

A Survey on Growth of E-Commerce Business in India

Sneha Miskin, Shiwani Jaiswal, Aishwarya Raut, Prof. K. K. Kumbhare

Department of Computer Engineering

BDCE Wardha India

Abstract:- E-commerce is usually associated with buying and selling over the Internet or conducting any transaction involving the transfer of ownership or rights to use goods or services through a computer mediated network. In other words, it is the buying and selling, marketing and servicing, delivery and payment of products, services information over the Internet and other networks. E-commerce has changed the nature of the value propositions that companies now offer to their customers. The convergence of content sites and social networks has resulted in emerging e-commerce business models. The study aims to analyze the growth of e-commerce industry in India. This research explored the usage level of ecommerce technologies, benefits and barriers of e-commerce usage. The methodology used to examine the key elements is done by secondary research.

Keywords: E-commerce, Internet, Business, Growth

I. INTRODUCTION

Internet is one component which has recently become the key ingredient of quick and rapid lifestyle. Be it for communication or explorations, connecting with people or for official purposes, 'internet' has become the central-hub for all. Internet is undoubtedly beneficial to e-consumers users and other users such as social network users; it has made it possible for any person to easily collect personal information about Internet users without their consent. Consumer concerns over the safety of personal information and the violation of an individual's privacy rights are described as being the single overwhelming barrier to rapid growth of e-commerce. Recent research findings also show that the level of public concern for privacy and personal information has increased. E-commerce is one of the fastest gains of information technology leads to fundamental changes in a way to make businesses effective and efficient. The growth of e-commerce provides and highlights the various advantages to companies and businesses. These benefits include the dissemination of information, development of new technologies, promote and sell products and services. E-Commerce also opens up an opportunity to promote the environment, which promotes the globalization of markets worldwide; particularly businesses on online basis.

The cases of Internet fraud are increasing at an alarming rate, so that companies using e-commerce must have means to protect the transmission of personal data. In this situation, people expect companies to protect, and most people want more conclusive evidence that information is safe and secure. However, empirical research in this area drowned in contradictory perceptions of trust. The research provides the effect of strengthening confidence in the development of e-commerce in different cultural contexts and configurations. Therefore, the aim of the paper is to provide a study on the impact of safety in e-commerce development.

II. LITERATURE REVIEW

E-Commerce:

E-commerce stands for electronic commerce. E-Commerce refers to the exchange of goods and services over the Internet. All major retail brands have an online presence, and many brands have no associated bricks and mortar presence. However, e-Commerce also applies to business to business transactions, for Example, between manufacturers and suppliers or distributors. E-Business probably began with electronic data interchange in the 1960s (Zwass, 1996). However, (Melao, 2008) suggests that it was only in the 1990s, primarily via the Internet, that e-Business has emerged as a core feature of many organizations. In his opinion, the hope was that e-Business would revolutionize the ways in which organizations interact with customers, employees, suppliers and partners. Some saw e-Business as part of a recipe to stay competitive in the global economy.

Rajeev Kamineni (2004) in his study finds that World Wide Web can change human behavior and human interactions to a very large extent. Web based shopping behavior is one major example to point out the trends in this direction. Archana Shrivastava, Ujjwal Lanjewar, (2011) in online buying, the rate of diffusion and adoption of the online buying amongst consumers is still relatively low in India. Ernst & Young, 2001; Mahajan, Muller & Bass, (1990) over time the Internet buyer, once considered the innovator or early adopter, has changed. While once young, professional males with higher educational levels, incomes, tolerance for risk, social status and a lower dependence on the mass media or the need to patronize established retail channels.

Fram & Grady, 1997; Kunz, 1997; Mehta & Sivasdas, 1995; Sultan & Henrichs, 2000, For Internet buyers, gender, marital status, residential location, age, education, and household income were frequently found to be important predictors of Internet purchasing. In the online retail space,

there are a number of models that retailers can adopt. Traditionally, the Web presence has been kept distinct from the bricks and mortar presence, so transactions were limited to buying online and delivering the goods or services. The online presence is also important for researching a product that a customer can purchase later in the store. Recently, there has been a trend towards multi-channel retail, allowing new models such as purchasing online and picking up in store. E-Commerce systems are also relevant for the services industry. For example, online banking and brokerage services allow customers to retrieve bank statements online, transfer funds, pay credit card bills, apply for and receive approval for a new mortgage, buy and sell securities, and get financial guidance and information.

III. E-COMMERCE TECHNOLOGIES

Several technologies are needed for e-commerce to exist. The most obvious one is the internet. Beyond that system of interconnected networks, many other sophisticated software and hardware components are needed to provide the required support structure: database software, network switches and hubs, encryption hardware and software, multimedia support, and the World Wide Web. Methods of connecting all the software and hardware elements in just the right way to support electronic commerce are changing and evolving every day. The success rate of some of the technologies is directly connected to the success of e-commerce.

Cloud:

Most of the e-tailers are depending on cloud technology for its flexibility, scalability, availability, mobility, and efficiency. Cloud communications can be an important enabler in helping e-Commerce companies in ensuring personalized consumer engagement throughout the purchase cycle and also in executing effective and near real-time marketing campaigns.

Digital Advertisements:

The digital advertisement industry is growing rapidly as there is a growth in digital communication devices around the world. The increase in smart phones, tablets is enabling advertisers to reach a wider audience. According to analysts, the Indian online ad market will grow year-on-year at 30% to reach 35.75 billion by March 2015.

Search Engine Optimization (SEO):

With thousands of products in the digital catalogues, the e-commerce players find it easy to be visible with the help of SEO technology. SEO can help the websites to be more specific, measurable, realistic, and time efficient and hence can significantly boost profits. E-tailers should optimize the critical aspects of their online store and earn rich snippet displays in search results on various search engines to drive more targeted, motivated buyers to their products.

E-PAYMENT SYSTEMS

Electronic money:

E-money is the most important tool to employ digital technology in economic context and can be used as bank cards, transferring money in internet, salary and wage systems and other concepts in e-commerce. E-money could be defined as follow: "Money that is moving as electronic currency and can be saved or represents as smart cards or electronic wallets. It can also be used in sale terminals, or person to person, or be flowed or expend to banks or other distributors of e-money through phone lines." It can be concluded that e-money is a pay mechanism for reserved or prepaid value, which is saved in an electronic instrument and is possessed by consumer.

Credit card: Credit card is a plastic card which contains name and identity of the owner in front. There exists a magnetic tape which contains identity and owner address, in the back. Computerized financial systems like ATM employ this information to obtain identity of card holder when taking money. Bank or issuing institute confirms the credit. Even if the owners have no money in their account, to a distinguished level they can buy or get money, but they have to liquidate to a certain time. Commonly customers have to pay a rate near 2% (as per condition of issuer) in month for used credit.

Debit card : A debit card (also known as a bank card or check card) is a plastic card that provides the cardholder electronic access to his or her bank account(s) at a financial institution. The card, where accepted, can be used instead of cash when making purchases. In some cases, the primary account number is assigned exclusively for use on the Internet and there is no physical card. Debit cards usually also allow for instant withdrawal of cash, acting as the ATM card for withdrawing cash. Merchants may also offer cash back facilities to customers, where a customer can withdraw cash along with their purchase.

Charging Card: Credits are paid in the beginning of each period and the owner should pay back the money at the end of that period. These kinds of cards have a charging fixed cost.

Electronic check: A form of payment made via the internet that is designed to perform the same function as a conventional paper check. Because the check is in an electronic format, it can be processed in fewer steps and has more security features than a standard paper check. Security features provided by electronic checks include authentication, public key cryptography, digital signatures and encryption, among others. Using e-check reduces the costs because of no need to papers and post.

Growth of E-commerce in India

According to 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. Example, between manufacturers and suppliers or distributors. E-Business probably began with electronic data interchange in the 1960s (Zwass, 1996). However, (Melao, 2008) suggests that it was only in the 1990s, primarily via the Internet, that e-Business has emerged as a core feature of many organizations. In his opinion, the hope was that e-Business would revolutionize the ways in which organizations interact with customers, employees, suppliers and partners. Some saw e-Business as part of a recipe to stay competitive in the global economy.

Rajeev Kamineni (2004) in his study finds that World Wide Web can change human behavior and human interactions to a very large extent. Web based shopping behavior is one major example to point out the trends in this direction.

Archana Shrivastava, Ujjwal Lanjewar, (2011) in online buying, the rate of diffusion and adoption of the online buying amongst consumers is still relatively low in India. Ernst & Young, 2001; Mahajan, Muller & Bass, (1990) over time the Internet buyer, once considered the innovator or early adopter has changed. While once young, professional males with higher educational levels, incomes, tolerance for risk, social status and a lower dependence on the mass media or the need to patronize established retail channels.

Farm & Grady, 1997; Kunz, 1997; Mehta & Sivas, 1995; Sultan & Enriches, 2000, For Internet buyers, gender, marital status, residential location, age, education, and household income were frequently found to be important predictors of Internet purchasing. In the online retail space, there are a number of models that retailers can adopt. Traditionally, the Web presence has been kept distinct from the bricks and mortar presence, so transactions were limited to buying online and delivering the goods or services. The online presence is also important for researching a product that a customer can purchase later in the store. Recently, there has been a trend towards multi-channel retail, allowing new models such as purchasing online and picking up in store.

IV. BENEFITS OF E-COMMERCE

- E-commerce allows people to carry out business without the barriers of time or distance. One can log on to the internet at any point of time and purchase or sell anything one desires at a single click of the mouse.

- The direct cost of sale for an order taken from a website is lower than through traditional means (retail, paper based), as there is no human interaction during the online electronic purchase order process. Also, electronic selling virtually eliminates processing errors as well as being faster and more convenient for the visitors.
- E-commerce can increase sales and decrease costs. A firm can use e-commerce to reach narrow market segments that are widely scattered geographically.
- The internet and the web are particularly useful in creating virtual communities that become ideal target markets. A virtual community is a gathering of people who share a common interest, but, instead of this gathering occurring in the physical world; it takes place on the internet.
- Just as e-commerce increases sales opportunities for the seller, it increases purchasing opportunities for the buyer.
- Businesses can use e-commerce in their purchasing processes to identify new suppliers and business partners.
- Negotiating price and delivery terms is easier in e-commerce, because the web can provide competitive bid information very efficiently.
- E-Commerce increases the speed and accuracy with which businesses can exchange information, which reduces costs on both sides of transactions.
- E-commerce saves time of the business owners to perform within short time. One can literally log on the internet at any point and any time.
- E-Commerce provides buyers with a wider range of choices than traditional commerce, because they can consider many different products and services from a wider variety of sellers.
- The benefits of e-commerce also extend to the general welfare of society. Electronic payments of tax refunds, public retirement, and welfare support cost less to issue and arrive securely and quickly when transmitted via the Internet.

V. CONCLUSION

Today, we are talking about e-commerce progress level of India, the seventh-largest by geographical area, the second most populated country, and the most populous democracy in the world. Indian E-commerce space percentage is getting higher as more and more online retailers enter the market. The greater adoption of Internet and smart phones is the biggest driver of e-commerce in India. Internet penetration is rapidly increasing with around 300 million users in 2014. The smart phone is steadily growing and consists of 35% of the overall mobile phone market in the country. The research reveals the significance of adoption of e-commerce in India. The major finding of this research confirmed that growth of e-commerce shows acceptance with latest technologies. E-commerce has a significant impact on customer loyalty and acts as an intermediary for each part of

the quality of the user interface and data quality, and customer satisfaction. However, consumer confidence in e-commerce affects the purchasing decisions. The user interface and the quality of information on e-commerce sites were observed indirectly affect consumer loyalty.

References

- [1] Stephen A. (2003), "The Emergence of Interdependent E-Commerce Constructs, Journal of Internet Banking and Commerce"; 8(2).
- [2] Balasubramanian S, Konana P, Menon NM. (2003), "Customer satisfaction in virtual environments: a study of online investing Management Science" 2003; 49 (7): 871-89.
- [3] Brachman RJ, Khabaza T, Kloesgen W, Piatetsky-Shapiro G, Simoudis (1996) "E-Mining business databases Communications of the ACM"; 39 (11): 42-8.
- [4] Corbitt, B.J., Thanasankit, T. & Yi, H. (2003), "Trust and e-commerce: a study of consumer perceptions", Electronic Commerce Research & Applications, Vol. 2 No.3,
- [5] Wasfi Al rawabdeh, Dia Zeglat, Abdelghafour Alzawahreh, (2012), "The Importance of Trust and Security Issues in E-Commerce Adoption in the Arab World". Issue 52 Sept.
- [6] Nisha Chanana, Sangeeta Goele, (2012) "Future Of E-Commerce In India". • Kaur Pradeep, Dr. Joshi Mukesh, (2012) "E-Commerce in India: A Review", IJCST Vol. 3,
- [7] James Christopher (November 2004), "E-Commerce: Comparison of On-line Shopping Trends, Patterns and Preferences against a Selected Survey of Women"
- [8] Dr. Mohd Ashraf Ali, Azam Malik, Ashraf Imam, (June 2012), "E-Commerce: Benefits and Challenges in Indian banking sector"
- [9] Ahmed Abou Elfetouh Saleh (December 2012), "A Proposed Framework based on Cloud Computing for Enhancing E-Commerce Applications", Volume 59–No.5
- [10] Pawar Santoshi Abhiman and Sagar S. Jamborkar, (July 2012) "An Analytical Study Of E-commerce Growth In Developing Country Like India", Volume 2, Issue. 6.