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RESEARCH ARTICLE

E-COMMERCE & IT's IMPLICATIONS IN BUSINESS DEVELOPMENT

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ABSTRACT

E-Commerce is currently one of the most important aspects of the Internet to emerge. Ecommerce allows consumers to electronically exchange goods and services with no barriers of time or distance. Electronic commerce has expanded rapidly over the past five years. In the near future the boundaries between "conventional" and "electronic" commerce will become increasingly blurred as more and more businesses move sections of their operations onto the Internet. Modern electronic commerce typically uses the World Wide Web for at least one part of the transaction's life cycle although it may also use other technologies such as e-mail. There are three areas of e-commerce in that online retailing, electric markets, and online auctions. E-commerce is supported by electronic business. E-commerce is conducted using a variety of applications. The Indian economy grew by 7% in October-December 2016 and is expected to grow at 7.1% in 2016-17. The E-commerce industry which was worth Rs. 1257 billion in 2015 is estimated to be contributing about 1% of GDP. More companies now try to entice consumers directly online, using tools such as digital coupons, social media marketing and targeted advertisements. E-commerce markets are growing at noticeable rates. The online market is expected to grow by 56% in 2015–2020. Traditional markets are only expected 2% growth during the same time. E-commerce allows customers to overcome geographical barriers and allows them to purchase products anytime and from anywhere. The implication of e-commerce includes various issues such as economic, legislative, technological and social. E-commerce has outstanding growth prospective and it contributes directly to economic development of the country. Actually, e-commerce has created a phenomenon in almost all economic activities

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INTRODUCTION

E-commerce (electronic commerce or EC) is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet. These business transactions occur either as business-to-business, business-to-consumer, consumer-to-consumer or consumer-to-business. The terms e-commerce and e-business are often used interchangeably. Computer Dictionary. The buying and selling of products and services by businesses and consumers through an electronic medium, without using any paper documents. E-commerce is widely considered the buying and selling of products over the internet, but any transaction that is completed solely through electronic measure can be considered E-commerce.

Here are a few examples of E-commerce

- Accepting credit cards for commercial online sales
- Generating online advertising revenue
- Trading stock in an online brokerage account
- Driving information through a company via its intranet

- Driving manufacturing and distribution through a value chain with partners on an extranet
- Selling to consumers on a pay-per-download basis, through a Web site

History of E-commerce: The beginnings of e-commerce can be traced to the 1960s, when businesses started using Electronic Data Interchange (EDI) to share business documents with other companies. In 1979, the American National Standards Institute developed ASC X12 as a universal standard for businesses to share documents through electronic networks. After the number of individual users sharing electronic documents with each other grew in the 1980s, in the 1990s the rise of eBay and Amazon revolutionized the e-commerce industry. Consumers can now purchase endless amounts of items online, both from typical brick and mortar stores with e-commerce capabilities and one another. In 2000s Many European and American business companies offered their services through the World Wide Web. Innovative applications ranging from online direct sales to e-learning experiences, since then, People began to associate a word "e-commerce"

Objectives: Objective of the paper is to understand the E-commerce practices in India.

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- It also aims to understanding the applications and organizations of E-Commerce.
- It will help to identify the present and future impacts and implications of E-Commerce.

MATERIALS AND MEHTODS

The paper is based on secondary data. The data has been collected from internet, articles, newspapers etc. Graph and percentile method has been used to analyze the data.

Components of E-commerce: E-commerce integrates e-market, e-data inter-change and internet buying and selling of goods and services. The E-commerce also involves using all round electronic methods and procedures to conduct business activities to achieve the organizational goal. It uses different technologies and hugs a wide range of financial firms such as electronic banking, electronic trading, electronic cataloguing, Video conferencing, and multi-media communications, electronic data interchange (EDI), electronic mail (E-mail), facsimile (fax) and all forms of messaging between enterprises. It combines technologies (Internet, EDI, electronic forms, electronic cash, Barcodes), information technology standards (such as EDIACT, EAN/UPC), strategies (Just-in-time inventory management, efficient consumer response).

E-commerce applications: E-commerce is conducted using a variety of applications, such as email, online catalogs and shopping carts, EDI, File Transfer Protocol, and web services. This includes business-to-business activities and outreach such as using email for unsolicited ads (usually viewed as spam) to consumers and other business prospects, as well as to send out e-newsletters to subscribers. More companies now try to entice consumers directly online, using tools such as digital coupons, social media marketing and targeted advertisements. The rise of e-commerce forces IT personnel to move beyond infrastructure design and maintenance and consider numerous customer-facing aspects such as consumer data privacy and security. When developing IT systems and applications to accommodate e-commerce activities, data governance related regulatory compliance mandates, personally identifiable information privacy rules and information protection protocols must be considered.

Impacts of E-commerce

Impact on markets and retailers: E-commerce markets are growing at noticeable rates. The online market is expected to grow by 56% in 2015–2020. Traditional markets are only expected 2% growth during the same time. Brick and mortar retailers are struggling because of online retailer's ability to offer lower prices and higher efficiency. Many larger retailers are able to maintain a presence offline and online by linking physical and online offerings. E-commerce allows customers to overcome geographical barriers and allows them to purchase products anytime and from anywhere. Online and traditional markets have different strategies for conducting business. Online retailers often hold no inventory but send customer orders directly to the manufacture. The pricing strategies are also different for traditional and online retailers. Online retailers base prices on the speed of delivery. Security is a primary problem for e-commerce in developed and developing countries. E-commerce security is protecting business' websites and costumers from unauthorized access,

use, alteration, or destruction. The type of threats includes malicious codes, unwanted programs, phishing, hacking, and cyber vandalism. E-commerce websites use different tools to avert security threats. These tools include firewalls, encryption software, digital certificates, and passwords.

Impact on supply chain management: E-commerce has the capability to integrate all inter-company and intra-company functions, meaning that the three flows are physical flow, financial flow and information flow of the supply chain could be also affected by e-commerce. The information flows, e-commerce optimized the capacity of information processing than companies used to have, and for the financial flows, e-commerce allows companies to have more efficient payment and settlement solutions.

Impact on employment: E-commerce helps create new job opportunities due to information related services, software app and digital products. It also causes job losses. The areas with the greatest predicted job-loss are retail, postal, and travel agencies. The development of e-commerce will create jobs that require highly-skilled workers to manage large amounts of information, customer demands, and production processes. On the other hand, because e-commerce requires sufficient stocks that could be delivered to customers in time, the warehouse becomes an important element. Warehouse needs more staff to manage, supervise and organize, thus the condition of warehouse environment will be concerned by employees.

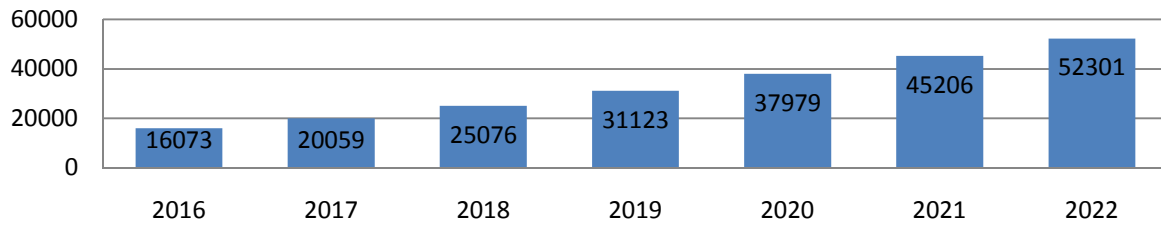
Impact on customers: E-commerce brings convenience for customers as they do not have to leave home and only need to browse website online, especially for buying the products which are not sold in nearby shops. It could help customers buy wider range of products and save customers' time. Consumers also gain power through online shopping. Also, online shopping often provides sales promotion or discounts code, thus it is more price effective for customers. Moreover, e-commerce provides products' detailed information, even the in-store staff cannot offer such detailed explanation. Customers can also review and track the order history online. However, e-commerce lacks human interaction for customers, especially who prefer face-to-face connection. Customers are also concerned with the security of online transactions and tend to remain loyal to well-know retailers.

Social impact: E-commerce has huge impact on the economy and society. E-commerce allows for the globalization of markets and created a society based on knowledge and information. B2B is rapidly growing in the world, which leads to lower cost and then improves the economic efficiency and also bring along the growth of employment. Employment growth is based on the increase of jobs in specific markets related to e-commerce, such as, new products, market research, software sales, and online service. These jobs affect many countries where e-commerce is thriving. Specific institutions (education, health, government services) may also be affected by e-commerce.

Implication of E-commerce

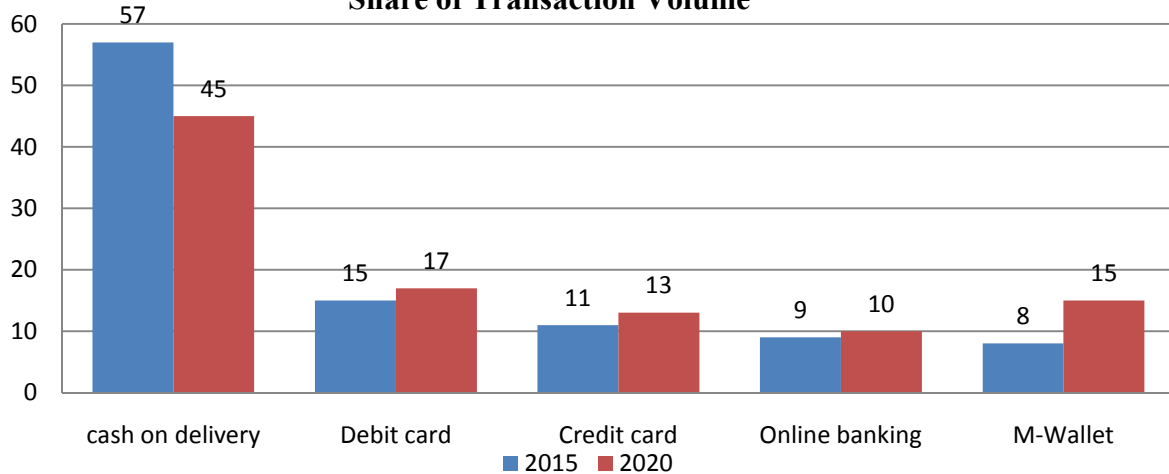
- The implication of e-commerce includes various issues such as economic, legislative, technological and social. E-commerce has outstanding growth prospective and it contributes directly to economic development of the country. E-commerce has created a phenomenon in almost all economic activities.

Retail E-commerce sales



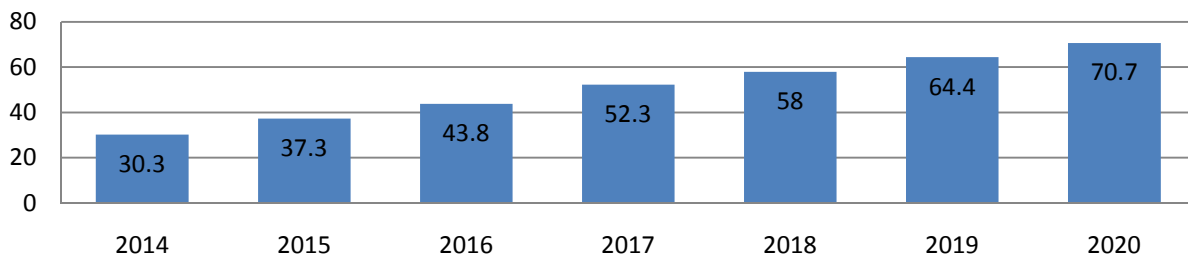
Retail E-commerce sales in India from 2016 to 2022 (in Million U.S. dollars)

Share of Transaction Volume



Preferred digital payment methods in India in 2015 and 2020(in percentage)

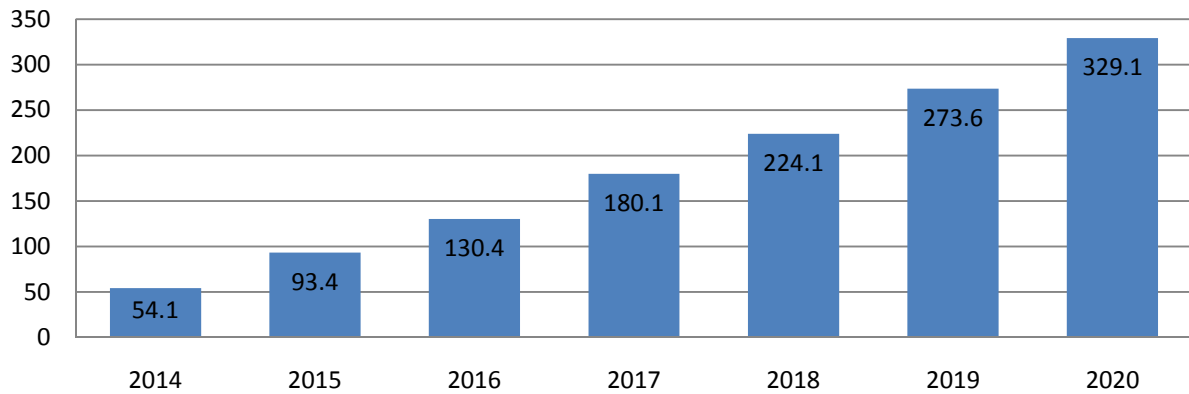
Digital Buyer Penetration



Digital Buyer Penetration in India from 2014 to 2020(in percentage)

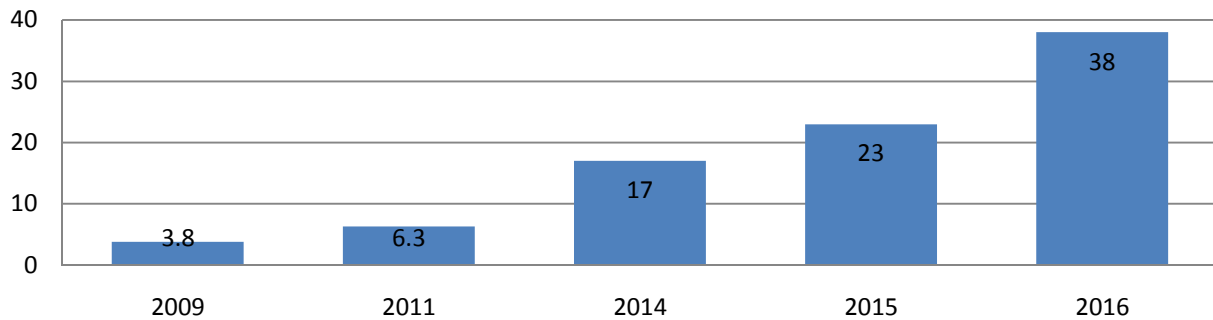
- It is one of the most important technological breakthroughs of the new millennium. As under WTO responsibilities, member countries are providing tariff-free access to their markets resulting in greater competition.
- Transactions through e-commerce take less time and are economically viable too. This would help increase the growth and for this a strong and a stable legal system is required.
- It is a fact that in liberal and open markets, e-commerce would dominate.
- The other important essential features of electronic commerce are privacy and security. There should be suitable guidelines to establish them to ensure confidence among the players who transact through e-commerce.
- Emergence and growth of E-commerce in India recently, is the effect of liberalization and globalization actually this is the impact of transition from close network system to an open network platform like internet.
- India has made significant efforts in modernizing the area of E-commerce. In May 1997 ministry of information and technology, Government of India prepared an Action Plan to setup a National Information Infrastructure component of this Action Plan among others are setting up of the National High speed back born network and inter connection of networks.
- Several studies designate that ICT has a Positive and Considerable Impact on Capital Deepening, Labour productivity and total factor productivity this promotes productivity growth in Economy.

Digital Buyers(in Millions)

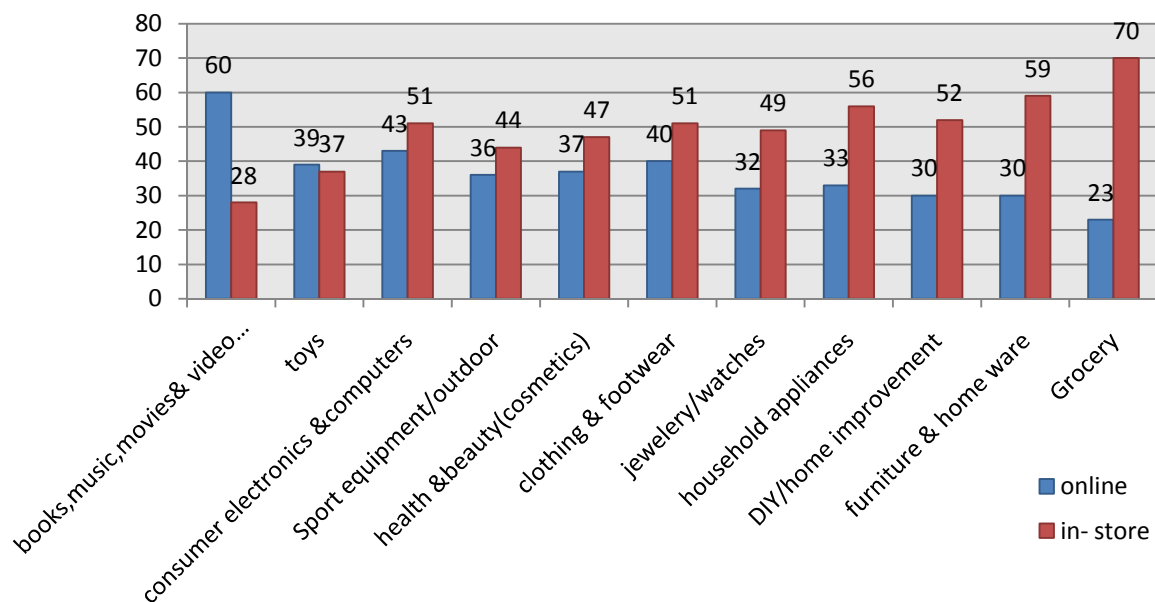


Number of Digital Buyers in India from 2014 to 2020(in Millions)

Online Retail Sales in India



Online Retail Sales in India From 2009 to 2016(in Billion U.S. dollars)



Online and in-store shopping preference for selected product categories worldwide as of 2017(%)

- Growth of ICT as a basic infrastructure for E-commerce is the growth of E-commerce in India. ICT has achieved remarkable success in last ten years

E-Commerce Implications in India: Despite the fact that Indian e-business industry is still in embryonic stage, it developed at a staggering 88% in 2013 to \$16 billion, riding on flourishing online retail patterns and challenging free

monetary development and spiraling expansion. The nation's e-business sector to touch \$56 billion by 2023, determined by mounting e-retail. A critical 63% of e-business endeavors have been begun by maturing business visionaries, which demonstrates the guarantees it holds. On the off chance that we burrow profound inside there are few key drivers which holds the future accomplishment of this industry. Few of them are-

- **Ascent of Web utilization:** The late IAMAI is the web and versatile relationship of India information states India has Web Client populace of 190 million as of June 2013 with a yearly development of 28%. India now has the third biggest Web populace with 190 million on the planet after China at 568 million and USA at 254 million in 2013.
- **Online retail portion:** Retail has grown 43% and scopes 60% infiltration among online clients, yet is still beneath world midpoints. This demonstrates the huge potential that the retail class holds in India with online retail filling the dispersion and comfort hole. Cash on Delivery has been one of the key development drivers and contributes for half to 80% of online retail deals.
- **Online commercial:** The online commercial business sector in India has showcased a CAGR development of 32.7% from FY'2007-FY'2012 with the most astounding development of 40.3% in FY'2011 because of display and search advertising. All the digital stages are getting overwhelmed with SEM crusades, Challenges, Promos and so on. The future development of E-business firmly relies on upon this new sort of intuitive, focused on and more quantifiable type of promoting. The idea of Portable showcasing and in-application promotions is additionally on their way.
- **Social Media:** Online networking is picking up Predominance in our general public and taking all important focal point in characterizing how organizations are drawing in with potential clients. The terms like content marketing, partner promoting, social markdown/coupons and so on are getting to be famous with each coming day. Social business will clearly contribute intensely to E-trade achievement in coming days with India situating itself as one of the quickest developing Social organized client base.
- **Logistics:** Logistics will assume a noteworthy part in general development of e-business. It additionally represents consumer loyalty and Brand loyalty. The current business sector players has officially illuminated the introductory conveyance and conveyance hiccups with present day ideas like localization, item accessibility check, conveyance following through SMS and sends, more advanced courier administrations and 24*7 client care and so on. Considering the way that Indian logistics and inventory network business sector is not yet all around sorted out & just about 40% of E-Trade organizations have their own particular marked conveyance system which will be more productive in coming days.

Findings

- Growth of ICT as a basic infrastructure for E-commerce is the growth of E-commerce in India. ICT has achieved remarkable success in last ten years. E-commerce markets are growing at noticeable rates. The

online market is expected to grow by 56% in 2015–2020. Traditional markets are only expected 2% growth during the same time.

- For a long time, companies have been troubled by the gap between the benefits which supply chain technology has and the solutions to deliver those benefits. However, the emergence of e-commerce has provided a more practical and effective way of delivering the benefits of the new supply chain technologies.
- India's e-commerce market was worth about \$3.9 billion in 2009, it went up to \$12.6 billion in 2013. In 2013, the e-retail segment was worth US\$2.3 billion. About 70% of India's e-commerce market is travel related.
- According to Google India, there were 35 million online shoppers in India in 2014 Q1 and is expected to cross 100 million mark by end of year 2016. By 2020, India is expected to generate \$100 billion online retail revenue out of which \$35 billion will apparel sales are set to grow four times in coming years. This paper is outcome of a review of various research studies carried out on Impact of E-commerce on Indian Commerce.

Conclusion

E-commerce is not a new industry, technically speaking, but it is creating a new economic model. Most people agree that e-commerce will positively impact economic society in the future, but in its early stages its impacts are difficult to gauge. Some have noted that e-commerce is a sort of incorporeal revolution. There are two ways for marketers to conduct business through e-commerce: fully online or online along with a brick and mortar store. Online marketers can offer lower prices, greater product selection, and high efficiency rates. Many customers prefer online markets if the products can be delivered quickly at relatively low price. E-commerce has numerous social benefits. E-commerce allows customers to overcome geographical barriers and allows them to purchase products anytime and from anywhere.

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