RESEARCH REVIEW JOURNALS
Volume-04
Issue-05
May-2019

ISSN: 2455-3085 (Online)
RESEARCH REVIEW International Journal of Multidisciplinary
www.rrjournals.com[UGC Listed Journal]

Relevance of E-Commerce in India

[1]Ms. Gira Singh and [2]Dr. Arvind Kumar

[1]Ph.D. Research Scholar, Sunrise University, Alwar, Rajasthan
[2]Lady Shri Ram College, University of Delhi

1. Introduction

The increased use of smartphones and affordable internet accessibility alongwith streamlined logistics infrastructure, e-commerce market is sprawling in India. From a Compound Annual Growth Rate (CAGR) of INR 3,550.7 billion in 2018, it is predicted to reach a value of INR 10,494.3 billion to 2024. The government is proactive in leveraging and embracing the e-commerce digital platform and through it's Digital India Initiative, it is transforming the traditional offline markets. The government initiatives like Atithi Devo Bhava and Incredible India have boosted online travel segment with companies like IRCTC, Goibibo, Make My Trip etc. making them become leading players in online travel market in 2019 in India. Similarly, 2018 saw online retail market dominating by electronic items, followed by apparel and home furnishing products. Online financial markets are also propelled due to increased number of mobile wallets, digital transactions, lucrative discounts, cashbacks etc. offered by companies like Paytm, Mobikwik, PhonePe etc. Competitive insights of e-commerce companies like voice assistants for assisting customers with their queries by Flipkart, Amazon, Ola, Zomato, use of Fintech based payment platforms like PayPal, Apple pay, other technological adoptions like Artificial Intelligence (AI) and Machine Learning (ML) are attracting customers depicting favourable projections of e-commerce market in future. The Covid-19 pandemic is further giving a boost. Digital divides among individuals are bridging and participating of vulnerables is being fostered, FTUs (First Time Users) surge being witnessed. But, an abnormal year cannot predict future of e-commerce with accuracy. The legislation, technology & trust still need to be strengthened.

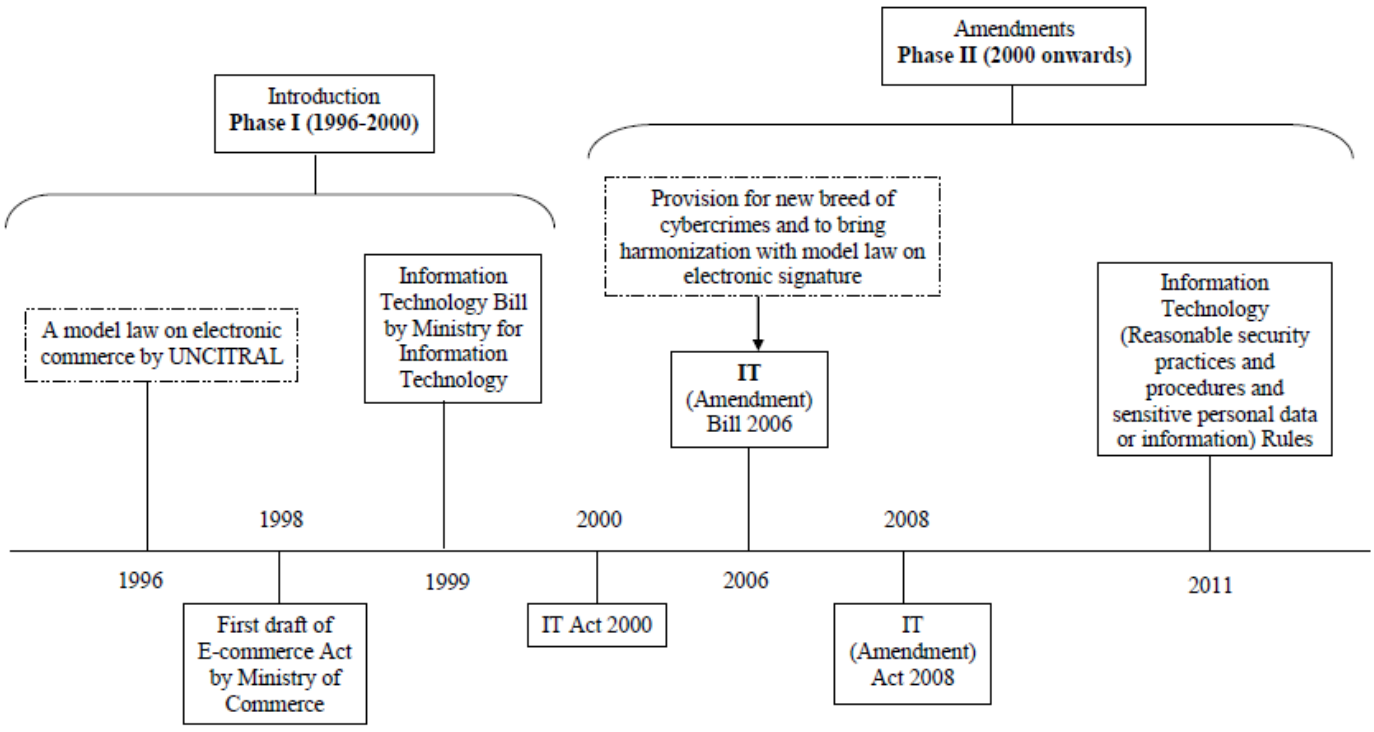

Figure 1.1 : Evolution of E-commerce legislation in India

2. E-Commerce and Information Technology Act-2000

1990s observed arrival of computerization coupled with globalisaton. With e-communication and emails taking over the traditional form of communication in international trade, an immediate need was felt to recognize electronic records.[1] United Nations Commission on International Trade Law in 1996 became first to frame a model law on e-commerce.

Background of IT Act 2000

[1] IBF, *Cyber Laws in India*. http://www.iibf.org.in/documents/Cyber-Laws-chapter-in-Legal-Aspects-Book.pdf (last visited May 10, 2014).

"E-Commerce Act 1998" came up as the first draft of the legislation made by Ministry of Commerce, Government of India.[2] It got redrafted as "Information Technology Bill 1999" after a separate Ministry for Information Technology came into existence. It was placed in parliament in December 1999, passed in May 2000, got assent of the President on June 9, 2000 and got finally notified as "IT Act 200" on October 17, 2000 vide notification number G.S.R. 788(E).[3] Later, IT (Amendment) Bill 2006 was introduced in Lok Sabha on 15 December 2006 which had mention of cybercrimes and electronic signatures.[4] The bill got successfully passed by both Lok Sabha and Rajya Sabha on 23rd December 2008 after which this IT (Amendment) Act 2008 got the President's assent on 5th February 2009.[5] The essence of this Act can be broadly enumerated as follows:-

1) To promote e-commerce – i.e. legal status to digital signatures, EFTs, e-records etc.
2) To promote e-governance – i.e. accept digitally signed documents and switch over to e-filing.
3) To regulate the certification authorities – e.g. recognition of Foreign CAs and licensing them as well as the Indian CAs.
4) Jurisdiction related and cyber contraventions – setting forth offenses and contraventions, preparing a sketch of the systems of justice dispensation for cyber crimes, setting up Cyber Appellate Tribunal etc.
5) Amendments in Acts viz. The Indian Penal Code, The Indian Evidence Act, 1872, The Reserve Bank of India Act, 1934, The Banker's Book Evidence Act 1891.
6) Gave legal recognition to electronic records (sec. 4).
7) Gave legal recognition to digital signatures (sec. 5).
8) Provided for certifying authorities and subscribers in connection with digital signatures (sec. 17 to 42).
9) Made provision for penalties for cyber offences (sec. 43 to 47).
10) Established Cyber Appellate Tribunal (sec. 48-64).
11) Listed Cyber Offences (sec. 65-78).

Legal Parameters / Issues in E-Commerce

A. Legal Validity of Electronic Transactions

E-contracts can be mainly of 3 kinds:-

1. Browse Wrap- It binds contracting party by use of website.
2. Shrink Wrap- In this, terms and conditions are read by the contracting party once the box containing the product is opened.
3. Click-Wrap- In this, the contracting party clicks "I accept" tab and accepts the contract).

E-contracts face 3 major issues namely –

1. Signing of the contracts physically.
2. Inability to verify the age of the person e-transacting.
3. Non-imposition of stamp duty on e-contracts.

IT Act 2000 fortifies the validity of e-contracts and IT (Amendment) Act 2008 in Sec. '10A' clarifies that an electronic contract shall not be considered unenforceable just on the basis that such electronic communication, acceptance or revocation of proposals were expressed in electronic form for that purpose. However, jurisprudence in India is still not developed regarding unconscionable standard form of online agreements.

B. Security – There are basically 4 most striking issues related to security spotlitted as under:-

1. Authentication & Identification – Sec. 3 of IT Act 2000 deals with authentication of e-records while sec. 3A of IT (Amendment) Act 2008 substituted digital signatures with "electronic signatures".

2. Privacy – IT Act 2000 partially covered privacy issue under various sections. A few of these are mentioned below:

a. Sec 79 – It sets out conditions under which an intermediary will not be liable for third party information, data or communication.
b. Sec 72 - Penalty for breach of confidentiality and privacy
c. Sec 72 A- Punishment for publishing information in breach of lawful contract
d. Sec 69 – Under this section, crimes against national security has been made stronger for interception and monitoring.
e. Sec. 67- Punishment for publishing/transmitting obscene material in electronic form
f. Sec 66 E- Punishment for Violation of privacy

But IT (Amendment) Act 2008 dealt 'privacy' with limited sense as it is confined to the violation of privacy only where images of private body areas are captured.

[2] Subhajit Basu & Richard Jones(2015), *Indian Information and Technology Act, 2000: Review of the Regulatory Powers under the Act,* 19 INT. REV. LAW, COMPUER TECHNOLOGY,Pp.209-230. (2015).
[3] Sanjay Pandey (2002)., *Curbing Cyber Crime: A Critique of Information, Technology Act, 2000 and IT Act Amendment 2008* (2008), http://www.softcell.com/pdf/IT-Act-Paper.pdf. C.M. Abhilash, *E-Commerce Law in Developing countries: An Indian Perspective,* 11 INF. COMMUN. TECHNOL. LAW 269-281
[4] Press Information Bureau, Information Technology (Amendment) Act, 2008 comes into Force Press Information Bureau, Government of India (2009).(last visited Oct. 8, 2014).
URL- http://pib.ni.in/newsite/erelease.aspx?relid-53617
[5] ICAI, Information Technology (Amendment) Act, 2008.
(last visited Oct. 10, 2014).
URL-http://www.icaiknowledgegateway.org/littledms/folder1/chapter-10-information-technology-amendment-act-2008.pdf

3. **Data Protection –** This issue was covered only in the IT (Amendment) Act 2008. Of late, even Supreme Court of India recognized the "right to privacy" as a subset to "right to life and personal liberty".
4. **Security Systems –** External security threats like Viruses, Trojan Horses and Hackers are dealt in IT Act 2000 and IT (Amended) Act 2008. However, internal threats to companies' own technical staff and employees still remain to be dealt extensively.

C. **Junk Mail and Spamming –** Spam or unsolicited Bulk Email (UBE) or Unsolicited Commercial Email (UCE) is not discussed in IT Act 2000 as illegality of spamming is not recognized in India.[6]

D. **Content Regulation –** To regulate this, there are enough legislations in India such as on issues of obscenity wherein Sec. 67 and 67A of IT (Amendment) Act 2008 are applicable only for digital publication.[7] Punishment against Cyber Defamation is discussed in Sec. 66 A of the IT (Amendment) Act 2008 with imprisonment for a term upto 3 years and with fine.

E. **Intellectual Property Issues –** Now most of the wealth creating works have been transformed from 'physical-based' to 'knowledge-based'. Except for some aspects of intellectual property like copyright dealt in sec. 43 and sec. 65 of the IT Act 2000, no concrete framework is there'Domain name' is yet another intellectual property gaining popularity as it performs same function online as trademarks do offline and can be registered and protected at world level only by one organization ICANN (Internet Corporation for Assigned Names and Numbers). IT Act is silent on the issue of protection of intellectual rights (Patents, trademarks, copyrights) including domain names and cyber squatting.

F. **Payment –** This backbone of economy is complex and multiplayer as it involves sellers, buyers, payment processors, payment intermediaries and technology providers. The IT Act is yet not equipped to address areas like high transaction costs, tax and regulatory issues pertaining to cross-border operations, security risks, cyber crimes, financial frauds etc.[8] **G. Taxation on e-commerce transactions –** The IT Act has not clearly spelled out on indirect taxation of electronic transactions. However, the Organization for Economic Corporation and Development (OECD) has highlighted guiding principles for the taxation of e-commerce transaction i.e. neutrality, efficiency, fairness, flexibility, certainty, and simplicity.[9] High Powered Committed (HPC) set up by CBDT (Central Board of Direct Taxes) stated that no separate regime for taxation of e-commerce transactions is required and existing laws are sufficient but this notion needs to be revisted.

H. **Intermediary Liability –** Under section 2(w) of the IT (Amendment) Act 2008, intermediary is defined as: “intermediary”, with respect to any particular electronic records, means any person who on behalf of another person receives, stores or transmits that record or provides any service with respect to that record and includes telecom service providers, network service providers, internet service providers, web hosting service providers, search engines, online payment sites, online auction sites, online market places and cyber cafes. The scenario for intermediaries in India was worse before the inclusion of provision regarding liability regime for online intermediaries in IT (Amendment) Act 2008.[10] However, still there are differences in laws in India as against those in EU or US.

I. **Jurisdiction Issues –** Contractual disputes (between B2B and B2C) or non-contractual disputes (copyright, data protection, domain name) may crop up in an e-commerce enterprise. Territorial jurisdiction gets even complexed due to borderless nature of internet. In India, jurisdiction and enforcement issues related to e-commerce are still nascent.[11] Loopholes in IT Act regarding ambiguity related to legal jurisdiction of contracts including international business is a big concern. However, a little respite is offered as there is provision under IT Act 2000 now to appoint Controller and Certifying Authorities (sec. 17) to settle disputes between subscribers and certifying authorities.

J. **Consumer protection Issues –** IT Act and no other law in India is specifically designed to regulate online transaction with a view to protect consumers. Its only COPRA 1986 which is the only option for IT Act to trust upon after making required changes. There are also almost no watchdog in the form of consumer NGOs in India to resolve e-transaction / e-commerce issues.

Hence it can be concluded that although Indian government made an attempt to address many issues and legislated the IT Act, many provisions remain unaddressed despite the fact that these are very crucial for the development of e-commerce environment. The policy framers need to legislate a separate e-commerce law to keep pace with the ever-changing technological developments and create a business environment conducive for e-commerce industry in India.

---

[6] Rahul Dande, *Spam: Is it Time to Legislate?*
(last visited Feb. 25, 2015)
URL- http://www.legalservicesindia.com/articles/spamli.htm

[7] Debarati Halder (2013), *Examining the Scope of Indecent Representation of Women (Prevention) Act, 1986 in the light of Cyber Victimisation of women in India,* 11 Natl. Law Sch. J. 188-218
URL-http://papers.ssm.com/so13/papers.cfm?abstract_id=2270061.

[8] EC, Report on Cross-Border E-Commerce in the EU.
(last visited mar. 2, 2015).
URL-http://ec.europa.cu/consumers/archive/strategy/docs/com_staff_wp2009_en.pdf

[9] Nishith Desai Associates, E-Commerce in India.
URL-http://www.nishithdesai.com/fileadmin/user_upload/pdfs/ResearchPapers/E-Commerce_in_India.pdf

[10] Alaya Legal, India: Intermediaries under the Information Technology (Amendment) Act, 2008.
http:/www.mondaq.com/India/x/225328/Telecommunications+Mobile+Cable+Communications/Int.crmediaries+Under+The-Information+Technology+Amendment+Act+2008 (last visited Mar. 10, 2015).

[11] Nishith Desai Associates, *supra note.*

3. Digitalization

The term digitalization is gaining huge importance these days. Digitalization means use of digital technologies with a view to change a business model and generate new revenue and value-producing opportunities. In short, it is the process of moving to a digital business. Digitalization has a special impact on the development of economic systems viz. on the activities of business and functioning of national economies. The underlying reason being the potential of new technologies to increase the efficiency of such systems, reduction in cost, increased profitability level of enterprises and increase in the growth rate of economies. Digital technology has brought drastic change in both business and operating models and many leaders need to revise their understanding whilst trying to run a business in an ever transforming and fast changing market than their business. There are two ways of thinking about the impact of digitalization on Business. Firstly, in terms of how it manifests itself and secondly in terms of competitive opportunity. Different models of digitalization are attributing to growth of e-commerce viz. Social Media, SEO (Search Engine Optimization), Digital Branding, Affiliate Marketing, Blogging, Online PR (Public Relation) and Blogger, Digital Advertising, Digital Branding, Video Marketing etc.

4. Demonetisation and E-Commerce

On November 8th 2016, the Government of India, in an unanticipated and a radical move[12] went for stripping of legal tender of the two highest value banknotes in circulation INR 500 (~USD 7.50) and INR 1,000 (~USD 15). The prolonged unavailability of this legal tender compelled people to switch over to digital platform and a surge in digital payments was witnessed especially due to fall in CoD which normally accounted to 60-70% of total orders for companies like Flipkart and Zomato. Following could be considered as major impact of Demonetization on e-commerce.

1. **Control Corruption –** Cash on Delivery accounted to almost 80% of the payment for online purchase and with curbing of CoD, rate of corruption through paying black money was controlled. 50% of the payments were done through e-banking after demonetization which cracked down the whip on black-money forcing people to go online.[13]
2. **Cash-less Economy –** A culture of cash-lite economy cropped up in the aftermath of demonetization which helped customers to pay their mobile bill, electricity bill, etc. in just a click. Availing of discount benefits further helped in inculcating the e-payment habits which helped the e-commerce companies in maintaining a reasonable cash flow.[14]
3. **Increase Online Payment –** Instead of keeping an increased cash, a trend of keeping increased apps and digital/e-wallets came up. Use of online payment apps increased viz. paytm by 39%, freecharge by 26%, mobikwik by 17%, ICICI by 4%, Airtel by 10% etc. No doubt increase in online payment emerged as the last alternative for payment in the wake of demonetization but is sustaining as a preferred choice.
4. **Increased Online transactions in small cities –** According to a survey, there has been around 150% growth in digital transactions in tier-2 cities and around 157% growth in tier-3 cities. As compared to big cities, demonetization has caused a whooping increased in e-transactions at these places by almost one-and-a-quarter times.
5. **Growth in e-commerce –** As per a report published by NITI Aayog post-demonetization, digital payments saw an upsurge of 271% in the very first month. Increase in the number of mobile wallet transactions from 17 to 63 lakhs was observed. Paytm reported that it served 45 million customers within 3 weeks of demonetization. Rupay card transactions also increased revealing that debit card is used by more Jan Dhan account holders now.
6. **Hyper-Local Delivery –** Hyper-local delivery firms supply groceries, household items and food from restaurants for customers. This segment experienced tremendous growth of new customers. Online food-ordering platforms like Zomato and Swggy also grew post demonetization.

GST and E-Commerce

GST (Goods and Services Tax) is a tax on the supply of goods and services and not on their manufacture. It is a destination based consumption tax which has subsumed 17 indirect taxes which prevailed in the Centre and the State before the Central Goods and Services Tax Bill (CGST) was passed in the parliament (Lok Sabha 29/03/2017 and Rajya Sabha 06/04/2017) in April 2017. Dual GST model has been adopted by India wherein both the Centre and the States would levy and collect GST on common tax base however, the tax payer has an interface with either of the two tax administrators i.e. the Centre or the State.

As being proposed that GST would be facilitated by a vigorous IT infrastructure referred as GST NET, the GST NET portal acts as a platform providing interface between the taxpayers and two tax authorities by facilitating in various tax collection process like, registration, filing of returns, forwarding returns to the network of the two authorities, providing MIS reports etc. GST Net enables Audit, Refunds, Adjudication etc. by integrating the common GST portal with the IT systems of Centre and States.

Such a robust set up helps GST not only in revamping the manner in which business is conducted but also impacts the prospects of law firms, tax professionals etc. E-commerce is being and will be benefited by GST as it provides impetus to the two most commendable concepts of the Government: "Make in India" and "Digital India". Although there exist limitations due to the collaboration of centre and 28 states governed by different political parties, GST would be a win-win proposition for e-commerce.

[12] Pravesh Kumar Mann & Ravi Kumar Rana (2019), "E-Commerce: Fueling the Dream of Digital India" in *Inspira-Journal of Commerce, Economics and Computer Science* (JCEC5), Volume 5, No. 3, July-September, 2019, pp. 71-79.
[13] http://profit.ndtv.com/news/economy/article-rbi-warned-of-inadequate-preps-for-demonetization-written-raghuram-rajan-1715463. access on 21st April 2018.
[14] Dinesh Chand Gupta *et.al.* (2018). "Traditional Commerce v/s E-Commerce and Impact of Demonetization on E-Commerce" in *International Journal of Engineering and Management Research,* pp. 136-42.

GST Legislation on E-Commerce

Online trade and further delivery of goods and services should be taxed fairly and consistently without adversely affecting the small traders. The issue of CST incidence on inter-state trade through e-commerce is already in litigation in many states in India. Some prominent definitions related to e-aspects have been given in section 2 of the Revised Model GST 2000 of Nov. 2016 namely:-

1) **E-commerce – "***Supply of goods and/or services including digital products over digital or electronic network."*
2) **Electronic Commerce Operator –** *"Any person who owns, operates or manages digital or electronic facility or platform of electronic commerce."*[15]

It is to note that in the first draft Model GST Laws (MGL) June 2016, the definition of 'electronic commerce operator' was confined only to the platform players as it had laid a provision for an 'aggregator' in similar lines with the prevailing service tax provisions for e.g. companies like Ola, Oyo, Uber were considered aggregators. But, in the revised MGL of Nov. 2016, the concept of 'aggregators' has been dispensed and the concept of 'e-commerce operator' widened, encompassing all kinds of e-commerce operators that include providers of a platform where the actual supplier performs supplying and invoicing activities e.g. Amazon, Fab India, Google Play etc.

As per sec. 24 of CGST Act, irrespective of aggregate turnover, under-mentioned persons have to get compulsorily registered:

ix) Persons who supply goods or service or both other than supplies specified under sub-section (5) of section 9, through such electronic commerce operator who is required to collect tax at source under section 52.

x) **Every electronic commerce operator –** According to section 2(d) of CGST Act 2017, composition scheme is not available for online sellers selling goods through e-commerce operators. Composition scheme refers to a scheme under which a dealer has an option to pay a fixed percentage of turnover as fees in lieu of tax and be relieved from the detailed compliance of the provisions of law.[16]

Yet another and only section i.e. sec. 56 in the revised MGL deals with Tax Collection at Source (TCS) which has 12 clauses. All e-commerce operators facilitating the supply of goods and/or services are supposed to collect tax at source while doing payments to vendors and file a statement giving the transaction details. It is only then that the vendors can pay their output tax liability using this tax. The basic intension of the GST Council is to monitor the business supplying goods and services via e-commerce operators. As notified by the Government, e-commerce operators are liable to collect tax at a rate of 1% from the suppliers on the taxable value of product/services. This collected tax is to be deposited by 10th of the following month along with a monthly statement in 'Form GSTR-8'. An annual statement in prescribed form is to be filed by the operator by 31st of December following the end of every financial year. Section 56(5) states that the supplier using the facility provided by the e-commerce operator can claim credit.

Table 5.3 : Return Filing

E-Commerce Operators are required to file the following returns:

RETURN	GSTR 1	GSTR 2	GSTR 3	GSTR 8	GSTR 9
Details	Sales	Purchase	Monthly return along with payment of Tax	Supplies processed and amount of tax (TCS) collected	Annual GST Return
Frequency	Monthly	Monthly	Monthly	Monthly	Yearly
Due Date	10th of next month	15th of next month	20th of next month	10th of next month	31st Dec. of next financial year

The typical concern is that since validity of one central registration for the entire country is absent, every vendor on the e-commerce platform needs to register, regardless of threshold in every state where he supplies a good or service. This acts as a deterrant for the small dealers who wish to use e-commerce to increase their sales. Moreover, its not evident if for depositing tax collected at source, registration of the e-commerce operators is mandatory in every state where the suppliers using their platforms are situated. The issue of multiple registration as per the 'places' (read as states) of supply is applicable for overseas suppliers too.

Concerns of E-commerce Sector

Despite many benefits illustrated above which bring more transparency, e-commerce sector is hard hit by GST regime too. Firstly, GST regulations will lock around ` 500 crores of capital per year providing no accessibility of it to the sellers although there is an attached benefit of utilizing of credit to pay output tax. Secondly, the startup and small-scale suppliers would be affected as the limit of ` 20 lakhs for GST would not be applicable to such transactions is terms of para 6 of schedule V of the revised Act. Thirdly, in case of cash-on-delivery scenario, TCS proves a compliance hazard. Fourthly, in order to comply with the disclosure requirements as per MGL, IT systems require restructuring. Lastly, e-commerce operations have to bear immense manpower and accounting burden to fulfill above responsibilities.

However, Cost & Management accountants ensure GST compliance by assisting the clients in preparing the monthly and annual returns to be filed by e-commerce operators and suppliers for e.g. GSTR 1, 2, 3, 8, GSTR 3B etc. Their this act of imparting

[15] Sumit Dutt Majumdar (2016), "GST and E-Commerce" in *Natioal Law School of India Review* ,Nation Law School of India University, Vol. 28, pp. 124-128.
URL – https://nlstr.com/wp

[16] CMA MD Abbas (2018). "Driving E-Commerce on the road of GST" in *Tax Bulletin,* January 2018, Volume-8, The Institute of Coxt account of India, pp.1 0-12.

education and training can definitely troubleshoot the complexities of e-commerce transaction helping Nation in meeting the goals of GST and Digital India.[17]

5. E-Commerce and Online Learning Systems

The term 'e-commerce' engulfs much more than financial transactions over the internet. As it symbolizes any electronic communication in business, it offers a series of business models related to the designing, product and delivery of online learning with the need of an organization to operate as an effective business. Online learning systems refer to educational structures erected on the base of technological infrastructure, admission procedures, online enrollment, online course material, tutoring, communication and assessment. There exist plenty of business models for online learning ranging from sophisticated to experimental.

Companies like Southrock in Melbourne and Techworks in Adelaide pioneered the designing of customized web-based learning systems for corporate clients like Telstra learning and Qantas. By around 1996-98 new entrants to developing online learning models have contributed in making such models more sophisticated. The latest entrants however have a marketing model predominantly where they contract out the production of learning materials. Recently, many websites have been developed which vary in cost from several million dollar to very small budget ones. The larger state websites range from the ones which focused on online course material (the Library Resource Model) to those focusing on the use of leading edge technology (the Lighthouse Model). Most of the smaller websites are not underpinned by a business model, so much as a desire to hopefully provide support services to the students (the Altruistic Model) or to experiment with technology (the Play Pen Model). It is to be noted that private registered training organizations hesitate venturing in the field of online learning systems.

Paulson (1998) focused on a 'holistic online teaching system' where he emphasized that planning choices should be made in such online system regarding choice of enrollment scale, subject matter, target group, study location, media etc. as a prerequisite of developing a thorough business model for online learning system although there always exists variation. For example – business model of a multinational software developer developing global online courses will differ from the customized solutions developed by a small technology company for training organizations. These differences are in terms of organization's market positioning (i.e. Market Leader or Follower), competition strategies (e.g. Cost Leader or Niche Player), marketing strategies (Market Penetration or Market Development) and selection of markets (e.g. Growth Markets or Mature Markets). Differences exist in the manner the organizations develop products and services i.e. in house or outsourcing (fully or partly).

Somehow, political and economic pressures like high quality, low cost, etc. hamper the functioning of the organizations providing online learning systems thereby resulting in high institutional costs, slow production rates and low enrollment due to lack of awareness. These constraints can be overcome if these organizations follow some basic principles e.g. being clear about what is their core business, developing effective marketing and product development strategies, training staff, establishing realistic pricing policies etc. Despite above subjective aspects, some similar criteria also need to be followed by all organizations while establishing online learning systems such as: priority to customer needs, access to qualified content provider, online totors, cost-effective use of complementary delivery system etc.

Relationship between the customer and the provider undergoes a change due to incorporation of online learing systems. This system eliminates or alters the roles of intermediaries such as librarians, classroom, teachers and campus based support staff thereby giving rise to the dire need of developing altogether different organizational structures. Commerce community has coined the word 'disintermediation' to describe such change in relationships. The web environment supports not only certified training courses but also tailored courses for students within an organization. However they still need to be upgraded in the sense that the models had to be pedagogically sound, appropriately positioned in the market-place, cost effective to develop and well supported technically, administratively and educationally.

The e-commerce principles within organizations can bring up new opportunities for producing, designing, marketing, distributing and providing services. On implementing e-commerce business models, the online learning systems can become not just a peripheral activity but a part of integrated business. It is essential that business monitors the emergence of e-commerce as e-commerce offers a variety of business models that position online learning systems as just one component of flexible organization.

No doubt, as a backbone of e-learning there exist certain fundamental disparities too between e-commerce and e-learning, a few of which can be presented as a glance in the table below–

Table 5.4

Parameter	E-Commerce	E-Learning
Goal	Complete financial transaction: getting a product	Reach learning objectives
Session duration	One session	Multiple sessions
GUI	Text, multimedia, graphics – animation, video, sound	Audio-conferencing, webcast, multimedia, chat, simulation, white-boarding, text, video – conferencing, animation
Adaptation	Presentation	Sequence
Feedback	From the system (help, FAQ), administrator (e-mail, telephone)	From the system (help, FAQ), the instructor (chat, phone, e-mail, synchronous collaboration), e-learners

[17] Sumit Dutt, Majumdar (2016, *op.cit.*

		(chat, asynchronous – synchronous collaboration), portals
Mining method	Cookies, log analysis	Log analysis, instructors' reports
Technology	Web based	Web based/Multimedia
Complexity	E-learner – system – transaction	E-learner – different collaboration platforms – learning activity
Underlying method	Marketing	Pedagogical
Network	Client-Server	Client-Server, P2P
Drop out factors	Information stress	Competency, grading
Main tools	Search engines, catalogues, recommendation systems	Virtual classroom, audio-conferencing, webcast, white-boarding, video-conferencing
Assistance	Off-line	On-line/Off-line
Cooperation Mode	Off-line	Real time
Access mode	Unregistered	Registered
Costs	Pricing for products	Pricing for courses
Support	Informative	Informative, technical, educational
Virtual Communities	Informal	Formal
Interaction-exchange of information	System-e-consumer	Instructor-e-learner, system – e-learner, e-learner – e-learner
Personalization	Adapt the content of the e-commerce system to e-consumers' preferences and needs	Prescriptive learning where courses match to e-learners' skills and knowledge