

IMPACT OF E- STORES ON MOBILE PHONE RETAILERS WITH REFERENCE TO CHERPALCHERY MUNICIPALITY

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ABSTRACT

This is an era of technology. Innovations are happened day by day. This will affect the global markets, especially between the traditional traders. Mobile phones are the hot bun in the current scenario of online markets. Approximately 100 different mobile phones are entered in Indian market last year. Most of them are launched through the various E-Commerce websites like Amazon, Flipkart, Snapdeal, etc...The E-commerce brings a new business culture to the market that is called convenient marketing. Which means people can choose their product from a wide variety of products with offers and appropriate discount and gets the products where they want. Not only that, but all these activities are initiated from their home itself. This study is focusing on the impacts made by the E-stores on the retailers.

Cherpalchery is one among the youngest municipality in Kerala as well as a fast growing township in Palakkad district. So in this paper an attempt is made (1) To study the impact of profitability of Mobile phone retailers due to the emergence of E-Stores, (2) To analyse the changes in pricing pattern of retail stores in the recent times, (3) To analyse the changes in customer satisfaction.

Key Words: E-Commerce,Retailers

INTRODUCTION

Internet has become an important medium for doing world wide business based on the state of the art technology. Global business was organized in a new way: electronically, using networks and the Internet. The availability of Internet is the primary reason behind the development of **E-Commerce (Electronic commerce)**, in which business transactions take place via telecommunication networks. E-Commerce has two major aspects: economical and technological. E-Commerce is the new mantra for the global business. Electronic Commerce is totally replacing the all traditional concept of business now a day. It provides a global market access to the customer through the internet. ‘Convenience’ is the tagline of E-

commerce. Ecommerce means the selling and buying of goods and services through online. This concept was coined by Michel Aldrich on 1979 with the help of ARPANET. But the real revolution of E-Commerce happened in 1990’s or after the emergence of Internet and the Globalization. Books are the firstly sold item through the E-stores. Now a days the E-Commerce is the most effective business model in our markets. This online business completely changes the conventional concepts of trading. Because it eliminates show room instalation costs, reduces the number of employees, etc.. This will leads to the reduction in price. So the customer got the products with huge price discounts from the online stores. A person who purchases on the Internet is called a cyberconsumer.



OBJECTIVES:

1. To study the effect on profitability of mobile phone retailers after the emergence of E-Store
2. To analyse the changes in pricing pattern of Mobile phone retailers
3. To analyse the changes in customer satisfaction.

STATEMENT OF THE PROBLEM

The Mobile phone markets are unpredictable now days because of stiff competition. A number of companies are introducing their new models weekly and monthly basis. The turnover of Mobile phone market is unimaginable. Our India is the target market of all the mobile phone manufacturers. But the retailers of Mobile phones in the markets are struggling because of the emergence of a global concept E-Commerce especially in townships. Cherpalchery is one of the fast growing townships in Palakkad district. So this study is focused on the IMPACTS OF E-STORES ON THE MOBILE PHONE RETAILERS WITH REFERENCE TO CHERPALCHERY MUNICIPALITY.

HYPOTHESIS

1. H₀: There is no association between retailer's profit margin and Sales Turn Over.

RESEARCH METHADODOLOGY

Research Design

Here the resesarch design is used is analytical research where in the available data are analysed and critical evaluations are made to identify the impacts.

Sampling Design

Simple Random sampling was adopted for collecting the data from Mobile Phone Retailers.

Sample size is **30**

Methods of Data collection

The primary data are collected through questionnaires and through the direct interview with the shop owners. The secondary data is collected through Websites, Publications, etc.

Tools used for statistical analysis

The datas were analyzed and interpreted using

- (a) Percentage Analysis
- (b) Charts
- (c) Chi-square Test

THEORETICAL FRAMEWORK

E –Commerce

E-commerce is concerned with the buying and selling information, products and services over computer communication networks. It helps to conduct traditional commerce through new ways of transferring and processing information.

Definitions:

Andrew.B.Whinston defines e-commerce as “It provides the capability of buying and selling, production and information on the internet and other online services”.

“Electronic commerce (EC) is where business transactions take place via telecommunications networks, especially the internet” – **E.Turban,J.Lee**

Why E-Commerce

- High Speed buying and selling
- Reduce the purchasing cost
- Wide variety of products and services
- Global access
- Easy customization
- Customer reviews are available
- 24x7 access
- Less store setup cost

Cons of E Commerce

- Lack of personal relation
- Quality issues
- Security Issues
- Not suitable for all kinds of products

E-Commerce v/s Traditional Commerce

Sl No	E-Commerce	Traditional Commerce
1.	Customer purchase the products through Mobiles,Tablets,Computers,etc..	Customer directly approach a shop for purchasing.There is a face to face dealing with the seller
2	Global reach	Limited Reach of business
3.	Can have one to one marketing	Only have one to one marketing
4.	Wide payment options are available	Limited payment options are available
5.	Speed delivery of products	Instant delivery of products

6	Provide more discounts	Discounts are few
7	More customer support	Limited customer support
8	24x7 availability	Limited time prescribed by the law
9	Inspecting the products before purchase is not possible	It is possible

ANALYSIS AND INTERPRETATION

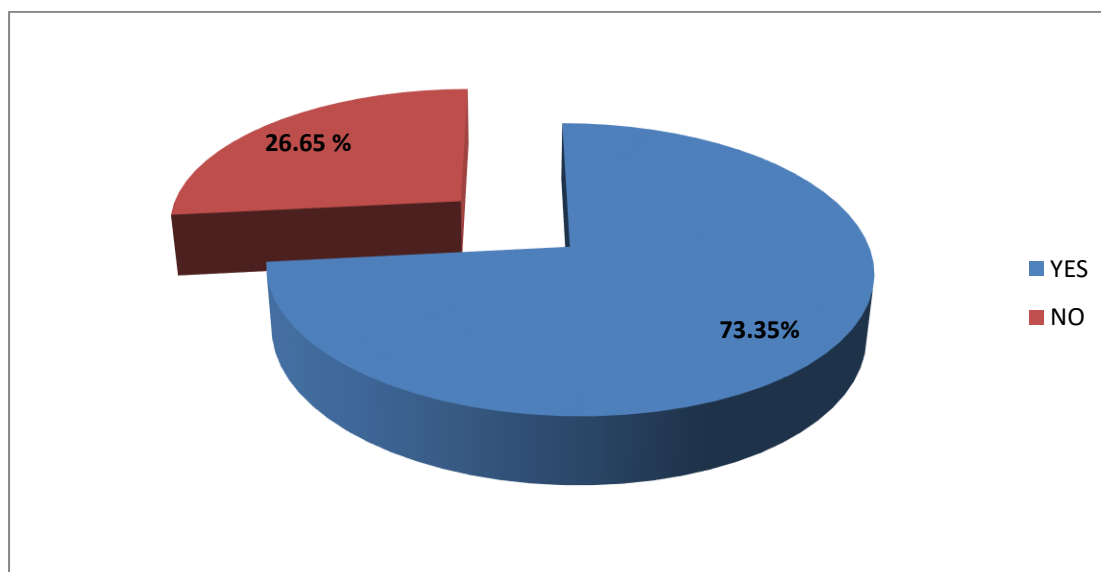
Table 1

DECREASE IN TURNOVER

Particulars	Yes	Percentage
Yes	22	73.35
No	8	26.65
Total	30	100

Chart 1

DECREASE IN TURNOVER



From the above analysis it clear that there is very few decrease in turnover of retailers in last two years.73.35% of the total respondents with this opinion

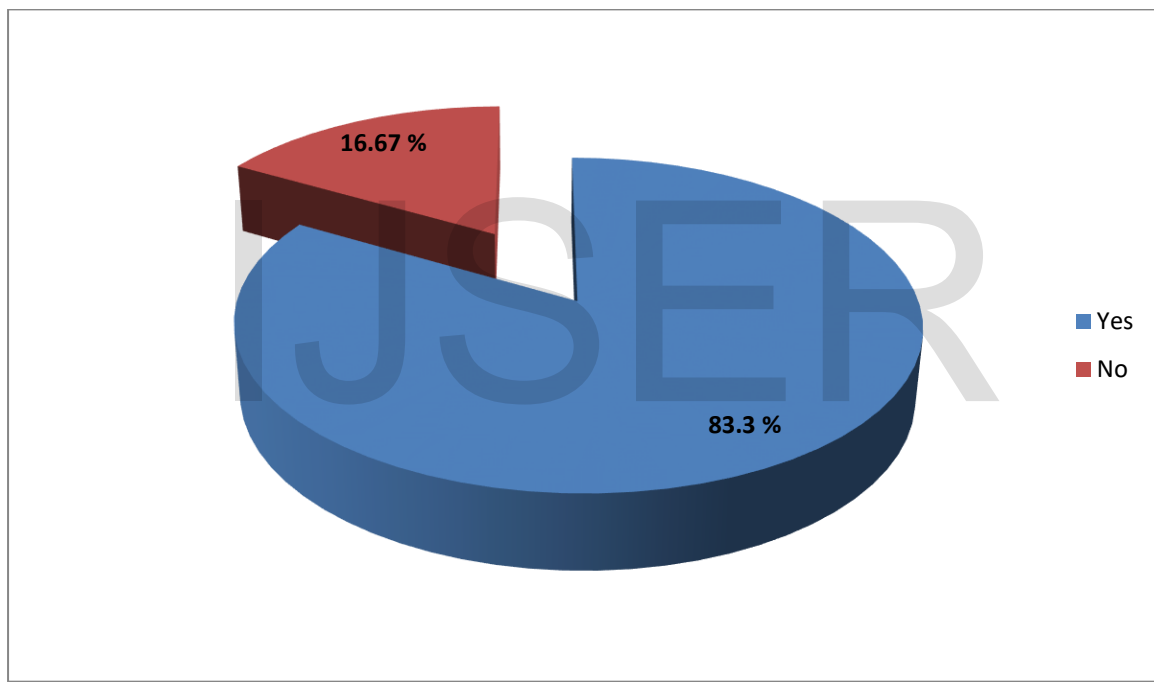
Table 2

DECREASE IN PROFIT MARGIN

Particulars	Yes	Percentage
Yes	25	83.30
No	5	16.67
Total	30	100

Chart 2

DECREASE IN PROFIT MARGIN



From the above analysis it is interpreted that the profit margin of the retailers showing a decrease in last two years.83.3% of them having this opinion.

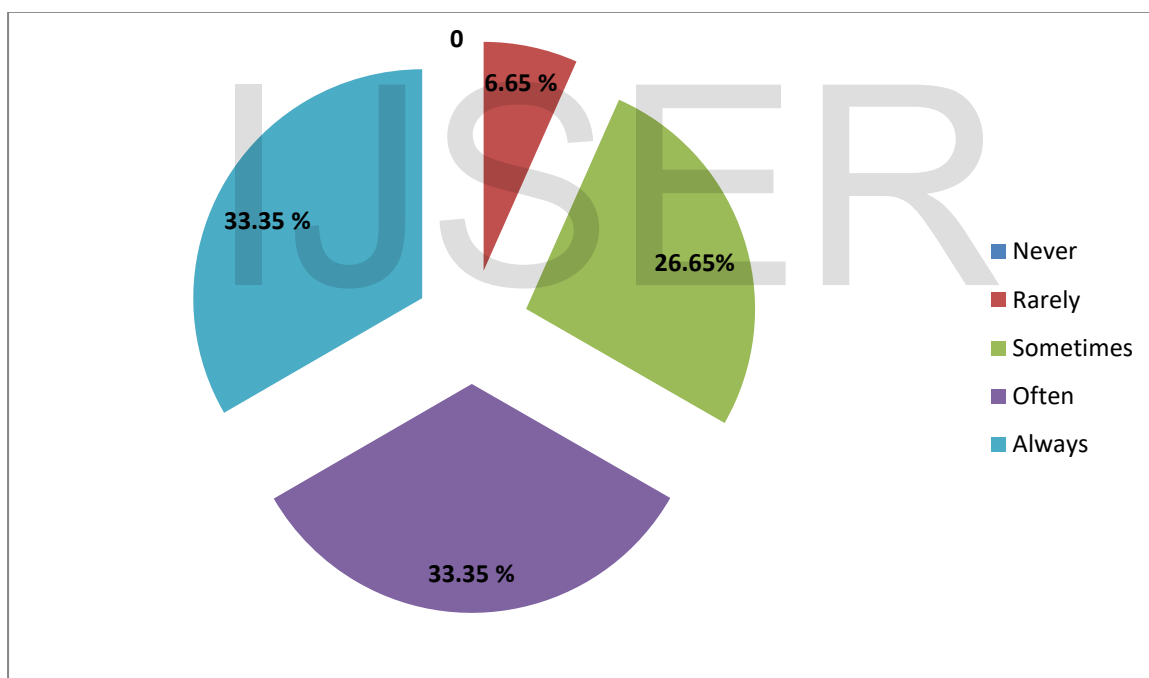
Table 3

INCREASE IN DISCOUNT RATES

Particulars	Respondents	Percentage
Never	0	0
Rarely	2	6.65
Sometimes	8	26.65
Often	10	33.35
Always	10	33.35
Total	30	100

Chart 3

INCREASE IN DISCOUNT RATES



From the above analysis it is inferred that majority of the retailers hike their discount rates frequently, i.e., 66.70% of the retailers agreeing with this.

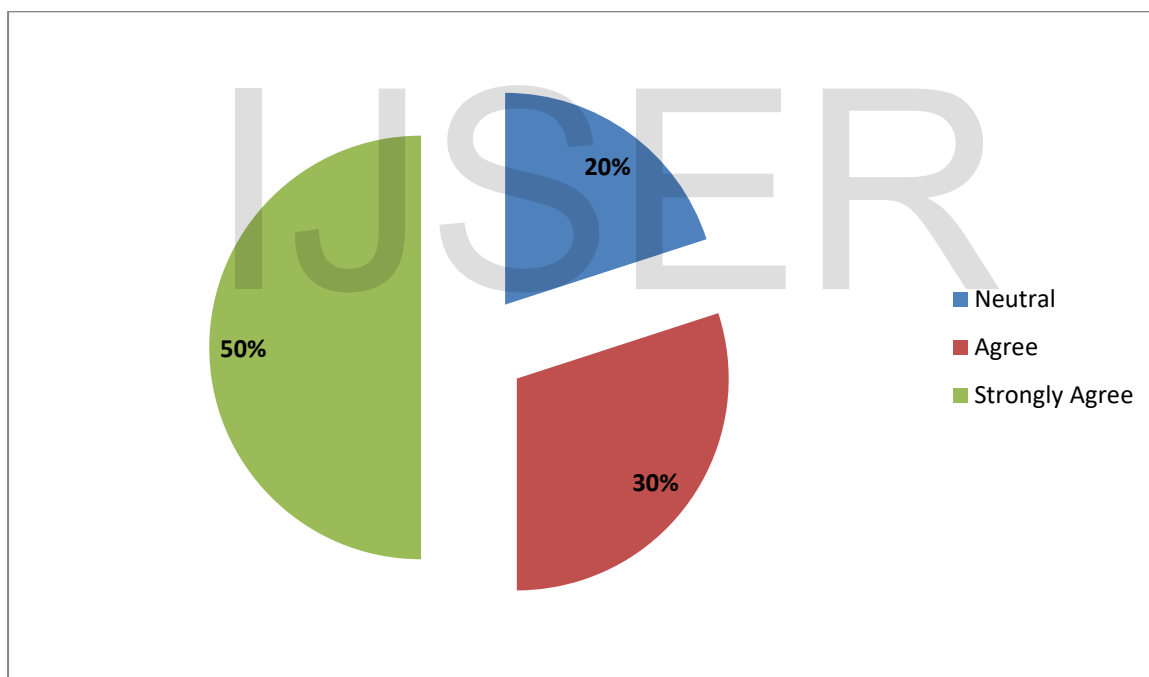
Table 4

KEEPING MORE VARIETY OF STOCKS

Particulars	Respondents	Percentage
Strongly Disagree	0	0
Disagree	0	0
Neutral	6	20
Agree	9	30
Strongly Agree	15	50
Total	30	100

Chart 4

KEEPING MORE VARIETY OF STOCKS



From the above study it is clear that the retailers are keeping more variety of products at their sales outlets.80% of the respondents is with this opinion.

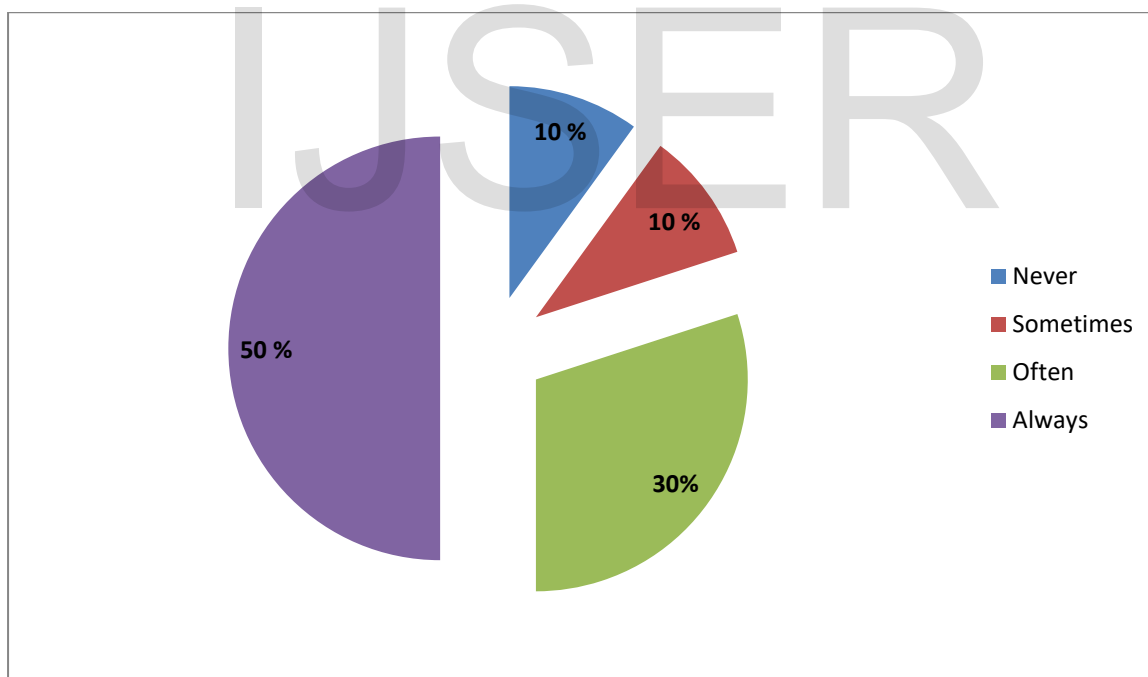
Table 5

PERSONALIZED SERVICES TO THE CUSTOMERS

Particulars	Respondents	Percentage
Never	3	10
Rarely	0	0
Sometimes	3	10
Often	9	30
Always	15	50
Total	30	100

Chart 5

PERSONALIZED SERVICES TO THE CUSTOMERS



From above study it is clear that the retailers are frequently providing the personalized customer services to the buyers.80% of the retailers are doing this.

Table 6

Association between Profit Margin and Business Turnover

<u>TEST STATISTICS</u>	
N	30
Chi-Square Value	0.87
df	1
Table Value	3.81

The null hypothesis is accepted since the calculated value is less than the table value. So there is no association between the two attributes ie., Profit margin and Business Turn over.

Findings :

- The business turnover of retailers is not showing a negative movement. They have a steady growth in their overall business turn over.
- The profit margin of the retailers showing a decrease during the last year.
- The retailers are started to provide more discount while selling their products.
- Majority of the retailers are trying to keep more models of each brands at their outlets. This will abolish the dissatisfaction of customer up to a certain limit.

- Most of the retailers are begins the personalized customer services for reducing dissonance seeking buying behaviour of a customer.

Suggestions

- Our commerce ministry should organize more workshops on e commerce and its possibilities to the retailers.
- Retailers should follow new payment practices.

Conclusion

E-stores/E-commerce are the next level business hub for the retailers. It completely demolishes all the concepts of traditional retailing. Mobile phones are the hot seller in online business world. This industry having a war in between the companies. Recently Samsung and huwawei are going to introduce foldable display phones with high end hardware specifications. But

these products are firstly available in online stores only. The popularity of E-stores are growing immensely. It is a global change. Everybody should accept this change. Because customers need convenience at their all aspects. Customers are highly aware and well educated now a day, so the retailers can't able to bargain them at their shops. Due to popularity of E-stores, the Profit margin of the retailers are fall down and they started to provide more discounts and start trying to give unique service to the customers.

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