

Impact of E-Commerce in Indian Scenario

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Abstract – The said research paper focuses on the impact of Electronic Commerce in India in the recent times. The process of conducting business transactions over the internet is known as E-Commerce. Experts have opined that a revolution has entered the information age which is similar to the industrial revolution. As a result of this, there has been a large number of changes in the social, economic and cultural domains. One of the aspects of this revolution is changes in economic relations between individuals, corporations and governments. The combination of Business and Electronic Commerce will bring out a renaissance in the marketing world. This provides opportunities for the business to get closer to the customers by bringing them inside the company, thereby exploring the new product ideas which results in the customers' involvement directly in the business.

Keywords: E-Commerce, Revolution, Marketing, Product Ideas, Customer Involvement, Impact.

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INTRODUCTION

Electronic commerce, most commonly called as E-commerce, is trading in products or services using internet. Electronic commerce touches upon various areas such as mobile commerce, retail trade, electronic funds transfer, health, education, supply chain management, Internet marketing, online transaction processing, transport, inventory management systems, and automated data collection systems. Electronic commerce is bringing in revolution in the market structure by transforming the business models of a firm and changing the perception of relationship amongst the market actors. Even though it is a new concept, it has the capability of bringing changes in the traditional form of economic activities.

In short, it can be defined as conducting business transactions in an electronic format. These business transactions occurs business-to-customers, customer-to-consumer, consumer-to-business or business-to-business. E-Commerce plays a vital role in the economic growth and contributes to the development of a nation. It is a deliberate activity which involves planning, organising, controlling, marketing and also distribution of goods and services to the widespread population.

RESEARCH METHODOLOGY

This research study is based on both Primary and Secondary data. Primary data is obtained by conducting survey among the users of E-Commerce and the secondary data is obtained from the National and International Research Articles and Journal related to E-Commerce.

OBJECTIVES OF THE RESEARCH STUDY

1. To understand the concept of E-Commerce.
2. To study the E-Commerce Business Models.
3. To study the impact of E-Commerce.
4. To analyse the pros and cons of E-Commerce to business, Customers and Society.

E-COMMERCE MODELS

The first step in understanding the concept of e-commerce is to identify the ecommerce models. Depending on the market actors involved in the business transaction, e-commerce can be classified into below mentioned 4 models:

1) B2C (BUSINESS-TO-CONSUMER)

Business transactions conducted directly between a business organisation and consumers who are the ultimate users of its products or services is known as B2C.

2) B2B (BUSINESS-TO-BUSINESS)

Business-to-business (B2B) refers to the occurrence of business transactions between the business entities such as manufacturer and a wholesaler, manufacturer and a retailer, or between a wholesaler and a retailer etc.

3) C2C (CONSUMER-TO-CONSUMER)

The C2C model involves transaction between consumers. Under this model, one customer directly carries out transactions with another customer.

For example sites like Ebay, OLX etc.

4) C2B (CONSUMER-TO-BUSINESS)

Under this business model, individual customers are the sellers and the business organizations are the buyers. In this transaction, the consumers decide the price of a product instead of the supplier.

IMPACT OF E-COMMERCE

1. IMPACT OF E-COMMERCE ON BUSINESS

- a) **Borderless Marketplace** – With the introduction of E-Commerce, the concept of Market place has become borderless as it has crossed the national and international boundaries. Business can now have access to customers all over the world.
- b) **Cost effective** - The cost involved in creating, processing, distributing, warehousing and retrieving paper-based information has reduced.
- c) **Tailor made services and products** - E-commerce has changed the way consumers buy products and services. This process allows for customization of products and services as per the requirements and needs of customers. Now customers can configure services and products according to their specifications within less time.
- d) **Lower Set-up Cost** – E-commerce allows the business to reduce the costs spent on setting up the stores and maintaining the same.
- f) **No more 24-hour-time Constraints** - Businesses can conduct their activities without time and place constraints.
- g) **Price War**- Through E-commerce, products are displayed online along with the competitors' offers for the similar products. This affects the retailers negatively as the sales will be distributed among the competitors also.

2. IMPACT OF E-COMMERCE ON CUSTOMERS

- a) **24/7 Access** – Through E-Commerce, customers are able to shop 24/7 from any

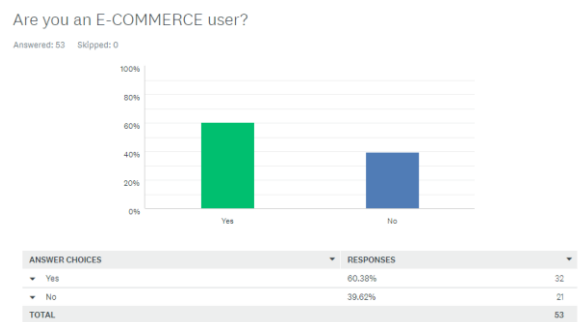
location. For example – checking balances, making payments etc.

- b) **Wide range of Choice**- Customers can choose from a wide range of products and sellers without visiting the physical stores.
- c) **Price Comparisons** - Customers can easily compare the [prices of products and services through multiple websites and can choose wisely.
- d) **Door Step Delivery** – E-commerce has enabled doorstep delivery services to its customers because of which the customers need not have to visit the stores and thereby save the time.
- e) **Intervening Privacy** – Retailers can collect customers information about the visitors to their websites through cookies for their advertisements. This intervenes the privacy of the customers.
- f) **Security** – Online transactions may not be secured if the websites do not comply with the necessary security measures. This might give rise to fraudulent activities

A survey on Consumer Perception on E-Commerce

A survey was conducted to know the perception of consumers on E-commerce in which 53 respondents gave their opinion which are as follows:

Graph 1

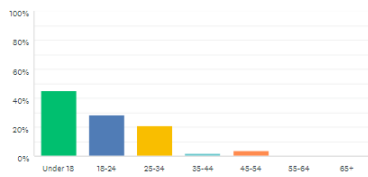


Analysis: Graph 1 depicts that out of 53 respondents 32 of them opted that they are E-Commerce users. This portrays that majority people use E-Commerce.

Graph 2

What is your age?

Answered: 53 Skipped: 0



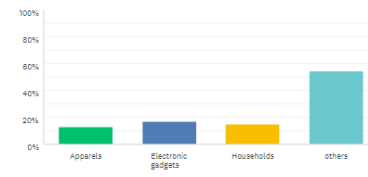
ANSWER CHOICES	RESPONSES
Under 18	45.28% 24
18-24	28.30% 15
25-34	20.75% 11
35-44	1.89% 1
45-54	3.77% 2
55-64	0.00% 0
65+	0.00% 0
TOTAL	53

Analysis: Graph 2 projects that majority of the E-commerce users are aged under 18 years which means young population prefer E-commerce over the others.

Graph 5

What kind of products do you prefer to shop online?

Answered: 53 Skipped: 0



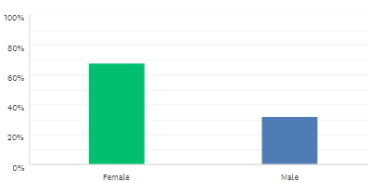
ANSWER CHOICES	RESPONSES
Apparels	13.21% 7
Electronic gadgets	16.98% 9
Households	15.09% 8
others	54.72% 29
TOTAL	53

Analysis: Graph 5 says that the 54.72 of the respondents buys products other than apparels, electronic gadgets and households online.

Graph 3

What is your gender?

Answered: 53 Skipped: 0



ANSWER CHOICES	RESPONSES
Female	67.92% 36
Male	32.08% 17
TOTAL	53

Analysis: Graph 3 shows that female population make use of E-commerce more than the male population.

Graph 6

Which of the following would you prefer?

Answered: 53 Skipped: 0



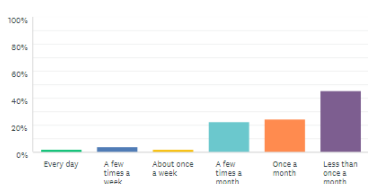
ANSWER CHOICES	RESPONSES
Direct visit to the stores	77.36% 41
Online shopping	22.64% 12
TOTAL	53

Analysis: Graph 6 portrays that 77.36% of the respondents prefer to visit the stores directly than online shopping due to the various drawbacks of the latter one.

Graph 4

How often do you shop online?

Answered: 53 Skipped: 0



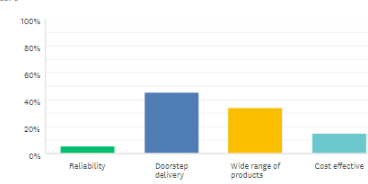
ANSWER CHOICES	RESPONSES
Every day	1.89% 1
A few times a week	3.77% 2
About once a week	1.89% 1
A few times a month	22.64% 12
Once a month	24.53% 13
Less than once a month	45.28% 24
TOTAL	53

Analysis: Graph 4 depicts that majority of the respondents use E-commerce less than once in a month and not very frequently.

Graph 7

Why would you prefer Online shopping?

Answered: 53 Skipped: 0

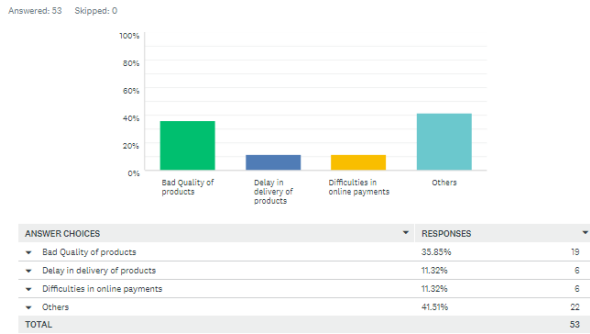


ANSWER CHOICES	RESPONSES
Reliability	5.66% 3
Doorstep delivery	45.28% 24
Wide range of products	33.96% 18
Cost effective	15.09% 8
TOTAL	53

Analysis: Graph 7 focuses that out of 53 respondents 24 of them prefer online shopping due to the ease of accessibility and door step delivery. This can be taken as major advantage of online shopping.

Graph 8

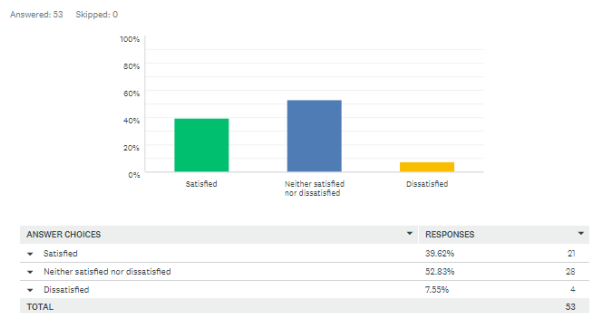
What is the major drawback of E-Commerce?



Analysis: Graph 8 depicts that the major drawback of E-Commerce is due to factors other than bad quality of products, delay in delivery of products and difficulties in online payments. However online retailers should concentrate more on delivering quality products to customers to ensure greater customer satisfaction.

Graph 9

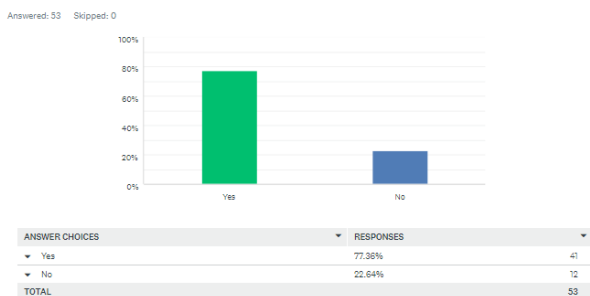
How will you rate your online shopping experience?



Analysis: Graph 9 suggests that out of 53 respondents, 28 of them are neither satisfied nor dissatisfied with online shopping. However 39.62% of them are satisfied with online shopping. Hence it is necessary to improve the system of E-Commerce to increase the number of satisfied customers.

Graph 10

Would you recommend E-commerce to others?



Analysis: Graph 10 depicts that 77.36% of the respondents are satisfied with E-Commerce and they recommend the same to others which is a good sign of the success of E-Commerce.

3. IMPACTS OF E-COMMERCE ON SOCIETY

- a) **Flexible Work Environment** -This has enabled the employees to work remotely and thereby enhancing the quality of Work life. This is the major step toward a happy and less stressful society.
- b) **Connectivity**- It connects the people throughout the world irrespective of their national boundaries and thereby integrating the society.
- c) **Improvement in Public Services** – Various public services like health services, consultation services are available online to the society, which provide easy accessibility to the public services.

CONCLUSION

E-commerce has become an inseparable part of business world. The concept of World Wide Web has a great impact on the society. It can conduct any type of business using internet. Much advancements have been taken place in the field of E-commerce. In India, it has greatly affected the traditional business system and has changed the lifestyle of the society by making business easier.

E-commerce has a lot of impacts on business, customers and society. It is cost effective, easily accessible, enables customisation and ease to both customers and business, low setup cost, improvement in public services, etc. At the same time there are various drawbacks with respect to reliability, security and privacy issues, difficulties in reaching the wide range of social divisions, etc. However, every concept will have its own advantages and disadvantages. It is important to make use of all the advantages in an optimum manner and reduce the wastages by overcoming all the disadvantages.

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