



*Journal of Advances and
Scholarly Researches in
Allied Education*

*Vol. XI, Issue No. XXI,
Apr-2016, ISSN 2230-7540*

A STUDY ON E-COMMERCE AND FUTURE OF E- COMMERCE IN INDIA

AN
INTERNATIONALLY
INDEXED PEER
REVIEWED &
REFEREED JOURNAL

A Study on E-Commerce and Future of E-Commerce in India

Ms. Nisha Dahiya*

Assistant Professor, Dept. Of Commerce, Tika Ram PG Girls College Sonipat, Haryana, India

Abstract – The E-Commerce market is thriving and poised for robust growth in Asia. There are players who made a good beginning. Their success depends on their understanding of the market and offering various types of features. This paper gives an overview of the future of E-Commerce in India and discusses the future growth segments in India's E-Commerce. Also find out various factors that would essential for future growth of Indian E-commerce. And represent the various opportunities for retailers, wholesalers, producers and for people. In this paper we found that the Overall E-Commerce will increase exponentially in coming years in the emerging market of India. This paper deals the conceptual knowledge of search engine marketing (SEM) or e-commerce, literature review, current and future aspects of e-commerce in Indian context. This paper discussed about the top motivator factors of shopping online. The present development would be a valuable addition to researcher and academicians; and useful theory for practitioners, advertisers, and entrepreneurs.

Keywords: SEM, Online Marketing or E-commerce, Pay-per-click (PPC).

----- X -----

INTRODUCTION

The E-commerce Industry in India has come a long way since its early days. The market has matured and new players have entered the market space. In the present dynamic scenario, e-commerce market in the B2C space is growing in demand as well as in the array of services. The transition to online purchasing from traditional purchasing is taking a long time in the Indian market. E commerce includes not only buying and selling goods over Internet, but also various business processes within individual organizations that support the goal. As with e-commerce, e-business (electronic business) also has a number of different definitions and is used in a number of different contexts. One of the technologies which really brought information revolution in the society is Internet Technology and is rightly regarded as the third wave of revolution after agricultural and industrial revolution. The cutting edge for business today is e-Commerce. The effects of e-commerce are already appearing in all areas of business, from customer service to new product design. It facilitates new types of information based business processes for reaching and interacting with customers like online advertising and marketing, online order taking and online customer service etc. It can also reduce cost in managing orders and interacting with a wide range of suppliers and trading partners, areas that typically add significant overheads to the cost of products and services [Rajiv Rastogi]. Businesses are increasingly using the Internet for commercial activities. The ubiquitous nature of the

Internet and its wide global access has made it an extremely effective mode of communication between businesses and customers [Rowley (2001)]. the growth of Internet technology has enormous potential as it reduces the costs of product and service delivery and extends geographical boundaries in bringing buyers and sellers together. Electronic commerce, commonly known as e-commerce or e-Commerce, consists of the buying and selling of products or services over electronic system such as internet and other computer network. Intent is the technology for e-commerce as it offers easier ways to access companies and individuals at very low cost in order to carry out day-to-day business transactions. Search engine marketing (SEM) is a form of web advertising that companies use to promote their products and services on search engine results pages (SERPs). SEM is focused on the effective use of search engine advertisements (a.k.a., sponsored results, sponsored links) that appear on the SERP. SEM which allows firms to target consumers by placing ads on search engines has proven to be an effective audience acquisition strategy. Unlike traditional online advertising, advertisers pay only when users actually click on an ad when successfully implemented, SEM can generate steady traffic levels and tremendous return on investment (ROI).

LITERATURE REVIEW

Literature on web theory is scant because it is a relatively a new area and the technologists at the

forefront of Web design are typically not sufficiently academically inclined to formulate the relevant theories (Day, 1997). While previous research has examined Internet usage (Teo, Lim, & Lai, 1999), commercial websites (Gonzalez and Palacios, 2004), website design (Kim, Shaw, & Schneider, 2003), website effectiveness from the consumers' perspective (Bell & Tang, 1998), pricing paid placements on search engine (Sen *et. al.*, 2008), and bidding (Bernard and Simone, 2011). This form of online advertising emerged in 1998 [Fain and Pedersen 2006], rapidly has become the central business model of the major search engines [Jansen and Mullen 2008], and is one of the most rapidly growing segments of the online marketing area [SEMPO Research 2009]. Search engine has become a necessity for people to surf the web [Hsien-Tsung Chang, 2011]. It is a simple user interface is designed. Any user simply fills in several fields and the system makes the decision about what to find, where to search and how to look at. The threshold of search is lowered. SEM is an internet marketing model aiming at promoting the ranking of websites in the search engine's search results page which can make a web site introduce into more web users and website traffic [iProspect 2008]. Li-Hsing HO *et. al.*, (2011) explained about exploration of SEO technology applied in internet marketing, Kesharwani and Tiwari (2011) studied the importance of website quality towards the success or failure of any e-vendor. Khan and Mahapatra (2009) studied that the quality of internet banking (i-banking) services in India from customer's perspective. Malhotra and Singh (2007) carried out a research to find the i-banking adoption by the banks in India. Thus, it is high time that India should act fast and decisively in order to use the growing electronic trade to our advantage. Boughton (2005) remarked that most online advertising campaigns have two main objectives: brand development and direct response. Selecting an appropriate marketing channel ultimately depends on which strategies will provide the greatest ROI. SEM is a form of Internet marketing that involves the promotion of websites by increasing their visibility in SERP through optimization (both on-page and off-page) as well as through advertising (paid placements, contextual advertising, and paid inclusions) [Search Engine Land 2007]. Devendra *et. al.*, (2012) defined that electronic commerce, commonly known as e-commerce or eCommerce, consists of the buying and selling of products or services over electronic system such as internet and other computer network. The ubiquitous nature of the Internet and its wide global access has made it an extremely effective mode of communication between businesses and customers [Rowley (2001)]. Thompson (2005) introduced that the growth of Internet technology has enormous potential as it reduces the costs of product and service delivery and extends geographical boundaries in bringing buyers and sellers together. Waghmare (2012) pointed out that many countries in Asia are taking advantage of Ecommerce through opening of economies, which is essential for promoting competition and diffusion of Internet technologies.

CONCEPTS OF THE STUDY

Electronic commerce or e-commerce refers to a wide range of online business activities for products and services. It also pertains to "any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact." A more complete definition is: E-commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform, and redefine relationships for value creation between or among organizations, and between organizations and individuals.

DIFFERENT TYPE OF E-COMMERCE

The major different types of e-commerce are: business-to-business (B2B); business to- consumer (B2C); business-to-government (B2G); consumer-to-consumer (C2C); and mobile commerce (m-commerce).

E-COMMERCE IN INDIA

For developing countries like India, e-commerce offers considerable opportunity. E-commerce in India is still in growing stage, but even the most-pessimistic projections indicate a boom. It is believed that low cost of personal computers, a growing installed base for Internet use, and an increasingly competitive Internet Service Provider (ISP) market will help fuel e-commerce growth in Asia's second most populous nation. The first e-commerce site in India was rediff.com. It was one of the most trafficked portals for both Indian and non-residents Indians. It provided a wealth of Indian-related business news a reach engine, e-commerce and web solution services. The past 2 years have seen a rise in the number of companies enabling e-commerce technologies and the internet in India. Major Indian portal sites have also shifted towards e-commerce instead of depending on advertising revenues.

The web communities built around these portal sites with content have been effectively targeted to sell everything from event and mouse tickets the grocery and computers. The major in this services being Rediff.com and the net and India plaza with started a shopping section after In spite of RBI regulation low internet usage e-commerce sites have popped up everywhere hawking things like groceries, bakery items, gifts, books, audio and video cassettes, computer etc. none of the major players have been deterred by the low PC penetration and credit card.

FUTURE OF E-COMMERCE IN INDIA

India is developing rapidly and if development is to be measured, how can we ignore the role of e commerce in it. The internet user base in India might still be a mere 100 million which is much less when compared to its penetration in the US or UK but it's surely

expanding at an alarming rate. The number of new entrants in this sphere is escalating daily and with growth rate reaching its zenith it can be presumed that in years to come, customary retailers will feel the need to switch to online business. Insights into increasing demand for broadband services, rising standards of living, availability of wider product ranges, reduced prices and busy lifestyles reveal this fact more prominently thereby giving way to online deals on gift vouchers. Going by the statistics, the E-commerce market in India was worth about \$2.5 billion in 2009. It rose to \$8.5 billion by 2011 thus depicting a definite surge in the last two years. According to a statement released by the Internet and Mobile Association of India (IAMAI), these figures would reach up to \$12 billion by 2012! To understand this scenario, we can divide E-commerce into three broad categories which include physical services, physical goods and virtual goods. Another category that is gradually making its mark is the local commerce (coupons, yellow pages, classifieds etc.) which offers significant overlaps with E-commerce. The 1st category of physical services is definitely the major contributor which includes travel ticketing, jobs, matrimonial and event management websites with travel sites accounting for 75% of all E-commerce industries! It provides attractive deals too. The 2nd category of physical goods is the one currently gaining considerable attention, thanks to the hype created by new startups/stores being launched daily. Leaders in this division are Flipkart, Infibeam, Homeshop18, Indiatimes, Naaptol, Lets buy etc. each of which offers everything from mobile phones to pet food. The 3rd and final category of virtual goods and gift vouchers like online music, software's, movies, games, Taj Hotel gift vouchers, Reebok gift vouchers, Pizza Hut gift vouchers etc. have been relatively lagging behind in India as compared to Europe and America, primarily due to piracy concerns and the social perspective of Indians. But the scenario is expected to change with the digital downloads segment expected to grow in the Indian E-commerce market due to the explosion of mobile devices and the services available over the Internet at special discounts. Certain unique attributes of the E-commerce industry in India such as cash on delivery mode of payment and direct imports that lower costs considerably are probably going to bring about a speedy growth in this industry in years to come. According to the latest research by Forrester, a leading global research and advisory firm, the e-commerce market in India is set to grow the fastest within the Asia-Pacific Region at a CAGR of over 57% between 2012- 16. The report, titled "Asia Pacific Online Retail Forecast, 2011 To 2016," has been issued by Forrester Research Inc. Analyst Zia Daniell Wigder, with Steven Noble, Vikram Sehgal and Lily Varon.

ANALYSIS OF THE STUDY

Some analysts and on-line business people have decided that e-business is infinitely superior as a moniker to e-commerce. That's misleading and distracts us from the business goals at hand. The effort to separate the E-commerce and E-business concepts appears to have been driven by marketing motives and is dreadfully thin in substance. Here's the important thing: E-commerce, E-business or whatever else you may want to call it is a means to an end. The different names, definitions and words referred to in the previous sections are merely a sample of the glossary that has originated from marketing departments to sell a concept, the media to describe a sensational 'new' phenomenon, consultants to justify their fees and recommendations, and business to validate and implement the new technology. In fact there is no one definitive meaning of e-commerce or e-business that is universally established. The different terms are used to illustrate different perspectives and emphases of different people in different organizations and business sectors. Some argue that it makes little sense to have a restrictive definition for the term e-commerce since it is unlikely that there will be agreement on a single unique definition. 'Attempting to define E-commerce or E-business is guaranteed to generate Byzantine debates with meaningless origins. It reminds me of trying to answer the following question: "If one synchronized swimmer drowns, would the others follow?" Because of this trend, it is necessary when undertaking any electronic commerce, electronic business or any other e-related project or assignment, to clearly define any term in the context and environment in which it is being used. For the purpose of clarity, the distinction between e-commerce and e-business in this book is based on the respective terms commerce and business. Commerce is defined as embracing the concept of trade, 'exchange of merchandise on a large scale between different countries'. By association, e-commerce can be seen to include the electronic medium for this exchange. Thus electronic commerce can be broadly defined as the exchange of merchandise (whether tangible or intangible) on a large scale between different countries using an electronic medium – namely the Internet. The implications of this are that e-commerce incorporates a whole socio-economic, telecommunications technology and commercial infrastructure at the macro-environmental level. All these elements interact together to provide the fundamentals of e-commerce. Business, on the other hand, is defined as 'a commercial enterprise as a going concern'.¹² E-business can broadly be defined as the processes or areas involved in the running and operation of an organization that are electronic or digital in nature. These include direct business activities such as marketing, sales and human resource management but also indirect activities such as business process

re-engineering and change management, which impact on the improvement in efficiency and integration of business processes and activities.

RESULTS & DISCUSSION

The research studies described earlier concerning e-commerce and Web assurance services indicate that some consumers have virtually no worries about doing business on the Web, while others express varying levels of concern. For this study, a survey was used to gather information regarding e-commerce experiences and perspectives. The survey included 50 consumers. Most had previously made an online purchase. A Nielsen global survey found that over half of Internet users have made at least one purchase online in the past month (RTO 2008). Demographic information regarding the survey participants is provided in Exhibit 6 below. As shown, survey participants were fairly evenly distributed by gender, 58 percent male and 42 percent female. Age of participants was 52 percent over age 30 and 48 percent under age 30. Survey participants were split between students, 56 percent, and non-students, 44 percent. Household incomes varied, with 40 percent between zero and \$25,000 and 40 percent over \$100,000

Demographic Data of E-Commerce Survey Participants

Gender:		
Male		58%
Female		42%
Age:		
30 and Under		52%
Over 30		48%
Household Annual Income:		
\$0-25,000		40%
\$25,001-100,000		20%
Over \$100,000		40%
Student:		
Student		56%
Non-student		44%

The survey included college students and businesspeople. Regarding college students, behavioral research often uses students as surrogates of the general population. Prior research shows that college students generally make decisions representative of the general population (Ashton and Kramer 1980). As far as e-commerce activity, college students have considerable purchasing power. A study by the National Association of College Stores estimated college students have about \$100 billion in discretionary income, and that the purchasing patterns of students often predict purchasing trends of the general population (NACS 2001).

Results of the survey are shown in Exhibit 7 below. Estimated weekly time on the Internet varied, with 10 percent spending less than two hours per week and over one-third spending more than 10 hours per week.

According to a recent study (ComScore 2011), during 2010 the average American was on the Internet 32 hours per month, or about 8 hours per week. Interestingly, older persons, ages 45-54 set a higher average of 39 hours online each month.

E-Commerce Survey Findings

Estimated Weekly Time on Internet:		Percent
None		0
More than 0; Less than 2 hours		10
More than 2; Less than 6 hours		20
More than 6; Less than 10 hours		33
More than 10 hours		37
Made Online Purchase:		
Yes		94
No		6
Made Online Purchase Past 3 Months:		
Zero		14
1-3		50
4-6		18
More than 6		18
Made Online Purchase of Services Past 3 Months:		
Zero		41
1-3		37
4-6		12
More than 6		10
Made Online Purchase of Product Past 3 Months:		
Zero		22
1-3		46
4-6		24
More than 6		8

Bad E-Commerce Shopping Experience:	Percent
Yes	33
No	67
Bad E-Commerce Shopping Experience Resolved:	
Yes	67
No	33
Satisfied with Online Shopping Experiences:	
Yes	92
No	8
Presence of Web Assurance Seals Important:	
Yes	94
No	6
Web Assurance Seals Influence Online Purchases:	
TRUSTe	56
Trust Services	44
BBB Reliability Program	42
Verisign	78
Understand Differences in Web Assurance Services:	
Yes	58
No	42
In Past 3 Months Have Not Made an Online Purchase Due to Privacy or Security Concerns:	
Yes	40
No	60

The great majority of survey participants, 94 percent, had made an online purchase. A total of 86 percent had made at least one online purchase in the past three months; 18 percent had made more than six online purchases in the past three months. Both services and products had been purchased by a majority of participants: 59 percent had purchased a service and 78 percent had purchased a product.

While 94 percent of participants had made an online purchase, a large proportion of participants, 40 percent, indicated that in the past three months they had chosen not to make an online purchase due to concerns about privacy or security. Most online shoppers were satisfied with their experiences, but about one-third had experienced a bad e-commerce shopping experience. On the positive side, though, about two-thirds of those who had a bad experience had the bad experiences resolved. With regard to Web assurance seals, 94 percent of the consumers indicated that the presence of a Web assurance seal was important. Many indicated that the presence of the seals influenced online purchases. The breakdown by

seal was as follows: TRUST e, 56 percent; Trust Services, 44 percent; BBB Reliability Program, 42 percent; and Verisign, 78 percent. Using Web assurance services is one way that companies can enhance the viability of their e-commerce websites.

CONCLUSION

The future of E-Commerce is difficult to predict. There are various segments that would grow in the future like: Travel and Tourism, electronic appliances, hardware products and apparel. There are also some essential factors which will significantly contribute to the boom of the E-Commerce industry in India i.e. replacement guarantee, M-Commerce services, location based services, multiple payment option, right content, shipment option, legal requirement of generating invoices for online transactions, quick Service, T & C should be clear & realistic, the product quality should be same as shown on the portal, dedicated 24/7 customer care centre should be there. We found various types of opportunities for retailers, wholesalers/distributors, producers and also for people. Retailers meet electronic orders and should be in touch with the consumers all the time. Wholesalers can take advantage of E-Commerce who are capable of establishing contractors with reputed producers and linking their business with the on- line. Producers can also linking themselves with on-line, by giving better information about their products to the other links in the business chain and by a having a brand identity. As more people are getting linked with E-commerce, the demand for centre providing internet facility or cyber cafe is also increasing. Hence, the people who wish to take advantage of it can establish cyber and have their benefits. People could found various opportunities of employment. On the behalf of above said reports and experts view showed that the future of e-commerce in India would be bright in the upcoming years if all essential factors would be implemented.

REFERENCES:

- Bansal, Rashmi (2012). Growth of the Electronic Commerce in China and India: A Comparative Study Dubey Rahul, E-Commerce poised for a leap in 2012
- Emmanuel Lallana, Rudy Quimbo, Zorayda Ruth Andam (2000). ePrimer: An Introduction to eCommerce, 2000), 2
- Ernest A. Capozzoli, Thomas K. Pritchett (2000). E Commerce: A Conceptual framework, Journal of Asia Pacific Business
- Kaur Pradeep, Dr. Joshi Mukesh (2012). E-Commerce in India: A Review, IJCST Vo I. 3, issue 1, 2012 Kaur, Ramneet, E-Commerce

in India, Asian journal of research in business economics and management, vol. 2, issue 6.

M. K. (2000). Euro Info Correspondence Centre (Belgrade, Serbia), "E-commerce-Factor of Economic Growth."

Rosen, Anita (2000). The E-commerce Question and Answer Book (USA: American Management Association, 2000), 5.

Sharma Shweta, Mittal, Sugandha (2000). "Prospects of E-Commerce in India".

Corresponding Author

Ms. Nisha Dahiya*

Assistant Professor, Dept. Of Commerce, Tika Ram PG Girls College Sonipat, Haryana, India

E-Mail – arora.kips@gmail.com