



## A Feasibility Study on Online Sales of Two Wheeler Among Retailers with Special Reference to Chennai

### KEYWORDS

customer, online sales, market potential

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**ABSTRACT** Nowadays most of the people are using vehicle. The company is also offering various models to satisfy the customers. Almost all companies are selling their vehicle through online for the benefits of the customer. The project entitled "A feasibility study on online sales of two wheelers among retailers with special references to Chennai" is conducted to study the online sales made in two wheelers by the retailers. The aim of the study is to understand the market potential for two wheelers sales through online.

### INTRODUCTION

Online sale is a form of electronic commerce whereby consumers directly buy goods or services from a seller over the Internet without an intermediary service. An online shop, e-shop, e-store, Internet shop, web shop, webstore, online store, or virtual store evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or shopping Centre. The process is called business-to-consumer (B2C) online shopping. When a business buys from another business it is called business-to-business (B2B) online shopping. The largest online retailing corporations are EBay and Amazon.com both are US-based.

### LITERATURE REVIEW

Internet technology has adopted for improving the Internet environment is developing a virtual community. As Yoo W., Suh K. and Lee M. (2002) mentioned in his report, personal interactions with other customers and service providers play a very important role while shopping online. Because of the feature of Internet, customers can not check the products and service carefully, almost all of trade between sellers and buyers are through a virtual world, and people can not meet each other directly, therefore, the Internet retailers offering not just products or services but also a nice and efficient interface for interactions with customers, and which could increase the happiness of customer to shopping online and let them gain new shopping experience.

According to Zwass's (1998) definition for Electronic commerce is "the sharing of business information, maintaining business relationships, and conducting business transactions by means of telecommunications networks". For doing business, the Internet provides a lot of technologies to enhance the E-commerce. For example, for the aspect of the sharing of business information, the Internet provides shared databases (such as the databases of books have been shared among all of the publishing company in the US); email, web based forum, electronic data interchange (EDI) and other software could increase the interactions with customers and business partners, and also conducting business transactions much easier and more efficiently.

There are two types of E-commerce web sites: Business to Business Electronic Commerce (B2B) and Business to Customer Electronic Commerce (B2C). B2B is commerce where business activities between companies through web site channel. B2C is commerce where the purchase and sale transactions between the consumers and sellers (Lee H., Cho D. and Lee S., 2002). The Internet retailers can both have B2B commerce and B2C commerce as they can use B2B commerce to link directly to their suppliers and use B2C commerce to sell products and services to individual consumer

through Ecommerce web site. The B2B commerce and B2C commerce have some similarities, such as they both use electronic payment systems, and facing the lack of trustiness between both sides. Even there are some challenges exist for doing E-commerce, but it is the trend that the E-commerce is an indispensable constitutes for firms while they are doing business

Although the statistics change almost on a daily basis, the use of the Web as a distribution channel remains limited, in spite of the ever-increasing use of the Internet for other purposes. Internet sales figures indicate that online selling is far from 1702 Drivers and Barriers to Online Shopping replacing traditional channels or other nonstore retailers. For instance, online expenditure in the UK amount to about 6% of total retail spending (Interactive Media in Retail Group as cited in Hall, 2003). Many Internet users appear reluctant to shop online and use the Internet only as a means of gathering information before purchasing in a traditional brick-and-mortar environment. Dieringer Research Group (cited in Mazur, 2003) reports that in the past year \$138 billion were spent by U.S. consumers for purchasing products off-line after seeking information online, compared with \$95 billion spent for shopping directly online. Finally, many brick-and-mortar retailers do not have a presence on the Web or, if they do, they use their sites as a communication and promotional tool rather than for selling (compare Hart, Doherty & Ellis-Chadwick, 2000).

### RESEARCH METHODOLOGY

#### Statement of Problem

Marketing a product is very difficult since more companies are offering various models of two wheelers now and then. The customers are wide and the companies almost try to sell their product through online. So the present study focuses on the potential market for the online sales.

#### Objectives

- To understand the opinion about the E-business.
- To study the retailer's familiarity about online sales.

#### Limitations

- May not applicable to other industry
- Biased opinion by all customers

### ANALYSIS AND DISCUSSION

TABLE 1

BUSINESS EXPERIENCE OF RETAILERS

Business Experience (in Yrs)	No. of retailers	Percent
0-5	4	8.0

6-10	8	16.0
11-15	9	18.0
16-20	13	26.0
>20	16	32.0
Total	50	100

**Business experience of retailers:** The table1 shows that 32% of retailers are having above 20 years of experience, 26% of retailers are having 16-20 years of experience, 18% of retailers are having 11-15 years of experience, 16% of retailers are having 6-10 years of experience, 8% of retailers are having 0-5 years of experience.

**TABLE: 2  
OPINION TOWARDS QUALITY**

Opinion	No of retailers	Percent
Very good	26	52.0
Good	17	34.0
Average	7	14.0
Total	50	100

**Opinion towards quality:** The table2 shows that 52% of retailers consider the product as very good quality, 34% of retailers consider the product as good quality and 14% of retailers consider the product has average quality.

**TABLE: 3  
OPINION TOWARDS PRICE**

Opinion	No of retailers	Percent
Very high	19	38.0
High	23	46.0
Average	8	16.0
Total	50	100

**Opinion towards price:** The table3 shows that 46% of the retailers consider the product as high price, 38% of the retailers consider the price of the product as very high, 16% of the retailers considers price as average price.

**TABLE: 4  
OPINION TOWARDS DELIVERY**

Satisfaction level	No of retailers	Percent
Highly satisfied	8	16.0
Satisfied	29	58.0
Neutral	9	18.0
Dissatisfied	4	8.0
Highly Dissatisfied	0	0
Total	50	100

**Opinion towards delivery:** The table4 shows that 58% of the retailers are satisfied with the delivery, 18% of the retailers consider the delivery as neither satisfied nor dissatisfied, 16% of the retailers are highly satisfied with the delivery of the products,8 % of the retailers are dissatisfied with the delivery of the products and no one is dissatisfied with the delivery.

**TABLE: 5  
OPINION TOWARDS COMPUTER AVAILABILITY**

Opinion	No of retailers	Percent
Yes	16	32
No	34	68
Total	50	100

**Opinion towards computer availability:** The table5 shows that 68% of the retailers are no having computer facility and remaining 32% of the retailers are having computer.

**TABLE: 6  
OPINION TOWARDS INTERNET FACILITY**

Opinion	No of retailers	Percent
Yes	6	38
No	10	62
Total	16	100

**Opinion towards internet facility:** The table6 shows that 62% of the retailers are not having internet facility and remaining 38% of the retailers are having internet facility.

**TABLE: 7  
OPINION TOWARDS PROFIT LEVEL**

Satisfaction level	No of retailers	Percent
Highly satisfied	22	44.0
Satisfied	24	48.0
Neutral	1	2.0
Dissatisfied	3	6.0
Highly Dissatisfied	0	0
Total	50	100

**Opinion towards profit level:** The table7 shows that 48% of the retailers are satisfied with the profit level, 44% of the retailers are highly satisfied with the profit level, 6% of the retailers are dissatisfied with the profit level, 2% of the retailers are satisfied in neither satisfied and nor dissatisfied and no retailers is dissatisfied with the profit .

**TABLE: 8  
FAMILIAR WITH ONLINE SALES**

Knowledge	No of retailers	Percent
Highly knowledgeable	1	2.0
knowledgeable	11	22.0
moderate	15	30.0
less knowledgeable	14	28.0
no idea	9	18.0
Total	50	100

**Familiar with online sales:** The table8 shows that 30% of the retailers are having moderate knowledge about online sales,28% of the retailers are having less knowledge ,22 % of the retailers are knowledgeable about online sales,18% of the retailers have no idea about online sales,2% of the retailers are highly knowledgeable in online sales.

**TABLE: 9  
FREQUENCY OF ONLINE PURCHASE**

Opinion	No of retailers	Percent
Often	2	4.0
Moderate	48	96.0
Total	50	100

**Frequency of online purchase:** The table9 shows that 96% of the retailers are moderately ready to purchase frequently and 4% of the retailers are ready to purchase frequently.

**TABLE: 10  
OPINION ABOUT SAFE PURCHASE**

Agreement level	No of retailers	Percent
Highly agree	2	4.0
Agree	12	24.0
Moderate	5	10.0
Disagree	17	34.0
Highly disagree	14	28.0
Total	50	100

**Opinion about safe purchase:** The table10 shows that 34% of the retailers disagree that the online purchase is safe, 28% of the retailers highly disagree, 24% of the retailers have agreed, 10% of the retailers have neither agreed nor disagree and 4% of the retailers have highly agreed that the online purchase is safe.

**TABLE: 11  
PAY BEFORE DELIVERY**

Opinion	No of retailers	Percent
Average	6	12.0
Sometimes	24	48.0
Never	20	40.0
Total	50	100

**Pay before delivery:** The table11 shows that only 48% of the retailers are ready to pay sometimes, 40% of the retailers are not willing to pay before delivery and remaining12% of the retailers are ready to pay before delivery.

**CHI-SQUARE ANALYSIS  
COMPARISON BETWEEN EXPERIENCE AND E-PURCHASE**

Independent variable - Experience

Dependent variable - E-purchase

Null Hypothesis (H<sub>0</sub>)

There is no significant relationship between the Experience and E-purchase among retailers.

**Alternative Hypothesis (H<sub>1</sub>)**

There is a significant relationship between the Experience and E-purchase among retailers.

E-purchase Experience	SA	A	N	SDA	SDA	Total
0-5 year	3	3	0	0	0	6
6-10 years	8	12	4	0	0	24
11-15 years	10	7	1	0	0	18
16-20 years	10	13	2	0	0	25
20 years & above	7	23	2	0	0	32
Total	38	58	9	0	0	105

O <sub>i</sub>	E <sub>i</sub>	O <sub>i</sub> -E <sub>i</sub>	(O <sub>i</sub> -E <sub>i</sub> ) <sup>2</sup>	(O <sub>i</sub> -E <sub>i</sub> ) <sup>2</sup> /E <sub>i</sub>
3	2.17	0.83	0.69	0.317
3	3.31	-0.31	0.096	0.029
8	8.70	-0.70	0.49	0.056
12	13.26	-1.26	1.59	0.119
4	2.06	1.94	3.77	1.83
10	6.51	3.49	12.18	1.87
7	9.94	-2.94	8.64	0.870
1	1.54	-0.54	0.29	0.189
10	9.05	0.95	0.90	0.90
13	13.81	-0.81	0.66	.208
2	2.14	-0.14	0.020	0.009
7	11.58	-4.58	20.98	1.811
23	17.67	5.33	28.41	1.607
2	2.74	-0.74	0.55	0.200
TOTAL	104.48	0.52	79.26	10.015

Chi-Square Calculated Value = 10.015

Degree of Freedom = (r-1) \* (c-1)

$$= (5-1) * (5-1)$$

$$= 4 * 4$$

$$= 16$$

Level of Significance = 5%

Chi-Square Tabulated Value = 9.57

Therefore, Chi-Square Calculated Value (10.015) > Chi-Square Tabulated Value (9.57).

Hence, we accept our Alternative Hypothesis (H<sub>1</sub>).

**Comparison between experience and e-purchase:** Since the Calculated value is greater than Tabulated value, there is significant relationship between the Experience and E-purchase among the retailers.

**FINDINGS**

- Most of the retailers (ie) 32% are having above 20 years of experience.
- It is stated that only 52% of retailers consider the online purchased product as very good quality.
- 46% of the retailers consider the product as high price.
- The study reveals that 58% of the retailers are satisfied with the delivery of the two wheelers when it is purchased through online.
- Majority (68%) of the retailers are not using computer.
- The analysis shows that 62% of the retailers are not having internet facility
- From the analysis it is highlighted that 48% of the retailers are satisfied with the profit level.
- 30% of the retailers are having moderate knowledge about online sales.
- Through the analysis 96% of the retailers are moderately ready to purchase frequently through online.
- Mostly (34%) of the retailers disagree that the online purchase is safe.
- It is observed that 48% of the retailers are ready to pay sometimes the full amount before delivery
- There is significant relationship between the Experience and E-purchase among the retailers.

**SUGGESTIONS**

- The online sales do not reach to the retailers because most of the retailers are not using the computer.
- If the industry wants to sell the product through online, it must clearly define its distribution flow to everyone before starting this method of sales.
- Guiding material can be given to the retailers through CD's or booklets.
- Training shall be given to the retailers for purchase the product online.

**CONCLUSION**

The study helps to understand the potential market for the online sales of two wheeler products. Even though the companies offer products through online the retailers are not aware about the online sales. The study reveals that the retailers are not using the computer. So the success rate of the online purchase for the two wheeler product is very low.

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