

An Overview of Electronic Commerce (e-Commerce)

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Abstract:

A shift is taking place in the global economy. Online technology have changed all businesses into information-based organizations. Modern electronic commerce is changing the economic landscape in such a dramatic way that it is affecting every sector of the business due to the rapidity with which it is evolving technologically. Companies' reach has been widened through the Internet. The amount of business information that can be accessed through the global network, which allows companies, corporations, their customers, and different divisions of a company to share information, is growing at an exponential rate. Any company's information-based virtual value chains can't be ignored in any way, both operational and strategic. This review study examined the many features of e-commerce, including its relevance, facilitators, advantages, problems, and scope in the Indian marketplace.

Business, consumer, e-commerce, the internet, market strategy, expansion, and profit are all used in this article.

INTRODUCTION

IT and globalization both have a significant impact on how businesses operate today. IT systems have been adopted and integrated in almost all businesses that have made significant IT infrastructure investments in the hope of achieving long-term success. E-commerce (EC) is becoming more and more popular as a means of conducting commercial transactions. Many businesses [1] have made it a top priority. "Just in Time" and "Just in Time" manufacturing will be linked to trade partners, enhancing their global strategic capabilities, thanks to the EC. According to EC's description, there is a lack of consensus. EC may represent information, services, goods, or online payments over telephone lines, computer networking, or other ways from a communications perspective. EC automates corporate transactions and workflows by implementing technology from a business process standpoint. To meet the needs of industry, consumers, and

management, EC offers a solution to reduce service costs while simultaneously improving product

efficiency and speeding up service delivery. For the Internet and other online resources, EC provides online purchasing and distribution of products and information from an online perspective. The electronic sector has grown in importance as a result of the rapid growth of the Internet and network technologies. Today, many large-scale business processes are conducted online. Internet infrastructure is necessary for people to buy and sell items and services online [2].

Electronic commerce is defined in this review article, as well as why it is crucial in today's market. Various sorts of e-commerce and their facilitators were also explored. In addition to the advantages of e-commerce, there are certain drawbacks that will be covered in the following sections. In the latter parts, we'll talk about how electronic commerce in India is evolving and where it's headed.

E-Commerce and Its Importance

Electronic commerce is the term for e-commerce. It refers to the use of electronic media and the internet to do business. E-commerce requires a corporation to have access to the internet and IT, such as electronic data interchange, in order to do business online (EDI). E-commerce is the practice of selling products or services directly to customers through an internet vendor's website. In order to pay by credit card, debit card, or EFT, the gateway employs a wireless purchase cart or a purchasing basket (EFT). Here's another way to put it: Value-creation relationships are established, modified, and redefined via the usage of

electronic communications in corporate transactions [3].

ICTs, particularly the Internet, are accelerating the worldwide business world's transition to e-commerce (Business-to-Business). Consumers may now access the global economy through the Internet, which gives them the ability to compare costs across regions, see how they fluctuate based on the request, and learn about substitute. As a result, the purchasers benefit greatly. Consumers may easily compare e-commerce offers from various websites because to market openness. If the firm is electronic, its competitors will be only a few clicks away from the consumer. Even more swiftly than in conventional terms, customers may modify their expectations if they aren't satisfied with the cost, quality, or services of particular digital items or information. From the sellers' perspective, they don't need a physical location [4].

E-Commerce Facilitators

1. Internet:

E-commerce has expanded as a result of the internet's widespread use. The Internet and smart mobile phones have become a part of everyone's daily routine. It is no longer an intelligence source, but the Internet is an effective way of purchasing, reading, communicating and even receiving assistance for horses, carpenters and doctors. Using digital networks, the supply chain is streamlined and efficient, reducing pollution and boosting green enterprises. As a result of the ICT revolution, the economy is growing at an unprecedented rate. New markets have been created because to the Internet and its services, which have made enormous technical developments. Internet users were few and far between in the 1980s, but the number of test users rose steadily until 1994. With the emergence of the World Wide Web and the subsequent proliferation of multimedia material, the number of people using networks has skyrocketed. Since its inception, the internet has grown at a rate unmatched by any other media. The International Telecommunication Union (ITU) of the United Nations reportedly predicted that there would be 3.2 billion internet users in 2015. In May of this year, there were 7.2 billion people on the planet. There were just 400 million Internet users globally in the year 2000.

2. Payment Gateway:

E-commerce application service providers provide credit card payments for e-commerce, online stores, bricks and clicks, and conventional brick and mortar purchases. Payment methods include credit cards, debit cards, online banking purchases, and transfers of electronic monies, which are the most important elements in internet transactions. The move from cash to digital money necessitates the necessity for payment gates in the future of e-commerce.

3. Analytics:

When it comes to making smarter decisions, analytics is the empirical method of doing so. Analytics helps businesses gather, organize, evaluate, and remark on their customers. – adverbs In light of the enormous increase in data volume, businesses must increasingly depend on research to get a better understanding of their customers. Real-time information is essential for retailers that want a return on their online investments and a channel mix. Basic statistics are accessible for e-commerce businesses, but a deeper analytical approach is needed to get a better understanding of customers.

4. Social Media:

Businesses utilize social media on a regular basis to promote their products. It includes blogs and computer apps that enable users to interact and exchange information through the internet using a computer or mobile phone. The importance of social media in product development and in reminding customers of current promotions cannot be overstated. Product or service reviews are also helpful. It serves as a marketing technique for establishing a loyal following of customers, media outlets, and word-of-mouth referrals.

5. Autonomous Vehicles:

Artificial intelligence, sensors, and the global positioning system are all used in autonomous automobiles to enable them to operate without the need for a human driver. The private automobile is nearing the end of its life span. In the near future, autonomous consumers will have plenty of free time to do things like surf the internet, check their email, make purchases, and watch advertising. Self-driving cars benefit from extensive digital media experience. A company's marketing plan might be tailored to avoid this new sector by taking into account these buying and search tendencies. In the next years, big

data will be so adaptable and predictive that no one will be able to manually modify it again..

6. 3D Printing:

A 3D printer is a kind of electronic equipment capable of creating a three-dimensional digital model from scratch. Additive manufacturing is an overlay that mimics the successful printing of ink on a piece of paper using an ink-jet printer. 3D printing has the potential to revolutionize the way humans produce goods, much as the Industrial Revolution in the early 19th century impacted farming. Prototypes that the customer is expected to print, or that the designer is linked with a third-party manufacturer, are generated using 3D printing. The final product is not sold; just the idea and a printing license are offered. Promising artists have been known to post pictures of their printing setups, whether they're at home or at the office, on the internet.

E-Commerce Potential In The Modern Market

There are fewer trade venues on the global economy because of the WWW and the Internet. Because of the speed with which things are purchased and exported, the countries of the South Pacific are more accessible to the rest of the globe. South Pacific nations may gain access to new markets as a result of the agreement. In the midst of all the hoopla around internet commerce and the recent bankruptcy of numerous dot-com corporations, it offers significant opportunities for small businesses in developing countries. They might allow tapa-clothes makers to directly sell their goods online and show off their creations using digital cameras. Electronic commerce is particularly promising for small-scale businesses that have difficulty accessing overseas markets, if transaction costs can be reduced via the internet enough.

The e-commerce industry's new trend has spread well beyond its original scope. Today's e-commerce marketplace is more than just a place where people can buy and sell things over the internet; it's a place where individuals can do all kinds of things, from offering intangible goods and services like GST enforcement and short-term loans to bringing in artificial intelligence. The consumer's perspective is about to undergo a sea change as a result of the rapid advancement of new technology. However, the next generation of e-commerce trends will place a strong emphasis on improving customer services via the

Internet of Things (IoT), data processing, logistics, artificial intelligence, personalisation, and hyper-local space. Aim to gain ground in current and developing areas by looking at some of the things that's happening in e-commerce [6].

E-Commerce Business Types

There are mainly six basic types of electronic commerce as shown in the Figure 1:

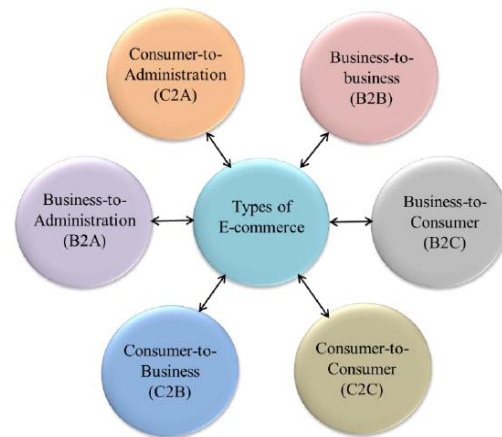


Fig.1: Schematic illustration of the Types of the E-commerce based on their Characteristics

1. Business-to-Business (B2B):

Electronic commerce B2B includes all electronic products or services transfers between firms. In general producers and traditional industrial wholesale companies use this approach for electronic trading.

2. Business-to-Consumer (B2C):

Company and final client electronic company partnerships E-commerce business to consumer. It is the e-commerce shopping section, where conventional retail business typically takes place. These partnership styles can be simpler, more complex and intermittent and can be discontinued. This business type has expanded considerably because of the advent of the Internet with a number of online shops and centers that offer customers' products of any kind such as computers, electronics, books, accessories, cars, food, financial materials and digital publications. In contrast to retail sales in conventional trade, the buyer typically has more knowledge about insightful content available and it is generally accepted that you can buy cheaper, without jeopardizing a similarly individual customer

experience as well as promising easy processing and distribution.

3. Consumer-to-consumer (C2C):

Type C2C electronic e-commerce encompasses all trade in goods or services electronically between customers. Typically this exchange is done by a third party that offers an online transaction forum.

4. Consumer-to-business (C2B):

In C2B is reversed the usual context of exchange in goods. This method of e-commerce is widely used in crowdsourcing-based companies. For companies that aim precisely at some types of services or items, individuals also sell their services or products. These events include locations at which artists ask for several suggestions for a logo and only one is successfully selected and purchased. Another popular medium in this business segment is the markets which sell photos, photos, media and design elements free of royalty.

5. Business-to-administration (B2A):

This portion comprises all internet transactions between companies and the government. This covers a wide variety of diverse programs, notably in areas such as taxation, social care, healthcare, legal documentation and records, etc. These modes of services have been significantly extended in recent years by spending in e-government.

6. Consumer-to-administration (C2A):

The C2A model includes all electronic purchases between governments and individuals. Application highlights include:

- ❖ Education – disseminating information, distance learning, etc.
- ❖ Social Security – via information distribution, making payments, etc.
- ❖ Taxes – filing tax returns, payments, etc.
- ❖ Health – appointments, information about illnesses, payment of health services, etc

E-Commerce Benefits

The biggest advantage from the consumer viewpoint is that it improves dramatically and saves lots of time and convenient to access from everywhere in the world. At any time, the customer is free to place the order [7]. For consumers, the key advantages of e-commerce are:

- Lower trade rates for stock exchange members.
- Enhanced flexibility - purchases can be carried out 24 hours a day without physical contact with the firm.
- Save time - Consumers will at any time purchase or sell any product online.
- The customer has better access by clicking on the button to search details on numerous pages, easily and continuously accessing information.
- Comfort in both purchases and transactions be made from the comfort that a buyer needs from a home or office.
- Moving to other companies-customers is still easy if the company's operation is unsatisfactory.
- A product was not available at the local or national market that provides consumer's access to a larger product than before could be available to customers.
- A consumer will make feedback on a product to see what others buy or see other clients' review comments before making a final purchase.

Increased sales and decreased running and sustaining costs through the Internet are the key advantage of e-commerce from the point of view of sellers. Include the following:

- It helps in revenue generation
- Reduces significantly costs related to operation as well as maintenance
- Reduces costs that is spend on purchase as well as procurement
- It helps to raise customer loyalty as well as retention
- Significantly reduction in budget spend transportation of the products
- Improve and develop relationship of customer and the supplier
- It helps in speeding the selling process
- Make internal as well as external communication better
- It promote the image of any company and brand

Challenges Associated with E-Commerce

Like other technologies, electronic commerce (E-commerce) also facing many challenges. These challenges mainly faced by the buyer as well as sellers who use internet as a medium for the business.

Some of the these challenges are discussed as follows[8]:

- ✓ The electronic commerce market is not rising along with private and public enterprises. Private and public collaboration is needed to increase the electronic commerce industry. Joint efforts offer people the credibility they need to succeed on electronic commerce.
- ✓ There is no system protection, reliability, special requirements and some communication protocols. The customer loses his money, if the e-commerce website is hacked. For e-commerce Web sites, cyber security is the most common problem.
- ✓ Financial institutions and intermediates: So far, financial institutions and banks are reluctant to play an active role in supporting the e-commerce market in developed countries. But retailers need the participation of banks in expanding e-scope commerce and popularity and in mitigating theft and possible losses related to credit card fraud. However, banks and other financial service intermediaries are threatened outside their payment card strategy, in areas with no ordinary credit card creation alternative approaches to safe and efficient online purchases.

There is a culture of purchasing goods in developed countries by bargaining deals with suppliers, which is challenging for e-commerce in developing nations due to the absence of facilities in the networks.

- ❖ One of the biggest challenges is the reduction of internet prices. The regulators are trying to be modest in bandwidth costs. However, the internet does not remain low due to high network delivery and servicing costs.
- ❖ The most critical factor is trust in electronic settlements. A standard paper on Baseline Laws and Rules may provide for the accuracy and legitimacy of e-commerce transactions. The trust in the developed world is based on modern legislation and impartiality in electronic transactions. Although the legislation and the judicial system which does not establish e-commerce-based transactions are not covered, whether real or perceived, they are adverse. In many developed nations, cash delivery is still today the most well-known

process, with checks and credit cards not being readily accepted.

- ❖ For modern transaction procedures, new instruments and new service providers the legal description, consent and authorization are needed. For example, it is important to define an electronic signature and the status of a handwritten signature. The new legislative definitions and permits as the legal term of a bank and the notion of a domestic border can also be reviewed.

Besides the above challenges, the emerging economy of some developing countries also faced many other challenges are discussed below:

- Lacking in education
- Diverse Cultural and tradition
- Poor framework related to online marketing
- Less marketing and promotion
- Political issues
- High cost of services and products as compared to traditional market
- Less coverage of internet
- Communication is disorganized across the country
- Less number of trustable business as well as enterprise and
- Direct meeting with seller and buyer is missing

E-Commerce Trends in India

E-commerce allows customers to choose when and where to purchase, as well as to research the goods, the seller, and other options. The purchase process has been transformed by the availability of internet information. E-commerce allows you to buy almost anything from a store, even perishables like food. These chances have been seized up by clients throughout the globe. E-commerce is already having an impact on a wide range of industries, from customer service to product design [9]. It provides new ways for companies to interact and engage with customers, such as online advertising and marketing, online order fulfillment, and online customer service... According to some, the WWW is still being utilized to conduct e-commerce. Order processing and communication with a large number of suppliers and trade partners, which often add significant overheads to product and service prices, may also be reduced by the use of cloud computing. Developing nations like India have a lot to gain from the rise of e-commerce. Although it is in its infancy in India, even the most pessimistic estimates indicate that it will

soon be booming. A notable increase in the number of electronic commerce companies has been seen in recent years. Big Indian websites have shifted their focus from advertising to e-commerce.

You may now find a wide range of goods and services in a variety of different places, from flowers and greeting cards to movie tickets and grocery stores to mobile gadgets and equipment. Electronic commerce has grown to the point that excrement patties from cows are being sold like hot cakes. [10] According to ASSOCHAM's analysis, India's electronic commerce business is expected to grow from \$23 billion in 2015 to \$38 billion in 2016. Because of rising internet and smartphone use, rising online purchase uptake, and an upbeat demographic, companies now have an unprecedented opportunity to stay in touch with their customers. However, mobile commerce (m-commerce) has developed swiftly as a healthy and safe complement to internet commerce. Smartphone-enabled online purchasing is a game changer. 70% of the company's revenues will come from m-commerce.

CONCLUSION

To summarize, the electronic commerce industry will be a prominent sector in electronic business in the years to come. New markets and frontiers are quickly being opened by the electronic commerce revolution. This has a significant beneficial influence on the transaction sector. It had a profound impact on the world's economy and allowed people to have better lives. Customers and sellers benefit from e-commerce, but traditional firms have challenges in establishing a long-term presence. E-commerce might face a variety of difficulties in developing nations as compared to developed ones. E-commerce booms and many businesses are drained when Internet costs are low. Electronic commerce's ability to increase client loyalty via ease of use is a big selling point for customers. This is due to the fact that customers may place orders over the internet from any location. An e-commerce platform that is easy to use and offers a variety of payment options should be a must for every consumer. Expanded product lines and a broader geographic reach are two further benefits. When it comes to expanding their business, online retailers encounter several hurdles.

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