

A Study on Compatibility of E-Tailors on Small and Medium Sized Enterprises (SMEs) With Special Reference to Chennai City, India

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Abstract

With the advent of planned economy in 1951 and the subsequent industrial policy followed by the Government of India, both the planners and the government earmarked a special role for small-scale enterprises and medium scale enterprises in the Indian economy. Deep-pocket e-tailors such as Amazon, Flipkart and Snapdeal are turning to the country's 47 million small and medium enterprises (SMEs) to host a unique assortment of products on their online stores. They are providing various specialised training, logistics, infrastructure and technology support to these SMEs to enrich their product selection in categories like apparel, jewellery, handicrafts, fashion accessories and leather goods. The e-tailors plans to on-board 50,000 SMEs in the next two years while Flipkart and Snapdeal is inching close to the 100,000-seller mark, a majority of them SMEs. Amazon already has 10,000 sellers on its platform, many of whom are small units. The e-tailors such as Flipkart, on its part, have tied up with the Federation of Micro, Small and Medium Enterprises and the National Centre for Design and Product Development to help small manufacturers and artisans. The online marketplace is also working with the Centre to train people in semi-urban and rural areas to prepare them for employment at Flipkart or its business partners. The New form of e-tailors such as Flipkart, SnapDeal, Amazon etc. seems to be a panacea for all the above said problems. Many government and many small scale industries started setting up joint ventures, partnerships, and collaboration with these e-tailors in different aspects. This new form of business model between e-tailors and SMEs can sustain in the long run? If it is sustaining whether it will create the necessary ambience for the SMEs to grow? Whether this new model will help in development of SMEs? Whether it can bring the necessary growth in employment opportunities? This study will analyze the viability of this model and the impact of this on SMEs.

Keywords: e-tailors, Small and Medium Enterprises, Employment opportunities, Viability.

INTRODUCTION:

In spite of various advantages, e-tailors still has a number of hurdles to cross over before it truly revolutionizes business. These hurdles are more difficult and herculean in a country like India, where computing itself is taking root gradually. The primary cause of this being that the number of computers per person in India is too small for e-tailors to make an impression. To deal electronically, the basic requirement is to have a computer or a device that can fulfil the requirements for dealing with online transactions. The second major

problem is the access to the internet. E-tailors is carried out largely through credit cards, which are not commonplace in India. Most people are not comfortable with the idea of a credit card itself; let alone using one on the internet. The other problem of buying from a catalogue is that it does not have the direct impact to generate desire and trigger the consequent purchase. The possibility of bargaining doesn't carry forward to net shopping, which dissuades most Indian consumers. Though the cost of setting up a cyber

business are relatively less as compared to an ordinary business, to have a decent response from Indian buyers, a large amount of money would have to be spent on advertising which in turn would inflate the pre-requisite capital.

NEED FOR THE STUDY:

The electronics, electronic equipments and all relevant affairs have such profound position in international area that no technology can compete with them since its effective role in all current affairs is tangible and proved. Moreover, it could have maximum saving in the decreasing of intervals, costs and time consumed. To be present in international and global markets with successful and effective commercial approaches, showing economic competence of countries is one of the adaptation necessities with current international disciplines due to achieve improvements in economical and industrial realms.

The present improvement in electronic data interchange by computer network and related technology made a huge revolution in communication. Hence, studying the role of E-tailers in the developing of SMEs is an important discussion.

OBJECTIVES:

1. To identify the level of e-tailers acceptability in SMEs.
2. To investigate the important factors affecting the level of acceptability of e-tailers in SMEs.
3. To study the role of e-tailers in marketing functions.
4. To analyze the effectiveness of e-tailers on performance.

REVIEW OF LITERATURE:

Matlay, H. (2010). A study done by this researcher shows that while many SMEs have adopted e-tailers in order to gain a greater share of the global market, many other SMEs are simply intent on improving internal efficiency. Thus, while many studies have shown that certain benefits are achievable, the applicability of these benefits to the SME sector needs to be critically assessed.

Jaidee, Sarut and Beaumont, Nicholas (2011). These two researchers have a paper into which they concluded that B2B electronic commerce has been available to industry for a number of years, but Small to Medium Manufacturing Enterprises (SMMEs) are still slow to adopt this technology. From the studies based on an extension of Technology Acceptance Model (TAM) and Electronic Data Interchange (EDI) literature as a framework, they have interviewed a number of SMME principals in Thailand; discovering that few have adopted B2B electronic commerce techniques. The results of their study have shown that perceived usefulness and the influence of trading partners positively influences the decision of owners/managers and plays a part in B2B electronic commerce adoption decisions.

Julta, D., Bodorik, P., Dhaliwal, J. (2012). In a study done by these researchers they indicate that e-tailers can improve SMEs ability to compete with the large organization and bring smaller supplier to compete internationally or regionally from being lack of knowledge and expertise about international trade issues and foreign markets and thus upgraded a company to international scale.

Hoi, J., Shim, J. P. and Yin, A. (2013).

This researcher observes that increasing international exposure and enhancing customer service quality and responsiveness is one of the perceived benefits of e-tailers to SMEs.

RESEARCH METHODOLOGY

Research design

The present study involves the primary and secondary information. The responses to structured questionnaire will be collated with the help of SPSS package and the relevant statistical tools like stratified random sampling technique, Chi-Square mean value and standard deviation will be adopted to arrive at meaningful conclusions.

Sample Design

The 100 enterprises will be the sample size. The sample size is divided among small and medium enterprises in Tamil Nadu urban and rural district, taking proportionate stratified random sampling technique.

SAMPLE SIZE

Item	Small enterpri ses	Medium enterpri ses (8%)	Total (100 %)
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	(92%)		
Number of Enterpri ses	92	08	100
Total	92	08	100

Small and medium sized enterprises in Tamil Nadu’s urban and rural district will be considered for the sample.

DISTRIBUTION OF SAMPLE SIZE

SMEs	Small enterprises	Medium enterprises	Total
Urban	52	05	57
Rural	40	03	43
Total	92	08	100

The responses to structured questionnaire will be collated with the help of SPSS package and the relevant statistical tools like stratified random sampling technique, Chi-Square mean value and standard deviation will be adopted to arrive at meaningful conclusions.

2. Different elements and nature of contracts affect the level of acceptability of the e-tailers in SMEs.
3. The customers' behaviour gets a prompt influence by e-tailers application in (Small and Medium Size Enterprises) SMEs.
4. New marketing practices and tools are the most effective factors in (Small and Medium Size Enterprises) SMEs development.
5. E-tailers has a great impact on the (Small and Medium Size Enterprises) SMEs functional performance.

HYPOTHESIS

1. E-tailers acceptability level differs in (Small and Medium Size Enterprises) SMEs.

ANALYSIS

Hypothesis 1

E-tailers acceptability level differs in (Small and Medium Size Enterprises) SMEs.

Chi-square test - Hypothesis 1

Null Hypothesis(Ho):	There is no difference between observed and expected distribution.
Alternative Hypothesis(H1)	There is difference between observed and expected distribution.
Chi-Square Value	k= 62.394
d.f = k-1	1
Asymp. Sig.	0.020
Significance Level	0.05
0.05 > 0.020	Reject the null hypothesis

The results of the chi-square testing of hypothesis 1 are presented in table above. Because the calculated value is greater than the critical value, the

researcher rejects the null hypothesis designated Ho and accepts the alternative hypothesis designated H1,

concluding the significant differences among two or more pairs of means.

Hypothesis 2:

Nature of contracts affects the level of acceptability of the E-tailers in SMEs.

Null Hypothesis(Ho):	Nature of contracts does not affect the level of acceptability of E-tailers in SMEs.
Alternative Hypothesis(H1)	Nature of contracts affect the level of acceptability of E-tailers in SMEs.
Chi-Square Value	k= 203.134
d.f = k-1	4
Asymp. Sig.	0.000
Significance Level	0.05
0.05 > 0.000	Reject the null hypothesis

The results of the chi-square testing of hypothesis 2 are presented in table above. Because the calculated value is greater than the critical value, the researcher rejects the null hypothesis designated Ho2 and accepts the alternative hypothesis designated H12,

concluding that there are significant differences among two or more pairs of means.

Hypothesis 3:

The customers' behavior gets a prompt influence by e-tailers application in SMEs.

Null Hypothesis(Ho):	The customers' behavior does not get a prompt influence by e-tailers in SMEs.
Alternative Hypothesis(H1)	The customers' behavior gets a prompt influence by e-tailers SMEs.
Chi-Square Value	k= 171.493
d.f = k-1	4
Asymp. Sig.	0.004
Significance Level	0.05
0.05 > 0.004	Reject the null hypothesis

The results of the chi-square testing of hypothesis 3 are represented in Table above. Because the calculated value is greater than the critical value, the researcher rejects the null hypothesis

designated Ho and accepts the alternative hypothesis designated H1, concluding there are significant differences among two or more pairs of means.

Hypothesis 4:

New marketing practices and tools are the most effective factors in SMEs development.

Null Hypothesis(Ho):	New marketing practices and tools cannot be effective factors in SMEs development.
Alternative Hypothesis(H1)	New marketing practices and tools are effective factors in SMEs development.
Chi-Square Value	k= 248.870
d.f = k-1	4
Asymp. Sig.	0.000
Significance Level	0.05
0.05 > 0.000	Reject the null hypothesis

The results of the chi-square testing of hypothesis 4 are presented in table 5.45. Because the calculated value is greater than the critical value, the researcher rejects the null hypothesis designated

Ho4 and accepts the alternative hypothesis designated H14, concluding there are significant differences among two or more pairs of means.

Hypothesis 5:

E-tailers application has a great impact on the SMEs functional performance.

Null Hypothesis(Ho):	E-tailers application does not have a great impact on the SMEs functional performance.
Alternative Hypothesis(H1)	E-tailers application has a great impact on the SMEs functional performance.
Chi-Square Value	k= 113.736
d.f = k-1	4
Asymp. Sig.	0.045
Significance Level	0.05
0.05 > 0.045	Reject the null hypothesis

The results of the chi-square testing of hypothesis 5 are presented in Table 5-51. Because the calculated value is greater than the critical value, the researcher rejects the null hypothesis designated Ho5 and accepts the alternative hypothesis designated H15, concluding there are significant differences among two or more pairs of means.

FINDINGS

The results of this study indicate that a majority of respondents use e-tailers in business activities in small and medium size enterprises. All hypothesis were tested at the p-value < 0.05 level. In hypothesis one, after testing through statistical tools (chi-square and standard deviation), clarified null hypothesis were rejected and alternative hypothesis were approved.

LIMITATIONS OF THE STUDY

To mention the area of study, primary and secondary data are needed. In fact there are some limitations in this research. To mention some, the access of data in small and medium sized enterprises will be one of them. It was not possible to mention all enterprises since the researcher could only find limited numbers of companies working under the realm of e-tailers. Hence the present study focused solely on those companies which showed their interest in possessing their activities based on e-tailers. Moreover, since the areas confined for this study are only in Tamil Nadu state, and customers' behavior may differ in other states or countries, it is possible to mention this as another limitation in this study

CONCLUSION

The global economy is composed of a large number of SMEs which are the largest employers of many of the citizens in the world. The literature indicating the potential of SMEs to adopt and exploit e-tailers technology is important to be focused in putting programs and incentives in place to encourage greater involvement with e-tailers. In spite of the fact that SMEs in Tamil Nadu state are perceived to be advanced in their use of e-tailers in their buying and selling, it is hard to find one enterprise capable of utilizing all different dimensions of e-tailers.

It is evident in the present study that the percentages of using tools and techniques of e-tailers in SMEs were not very high and most e-tailers facilities are not touched in the trade path. Different enterprises use some portions of e-tailers for their purpose according to their location and funding. The researcher also concluded that the level of acceptability of e-tailers is different in SMEs. Most SMEs used the primary tools of e-tailers in their business and they should have their attempt focusing on using their possible chances of all e-tailers applications with electronic equipment.

As the present study revealed, that it can be highly hopeful to the fact that e-tailers can be adopted in enterprises due to the high levels of education of the managers and staff.

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