



REVIEW ARTICLE

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Impact of Information Technology on E-Commerce in India

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**Abstract:** Electronic commerce is more than just another way to carry on or augment existing business practices. It is a disrupting innovation that is radically changing the traditional way of doing business. E-commerce is showing incredible business growth in our country. Increasing internet users have additional to its growth. Ecommerce has helped online travel industry in many ways and added a new sales opportunity through online retail industry in our country. The present study has been undertaken to describe the present position and facilitators of E - Commerce in India, analyse the present trends of E-Commerce in India and examine the barriers of E-Commerce in India.

**Keywords-**Ecommerce, Online retail Revenue. EFT

I INTRODUCTION

Today is era of business through e-commerce. E-Commerce means electronic commerce. It means big business in goods and services through the electronic media and internet. On the internet, it relates to a website of the vendor, who sells products or services directly to the customer from the portal using a digital shopping cart or digital shopping basket system and allows payment through smart card, credit card, debit card or EFT (Electronic fund transfer) payments. E-commerce or E-business means Information technology are used for business dealing. More simply put, E-Commerce is the association of business through the World Wide Web. There is no single definition of E-Commerce, it means only commercial activity which is done by Electronic . The special effects of e-commerce are already appearing in all areas of business, from customer service to new product design. Today online advertising and marketing ,online order taking and online customer service are in trend. It can also decrease costs in managing orders and interacting with a wide range of suppliers and trading partners, areas that typically add significant overheads to the cost of products and services. For developing countries like India, e -commerce offers significant opportunity. Now a varied range of products and services from flowers, greeting cards, and movie tickets to groceries, electronic gadgets, and computers are sold by many sites. With stock exchanges coming online the time for true e-commerce in India has finally arrived.

Electronics Commerce business models can usually categorized in following categories.

- Business to Business (B2B)

- Business- to Consumer (B2C)
- Consumer to Consumer (C2C)
- Consumer to Business (C2B)
- Business to Government (B2G)
- Government- to Business (G2B)
- Government to Citizen (G2C)

II REVIEW OF LITERATURE

Khan and Mahapatra(2009) concluded that technology plays a vital role in improving the quality of services provided by the business units. One of the technologies which really brought information revolution in the society is Internet Technology and is rightly regarded as the third wave of revolution after agricultural and industrial revolution. The cutting edge for business today is e-Commerce. The effects of e-commerce are already appearing in all areas of business, from customer service to new product design.

Devendra et.al.,(2012) defined that electronic commerce, commonly known as e-commerce consists of the buying and selling of products or services over electronic system such as internet and other computer network. Intent is the technology for e-commerce as it offers easier ways to access companies and individuals at very low cost n order to carry out day -to-day business transactions. Search engine marketing (SEM)is a form of web advertising that companies use to promote their products and services on search engine results pages (SERPs)

III. RESEARCH METHODOLOGY

Study are based on secondary data. Secondary data are collected from various journal, bulletins, internet websites and books also. For Data analysis percentage method used and compare the E-commerce revenue between countries.

IV OBJECTIVES OF THE STUDY

The objectives of present study are:

- To describe the present status E-Commerce in India and compare with other country
- To examine the barriers of E-Commerce in India.
- To give suggestion to overcome the barrier of E-commerce and for development

**India Online Retail Revenues (2012 & 2016)**

Year	\$ Billion
2012	1.6
2016	8.8

Source: Forrester Research Online Retail Forecast, 2011 To 2016

According to a report provided by Forrester e-commerce revenues in India will increase by more than five times by 2016, jumping from USD 1.6 billion in 2012 to USD 8.8 billion in 2016.

**Total revenue of E-commerce of various country**

Country	Sales in \$ Billion	
	2012	2016
India	1.6	8.8
Australia	23.2	35.2
China	169.4	356.1

Source :Forrester

As the table show absolute revenue of e-commerce in india is very low compare to other country but it is interested to note that relative growth percentage of revenue of e commerce compare to other country is very fast. It is expected that in future growth rate of e commerce's revenue in India cross the other country

**V BARRIERS OF E COMMERCE**

Certain E Commerce players and industry observers have raised concerns that deep discounts, free shipping, intense competition and higher rejection rates due to cash on delivery (CoD) have impacted online eTailing adversely. Some of these concerns are specific to India and are more difficult to overcome than issues such as internet penetration and getting more people to shop online. Some of the key concerns are listed below:

- ❖ **Generation and sustenance of traffic:** Competition from established E-Commerce players is making it difficult for private label brands to generate traffic on their white-label websites.
- ❖ **High customer acquisition cost:** The customer acquisition costs have been rising due to intense competition by the relatively better off companies with more funds.
- ❖ **Last-mile delivery:** Poor last-mile connectivity, especially in remote areas with larger population, is another problem faced by Indian e-Tailers.
- ❖ **High payment cost:** Cash on delivery services impose substantial financial cost. In India, unlike in developed markets, Cash on delivery continues to be a preferred route of payment.
- ❖ **Low profitability:** Profitability is negatively impacted by high customer acquisition costs, free shipping and high rejection rate of cash on delivery orders.

- ❖ **Regulatory barriers:** Regulatory barriers in the Indian E-Commerce market are higher as compared to more mature markets.
- ❖ **Skilled manpower:** Lack of talent availability and high attrition are causing manpower crunch, which is fast becoming a hurdle.

In conclusion, we can say while we do e business many problems are to be faced viz Government Legislation Acquisitions companies Investor expectations, Lack of Venture capital and Skill manpower ext. The list cannot be completed.

**VI OVERCOMING THE BARRIERS TO E-COMMERCE**

No doubt, there are barriers to B2B e-commerce implementations. Investor expectations are one of them. Here are a few others that we compiled while researching the best practices of successful implementations. Awareness of these can help move you closer to success.

One of the more important barriers is venture capital, or lack of it. Traditional venture capitalists do not seem to be so venturesome at the moment. This development, though, has placed you, the one needing new tools and products to establish and operate supply chains and exchanges, in the role of venture capitalist. Problem is, if your company is like most companies in this market, you don't have spare dough to risk.

**Government Legislation**

The automotive supply chain exchange, has certainly had its run-ins with this obstacle. Antitrust investigations in the U.S. and Germany caused many delays. For example, the organization had to stop hiring full-time employees until investigators determined whether the organization would be a competitive problem or not. Imagine implementing an exchange with part-time help. These investigators even inhibited the group from integrating systems supplied by its founders and conducting transactions.

**Investor expectations**

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**Lack of Venture capital**

Lack of Venture capital is also a important problem. Traditional venture capitalists do not seem to be so venturesome at the moment. This development, though, has placed you, the one needing new tools and products to establish and operate supply chains and exchanges, in the role of venture capitalist. Problem is, if your company is

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### Acquisitions Companies

In past few years Acquisitions of companies is also become problems. Couple this with downsizing of the last few months, and you end up with short staffs desperately trying to integrate and standardize all the systems of the various acquisitions. And they have to complete this integration before they can begin to put in e-commerce solutions among all the parties; otherwise, they'll have a worse disaster. Then, we must help to overcome their own inertia and resistance to change. A few year ago the fax was a wonderful device , now replaced by newer technology. But it still works and people tend to prefer familiar technology to new devices said to improve efficiency.

### VII CONCLUSION

The E -Commerce revenue in India may currently be behind its counterparts in a number of developed countries and even some emerging markets. In India the market share is divided amongst several ecommerce companies, each coming up with its own business model. As a result, customers have a wide range of products and services to choose from. In our view, there is humongous potential for e- Commerce companies owing to the growing internet user base and advancements in technology. Relative growth percentage of revenue of e commerce compare to other country is very fast.

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