

EMERGING TRENDS OF E-COMMERCE IN INDIA

Dr. Munde Sanjeevani Dashrathrao

Assistant Professor in Commerce

*Late Shankarrao Gutte Gramin ACS College,
Dharmapuri, Tq. Parali(V), Dist Beed.*

ABSTRACT

E-commerce stands for microelectronic commerce. E-commerce is doing business online and electronically. The E-commerce has completely transformed the conformist concept of business. E-commerce deals with selling and purchasing of goods and services through internet and computer networks. This paper exertion to highpoint the different challenges faced by the E-commerce in India, appreciate the essential growth factors required for E-commerce, describes the prosperity of E-Commerce in India and retail E-Commerce sales in India. The study found that, in the world of E-commerce, the existence of the wholesalers is at the extreme risk because the producer can easily disrespect them and sell their products to the stores and the consumers. Wholesalers can take the benefit of E-commerce in creating contracts with hypothetical producers and connecting their business with the online. The study also found that, E-commerce delivers the various types of occasions to the wholesalers, retailers, producers and the People.

Keywords:

E-commerce, Challenges, On Line Shopping, Evolution, Prosperity.

INTRODUCTION

E-Commerce stands for electronic commerce. Dealing in goods and services through the electronic media and internet is called as E-commerce. E-Commerce or E-business involves carrying on a business with the help of the internet and by using the information technology like Electronic Data Interchange (EDI). E-Commerce relates to the website of the merchant, who sells products or services directly to the customer from the entrance using a numerical shopping cart or cardinal shopping basket system and allows payment through credit card, debit card or electronic fund transfer payments. E-Commerce is the movement of business on the World Wide Web (WWW). E-Commerce simplifies new types of information based business procedures for accomplishment and cooperating with customers. It can also reduce costs in managing orders and networking with a wide range of suppliers and

trading partners. For developing countries like India, E-Commerce offers significant occasions. E-Commerce refers to a wide range of online business activities for products and services. E-Commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform and redefine relationships for value creation between or among organizations and between organizations and individuals. Today E-commerce in Indian society has become an integral part of everyday life. Availability to E-commerce platforms is not a pleasure but rather a necessity for most people, particularly in the urban areas.

OBJECTIVES OF THE STUDY

1. To study the concept of E-commerce.
2. To analyze the present trends of E-commerce in India.
3. To study the various challenges faced by E-business players in India.
4. To study the prospects of E-commerce in India.

CONCEPT OF E-COMMERCE IN INDIA

1. Multi Product E-Commerce:

Some internet portals provide almost all categories of goods and services in a single site they are targeting customers of every possible product or service. Indian E-Commerce portals provide goods and services in a variety of categories like apparel and accessories for men and women, health and beauty products, books and magazines, computers and peripherals, vehicles, collectibles, software, consumer electronics, household appliances, jewelry, audio/video entertainment goods, gift articles, real estate and services, business and opportunities, employment, travel tickets, matrimony.

etc.Examples:www.indiayplaza.com,www.thebestofindia.com, www.khoj.com, www.sify.com, www.rediff.com, www.indiatimes.com etc.

2. Single Product E-Commerce:

Some Indian portals / websites deal in a specialized field. Examples:

- In automobiles, the portals are <http://www.indiacar.com> and <http://www.automatindia.com>, on these sites we can buy and sell four wheelers and two wheelers new as well as old vehicles online. Some of the

services they provide are car research and reviews, online evaluation, technical specifications, vehicle insurance, vehicle finance, dealer locator etc.

- In stock and shares markets some of the sites are <http://www.equitymaster.com>, <http://www.5paisa.com>. Some of the services offered to registered members are online buying or dealing of stocks and share, market analysis and research, company information, comparison of companies, research on equity and mutual funds, tracking market trends etc.
- In real estate, the portals like <http://www.indiaproperties.com>. This website facilitate online dealing in real estate, they offer outright purchase or lease of a property through their portal. They also provide information on new properties as well as for resale. Some of the allied services are housing finance, insurance companies' architects and interior designers, property management consultant services etc.
- In travel and tourism industry a major government of India portal is <http://www.tourismindia.com>. The tourist destination sites are categorized according to the themes like eco-themes pertains to jungles, flora and fauna, beaches of India, architectural attractions, forts and places, hill resorts, adventure-trekking, mountain climbing etc. Other services offered are passport and visa, travel and accommodation information, weather information, festival and fair dates, shopping, tour operators etc. There are other sites like <http://www.incredibleindia.org>, it highlight the tourist destinations of a specific region in India, which covers North East India.
- In gift items, there are specific Indian websites making the act of gifting quick and easy to suit ones lifestyle. One such site is <http://www.indiangiftsportal.com>. The gifts are categorized as collectibles like paintings and sculptures, toys and games, chocolates, flowers, wood-craft and metal craft, luxury items like leather goods perfumes, jeweler boxes etc.
- In case of hobbies, the most popular hobbies from time immemorial are reading books, listing music and watching films. For music and videos, they are available in English and other Indian languages to cater to the needs of public and the topics range from devotional songs, old time favorites and pop etc.
- In case of matrimony, marriage portal like <http://www.jeevansathi.com> and <http://www.saadi.com>. There is a saying, marriages are made in heaven, but in the world of E-commerce, they are made on marriage portals. On

these websites one can search for a suitable match by region of residence, religion or caste.

- In case of employment, two major portals like www.monsterindia.com and www.naukri.com are instrumental in providing job seekers with suitable employment facility. The service for job seekers is free and for employment they charge a nominal fee. Jobs are available online in fields, ranging from secretarial to software development and from real estate to education.

TYPES OF E-COMMERCE

The major different types of E-commerce are as follows;

- **Business to Business (B2B):** Business to Business E-commerce refers to the full spectrum of E-commerce that can occur between two organizations B2B E-commerce includes purchasing and procurement, supplier management, inventory management, channel management, sales activities, payment management, and service and support. A few B2B pioneers are Chemdex (www.chemdex.com), Fast parts (www.fastparts.com) and Free Markets (www.freemarkets.com)
- **Business to Consumer (B2C):** Business to Consumer E-commerce refers to exchanges between Business and Consumer. Direct dealing between Business and Consumer has always existed, but with the E-commerce such transactions have gained further momentum.
- **Traditional B2C model:** Manufacturer Retailer Consumer
- **On line B2C model:** Manufacturer / Retailer Consumer

Examples: Amazon.com, Yahoo.com and Schwab.com. Similar activities transactions that occur in business to business, E-commerce also take place in the business to consumer context. However, all customer facing activities are typically tracked. These include sales activities, consumer search, service and support.

Consumer to Consumer (C2C): Consumer to Consumers involves transactions between and among consumers. These exchanges may or may not include third party involvement. Traditionally consumers have had dealings with other consumers, but only few of those activities were in a commercial sense. E-commerce has made it possible to bring together strangers and providing a platform for them to trade on.

Consumer to Business (C2B): Consumer to Business is relatively a new model of commerce and is a reverse of the traditional commerce models. Here, consumers provide services or goods to

businesses and create value for the business. Consumers can band together to form and present themselves as a buyer group to businesses in a consumer to business relationship. These groups may be economically motivated as with the demand aggregator. This type of transaction can be seen in internet forums where consumers provide product development ideas and product review; these are used for product advertisement.

Business to Business to Consumer (B2B2C): A variant of the B2B2C model wherein there is an additional intermediary business to assist the first business transact with the end consumer. Here, it is poised to much better in a web based commerce with reduced costs of having an intermediary. Example: Flipkart is one of the most successful E-commerce portals which provide a platform for consumers to purchase a different variety of

products like electronic goods, apparels, books and music CDs.

FUNCTIONS OF E-COMMERCE

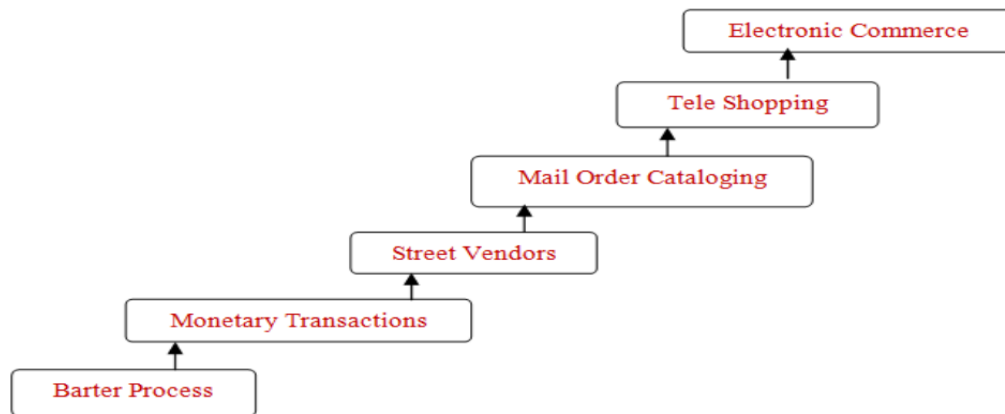
Communication function Aimed at the delivery of information and/or documents to facilitate business transactions. Example: E-Mail.

Process management function Covers the automation and improvements of business processes. Example: networking two computers together.

Service management function Application of technology to improve the quality of service. Example: Federal Express website to track shipments and schedule.

Transaction capabilities Provides the ability to buy/sell on the internet or some other online services. Example: Amazon.com.

VI. EVOLUTION OF E-COMMERCE



CHALLENGES OF E-COMMERCE

a. EXTERNAL CHALLENGES:

External forces impact how E-commerce companies plan their growth strategy and provide seamless customer experience onsite and post transaction.

b. Product and Market Strategy

E-commerce companies have to address issues pertaining to rapidly evolving customer segments and product portfolios access information on market intelligence on growth, size and share manage multiple customer engagement platforms focus on expansion into new geographies, brands and products and simultaneously tackle a hypercompetitive pricing environment.

c. Customer and Digital Experience

Companies have to provide a rich, fresh and simple customer experience not geared towards discovery, manage inconsistent brand experience across platforms; manage proliferation of technologies; and handle time to market pressure for new

applications. In the recent past, social media has become more influential than paid marketing.

d. Payments and Transactions:

E-commerce companies may face issues around security and privacy breach and controlling fictitious transactions. Further, RBI restrictions for prepaid instruments or E-Wallets act as impediments. From a transactions perspective cross border tax and regulatory issues and backend service tax and withholding tax can have serious implications.

e. Fulfillment

Companies will need to check if the physical infrastructure gets affected by the internet speed. Also the lack of an integrated end to end logistics platform and innovation focused fulfillment option could cause delivery issues. Challenges around reverse logistics management and third party logistics interactions could also act as barriers to growth.

INTERNAL CHALLENGES:

Internal forces impact how E-commerce companies can organize to drive and sustain growth.

a. Organization Scaling:

E-commerce companies will have to make sure organization design keeps pace with the rapidly evolving business strategy, along with fluid governance, strong leadership and management development. From a growth perspective, identifying acquisition opportunities, fund raising and IPO readiness becomes necessary.

b. Tax and Regulatory Structuring:

Companies will need to address issues around sub optimal warehouse tax planning imbalance between FDI norms vis-à-vis adequate entity controls, inefficient holding IPR or entity structure and international tax inefficiencies. Future challenges include the new companies act, policy on related party transaction pricing and the uncertainty around GST roadmap.

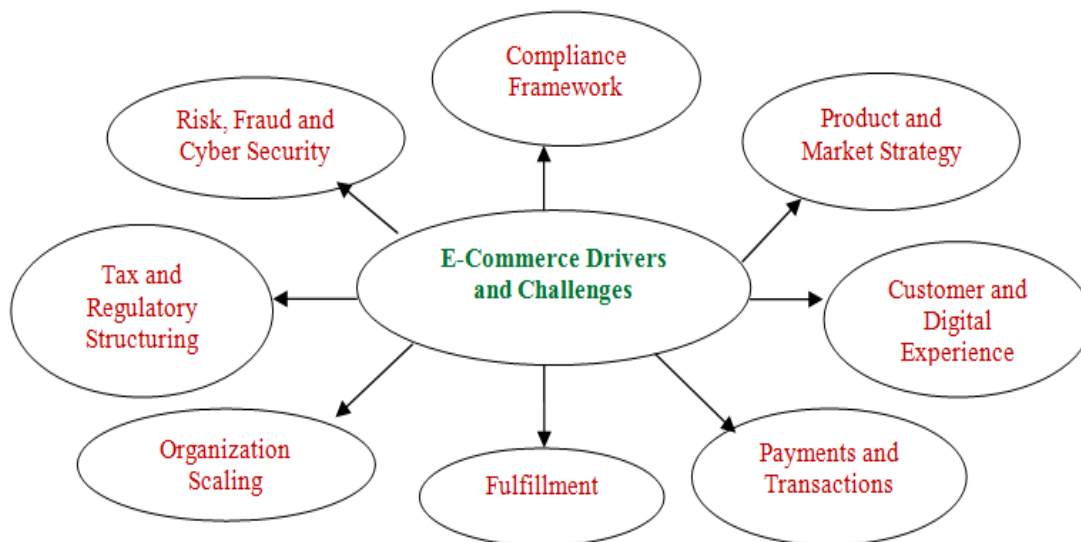
c. Risk Fraud and Cyber Security

From a risk perspective E-commerce companies could face issues around brand risk, insider threats and website uptime. Issues around employee vendor nexus, bribery and corruption make companies vulnerable to fines. Cyber security also raises some concerns around website exploitation by external entities.

d. Compliance Framework:

E-commerce companies have to comply with several laws, many of which are still evolving. Potential issues around cyber law compliance, inefficient anti-corruption framework, legal exposure in agreements or arrangements, indirect and direct tax compliance framework and rules and regulations could pose problems. Uncertainty around VAT implications in different states due to peculiar business modes could cause issues.

Figure 1: E-COMMERCE DRIVERS AND CHALLENGES



FINDINGS OF THE STUDY

1. In the world of E-commerce, the existence of the wholesalers is at the greatest risk because the producer can easily ignore them and sell their products to the retailers and the consumers. Wholesalers can take the advantage of E-commerce in establishing contracts with reputed producers and linking their business with the online.
2. The retailer can save his existence by linking his business with the online distribution. The retailer can provide additional information about various things to the consumers, meet electronic orders and be in touch with the consumers all the time. Therefore, E-commerce is a good opportunity.
3. Producers can take the advantages of E-commerce by linking themselves with the online, by giving information about their products to the other

- links in the business chain and by having a brand identity.
4. As more people are getting linked with E-commerce, the demand for centre providing internet facility is also increasing. Hence, the people who wish to take advantage of it can establish cyber and have their benefits.
5. E-commerce provides the various types of opportunities to the Wholesalers, Retailers, Producers and the People. Retailers meet electronic orders and should be in touch with the consumers all the time.
6. People are aware of the availability of various products in the markets through the help of television, newspaper, website etc. the availability of a new product and its price and other features can be known easily.

CONCLUSION

Today E commerce has become an integral part of everyday life. Accessibility to E-commerce platform is not a privilege but rather a necessity for people, particularly peoples who are staying in urban areas. Due to fast adoption of internet enabled devices like Smartphone and Tablets, we have seen an unparalleled growth in E-commerce. The telecommunication technology has completely changed the way of our living, communication methods, shopping etc. It has a huge impact on how we communicate with friends and relatives how we travel, how we access the information and the way we buy or sell products and services. The growth of E-commerce volumes in India is attracting the attention of players around the globe. E-commerce creates new opportunities for business it also creates new opportunities for education and academics. It appears that there is tremendous potential for providing E-business education.

REFERENCES

1. Nisha Chanana and Sangeeta Goele “Future of E-commerce in India”, *International Journal of computing and business research*, 2012.
2. Abhijit Mitra “E-Commerce in India-A review”, *International Journal of Marketing, Financial services and Management Research*, 2013.
3. Sarbapriya Ray “Emerging Trends of E-commerce in India: Some Crucial Issues Prospects and Challenges”, *Journal of Computer Engineering and Intelligent Systems* 2011.
4. Muhammad Awais and Tanzila Samin “Advances SWOT Analysis of E-commerce”, *International Journal of Computer Science Issues*, 2012.
5. Mr. Harjot Kaur and Mrs. Daljit Kaur “E-commerce in India - Challenges and Prospects”, *International Journal of Engineering and Techniques*, 2015.
6. Bhavya Malhotra “E-Business: Issues and Challenges in Indian Perspective”, *Global Journal of Business Management and Information Technology*, 2014.
7. Tryambak Hiwarkar “E-commerce impact on Indian Market: A Survey on social impact”, *International Journal of Advanced Research in Computer Engineering and Technology*, 2013.
8. Dr. Anukrati Sharma “A study on E-commerce and Online Shopping: Issues and Influences”, *International Journal of Computer Engineering and Technology (IJCET)*, 2013