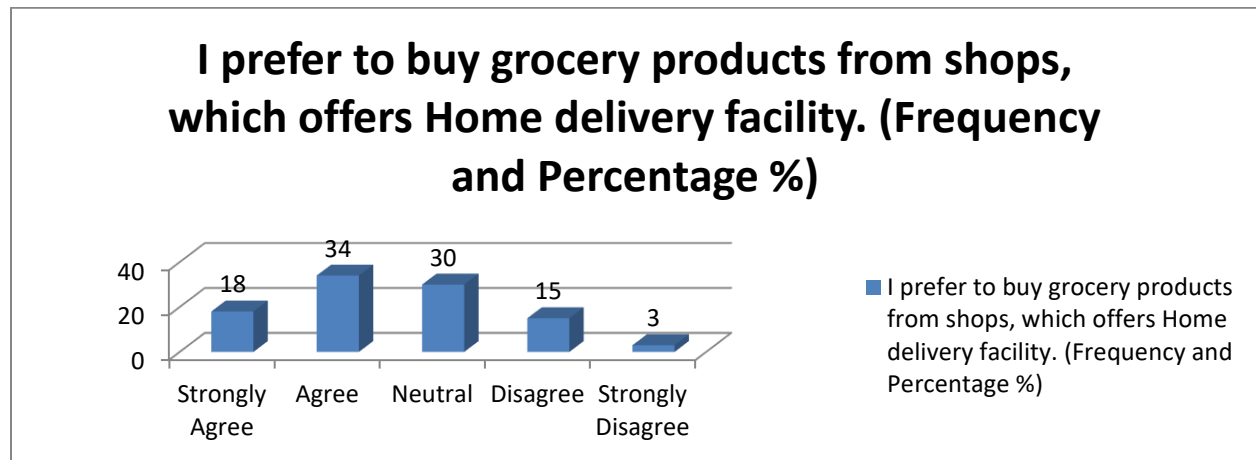
Sr. No	Consumer Profile	Particular	Frequency	Percentage
1	Gender	Male	73	73
		Female	27	27
2	Age	11-20	14	14
		21-30	52	52
		31-40	22	22
		41-50	7	7
		51-60	3	3
		61-70	1	1
		71-80	1	1
3.	Occupation	Profession	9	9
		Student	34	34
		Service	31	31
		Business	15	15
		Housewife	8	8
		Others	3	3
4.	Monthly Income	Less than Rs. 10000 or Rs.10000	18	18
		Rs. 10001-20000	23	23
		Rs. 20001-30000	14	14
		Rs. 30001-40000	21	21
		Rs. 40001-50000	9	9
		Rs. 50001-60000	3	3
		Rs. 60001-70000	2	2
		Rs. 70001-80000	4	4
		Rs. 80001-90000	2	2
		Rs. 90001-100000	3	3
	Above Rs. 100000	1	1	



Findings of the Study

Table 2

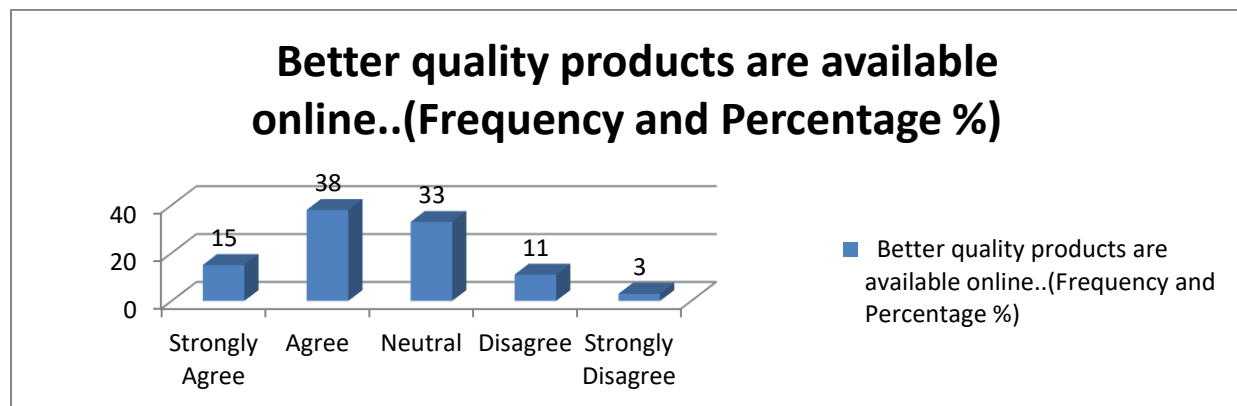
Sr. No.		I prefer to buy grocery products from shops, which offers Home delivery facility. (Frequency and Percentage %)
1	Strongly Agree	18
2	Agree	34
3	Neutral	30
4	Disagree	15
5	Strongly Disagree	3



Majority of the respondents prefer to buy grocery products from shops which offer home delivery facility.

Table 3

Sr. No.		Better quality products are available online..(Frequency and Percentage %)
1	Strongly Agree	15
2	Agree	38
3	Neutral	33
4	Disagree	11
5	Strongly Disagree	3

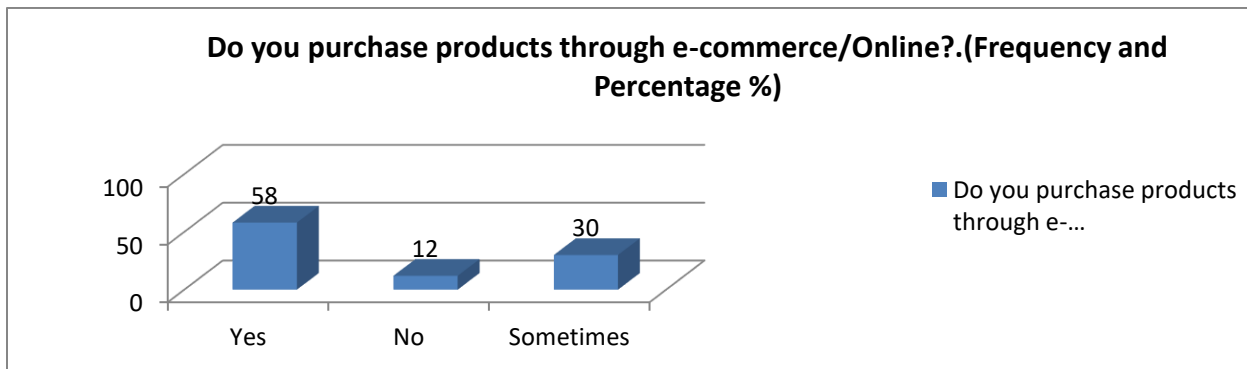




Majority of the respondents agreed that better quality products are available online.

Table 4

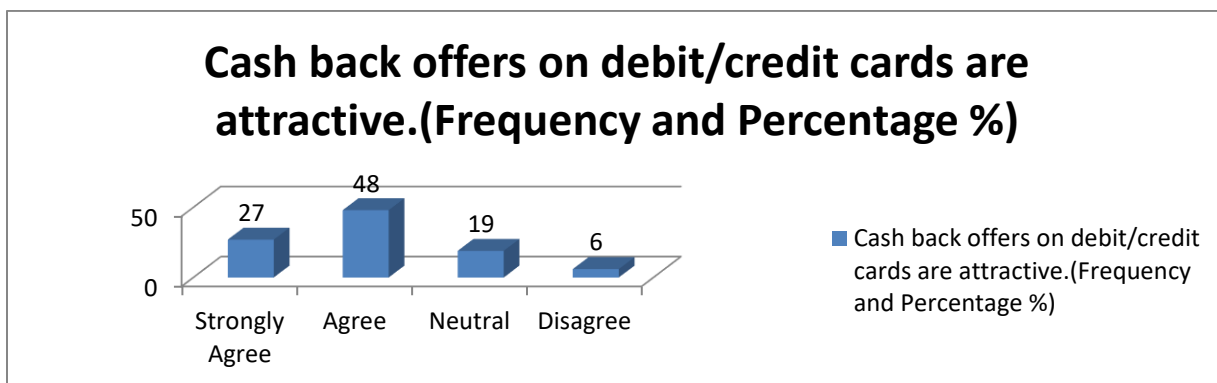
Sr.No.		Do you purchase products through e-commerce/Online?.(Frequency and Percentage %)
1	Yes	58
2	No	12
3	Sometimes	30



Majority of the respondents purchased products through e-commerce.

Table 5

Sr. No.		Cash back offers on debit/credit cards are attractive (Frequency and Percentage %)
1	Strongly Agree	27
2	Agree	48
3	Neutral	19
4	Disagree	6

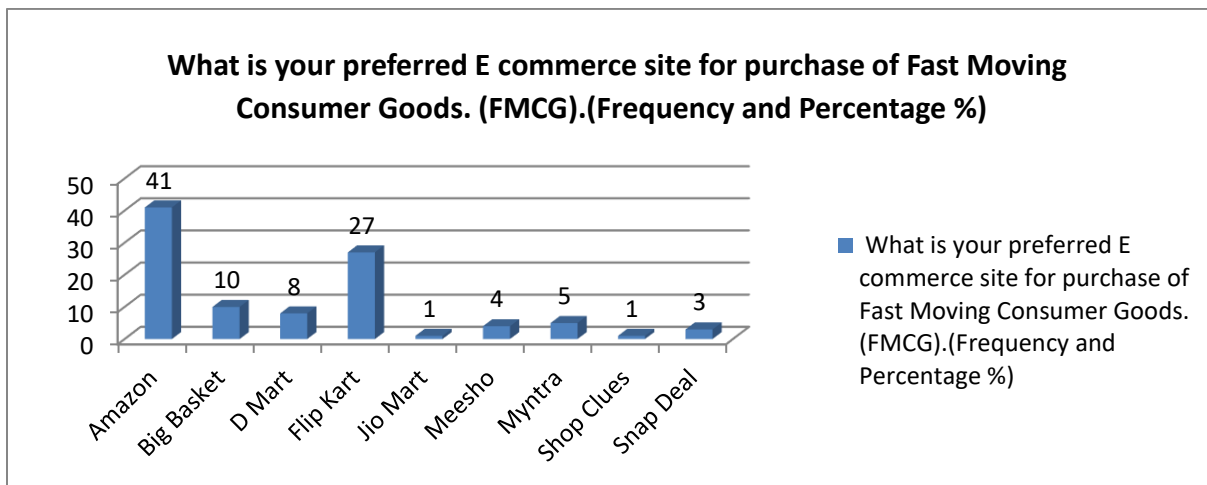




Majority of the sample respondents agreed that cash back offer on debit/credit cards are attractive.

Table 6

Sr.No.		What is your preferred E commerce site for purchase of Fast Moving Consumer Goods. (FMCG).(Frequency and Percentage %)
1	Amazon	41
2	Big Basket	10
3	D Mart	8
4	Flip Kart	27
5	Jio Mart	1
6	Meesho	4
7	Myntra	5
8	Shop Clues	1
9	Snap Deal	3



Majority of the sample respondents preferred Amazon for purchase of Fast Moving Consumer Goods.

Conclusion

Majority of the respondents prefer to buy grocery products from shops which offer home delivery facility. Majority of the respondents agreed that better quality products are available online. Majority of the respondents purchased products through e-commerce. Majority of the sample respondents agreed that cash back offer on debit/credit cards are attractive. Majority of the sample respondents preferred Amazon for purchase of Fast Moving Consumer Goods.

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