



Changing Scenario of Business through E-Commerce in India

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Abstract: E-commerce is nothing new to talk about, however, what has changed, or should I say, evolved, is the way we shop. Yes, the Internet married commerce years back, but their union is finally shaping up. Touching lifestyles in every spare, the 'Net' has redefined method of communication, work, study, education, interaction, leisure, entertainment, health, trade and commerce. There now, Electronic Commerce (E-commerce) is one of the emerging and challenging issues, which is changing everything in the field of business in India. E-commerce is becoming a part of day-to-day life and business are refusing to deal with any paper in the near future, a whole range of issues, which are matters ripe enough to be dealt with the governments have surfaced. Through this article auther wants to highlight on e-commerce specially its importance, uses, functions, various types, status & future of e-commerce in India and last but not the least conclusion.

Key words: E-commerce, shaping up, net, emerging & challenging, business.

Introduction

E-commerce stands for electronic commerce and pertains to trading in goods and services through the electronic medium. E-commerce or electronic commerce is about doing business electronically. It is an emerging model of new selling and merchandising tools in which buyers are able to participate in all phases of a purchase decision, while stepping through those process electronically rather than in a physical store or by phone (with a physical catalog). The processes in electronic commerce include enabling a customer to access product information, select items for purchase, purchase items securely, and have the purchase settled financially.

E-commerce, in such a context can be referred, to as any process of delivery of information, products for services and payments by telephone lines, computer networks or other similar means. In other words, E-commerce refers to the paperless exchange of business information using Electronic Data, Electroning Trading of Goods and Services (ETGS), Interchange, Electronic Mail, Electronic Bulletin Boards (EBB), Electronic Funds Transfer

(EFT), Online Delivery of Digital Content (ODDC), Electronic Share Trading (EST), Electronic Bills of Loading (EBS), Commercial Auctions, Collaborative Design and Engineering (CDE), Online Sourcing, Public Procurement, Direct Consumer Marketing (DCM) and other network based technologies.

E-commerce is now one of the most significant drivers of both successful business development and national economic development. It provides enormous development. It provides enormous opportunities for the development of profitable business providing stable, well paid employment in both existing firms and in new start-up business.

E-Commerce

These does not exist a simple definition of E-commerce. Despite of it some important definitions are as described;

E-commerce is any commercial activity conducted electronically, particularly via private or open networks, such as the Internet.

“e-commerce is the exchange of information across electronic networks, at any stage in the supply chain, whether within an organization, between businesses and consumers, between the public and private sector, whether paid or unpaid.”

E-commerce is a confluence of business operations with electronic and network technologies.

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Significance of E-Commerce:

Ecommerce brings its own unique advantages & contribution to the business.

- (i) Electronic-commerce has made a business process very simply and fast.
- (ii) Today or in present scenario all small, medium and big enterprises are looking for online trading process.
- (iii) It gives a big platform to increase customers or clients by offering online products and services.
- (iv) E-commerce is a well-known sales aspects of e-business or e-trading system.
- (v) It is mainly used for business transactions in several organization across the globe.
- (vi) E-commerce services are offering to multiple industries by making effective analysis of their specific project requirements.
- (vii) E-commerce from a marketing perspective brings the product or the service closer to the customers.
- (viii) At various levels from the simple mom and pop shop to the global corporation, all businesses have get to adapt to Ecommerce for this is the way to the future is going to be.

Functions of E-Commerce:

There are four important functions of e-commerce as;

Communication: Communication is the first important function of ecommerce. It's aimed to the delivery of information and (or) documents to facilitate business transactions. For instance; E-mail etc.

Process Management: As a second function of e-commerce, it covers the automation and improvements of business processes. For instance; Networking two computers together.

Service Management: Service management is an important function of e-commerce. Its application of technology to improve the quality of service. Such as; Federal Express Website – to track shipments and schedule also.

Transaction Capabilities: Last but not the least, transaction capabilities is provide the ability to buy or sell on the Internet or some other online services. For example, Amazon.com, etc.

Categories/Types of E-Commerce:

There are four distinct categories or types of electronic commerce:

- (A) Business-to-Business (B2B) E-commerce
- (B) Business-to-Consumer (B2C) E-commerce
- (C) Consumer-to-Consumer (C2C) E-commerce
- (D) Consumer-to-Business (C2B) E-commerce

(A) B2B E-commerce:

Business-to-Business is the first important category of e-commerce. It refers to the full spectrum of e-commerce that can occur between two organization Companies doing business with each other such as manufacturing selling to distributors and wholesalers selling to retailers. Thus, it (B2B) includes:

purchasing and procurement, supplies management, inventory management, channel management, payment management, sales activities, service and support.

For instance; fastparts (www.fastpart.com), Chemdex (www.chemdex.com), tradeindia.com, matexnet.com, Alibaba.com, Metaljunction.com, Indiamart.com, AuctionIndia.com, TeaAuction.com etc.

(B) B2C E-commerce:

B2C E-commerce refers to exchanges between business and consumers. Businesses selling to the general public typically through catalogues utilizing shopping cart software. A share of e-commerce revenues in developed countries is generated from business to consumer transactions. Railway & Airlines have played a pivotal role in e-commerce transaction in India. In India, online services like ticketing, banking, tax payment, bill payment, entertainment, matrimonial sites, are showing signs of development in business-to-customers transactions. These have been a tremendous boost in the online business with the stock exchange coming online. For instance; indiatimes.com, yahoo.com, rediffmail.com etc.

(C) C2C E-commerce:

Consumer-to-consumer, which is another important type of E-commerce. It involves exchanges between and among also consumers. These exchanges may or may not include third-party involvement as in the case of the auction-exchange eBay. There are many sites offering free classifieds, auctions, and forums where individuals can buy and sell thanks to online payment systems like Paypal where people can send and receive money online with ease. As an example, eBay's auction service is a great example of where customer-to-customer transactions take place everyday.

(D) C2B E-commerce:

Under this (C2B) category, consumers can band together to form and present themselves as a buyer group to businesses in a consumer-to-business relationship. With the demand aggregator, these groups may be economically motivated. For instance; mercata.com, voxcap.com etc.

In lieu of these categories or types, or forms some other important categories of e-commerce which involve transactions with the government from procurement to filing taxes to business registrations to renewing licenses are as under;

Government-to-Government (G2G) E-commerce

Government-to-Employee (G2E) E-commerce

Government-to-Business (G2B) E-commerce

Business-to-Government (B2G) E-commerce

Government-to-Citizen (G2C) E-commerce

Citizen-to-Government (C2G) E-commerce

Status of E-Commerce in India:

Of course, e-commerce world is changing rapidly with the development of new technological tools which brings revolution in the industrial process and business activities. Now-a-days, while E-commerce is a byword in Indian society as well as it has become an integral part of our daily life.

As e-commerce growth becomes more and more significant, countries such as India must not only address and appreciate its potential for the growth of trade and industry but also as a means of survival in the new world of e-commerce based trade and business. The ability to do so will be infrastructure, both physical (the telecommunication network) as well as the financial and legal framework, including a business and trade environment conducive to e-commerce. It will also depend on the availability and price of hardware (computers, routers, switches etc.) and software, as well as the human resource and education standards and policies of the country.

India's fame in the digital world is on account of its software exports and its software professionals. During the last couple of years there has been a distinct shift in the Indian IT World both external and internal from software towards electronic commerce. Therefore, e-commerce and its definition for India encompasses three areas viz.,

- (1) Software exports (body shopping to e-commerce services),

- (2) Web-enabled services (transcription service to call centres),
- (3) e-business and e-trade (dotcoms, portals, services and old and new economy global supply chains).

On the other hand/side, there are websites providing any number of goods and service. Then there are those (Indian E-commerce portals) 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 instance, automobiles, stocks and shares and e-commerce, real estate and e-commerce, travel and tourism and e-commerce, gifts and e-commerce, hobbies and e-commerce, employment and e-commerce, matrimony and e-commerce etc. In the recent years, the low cost of the PC and the growing use of the Internet has shown the tremendous growth of Ecommerce in India.

Future Prospects on E-Commerce in India:

Ecommerce world is changing rapidly with the development of new technological tools. It brings revolution in the industrial process and business activities. According to the report of the "United Nations Conference on Trade and Development (UNCTAD)" on E-commerce and Development makes the point that although world economic growth has slowed, and despite of the difficulties in which the information technology and telecommunications sectors are mired, the rapid growth of internet use and electronic commerce continues.

So far as, future of E-commerce progress level in India, Indian e-commerce space percentage is getting higher as more and more online retailers enter the market. Although such level of entry in the e-commerce market is good from a long term perspective, the challenges is that most entrepreneurs don't have the resources or capital to wait for years before they can get profits. According to the 'UNCTAD' reports, it is clear that India as a 'rising star' with respect to the growth of software, information and other e-services, online transactions (i.e. e-commerce). India's IT services exports have almost doubled in two years and now account for more than 16 per cent (%) of total exports and 8 per cent (%) of all foreign exchange

earnings. Policy measures to support exporters of e-services should focus on increasing market access in e-services for experts from the developing countries, as well as addressing domestic obstacles related to technology, infrastructure (i.e. telecommunications, payments and standards).

Thus, the future prospect of E-commerce in India certainly depends on some factors. The outset of the internet in India with minimal cost of broad band facilitates the following factors:

- Enhancing domain registrations.
- Rising internet users.
- Easy access to internet.
- Awareness about internet even in rural areas.
- Rising number of cyber cafes.
- Growing need for e-commerce etc.

Conclusive Remarks:

The e-commerce is one of the biggest thing that has taken the business by a storm. It is creating an entire new economy, which has a huge potential and is fundamentally changing the way businesses are done. A developing country like India, can become Industrialized and modernized if it can extensively apply IT to enhance productivity and international competitiveness, develop e-commerce and e-governance, applications. Many countries in Asia are taking advantage of e-commerce through opening of economies, which is essential for promoting competition and diffusion of Internet technologies.

In context of business world e-commerce has advantages for both buyers as well as sellers and this win-win situation is at the core of its phenomenal rise. Though there are some weak links, with improvements in technology, they will be ironed out, making the e-commerce easy, convenient and secure. Indeed, with the rapid growth of internet ecommerce, is set to play a very important role in the new millennium, the new opportunities that will be thrown open, will be accessible to both large corporations and small companies in India.

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