

## A STUDY ON INVOLVEMENT OF E-COMMERCE FOR SHAPING IN THE DEVELOPMENT OF PROGRESSIVE COUNTRIES

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### **ABSTRACT:**

*Electronic commerce is process of doing business through computer networks. A person sitting on his chair in front of computer can access all the facilities of the internet to buy or sell products. This paper includes the potential contribution of the internet and its commercial application to the development process in poor countries. In historical prospective, the internet has defused at a far faster rate than earlier generations of communications technology: from 1990 to early 2000, the estimated number of internet user grew more than tenfold to roughly 300 million, affecting the way in which people communicate with each other, acquire information, learn, do business and interact culturally.*

*Key Words: E-commerce, Customer & Business.*

### **INTRODUCTION**

The E-commerce Industry in India has come a long way since its early days. The market has matured and new players have entered the market space. In the present dynamic scenario, ecommerce market in the B2C space is growing in demand as well as in the array of services. The transition to online purchasing from traditional purchasing is taking a long time in the Indian market. E commerce includes not only buying and selling goods over Internet, but also various business processes within individual organizations that support the goal. As with ecommerce, e-business (electronic business) also has a number of different definitions and is used in a number of different contexts. The evidence of real benefits is still scattered and the obstacles to affordable access remain formidable, but E-commerce does present real opportunities to small entrepreneur in developing countries. The need to overcome infrastructural bottlenecks in telecommunications, transport, and logistics must be addressed in parallel with the governance aspects of E-commerce, including consumer protection, security of transactions, privacy of records, and intellectual property.

## NEED FOR THE STUDY

The Present study where be focus on opportunities of E-commerce offers to small-scale entrepreneurs in developing countries and the challenges they face in exploiting E-commerce's potential benefit of globalisation is the free movement of technology (ICT), across borders. In principle, ICT can have a levelling effect, giving poor countries and poor people access to market, information, and other resources that would otherwise have been accessible.

## OBJECTIVES

1. To understand the evolution and conceptual framework of E-commerce in India.
2. To analyse the present trends of E-commerce in India.
3. To examine the barriers of E-commerce in India.
4. To predict future of E-commerce in India.

## RESEARCH METHODOLOGY

**Secondary data:** - The secondary data where be collecting from the reports, Centrum Direct Ltd annual reports, websites related journals and books.

## CONCEPTS AND DEFINITIONS

Electronic commerce or e-commerce refers to a wide range of online business activities for products and services. It also pertains to "any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact." A more complete definition is: 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.

**DIFFERENT TYPE OF E-COMMERCE:** The major different types of e-commerce are: business-to-business (B2B); business to- consumer (B2C); business-to-government (B2G); consumer-to-consumer (C2C); and mobile commerce (m-commerce).

## E-COMMERCE IN INDIA

For developing countries like India, e-commerce offers considerable opportunity. Ecommerce in India is still in growing stage, but even the most-pessimistic projections indicate a boom. It is believed that low cost of personal computers, a growing installed base for Internet use, and an increasingly competitive Internet Service Provider (ISP) market will help fuel e-commerce growth in Asia's second most populous nation. The first e-commerce site in India was rediff.com. It was one of the most trafficked portals for both Indian and non residents Indians. It provided a wealth of Indian-related business news a reach engine, ecommerce and web solution services. The past 2 years have seen a rise in the number of companies enabling e-commerce technologies and the internet in India. Major Indian portal sites have also shifted towards e-commerce instead of depending on advertising revenues. The web communities built around these portal sites with content have been effectively targeted to sell everything from event and mouse tickets the grocery and computers. The major in this services being Rediff.com and the net and India plaza with started a shopping section after In spite of RBI regulation low internet usage e-commerce sites have popped up everywhere hawking things like groceries, bakery items, gifts, books, audio and video cassettes, computer etc. none of the major players have been deterred by the low PC penetration and credit card.

### FUTURE OF E-COMMERCE IN INDIA:

India is developing rapidly and if development is to be measured, how can we ignore the role of e commerce in it. The internet user base in India might still be a mere 100 million which is much less when compared to its penetration in the US or UK but it's surely expanding at an alarming rate. The number of new entrants in this sphere is escalating daily and with growth rate reaching its zenith it can be presumed that in years to come, customary retailers will feel the need to switch to online business. Insights into increasing demand for broadband services, rising standards of living, availability of wider product ranges, reduced prices and busy lifestyles reveal this fact more prominently thereby giving way to online deals on gift vouchers. Going by the statistics, the E commerce market in India was worth about \$2.5 billion in 2009. It rose to \$8.5 billion by 2011 thus depicting a definite surge in the last two years. According to a statement released by the Internet and Mobile Association of India (IAMAI), these figures would reach up to \$12 billion by 2012! To understand this scenario, we can divide E-commerce into three broad categories which include physical services, physical goods and virtual goods. The 1st category of physical services is definitely the major contributor which includes travel ticketing, jobs, matrimonial and event management websites with travel sites accounting for 75% of all E-commerce industries! It provides attractive deals too. The 2nd category of physical goods is the one currently gaining considerable

attention, thanks to the hype created by new start-ups /stores being launched daily. Leaders in this division are Flipkart, Infibeam, Homeshop18, Indiatimes, Naaptol, Letsbuy etc.

Each of which offers everything from mobile phones to pet food. The 3rd and final category of virtual goods and gift vouchers like online music, software's, movies, games, Taj Hotel gift vouchers, Reebok gift vouchers, Pizza Hut gift vouchers etc. have been relatively lagging behind in India as compared to Europe and America, primarily due to piracy concerns and the social perspective of Indians. According to the latest research by Forrester, a leading global research and advisory firm, the e-commerce market in India is set to grow the fastest within the Asia-Pacific Region at a CAGR of over 57% between 2012-16. The report, titled “Asia Pacific Online Retail Forecast, 2011 To 2016,” has been issued by Forrester Research Inc. Analyst Zia Daniell Wigder, with Steven Noble, Vikram Sehgal and Lily Varon. E-commerce in India to explode in 2012, Indian e-shoppers will have a good time getting great deals and services online. E-commerce can become an integral part of sales strategy while it is one of the cheapest medium to reach out the new markets, if implemented successfully, it offer a smart way of expansion & doing e-commerce attribute to the successful implementation to carefully understanding the products & services, customers and the business process, easy -to-use system to extend the business on the web. A new report by the Boston Consulting Group says online retail in India could be a \$84- billion industry by 2016 — more than 10 times its worth in 2010 — and will account for 4.5 per cent of total retail. The e-commerce platforms maximize its reach to the potential customers and provide them with a convenient, satisfying & secure shopping experience. Segments that recorded growth Online channels are playing an important role of connecting with consumers of unexplored markets. The journey of online spending that started with an increasing number of buyers of travel and holiday plans in the last decade has now extended to an increase in spends on household appliances and luxury products. While segments like apparel and luxury products have registered unprecedented growth in 2011, jewellery, electronic appliances and hardware products have shown promising growth trends as well. “Indian consumers are showing greater appetite to transact online, fuelling the e-commerce boom,” said Anuj Kumar, CEO, Affle. Many of these shoppers have shown affinity towards affordable online goods, which was priced lesser than the market price. Some of the largest retail subcategories revealed that coupons category was the largest with 7.6 million visitors as consumers rapidly adopt daily deal sites. Consumer electronics ranked next with International Journal of Computing & Business Research ISSN (Online): 2229-6166 Proceedings of ‘I-Society 2012’ at GKU, Talwandi Sabo Bathinda (Punjab) 7.1 million visitors, growing at 12 per cent over the previous year, while 5.8 million online users visited comparison shopping sites, an increase of 25 per cent from the previous year.

## INDIA'S PROSPECTS IN E-COMMERCE:

- 1. OPPORTUNITY FOR RETAILERS:** A retailer can save his existence by linking his business with the on-line distribution. By doing so, they can make available much 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.
- 2. OPPORTUNITY FOR WHOLE SALERS/DISTRIBUTER:** In the world of Ecommerce the existence of the wholesalers is at the greatest risk because the producer can easily ignore them and sell their goods to the retailers and the consumers. In such a situation those wholesalers can take advantage of E-Commerce who are capable of establishing contractors with reputed producers and linking their business with the on- line.
- 3. OPPORTUNITY FOR PRODUCERS:** Producers can take advantages of e-commerce by linking themselves with on-line, by giving better information about their products to the other links in the business chain and by having a brand identity.
- 4. OPPORTUNITY FOR PEOPLE:** As more people are getting linked with E-commerce, the demand for centre providing internet facility or cyber cafe is also increasing. Hence, the people who wish to take advantage of it can establish cyber and have their benefits.

## ESSENTIAL FACTORS FOR GROWTH OF E-COMMERCE IN INDIA: CUSTOMER CONVENIENCE:

By providing Cash on delivery payment option service to customers. Replacement guarantee: Should be Offers 30 day replacement guarantee to their customers. Reach: Enabling mobile-capable sites and supporting M-Commerce services Location based services: Since customers these days are always on the move promoting the right product at the right time and location becomes an integral aspect multiple payment option: standard credit cards, debit cards and bank payments option should be there. Right content: Getting the right content and targeting customers with crisp and relevant information is of utmost importance to users on the move. International Journal of Computing & Business Research ISSN (Online Shipment option: Low cost shipment should be there. The convenience of collecting orders post work while returning home should be there. Logistical challenges: In India, the geographical spread throws logistical challenges.

- The kind of products being offered by providers should determine the logistics planning. Legal challenges: There should be legal requirement of generating invoices for online transactions. Quick Service: Timely service provided by the company.

- Terms and condition: T & C should be clear & realistic. Quality: The product quality should be same as shown on the portal Customer care centre: A dedicated 24/7 customer care centre should be there.

### **EXPERTS VIEW ABOUT FUTURE GROWTH OF E-COMMERCE IN INDIA:**

Leading e-commerce portals in the country include Flipkart.com, Futurebazaar.com, Ebay.in, Homeshop18.com, Snapdeal.com, Indiaplaza.com, Starcj.com, Amazon.com, Fashionandyou.com, Rediffshopping.com., inkfruit.com, myntra.com, futurebazaar.com, yebhi.com, zoomin.com and hushbabies.com. Internet on mobile phones and e-commerce are set to lead the trend in the IT sector, Google India MD Rajan Anandan said on June 2012. We have been gradually increasing the pace of hiring and over the next six months, we will add about 500 people," Snapdeal Chief Executive Director Kunal Behl said. "With the growing e-commerce industry in the country and major international players entering the market, the number of job offers would certainly look up," e-commerce firm Homeshop18.com CEO and founder Sundeep Malhotra said. "e-commerce space is a booming space as Internet audience are likely to double in the next two-three years and this industry will require talent from various sectors like technology, product, analytics, sourcing, general management talent, merchandising and marketing," online retailer Fashionandyou.com co-founder and CEO Pearl Uppal said. Another e-commerce player HomeShop18.com has grown by over 70 per cent in headcount terms in 2011 over the last year and is further poised to grow by a similar percentage this year, including an augmentation of the technology team. Meanwhile, the e-commerce sector is fast hiring the best talent available in the country and this placement season saw e-commerce companies recruiting big numbers at premier institutions like the Indian Institutes of Management (IIMs) and Indian Institute of Technology (IITs). According to a report by industry body Assocham, online retail segment is likely to be worth Rs 7,000 crore by 2015 due to rising broadband availability and increasing Internet penetration, from the Rs 2,000 crore at present. It is growing at an annual rate of 35 per cent.

### **CONCLUSION:**

The future of E-Commerce is difficult to predict. There are various segments that would grow in the future like: Travel and Tourism, electronic appliances, hardware products and apparel. There are also some essential factors which will significantly contribute to the boom of the E-Commerce industry in India i.e. replacement guarantee, M-Commerce services, 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, dedicated 24/7 customer care centre should be there. We found various types of opportunities for retailers, wholesalers/distributors, producers and also for people. Retailers meet electronic orders and should be in touch with the consumers all the time. Wholesalers can take

advantage of E-Commerce who are capable of establishing contractors with reputed producers and linking their business with the on- line. Producers can also linking themselves with on-line, by giving better information about their products to the other links in the business chain and by a having a brand identity. As more people are getting linked with E-commerce, the demand for centre providing internet facility or cyber cafe is also increasing. Hence, the people who wish International Journal of Computing & Business Research ISSN (Online): 2229-6166 Proceedings of 'I-Society 2012' at GKU, Talwandi Sabo Bathinda (Punjab) to take advantage of it can establish cyber and have their benefits. People could found various opportunities of employment. On the behalf of above said reports and experts view showed that the future of e-commerce in India would be bright in the upcoming years if all essential factors would be implemented.

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