

E- Markets - A Study

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Markets are a primary feature in the economy. Electronic markets are linked through latest digital networks through high speed hardware devices and software. Electronic marketplace provides an ease to the buyers and sellers to interact virtually and not physically. In this era of increasingly changing environment and Digitisation of the Economy, electronic markets are embracing competitive strategies in the direction to find the resources so that they can outstand in the market. Electronic marketing is the application of the Internet and related digital technologies to achieve marketing objectives and support the modern marketing concept. Electronic markets provides a platform which eases e-buying and e-selling of goods and services. Electronic markets are the central hub which lowers the costs of transaction for enormous buyers and sellers to deal in this online world with convenience. It is open to several buyers and several sellers.

This study aims at observing the traditional and electronic market stratagems. Also analyse the various e-challenges a firm airs in the modern vigorous situations. It studies the traditional and e-market consumer buying process and various perspectives.

Keywords. - E-commerce, electronic markets, digitisation.

Introduction

The transition to online markets from traditional markets is fast moving in Indian markets. A traditional market is a physical place where buyers and sellers meet in order to exchange goods and services. Internet has given a rise to a new marketplace and a new form of commerce called e-commerce. Internet is a powerful web connectivity, which connects online markets - sellers and buyers, payment systems and various delivery mechanisms. It also acts as a powerful medium to buy, sell, transfer, or exchange products, services, or information in electronic way. Electronic markets are an innovative form of inter organizational information systems, utilizing the Internet and Web technologies. Absence of geographical hindrances on the Internet, buyers and sellers would visit the various websites and electronic markets at their convenience and at their ease that too 24/7. E-marketing is referred to those stratagems and procedures which uses the online ways to reach target consumers.

E-market clouds and operates Internet and Web-based information systems by which other firms

can purchase and/or sell products which can be done at lowest costs and at the ease of the customer. Through the advent of electronic information technology the firms and consumers can relate very often and at their leisure. The major component of electronic commerce are Electronic markets. Electronic markets help accelerating growth of e-commerce. The very substance of electronic commerce are electronic markets as they practically combine the various functions like advertising, product ordering, supply chain management, product availability and the delivery of products, and secured payment gateway systems. Electronic commerce starts with the consumer clicking on the site for any product or service and ends with a satisfied consumer. Electronic markets plays a very vital role in the chain of electronic commerce. In the olden era the best example of online trade was the Nasdaq stock market. It connects large number of brokers, dealers, companies, investors to trade online. With the fiery development of the Internet, electronic markets plays an important role in trades and all other online transactions. The World Wide Web is the widespread edge for electronic markets. People can access the online world markets anytime anywhere with the high speed access to the internet. Electronic markets facilitate an electronic platform, or on-line channel to simplify transactions between buyers and sellers that potentially supports all the steps in the entire order completion process.

Objectives of the study -

- 1) To study the traditional and electronic market strategies.
- 2) To analyse the various e-challenges a firm faces in the modern situations.
- 3) It also studies the traditional and electronic market consumer buying process and various cost perspectives.

Literature Review

As showcased by Cross and Smith (1996) the major ingredient in the consumer purchases will be the marketer's ability to deliver the pure and relevant information. Traditional form of markets are more consumer initiated and e-markets target through websites. In this way consumers can view only the information they seek. As per the study of Jerry Gao, (2000) an electronic market place is interactive between the buyers and sellers. This study identifies the impact on consumer buying process, economy and industry structure. It also compares various costs involved in the traditional and electronic markets. Turban et.al. 2006, studies the consumer behaviour online in order to find success of electronic markets. It also analyses the future of electronic markets and perceives it to be very bright in the future.

Features of Electronic Markets

- **Reducing the search costs** - The supplier and consumer are at ease as there is no requirement of a physical place for trading which cuts the costs - money, time, effort. A consumer can log on to a particular site and look on the product and its features, size,

colour, packaging, price etc and order the product anytime anywhere. The consumers when buy products online, can get for lower prices as they avoid intermediaries in the supply chain and the firms can get increased margin on their sales.

- **Digitization** - In the online world digitization of the product is a must. Displaying all the qualities and quantities and other specific features of the product helps in showcasing the product on the website which also helps in its distribution. Consumers are easily attracted towards colourful package and attractive sales promotion offers online. The digitisation of products has left no area untouched it encompasses products like books, newspapers, magazines, computer software, personal care products, health care products, movies, grocery items, food products, apparels and music.
- **Elimination of Inventory** - Now a days it is the electronic world. Digitization aims at decreasing stock and other costs. As the products are digitized they can be distributed in electronic way to the consumer which lessens the costs of distribution. For example, if a consumer wants some drivers to install a printer of HP The software can be downloaded from one of the HP sites on the Internet. This will eliminates the need for HP to maintain the stock of software on CDs or diskettes that must be physically shipped to the consumer. These are the days of online downloads. All these are downloaded free of cost and their companies need not have stock of them on CDs or pen drives. This helps in avoidance of stock.
- **Growth of Electronic transactions**- It's the e-world. People find it safe and easy to pay and receive on line through electronic banking using apps like paytm, paypal, payumoney, CCAvenue, Bhim app etc. As there is no risk of carrying cash. Dealers also transact through plastic cards mechanism. Electronic payment gateways are designed for electronic markets and the transactions are settled in the real time system. Transactions are done faster in the online world and that too just on a click with safety.
- **Safety Mechanisms** - While dealing in an online transaction the most important thing is the safety of both the parties. In online security systems various measures are taken to secure both ends. The e-payment sites are secured through various checks like virtual keyboard mechanisms, OTP generation system to identify that the user is authentic and then payments are processed.
- **Access anywhere on the Globe** -Be it a supplier, manufacturer, wholesaler or a consumer you can access the markets anywhere and anytime. There are no time and geographical restrictions on your movements. This feature allows to increase the sales and maximises the profits. The firm also gets a satisfied consumer.

Advantages and Disadvantages of Electronic Markets -

Advantages	Disadvantages
<ul style="list-style-type: none">• Cost Reduction through Automation• Less Risk• Faster Responses• 24/7 Access• Better products and services• Universal boundryless access• Satisfied Consumer• Reponses known immedialtely• Works in Real time system	<ul style="list-style-type: none">• Technological Dependence• Privacy Issues• Security problems• Due to technological changes the costs increases• Global Competition• Price increases due to competition• System securities issues

Consumer Buying process - Traditional market and E-market scenario

In a **traditional market**, a consumer finds various information about the product from various shops. The consumer visits a few local shops and malls to gather information like the product quality, features, size, packaging, price etc. The consumer spends on travel costs and other costs. Once the consumer gathers the information, then analyse and then finally decides which product to buy. Then places an order and get the product personally or through some distribution network. The manufacturer also spends a lot of time and efforts in the traditional format of markets on advertising costs, middlemen costs, on the distribution mechanism.

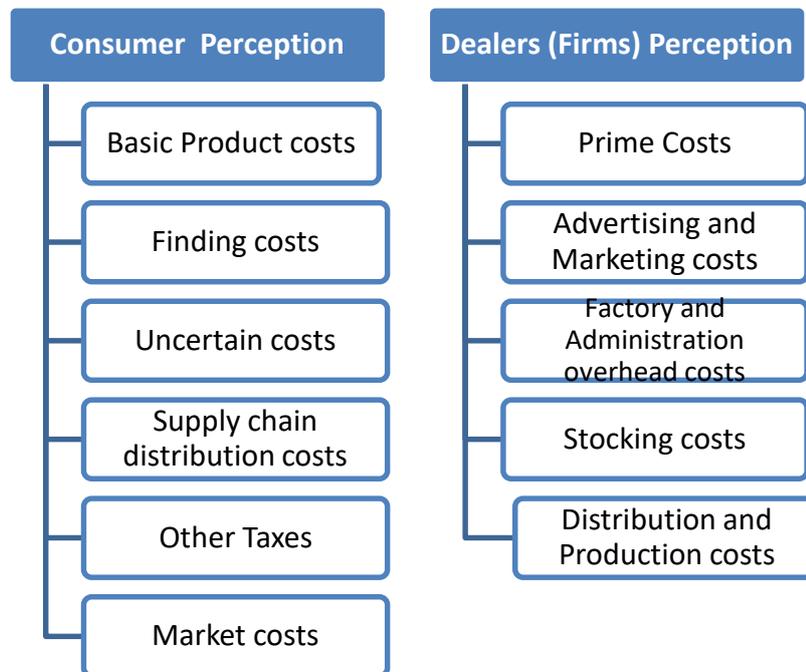
Electronic markets are very simple and affects consumers buying process. With the advent of digital markets the buying process is completely transformed. The consumer uses their fingers and shop sitting at home, office or at any convenient place by just logging on to a particular site, then identifying the product, comparing prices by toggling to different sites and finding a brief description about the product, identifying the characteristics of the products and then placing an order online after selecting the payment process. The firms also save on advertising costs and distribution costs.

Traditional and Electronic Markets: Cost Perspective

Cost-based differences -In the traditional markets the costs are comparatively higher than in electronic markets. In the e- markets the process time for completion of an order is less which in return improves consumer satisfaction. In digitisation the process is done in fraction of seconds while shipment of a product takes a longer time but even this problem is tackled using technology

for example Amazon's Drone technology . In electronic markets there is an ease of shopping in a click but some consumers are still in the state of mind that to buy a product its feel is important and they feel payment online is not safe.

Cost Perspectives



Consumer Perception- Costs

The consumer is on the demand side and perceives the following costs-

The basic product price is the sum total which the consumer pays (prime costs, management costs, overhead costs and profits) for the product or service. Finding costs contains the costs involved in the time consumed to find the product and the dealer who deals in that product or service. Additional costs of concern include distribution costs. Market costs are associated with participating in a market. The consumer aims to pay minimum of the sum total of the costs subject to the constraints that the product quality and features, including how soon the product can be received. Prices in electronic markets are generally lower than in traditional markets. In online markets it is generally easier to gather relevant information, and compare a wider range of prices. There are various brands across local and international which can be compared easily online. In traditional retail markets a buyer would have to either drive around town or call several sellers. This takes more time and costs more. Seller firms and sites like amazon, ebay and many others provide various cashback offers and other promotional schemes. And the Great Indian Festive Sales on every occasion still addons the promotional schemes on these sites. For example If you want to book a hotel room online just logon to Trivago - a site which compares the cost, price and availability of the rooms on various websites and apps and provides you the details as per your requirement and gives you the best deal in just few minutes.

Dealers (Firms) Perception- Costs

From the seller perspective (supply side of a transaction), the potentially relevant costs that are identified includes: The Prime cost includes the various costs involved for material, labour and other direct expenses. It is the basic cost involved for manufacturing a product. The next set of overheads include the factory and administration costs. The next segment of costs are associated with advertising and marketing of the product, which is associated with bringing the product in the limelight and also helps the consumers to know about the various features and promotional offers of the products and services. Electronic markets helps the firms with an additional sales channel where they can market and sell their products. Where in the traditional markets advertising and marketing costs cover a major portion of costs.

Example.-E bay is the leading online person-to-person market. OLX is also an example where consumers meet themselves online and buy the product and sell it online. Individual buyers and sellers can register at the sites and exchange products and services. Such marketplaces has created a central hub that provides a list of items bought and sold online like computers, antiques, coins, and furniture. It is only possible to create such a market with the wide use of Internet.

Types of Internet Web Marketplace -

There are several types of internet web marketing



Future in Electronic Markets

1. Prospects for retailers - In this digital era no business can survive if its not connected to the online world. A retailer can associate linking his business with the online distribution systems. They can provide required information about their products and services online. They can showcase products online by using social media networks. They can create 24/7 interface with the consumers and cater and satisfy their needs. They can also announce various sales promotional offers online and gain maximum consumers.
2. Prospects for wholesalers/distributors -In the digital world of markets the position of the wholesalers is at greatest risk as the manufacturercan very easily avoid them and sell their products to the retailers and the consumers directly through the online websites. In this kind of scenario the wholesalers can take benefit of electronic markets and social networking sites to sell to the consumers by offering them some more promotional activities.
3. Prospects for manufactures - Firms can take benefits of electronic markets by interconnecting with internet systems, and creating their websites wherein the consumers can logon anytime and anywhere to place an order and purchase the product. The firms should provide information about their products online and the order processing mechanism should be very easy to use and userfriendly.
4. Prospects for Consumers-The modern era consumers are more and more linked with electronic markets which provide them flexibility to shop online and that too 24/7 at their convenience. They can save their time, energy while shopping online. There are various online websites like Amazon, Big Basket.com, myntra.com, jabong, craftsvilla, limeroad, paytm, flipcart etc.

Organisation of E-Commerce Markets:

E-marketsare the joint produce of many single traders and firms that collaborate for comfort of buying and selling online, and help consumers to shop at a click.



Conclusion

The future of E-markets is very immense. There are various segments that would grow into the electronic form in the future like: Travel and Tourism, food industry, FMCG sector, retail, electronic appliances, hardware products and apparels. In the electronic markets all the parties are benefited like the manufacturer, dealer, wholesaler and the consumers. As they get 24/7 access of the markets and secured payment gateways. Transacting online has become an ease. Due to direct access from the producers to the consumers the products are available at better prices. The supplier firms also provide best sales promotion schemes during festive occasions, like the Amazon's "Great Indian festival" and Flipcart's "Big Diwali Sale offers" which increases the sales and profits of the firms and the consumers are also attracted towards buying the products and services. E- markets also provide better employment opportunities.

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