

A Review Paper on Impact of E-Commerce on India's Commerce

Er. (Mrs.) Pooja

Asst Prof. in Computer Sc and Applications, S.D. College, Hoshiarpur. (India)

ARTICLE DETAILS

Article History

Published Online: 07 September 2018

Keywords

E-Merchandise, E-Finance, M-commerce, Transmitting,

ABSTRACT

E-commerce is a boom in modern business. E-commerce means electronic commerce. It involves buying and selling of goods and services, or transmitting of funds or data, over an electronic network i.e. on Internet. Over last few years the popularity of e-commerce has enormously increased due to its quick and easy way of exchanging goods and global services. The general category of e-commerce can be broken into two parts: E-Merchandise and E-Finance. Many companies, organizations and communities in India are doing business using E-commerce and also are adopting M-commerce for doing business. Ecommerce is showing tremendous business growth in India. Increasing internet users have added to its growth. According to Google India, there were 100 million online shoppers in India in 2016. By 2020, India is expected to generate \$100 billion online retail revenue out of which \$35 billion will apparel sales are set to grow four times in coming years. This paper is outcome of a review of various research studies carried out on Impact of E-commerce on Indian Commerce.

1. Objectives of Study

The paper has following objectives:

1. To explain the concept of E-Commerce.
2. E-Commerce trends:-A new Business Revolution in India.
3. Growth and Challenges of Ecommerce in India.

2. Review Literature

The present study is conceptual cum descriptive in nature. It is based on analysis of data. The data is availed from various journals, books and internet.

3. Introduction

E-Commerce or Electronic Commerce is a methodology of modern business which addresses the need of business organizations, vendors, and consumers to reduce cost and improve the quality of goods and services while increasing the speed of delivery. The purpose of this paper is to review the impact of e-commerce on Indian Commerce that has been published in the top business and management journals, with the aim of knowing what are the most influential papers, what are the issues that have received the most attention, which are the main findings of what more needs to be done in the term of research.

4. E-Commerce

E-commerce means electronic commerce. It means dealing in goods and services through the electronic media and internet. It involves carrying on a business with the help of the internet and by using the information technology like Electronic Data Interchange (EDI). E-commerce relates to a website of the vendor on the Internet, who trades products or services directly to the consumer from the portal. The portal uses a digital shopping cart or digital shopping basket system and allows payment through credit card, debit card, or EFT payments.

E-commerce refers to paperless exchange of business information using the following ways:

- Electronic Data Interchange (EDI)
- Electronic Mail (e-mail)
- Electronic Bulletin Boards
- Electronic Funds Transfer (EFT)
- Other network based technologies.

A more complete definition is: Ecommerce is the use of electronic communications and digital information processing technology in business transactions to create, transform, and redefine relationship for value creation between or among organizations and between organizations and individuals.

5. Different Types of E-Commerce

The major different types of e-commerce are:

- Business-to-Business (B2B)
- Business-to-Consumer (B2C)
- Business-to-Government(B2G)
- Consumer-to-Consumer (C2C)
- Mobile commerce(m-commerce)

6. Historical Development of E-commerce

A timeline for the development of e-commerce:

- 1971 or 1972: The ARPANET is used to arrange cannabis sales between students at the Stanford Artificial Intelligence Laboratory and the Massachusetts Institute of Technology, later described as "the seminal act of e-commerce" in John Markoff's book *What the Darmouse Said*.
- 1979: Micheal Aldrich demonstrates the first online shopping system.
- 1981: Thomas Holidays UK is the first business-to-business online shopping system to be installed.
- 1982: Minitel was introduced nationwide in France by France Telecom and used for online ordering.

- 1990: Tim Berner Lee writes the first web browser, World Wide Web (WWW).
- 1992: book stacks Unlimited in Cleveland opens a commercial sales website (www.books.com) selling books online with credit card processing.
- 1993: Paget Press releases edition No. 03 of the first app store, The Electronic AppWrapper.
- 1994: Netscape releases the Navigator browser in October under the code name Mozilla. Netscape 1.0 is introduced in late 1994 with SSL encryption that made transactions secure.
- 1995: Jeff Bezos launches Amazon.com and the first commercial free 24 hour, internet-only radio stations, Radio HK, and Net Radio start broadcasting. eBay is founded by computer programmer Pierre Omidyar as Auction Web.
- 1996: India MART B2B marketplace established in India.
- 1998: Electronic postal stamps can be purchased and downloaded for printing from the web.
- 1999: Alibaba Group is established in China.
- 2000: The dot-com bust.
- 2001: Alibaba.com achieved profitability in December 2001.
- 2003: Amazon.com posts five yearly profit.
- 2003: Bossgoo B2B marketplace established in China.
- 2004: China's first online b2b transaction platform is established, forcing other b2b sites to move away from the yellow pages "model.
- 2010: Groupon reportedly rejects a \$6 billion offer from Google. Instead, the group buying websites went ahead with an IPO on 4 November 2011. It was the largest IPO since Google.
- 2015: Amazon.com accounts for more than half of all ecommerce growth, selling almost 500 million SKU's in the US.

7. E-Commerce Trends:- A New Business Revolution in India

E-commerce is a boom in the modern business. It is a paradigm shift influencing both marketers and the consumers. Rather E-Commerce is more than just another way to boost the existing business practices. It is leading a complete change in traditional way of doing business. This significant change in business model is witnessing a tremendous growth around the globe and India is not an exception. Moreover, E-Commerce has every potential to curb the pollution and thus producing the significant influences on the environment.

Buying goods and services via E-Commerce allows consumers the freedom to choose when and where to shop and the opportunity to research the product, the seller, and any other available option. Shopping has been revolutionized through the availability of online information.

The effects of e-commerce are already appearing in all areas of business, from customer service to new product design. It facilitates new types of information based business processes for reaching and interacting with customers like online advertising and marketing, online order taking and online

customer service. In now days, E-commerce reduce cost in managing orders and interacting with wide range of suppliers and trading partners, areas that typically add significant overheads to the cost of products and services. For developing countries like India, e-commerce offers considerable opportunity. Major Indian portal sites have also shifted towards e-commerce instead of depending in advertising revenue. Many sites are now selling a diverse range of products and services from flowers, greeting cards, ad movie tickets to groceries, electronic gadgets, and computers etc.

India's e-commerce market is likely to touch \$38 billion mark in 2016, a massive jump over \$23 billion revenues clocked by the industry in 2015, according to an ASSOCHAM study. Increasing internet and mobile penetration, growing acceptability of online payments and favorable demographics have provided the unique opportunity to companies to connect with their customers. On the other hand, mobile commerce (m-commerce) is growing rapidly as a stable and secure supplement to the e-commerce industry. Shopping online through Smartphone is providing to be a game changer. It is believed that m-commerce could contribute up to 70 percent of their total revenues.

8. Growth and Prospects of Ecommerce in India

Increasing internet and mobile penetration, growing acceptability of online payments and favourable demographics has provided the e-commerce sector in India the unique opportunity to companies connect with their customers, it said. There would be over a five to seven fold increase in revenue generated through e-commerce as compared to last year with all branded apparel, accessories, jewellery, gifts, footwear are available at a cheaper rates and delivered at the doorstep (as per industry body ASSOCHAM).

It observed mobile commerce (m-commerce) is growing rapidly as a stable and secure supplement to the e-commerce industry. Shopping online through smart phones is proving to be a game changer, and industry leaders believe that m-commerce could contribute up to 70 per cent of their total revenues. In India roughly 60-65 per cent of the total e-commerce sales are being generated by mobile devices and tablets, increased by 50 per cent than in year 2015 and also likely to continue upwards. It noted that the browsing trends, which have broadly shifted from the desktop to mobile devices in India, online shopping is also expected to follow suit, as one out of three customers currently makes transactions through mobiles in tier-1 and tier-2 cities. In 2015, 78 per cent of shopping queries were made through mobile devices, compared to 46 per cent in 2013. In 2015, the highest growth rate was seen in the apparel segment almost 69.5 per cent over last year, followed by electronic item by 62 percent, baby care products at 53 per cent, beauty and personal care products at 52 percent and home furnishings at 49 per cent. It revealed that Mumbai ranks first in online shopping followed by Delhi, Ahmedabad, Bangalore and Kolkata. On the mode of payment, almost 45% of online shoppers reported preferred cash on delivery mode of payment over credit cards and debit cards.

Only 10 per cent opted for internet banking and a scanty 7 per cent preferred cash cards, mobile wallets, and other such

modes of payment, it said. Among the above age segments 18-25 years of age group has been the fastest growing age segment online with user growth being contributed by both male and females. The survey revealed that 38% of regular shoppers are in 18-25 age group, 52% in 26-35, 8% in 36-45 and 2% in the age group of 45-60.

9. Challenges of E-Commerce in India

India has less credit card population, lack of fast postal services in rural India. Accessing the Internet is currently hindered down by slow transmission speeds, frequent disconnects, cost of Wireless connection and wireless communication standards over which data is transmitted. High speed bandwidth internet connection not available to most citizens of the nation at an affordable rate. In India most people are not aware about the English language or not so good in English language. So that for the transaction over Internet through electronic devices, language becomes one of the major factors to purchases, hire and sell a particular product or services. Multiple issues of trust in e-commerce technology and lack of widely accepted standards, lack of payment gateways, privacy of personal and business data connected over the Internet not assured security and confidentiality of data not in place to deploy ubiquitous IT infrastructure and its maintenance.

10. Conclusion

A developing country may well attempt to be modernized if it introduces e-commerce effectively and efficiently. It will improve its output and lead to its competitive advantage. Information technology has uplifted ecommerce worldwide.

Now it's at ease to enter to a new market and marketer's can easily evaluate their products and company performance.

A growing number of firms in various industries, such as banking, education, commerce and tourism etc. have improved their services by both incorporating technologies into their service delivery process. Integration of technology in services is becoming very common; however, very little academic research has been conducted to examine its influence. The issues related to e-commerce are also on the rise which is posing serious threat to its tall future and hence demands right strategies on part of marketers.

Growth of e-commerce depend to a great extent on effective IT security systems for which necessary technologies and legal provisions need to be put in place and strengthened constantly. While many companies, organizations, and communities in India are beginning to take advantage of the potential of e-commerce, critical challenges remain to be overcome before e-commerce would become an asset for common people.

With the explosion of internet connectivity through mobile devices like Smart phones, and tablets, millions of consumers are making decisions online and in this way enterprises can build the brand digitally and enhanced productivity but Govt. policies must ensure the cost effective methods/solutions. E-commerce in India is destined to grow both in revenue and geographical reach. The challenge of establishing consumer trust in e-commerce poses problems and issues that need further research.

References

1. AbhijitMitra 2013. "E-commerce in India- a review", International Journal of Marketing, Financial Services and Management Research ISSN 2277-3622, Vol.2 No. 2, Feb (2013).
2. AlkaRaghunath, 2013. "Problem and Prospects of E-commerce", International Journal of Research and Development-A Management Review (IJRDMR) ISSN (Print): 2319-5479, vol2, issue-1, 2013 68.
3. Dr. Sachin Gupta, 2014. "Benefits and Drawbacks of M-commerce in India: A review", International Journal of Advanced Research in Computer and Communication Engineering Vol-3, issue 4, April 2014.
4. http://www.tutorialpoint.com/e_commerce/
5. <http://en.wikipedia.org/wiki/E-commerce>
6. <http://ecommerce.about.com/od/eCommerce-Basics/tp/Advantages-Of-Ecommerce.htm>
7. http://www.tutorialpoint.com/e_commerce/e_commerce-advantages.htm
8. http://www.tutorialpoint.com/e_commerce/e_commerce_disadvantages.htm
9. S.G.E. Garrett, P.J. Skevington, "An introduction to E-commerce", BT technology Journal.1999
10. ChananaNisha and GeoleSangeeta, "Future of E-commerce in India", International Journal of Computing & Business Research, ISSN (online):2229-6166.
11. Awais Muhammad and SaminTanzila (2012), "Advanced SWOT Analysis of E-Commerce", IJCSI International Journal of Computer Science issues, Vol 9, Issue 2, No.2 pp.569-574.