

E-Commerce: A Descriptive Study of Benefits and Drawbacks

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Abstract

E-commerce is an abbreviation for electronic commerce, which involves the exchange of products and services through the internet. E-commerce (Electronic commerce) represents a paradigm shift that affects both marketers and customers. The Indian business community is becoming more aware of the opportunities offered by e-commerce. E-commerce is connecting rural India for business, contributing to the growth of the village economy. E-commerce, on the other hand, is more than just an addition to current business operations. It is causing a total upheaval of the existing business model. Massive internet penetration has aided the growth of E-commerce, and start-ups, in particular, are increasingly utilizing this option. This study forecasts certain benefits and drawbacks in a rising economy and its prospects in near future. This study is based on secondary data, which will be gathered from numerous sources such as articles, newspapers, magazines, websites, and so on.

Keywords:- E-commerce, Internet, Business, India.

Introduction

E-popularity commerce has skyrocketed as a result of its quick and convenient method of exchanging goods and regional and global services. India will be a thriving ground for e-commerce business models; the country already reported a 13% increase in e-commerce retail business year in 2010-2011. The current study is a conceptual exploratory/descriptive survey. E-commerce is fast altering how businesses engage with one another, as well as with customers and governments. E-commerce is the activity of conducting business over the internet and through information technologies such as Electronic Data Interchange (EDI). E-Commerce refers to a vendor's website on the Internet that trades products or services directly to the customer through the portal. The four major categories of electronic commerce are business-to-business (B2B), business-to-consumer (B2C), business-to-government (B2G), consumer-to-consumer (C2C), and mobile commerce (m-commerce). Many people have praised e-commerce as a way for poor countries to obtain a better foothold in the international economic system. However, there are various limits, legal and technical impediments to the development of e-commerce in India at the moment, which may fade away in the next years. With the

rise of mobile commerce, more people are making purchases from the palm of their hand (Miva-2011). E-commerce has the potential to significantly benefit developing-country businesses by increasing their control over their position in the supply chain, thereby improving market efficiency (Molla & Heeks, 2007).

What is E-commerce?

- It refers to the buying and selling of goods and services over the internet.
- Almost anything can be purchased or sold through E-commerce.
- E-commerce is divided into four categories: business-to-business, business-to-consumer, consumer-to-consumer, and business-to-government.

Why is E-commerce?

The global business community is rapidly moving toward Business-to-Business (B2B) e-Commerce as ICTs, specifically the Internet, become more widely available. Buyers gain a clear advantage when the Internet provides them with access to the global market, allowing them to compare prices across regions, determine whether prices vary due to order fragmentation, and learn about substitute products. Customers can easily compare the services of various e-commerce sites due to the market's transparency. For example, in the case of e-commerce, competitors are only one click away from customers. If customers are dissatisfied with the products, prices, or services provided by a particular e-commerce site, they can change their minds much more easily than in the physical world. From the perspective of the Sellers

Objective of Study

- To ascertain the benefits of E-commerce.
- To be aware of the difficulties in E-commerce
- To know the India prospectus in E-Commerce

Research Methodology

The paper was composed using secondary sources. Secondary data were gathered from books, journals, research papers, magazines, daily newspapers, the internet, and official statistical documents that had been published. The research is qualitative.

E-Commerce Facilitators:

- (1) **Internet:** The widespread use of the internet has aided the growth of e-commerce. The internet and smartphones are becoming an indispensable part of everyone's lives. The internet is no longer just a source of information; it is also a useful tool for shopping, learning, communicating, and even getting service from plumbers, carpenters, doctors, and other professionals. The supply chain is also becoming leaner and smarter as digital platforms help to better connect with customers, reducing waste and supporting green businesses.
- (2) **Payment Gateways:** A payment gateway is a service provided by an e-commerce application service provider that authorizes credit card payments for e-businesses, online retailers, bricks and clicks, or traditional brick and mortar. Payment routes, which include credit cards, debit cards, and online banking payments, are the lifeblood of online businesses. The world is transitioning from cash to digital money, necessitating the need for payment gateways for long-term future E-Commerce.
- (3) **Analytics:** Analytics is the scientific process of converting data into insight to make better decisions. Analytics enables businesses to collect, organize, analyze, and report on all of their customers' activities. The massive increase in data volume has compelled businesses to focus on analytics to understand customer behavior. To measure the return on online investments and optimize the channel mix, e-tailers must have real-time access to information. Basic analytics capabilities such as basket size analysis, average order value, and conversion ratio are available from E-Commerce players, but we require deeper analytics solutions for actionable consumer insights.
- (4) **Online Social Networking Businesses** are increasingly using social media to market their products and services. Social media refers to websites and computer programs that enable people to communicate and share information on the internet through the use of a computer or mobile phone. Social media has played a significant role in brand building and informing customers about various offers. It also aids in obtaining feedback on the product or service. It serves as a platform for brand building, advertising, building a community of trusted users, spreading word of mouth, and so on.
- (5) **Autonomous Vehicles (AVs):** An autonomous vehicle is a vehicle that drives itself using artificial intelligence, sensors, and global positioning system coordinates without the active intervention of a human operator. The age of the self-driving car is rapidly approaching. Buyers of self-driving cars will have more time to read emails, search the web, buy new products, and be bombarded with advertisements. With self-driving cars, a wealth of digital marketing experience will become available. These purchases and search patterns can be tracked to assist businesses in tailoring their marketing campaigns to this new segment. The scope of big data has expanded, but it will become so tailored and predictive in the coming years that we may never have to manually process it again.
- (6) A **3D printer** is a machine that can create a three-dimensional object from a digital design. It employs a technique known as "additive manufacturing," which is a layered process similar to how an ink-jet printer sequentially layers its colors on a flat piece of paper. Manufacturing of the type we've been used to since the Industrial Revolution shook up agrarian life in the early 19th century is expected to

be supplanted by 3D printing one day. 3D printing is spawning a market for designs intended to be printed by the buyer – or by a third-party manufacturer unrelated to the designer.

ADVANTAGES AND DISADVANTAGES OF ECOMMERCE

ADVANTAGES

- Ability to handle multiple purchases
- Automation minimizes human error
- More affordable and effective marketing
- Lower costs of store maintenance
- You can retarget the customers
- Retail with no geographical or time limits
- Personalize the shopping experience
- Detailed product information
- Ecommerce saves time for a customer



DISADVANTAGES

- Compulsory registration
- Complex taxation guidelines
- Some items are hard to purchase online
- Waiting for a product to be delivered
- Uncertainty about the product quality
- Technical difficulties
- Security issues
- Higher cost of portals

Benefits of E-Commerce

1. The purchase process is now faster.

Customers can save time when shopping for what they want. They can easily browse through a large number of items at once and purchase what they like. Customers can find items that are available in physical stores far away from them or that are not available in their area when they shop online.

- Rajesh is a customer who visits a store to purchase a washing machine. He realizes after searching that he cannot find the product he requires. He visits a popular e-commerce site and discovers the washing machine. What's more, there's a special offer price and it can be delivered to his house.

For many shoppers, this is where e-commerce comes in handy. They go online, search for an item, receive a quick response, and can purchase it in the same amount of time.

The benefits of e-business include the ability to select from a wide range of products and have the order delivered. Searching for an item, reading the description, and adding it to your cart all take very little time.

2. Availability round the clock;

Customers can shop from their favorite websites 24 hours a day, seven days a week thanks to e-commerce. It does not entail waiting for a weekend or a half-day just to indulge in some retail therapy! E-commerce enables websites to operate around the clock and provide their customers with relevant product information, warranty information, product reviews, and product descriptions so that they can make the best decision.

2. Access to the convertible audience

E-commerce enables merchants to read their customers' behaviors, likes, dislikes, and trends to create products and services that meet their customers' needs and convert them into potential buyers. This provides useful data for merchants to use in developing effective marketing strategies.

4. One E-commerce Website and the whole world

E-commerce and an online web store make finding a sing and similar niche extremely simple and quick. Physically, it is impossible to find the desired product without going from store to store; however, by typing a single keyword into Google, many similar search results and their respective E-commerce stores appear

5. More informed decision making

Another of the top benefits of e-commerce to consumers is the ability to easily compare products, brands, and websites, with even side-by-side comparison possible. Many comparison shopping sites exist solely to allow customers to compare products side by side based on price and discount metrics.

6. Saves Times

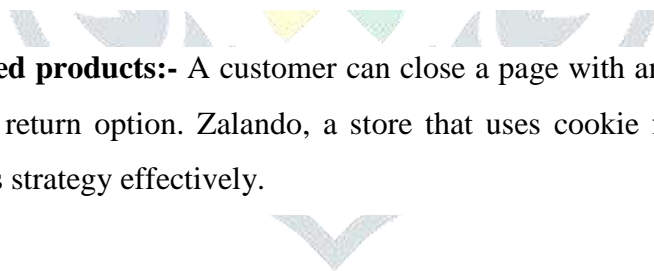
In an age when time is a precious commodity, shopping online saves the consumer a significant amount of time. Given that 63% of consumers begin their shopping journey online, it makes sense to be able to buy where you are already (Thinkwithgoogle, 2018).

There's no need to go out, shop in-store, wait in line, and then return home when you can get a wider range of products at a lower price from the comfort of your own home.

7. Personalizing the Shopping Experience

According to Accenture's research, 91 percent of customers appreciate companies that remember their specific needs. To help with this, e-commerce stores can tailor their offerings based on their customers' characteristics and preferences, displaying a specific product lineup. Let's look at some personalization strategies and examples of them.

- **Directly ask a customer:** Topshop allows customers to select their size, model, and color preferences and then displays a customized feed of products that meet these requirements.
- **Directly ask a customer:** Topshop allows customers to specify their preferred size, model, and color, and then displays a customized feed of products that meet these specifications. You can analyze your clients' purchasing habits and make intelligent recommendations. This is what ASOS does by providing its regular visitors with a digest of the best deals..



- **Save recently opened products:-** A customer can close a page with an intriguing product, and the store can provide a return option. Zalando, a store that uses cookie files to remember browsing history, employs this strategy effectively.

8. Encouragement for Impulse Purchases

Online brands can tap into users' daily routines by using targeted advertising. The shopping features on Instagram and Facebook make this process even easier. Users no longer need to leave a social media page to complete a purchase, thanks to a recent update. All they have to do is select a product and enter their credit card information, and you'll receive a processed order to your online store.

Retargeting is used to capture the attention of users who have previously visited the store but left for whatever reason. You can remind them of previously viewed files or provide a discount. Such strategies improve client retention and loyalty.

9. Reduce the cost of managing inventory

When compared to physical stores, one of the advantages of E-Commerce is that it can save time and reduce inventory costs. The online portal includes features and services that help to automate a variety of tasks.

It introduces a web-based system that allows the website to automate and manage inventory on its own, lowering operating costs.

10. Connects far and wide

Online businesses can reach and connect with customers in far-flung locations because there are no geographical boundaries. People can place orders from anywhere and have them delivered to their desired location.



Drawbacks of E-commerce

1. Security issues

Because of cybercriminals and hackers, online portals have received a lot of attention. It is a serious problem because your account could be hacked as a result of carelessness and your funds wiped out. This is the harsh reality of e-commerce sites, and no website can guarantee that financial information will not be compromised on its portal. To prevent data breaches, the website owner must take important steps to change the password. Customers may misplace vital credentials while shopping online. Numerous hackers on the internet may steal customer data and cause significant financial loss to them.

3. No Guarantee about Product Quality

Customers are unable to be assured of the quality of products available online. Companies may defraud them and provide faulty products.

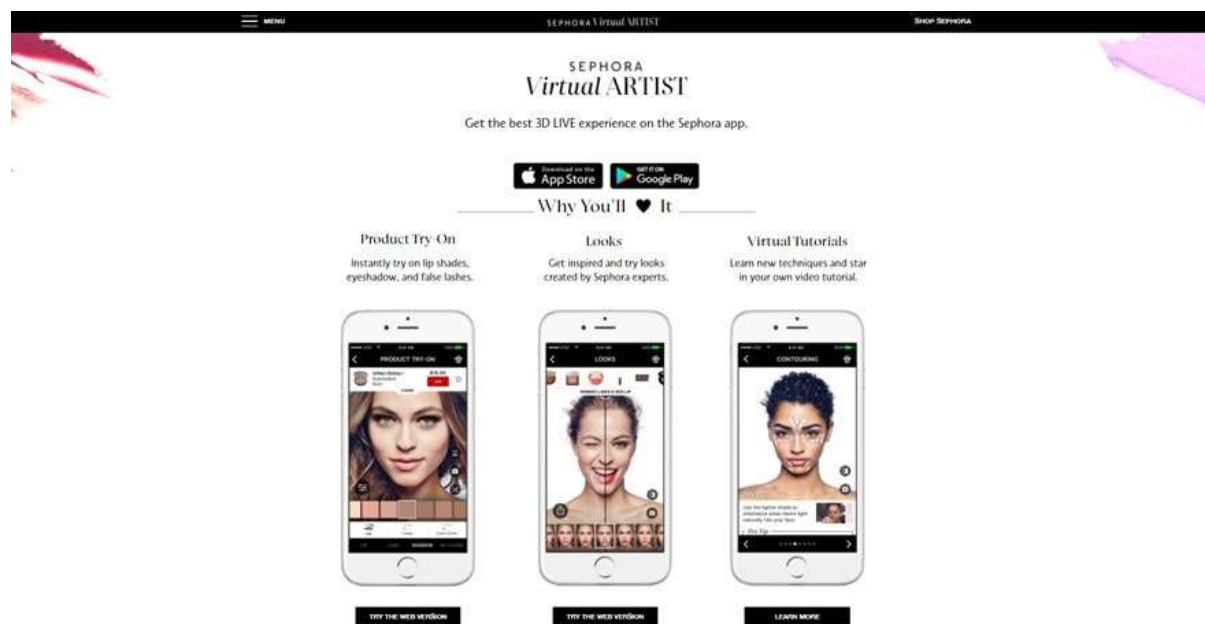
4. Long Delivery Period

Another significant disadvantage of online shopping is that customers must wait for longer periods of time periods ducts to be delivered. Customers who shop offline receive on-the-spot delivery of their purchases.

5. Customers cannot try before buying the product:-

While this is a current issue for many retailers, it will not be a long-term issue. With augmented reality, more stores are beginning to incorporate AR elements into their stores in order customers to test products. Augmented reality e-commerce companies provide businesses with a way to create a more interactive experience with their customers.

How exactly does augmented reality work? As an example, take a look at Sephora's Virtual Artist app. Customers can virtually try on different eyeshadow, lip colors, and other cosmetics at the beauty retailer's augmented reality experience.



6. Shipping time can be lengthy



amazon Prime

Fast, FREE shipping and more

Prime members enjoy Free Two-Day Shipping, Free Same-Day or One-Day Delivery to select areas, Twitch Prime, Amazon Originals, early access to deals, and unlimited photo storage.

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FREE Two-Day shipping with Amazon Prime

Need a last minute gift? Can't get out of the house? Realize you forgot to pick up something? With FREE Two-Day Shipping from Amazon Prime, your shopping problems are solved. You get unlimited deliveries with no minimum order size, and with millions of eligible items, the options are practically limitless. From big to small, A to Z, home to office, and everywhere in between, satisfying that shopping itch or need is just two days away.

[Learn more about all the Prime shipping options](#)

7. Physical Retail is still more popular despite the decline



Even though one of the benefits of e-commerce is that it's growing, physical retail still owns most of the market share.

7. Price and Product comparison

Consumers can compare many products and find the best deal by shopping online. As a result, many merchants are forced to compete on price, reducing their profit margins.

8. Long Delivery Period

Credit card fraud is a real and growing issue for online merchants. It can result in chargebacks, which can result in revenue loss, penalties, and a bad reputation.

9. Fear

People are afraid of operating in a paperless, faceless electronic world. Some business organizations do not have a physical presence, and people are unaware of who they are conducting commercial transactions with. This factor encourages people to make purchases in physical stores.

INDIA'S PROSPECTS IN E-COMMERCE:

1. OPPORTUNITY FOR RETAILERS:

A retailer can save his or her business by integrating it with online distribution. By doing so, they can provide consumers with a wealth of additional information on a variety of topics, fulfill electronic orders, and stay in constant contact with them. As a result, E-Commerce represents a good opportunity.

- Opportunity to focus on customer experience
- Increased traffic and sales
- Data and customer insights

2. OPPORTUNITY FOR PRODUCERS:

Producers can benefit from e-commerce by connecting to the internet, providing better information about their products to the other links in the business chain, and having a brand identity.

- Direct customer access
- Opportunity to innovate
- Scalability
- Improved Efficiencies
- Brand Awareness
- Analytics

3. OPPORTUNITY FOR WHOLESALERS/DISTRIBUTORS:-

The existence of wholesalers is jeopardized in the world of E-commerce because producers can easily ignore them and sell their goods to retailers and consumers.

- Consistent Buyer Interaction
- Allow for Mobile Browsing
- Direct-to-Consumer Potential
- Reduce Unnecessary Costs
- Increase Promotional Opportunities

4. OPPORTUNITY FOR PEOPLE

As more people become involved in E-commerce, the demand for centers that provide internet access or cyber cafes grows.

Conclusion

In the coming years, the e-commerce industry will be a leader in terms of popularity in the electronic business world. A developing country may attempt to modernize itself if it implements e-commerce effectively and efficiently. Replacement guarantee, M-Commerce services, location-based services, multiple payment options, right content, shipment option, the legal requirement of generating invoices for online transactions, quick Service, T & C should be clear & realistic, the product quality should be the same as shown on the portal, dedicated 24/7 customer care center should be available. When compared to developed countries, developing countries face many obstacles to the successful implementation of e-commerce. A growing number of businesses in a variety of industries, including banking, education, commerce, and tourism, have improved their services by incorporating technology into their service delivery process. The incorporation of technology into services is becoming increasingly common. E-commerce service providers should prioritize each customer by providing a smooth service, a variety of payment options, and more functions available online. E-commerce service providers should prioritize each customer by providing a smooth service, a variety of payment options, and more functions available online. Other advantages include expanded product offerings and geographic reach. However, e-commerce businesses face numerous challenges in growing.

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