E- COMMERCE- SCENARIO IN INDIA

Dr. Prakash N. Somalkar

Department of commerce

Sardar Patel CollegeChandrapur

Abstract-

E-commerce is definitely one of the business options that one will have to explore in the future. Electronic commerce is said to bring about a paradigm shift in the world of trading. Predictions of virtual shopping malls and how you would never have to step out of your home to buy or sell anything are already being made. It is going to change the way you shop, learn, interact and transact   business. This wave of emerging technology will affect every facet of your lifestyle, your   home   as well as your workplace. It continues to be discussed in books, newspapers, magazines, on television and even in various social groups. E-commerce is definitely the future. So what exactly is e-commerce? How can it help you? Well the following matter should get you started on the road to a future in e-commerce, Considering   the wide gamut of e-commerce and the different things it means to different people, E-commerce is the hottest computing topic in India right now. It has opened exciting new possibilities for all businesses alike; both big and small. A year ago, knowing what the Internet is all about was what got one the 'wise man' certificates. E-commerce is in the same position today.

Keywords : E-commerce, Internet, E-business, Online service, Network Marketing, E-transaction.

Introduction-

E-commerce however, is still in its infancy especially in India. Any good business idea can be translated with the help of the Internet in to a virtual gold mine. Conducting business on the Internet is a great way to disseminate information and work. Moreover, it also cuts down the channel of intermediaries between the producer and the consumer. Setting up a company website would cost a lot less than it would to print brochures or hire a huge staff to do your research for you. It would also create reduced marketing or advertising costs. The cost of the websites so minimal, companies don't mind keeping it running even if they are not

doing the business they expected. With its vast network, the Internet can also help you to talk to industry experts across the world. Also with lower costs of setting an 'e-business', prices could be slashed by offering world-wide access to company products or services. If, as a business person, you do not take advantage of the web technology as well as the market potential of the web, the competition will.

E-commerce has been defined by different experts in their own way and there is no official definition. The people who are well versed in the field of communication say that it is the transmission of information, product/services or payment through telephone lines, network or any other medium. From a businessman's standpoint, E-commerce has been defined as the use of technology to automate business transactions and work flows. The service industry experts might say that   e-commerce   is a helpful innovation that allows business to cut costs, enabling it to provide better quality product and faster delivery   time.

In general, people define e-commerce as the actual buying and selling of goods or services electronically online. Customers can see the products displayed in an online store, can read information about the products, see them on the website and have the option to purchase them online. The product could be anything from pet supplies to automobiles, selling everybody from the sites. Further the plus point is that all the principles involved in good practices could be applied   here.

Users of e-commerce

Any person interested to buy something usually has to go out and find a shop with the desired product now, what he has to do is to turn on his computer and select one of the thousands of online stores available at his disposal. E-commerce helps anyone in selling or buying of the goods or services. The only thing required is to access a website where you can store the information about the items or services your company offers for which you can use e-commerce. Three kinds of business concerns who use e-commerce are:

- New enterprises (with no existing structure)
- Technology companies (with interest in improving electronic routes to promote their services)
- Media companies (with benefits from fast distribution of information, together with low set up costs)

  For payment arrangements, credit cards, cheques or any other arrangements can be set up for using it via the internet.

- Real time   credit card processing offers the most immediate funds deposited into any account instead of having a transaction processor to process transaction in real time.
- Information which is entered manually at the local terminal, which will allow information collection and retrieval using a secure server from e-commerce solutions.

Activities of e-commerce

The activities included are:

- Buying and selling of products.
- Shipping   of products. And
- Producing financial statements.

All the above   functions   are without human intervention, which is termed as real 'E' in   e-   commerce. Humans   cannot vanish from the scene. They will be moving to other tasks that generate real value like:

- Personalized   customer service
- Sales
- Corporate development and
- New product research etc.

We, will be avoid tasks that can be handled faster and more efficiently by computer such as creating journal entries, sending purchase orders or confirming shipments etc. If a company uses computers extensively to perform tasks within the organizations, we call it "e-commerce ready or capable".

Status of e –commerce

E-commerce is in its fantasy but still it is the most popular way for a business to expand its customer base and increase productivity. Every business is found with a site on the web and online shopping   has become popular in recent   years. With an earth link total commerce package, you can sell your products   world – wide   through   your   web-based store.

Functions of e-commerce

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The four functions of e-commerce are:

- **Communication   Function   -**

    The   communication function is aimed at the delivery of information and/or documents to   facilitate   business   transactions. E-mail is an excellent example of this.

- **Process Management Function -**

    The process management function covers the automation and improvements of business processes. The best example of this would be networking two computers together so that they can share and transfer data rather than have a person to take data from one computer to another.

- **Service Management Function-**

    Service management function is the application of technology to improve the quality of service. A good example of this function is the Federal Express web site. It permits customer to track shipments and the schedule pickups 24 hours a day with a worldwide network without having to talk to service representative. Customer service is greatly enhanced due to the sites capabilities.

- **Transaction Capabilities-**

    Transaction capabilities provide   the ability to buy/sell on the internet or some other on-line service. The retail websites   of Amazon. Com   and REI offer good examples of the transaction capabilities of E-commerce.

Progress of e-commerce in India-

In simple terms, e-commerce is selling of products on the Net. It encompasses the use of technology, process of management practices that enhance organizational competitiveness through the strategic use of electronic information.

Any process related to the core business activities of buying and selling of physical/electronic goods and or services through an electric medium falls in the domain of electronic commerce. However, e-commerce in a different form has existed from the last two decades where companies used the medium of fax and phone to place orders and conduct trade. Privately run value Added Networks have been used for Electronic Data   Interchange and   Electronic Fund Transfer transactions.

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E-commerce needs radical changes in the:

- Marketing process
- Product sales
- Pricing strategies
- Advertising   and
- Promotional campaigns.

Marketers have understood that valuable information can be collected from the customer online with minimum effort and low cost which otherwise would have taken a lot of time and substantial investments.

The business world has witnessed rapid changes from the last decade with globalization, increased competition and technological advances. Internet is mainly responsible for this. Organizations   today are developing new relationship with customers, distributors, suppliers and partners.

Kotler's observation about marketing management is becoming true in India's case and truly applies to Indian companies:

- Entire markets are disappearing as a result of managed trade policies. Advances in technology and innovative competitors.
- Mass markets are fragmenting into micro-markets.
- Power is shifting from the manufacture to the retailers and
- Multiple distribution channels are replacing single channels.

'Change' is   the law of nature. The way business is conducted is no exception. The key for survival and growth of organizations is change or perish, E-commerce is the change happening today.

Information and transactions of money and goods are the two most important elements in globalization as a consequence of e-commerce. The second element poses numerous problems unlike the first one because:

- Complex rules and regulations will make the physical delivery of goods across continents difficult.

- Transaction of money in the absence of global currency.

These are the basic problems, but the other factors are also to be looked into before into its implementation becomes a reality.

For Indian companies, getting into e-business, the problems are:

- Customer information exchange

- Geographic search

- Cost reduction and

- Customer self service etc.

Poor penetration of the Internet in India, absence of cyber laws and difficulties in stroking a viable business model of Business to Consumer may mean that companies may shift their focus on Business to Business commerce. Many of the companies who were EDI based earlier are turning to Business to Business transactions with their suppliers like Maruti Udyog, Henkel, Dupont, Bajaj Auto, Samsung Electronics, TVS Electronics. The use of web based e-commerce is not far off.

The growth of Business to Consumer transactions hinges on regulatory Reforms which includes:

- Changes in telecom regulation

- Changes in laws pertaining to trade, commerce and financial systems.

India has the ancient tradition of basing its development on human knowledge. India did not convert this into GDP. More than half of the GDP of OECD countries are knowledge-based. In India, we witness the following:

- Literacy was improved from 15% to 62%.

- The absolute number of illiterates is staggering 270 million.

- 3.1 lacks villages are connected to a telephone.

E-commerce business in India

Credit rating agency (ICRA) has predicted a more than 60 fold increase in e-commerce business in India.

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- Banking

- Leisure and Travel and

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E- commerce figure in advertisement is likely to record the maximum growth after 2000, because of the substantial addition to the user base expected in this period. The emergence of broad and the convergence of media are likely to provide the thrust to the online ad-spend budgets   of companies.

Conclusion-

However, in spite of numerous   advantages, still has a number of hurdles to cross over before it truly revolutionizes   business   These hurdles   are more difficult and herculean in a country like India, where   computing itself is taking roots gradually. The primary cause of this being that the number of computers per person in India is too small for e-commerce to make impression. To deal electronically, the basic requirement is to have a computer or a device that can fulfil the requirements for dealing with online transactions. The second major problem is that even those who have computers do not access to the Internet. The Internet is the medium that can really propel e-commerce. In India, with a population of more than billion, not even a million have access to the Internet. E-commerce is carried out largely through credit cards, which are not commonplace in India. Most people are not comfortable with the idea of credit cards itself, Let alone using them on the Internet. The other problem of buying from catalogue is that it does not have the direct impact to generate desire and trigger the consequent purchase. Also, the possibility of bargaining doesn't carry forward to 'Net shopping'; which dissuades most Indian consumers. Though the costs of setting up a cyber business are relatively less as compared to an ordinary business, however, to have a decent response from the Indian buyer, a large amount of money would have to be spent on advertising and marketing which in turn would inflate the pre-requisite capital.

Experts predict that India will emerge as a major e-commerce services provider during the next few years with exports from this sector. Thus e-commerce can be very effective if properly handled, especially in India.

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