

A PERSPECTIVE ON THE PROSPECTS OF E-COMMERCE IN THE CONTEXT OF INDIAN BUSINESS

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ABSTRACT

The advent of internet commerce is one of the biggest developments now occurring in the corporate sector. Almost every organisation is impacted by the dramatic effects of electronic commerce (also known as EC) on purchasing, shopping, business cooperation, customer services, and the supply of numerous services. All corporate functional areas and their crucial activities, from advertising to paying bills, are altering as a result of e-commerce. Due to emerging online businesses, novel business methods, and the variety of EC-related goods and services, competition is also significantly changing. EC offers businesses unrivalled chances to grow globally at low cost, capture more market share, and cut expenses. In this chapter, we'll go over the main uses of EC, problems with both successful and unsuccessful implementations, and the services that are required to support them.

Keywords: E commerce, Indian Business

1. INTRODUCTION

Thanks to e-commerce, business today is cutting edge. The name for electronic trade is e-commerce. It makes reference to conducting business through the internet and other technical platforms. It describes a website that serves as a conduit for a vendor to provide goods or services to clients directly via a digital shopping cart or digital.

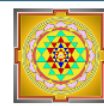
Payment options include an online shopping basket system, credit card, debit card, or EFT (Electronic Fund Transfer) transactions. E-commerce or E-business is the practise of conducting business utilising the internet and information technology, such as Electronic Data Interchange (EDI). Ecommerce, to put it another way, is the expansion of online trade. E-commerce has swiftly taken over as the main sort of online activity. E-commerce is described as any commercial action that is carried out, related to, or helped by electronic communication; there is no singular definition for it. E-commerce is already having an impact on every aspect of a business, from new product development to customer service. Online order taking, online order placement, and online customer support are just a few examples of the new information-based business operations it enables. Nowadays, at least one visit to the WWW is required for an

e-commerce transaction. Managing orders and communicating with a variety of suppliers and trading partners, which typically add considerable overheads to the cost of goods and services, are other areas where it can save expenses. India and other developing nations have several opportunities thanks to e-commerce. Even the most pessimistic predictions predict a rise in India, a developing technological nation. In recent years, there has been a surge in the number of businesses adopting e-commerce. Important Indian portal websites have also switched from relying on advertising to relying more on e-commerce.

Nowadays, a wide variety of goods and services are offered for sale online, including groceries, gadgets, computers, cards, flowers, and movie tickets. The emergence of online stock exchanges heralds the beginning of true e-commerce in India.

2. E-COMMERCE IN INDIA

E-commerce presents a lot of opportunities for emerging nations like India. Although e-commerce in India is still in its infancy, even the most gloomy predictions point to a surge. The second-most populated country in Asia's e-commerce market is expected to increase as a result of the low cost of personal computers, a rising installed base for Internet use, and an increasingly competitive Internet Service Provider (ISP) market. Rediff.com was the first e-commerce website in India. For both Indian natives and nonresident Indians, it was one of the most frequently used websites. It offered an abundance of business news about India, a search engine, e-commerce, and online solution services. The number of businesses in India enabling internet and e-commerce technology has increased during the last two years. Major Indian portal websites have also moved away from relying solely on advertising revenue and towards e-commerce. The online communities created around these portal websites have been successfully used to market products ranging from event and mouse tickets to groceries and laptops. Rediff.com, the internet, and India Plaza are the leading providers of these services, and they just launched a shopping section. Despite the RBI's restrictions on low internet usage, e-commerce websites have sprung up all over the place, selling anything from groceries to bakery goods to presents to books, audio and video cassettes, computers, and other commodities. The low credit card and PC penetration hasn't stopped any of the main businesses.



3. FUTURE OF E-COMMERCE IN INDIA

India is developing quickly, and the contribution of e-commerce to that development cannot be overlooked if development is to be assessed.

Even though there are only 100 million internet users in India, which is a significantly smaller number than in the US or UK, this number is growing at an alarming rate. It is expected that traditional merchants will feel the need to transition to online commerce in the coming years as the number of new entrants in this industry continues to rise. This reality is made more obvious by insights into the expanding demand for internet services, rising standards of living, the availability of a broader variety of products at lower prices, and busy lifestyles, which opens the door for online gift voucher deals. According to data, India's e-commerce market had a 2009 value of roughly \$2.5 billion. It increased to \$8.5 billion by 2011, indicating a considerable increase over the previous two years. These statistics could reach \$12 billion by 2012, according to a statement issued by the Internet and Mobile Association of India (IAMAI)! We may separate e-commerce into three major categories—physical services, physical commodities, and virtual goods—in order to better understand this scenario. Local commerce (coupons, yellow pages, classifieds, etc.), which offers major overlaps with E-commerce, is another segment that is rapidly making its mark. The first category of physical services, which includes job, marriage, and event management websites as well as ticketing for travel, is unquestionably the biggest contribution. Travel websites account for 75% of all Ecommerce industries. It also offers tempting discounts. Due to the buzz generated by the influx of new businesses and stores opening every day, the second category of physical items is the one that is now receiving the most attention. Flipkart, Infibeam, Homeshop18, Indiatimes, Naaptol, Letsbuy, and other market leaders, each of which sells anything from mobile phones to pet food, are among the leaders in this sector. In comparison to Europe and America, India has lagged behind in the third and final category of virtual goods and gift cards, which includes online music, software, movies, games, Taj Hotel gift cards, Reebok gift cards, Pizza Hut gift cards, etc. This is mainly because of piracy concerns and Indians' social outlook. However, the situation is anticipated to change as a result of the proliferation of mobile devices and the services that are offered through the Internet at great rates. The digital downloads segment is anticipated to increase in the Indian Ecommerce market. It is likely that the distinct characteristics of the Indian e-commerce market, such as the cash on delivery method of payment and direct imports that significantly reduce prices, would cause this sector to expand quickly in the years to come.

4. STATUS OF E-COMMERCE IN INDIA

E-commerce is now a household term in Indian culture and is ingrained in every aspect of our everyday lives. Numerous products and services are offered on websites. Then there

are those that offer a certain product along with the supporting services. Multi-product online shopping These Indian e-commerce sites offer products and services in many different categories. Among them are Men's and women's clothing and accessories, goods for beauty and health

publications, automobiles, software, consumer electronics, home appliances, jewellery, audio/video products, gift items, computers and peripherals, and publications both services and real estate Single-product online shopping Some Indian portals and websites focus on a particular industry, such as:

1) Automobiles: We can purchase and sell new and used automobiles, including four-wheelers and two-wheelers, online on these sites. They offer a variety of services, including: research and reviews of automobiles; online evaluation; technical specifications; vehicle insurance; and vehicle financing.

2) E-commerce and stocks and shares - In India nowadays, we can even transact in stocks and shares. Online stock and share buying and selling, market analysis and research, company information, company comparisons, and research on equity and mutual funds are just a few of the services available to registered customers.

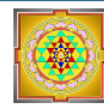
3. Real estate and online shopping: They offer details on both newly constructed homes and homes that are available for sale. Through a consultant, one can communicate with a developer directly. Associated services include housing finance, insurance firms, interior designers and architects, NRI services, and movers and packers.

4) Travel, tourism, and e-commerce. India has a rich history and tradition, and e-commerce plays a significant role in marketing India as a product and inspiring both Indians and foreigners to experience its rich culture and natural beauty. The tourist destinations are divided into categories based on themes like: adventure (mountain climbing, trekking, etc.); eco-themes (jungles, flora, and fauna).

5) Gifts and online shopping in the past, choosing a present for a loved one required careful planning, a long walk to your preferred store, and hours of browsing. The gifts are divided into the following categories: collectibles like paintings and sculptures, upscale products like leather goods, perfumes, jewellery boxes, etc., household curios and rugs, etc., toys & games, and more. Flowers, chocolates, woodworking, and metalworking.

5. CHANGES IN E-COMMERCE IN CHRONOLOGICAL ORDER

E-commerce can be traced back to the first electronic computers, which were built in the 1950s (Smith, K.T.2008). However, e-commerce did not gain extensive popularity until development of the World Wide Web in the 1990s. A



chronological sequence of events concerning the Internet and e-commerce is provided below. • Chronological order of events in the evolution of Web and E-Commerce: 1946: The first electronic computer, ENIAC, is constructed at the University of Pennsylvania. 1957: The Soviet Union launches Sputnik, the first artificial satellite. 1958: To counter Soviet technological advances, the U.S. forms the Advanced Research Projects Agency (ARPA), with the Department of Defense, to develop U.S. leadership in science and technology applicable to the military. 1969: ARPANET, the forerunner of the Internet, established with four nodes: UCLA, Stanford, UC-Santa Barbara, and University of Utah. 1970: First applications of electronic data interchange (EDI). 1973: First international connection to ARPANET, University College of London. Initial work on a transmission protocol (later to be called TCP/IP) that allows diverse computer networks to interconnect and communicate with each other. 1974:BBN opens Telnet, the first commercial version of ARPANET. 1982: Transmission Control Protocol (TCP) and Internet Protocol (IP) established by ARPA. This leads to a definition of an "internet" as a connected set of networks, specifically those using TCP/IP, and "Internet" as connected TCP/IP internets. 1983: Internet Activities Board (IAB) is created. 1984: Science fiction author William Gibson coins the term "cyberspace" in his novel, Neuromancer. Internet host computers (computers with registered IP address) exceed 1,000. 1987: Internet users exceed 10,000. 1988: Internet worm disables 6,000 of 60,000 Internet hosts. A Cornell University graduate student created the worm. Infected computers were connected through ARPAnet and other E-mail networks in the Internet loop. Some of the US's top science and research centers were affected. 1989:Internet users exceed 100,000. 1990:The ARPANET is shut down. 1991: Sir Tim Berners-Lee, working at CERN in Geneva, develops a hypertext system to provide efficient information access. He posts the first computer code of the World Wide Web in a relatively innocuous newsgroup, "alt hypertext." Later, people refer to the Internet itself as the Web. 1992: World Wide Web released by CERN. 1994: Pizza Hut sells pizza on its website. First Virtual, the first cyber bank, opens. 1997: Inception of business-to-business (B2B) e-commerce. US Postal Service issues electronic postal stamps. 2000: Internet users exceed 360 million. 2011: Internet users tally almost 2 billion. Users in over 200 countries are connected. [Sources: Smith et al. (2010) and Internet World Stats (2011)].

6. BENEFITS OF E COMMERCE

To Organisation

- Expands a company's marketplace to national and international markets. With minimal capital outlay, a company can quickly locate more customers, the best suppliers, and the most suitable business partners worldwide• Enables companies to procure material and services from other companies, rapidly and at less cost. • Shortens or even eliminates marketing distribution channels, making products cheaper and vendors' profits higher. •

- Decreases (by as much as 90 percent) the cost of creating, processing, distributing, storing, and retrieving information by digitizing the process. • Allows lower inventories by facilitating pull-type supply chain management. This allows product customization and reduces inventory costs. • Lowers telecommunications costs because the Internet is much cheaper than value-added networks (VANs). • Helps small businesses compete against large companies. • Enables a very specialized niche market.

To Customers

- Frequently provides less expensive products and services by allowing consumers to conduct quick online comparisons. • Gives consumers more choices than they could easily locate otherwise. • Enables customers to shop or make other transactions 24 hours a day, from almost any location. • Delivers relevant and detailed information in seconds. • Enables consumers to get customized products, from PCs to cars, at competitive prices. • Makes it possible for people to work and study at home. • Makes possible electronic auctions. • Allows consumers to interact in electronic communities and to exchange ideas and compare experiences.

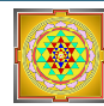
To Society

- Enables individuals to work at home and to do less traveling, resulting in less road traffic and lower air pollution. • Allows some merchandise to be sold at lower prices, thereby increasing people's standard of living. • Enables people in developing countries and rural areas to enjoy products and services that are otherwise are not available. This includes opportunities to learn professions and earn college degrees, or to receive better medical care. • Facilitates delivery of public services, such as government entitlements, reducing the cost of distribution and chance of fraud, and increasing the quality of social services, police work, health care, and education to Organizations.

7. LIMITATIONS OF E-COMMERCE

Technical Limitation

- Lack of universally accepted standards for quality, security, and reliability. • Insufficient telecommunications bandwidth. • Still-evolving software development tools. • Difficulties in integrating the Internet and EC software with some existing (especially legacy) applications and databases. • Need for special Web servers in addition to the network servers. • Expensive and/or inconvenient Internet accessibility for many would-be users



Nontechnical Limitations

- Unresolved legal issues (see Section 9.7 and Chapter 15).
- Lack of national and international government regulations and industry standards.
- Lack of mature methodologies for measuring benefits of and justifying EC.
- Many sellers and buyers waiting for EC to stabilize before they take part.
- Customer resistance to changing from a real to a virtual store. People do not yet sufficiently trust paperless, faceless transactions.
- Perception that EC is expensive and unsecured.
- An insufficient number (critical mass) of sellers and buyers exists for profitable EC operations.

8. DRIVERS OF GROWTH

The impressive facility of huge variety of products and services which can be purchased on Internet is making the buying more lucrative and convenient with increasing incomes of the customers. We believe it is the simplicity of the transaction processes to facilitate and encourage the adoption of electronic commerce. Thus there is immense work going on continually redesigning and review the process to make it as simple and easier as possible for the clients. For instance, with the overall experience of First Data we are able to offer multiple payment channels to our merchant's interactive voice response, ranging from e-commerce, POS terminals, e-POS and batch processing. Building consumer confidence is key and prevail over concerns about the peril of deception is vital. The enhanced security measures introduced by the RBI through the second authentication factor were an important event, so safer to reduce fraud and risk transactions. With comprehensive safety standards in place, traders still have to be careful to choose a purchaser with proven service reliability and speed of transaction to guarantee a highest grade of customer service is accomplished record. Besides ensuring greater safety, consumers are also likely to be tempted in line with innovative and highly suitable methods to pay. First Data and ICICI Merchant Services are fine located to distribute these new payment instruments and will work intimately with the supervisory body to organize worldwide resolutions locally.

9. CONCLUSION

It is difficult to predict where e-commerce will go. Many businesses, including travel and tourism, technology, electronics, and fashion, have a bright future. Other essential factors that will significantly contribute to the boom of the e-commerce industry in India include replacement warranties, location-based services, a variety of payment options, appropriate content, shipping options, the requirement to generate invoices for online transactions, quick service, transparent and realistic T&C, product quality that corresponds to that shown on the portal, and a dedicated 24/7 customer care center. For producers, wholesalers/distributors, retailers, and people, we identified a wide range of opportunities. Retailers should fulfil

electronic orders and be in regular contact with customers. E-commerce can be useful for wholesalers who can collaborate with reputable manufacturers and set up a web presence for their company. Producers can interact with clients online by giving the other supply chain connections additional details about their products and building a strong brand identity. As more individuals conduct business online, internet access facilities, or "cyber cafes," are becoming more and more important. Anyone who wishes to profit from it should thus consider launching an internet business. There are numerous career opportunities. According to the studies and expert comments given above, e-commerce in India has a bright future in the years to come if all important elements are taken into account.

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