

MSEs and Competitive Strategies for B2CE-Commerce in the Lima Region

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Abstract

The purpose of the study was to evaluate the Competitive Strategies in Micro and Small Enterprises (MSEs), which undertake and establish a Virtual Store, for E-Commerce on the Internet of the Company-Consumer type. The results obtained in the present investigation show us that in the Micro and Small Enterprises (MSEs), there is information referred to the analysis of the Business Environment, all this allows defining the guidelines of the characterization of Electronic Commerce and the competitive analysis of Electronic Commerce, generating in this way to establish a Virtual Store and to participate in the online business. Also according to the results of the analysis of the Web sites, The use of the competitive strategies of the Web sites (virtual stores) determines competitive advantage, that is to say, it shows us the new way of doing business, the understanding of the online sales, and how to present the products in such a way that they easily seduce the visitor, the general evaluation of the evaluated Web sites is observed, which is a challenge in front of the excessive competitiveness of the online businesses, the reason why it requires a constant reevaluation of the implemented strategies.

Keywords: Method, problem-solving, problem and competitive strategies, online store, web sites, web site evaluation.

1. Introduction

Internet is growing uninterruptedly and at the same time, it promises profound transformations. Commerce through the Internet is the technological contribution with the greatest innovative potential for companies, because it is not limited to changing processes and products as in the past, but is changing company-consumer relations, producing transformations in the structure and organization of the company itself.

E-Commerce involves each of the ways of exchanging information and business transactions using Information and Communication Technologies (ICT), so it is taking great importance between companies (B2B, Business to Business), companies and their consumers (B2C, Business to Consumer), or companies and public agencies (B2G, Business to Government). E-commerce within trading companies is having profound effects on their business strategies. The rules of the competition are being rewritten and redefined along with the continuous technological revolution by the changes in the way of doing business and new models of commerce via the Internet are present [4].

While the Internet strategy of one business may be the first strategy of one company, it may be the component of the strategy of another.

The implementation of electronic commerce by companies must be based on planning, access to information technologies, and the

design of strategies that together form the basis for an adequate incursion into the commercialization of goods and services through the Internet [3].

2. Literature review

2.1 Analysis of the business environment

The analysis of the business environment consists of identifying and evaluating the effect that a series of variables external to the company have or may have on its results. Also, this analysis aims to help find ways in which the company can affect and influence its own competitive environment in order to create favorable conditions for its business [9].

2.2 Identification of existing strategies - Generic Competitive Strategies The competition that relates to an industry can be established on the basis of 5 forces present in the environment in which the company operates. From the analysis of these elements, many highly important results are derived, such as the concept of competitive advantage, with respect to which the classic ones are to have products that are different from its competitors or to have products at a lower cost than them. By combining these two possible competitive advantages with organizational objectives such as: to face the market as a whole, or only a particular segment; Porter's three generic strategies of competition are obtained [10].

2.3 Websites on the Internet: Elements of Analysis and Evaluation

Each of the sites is analyzed for Internet Business based on the following elements, which are described as Site Name, Site URL, Site Description, Site Value Proposition, Site Target Market, Site Sections, Site Interaction Type, Site Sales Ranking, Promotions, Partnerships and Links [1].

2.4 Website evaluation

It is the process of measuring and raising the level of quality when acquiring a product or receiving a service and that allows us to provide useful and reliable information taking into account indicators and variables and that allows us to know the development of an activity, is an essential step in the search process, and requires critical thinking to validate whether the resources found are reliable and appropriate to the information needs of each user [2].

3. Problem definition/formulation

Nowadays it is common to hear that starting a business on the Internet is much easier and cheaper than starting a business in the "real world". This is true, as long as we know exactly what we are doing. Most companies that try to start a business on the Internet do not know exactly how to do it and how to set up an online store. They know little or nothing about the culture of this new medium and are not aware of effective strategies for marketing on the Internet.

Given the growth of supply and demand for services on the Internet, it is essential to identify and adopt competitive strategies for Internet businesses of the Business- Consumer type aimed at Micro and Small Enterprises (MSEs) of services and products to promote their businesses on the Internet and allow them to become known and attract more customers. The purpose of this study is to establish the bases to formulate competitive business strategies on the Internet that serve the companies that trade their products and services electronically, as a guide in the realization of expanding their capacity to face new markets, to be more competitive in the market, to know the profile and needs of customers who buy on the Internet and that it is effective and makes use of new technologies.

4. Method of analysis

For better analysis and interpretation of the results, a series of techniques were carried out that allowed us to face the investigation in a clear and precise way regarding the data generated in the present investigation, in which it is presented by means of analysis matrices, statistical tables (bar graph).

The method of analysis is presented through direct observation and Internet browsing, in which the websites that have been analyzed were carried out; within a context based on the elements of analysis. The structured questionnaire and the estimation scale are represented through statistical tables of absolute frequency and percentage frequency (bar graphs) and a brief interpretation of the results.

The design of this research is explanatory in that it is based on the analysis and interpretation of the information collected, which allows us to achieve scientifically acceptable results. The research was carried out in two stages:

The first was a documentary to substantiate what competitive strategy are adopting Web sites to be competitive in the market and that translates into the overall assessment of these, In this research project analyzed the Internet Web sites where the virtual stores are e-commerce type Business- Consumer, to identify the strategies that have implemented in terms of cost leadership, differentiation and approach to penetrate the market and gain competitive advantage. In the analysis of the Web sites (in a number of eight virtual

stores), on the Internet were not used a specific criterion to select them, were taken into account its history and reputation in the market, others that only exist virtually were selected based on advertising and positioning on the Internet [6].

The second stage was a field, a market analysis, the same that made by means of surveys and was carried out through a questionnaire of 17 closed-choice questions to customers to establish the profile and needs of customers who buy on the Internet. The variables considered in the questionnaire were discussed before and after the test, with the consultants of the study to make the questions directed to the needs of the customers. In the application of the questionnaire to the clients it was in a personal way with the purpose that they manifested what corresponded to the reality at that moment. With the answers obtained in the surveys a data bank was formed, to facilitate the analysis of this, for the realization and processing of the data that translates as a report in graphs as a final result [5].

To define the sample size in market analysis, there are different methods. The most commonly used is to use the following formula. [8]

$$n = \frac{Z^2 p (1-p) N}{Z^2 p (1-p) + e^2 N}$$

Where:

Z is the value of the normal distribution that indicates the desired confidence level; for example, when Z=1.96 you have a confidence level of 95%.

p is the estimated proportion of the market. For Internet access, for example, a value of p=0.5 (50%) is usually taken, so with this value a larger sample size is obtained.

N It is the size of the target population, however, which is influenced by the use of the Internet for the purchase of products by this means. It refers to the coverage to which the services offered by the company reach.

e is the margin of error that is set to complement the reliability of the study. Usually e=0.05 (5%) is taken.

5. Results and discussion

The following Table 1 presents the general characteristics of the sample of Web sites (Virtual Stores) to be analyzed.

Table 1. General characteristics of the websites to be analyzed, aimed at the Peruvian market.

Number of sites	8
Method of analysis	Observation and navigation on the sites
Type of sites	Business-to-Consumer (B2C Business to Consumer)
Ranking	The sample sites are from different industries, virtual stores offering computer equipment, home appliances, department stores offering clothing, cosmetics, household items, baby items, etc. were analyzed.
Origin of the sites	They are sites aimed at the Peruvian market by the language in which they are and their areas of geographic impact to have deliveries in the Peruvian Republic, domain (.com.pe), foreign companies were analyzed in order to know what business strategies are using to be competitive in the market.

Identifying Strategies

Table 2 below summarizes the sections of each site represented by icons for ease of demonstration, as well as the competitive strategies used and the result of the evaluation.

Table 2. Synthesis of the analysis of Web sites (Virtual Stores)

<i>Site Competitive Strategy</i>	<i>Sections of the site</i>	<i>Competitive strategy identified</i>	<i>General Evaluation</i>
Shoppingperu		Focus and Differentiation	4.58
Cruzato		Approach and costleaders	4.93
Perucd		Approach and costleaders	3.55
Dasmitec		Focus and differentiation	4.36
Iquiero		Approach	4.03
Siscopdata		Approach	4.43
Decompras		Focus and Differentiation	4.73
Perustore		Approach	3.35

5.1 Results obtained

Graphic Interpretation (Websites)

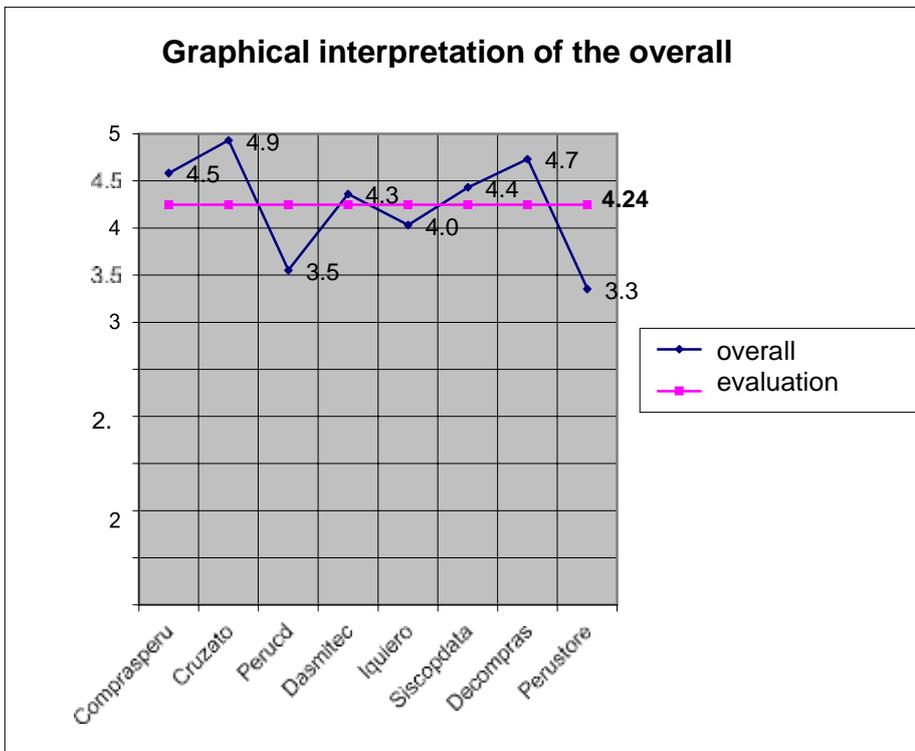


Figure 1. Graphical representation and interpretation of the overall evaluation with respect to the mean.

5.2. Discussion

Figure 1 shows the overall evaluation of each site with respect to its arithmetic mean = 4.245.

The sites that are above average are Comprasperu, Cruzato, Dasmitec, Siscoptada, Decompras and the sites that are below average are Perucd, Iquiero and Perustore.

In this figure, it is easily identified that Cruzato is the site with the highest evaluation so it is important to take into account the strategies it has implemented to stay in that position.

6. Conclusion

According to the analysis, the use of competitive strategies of Web sites (virtual stores) determines competitive advantage, that is, we can interpret the new way of doing business, the knowledge and understanding of online sales, and how to offer products that can easily attract customers, as shown in Figure 1, where we can see the overall assessment of the evaluated Web sites, that represents a challenge regarding the excessive competitiveness of online business, so it demands a permanent re-evaluation of the strategies implemented.

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