

# ELECTRONIC COMMERCE: EMERGING ECONOMY

Shivani Thakur<sup>1</sup>, Riya Singh<sup>2</sup>, Archit Verma<sup>3</sup>, Tanmay Sachdeva<sup>4</sup>, Ragini Karwayun<sup>5</sup>

<sup>1,2,3,4</sup>Dept. of Information Technology, Inderprastha Engineering College, Uttar Pradesh, India

<sup>5</sup>Assistant Professor, Dept. of Information Technology, Inderprastha Engineering College, Uttar Pradesh, India

\*\*\*

## Abstract –

*In recent years E-Commerce has emerged as a technique which can rule the world in the upcoming future technological advancement.*

*E-commerce is affecting our life and changing it to give us a more comfortable life. Moreover, this research paper explains the major drawbacks and the types of E-commerce which are beneficial for different types of consumer. It explains the pictorial representation and the evolution of the E-commerce and explains the best practice method that is required and should be followed for a better adoption of E-Commerce in the Indian Society. It also explains that all the age groups are dependent on the E-Commerce and are comfortable in making online purchases. E-Commerce works as a shifting medium to transfer the interest of consumers from the traditional shopping to a better future and plays an important role to enhance the efficiency of the existing ongoing business. It is developing a different business model to be executed.*

**Key Words** – E-commerce (Electronic Commerce), ICT (Information Communication Technology), ASSOCHAM (Associated Chambers of Commerce of India)

## 1. Introduction –

Now-a-days e-commerce is developing and expanding popular in an emerging economy. It requires the digital goods for carrying out their transactions. Digital goods are those goods which are performed or delivered over a digital network. E-commerce is transforming its way in which all enterprises are building relationships and are interacting with the consumers and Governments and among each other. As a result, e-commerce is now developing speedily in various markets and developing economies which are coming into frame. The technologies which are constructed to improve commercial transactions with the use of the Internet have evolved quickly. However, we have not yet reached an ideal world of pain-free and secure transactions utilizing the Internet, as unresolved privacy issues of the purchaser have hampered the further development of the technologies. E-commerce is having the

capacity to play an influential role to help developing economies aid more from trade. The flying use of the Internet, tablet devices, and smartphones associated with larger consumer belief will see ecommerce keep up to evolve and expand. With social media increasing exponentially in recent years, the discussion between businesses and consumers has become more appealing, making it simpler for transactional trade to take place online. E-commerce could provide a remarkable benefit to businesses in developing countries by shooting up their dominance over its place in the supply chain, thus improving its market effectiveness.

### a) What is E-commerce?

Electronic commerce is the business of acquiring and trading goods and services on the Internet. Besides buying and selling, many people operate the Internet as a root of information to collate prices or peek at the fresh products on offer prior to making any purchase online or at a traditional store. E-Business is often used as another term for the same process. More often, however, it is used to interpret a broader process of how the Internet is modifying the way companies do business, of the technique they associate to their customers and suppliers, and of the way they believe about such functions as marketing and logistics. For the aim of this study e-commerce is clasp to signify doing business electronically.

### b) Why E-Commerce?

With the developing dispersal of ICTs, more particularly the Internet, the allover global work section is quickly moving towards B2B i.e. Business-to-Business E-Commerce. The buyers attain a clear lead when the Internet provides them access to the global market, through which they can collate prices over regions, figure out whether prices range by order fragmentation and get realization about proxy or substitute products, because of transparency of the market, customers can compare the services of diverse e-commerce sites easily. For instance, in the case of e-commerce the contenders are just one click away from customers. If clients are not satisfied with the products, prices or services offered by a specific ecommerce site, they are provided different options much

more easily than in the physical. From the Sellers' point of view, they don't need to have the physical existence of a shop.

## 2. Literature Review

The Internet and e-commerce are firmly wrapped towards the developed countries, But they can achieve enormous advantages to emerging countries if it is relevant as an ideal business determination. E-Commerce is a revolution in business exercises. The title commerce is observed as transactions conducted among business allies. Electronic commerce is the theory that illustrates the process of acquiring and merchandising or exchanging commodities, services, and information by computer networks consisting of the use of the internet.

Leveraging Ecommerce technologies must result in enhancements to emerging countries, but so far have not generated the aspired results. The development felt on the internet and global online interfaces have created new money-making possibilities for e-commerce and the creation of entirely new sets of global and national trading relations. This led to the understanding that e-banking and e-commerce are now a necessary aspect of commercial services. It lets multiple purchasers and retailers come mutually on a shared platform and direct business without hazarding individual requirements and connections among the participants very instantly.

Electronic commerce is creating new possibilities for the global economy, for instance in the global journey and tourism enterprise. Remodeling from traditional business methods to the electronic business method is laborious and there were many diverse factors for corporations to adjust them with electronic commerce factors.

History of e-commerce begins with the old concept of "sell and buy" and the internet e-commerce became possible in 1991 when the internet was initiated for commercial use. Since then, thousands of firms have taken up their positions at web sites.

During the 1970s, the term e-commerce processed the execution of commercial activities electronically. The sense to practice these technologies developed. In 2000 a vast number of companies in the US and Europe presented their services in the WWW (World Wide Web). At this point the definition of the word e-commerce was modified. People started to determine the term e-commerce as the method of acquiring accessible goods and services over the Internet using protected connections and automated payment services. By 2002, the greatest form of e-

commerce, the Business-to-Business model, had transactions of around \$700 billion and in 2007, e-commerce sales ranged in total sales of 3.4 percent. Consumers can now easily search within a large database of commodities and services. In the present scenario, there are 5 main largest and famous amongst all worldwide Internet retailers: Office Depot, and Hewlett Packard, Amazon, Dell, Staples.

India's e-commerce business touched \$38 billion marks in 2016, a huge raise over the \$23 billion revenues measured by the industry in 2015. On the other hand, mobile commerce (m-commerce) is developing swiftly as a steady and secure supplement to the e-commerce enterprise. Shopping online is demonstrating to be a game-changer.

It is a world in which we are all building collectively brick by brick, putting secure support for future generations. ASSOCHAM's Study in 2015 discovered the immense growth percentage in the garments segment, approx. 69.5% during 2014, followed by electric items, up 62%, baby care up 53%, beauty or personal care at 52% and households at 49%. The accelerated growth of digital business in India is largely due to the extensive use of smartphones. Further, nearly 45 % online customers reportedly favored cash on delivery over credit cards and debit cards. Only 10% favored the internet banking process and 7% preferred other modes of payment. Mitra Abhijit, 2013 suggests E-Commerce has started yet another cycle, which is changing the way of trade and the market strategies. The geographic distances are no more reason for less trading. With the rapid expansion of the internet, the government is to provide a legal frame for E-Commerce so that domestic and international commerce are allowed to extend their boundaries, basic rights such as privacy are to be kept in mind, repression of fraud, consumer security, etc. It should be handled with much more care. Awais and Samin Tanzila indicated that the use of the internet has addressed the world as a global village. To provide valuable services to its consumers, a bank requires to design and perform a strong internet system, and to meet the requirements of global market associations, the investment industry requires to accurately select proper networking technologies to assist the internet business. As banks decide business processes, liability, and managing uncertainty become important. History of e-commerce is a tale of a new, implicit world that is unfolding according to the customer's satisfaction.

### 3. E-Commerce Facilitators –

#### 3.1 Internet:

Massive internet perception has appended to the growth of E-commerce. The Internet and smartphones became an essential part of each life. The Internet now is no more just a source of knowledge but has become an influential tool for shopping, training, communicating, and getting service from plumbers, carpenters, doctors, etc. The supply chain is too becoming stronger and more active as digital platforms are accommodating to better connect with the consumers which indeed degrades the loss and support to green businesses. Immense progress in technology, the internet, and its services have started to the creation of new businesses. The population which used the internet was small during the 1980s, with a slow but steady growth till 1994. Further, with the initiation of the World Wide Web (WWW) and consequent multimedia content extension, the count of net users exploded. In India, the Internet took more than a decade to reach 100 million from 10 million. The Internet is the mainstream in India today's date. India has currently the second-largest Internet user station in the world lately overhauling the US. China leads with more than 600 million Internet users.

#### 3.2 Payment Gateways:

A payment gateway is an e-commerce utilization service provider that allows credit card payments for e-businesses, traditional brick mortar, online retailers, bricks, and clicks. Payment routes are the lifeblood of an online business which comprises credit card, electronic funds transfer, debit card, online banking payments. Cash to digital money transformation in the world is taking place and thus there is a requirement of payment gateways for sustainable e-commerce.

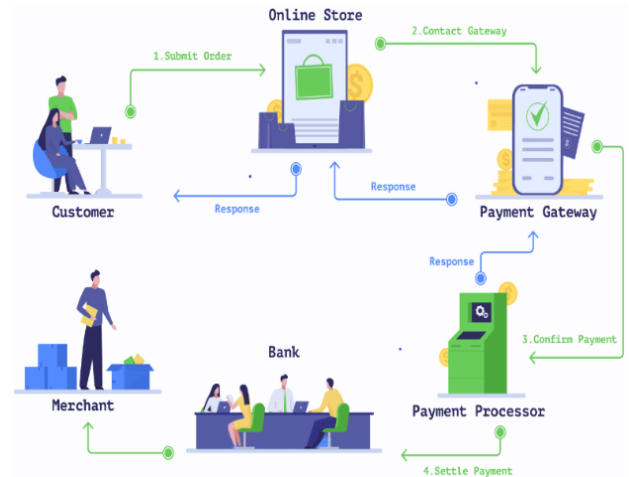
#### 3.3 Analytics:

Analytics is the systematic process of converting data into insight for producing more reliable decisions. It encourages businesses to collect, organize, interpret, and report on everything their consumers do. The extensive rise in the amount of data has forced the institutions to concentrate on analytics to know the performance of the customer. E-tailor requires real-time access to data to calculate return on online expenses. There are fundamental analytics abilities prepared with e-commerce performers like cart size analysis, average order value but we require more extensive analytics solutions for actionable penetrations of the consumer.

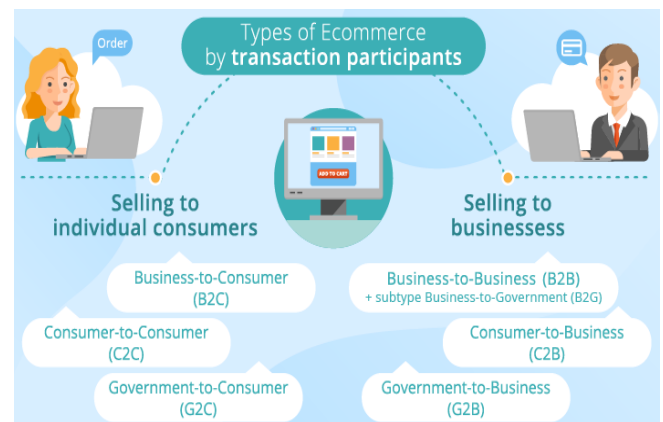
#### 3.4 Social Media:

Businesses are frequently utilizing social media to sell their goods and services. It relates to websites and computer programs that enable people to interact and experience

information on the online platform using a computer or mobile phone. Social media has represented a great position in trademark building and informing multiple proposals to the customers. The feedback is also achieved using this, about the product or service. A platform is provided for brand advertisements, building, forming a community of committed users etc.



### 4. Types of E-Commerce –



**4.1 Business-to-Business (B2B):** B2B is a type that deals with various businesses. This sort of eCommerce includes all the electronic transactions and deals correlated to the services and the goods. These are managed among organizations and involve regular wholesalers and generators trading with retailers.

**4.2 Business-to-Consumer (B2C):** This business is composed of global associations like catalog shopping software. This is associated with the activities and connections between businesses and customers. This is essential to do with the local eCommerce trade that takes place online. B2C has developed to a great degree.

In such a case, the client has more information about the commodities in the form of informational content, and also there is a chance to buy the products at cheaper rates. Most of the time, the agile delivery of the order is also sustained.

**4.3 Consumer-to-Consumer (C2C):** This type of business consists of automated transactions of goods and services within two shoppers. It is mainly managed by a third party that gives an online platform. This strategy is done between customers.

**4.4 Consumer-to-Business (C2B):** It is the reversal of the selling and buying process that takes place. Very suitable for crowdsourcing schemes. In such a case, individuals make their products or services and trade them to companies. Examples: various schemes like company sites or may be logos, photographs, also some design elements, and many more.

**4.5 Business-to-Administration (B2A):** There are contacts between the companies and also between the public administration in this kind of e-commerce. It includes various services, social security is one of them, then, legal documents, employment, and so on.

**4.6 Consumer-to-Administration (C2A):** Transactions or we can say Electronic transactions take place amongst individuals and public administration.

**4.7 Others :** G2G as known as Government to Government, B2G as known as Business to Government, G2E as known as Government to Employee, M-commerce (Mobile Commerce), F-Commerce (Facebook Commerce), G2B as known as Government to Business.

## **5. Factors of Electronic-Commerce -**

### **5.1 Regulation of product pricing:**

It's common for consumers to compare prices within brands. The financial systems which served traditionally are now ready to reduce their operational expenses and improve customer retention by technology. To provide valuable services to its consumers, a bank requires to design and perform a strong internet system, and to meet the requirements of global market associations, the investment industry requires to accurately select proper networking technologies to assist the internet business. As banks decide business processes, liability, and managing uncertainty become important. Luckily, there are several tools available to efficiently see and analyze the prices of competing e-commerce websites, such as DataCrops and Import.io.

For example, the most popular pricing tactic is keystone pricing, which is the doubling of the wholesale price. It usually works, but examine supplementary factors so the

price is just reasonable. There is also premium pricing, emotional pricing, competing pricing, value-based and much more.

### **5.2 Maintaining High Quality Products:**

For a very long time, people had the impression that products from e-commerce sites were of cheap quality while compared to goods from physical shops. While plenty of those myths no longer exist, there is, however, much more that needs to be prepared to assure consumers that your commodities are relative in the property as those discovered in malls and other stores.

Overall client satisfaction is critical to the market's business sustained survival, and poor product class can break the market down. Restrain System feedback understandable to the variations in data, and remedial action must be exercised as soon as practicable. This is a permanent process as there are perpetually other methods to improve.

### **5.3 Improving store accessibility:**

The purpose of the e-commerce website must accommodate each type of customer. An online store is a foremost tool for communicating and negotiating with them. It needs to be capable of delivering data fast and concisely to extract the integrity of the business to the customers.

Convenience is of absolute importance as it benefits the business to be within range to all kinds of consumers; i.e. people of diverse cultures, with disabilities, etc. Remaining able to hold an online market set to different languages can conceivably broaden the customer base. It may also be available to people with optical disabilities like color blindness and weakened vision, by managing high-contrast visual themes and larger font sizes for the texts. The more improvised the website's approachability, the more people can conceivably view it.

### **5.4 Making a wonderful first impression:**

Customers like a website by just a glimpse, and that impression customarily lasts. Securing first impressions is dominant in acquiring more extra customers in the online store. Making an eye-catching and attractive design, to attract people into getting in and making use of the e-commerce website.

Skilled web design has postulates that one can follow that will help convince people to procure a look at what the site has. It should not be too flashy nor too plain. Everything on it must be easy to understand, yet supports its personality.

## 5.5 Securing Shipments:

The main concern with online stores for both entrepreneurs and consumers is the problem of security. With private and economic information being supervised online, there is forever the potential for e-commerce websites being arbitrated and consumer data hijacked for evil purposes. This is very true for credit card data that gets entered online every single day.

The use of SSL can secure customers' online shopping experience. SSL guarantees that the transactions and data being used are encrypted so that there is a scarcer chance for them to be yielded. Two-factor authentication is likewise an excellent way to additionally secure the online store, and supplementing other verification methods should help as well.

## 5.6 Advantage of m-commerce:

The mobile user's base has exponentially increased over the last several years, thereby the demand for online stores to enhance mobile commerce has become practically obligatory at this point. If the online store is created for mobile devices, then it is lacking out on a bunch of businesses.

Some things that make an online store optimized for m-commerce are responsive design with easy-to-use navigating menus, solid mobile search characteristics, and easy checkout and payment, all must be done over mobile. One doesn't require to have a mobile app to do it, just have your website optimized for mobile if feasible.

## 6. Advantages of E-Commerce:

- **Convenience** : If anybody needs any household products or even anything, they can get it by relaxing at home on a single click over the internet.
- **Options, Options, and Options** : Without visiting one store to another, the customer can easily compare goods products or commodities. One can see who offers a low price for standard & stigmatized goods and can have more options to opt from the websites.
- **Coupons and Deals** : Some online marketing company makes offers that attract the customers towards their sites. Some major sites sometimes offer up to 80-85% of discount and hence potentially increase the customers towards the website.
- **24/7, 365 days** : If it's a holiday or rainy or sunny or the road is blocked or for any reason, the businessman

would not worry about his business because the entrance of this market is always accessible & the profit will grow every day.

## 7. Disadvantages of E-Commerce -

- **Privacy and security**: Before beginning a transaction, one should be sure and must check the website's assurance certificate. Sometimes unapproved access, DDOS attacks make a huge problem.
- **Quality** : Quality is a huge possible situation on e-commerce, sometimes the product which is ordered from an online website will not be of similar quality.
- **Social Relationships** : Through traditional shopping, a face to face communication happens which makes a social relationship with others but in online shopping, it fails to do so.
- **Consumer Dishonesty** : Sometimes customer perform an order through online but after the delivery, they refuse to take the order or provide the wrong address for the delivery which the marketer experience as Harassment as well as business loss also happens.

## 8. Conclusion:

A country would prefer to initiate the process of E-Commerce business to earn more profit and to provide better facilities to their fellow people. It will not only increase the government productivity but will also help in uplifting the country performance in various fields such as Banking, Shopping, Education. This research explains that the development of E-Commerce business model with the consideration of local markets and their shop owners. M-Commerce is another platform which brings the immersive experience of exploring the web on your fingertips and the consumer is benefitted at the end because one can shop an American product from America and it will be delivered to him while he is sitting on the other part of the Globe. Privacy is the most major concern for the end user hence it is always preferable to use that site which has its terms and condition clearly mentioned while purchasing. E-Commerce renowned organization also work 24/7 to provide hassle free experience to the consumer and hence they select the variety of range based on Culture, Heritage, Trend in that country. E-commerce major concern is to prevent the consumer from data theft and fraud etc. E-commerce provides profit for the entire country but on the other hand local owners lose their shops because of lack of customer.

**References:**

1. Khan, M. S. and Mahapatra, S. S. (2009). Service quality evaluation in internet banking: An empirical study in India. *Int. J. Indian Culture and Business Management*.
2. Nanekaran, Y.A (2013). An introduction to electronic commerce. *International journal of scientific & technology research*, 2(4). Retrieved from <http://www.ijstr.org/final-print/apr2013/An-Introduction-To-Electronic-Commerce.pdf>
3. Limayem, M., Khalifa, M. & Frini, A. (2000). What Makes Consumers Buy from Internet? A longitudinal Study of Online Shopping, *IEEE Transactions on System, Man, and Cybernetics – Part A: Systems and Humans*.
4. Snellman and Vihtkari (2003) "Customer complaining behaviour in technology-based service encounters", *International Journal of Service Industry Management*, Vol. 14 Iss: 2, pp.217 – 231
5. Strauss, J., Ansary A , and Frost R.(2007), *E marketing*, Prentice Hall of India private limited, New Delhi.