



“AN OVERVIEW OF E- COMMERCE”

KOKILA H.S.,

Assistant Professor In Commerce, G.F.G.C Muniyalu, Hebri Taluk,
Udupi District.,

ABSTRACT

Recent developments in the fields of Internet and Information Technology have led to the tremendous development in the field of business. Electronic commerce supports customers to get goods and services without wasting time and energy, supplying of services and commodities, provides business information, manages business transactions and maintaining a bond between suppliers, customers and vendors with the help of telecommunication networks. India has witnessed a major change in digitalization in the last few years and this has given a rise to fresh business opportunities by evolving various business models. The purpose of this paper is to understand conceptual framework of E commerce which has focussed on frame work of E commerce along with various factors influencing E commerce.

Keywords: E-Commerce, Consumer Behaviour, Online Shopping

INTRODUCTION:

India has witnessed a change in digitalization in the last decade and this has given a rise to fresh business opportunities by evolving different business models. The rise of the Indian economy has not given millions of Indians the privilege and convenience of technology but also enabled them to utilize the internet in a way to have a great and enjoyable shopping experience. The purpose of this paper is to understand how E-Commerce as a sector developing and brought a change in the preferences and pattern of change in the consumer, which has touching each of their lives. E-Commerce has been fulfilling expectations of the people not only by providing quality service but through various other dealings. It offers sufficient services to attract consumers. Consumer behaviour changes from time to time and E-Commerce has been able to fulfil the necessities. The world seems to be watching on excitedly as India as it is moving fast to become a major e-commerce player. E-Commerce has changed the lives of people around the world and its growth in India is showing signs of growth and development. The year 1991 noted a new era in the history of India where online world e-commerce became a hot choice amongst the commercial use of the internet. At that time nobody have imagined that the buying and selling online or say the online trading will become a trend in the world. India will also share a good proportion of this success and a major participatory. India first came into interaction with the online E-Commerce via the IRCTC. The government of India experimented this online strategy to make it convenient and accessible for its public to book the train tickets. The acceptance of the ecommerce on a large scale by the Indian people influenced other business players also to try to adopt this technique for their E-businesses and gain high profits. It gained popularity and played a major role only with the model of Flip kart. E-Commerce has become almost indispensable for Indian consumers and is expected to have a greater impact and indispensable part of life in the days to come.

HISTORY OF E-COMMERCE:

In the 1970s, the term electronic commerce, referred to electronic data exchange for sending business documents such as purchase orders and voices electronically. Later, with the development of this industry the term of electronic commerce is used to business of goods and services via the web. When the first World Wide Web was introduced in 1994 as a comprehensive, many well-known researchers have been predicated this type of business “the web-based business” will became soon an important in the world economy, but it took four years that http based protocols should be widely available to users.

The first electronic commerce created in USA and some European countries in 1998. These types of business are formed with beginner and unprofessional websites and it has been expanded rapidly. Electronic commerce was spread rapidly in most cities in America, Europe and East Asia in 2005. Some say dates of electronic commerce return to prior of the Internet, but due to the costs of this style of business, only business and financial institutions and corporations could use it. But with the widespread use of the Internet to all of the people and change the structure of electronic commerce, this kind of business from specific business case for a particular group out and became the industrial form.

OBJECTIVES OF THE PAPER:

This research paper has the following objectives

- To study the theoretical concepts of E commerce
- To know various factors influencing E commerce.
- To analyse various advantages and threats of E commerce
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RESEARCH METHODOLOGY:

The main objective of the study is to know about the E commerce and various factors of E commerce and analyse various advantages and threats of E commerce. The secondary data has been used for the present paper

ELECTRONIC COMMERCE FRAMEWORK:

It comprised of three levels which is needed to for successful electronic commerce.

- **Infrastructure:** The first part of the framework for electronic commerce is including hardware, software, databases and communications. It is used as World Wide Web on the Internet or other message switching methods on the Internet or other telecommunication networks.
- **Services:** The second part of the framework include a wide range of services that provide the ability to find and present information and including the search for trading partners, negotiation and agreements
- **Products and Structures:** This section of the electronic commerce frameworks consist forecasts and direct provision of goods, services and trade related information to customers and business partners, cooperation and sharing of information within and outside the organization and organizing of environment of electronic marketplace and chain of supply and support.

ADVANTAGES & THREATS OF ECOMMERCE:

ADVANTAGES OF ECOMMERCE:

The invention of new telecommunication networks and modern online devices has resulted in a new business. In fact, electronic commerce has become one of the most popular activities on the web. Electronic commerce created many benefits for companies and users.

- ✓ Advantages of Buying 24/7, customers can enjoy shopping at any time, night or day, 365 days a year.
- ✓ Decrease Transaction Costs: If we buy from online store, we spend low operational cost, we have better quality of service, and we can cut the many unnecessary costs.
- ✓ Conduct a Business Easily In electronic commerce: we do not need to physical company setups or there are not any crowds to deal with. We can buy from our house comfortable; users can easily choose goods from various procedures without moving around physically.
- ✓ Comparison in Prices Everyone can easily compare fees among the various web sites. Customers can usually earn discounts on fees when compared with normal shop fees.
- ✓ Buying/selling a variety of goods and services from one's home or business
- ✓ Can look for lowest cost for specific goods or service
- ✓ Businesses can reach out to worldwide clients - can establish business partnerships
- ✓ Order processing cost reduced

- ✓ Electronic funds transfer faster
- ✓ Supply chain management is simpler, faster, and cheaper using ecommerce - Can order from several vendors and monitor supplies. - Production schedule and inventory of an organization can be inspected by cooperating supplier who can in-turn schedule their work

THREATS OF E-COMMERCE:

- ✓ Electronic data interchange using EDI is expensive for small businesses
- ✓ Security pursues to be a main problem in electronic commerce. Security of internet is not very good - viruses, hacker attacks. it can paralyse e-commerce Everyone good or bad can easily open a web site, and there are many bad sites which will affects public health.
- ✓ Privacy of e-transactions is not guaranteed
- ✓ E commerce de-personalises shopping Hackers attempting to steal customer information or disrupt the site A server containing customer information is stolen.
- ✓ Guarantee There is no guarantee for product quality. Our orders might be damage in the post or things may look different online to what you actually receive for example, slightly different colors and feel of clothes or the freshness of vegetables and fruits.
- ✓ Social Relationships Electronic commerce allows to users that buying and selling goods and services without geographic limitations but in this method we do not any contacts and relationships with other
- ✓ Lack of knowledge and necessary information for use of electronic commerce and Internet network
- ✓ Protection of consumer rights in electronic commerce
- ✓ Lack of legal infrastructures in electronic commerce such documents that are not acceptable and electronic signature
- ✓ Low security of electronic funds transfer in some countries
- ✓ Lower speed and limitations on the use of Internet
- ✓ Lack of information intermediary institutions and manufacturing companies of the benefits of Internet business
- ✓ The security and confidentiality of information exchanged

FACTORS INFLUENCING E COMMERCE:

- **Marketing:** The raise of information technologies and computer networks has many effects in business especially in field of marketing. Everyone can make markets work with more efficient and they can improve their career with information management within a group. In this case, they can decrease cost of operations and catch new markets and new opportunities for selling and transactions.
- **Economics:** In industry world, managers must encourage and conduct employees to devise plans to take advantages of new economic opportunities. Electronic commerce is creating new opportunities to the global economic, for example in global travel and tourism industry. Transforming from traditional business method to electronic commerce method is a difficult task and there were many different factors for companies to adapt them with electronic commerce factors. For this work, they must used Internet and many other online networks, because for grow and use from new economic opportunities in each industry it is necessary to be match with new technologies.
- **Finance and Accounting:** Two decades of progress in information technology and development of its applications in the field of economic and social to form a new chapter of relations between people, institutions, companies and governments and new concepts are emerging on literature of economic and trade. Internet as a global network, as well as prerequisite of electronic commerce, for reason flexibility, attractive, ease for use, low-cost access and ubiquity, is changing the traditional business moreover, electronic commerce had a significant impact on finance and accounting that include saving time, disinflation, increase productivity, reduce the demand for money.
- **Production and operation management** the outcomes of manager's work, by on time product qualify productions and with the least cost is determined. For this purpose, first requirement is correct information. Electronic commerce is the best way to have the most accurate and correct information for managers because, consumers transmit their demands to managers directly.
- **Electronic Commerce & Information Technology:** Information technology has changed the manner of acts of people, organizations, governments and so economic, social affairs and even the mentality of people has changed. Education, health, industry, manufacturing, trade, banking and even of all entertainments services have affected and changes with technology. Information technology creates new jobs, new industries, change lifestyle and has brought new creativity in all of the dimensions of our life. Understanding of people together, adapted cultures and decrease of incompatibility are examples of these consequences.

BUSINESS MODELS OF E-COMMERCE:

There are mainly 4 types of business models based on transaction party.

BUSINESS-TO-CONSUMER (B2C)

In a Business-to-Consumer E-commerce environment, companies sell their online goods to consumers who are the end users of their products or services. Usually, B2C E-commerce web shops have an open access for any visitor, meaning that there is no need for a person to login in order to make any product related inquiry.

BUSINESS-TO-BUSINESS (B2B)

In a Business-to-Business E-commerce environment, companies sell their online goods to other companies without being engaged in sales to consumers. In most B2B E-commerce environments entering the web shop will require a log in. B2B web shop usually contains customer-specific pricing, customer-specific assortments and customer-specific discounts.

CONSUMER-TO-BUSINESS (C2B)

In a Consumer-to-Business E-commerce environment, consumers usually post their products or services online on which companies can post their bids. A consumer reviews the bids and selects the company that meets his price expectations.

CONSUMER-TO-CONSUMER (C2C)

In a Consumer-to-Consumer E-commerce environment consumers sell their online goods to other consumers. A well-known example is eBay.

CONCLUSION:

Existence of virtual markets, passages and stores that have not occupy any physical space, allowing access and circulation in these markets for a moment and anywhere in the world without leaving home is possible. Select and order goods that are placed in virtual shop windows at unspecified parts of the world and also are advertising on virtual networks and payment is provided through electronic services, all of these options have been caused that electronic commerce is considered the miracle of our century. The Ecommerce is also expected to further grow in the future generating employment and contributing to India's GDP.

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