e-Commerce: A Business Review and Future Prospects in Indian Business

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Abstract

e-commerce is abbreviated to Electronic Commerce. It is improving standard among Business community in world, about the opportunities offered by e-commerce. e-Commerce has unleashed yet another revolution, which is changing the way businesses buy and sell products and services. And it is trading in goods and services through the electronic medium. India is showing tremendous growth in the e-commerce so now a days, low cost of the PC and the growing use of the Internet is one of reasons for the same. Now the country is growing awareness among the business community in India about the opportunities offered by e-commerce. Future of e-commerce 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.

Introduction

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. e-commerce stands for electronic commerce. It means dealing in goods and services through the electronic media and internet. 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 their formation technology like Electronic Data Interchange. 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. The customers having interest in the products and Services of particular website and vendor can get information about products and can purchase anything ranging from household product like sofa set to computer and so on, comfortably by sitting one's in Room and just by one click of the mouse.

Definition of e-Commerce from Different Perspectives:

1. Communications Perspective

    e-Commerce is the delivery of information, products/services, or payments over the telephone lines, computer networks or any other electronic means.

2. Business Process Perspective

    e-Commerce is the application of technology towards the automation of business transactions and work flow.

3. Service Perspective

    e-Commerce is a tool that addresses the desire affirms, consumers, and management to cut service costs while improving the quality of goods and increasing the speed of services.

4. Online Perspective

    e-Commerce provides the capability of buying and selling products and information on the internet and other online services.

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 global e-Business. We should look into these barriers and steps should be taken to address them. In this paper we have given 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 we present you list of the factors and the reasons behind these factors which affect the growth of e-business, the proposed solutions

for some of these factors. The proposed model addresses 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 tons 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.

Why Shop Online

Few developments have altered America's lifestyle more quickly and more completely than the Internet. Online access has enabled people from all walks of life to bring entire libraries, entertainment venues, post offices and financial centers to a workplace, to a desktop or to a shirt pocket. The Internet's largest and most meaningful impact may very well be on the way consumers shop for everything from gifts, gadgets and groceries to clothing, cars, and cruises. The ease and selection that the Internet provides to shoppers has changed the face of Retailing. More and more, consumers visit a store's Web site to make their choices before traveling to the store itself; and in a rapidly swelling tide, many shoppers are bypassing the store altogether and ordering online directly from the Web sites of their favorite Brands and outlets. Companies like Sephora, Sears and Crate & Barrel have increased the range and quantity of products available at their online stores and are sending online coupons and sale announcements via e-mail directly to their customers. Because online stores are open 24 hours a day, seven days a week, and their inventories are often more complete than those of their brick-and-mortar counterparts, the Internet makes it easy for shoppers to compare products within or between stores, to read product reviews from other customers, to access

THE TOP GUNS – ALEXA INDIA RANKS

23	flipkart	175	tradus.in
25	eBay	185	FASHIONYOU
35	snapdeal	199	beom
46	JABONG	209	rsbuy.com
102		247	dealsandyou
108	Yebhi.com	271	ZOVI
138	MYNTRA	336	bestylish
153	naaptol	340	futurebazaar.com

vendor return policies and to find warranty information.

Shopping Safely Online

Online fraud can take many forms from non-delivery of goods to non-return of damaged goods. In many cases, online fraud can be deterred by following a few simple practices. Just as consumers should take obvious measures to protect themselves in brick-and-mortar stores – not leaving a purse in an unguarded shopping cart, protecting their PIN (personal identification number) at checkout, not carrying large amounts of cash in their wallets – online shoppers should consider sensible precautions, as well…

✓   Learn as much as possible about the product and seller

✓   Understand the retailers' refund policies

✓   Choose a secure password to protect accounts information.

✓   Use a secure checkout and payment process

✓   If an offer sounds highly suspicious or too good to be true, it probably is:

What to Do if Fraud Has Occurred

First and foremost, the buyer should contact the retailer from which the product was purchased. If agreement can't be reached, the consumer should contact either the payment method, or service used to dispute charges and finally contact a law enforcement official to report the incident.

Safe Online Shopping Protections

PayPal: PayPal makes the riskiest part of transaction safer, without compromising speed or efficiency. In addition PayPal is a foremost resource of assurances online, a safety service that makes it easier to shop with Confidence and to establish mutual trust between buyer's and seller's. eBay's marketplace of 95 million people overwhelmingly choose PayPal as preferred payment option.

eBay : As the world's online marketplace, eBay is especially well equipped to provide a safe, secure and trustworthy shopping environment. The eBay Security Center at www.ebay.com/security center is a single source for direct information about safe shopping by using e-commerce from the eBay marketplace. eBay's Feedback Profile lets members of the eBay community comment on their transaction experience, so that both

buyers and sellers can check an individual's history before engaging in a transaction.

e-Commerce Models

Creating an e-commerce solution mainly involves creating and deploying an e-commerce site. The first step in the development of an e-commerce site is to identify the e-commerce model. Depending on the parties involved in the transaction, e-commerce can be classified into 4 models.

Business-to-Business (B2B) Model: The B2B model involves electronic transactions for ordering, purchasing, as well as other Administrative tasks between houses. It includes trading goods, such as business subscriptions, Professional services, manufacturing, and wholesale dealings. Sometimes in the B2B model, Business may exist between virtual companies, neither of which may have any physical existence.

In such cases, business is conducted only through the Internet.

The advantages of the B2B model are:

- It can efficiently maintain the movement of the supply chain and the manufacturing and Procuring processes.

- It can automate corporate processes to deliver the right products and services quickly and Cost-effectively. The B2B model is predicted to become the largest value sector of the industry within a few years. This is said to be the fastest growing sector of e-commerce.

Business-to-Consumer (B2C) Model: The B2C model involves transactions between business organizations and consumers. It applies to any business organization that sells its products or services to consumers over the Internet. These sites display product information in an online catalog and store it in a database. The B2C Model also includes services online banking, travel services, and health information.

Consumer-to-Consumer (C2C) Model: The C2C model involves transaction between consumers. Here, a consumer sells directly to Another consumer. eBay and www.bazee.com are common examples of online auction Web sites that provide a consumer to advertise and sell their products online to another consumer. However, it is essential that both the seller and the buyer must register with the auction site. While the seller needs to pay a fixed fee to the online auction house to sell their products, the buyer can bid without paying any fee. The site brings the buyer and seller together to conduct deals.

Consumer-to-Business (C2B) Model: The C2B model involves a transaction that is conducted between a consumer and a business Organization. It is similar to the B2C model, however, the difference is that in this case the Consumer is the seller and the business organization is the buyer. In this kind of a transaction, the Consumers decide the price of a particular product rather than the supplier. This category includes individuals who sell products and services to organizations. For example, www.monster.com is a Web site on which a consumer can post his bio-data for the services he can offer. Any business organization that is interested in deploying the services of the consumer can contact him and then Employ him, if suitable.

In addition to the models discussed so far, five new models are being worked on that involves transactions between the government and other entities, such as consumer, business organizations, and other governments. All these transactions that involve government as one entity are called e-governance. The various models in the e-governance scenario are:

- *Government-to-Government (G2G) model:* This model involves transactions between 2 Governments. For example, if the American government wants to by oil from the Arabian Government, the transaction involved are categorized in the G2G model.

- *Government-to-Consumer (G2C) model:* In this model, the government transacts with An individual consumer. For example, a government can enforce laws pertaining to tax Payments on individual consumers over the Internet by using the G2C model.

- *Consumer-to-Government (C2G) model:* In this model, an individual consumer interacts With the government. For example, a consumer can pay his income tax or house tax Online. The transactions involved in this case are C2G transactions.

- *Government-to-Business (G2B) model:* This model involves transactions between a Government and business organizations. For example, the government plans to build a fly Over. For this, the

government requests for tenders from various contractors. Government can do this over the Internet by using the G2B model.

• **_Business-to-Government (B2G) model_**: In this model, the business houses transact with the government over the Internet. For example, similar to an individual consumer, business houses can also pay their taxes on the Internet.

Status of e-Commerce 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) Automobiles- On these sites we can buy and sell four wheelers and two-wheelers, new as well as used vehicles, online. Some of the services they provide are: Car research and reviews, online evaluation, Technical specifications, Vehicle Insurance, Vehicle Finance.

2) Stocks and shares and e-commerce- In India today, we can even deal in stocks and shares through ecommerce. 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.

3) 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.

4) 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..

E-commerce Market Share, 2010
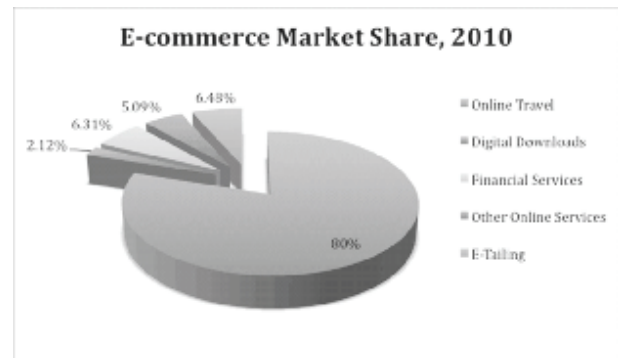
Governmental Regulation

There is also Asia Pacific Economic Cooperation 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 Staring 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 organizations. The purpose was stated as being to find ways of cooperating 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.

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.

Rapidly increasing Internet user base Technology advancements such as VOIP (Voiceover-IP) have bridged the gap between buyers and sellers online. The emergence of blogs as an avenue for information dissemination and two-way communication for online retailers and e-commerce vendors Improved fraud prevention technologies that offer a safe and secure business environment and help prevent credit card frauds, identity thefts and phishing Bigger web presence of SME's and Corporate because of lower marketing and infrastructure costs.

The young population fined online transactions much easier. Easy reach to a fast growing online community Unlimited shelf place for products and services. Fuse the global geographical and time zone boundaries.

e-Commerce Security

Can it be defined simply????????

Primarily Technical tools backed up by laws, regulations, contracts and/or administrative processes designed to preserve the integrity and availability of digital (non-digital) assets, processes and transactions (whether stored or in transit).

e-Commerce Security "Tools"

✓ Firewalls- Software & Hardware.

✓ Digital Certificates.

✓ Digital Signatures.

✓ Public Key Infrastructure.

✓ Encryption Softwares.

✓ Biometrics-retinal scan, fingerprints, voice etc.

✓ Passwords.

✓ Locks & Bars- Network Operation Centre.

Where & Why Needed

Where???? Almost every market sector

✓ Banking / Financial

✓ Retail/ Consumer

✓ HealthCare

✓ Legal Services

✓ Law Enforcement

✓ Entertainment

✓ Military

✓ Others: Telecommunications, energy. News etc.

Why?????

✓ "Good Business" and/or Legally Required.

✓ Maintain "Privacy".

✓ Maintain "Confidentiality".

✓ Protect assets informational and digital assets(money,music,movies)

✓ Attract and retain customers.

✓ Maintain access to service and/or information.

Future of e-Commerce in India

Progress till now

List of Top E-Commerce Companies

✓ ASA Systel Communications Pvt Ltd:

✓ Candid Info

✓ Chenab Information Technologies Private Limited

✓ Euro link Systems Limited

✓ HashPro Technologies

✓ Compare Info Base

✓ Sanver e-solutions

✓ Planet Asia

✓ Candid Web Technology

✓ Trisoft Design

Future Aspects

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 ecommerce 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 2 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 etc. 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 big bazaar and India mart have proved.

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. On doing research it has been 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.

Business Applications Use Under e-Commerce

There are some common applications related to electronic commerce are the following;

✓ Document automation in supply chain and logistics

✓ Domestic and international payment systems

✓ Enterprise content management

✓ Group buying

✓ Automated online assistants

✓ Instant messaging

✓ Newsgroups

✓ Online shopping and order tracking

✓ Online banking

✓ Online office suites

✓ Shopping cart software

✓ Teleconferencing, Electronic tickets.

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 Ecommerce 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, Ecommerce, 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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