



ORIGINAL RESEARCH PAPER

Commerce

E-COMMERCE: RISE OF BUSINESS DUE TO E-COMMERCE

KEY WORDS: E-commerce, Technology, Computers, Business

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ABSTRACT

E-commerce is an abbreviation for electronic commerce; it is the process involving transaction of goods or services over the web. E-commerce and similar opportunities contribute to consumer predilections and consumer marketplaces in developing new infrastructure to fulfill upcoming requirements. The e-commerce has transformed the working of commerce and businesses; World Wide Web has changed the nature of competition by creating communication system of computers thereby producing e-commerce open market for everyone. With innovations in Web-based technologies, difference between traditional markets and e-commerce are reduced globally. India is one of the biggest market place in terms of e-commerce. One reason for this is the low internet charges, low cost of desktops and the increasing use of the Internet. The payment options created by use of UPI, digital valets and pay on delivery have propelled the e-commerce to new heights. The business community and public at large, in India is becoming more aware of the prospects of e-commerce.

1. INTRODUCTION

1.1 Defining e-commerce

E-commerce is purchase or sale of Goods and Services using World Wide Web or commonly known as internet. There are three areas of e-commerce: online retailing, electronic markets, and online auctions. e-commerce allows consumers to shop online and pay online through the Internet, saving the time and space of customers and enterprises, thereby greatly improving transaction efficiency, especially for busy office workers, but also saving a lot of valuable time. Buyer and seller do not meet physically to each other for the transaction.

Despite its popularity, we have no universal definition which can properly define revolutionary business phenomenon called the e-commerce.

A more comprehensive definition of e-commerce can be:

E-commerce is the use of computer and internet based technologies for business transaction. E-commerce creates very conducive environment for development of digital transactions thereby helping create new opportunities for business even creating new business lines

1.2 Can we say e-commerce and e-business are same?

While some people use the terms e-commerce and e-business interchangeably, they are not the one and same thing. E-commerce refers to the performing online commercial activities, transactions over internet whereas e-business refers to performing all type of business activities through internet. E-business is broader in the sense than the e-commerce.

1.3 Types of e-commerce

Contemporary electronic commerce can be classified into two categories. The first category is business based on types of goods sold. The second category is based on the nature of the participant (B2B, B2C, C2B and C2C).

There are five essential categories of E-commerce:

- Business to Business
- Business to Consumer
- Business to Government
- Consumer to Business
- Consumer to Consumer

2 Defining B2B e-commerce

B2B e-commerce, short for business-to-business electronic commerce, is the sale of goods or services between businesses via an online sales portal thereby improving the efficiency and effectiveness of a company's sales efforts. Instead of receiving orders using human assets (sales reps)

manually – by telephone or e-mail – orders are received digitally, reducing overhead costs. This type of e-commerce accounts for 75% of all e-commerce, and is expected to grow than other segments.

B2B transactions rely more on supply chains. Manufacturing firms buy components or raw materials from other businesses and then sell them to a wholesaler, distributor, or retail customer. An automobile manufacturer, for example, engages in several B2B transactions. The final transaction, the sale of a finished vehicle to a consumer, is a single B2C transaction. Wholesalers and distributors still have a supply chain, but it is made up of finished goods. It can be divided into two parts: infrastructure and e-marketplace.

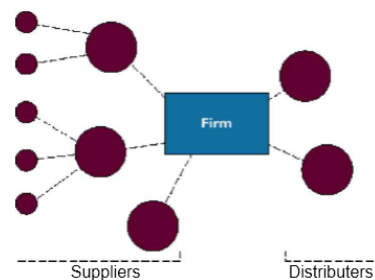
Infrastructure consists of followings:

- Logistics functions (e.g. Transportation, warehousing, and distribution)
- User Interface Application
- Auction software for Internet-based real-time auctions
- Content administration software to aid in the management and delivery digital content.

E-marketplaces are simply web based applications where buyers and sellers interact and transact with one another.

A diagram depicts how e-commerce can help a business.

A Local Industrial Network - This graph depicts how e-commerce aids in the development of a Local industrial network.



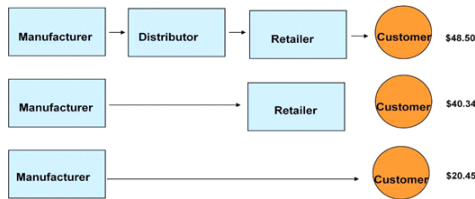
DEFINING B2C E-COMMERCE

B2C transactions can be termed as retail. Retail refers to the activity of selling goods or services directly to consumers or end-users. Some retailers may sell to business customers, and such sales are termed non-retail activity.

Retailing often occurs through retail stores or service establishments, but may also occur through direct selling such as through vending machines, door-to-door sales or

electronic channels. E-retailing has reduced the transaction cost for the buyers by providing information and allowing consumers to find most suitable price for the product. Technology has greatly reduced cost of setting up and maintaining website thereby enabling e-retailing or online retailing.

In case of digital products (like movies, digital books) e-retailing is more appealing as it saves cost for requirement of a physical distribution network. With the new generation taking over and events like Covid-19 forcing peoples to switch to technology faster delivering of the digital goods is becoming more feasible.



DEFINING B2G E-COMMERCE

Business to government (B2G) is the sale and marketing of goods and services to federal, state, or local agencies. B2G is not an insignificant chunk of business. The governments spends a lot of money for the official requirements and expansion of infrastructure.

Governments generally solicit services from the private sector through requests for proposal (RFPs). There are many hurdles and delays in the payment even cancellation of the projects or requirement even after placing orders. Layers of regulation can drag on the overall efficiency of the contracting process.

Indian Government has designed a new platform called Government e-marketplace (GeM). All the procurements of government are done through this platform. This is one of the leading e-commerce platform where seller sell their goods to government. This kind on initiative is the future of B2G transactions.

5. DEFINING C2C E-COMMERCE

Customer to customer (C2C or consumer to consumer) markets enable customers to interact with one another. In customer-to-customer markets, the company creates an environment in which customers can sell goods or services to one another. C2C e-commerce refers to electronic transactions between consumers that are mediated by a third party. C2C e-commerce opportunities are provided by platforms such as OLX. An online auction is a common example, in which a consumer posts an item for sale and other consumers bid to buy it; the third party typically charges a flat fee or commission. The websites serve only as intermediaries, connecting consumers. They are not required to inspect the quality of the products on offer.

It is widely explored new area for consumers and business houses.

6. DEFINING C2B E-COMMERCE

Consumer-to-business (C2B) is a business model in which consumers (individuals) create value and businesses consume that value. For example, when a consumer writes reviews or when a consumer gives a useful idea for new product development then that consumer is creating value for the business if the business adopts the input. In the C2B model, a reverse auction or demand collection model, enables buyers to name or demand their own price, which is often binding, for a specific good or service. Inside of a consumer to business market the roles involved in the transaction must be established and the consumer must offer something of value to the business. [2]

Another form of C2B is the electronic commerce business model in which consumers can offer products and services to companies, and the companies pay the consumers. This business model is a complete reversal of the traditional business model in which companies offer goods and services to consumers (business-to-consumer = B2C). We can see the C2B model at work in blogs or internet forums in which the author offers a link back to an online business thereby facilitating the purchase of a product (like a book on Amazon.com), for which the author might receive affiliate revenues from a successful sale. Elance was the first C2B model e-commerce site.

7. DEFINING M-COMMERCE

M-commerce (mobile commerce) is the buying and selling of goods and services through wireless handheld devices such as smartphones and tablets. M-commerce is a form of e-commerce that enables users to access online shopping platforms without the use of a desktop computer. Over time, content delivery through wireless devices has become faster, more secure and scalable. As a result, mobile commerce has grown rapidly.

Examples of m-commerce use in specific industries include the following:

- Financial services. Mobile banking and brokerage transactions are done from mobile devices.
- Telecommunications. Handheld devices are used to make service changes and bill payments, and to do account reviews.
- Service and retail. Consumers place and pay for orders on-the-fly through online stores.
- Information services. Financial, sports, traffic, weather and many other news updates are accessed through mobile devices.

Mobile are very portable and therefore provides following benefits over the traditional computer based e-commerce: large customer base, convenience, product variety, automation and Omni-channel experience. Due to poor execution, payment issues, tax complications and security vulnerabilities businesses are hesitant to adopt M-Commerce. New trends in m-commerce are: Augmented reality (AR), Mobile banking AI, chatbots and shopping assistants.

8. BENEFITS OF E-COMMERCE

Low Transaction cost. B2B e-commerce transactions significantly reduce costs in three areas.

- The first benefit is a reduced search costs for consumers. Internet provides detailed and comparative information thus saving in terms of effort, time, and money spent.
- Second, the costs of processing transactions are greatly reduces due to automation of processes.
- Finally, online processing helps with inventory management and logistics.

Dis-intermediation. Suppliers can interact and transact directly with buyers via B2B e-markets, eliminating the need for intermediaries and distributors. New types of intermediaries, however, are emerging. E-markets, for example, can be thought of as intermediaries because they act as a link in the supply chain between suppliers and customers.

Pricing transparency. One of the more obvious advantages of e-markets is increased price transparency. There are a lot of participants thereby reducing the chances of undue advantage by cartelization.

Wide varieties of products. There are vast number of seller and buyers for e-commerce and so is the vast varieties of the

products. There is a space constraint for an offline store. There is no such constraint for e-commerce store.

Data Insight: Data is the new gold. The data collected through transactions is used to provide details about preference of the buyer and requirements. It helps to provide customized services and products for the business transactions.

Affordable Marketing: there is a restriction for offline marketing in terms of reach, cost and location. Online marketing is targeted, easy and cost effective.

New Customers / Businesses: E-commerce can help acquire new customers or businesses. Anyone can sell to anyone located anywhere. There are no boundaries set for accessing the product. Anyone seller who is located in India can sell to a buyer located in America.

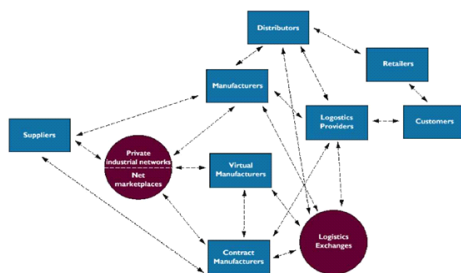
9. SUPPLY CHAIN MANAGEMENT

Supply-chain management has been defined as the "design, planning, execution, control, and monitoring of supply chain activities with the objective of creating net value, building a competitive infrastructure, leveraging worldwide logistics, synchronising supply with demand and measuring performance globally."

SCM practise is heavily influenced by industrial engineering, systems engineering, operations management, logistics, procurement, information technology, and marketing, and it strives for an integrated, multidisciplinary, multimethod approach. Marketing channels are important in supply-chain management.

SCM refers to the integrated planning and execution of processes necessary to optimise the flow of materials, information, and capital in functions such as demand planning, sourcing, production, inventory management, and logistics—or storage and trans

Supply chain management explained:



10. EXISTING TRENDS IN DEVELOPING COUNTRIES WITH RESPECT TO E-COMMERCE

In most developing countries, the following payment methods are available for online transactions:

A. Regular Payment Methods

- Payment or cash upon delivery. Many online transactions only involve the submission of purchase orders. Payment is made in cash upon receipt of the physical goods.
- Bank transfers (IMPS/NEFT/RTGS). Payment is transferred by any of the method before or after the purchase.

Delivery is done in the traditional manner.

B. Electronic Payment Methods

Payment System	Description
Unified Payment Interface	Bank to bank transfer without any charges

Credit Card	Payment through credit card through machine or over the internet
E- Wallet	Paytm, Phonepay, Google pay etc. can store and transfer limited amount of money
Accumulated Balance Payment System	Accumulates money or points to be Paid Periodically
Stored Value Payment Systems	Enables Instant Payments Based On money Stored In Digital Account
Digital Currency	Digital Currency or Crypto currencies like Bitcoin, Binance can be used to pay for transaction worldwide.
Peer-To-Peer Payment Systems	Sends Money Via internet
Digital Cheque	Digital cheque is similar to normal cheque except it is in electronic form
Electronic Billing Presentment & Payment	Supports Electronic Payment For Online And Physical Store Purchases

11. FUTURE OF E-COMMERCE

Developing countries holds the key to future of e-commerce. Countries like India and China have high population and low product reach, making them suitable for e-commerce. With the advent of new technologies like Block chain, UPI and other cutting age technologies, world is yet to see the charisma of e-commerce. Experts predict a bright and glorious future for e-commerce in the twenty-first century. In the near future, e-commerce will solidify its position as a major sales tool. Because e-shopping is becoming more popular and natural, successful ecommerce will become a concept inextricably linked to the internet. Simultaneously, fierce competition in the field of ecommerce services will accelerate their growth. Thus, the dominant future e-commerce trends will be the growth and evolution of Internet sales.

The number of ecommerce transactions grows exponentially each year. Online store sales volumes are more than comparable to "brick-and-mortar" store sales volumes. And the trend will continue because people lack time and effort required to purchase, whereas the Internet saves a lot of time and allows people to shop for the best prices. The current Internet sales boom is the foundation for a spectacular e-commerce future. To attract more customers, e-commerce owners must do more than simply increase the number of products and services available, but to pay more attention to such elements as ease of process, convenience of use, and appealing goods presentation, they will need to employ modern technologies at the right time for their businesses to become a part of the ecommerce future.

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