
Research Papers



A Business Review of E-COMMERCE in India

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Abstract

Future of ecommerce is very innovative in India with even the stock exchanges coming online providing a online stock portfolio and status with a fifteen minute delay in prices. . Now country growing awareness among the business community in India about the opportunities offered by Ecommerce. The main factor of E-Commerce is adopting in India and the result of the study shows that the major problems facing E-commerce in India. E-commerce stands for electronic commerce. E-commerce is improving standard among the business community in worlds, about the opportunities offered by E-commerce. And its trading in goods and services through the electronic medium. There are the issues of security and citizen's income and therefore the implementation of sophisticated security measures could make a difference and change in Indian's mentality about E-Commerce. E-Commerce has unleashed yet another revolution, which is changing the way businesses buy and sell products and services. India is showing tremendous growth in the Ecommerce so now a day, low cost of the PC and the growing use of the Internet.

Key words:, E-business, , Electronic Card (debit,credit), E-payment, E-data interchange, Electronic funds, E-services, E-trade,

1. Introduction

E-commerce stands for electronic commerce. It means dealing in goods and services through the electronic media and internet. As a result of globalization and revolutionized technology and in many ways its feature, the term e-commerce represents the edge of success in this modern age computers and technology On the Internet, it relates to a website of the vendor, who sell products or services directly to the customer from the portal using a digital shopping cart or digital shopping basket system and allows payment through credit card, debit card or EFT payments. E-commerce involves carrying on a business with the help of the internet and by using the information technology like Electronic DataInterchange. In general words, Electronic commerce is the activity of buying and selling of the goods and services across the world through the World Wide Web.

2. Need of the Study

Growth of E-Business in India is tremendous but still has lot of barriers which are the obstacles in the way of E business. It needs a focus and should be prioritize to make the country in the lines of E-Business. We should look into these barriers and steps should be taken to address them. In this paper I describe the definitions and understanding of E-business, the differences between E-Commerce and E-Business, its advantages over traditional commerce, types, E-Business in India. In this paper I present you list of the factors and the reasons behind these factors which affect the growth of E-business, proposed solutions for some of these factors. Proposed model address some of the problems faced by enabling the traders, farmers and buyers can sell and purchase their products respectively like fruits, vegetables in quantities of metric tonnes regularly which is not possible in existing B2B, B2C, C2C websites. These programs must be conducted by government organizations which eliminates the need of brokers, commission

agents, and intermediaries and infuses trust in the participants get into E-business.

3. External Global trends;-

Business models across the world also continue to change drastically with the advent of ecommerce and this change is not just restricted to USA. Amongst emerging economies, China's ecommerce presence continues to expand. With 384 million internet users, China's online shopping sales rose to \$36.6 billion in 2009 and one of the reasons behind the huge growth has been the improved trust level for shoppers. Other countries are also contributing to the growth of ecommerce. For example, the United Kingdom has the biggest e-commerce market in the world when measured by the amount spent per capita, even higher than the USA. The internet economy in UK is likely to grow by 12% between 2010 to 2016.

4.Types of E-Commerce:

B2B E-Commerce: Companies doing business with each other such as manufacturers selling to distributors and Wholesalers selling to retailers. Pricing is based on quantity of order and is often negotiable.

B2C E-Commerce: Businesses selling to the general public typically through catalogues utilizing shopping cart software. By dollar volume, B2B takes the prize, however B2C is really what the average Joe has in mind with regards to ecommerce as a whole. for example indiatimes.com

C2C E-Commerce: There are many sites offering free classifieds, auctions, and forums where individuals can buy and sell thanks to online payment systems like PayPal where people can send and receive money online with ease. eBay's auction service is a great example of where customer-to-customer transactions take place every day.

G2G (Government-to-Government), G2E (Government-to-Employee), G2B (Government-to-Business), B2G (Business-to-Government), G2C (Government-to-Citizen), C2G (Citizen-to-Government) this all are forms of ecommerce that involve transactions with the government--from procurement to filing taxes to business registrations to renewing licenses.

5. E-commerce Status and Utilisation in India.

Today E-commerce is a backbone in Indian society and it has become an integral part of our daily life. There are websites providing any number of goods and services. Then there are those, which provide a specific product along with its allied services Multi-product e-commerce-

These Indian E-commerce portals provide goods and services in a variety of categories, for example:

1) Stocks and shares and e-commerce- In India today, we can even deal in stocks and shares through e-commerce. Some of the services offered to registered members are: Online buying/selling of stocks and shares, Market analysis and research, Company information, Comparison of companies, Research on Equity and Mutual Funds.

2) Real estate and e-commerce- They provide information on new properties as well as properties for resale. One can deal directly with developer through consultant. Allied services: Housing Finance, Insurance companies, Architects & Interior Designers, NRI services, Packers & Movers.

3) Hobbies and e-commerce- The most popular hobbies from time immemorial are reading, music and films. The books cover a wide range of topics like Business, Art, Cookery, Engineering, Children's Stories, Health, Medicine, Biographies, Horror, Home & Garden, etc.

4) Employment and e-commerce- Two major portals like www.Monsterindia.com and www.naukri.com (meaning job.com in Hindi) are instrumental in providing job seekers with suitable employment at the click of a mouse. The service for job seekers is free and for Employers they charge a nominal fee. Jobs are available online in fields ranging from secretarial to software development, and from real estate to education.

5) Travel & tourism and e-commerce- India has a rich history and heritage and e-commerce is instrumental, to a large extent, in selling India as a product, encouraging Indians as well as foreigners to see its multifaceted culture and beauty. The tourist destination sites are categorized according to themes like: Adventure - trekking, mountain climbing etc, Eco-Themes pertains to jungles, flora and fauna.

6. International Authorities for E-trade Regulation :-

There is also Asia Pacific Economic Cooperation (APEC) was established in 1989 with the vision of achieving stability, security and prosperity for the region through free and open trade and investment. APEC has an Electronic Commerce Steering Group as well as working on common privacy regulations throughout the APEC region. Internationally there is the International Consumer Protection and Enforcement Network (ICPEN), which was formed in 1991 from an informal network of government customer fair

trade organisations. The purpose was stated as being to find ways of co-operating on tackling consumer problems connected with cross-border transactions in both goods and services, and to help ensure exchanges of information among the participants for mutual benefit and understanding.

7. Benefits of E-Commerce to Businesses.

There is a growing awareness among the business community in India about the opportunities offered by e-Commerce. Safe and secure payment modes are crucial too along with the need to invent and popularize innovations such as Mobile Commerce. The other reports available on India Reports are on retail, outsourcing, tourism, food and other emerging sectors in India.

1. Unlimited shelf place for products and services
2. The young population find online transactions much easier
3. Easy reach to a fast growing online community
4. Improved fraud prevention technologies that offer a safe and secure business environment and help prevent credit card frauds, identity thefts and phishing
5. Bigger web presence of SME's and Corporate because of lower marketing and infrastructure costs.
6. Fuse the global geographical and time zone boundaries
7. Rapidly increasing Internet user base
8. Technology advancements such as VOIP (Voiceover-IP) have bridged the gap between buyers and sellers online
9. The emergence of blogs as an avenue for information dissemination and two-way communication for online retailers and E-commerce vendors



8. Ecommerce Barriers are most follow in India.

Some of the infrastructural barriers responsible for slow growth of ecommerce in India are as follows. Some of these even present new business opportunities.

A. Payment Cash And Collection: When get paid by net banking one has to end up giving a significant share of revenue (4% or more) even with a business of thin margin. This effectively

means y parting away with almost half of profits. Fraudulent charges, charge backs etc. all become merchant's responsibility and hence to be accounted for in the business model.

B. Vendor Management: However advanced system may be, vendor will have to come down and deal in an inefficient system for inventory management. This will slow down drastically. Most of them won't carry any digital data for their products. No nice looking photographs, no digital data sheet, no mechanism to check for daily prices, availability to keep your site updated.

C. Taxation: Octroi, entry tax, VAT and lots of state specific forms which accompany them. This can be confusing at times with lots of exceptions and special rules.

D. Logistics: You have to deliver the product, safe and secure, in the hands of the right guy in right time frame. Regular post doesn't offer an acceptable service level; couriers have high charges and limited reach. Initially, you might have to take insurance for high value shipped articles increasing the cost.

E. Multiple issues of trust and lack of payment gateways: privacy of personal and business data connected over the Internet not assured; security and confidentiality of data not in place.

F. Multiple gaps in the current legal and regulatory framework.

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H. Limited Internet access among customers and SMEs.

I. Poor telecom and infrastructure for reliable connectivity.

9. Impact on markets and retailers.

Economists have theorized that e-commerce ought to lead to intensified price competition, as it increases consumers' ability to gather information about products and prices. Research by four economists at the University of Chicago has found that the growth of online shopping has also affected industry structure in two areas that have seen significant growth in e-commerce, bookshops and travel agencies. Generally, larger firms have grown at the expense of smaller ones, as they are able to use economies of scale and offer lower prices. The lone exception to this pattern has been the very smallest category of bookseller, shops with between one and four employees, which appear to have withstood the trend.

10. Various roll of Ecommerce in India.

Today, we are talking about e-commerce

progress level of India, the seventh-largest by geographical area, the second-most populous country, and the most populous democracy in the world. Indian E-commerce space percentage is getting higher as more and more online retailers enter the market. Although this level of entry in the e-commerce market is good from a long term perspective, the challenge is that most entrepreneurs don't have the resources or capital to wait for years before they can get profits. The past 3 years have seen a rise in the number of companies' embracing e-commerce technologies and the Internet in India. Most E-commerce sites have been targeted towards the NRI's with Gift delivery services, books, Audio and videocassettes. Major Indian portal sites have also shifted towards E-commerce instead of depending on advertising revenue. The web communities built around these portal sites with content have been effectively targeted to sell everything from event and movie tickets the grocery and computers. This is not to say that the E-commerce scenario has been bad in India as highly successful E-business like baba bazaar and India mart have proved. Indian Banks too have been very successful in adapting EC and EDI Technologies to provide customers with real time account status, transfer of funds between current and checking accounts, stop payment facilities. ICICI Bank, AND UTI-Bank also have put their electronic banking over the internet facilities in place for the upcoming e-commerce market speed post also plain to clone the federal express story with online package status at any moment in time. The day cannot be far when with RBI regulations will able to see stock transfer and sale over the Net with specialized services.

11. Business applications use under E-Commerce; There are some common applications related to electronic commerce are the following;

1. Document automation in supply chain and logistics
2. Domestic and international payment systems
3. Enterprise content management
4. Group buying
5. Automated online assistants
6. Instant messaging
7. Newsgroups
8. Online shopping and order tracking
9. Online banking
10. Online office suites
11. Shopping cart software

12. Teleconferencing , Electronic tickets

12. Conclusion

A developing country can become industrialized and modernized if it can extensively apply IT to enhance productivity and international competitiveness, develop ecommerce and e-governance applications. An information-based society or knowledge based society is composed of IT products, IT applications in society and economy as a whole. Many countries in Asia are taking advantage of E-commerce through opening of economies, which is essential for promoting competition and diffusion of Internet technologies. Large enough to have a critical mass of 10 to 20 million users to be able to make an impact on e-commerce and e-governance. In the next 3 to 5 years, India will have 30 to 70 million Internet users which will equal, if not surpass, many of the developed countries. Internet economy will then become more meaningful in India. With the rapid expansion of internet, E-commerce, is set to play a very important role in the 21st century, the new opportunities that will be thrown open, will be accessible to both large corporations and small companies. The role of government is to provide a legal framework for E-Commerce so that while domestic and international trade are allowed to expand their horizons, basic rights such as privacy, intellectual property, prevention of fraud, consumer protection etc are all taken care of.

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