



## SIGNIFICANCE OF E-COMMERCE IN INDIA- A STUDY WITH SPECIAL REFERENCE TO ONLINE BUYING ACTIVITIES

**Dr. Deepak K**

Assistant Professor, Department of Commerce Sri. D Devaraja Urs Government First Grade College, Hunsur – 571105 Mysuru. Karnataka

**Mr. Manjunatha R A Katte\***

Assistant Professor, Department of Commerce Sri. D Devaraja Urs Government First Grade College, Hunsur – 571105 Mysuru. Karnataka. \*Corresponding Author

### ABSTRACT

E-Commerce stands for Electronic Commerce. E-Commerce is improving standard among the commercial community in worlds, about the opportunities offered by E-Commerce. E-Commerce as part of the information technology revolution became widely used in the world trade in general and Indian economy in particular. With advancements in technology, there is many changes has been occupied. In India, across more than 6,50,000 villages and approximately 40% living below poverty line. Literacy rate is 75.08% but rural literacy rate is 71 %. Whereas computer literacy rate is just 6.5% so that E-Commerce is facing many pros and cons. Nowadays in India government is promoting the DIGITAL INDIA campaign so that people can transact and aware of E-Commerce. In the backdrop of all these scenarios the present paper makes an attempt to highlights the favour of E-Commerce in India, and to understand the disfavours of e-commerce in India. There are many reasons for which, E-commerce is playing a vital role in India at the same time there are some fraudulent activities in other views. So this papers tries to explain about the positive and negative aspects of E-commerce in India.

**KEYWORDS :** E-commerce, digitalization in India, Usage of online process, positive and negative issues of e-commerce

### Introduction:

Two thousand years ago, Roman roads brought trade and commerce to Europe in an unprecedented manner. A thousand years ago, the spice routes linked the cultures of East and West. At the dawn of the second millennium, the Internet, the world's largest computer network, the network of networks, is making fundamental changes to the lives of everyone on the planet-changing forever the way business is conducted.

The availability of Internet has led to the development of E-Commerce (Electronic commerce), in which business transactions take place via telecommunication networks. E-Commerce has two major aspects: economical and technological. The stress of this course will show you how to get started in the complex and exciting world of Electronic Commerce. New standards and new facilities are constantly emerging and their proper understanding is essential for the success of an operation and especially for those who are assigned a duty to select, establish, and maintain the necessary infrastructure.

### E-Commerce in India

The introduction of internet in India in 1995 marked the beginning of the first wave of E-Commerce in the country. Moreover, economic liberalization after the launch of reforms in 1991 attracted MNCs and brought about the growth of the IT industry. The implementation of liberalization policies led to the demise of the license regime, and high taxes and import restrictions, as well as facilitated the growth of SMEs. The IT industry and SMEs were the early adopters of internet.

### Types of E-Commerce

**1. Business-to-business (B2B):** It is simply defined as ecommerce between companies.

**2. Business-to-consumer (B2C):** Ecommerce between companies and consumers, it involves customers gathering information; purchasing physical goods or receiving product over an electronic network.

**3. Business-to-Government (B2G):** It refers to the use of internet for public procurement, licensing procedures, and other government related operations.

**4. Consumer-to-consumer (C2C):** It is simply commerce between private individuals and consumers.

### Use of E-Commerce in Indian market system:

**Be your own boss:** E-commerce give you a chance to be your own boss, so you don't need to follow any orders. You can elaborate your business with your own decisions. There is always a chance that you do mistakes but you deal with them solely without being shouted by anyone.

**Easy to start:** To start an ecommerce business you just need a hosting solution, which gets you signed up within few moments. You can easily sell your products over internet after signing up with your hosting solutions.

**24 hours access:** E-commerce business is the only place which offers you to earn even when you sleep. It works 24 hours in a day without any barriers so when you sleep your business run and you earn.

**Globalization:** One of the principal reasons to do e commerce business is that it works around the globe. By the way of ecommerce you are not restricted to sell your products or services within boundaries and offer you to earn more.

**Goodwill:** Ecommerce business done worldwide so it may help you to increase your company's goodwill and also help you to earn more profits.

### Review of literature:

Researcher argues about the quick usage of internet facilities in the business process. The internet user population was small during the 1980s, experiencing a slow but steady growth until 1994 due to an increasing number of text-based users (eg, those using email and file transfer functions). Then, with the introduction of the World Wide Web and subsequent multimedia content expansion, the number of net users exploded. In fact, the internet has grown much more quickly than any other medium in history.

**Awais Muhammad and Samin Tanzila (2020)** indicate that use of internet has made the world a global village. The use of Internet has reduced the distances and brought the people together. A nation's back bone is commerce and it will be strengthened if backed by electronic tools in which e-commerce plays a vital role. The important feature in ecommerce is privacy which not only increases competitive advantage but confidence level also.

**Abhijit, (2021)** There is an arguments about the different usage of online activities through the adoption of e-commerce has been a rise in the number of companies' taking up e-commerce in the recent Past. Major Indian portal sites have also shifted towards e-commerce instead of depending on advertising revenue. Many sites are now selling a diverse range of products and services from flowers, greeting cards, and movie tickets to groceries, electronic gadgets, and computers, etc..

**Mitra (2022)** suggests that E-Commerce has unleashed yet another revolution, which is changing the way businesses buy and sell products and services. New methodologies have evolved. The role of geographic distances in forming business relationships is reduced. E-Commerce is the future of shopping. With the deployment of 3G and

4G wireless communication technologies, the internet economy will continue to grow robustly.

### Need for the study:

E-Commerce is one of the fast moving processes in the field of business. While studying about the e-commerce, it is also important to focus on the positive and negative impacts of e-commerce in Indian market. There is more advantages are identified about e-commerce, at the same time there are some disadvantages are also hidden in this e-commerce. As digitalization market, e-commerce contribution is more in the country for its economic developments. There are more fraudulent activities are also involved in this e-commerce. As a customer or user of e-commerce it is very important to focus on all the aspects of its advantages and disadvantages.

### Scope of the study:

Nowadays, India is in a completely growing stage of development and we need to update our business to the growing needs of the new generation. 'Incredible India' has now got a new name – 'DIGITAL India'. There is a huge scope of E-Commerce. The current generation completely belongs to e-services. Today, every business and service is going the 'internet' way. Everyone prefers e-services and e-governance which are the most preferred ways to connect to the people around the world.

### Objectives of the study:

1. To know about the effectiveness of E-Commerce in India
2. To study the pros and cons of E-Commerce in India
3. To analyse the contribution of E-Commerce in Indian Market

### Methodology:

The study focuses only on the basis of secondary data. The researcher collected the information through the reports, internet and text book. Pros and Cons of E-Commerce is measured through the opinions of customers and service rendered which is announced in the various reports. The study focuses on the entire activities in the Indian money and capital system through the e-commerce activities.

### Findings:

India is the country which has all levels of income people. The mindset of the people varies from one to another. Their preferences are also depend on the un-equilibrium generation of income. Though the concept of barter system to e-commerce, there are lot of developments and innovations have done in the country. But the concept of E-commerce is like two face of a coin, which has both positive and negative circumstances. The use of e-commerce is depends on the income level of the people. Compare to the olden days, there is lot of improvements have inculcated in the Indian financial system. E-Commerce is also one the contribution from technical view point of Indian market.

### Suggestions:

1. Government of India must take care proper initiation of DIGITAL INDIA.
2. Promote and educate ICT.
3. In India, the growth of E-commerce has been steady but slow. There is a clear lacuna in the required resources and infrastructure that has hampered progress.
4. E-commerce firms will have to work hard to gain consumers trust.
5. Consumers are not adequately protected against fraud, misleading claims or poor service, it must be improved.

### Conclusion:

The opportunities for ecommerce Documented: rising incomes, 8% GDP growth, a young population with high aspirations. Call it a clichéd argument, but it's also a truism that the above factors will collectively be the growth engine for e-commerce. "The opportunities are plenty. Almost half the Indian population is under 25 years of age, and they are growing richer as they join the workforce. Per capita is on the rise. The internet offers better deals and a wider variety compared to supermarkets. E-Commerce is only 15 years old. As of now, India has very few websites people know, remember or trust. We need many more, E-commerce also provided an opportunity to empower smaller entrepreneurs in remote areas. E-commerce could also be the catalyst for 'social product development' and 'crowd funding'.

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