

E-Commerce: Threator Opportunity for Indian Organizations

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Abstract

Information technology and internet has a dramatic effect on business operation. Companies are making large investments in E-commerce system. E-commerce is performing business online and electronically. Over the last few years the popularity of E-commerce has rigorously developed due to its quick and convenient way of exchanging goods and services. India has become a booming platform for E-commerce business model and the country already reported growth in E-commerce retail business. But companies are facing the challenges which affect the development of Internet, E-commerce and E-business applications. This paper aims to study about the E-commerce applications as well as to examine the issues and problems being faced by the organizations and also tries to provide the solutions.

Keywords: Technology, E-Commerce, Challenges, Applications, Development

INTRODUCTION

Information technology (IT) is the application of computers to store, study, retrieve, transmit, and manipulate data or information, often in the context of a business or other enterprise. IT is considered a subset of information and communications technology (ICT). In 2012,

Zuppo proposed an ICT hierarchy where each hierarchy level "contain[s] some degree of commonality in that they are related to technologies that facilitate the transfer of information and various types of electronically mediated communications"

The term is commonly used as a synonym for computers and computer networks, but it also encompasses other information distribution technologies such as television and telephones. Several industries are associated with information technology, including computer hardware, software, electronics, semiconductors, internet, telecom equipment, and e-commerce.

E-Commerce is simply known as in the form of buying and selling of product and services for the businesses and by the customer over the internet. Online sale are rapidly increasing through which consumers are taking advantage of low price product offered by the wholesaler or the manufacturer in the online mode. E-Commerce is the utilization of electronic communication and digital information processed through technology in business transaction to develop, transform and redefine bonding for value creation between the organization and the consumer. It also provides a common platform by which wholesalers or the retailers sales and advertise their products and share information in on-line mode by using information. Since last few decades, the E-Commerce has rapidly geared its popularity due to quick and convenient way of exchanging goods

and services both regionally and globally. Today E-Commerce is the backbone in Indian society and it has become a part of our social life. The total value of E-Commerce transactions within India has crossed beyond Rs.5.9 billion during the year 2013-14 as per the record provided by the Online Association of India. Currently, more than 40% of the world is using internet and availing the facilities of E-Commerce in the daily life. India will be the leading ground for E-Commerce in the business model which will exceed 72% within the year 2020 by the vision of “Digital India” launched by our honorable Prime Minister, Shri Narendra Modi in the year 2016.

REVIEW OF LITERATURE

1)

Last Paper: On March, 2016

Author: Tanushree Sanwal, Sandhya Avasthi, Shikha Saxena

Topic: E-Commerce and its sway on the minds of young generation

Conclusion

Online shopping is rising quickly and steadily. Lots of people refer to purchase products online from the comfort of their home. Today, more than 60% of people shop online as it is a comfortable mode of shopping by just click of a mouse. Ecommerce brings changes in our way of living. E-commerce has a very strong impact on socio-economy status of NCR region by providing new opportunities of entrepreneurship and marketing. Impact of E-Commerce on engineering and Management Students have influenced job industries. Large and Small enterprises that have adopted and have used E-commerce have taken into account not only the technological part and organizational aspects of implementation but also the strong user's on the web sites with their own

skills and attitude towards work. Whereas on the other side of the story, the majority number of consumers have to pace with and effectively use the services offered through internet by enterprises. Thus to carry out a successful relationship and transactions between consumers and firms, they not only have to exchange money and products but also information and mutual trust.

2)

Last Paper: On July, 2015

Author: Nishith Desai

Topic: The taxation of cross-border transactions.

Conclusion

The rapid pace of growth of the e-commerce industry is not only indicative of the increasing receptiveness of the public but has also brought to the fore the issues that the legal system of the country has been faced with. From the initial years when internet was a new phenomenon to recent times where internet has become a basic necessity for every household in most metropolitan cities, the e-commerce industry has come a long way. The legal system has constantly tried to catch up especially with the enactment of the various rules under the IT Act to deal with a host of issues emerging from the use of internet. Moreover the IP issues in e-commerce transactions have taken a new form with users finding loop holes to not only easily duplicate material but also mislead other users. Hence, much more is needed to effectively regulate the tangled web. Therefore an in-depth understanding of the legal regime and the possible issues that an e-commerce business would face coupled with effective risk management strategies has been the need of the hour for e-commerce businesses to thrive in this industry.

OBJECTIVE

- To explain the concept of E-Commerce.
- To study the development in E-Commerce.
- To study various challenges faced by E-Commerce in India
- To study the INDIA'S prospect in E-Commerce.

RESEARCH METHODOLOGY

1) INDIA'S PROSPECTS IN E-COMMERCE:

There are some essential factors which will importantly contribute to the growth of E-Commerce industry in India. i.e., legal requirements to generate invoice for on-line transaction, multiple payment option, replacement, guarantee, quick service, the product quality, the dedicated 24/7 hours customer care center should be there. It also provides various types of opportunities for retailers, wholesalers/distributors, producers and also people.

•**Service for distributor:** Wholesalers may take the opportunity of Ecommerce which is capable of establishing network with reputed producers and linking the business with online. E-commerce helps in decreasing the cost of whole business processing.

•**Service for producers:** Producer can take the opportunity of E-commerce by linking themselves online, by providing effective information and knowledge about their product to their sub dealers and customers. By this they can reach their product directly to the retailers and consumers. Producers get an effective platform where they can blindly believe and trust for communicating with their customer by sharing information without sending any leaflets.

•**Service for people:** Consumers can purchase with a click of mouse the product as per their choice without moving from their home or office, They can also avail various services like railway booking, hotel booking, e-banking, etc. which have been a tremendous opportunities for the consumers. E-Commerce also allows consumers to interact in electronic communities and to exchange ideas and thoughts.

•**Service for retailers:** A retailer can save his visibility by linking their business with the online distribution. They can also make, avail many more information about various things to the consumers. They can also promote and advertise their brands of various products by utilizing the platforms of online web media.

2) CHALLENGES IN E-COMMERCE

There are some obstacles responsible for slow development of e-commerce in India. It indicates some barrier in using ecommerce including security problems, lack of skills, cost etc. Customer resistance to changing from a real to virtual store. People do not yet sufficiently trust paperless, faceless transactions. For the growth of E-business in India, it needs a focus and should to make country in the lines of E-business.

• **Issues of Security:** Fear of making online payment is a universal psychological factor of Indian customers. 60% of the users do not trust the web as payment channel. Web transaction takes place with credit card, but credit card itself is not safe. Anyone who can transfer the data of credit card on the web is not sure about the salesman identity. Buyer is also not sure that card is not used for malicious purpose which also causes big challenge for ecommerce in banking also.

•**Customer Acquisition Forces:** Successful e-commerce interaction between markets should be

strong. Issues related to lack of supply chain integration, high charges for products, delay in delivery and lack of proper courier services in some areas also make customers frustrated and one of challenge faced by e-commerce. To get people to come on e-commerce site and make purchase involves heavy cost due to advertisement and marketing which is biggest problem that early stage of ecommerce startup will face.

•Product Target: More companies flood the marketplace with new products; target marketing is becoming an increasingly important tool of differentiation. Product which is not satisfactory for the customers tend to get replaced or returned. Some products take long delivery time to reach customers home. Delivery time of products may range from days to month .This is major issue which leads into overall loss in revenue, loss of shipment costs and reputation. The average Indian customer poses great trust issues for e-commerce transactions.

•Less Awareness: Indian customers are more comfortable in buying products comfortable. They tend to choose the product by touching the product directly. Majority of Indian rural population are unaware of internet and it uses. When it comes to ratio of internet consumers, scenario is not so admirable one. Very few are aware of the online corruption and fraud and thus darkness still exists. A reliable survey reveals that 50% of Indian online users are unaware of solution of online security.

•Cash on Delivery: E-commerce companies are offering COD as one of mode of payment for the buyers. It is seen that majority of the customers denied to make the payment at the time of delivery of the product. 30%- 50% of buyers are also taking advantage of this while purchase of any product and service over internet. COD has been introduced to counter the payment security issues of online transaction but this mode has been proving expensive to companies.

SWOT ANALYSIS

<p style="text-align: center;">STRENGTH</p> <ul style="list-style-type: none"> • GLOBAL MARKET • TIME SAVING • PRICE/PRODUCT COMPARISON • COST EFFECTIVE 	<p style="text-align: center;">WEAKNESS</p> <ul style="list-style-type: none"> • SECURITY • FAKE WEBSITE • LIMITED ADVERTISING • CUSTOMER SATISFACTION
<p style="text-align: center;">OPPORTUNITY</p> <ul style="list-style-type: none"> • CHANGING TREND • INCREASING NUMBER OF USER • HIGH AVAILABILITY 	<p style="text-align: center;">THREATS</p> <ul style="list-style-type: none"> • COMPETITORS • INNOVATION • PRIVACY CONCERN • NO DIRECT INTERACTION

CONCLUSION

In this paper we discuss, E-commerce is an emerging trend in Indian economy in the post economic reforms era. The revolution in the IT sector in the recent past has been instrumental in development of e-commerce. E-commerce provides various services to wholesalers who can take advantage of E-commerce and capable of establishing contractors with reputed producers and linking their business with the on-line. Also Retailers meet electronic orders and should be in touch with consumers all the time with E-commerce. Nowadays, E-commerce is the extensive use of computer network with internet. These benefits are cost effectiveness, quick comparison shopping, better customer service, higher business margins resulting form economy in business operations, information saving and knowledge market development etc. At present there are several stumbling blocks in the development of e-commerce such as computer initial investment, technological issues, computer illiteracy, legal hassles, and adverse mindset of consumers, privacy and security issues. However, these barriers to e-commerce shall be taken care of in due course and hence e-commerce has bright prospects in India. We need to update ourselves to greet ecommerce and reap its benefits.

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