

SMEs PERCEPTION TOWARDS THE USAGE OF E-COMMERCE PLATFORM– A STUDY

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ABSTRACT

The study's goal is to learn about SME perceptions of using e-commerce platforms and to analyse the amount of adoption that SMEs are absorbing. The data for the research is primary in nature and was gathered through questionnaire. The SPSS programme and statistical techniques were used in the study. According to a study SMEs, most of the SMEs are still in the early phases of e-commerce adoption. According to the findings of the study, SMEs place a higher value on improved customer interactions and 24-hour accessibility. Managing client relationships online has now become a vital aspect of establishing a company. Payment satisfaction has also grown dramatically as a result of the 24/7 system availability and enhanced client experience. Most SMEs are also satisfied with the available opportunities, which include many different variables along with five components, and many SMEs have graded for higher than 0.7 of the factors in which they are satisfied. E-commerce has the potential to provide a competitive edge for SMEs. E-commerce is a low-cost method of reaching out to consumers all over the world and competing with huge corporations.

INTRODUCTION

E-commerce is the term used to describe the exchange of goods and services, information, and products across computer networks. It is fundamentally altering how people and organisations do business with one another as well as the dynamics of the business environment.

They have proliferated during the past ten years, affecting social dynamics and the majority of economic sectors in numerous nations and abroad. Online platforms can function as lenders, employers, employers' agencies, direct service providers, or even a mix of all of the aforementioned roles. Their contribution to the internet economy's explosive growth from its humble beginnings to its current relevant reach and influence cannot be overstated. Given the current condition of official statistics information systems in the sector of the digital economy, fully comprehending how SMEs use online platforms is a difficult undertaking. It seems that business participation in e-commerce is strongly connected with firm size, which further reflects the lag that SMEs have in digitalizing their business practises and processes.

e Commerce frees SMEs from the constraints imposed by traditional retail establishments and enables them to offer their inventory supplied to customers worldwide. SME networks can expand internationally and overcome barriers with the use of e Commerce.

E-commerce-focused online platforms provide SMEs with integrated solutions at a relatively cheap cost, enabling them to take advantage of favourable direct and indirect network effects and provide supplementary services, albeit at the price of exchanging sensitive data and up against fierce competition. Because many SMEs do not have workers with the requisite expertise, building their own website with e-commerce features might come at a significant cost.

Business - Business (B2B) , Business-to-Consumer (B2C) and consumer-to-consumer (C2C) Three categories of relationships can be formed: government-to-business, government-to-customer, and government-to-government (G2G). E-commerce inside SMEs: SMEs are distinct from other companies since they employ fewer than 250 people. E-commerce is becoming more and more popular every day, permeating every business like sugar into water. Technology has totally changed the flow of goods and services, particularly for small and medium-sized firms (SMEs), by cutting transaction costs and creating a broad network of information. Small and medium-sized businesses (SMEs) have been impacted by the e-market environment, and they now require sophisticated networking, protocols, exchanges, and commercial tools.

SMEs are more likely than enterprises using online marketplaces to use their own website for online sales on average. Approximately 25% of medium-sized and slightly less than a third of

small businesses that sell online source at least 20% of their inventory from online marketplaces. E-commerce has the ability to provide SMEs with a competitive edge. E-commerce is an affordable means of reaching a global client base and holding a competitive position against larger companies.

REVIEW OF LITERATURE

Morteza Ghobakhloo et al (2011): It had focused on Adoption of e-commerce applications in SMEs. This study's objective is to investigate the factors within the technology-organization-environment framework that influence the decision to adopt electronic commerce and the extent of EC adoption, in addition to the adoption and non-adoption of various EC applications in small and medium-sized businesses (SMEs).

Rita Rahayu and John Day (2017): They have focused on E-commerce adoption by SMEs in developing countries particularly in developing nations. Furthermore, it seems that most e-commerce research is focused on upstream concerns, such as the variables that support or hinder e-commerce adoption, rather than downstream ones, such as post-adoption advantages. This obviously restricts respondents' knowledge of e-commerce adoption by SMEs in developing countries, as well as the advantages of e-commerce after adoption. Marketing, buying, and procurement activities dominate their usage of e-commerce. The top six e-commerce advantages identified by these SMEs are "expanding market reach," "increased sales," "better external communication," "enhanced corporate image," "improved speed of processing," and "increased staff productivity".

Bibhuti Bhusan Mishra, et al (2012): E-commerce is growing as a new method of assisting businesses in competing in the marketplace and thereby contributing to their economic success. In an increasingly competitive and globalised world, SMEs must compete more successfully in order to stimulate local economic activity and contribute to higher export revenues. Rural companies will benefit the most from e-Commerce as technology and infrastructure proliferate. This paper also attempts to provide an analytical perspective on the e-Commerce adoption scenario by revealing the relationship between factors such as organisational support, managerial productivity, decision aids and organisational readiness, external pressure, compatibility, perceived ease of use, and perceived usefulness with the perception of these SMEs owners/managers. SMEs continue to play a significant role in boosting employment and, as a result, contribute to poverty reduction on a long-term basis.

Robert C. McGregor and Mira Kartiwi (2010): Perception of Barriers to E-Commerce Adoption in SMEs in a Developed and Developing Country. Despite the shown promise of e-commerce in the small company sector, studies have revealed that bigger enterprises have enjoyed the advantages, with SME adoption staying relatively low in contrast. While these studies have helped to identify the type and significance of hurdles to e-commerce adoption, others argue that since the majority were done in rich nations, their relevance to emerging economies is debatable. The perception of impediments to e-commerce adoption in industrialised and emerging economies is compared in this article.

Maaradj Houari and Ahmed Medjedel(2009): They have focused on the SMEs managers' perceptions and attitudes regarding e-commerce. Authors performed an empirical research in the Wilaya of Ghardaia with the ultimate goal of assessing local SMEs managers' perceptions and attitudes regarding e-commerce. These managers' perceptions and attitudes seem to be mostly good. However, owing to a lack of material and technical resources, as well as environmental insufficiency on an economic, financial, institutional, and legal level, those SMEs are unable to implement contemporary E.C. solutions. Unfortunately, it follows a "Digital Marginalisation" and a failure to accept the challenge of "becoming global" for the SMEs investigated.

Brent Snider, et al(2009): This research investigates the Critical Success Factors (CSFs) of ERP system installation in Small and Medium-sized Enterprises (SMEs) Managers may better prioritise implementation efforts and resources for ERP installation success by identifying relevant CSFs for SMEs. This looks to be one of the first studies to concentrate on the critical success factors (CSFs) of ERP deployment in SMEs.

Nabeel Al-Qirim(2006): The study focused on the Adoption of e-commerce Communications and Applications Technologies in Small Businesses. This study explores the influence of 10 variables on the adoption of various e-Commerce communications and applications technologies in New Zealand small enterprises (SMEs). The study findings revealed many critical aspects across the various EC. The adoption model's important components highlighted the distinctiveness of the adoption phenomena. In general, the elements that seemed to be important and insignificant in this study, as well as the implications deriving from these aspects, led to a conclusion that highlighted the weakness of the EC phenomenon in SMEs.

RESEARCH GAP

Based on the preceding review of literature, it is obvious that.

- The majority of the researchers have found that they are still in the early stages of adopting e-commerce. Buying, selling, and procurement are the main ways they use e-commerce.
- The majority of research has been on how SMEs in developing nations are adopting e-commerce.
- There aren't many studies that look at the traits that SME's adopt to determine if E-Commerce improves their performance, or that look at the relationships between complex variables to gain a full understanding of the entire model.

The aforementioned literature study makes it evident that less research has been done regarding how SEMs see their use in e-commerce.

RESEARCH QUESTION

The following are the research questions were emerged with the research gap.

1. Is there any customer's perspective about the use of an e-commerce platform?
2. Are customers able to access the potential made available to SMEs via the use of an e-commerce platform?

OBJECTIVES OF THE STUDY

1. To know the customer perception towards the usage of e-commerce platform
2. To identify the opportunity for the SMEs through the adoption of E-commerce platform to reach the customers.

HYPOTHESIS

According to the study, there is no significant difference in the factors and are given adequate attention and opportunities to SMEs.

SCOPE OF THE STUDY

The study focuses on the SME's perception towards the usage of e-commerce platform. The study also focuses on the level of adoption that the SME's are absorbing. A complete knowledge of the present usage of online platforms by SMEs is a difficult undertaking that

reflects the current condition of official statistics information systems in the sphere of the digital economy.

RESEARCH METHODOLOGY

Qualitative approach is adopted in the present study on the perception of SMEs on the e-commerce platform with respect to “usage of e-commerce platform” and “opportunity for adoption of e-commerce”.

Sampling Technique: In order to get primary data from the SMEs, the study took into consideration the Convenience Sampling technique. Sampling that uses the first main data source that is available without requiring further study is known as convenience sampling. Stated differently, this sample strategy aids in the SMEs' platform adaptation. Less inclusion criteria were found for convenience sampling before subjects were chosen. 122 respondents provided responses for the study.

The survey has taken into account SMEs that are just beginning to utilise e-commerce.

Sources of Data :In order to examine the suggested aims, the current study has taken into account primary data from the questionnaire that was prepared.

Questionnaire: There are two main sections to the questionnaire, with the themes of "usage of e-commerce platform" and "opportunity for adoption of e-commerce" respectively. The respondents' opinions gathered using a 5-point Likert scale.

SPSS Statistics software was utilised as one of the statistical instruments in the investigation. Factor analysis and neural networks are the study's instruments.

Neural Networking: This research used neural networks to investigate how SMEs perceived using e-commerce platforms. The significance level will show the degree of perception from highest to the lowest level.

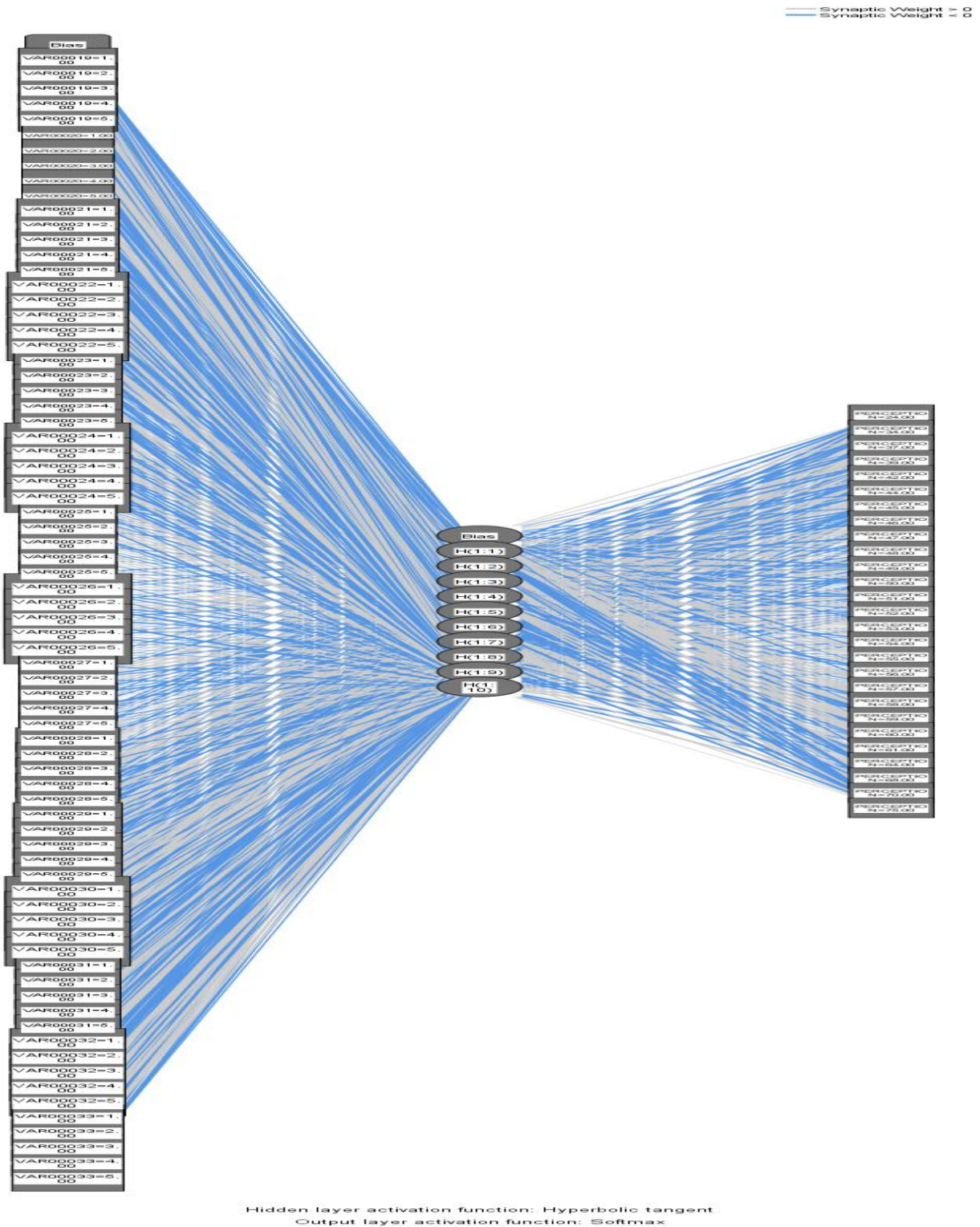
Exploratory Factor Analysis:The study applied the EFA to identify the opportunity for the SMEs through the adoption of E-commerce platform to reach the customers. The higher loading factors will be focused, which will indicate the vital opportunities for the adoption of SMEs.

TABULATION OF DATA ANALYSIS

Objective 1: To know the SMEs perception towards the usage of e-commerce platform.

Case Processing Summary			
		N	Per cent
Sample	Training	95	77.6%
	Testing	28	22.4%
Valid		123	100.0%
Excluded		0	
Total		123	

The above table shows the data sampling under training and testing category.77.6% of the data are under training sample and the remaining 22.4% are under testing sample.

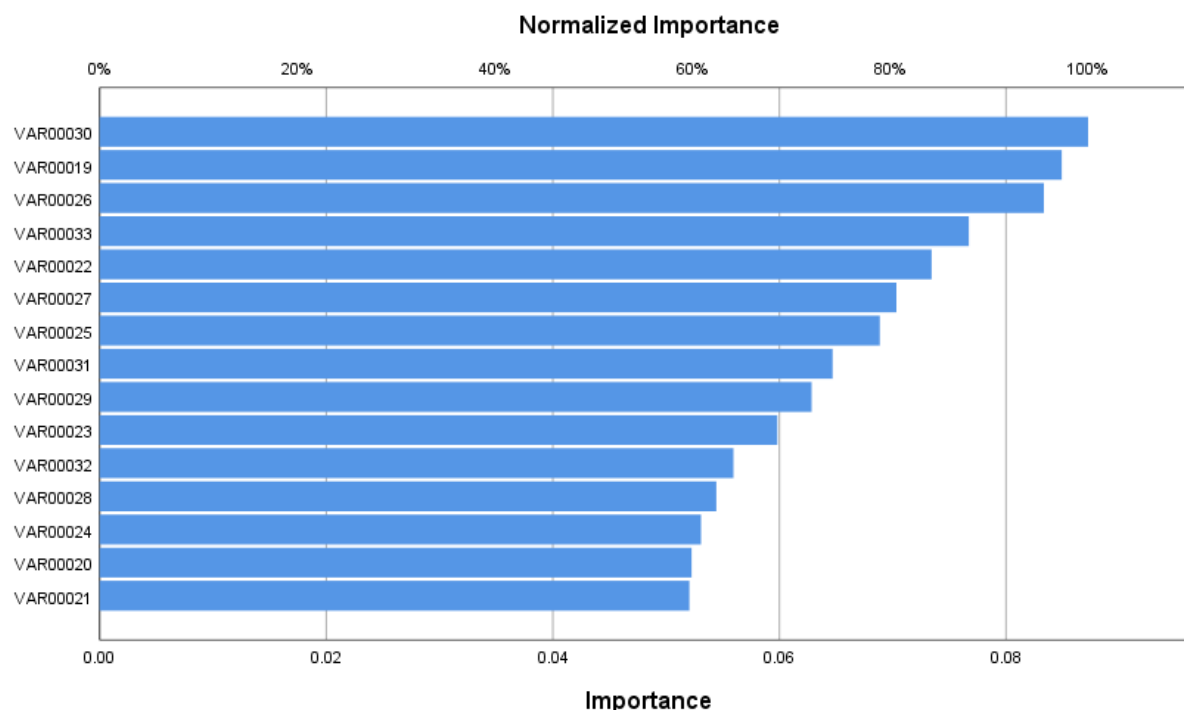


The graph illustrates the network information in the form layers. In this graph, each input is linked to a hidden layer and this hidden layer help to generate the output layer, the SME’s usage on e-commerce platform. It indicates that there are eleven layers which are used to generate the output layer.

Independent Variable Importance for SMEs Perception

	Importance	Normalized Importance
24 hr. accessibility	.085	97.3%
Low-cost communication	.052	59.9%
Easy access to international markets	.052	59.7%
Enhancing the company image	.073	84.2%
Creating new business opportunities	.060	68.6%
Cost reduction in advertising expenditures	.053	60.8%
Providing more effective promotion	.069	78.9%
Getting more efficient service from suppliers	.083	95.5%
Increased customer loyalty and retention	.070	80.6%
Decrease in sales staffs travel time	.054	62.4%
Reduced cost of maintaining information	.063	72.0%
Improved customer relationships	.087	100.0%
Improved competitive position	.065	74.1%
Monitoring the performance of competitors	.056	64.1%
Increased customer loyalty and retention	.077	87.9%

The above table shows the significance of an independent variable to an extent of change in network's model predicted values. The table reflects the relative importance of SME'S and their perception towards e-commerce.



The graph depicts the importance of SMEs and their views toward e-commerce. The results show that the variable “improved consumer relationships” has high value 0.087. This means that customers are satisfied with the e-commerce towards the improved consumer relations.

Then followed by the variables “24 hr. accessibility” and “Getting more efficient service from suppliers” with value of 0.085 which enables SME’S to have full accessibility with the customers and more efficient services. Establishing and running a successful business in the modern day requires effectively managing online customer interactions. The availability of the system around the clock, seven days a week, has contributed significantly to an increase in the level of satisfaction felt by customers about transactions.

“Easy access to international markets” has given value of 0.52 and implies that SMEs wanted to grow and expand more internationally and get full access businesses communication followed by “low-cost communication” with value of 0.52. Which indicates that SMEs must have communication tool for businesses it must at least have a cheap communication tool or can be free in most cases as is will be the only easiest and fastest way for the SMEs to communicate.

2nd Objective: To understand the opportunity for the SMEs through the adoption of E-commerce platform to reach the customers

Table Sample Adequacy

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.763
Bartlett's Test of Sphericity	Approx. Chi-Square	2001.023
	Df	276
	Sig.	.000

Kaiser Meyer Olkin reflects the sample adequacy of data, which signifies that calculated value is observed to be above the recommended value (i.e., $0.763 > 0.70$) and Chi square calculated value seems to be greater than critical value which is evaluated with the aid of Barlett's test of Sphericity, mean that sample data is adequacy and statistically significant. Hence, validation of the data is Adequate and Significant of the model is strong which indicates that factors analysis can be extracted with these data.

Table - Rotated Component Matrix

	Component				
	1	2	3	4	5
Increase return on investment	.875				
Gain competitive advantage	.875				
Improve the staff relation	.729				
Access market for busy customers	.654				
Decrease the sales staff travel time	.636				
Facilitate the information flow		.809			
Enhance market intelligence		.802			
Reduce operation cost		.735			
Accessibility to international market		.674			
Share new business practice		.513			
Get more honesty					
Reduce the workload of employee			.860		
Achieve more customer satisfaction			.853		
Monitor the performance of competitor			.788		

Support strategic decision making for managers			.588		
Promote products online			.517		
Receive online feedback				.847	
Access many customers in distant area				.823	
Reduce cost of communication				.615	
Compliance with government requirement				.583	
Facilitate payment				.569	
Provide 24 hour service					.798
Encourage inter- business transaction					.769
Increase productivity					.611

The table above depicts the potential for e-commerce adoption.

Component – 1:

High loading factors: Enhance return on investment (0.875)-The result suggests that respondents are highly satisfied with the higher return on investment since it allows them to create more sales and income or even increase their profit. Gain a competitive edge (0.875) - Similarly, respondents agree on gaining a competitive edge by lowering the price of a similar product from a rival.

Low loading factor: Reduce sales staff travel time (0.636)- The SMEs intended to reduce business travel costs since it is priority for many Finance teams. While the requirement for and advantages of business travel remain robust, corporate executives aim to limit spending wherever possible – and perhaps reinvest those savings in revenue-generating activities or areas.

Component – 2:

High loading factors: Facilitating information flow (0.809), most SMEs are pleased that information interchange across people, processes, and systems has become simple. Improve market intelligence (0.802)- SMEs also feel that competitive intelligence provides SMEs with frequent information on their company's current market situation, allowing them to make better choices.

Loading factor is low: The SMEs imply that a small company' pricing strategy may assure profitability and decrease their prices to undercut one another and win market share (0.513).

Component-3

High loading factor: Reduce employee work load (0.860), answers suggest that 26 percent of SME-employees claim to work more effectively if they have less administrative duties to do. Increase customer satisfaction (0.853), most of the respondents are satisfied with multi-channel help, make feedback collection a business practise, Consistently assess client satisfaction.

Low loading factor: market items online (0.517), SMEs opinedthat they are offered fewer options for trade-ins, customer feedback, and social media postings, which lowers product promotion online.

Components-4

High loading factor: Receive online feedback(0.847), majority of the respondents agreed that positive feedback is given by the customers towards services and products satisfaction and also (0.823)the SMEs agreed that they were able to reach different customers in different areas (Access many customers in distant places) and are able to satisfy the customers.

Low loading factor:facilitate payment (0.569),SMEs here are not satisfied with payment facilitates as India is struggle with challenges galore. From banking and managing business finance to getting access to funds, payments, and even accounting.

Component-5

High loading factor: providing 24hr service (0.798), Managing customer connections online has now become an essential component of building a business. Payment satisfaction has also increased considerably as a result of the system's 24/7 availability and improved customer experience.

Low loading factor: Increase productivity (0.611),many respondents are dissatisfied since there is less Improved communication and cooperation, automation of common chores, and no improved reporting capabilities are important to increasing productivity.

FINDINGS

1. The study reveals that considering the aspects "24-hour accessibility" and "Getting more efficient service from suppliers," which enable SME's to provide total customer accessibility and more efficient services.
2. Managing client interactions online is now a crucial component of running a company.
3. Higher return on investment since they can increase sales and revenue or even profit; also, competitive advantage by decreasing the price of a competitor's identical product; and
4. SME employees opined that they are more productive when they don't have too many administrative tasks.

CONCLUSION

E-commerce is a low-cost method to compete with big businesses and reach out to customers worldwide. The present study on SMEs indicates that majority of them are still in the early stages of e-commerce adoption. A complete knowledge of the current usage of online platforms by SMEs is a difficult undertaking, reflecting the current condition of official statistics information systems in the sphere of the digital economy. On average, little less than one-third of small businesses and one-fourth of medium-sized businesses selling online earn at least 20% of their sales via online marketplaces. SMEs would gain competitive edge through E-commerce. SMEs will get a competitive advantage from e-commerce. E-commerce is a low-cost way to compete with large organisations and reach out to consumers worldwide. SMEs need to compete more successfully in a world that is becoming more globalised and competitive if they want to boost local economic activity and increase export revenue.

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