Emerging trend of E-commerce
(its concept, its development, its different models, its advantages, disadvantages and Challenges)

Mr. Anchal Saxena

Vice Principal, Kendriya Vidyalaya Kanpur Cantt (Shift Second), Kanpur-208004.

Introduction-E-Commerce (e-commerce) or electronic commerce which is a new concept of e-business, is Online purchasing, selling, exchanging of goods & services over through online transactions.

E-commerce is a type of e-business which is done on the base of internet and in between the buyer and purchaser available in Cyber world.

It has main contribution of internet and information Technology in business and in economy with a new theme, presentation and perspectives.

The concept of E-commerce-E-commerce is not a new concept but since the decade of 1970 EDI was being used by big companies for e-commerce purposes, such as sending orders to warehouses or tracking their order. Although the online purchasing through EDI messages was introduced in 1970 but the facility of internet and cyber technology transformed the whole process of online purchasing with electronic commercial documentation in 1994 which add on the security protocol and DSL technique and persistent connection between buyer and purchaser. In 2000 commercial websites changed and innovated the whole system in USA and Europe.

Different E-commerce Business Model:- The E-commerce is found in various forms in electronic world of business, we are describing here some of the forms by following abbreviations, as below-
B2B, B2C, C2B and C2C

1. **B2B (Business to Business):-** The term B2B also known as Business-to-business, is normally used in business to describe business transactions between businesses. The approach of business to business is developed between a manufacture & a wholesaler or between a wholesaler &a retailer.

2. **B2C (Business to Consumer):-** Businesses selling to the general public typically through catalogs utilizing shopping cart software? This approach enhances the chance of human interaction without human touch which enhance our competency to search specific specifications and quality of specific items.

3. **C2B (Consumer to Buyer) :-** A consumer posts his project with a set budget online and within some hours companies analyse the consumer's requirements and present a bid on the project. The E-commerce empowers consumersto compare the bids, select the best option from the bids and select the suitable company.

4. C2C (Consumer to Consumer):- There are many sites offering free classifieds, auctions, and forums where individuals can buy and sell thanks to online payment systems like PayPal where people can send and receive money online with ease. The e-Bay's auction service is a type of person-to-person transaction i.e. a transaction between consumer & consumer.

Development and Impact of E-Commerce: -At present, not only big countries but also our country India is a big market for these online options and E-commerce which speedily finishing the scope of hats, local markets and Normal Markets and just after the culture of Big market, being proved a biggest threat for our Local and indigenous market.

A variety of innovative products and services are being offered spoiling a relation and economics of Local Market and producer. In last few years the online purchasing and transactions has become the reality of not only of Europe and UK USA, but it has become the realty of country like India.

Some new Modes of E-commerce- some new modes of E-commerce has been introduced in electronic business filed without any noise and show but with specific modes, as below-

❖ **C2B (Consumer to Buyer) :-** A consumer posts his project with a set budget online and within hours companies review the consumer's requirements and bid on the project. The consumer analyse the bids and selects the best suitable bid and the related company which will complete the project.

❖ **C2C (Consumer to Consumer):-** There are many sites offering free classifieds, auctions, and forums where individuals can buy and sell thanks to online payment systems like PayPal where people can send and receive money online with ease. In 1995, eBay's auction service empowers us person-to-person transactions. Olex is also a site which is using this approach by just availing an app a platform to consumers to seek each other.

❖ **C2S(Consumer to Service Provider)-**Some companies like Ola cab through their app just provide a platform in which consumer seeks contact with service provider and avail services with full transparency and safety.

Some most valued Methods for E-commerce Innovations-

Now we shall discuss the most popular approaches between buyers' consumers which enhance the ease and accuracy of monetary transactions which are only to emphasise new ways, which are introduced in a planned way and register their presence with huge notifications.

D2C – Direct to consumer.

- By elimination of mediators, a new generation of consumer has been developed.
- Online retailers like Warby, Parker and Casper set the standard for vertical disruption.

Some other retailers are also being noticed in this filed.

White label and private label-

- White Label is to register a brand as a generic product purchased form a distributer with name of purchaser.
- In private labeling, a retailer hires a manufacturer to create a unique product for them to sell exclusively.

Wholesaling-

- In a wholesaling approach, a retailer offers its product in bulk at a discount.
- Wholesaling is traditionally a B2B practice, but many retailers have offered it to budget-conscious consumers in a B2C context.

Drop shipping-

- Door to door approach of selling is one of the most easeful approaches for e-commerce.
- Typically, drop shippers' market and sell items fulfilled by a third-party supplier, like AliExpress or Painful. Door shipper act as a Big Commerce user to integrate inventory from suppliers around the world for their storefronts.

Subscription service

- As early as the 1600s, publishing companies in England used a subscription model to deliver books monthly to their loyal customers.
- With ecommerce, businesses are going beyond periodicals and fruit of the month clubs.

Innovative Ecommerce Business Plans-Many companies have been developed with a certain degree of autonomy which e-commerce gives them. These brands have combined classic business models with innovative leaders in the field.

Staring a E-commerce Business-

A. Know your target market-At first we have to select the target market Firstly, who are these people, what are they like, and what are some of the things they're looking for? We should collect demographic information such as age, income, education, and other such criterions which can help us to define our target and, then to select our kinds of products and services to offer them.

B. Necessary steps to develop e-commerce website-
1. **Register a Short Domain Name**- The first requirement for developing an e-commerce site is a two-domain name, usually business owners choose the domain name by their business type or name or related to it.
If you register a domain name that takes up a large portion of the search bar, consumers will have a harder time remembering it. In addition, you cannot register a domain name already taken. For example, if your name is very long, then you use only a short abbreviation.

2. **Web Hosting-**Another essential step to develop an e-commerce website is to obtain quality web hosting. The web hosting provider of a site directly affects its success. These requirements should include good uptime, high speed, quality customer support and scalability. For this, choose a web hosting provider that can provide you all these features and more.
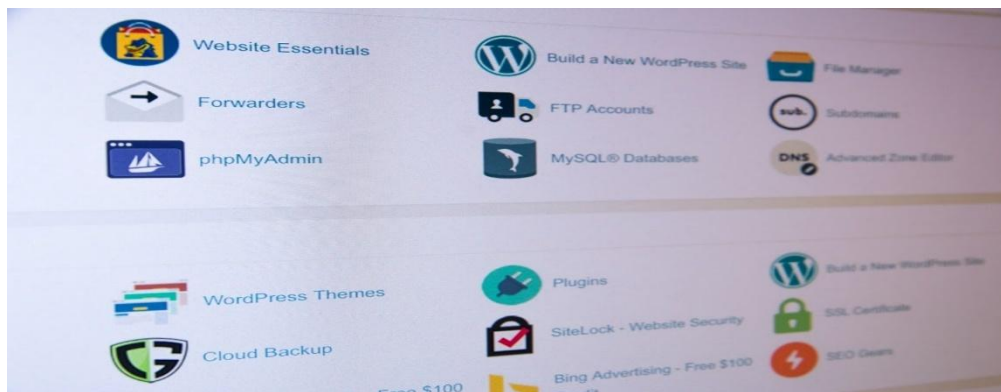
3.   **Relevant Theme-** Afterword we should choose a relevant theme during the development process. Theme clarifies the view, the perspective, and the details of given service, type of service and about the service provider. The site should be attractive right from home page. It should exhibit the brand impressively and precisely.   The website should meet industry standards and should be above the site of your competitors. The colour scheme and format of website should be selected with utmost care as it will exhibit the type and attraction of service. Actually, the customer prejudges the quality of service from the selection of all this.

4.   **Shopping Cart**-Every e-commerce website needs a shopping cart, so developing a shopping cart is also a big need for developing a website. We should design such a secured shopping cart that customers may purchase our products safely. It should be advanced and updated. This strategy earns larger profits because it convinces consumers to add more products to their carts right before they complete the process of check out. In this way it proves to be most successful strategy of raising business.

5.   **Responsive Design-** The next step is of designing a responsive design. Although this is not an essential part to every e-commerce site, but it is a specific feature of almost every commercial site to build a positive online presence. The customers should be able to visit site on their mobile devices and easily navigate through it. It enhances consumers and sell. That's why a responsive design is need of the hour for developing a commercial site.
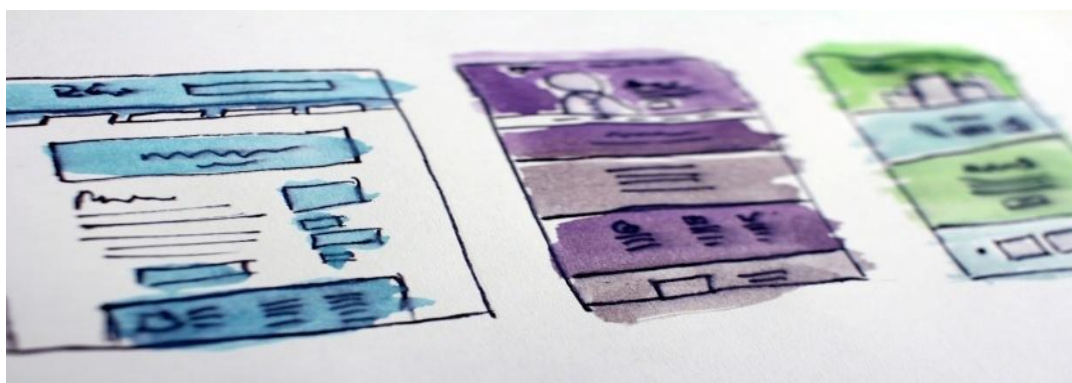
6-**Correctness & Exactness-**For increasing sales by building an online presence, we have to develop e-commerce website correctly, exactly but comprehensive. We have to choose domain name wisely. We have to get web hosting that is reliable and secure. We have to choose a relevant theme that provides a proper way to present our product wisely and precisely. A shopping cart has advanced features like cross-selling etc. Finally, A good responsive designs enable customers to browse and purchase products while on-the-go.

C. **Set up your payments**-Setting up payments is the next steps in building your e-commerce website. In this step we will think and care of both how is the money coming to us and how would we transfer it to your bank account. For this purpose, we require a secured gateway and a setting up a merchant account is thus, a vital process. we can choose from are PayPal, Visa, American Express etc.

D. **Begin Selling-** for the popularity of our websites and our products, we need to employ various content marketing and social media strategies for our potential customers to know.

Other mode of E-commerce Business-

- G2G (Government-to-Government)
- G2B (Government-to-Business)
- G2C (Government-to-Citizen)
- G2E (Government-to-Employee)
- B2G (Business-to Government)
- B2E (Business-to-Employee)
- C2G (Citizen-to-Government)

Above are other forms of ecommerce that involve transactions with the government from procurement to filing taxes to business registrations to renewing licenses.

In a country, where e-commerce companies are still working hard to build trust among shoppers, introducing cash on delivery has been one of the key factors for the success of the segment. At present, Cash on Delivery is the preferred payment mode for nearly 55-60 % of all online monetary transactions now a days in India.

Executing Cash on Delivery is a very sensitive matter for the customer of any e-commerce in the country. Growing the base online shopping has seen a lot of traction in the last 12-18 months. India has almost 130 million online users at present, out of which as many as 10 percent are engaging in online transactions. The online user base is expected to cross 300 million in the next 2-3 years and a larger percentage of people are expected to transact online by 2015. This large base will provide vast scope for e-commerce businesses to establish themselves in India. On an average, almost 50-55 percent of our business come from tier 2 and tier 3 cities and this ratio is similar across other ecommerce companies in the country.

In the coming years, e-commerce is expected to contribute close to 8-10 percent of the total retail segment in India. The remaining 99 percent of retail is still offline and mostly local, which represents a large business opportunity. As a larger number of consumers in India have digital devices and are making use of online platforms like mobiles, smart phones, tablets, computers etc. to influence their offline consumers to reach them on door of massive new market opportunities.

Merits and Demerits of E-commerce-

Advantages of E-Commerce

1. **Global search**-Through E-commerce customer can search the sites of whole world and equally it provides sellers a global reach. It removes the barrier of place, distance. E-commerce provided such platform that sellers and buyers can meet in the virtual world, without the hindrance of location.

2. **Very Low Transaction cost-**This way of business really diminish the transaction cost substantially. It saves the cost of building high infrastructures big buildings and big brick and mortar shops and so allow the companies to enjoy a much higher margin of profit.

3. **Economy of Money-**Surely E-Commerce saves our money giving multiple options of same item same specifications and same quality but of different prices. A consumer can select the best one as per his/her choice. E-commerce save sour money based on our selection.

4. **Economy of Time-** In online shopping the consumer can see the variety of items on different commercial sites like Snapdeal, Amazon and many others with in spur of moment and can select their choice and proceed for payment.

5. **Economy of Manpower-**The total task of purchasing is so much easy and effort-saving that even laymen who are having a very less knowledge of computer and internet can purchase items by online purchasing.

6. **Quick delivery of goods-** E-commerce provides quick delivery of goods with very little effort of customer and so saves effort and manpower of customers.

7. **Redressal-** In this platform of E-commerce, the complaints of customers are also addressed and redressed quickly.

8. **No working hours barriers**-E-commerce increase the convenience and provide the facility of availing offers 24 hours and 7 days of week as the website remains functional at all times.

9. No intermediaries- Electronic commerce also allows the customer and the business to be in touch directly, without any intermediaries. This allows for quick communication and transactions.

Disadvantages of E-Commerce-

1. **High Start Ups cost**-The start-up costs of the e-commerce portal are very high. The setup of the hardware and the software, the training cost of employees, the constant maintenance and upkeep are all quite expensive.

2. **High risk of Failure**-Although it may seem like a sure thing, the e-commerce industry has a high risk of failure.

3. **Lack of a personal touch** – The device of e-commerce is totally impersonal. So this lacks the warmness of an interpersonal relationship which is important for many brands and products. This lack of a personal touch becomes a serious deteriorating factor for some business and many types of services & products like interior designing or the jewellery business.

4. **Security**-Security is major area of concern. Frequently we saw many security breaches and so many cases of stealing the personal and financial information of customers. Credit card theft, identity theft etc. remain big concerns with the customers.

5. **Other Problems**- e-commerce has problems with shipping, delivery, mix-ups etc. Many a times it leaves the customer unhappy and dissatisfied.

6. **Size and shape**- The size and shape of items remains always a problem in online shopping as the size and shapes of items remains mismatch with its appearance on sites.

Local commerce in India: - In India, the local commerce is also having a vast scope in large scenario reaching to multiple hands. Just Dial has gone public and commands an impressive valuation; Redbus built a valuable business by painstakingly aggregating numerous small bus operators to give the consumer a unified platform for bus bookings. BookMyShow and Zomato are growing rapidly with their vertical specialization on entertainment and F&B industries.

Challenges for E- Commerce in India: - The growth of ecommerce volumes in India is attracting the attention of players around the globe. India, the second populated country in the world, is home to 1.2 billion people. Despite lower per-capita and purchasing power of Indians and India is one of the most attractive emerging markets for ecommerce. But in India so many challenges, bottlenecks and hurdles are in the pathways of online purchasing.

We have challenges faced by e-commerce in India as discussed below-

1. **Indian customers return much of the merchandise they purchase online:** - Ecommerce in India has many first time buyers. This means that they have not yet made up their mind about what to expect from ecommerce websites. As a result, buyers sometimes become the victim of attraction of online frauds. But by the time the product is delivered; they demonstrate remorse and return the goods.

2. **Returns are expensive** Though consumer remorse is a global problem, it is all the more prevalent in a country like India, where much of the growth comes from new buyers. Returns are expensive for e-commerce players, as reverse logistics presents unique challenges.

3. **Cash on delivery is the preferred payment mode**: - less availability of Cards and low trust in online transactions has led to cash on delivery being the preferred payment option in India. Unlike electronic payments, manual cash collection is a work of needing efforts, risky, and expensive.

4. **Payment gateways have a high failure rate**: - As if the preference for cash on delivery was not bad enough, Indian payment gateways have an unusually high failure rate by global standards. E-commerce companies using Indian payment gateways are losing out on business, as several customers do not reattempt payment after a transaction fails.

5. **Poor connectivity of Internet** - Internet penetration in India is still a small fraction of what you would find in several western countries. The biggest factor is the poor quality of connectivity in several regions. But both these problems are fast disappearing. The connectivity issues are not everlasting in human life.

6. **Still consumers have old phones**: - Though the total number of mobile phone users in India is very high, a significant majority still use feature phones, not smart phones. Though people are continually purchasing smart phones and the day is not far when people will have at least the phone which will enable them to do online purchasing smartly.

7. **Postal addresses are not standardized:** - on placing an online order, the logistic company makes a callto know the exact location. The address is not enough but it requires an offset or landmark. We have to standardize the postal address with realistic geographical touch with location. Some add on are also required.

8. **Complex mesh of of routes in India**: - The logistics challenge in India is a very big challenge which is not related to just add on landmark in postal addresses, but it relates to the complexity of routes. In our big country, there are thousands of towns that are not easily accessible. Mega Cities, big cities, small cities and even towns have a mesh of streets and roads.

9. **Big competitions spoiling customer choices**: - The over competitions between online companies and today's mindset of people, their passion for online purchasing has enhanced investment on large scale. The long-term prospects for e-commerce companies are so exciting that many an investor are willing to spend irrationally high amounts of money to acquire market share which is spoiling choice.

A big market for E- Commerce in India: - India has an internet user base of about 160 million as of June 2018. E-commerce is growing at a much faster rate with a large number of new entrants in all over world.

The industry consensus is that growth is at an inflection point with key drivers being: -

- Increasing broadband Internet and 3G penetration.
- Rising standards of living
- Availability of much wider product range
- Busy lifestyles, urban traffic congestion and lack of time for offline shopping □ Lower prices compared to brick and mortar retail driven by disintermediation and reduced inventory and real estate costs
- online classified sites are being used with more consumer buying & selling second-hand goods
- Evolution of the online marketplace model with sites like e-bay, Infibeam, and Trades

Market Size and Growth: - India's e-commerce market was worth about $2.5 billion in 2009, it went up to $6.3 billion in 2011 and to $14 billion in 2012 and $32 billion in 2013. About 75 percent of this is travel related (airline tickets, railway tickets, hotel bookings, online mobile recharge etc.). Online Retailing comprises about 12.5 percent ($300 Million as of 2009). Electronics and Apparel are the biggest categories in terms of sales.

There are many reasons which make India a suitable market for e-commerce which are given below-

o **Technological friendly Consumers: -**In present scenario, consumers are well versed with mobiles, computers and internet facility and the consumers have become technological friendly these days.

o Earlier, in India consumers preferred going out of home and to do shopping in the markets. It was their amusement too. But in present scenario, e-commerce is providing them comfort and at same time it is offering them multiple options of same items.

2. **Internet Friendly Users**: - In India, people have become quite internet friendly these days. More than 7 million internet users are in India in 2001. The number had grown to the millions in 2010 because people are becoming quite internet friendly these days.

3. **Comfortable-**Now-a-days e-commerce is becoming a comfortable option for the people.

4. **Advent of big companies in E-Commerce –** Gradually many a big companies have entered into the market of e-commerce in India. These big names are investing a lot of money in the e-commerce market from a long term perspective rather than small term. Thus, the e-commerce market is growing so rapidly even bigger and better.

5. **The success of the some of the sectors in the e-commerce market**: - Some of the sectors like travelling and retail have already proved to be quite successful in the field of ecommerce and have already made a lot of profit through e-commerce market. The success of these sectors has encouraged other sectors to enter into the market of e-commerce. This is the reason why the e-commerce market is being expanded so quickly in India.

However, there is still a slight bit of reluctance in the Indian Consumers regarding online shopping and e-commerce.

Conclusion: - E-commerce creates new opportunities for business, education and academics. Televisions, Personal computers, Laptops and mobiles and various other media of e-commerce are becoming the real media for e-marketers and becoming the media communication between buyers and sellers which is also rapidly changing with changing technology and novel strategies. So, new services and new goods are now to be purchased and sold with new development and new advancement. New ethical issues must be identified and immediate steps and actions should be taken against them. Initially, new Internet users would be reluctant to conduct any kind of business online, citing security reasons as their main concern. So first of all, security provisions are to be prepared to ensure safe e-business. In order to increase consumer adoption of e-services, risk need to be identified, understood and alleviated. E-commerce provides numerous opportunities in different areas of e-commerce with careful application for consumer protection issues. Growth of e-commerce would also depend to a great extent on effective Information Technology Security Systems for which not only technological but legal provisions are also required to be regulated and strengthened constantly.

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