

E-BUSINESS AND E-COMMERCE

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Abstract: *E-commerce is a boom in the modern business. India is one of the developing countries and E-commerce is facing a rapid growth in the recent year. The growth was driven by rapid technology adoption led by the increasing use of devices such as Smartphone's, computers and access to the internet through wired and wireless networks, which led to increase online consumer base. The current research has been undertaken to describe the scenario of E-commerce, analyze the trends of E-commerce.*

Keywords: E-commerce, Internet, Self-service, Internet banking, security.

Introduction:

What is E-commerce- E-commerce is the process of buying or selling goods, products or services over the electronic medium. Here Internet is used as the primary electronic medium or network to do this type of transaction. In other words, e-commerce is a medium of trading of goods and services between buyers and sellers through an electronic medium.

E-commerce is also referred as a paperless exchange of business information using EDI, Email, Amazon, eBay, Flipkart etc. are the world's leading e-commerce websites. E-payment systems are widely used in those electronic commerce sites. Here we generally use various e-payment method like credit/debit card, internet banking, e-wallet for buying and selling products(Devashis pujari 2004).

Electronic commerce platforms nowadays seem to be used widely because of their great services and advantages. The consumer can find what they want to buy and purchase it easily from home or anyplace at any time. Consumers are generally more willing to make a purchase since purchasing process is easy and also very fast.

Different e-commerce business model

1. Business to business (B2B) - B2B is when businesses sell to other businesses. This is typical of stationery shops who sell office equipment in bulk to businesses. Normally, B2B Companies provide a discounted rate per unit if customers buy in bulk which it is great motivation for offices to avail of.
2. Business to consumer (B2C) - B2C is the most commonly thought of business model where merchants sell to consumers who buy a small amount of produce. A familiar example of B2C model would be supermarkets where consumers buy they wouldn't normally bulk buy anything.
3. Consumer to consumer (C2C) – C2C is a relatively new business model where consumers who previously bought something seek to resell this item to another consumer. Through marketplaces like eBay and craigslist, this can be easy and quite lucrative for selling items that you no longer have a use for.

Ecommerce Statistics

- It is estimated that, by 2021, global ecommerce sales will reach \$4.058 trillion, which makes ecommerce a growing and profitable industry to be in.
- The US expects, by 2020, to have 224 million online shoppers, making the US a large audience base to market your online store to(Rust,R.,T., and Chung,T.,S. 2006).
- The US is estimated to have 162.8 million mobile shoppers in 2019. As a result , store owners must ensure that their websites and ads are mobile optimized to reach their target audience. According to Business Insider, men (22%) are also considered more likely to buy a product via a mobile device than women (18%).
- Women tend to shop online more frequently than men. For every \$10 spent online, women are spending \$6 while men spend \$4.

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- Millennials, ages 18-34 tend to spend approximately \$2000 online each year making it the generation that does the most online shopping(Mitra, Abhijit 2013).

Ecommerce Websites

- Physical goods Ecommerce website- Retailers who have brick and mortar stores can host their store online to sell a broader audience. This option is great for retailers who want to increase sales but not physical stores.
- Service-based Ecommerce Website- Freelancing and pure online service providers have become a huge trend recently with websites created as the link between freelance and their potential clients(Chou,D.,C. and Chou,A.,Y. 2000).
- Digital products Ecommerce Website- Companies that sell digital products like software or videogames don't need physical stores to sell their products as it only involves the customer downloading the product. This type of ecommerce business thrives as remaining solely online drives down costs making it easier to be profitable.
- Dropshipping Ecommerce Website- Slightly different to physical goods stores, dropshipping is where merchants sell goods to customers on their online store but they don't hold any inventory. Instead they find a supplier to sell goods from, wait for customers to buy these products, and the supplier fulfills the order for them(Snellman and Vihtkari 2003).

E-Commerce Facilitators:

(1) Internet:

A massive internet penetration has added to growth of E-commerce. Internet and smart phones are becoming an integral part of every life. Internet is no more a source of information but has become an important tool for shopping, learning, communicating and even getting service from plumbers, carpenters, doctors etc. Supply chain is also becoming leaner and smarter as digital platforms are helping to better connect with the customers which significantly reduces the waste and supporting to green businesses.

Over the past 15 years the ICT revolution has driven global development in an unprecedented way. With an immense progress in technology, internet and its services have led to creation of new markets (D'silva et al., 2010).

The internet user population was small during the 1980s, experiencing a slow but steady growth until 1994 due to an increasing number of text-based users (eg, those using email and file transfer functions).Then, with the introduction of the World Wide Web and subsequent multimedia content expansion, the number of net users exploded. Infact, the internet has grown much more quickly than any other medium in history (Strauss et al., 2007).

The International Telecommunication Union (ITU), a United Nations body, recently predicted in 2015 that 3.2 billion people will be online. The population in May 2015 stood at 7.2 billion. In the year 2000 there were just 400 million internet users worldwide.

Internet in India took more than a decade to move from 10 million to 100 million and 3 years from 100 to 200 million, it took only a year to move from 300 to 400 million users. Clearly, Internet is mainstream in India today. This number is expected to further surge to 462 million by June this year as more people come online, especially through their mobile devices. The total Internet user base stood at over 300 million in December 2014, which grew to 375 million by October last year. Currently, India has the second largest Internet user base in the world recently overtaking the US (now the third largest user base). China currently leads with more than 600 million Internet users. Mobile Internet user base in 2015 in urban India has grown 65 per cent over 2014 to reach 197 million, while the rural user base surged 99 per cent to 80 million by October 2015. This is expected to grow to 219 million (urban) and 87 million (rural), respectively (IAMAI and IMRB, 2015).

(2) Payment Gateways:

A payment gateway is an e-commerce application service provider service that authorizes credit card payments for e-businesses, online retailers, bricks and clicks, or traditional brick and mortar. The life blood of online business is the payment routes which comprises credit card, debit card, online banking payments, electronic funds transfer. The world is transforming from cash to digital money and thus there is a need of payment gateways for sustainable future ecommerce.

(3) Analytics:

Analytics is the scientific process of transforming data into insight for making better decisions. Analytics helps businesses to gather, organize, analyze, and report on everything their customers do. The massive increase in the volume of data has forced the businesses to focus on analytics to understand the behavior of the customer. E-tailor need to have real time access to information to measure return on online investments and optimize the channel mix. There are basic analytics capabilities available with the ecommerce players like basket size analysis, average order value, conversion ratio but we need deeper analytics solution for actionable insights of the consumer.

(4) Social Media

Businesses are increasingly making use of social media in order to market their goods and services. Social media refers to websites and computer programs that allow people to communicate and share information on the internet using a computer or mobile phone.

Social media has played a great role in brand building and informing various offers to the customers. It also helps in getting the feedback about the product or service. It provides a platform for brand building, advertisements, developing a community of trusted users, spreading word of mouth etc.

(6) Autonomous Vehicles

An autonomous vehicle is a motor vehicle that uses artificial intelligence, sensors and global positioning system, coordinates to drive itself without the active intervention of a human operator. The age of the autonomous car is coming, and it's coming fast. Purchasers of autonomous vehicles will have more time to view emails, search the web, buy new products, and see advertisements all around them. With autonomous cars, vast digital marketing experience will present itself. These purchases and search patterns can be tracked to help companies tailor their marketing campaign to capture this new segment.

The scope of big data just got much bigger, but will become so tailored and predictive in the years to come that we may never have to manually adjust anything again.

(7) 3D Printing

A 3D printer is a device that's capable of making a three-dimensional object from a digital design. It uses something called "additive manufacturing" -- a layered process that bears some similarity to the way an ink-jet printer sequentially layers its colors on a flat piece of paper. It is expected that 3D printing, might one day blow away manufacturing of the kind we've been used to since the Industrial Revolution shook up agrarian life in the early 19th century. 3D printing is creating a market in designs that are meant to be printed by the buyer -- or a third-party manufacturer unrelated to the designer. The end product isn't sold -- it's the design that's sold, along with a license for it to be printed. Buried in corners of the Internet are marketplaces where budding designers are selling their plans for printing at home or in the workplace. Customers can use their own printers or they can buy the design and have it printed on the marketplace's printer and then delivered.

Conclusions:

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 (IT) has uplifted ecommerce worldwide. Now it's at ease to enter to a new market and marketers' can easily evaluate their product and company's 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.

The research works on E-commerce propose good number of variables to be taken care of if marketers need to be successful in this newly business model. The factors which will significantly contribute to the success of the E-Commerce industry and focused upon should be consistency of transaction steps, consistency of Web site design, replacement guarantee, M- Commerce services, consistency of promotions, consistency of in-stock indications,

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consistency of product variety, location based services, multiple payment option, right content, shipment option, legal requirement of generating invoices for online transactions, quick Service, T & C should be clear & realistic, the product quality should be same as shown on the portal. The important feature in ecommerce is privacy which not only increases competitive advantage but confidence level of the customers. The researches also suggest 18-35 as the good customer age to be promising and to be targeted irrespective of gender for better results.

Social media may be a boon for brands and marketers looking to reach target buyers without wasting big bucks on traditional media, but luxury brands have recently found it challenging as unauthorised sellers are luring buyers, most of who fall in to the temptation of getting discounts of up to 50-70% have cropped up using platforms like Facebook, Instagram, Twitter and WhatsApp. Firms must closely monitor such accounts and spend money on legal checks controls.

In a marketplace model, the ecommerce firm provides just the technology platform while sellers on the site own the inventory. Most E-commerce companies have call centres to connect with customers, the pressing need is the initiative to set up call centres to deal exclusively with merchants as increasing the number of sellers in a marketplace becomes the next battlefield in the E-Commerce. The need is 24/7 call centres should be dedicated.

The e-commerce industry participants must also understand and address the cultural issues that are unique to the target country and relate to off-site transactional process, the large scale diffusion and success of such endeavors will be greatly impeded. E-Commerce firms must also find most effective ways to combine the online relationship with the offline relationship, with the idea that the full relationship with the customer is not complete without considering both online and offline, as well as how they interact.

The governments should offer a level field to its E-commerce firms to allow the country's significant development. The thrust on E-Commerce should be to offer a legal framework so that while domestic and international trade are allowed to expand their horizons, basic rights such as consumer protection, privacy, intellectual property, prevention of fraud, etc are highly protected. The banks also need to select suitable security tools and policy to protect itself and its customers.

E-Commerce is a boon for any country- if given right impetus and good environmental framework to prosper can significantly lead to country's progress and development.

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