

## SYNERGIES OF E- COMMERCE

JVR Geetanjali and P.Srinivasa

### **ABSTRACT:**

*In business practices, e commerce has brought a revolution, with enormous contribution towards growth in the world economy .E-commerce is defined as the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network. When entrepreneurs move online, they establish themselves on a level playing field with larger competitors. On the internet, even the smallest online retailer can be as attractive and as functional as the largest big box store--without the need to have a physical presence on every street corner. At present, China stands first with 538 million internet users, followed by United States with 242 millions. The Internet and Mobile Association of India (IMAI) report estimates 243 million internet users in India by June 2014, overtaking the US as the world's second largest internet base after China. The use of internet is limited to email, social media and for other commutations. But India's E-Commerce market was about \$2.5 billion in 2009, it went up to \$6.3 billion in 2011 and to \$16 billion in 2013 and is expected to grow huge \$56 billion by 2023 that would be 6.5% of the total retail market. But this statistics reveal a fact that only a 10% of total population is aided with ICT benefits. The present study aims to analyze the implications of E-Commerce business in the global front and also focuses to examine the challenges and opportunities to accelerate the growth of the economy.*

*(Keywords: E- Commerce, online trading, Net banking, Growth)*

## INTRODUCTION

The explosion in the use of electronic commerce (e-commerce) by the business sector has been tremendous since its inception only a few years ago. From governments to multinational companies to one-person start-ups, e-commerce is increasingly being viewed as a key business modality of the future. In business practices, e-commerce has brought a revolution. If companies want to take benefit from emerging internet technologies then they must have to take strategic initiatives for development. It is also essential for companies to make an integrated link between their e-commerce business strategy and corporate strategy.

E-commerce can be defined as a process in which computer networks are used and they help in the development of the organization. Organizations aim to provide faster services to their customers by using e-commerce strategies. Their ultimate goal is to increase profits, gain market share and satisfying customer needs (Watson et al, 2008). E-commerce involves all the online activities of an organization related to its customers, stakeholders, suppliers and distributors. Thus, it can be defined as the use of information technology and transactions among its stakeholders and competitors in an organization.

Two resounding traits that help entrepreneurs overcome the challenges of starting a business and reaping the rewards of their labor. When entrepreneurs move online, they establish themselves on a level playing field with larger competitors. On the internet, even the smallest online retailer can be as attractive and as functional as the largest big box store--without the need to have a physical presence on every street corner. E-commerce is defined as the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network.

E-commerce is defined as trading through internet. Generally it is web application identified by a URL. This application includes

- Information layer, which displays the information about the product and services.
- Communication Layer, which is responsible for maintain customer relationship
- Transaction layer, which takes care of transfer of e-money

E commerce becomes part of everybody life, especially for urban people. In urban areas accessibility is easier compared to a small town. E commerce becomes a necessity for all netizens. E-commerce has made it possible for the customers to avoid standing in the queue as to make payments for their bills, or booked tickets of flights and also hotel reservations, it has a great potential and future .They can now do that all with just a click of a mouse, saving both the time and money.

E-commerce is an online business and spreading all over the world rapidly with the increasing of the Internet. Now a day's internet is accessible from every place of the world. As a result e-commerce sales worldwide will reach \$1.5 trillion in 2014 increasing nearly 20% over 2013 increasing. On the close observation, it is noted that most of e commerce business is concentrating on are non consumable-durables and entertainment products. Now it is also including online shopping, e-books, e-tickets, sporting goods and toys. The online market for groceries is also coming in future.

E-commerce is a practical application which is fast gaining popularity. Today, e-commerce is a platform which connects the world to form one global family. The developing countries and developed countries use e-markets for trading purpose. According to "Nelson survey of study", E commerce business is highly depending on generation, age of internet users. They are using mostly PC (84%) for the business followed by mobiles (14%) and tablets (2%).. E-commerce is defined as the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network. On the global front China stands first with 538 million internet users, followed by United States with 242 millions. The Internet and Mobile Association of India (IMAI) report estimates 243 million internet users in the country by June 2014, overtaking the US as the world's second largest internet base after China. The use of internet is limited to email, social media and for other commutations.

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## **REVIEW OF LITERATURE**

Nath& Davis(2002) opined that in order to succeed in e-commerce, online vendors need to begin with a user-friendly and trustworthy Web site so that users feel comfortable and confident interacting with it. The process of navigation and search on the Web site should require minimal effort, and the Web site should be designed in such a way that it facilitates product search within a short amount of time and provide users with a good sense of control over the interaction.

Minder Chen (2003) found that Web services refer to a family of technologies that can universally standardize the communication of applications in order to connect systems, business partners, and customers cost-effectively through the World Wide Web. The emerging Web services standards and technologies enable companies to provide software functions and business services over the Web to be integrated by internal business processes or with trading partners.

Gangheswar (2013) discussed about the top motivator factors of shopping online. The present development in E-commerce would be a valuable addition to researcher and academicians; and useful theory for practitioners, advertisers, and entrepreneurs. But disadvantages of e-Marketing are dependability on technology, Security, privacy issues, Maintenance costs due to a constantly evolving environment, higher transparency of pricing and increased price competition, and worldwide competition through globalization. Jeff Berman(2014) explained through his study that it is vital to look at the costs needed to convert those regional distribution centers into a regional e-commerce . Instead of one entrepreneur conducting one business alone he can create regional centers for E-commerce. But it was observed that a retailer cannot make the conversion, he needs to consider working with a third-party provider for e-commerce related work, or finding an alternative location to roll out an initial e-commerce facility.

## **NEED FOR THE STUDY**

E-commerce has become indispensable in every business but on the global front, only 10% of total population are availing the benefits of E-Commerce. E-Commerce is a panacea for business problems like customer connectivity, security for payment, access to stores anytime,

branding, multiple varieties of goods etc. It is essential to confront the challenges and opportunities for better business solutions worldwide.

### **OBJECTIVES OF THE STUDY**

1. To understand the process of E-Commerce business.
2. To observe the growth of e-commerce business in India as well in the global front.
3. To examine the challenges and opportunities for better business solutions worldwide.
4. To portray the governance and legal aspects of E-commerce business.

### **E-COMMERCE PROCESS**

E-commerce is defined as the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network. E commerce is defined as trading through internet. Generally it is web application identified by a URL. This application includes

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E commerce becomes part of everybody life, especially for urban people. In urban areas accessibility is easier compared to a small town. E commerce becomes a necessity for all netizens.(INTERNET USERS).

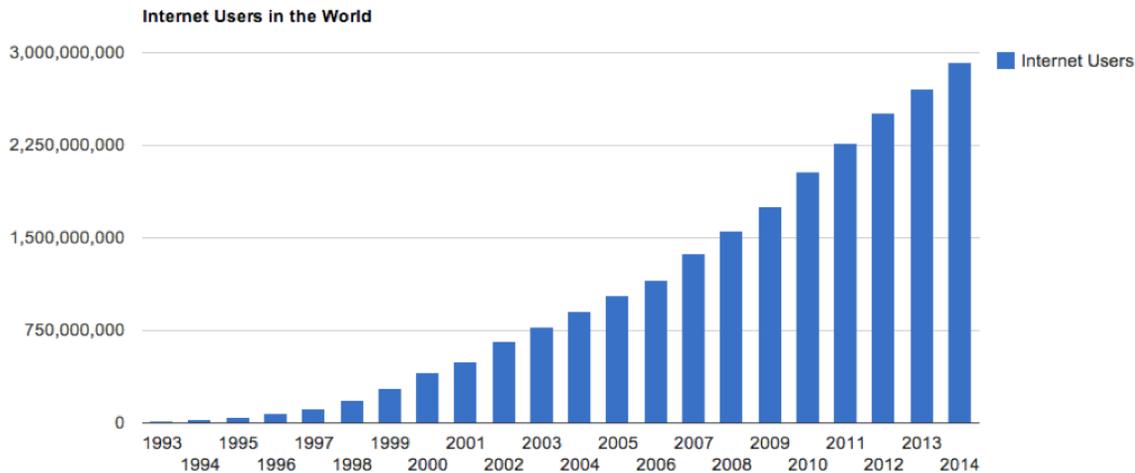
### **E COMMRECE AT GLOBAL SCENARIO**

On the global front China stands first with 538 million internet users, followed by United States with 242 millions. Brazil, Pakistan has considerable user population, wherein Sri Lanka shares a minimum of internet users.

	<b>INDI A</b>	<b>USA</b>	<b>CHINA</b>	<b>AUS</b>	<b>BRAZI L</b>	<b>SRI LANKA</b>	<b>PA K</b>
<b>Internet users(Millions)</b>	137	245	538	20	79	3.2	29

<b>Penetration (%)</b>	11	78	40	89	40	15	15
<b>Online buyers(million)</b>	25	156	270	11	27	2	NA
<b>Online buyers (as % of Internet Users)</b>	18	64	50	55	34	63	NA
<b>Consumer E-Comm</b>	13	224	210	30	19	2	4

Source: Internet World Statistics 2013 & KPMG –IAMAI(Internet & Mobile Association of India )report 2013



### E-Commerce in India

Internet penetration in India has been increasing exponentially – in 2006 there were only 21 million active internet users, which rose to 243 million users by June 2014. Simultaneously, the number of active mobile internet users grew to 185 million.

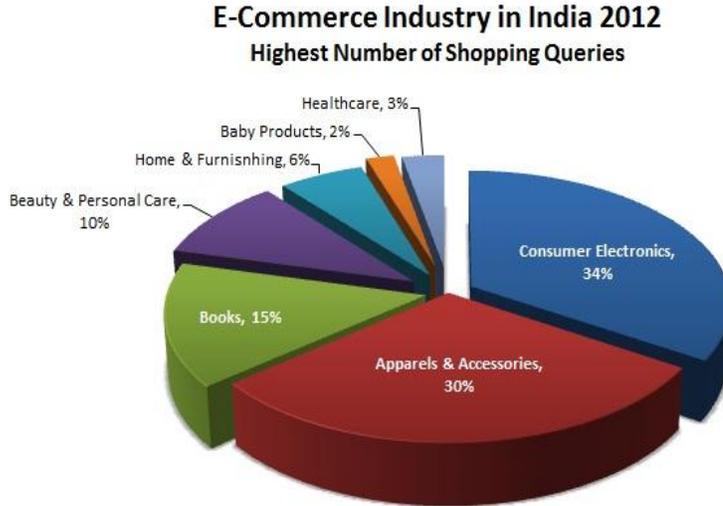
E-Commerce in India was kick-started in 2004 when **eBay** started its operations in India by acquiring Avnish Bajaj's **Baazee.com**, which was India's largest online auction portal. This was followed by two IIT-Delhi and ex-Amazon employees Sachin Bansal and Binny Bansal starting **Flipkart** in 2007 by investing 2 lakh rupees each as an online book retailer. In the same year, Mukesh Bansal, Ashutosh Lawania and Vineet Saxena started an online portal to customize

goodies called **Myntra**. These pioneering companies had to undergo many a hurdle and pivot countless times to arrive at the optimal model for reaching out to the Indian market, with its own unique user behaviour. With perseverance, these e-commerce portals started winning the trust and confidence of Indian population and people gradually started shopping online. But the game changer that provided the much needed growth steroid was Cash on Delivery, which made online shopping very accessible in a country like India where the credit and debit card penetration is extremely low. This unique payment collection model even gave birth to startups like **Gharpay**. In 2010, **Snapdeal** an online platform started providing daily deals but pivoted into an e-commerce company via the marketplace model. **Snapdeal** is one of the first online marketplaces in India.

Approximately 10 percent of the Indian population buys online. so there is tremendous room for growth. About 200 million people are expected to gain Internet access in the next three years. A major impediment to Internet buying in India in the past was a lack of Internet access by a large percentage of Indian citizens

<b>What Indian Internet Users Buy Online</b>			
<b>Purchase</b>	<b>% of Users</b>	<b>Purchase</b>	<b>% of Users</b>
<b>Desktop Computer</b>	8.98	<b>Laptop</b>	7.26
<b>Portable Media Player</b>	6.71	<b>Netbook</b>	2.97
<b>Mobile Phone</b>	16.39	<b>Blu Ray Player</b>	3.36
<b>Flat Screen TV</b>	7.49	<b>E-Book/E-Reader</b>	3.36
<b>Games Console</b>	5.46	<b>Beer</b>	9.52
<b>DVD Player</b>	7.81	<b>Wine/Spirits</b>	7.81
<b>Satellite/Cable TV</b>	7.34	<b>Sports Equipment</b>	9.6
<b>Broadband/Hi-Speed Internet</b>	10.07	<b>Clothes</b>	26.23
<b>White Goods e.g. Fridge, Washing Machine</b>	4.92	<b>Shoes</b>	16.86
<b>Car/Automobile</b>	4.68	<b>Travel, Tickets/Hotel</b>	17.02
<b>Furniture/Home Equipment</b>	6.24	<b>Music</b>	15.93
<b>Holiday (India)</b>	9.45	<b>Films</b>	17.25
<b>Holiday (Abroad)</b>	5	<b>Books</b>	20.22
<b>Personal Items e.g. Watches/Handbags etc.</b>	15.07	<b>Gift for Someone</b>	19.52
<b>Financial Products</b>	9.29	<b>Tablet Device</b>	3.74
<b>None of the Above</b>	26.7		

(<http://www.practicalecommerce.com/articles/70483-Ecommerce-in-India-Takes-Off-Potential-for-U-S-Sellers>)-



The Government of India is very keen on online payments. It wants to increase the traffic through internet market. The success of e-commerce business in India is commendable from the perspective of business and profits but many traders are ignoring techno, legal requirements.

### **E- COMMERCE- CYBER LAWS**

The introduction of new digital information and communications technologies has given birth to a new legal domain, commonly called Information and Communication Technology Law or more fashionably - Cyber Law. . The domain has acquired sufficient stability to fit into a common structure. A logical consequence of this evolution is the publication of an International Encyclopedia of Cyber Law. The Encyclopedia consists primarily in a series of national monographs, treating the different legal subjects related to information and communication technology on the basis of a common standard outline. The outline contains, besides a general introduction, seven main parts:

- Regulation of the ICT Market;
- Protection of Intellectual Property in the ICT Sector;
- IICT Contracts;
- Electronic Transactions;
- Non-Contractual Liability;
- Privacy Protection: and,
- Computer-Related Crime.

## CONCLUSIONS

It is found that global E-Commerce sales increased by 19% over a span 5 years period of time. Still a few countries are only engaged into this business. E-commerce business can be successful if

- It can invest huge amount of money
- It can update product catalogue
- It increases its flexibility
- It re-organize its business model.

Every E commerce application has to be registered and must comply with Indian laws. Similarly need to focus on cyber laws and cyber security regulatory compliances of India. A major impediment to Internet buying in India in the past was a lack of Internet access by a large percentage of Indian citizens. There are enormous opportunities in the e-commerce world for India, as India is the second largest country in the world. But the fact is, very few people are aware of internet, credit cards, usage of computers and its technologies. These factors affect the growth of E commerce in India. To increase the Ecommerce business, more people from rural areas must be trained. The Smart phone revolution increased tremendous opportunities for e-commerce. E commerce generates millions of job in coming years .

As per a CRISIL research report, ecommerce in India is estimated to grow at 50-55% annually for the next three years and is expected to become a Rs 50,000-crore industry by 2016. E-commerce is changing its business strategy and its expanding to other sectors also.

E-commerce needs to embrace and explore on remaining 90% of Indian population. Above all, government policies, incentives as well cyber laws must be lucrative to influence rural population towards reaping the benefits of E-commerce.

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