E-Business in Indian Perspective

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Abstract- *In the present scenario, globalization has pushed every economy to adopt the new technological innovations in business process in order to compete with international market with high level of perfection. Today's world is the age of electronic business as the use of the Internet has paved the way for several path-breaking innovations. It converts the traditional methods of business, that prevailed in the trade market for several years, into a viable alternative i.e. Electronic-Business (e-business). E-business is defined as the process of using electronic technology to carry out any business activities. Although, many Indian organizations are trying to convert their traditional methods of business into e-business, we cannot deny the fact that e-business trend is new-sprung in the Indian market and is not yet practiced at a rapid rate. Therefore, it is necessary to understand the merits and demerits of e-business before conducting such business processes on the internet. Hence, this paper tries to elaborate the present status of e-business in India and also examine the challenges faced by e-business players in India.*

Keywords: E-Business, Technology, Indian Market, Innovations, Internet.

I. INTRODUCTION

In the modern age of technological innovations, the E-business is one of the examples of the technological revolution which is widely used today in the sphere of the trade in every economy by means of computer network. Today, advanced computer technologies have made computer networks an integral part of the economic infrastructure of any economy. E-business refers to any business that uses the internet for trading goods and services throughout the world. Through internet, E-business uses World Wide Web for selling multiple of goods or services to the customers directly from the site. World Wide Web works, like a vendor, who sells goods or services to their customers directly. Through website customers using a digital shopping bag or cart and use different modes of payment like debit card, credit card or cash on delivery. A customer makes shopping easily without going to the market and purchases any commodity by sitting at home only through online order. It is an online activity which is performed almost overnight. Today, it appears in all spheres of trade or business in all over the world. Through online advertisement and marketing activities a company can attract more customers and on the other hand the customers also get more information about goods and services. A company through e-business can also reduce costs in managing orders and interacting with a wide range of suppliers and customers.

In the field of trade e-business is at a nascent stage in Indian market. The reason behind this is that compared to developed countries the internet users are still less in India and because of the security problem regarding their cards details the people in India not ready to give their card details on the internet. That's why the people in India mostly purchase products by noticing physically rather than noticing on the internet. In developed countries the technical problems and security problems regarding internet facilities are less and the people of these countries are very much aware about e-business advantages like saving of the time and comforts like no need to carry. This type of awareness is very less in developing countries like India which is a key factor to take e-business at the top. But in the recent past due to the convenience and availability of internet globally many trading companies shift their business towards e-business and selling a wide range of goods and services by using various websites and portals like amazon.com, flipcart.com, snapdeal.com, paytm.com, ebay.in, jabong.com, myntra.com, shopclues.com, homeshop18.com, askmebazzar.com, etc. In the history of e-business the IBM was one of the first companies which launched a thematic campaign built around e-business in October 1997. According to IBM corporation the definition of e-business is "e-business is exploiting the combined power of the internet and information technology to fundamentally transform key business strategies and process."

II. STATUS OF E-BUSINESS IN INDIA

Although the Indian e-business is still far behind as compared to US and UK online market, beside this it has been showing a commendable increment in it. Onwards 2008 in India many companies adopting the e-business websites and they decided to sell their products effectively through online services. In the late few years the internet users are increasing tremendously and e-business has also developed in India. According to IAMAI, the internet users in 2004 were 15 million and in 2007 it was increased to 50 million. They have satisfied the customers through online delivery of goods and services and selling everything. This is not true that in India e-business scenario has not been enough success. Because in India e-business such as big bazaar and Indian mart have highly succeeded companies which have proven the fact that India does not have big websites. Similarly, many banks in India also adopting e-

CONFERENCE PAPER
International Conference on
Recent Trends in Computer Science & Information Technology (RTCSIT-2016)
21st August 2016
Guru Nanak College Budhlada, Punjab India

978-93-85670-72-5 © 2016 (RTCSIT)   109

business successfully in order to provide better online banking facilities to their customers like online account checking, online payment, transfer of money in any account etc. So we can say that now the online shopping in India has become a trend because of the attractive online websites, plenty online shopping stores with new fashionable products, easy to choose the item according to size, price, colour, brand, category etc. and also because of easy mode of payment. In addition to this e-business also added a new flavor like heavy discounts, shopping with coupons, offers, 15-30 days return assured, delivery of product within 1-7 working days, etc. for their customers. In the present scenario, many e-shopping sites such as Flipkart, Amazon, Ebay, Snapdeal, Jabong, Homeshop18 etc. offers some great offers every day or week.

Over the time as security threats, reduce number of mode of payment coming to the picture and e-transactions become easy and trouble free, physically visit stores have been eliminated and people uses e-shopping in a convenient way. Therefore, today four out of five internet users shop or do their pre-shopping research online. As India has become a new player in e-business and joined the bandwagon, the growth of e-shopping for goods and services are increasing tremendously. During 2012, the number of e-shopping websites in India has crossed 600 from 100.

With an expected 37 per cent of the global market in 2018, the Asia Pacific Region is becoming the dominant leader of the e-business market. In fact, in e-business China manage the region's leadership because of its unprecedented economic boom and also surpass the United States, which was the single country in the world with the biggest e-business market. Today India has emerged as another Asian market in the field of e-business. Recent statistics show that e-shopping in India has grown tremendously, from 2.3 billion U.S. dollars in 2012 to an estimated 17.5 billion U.S. dollars, representing an almost eight-fold growth. As of 2015, the e-shopping in India are accounted for 0.9 percent and this figure is also expected to grow in the near future, reaching 1.4 percent in 2018. According to recent stats a number 653 million people of e-shopping in the Asia Pacific region are expected to purchase products online which representing 48 per cent of internet users and in India alone, it is expected to achieve the target of 41 million at the end of 2016 representing 27 per cent of the total number of internet users. In India, some 9 percent of the country's population had made a purchase via mobile phone within the past month, as of the fourth quarter of 2014. Now in India, the highly successful e-shopping site is jabong.com which is a fashionable and lifestyle company specialized in clothes, beauty products, home accessories, footwear, bags, etc. in October 2014 alone Jabong.com with 26.26 million unique visitors manages to surpass the worlds highly successful e-business company.

III.   ADVANTAGES AND DISADVANTAGES OF E-BUSINESS

In the present scenario of globalization, e-business breaks geographical barriers between countries for trade and thereby improving a business' productivity and increasing revenue. It has still been changing the way of conducting business through all over the world. Having an e-business a company can achieve various benefits. Therefore, some advantages of e-business are given as under:

1. **Worldwide Appearance:** the important advantage of e-business is that a company engaging in e-business can have worldwide appearance. IBM was one of the first companies which utilize the e-business term for providing their services to the customers in an effective way and collaborating with business partners around the world. In this field Dell Inc. and Amazon.com are other companies with success stories which are also utilizing the term e-business to expand their business worldwide.

2. **Cost Effective Marketing and Growth:** utilizing the World Wide Web to market products always ensures a worldwide reach at a minimal price. Pay per click is an effective technique which assured that advertiser just pays for the actually viewed advertisement.

3. **Constructing the Competitive Strategy:** without an impressive strategy no business can think to earn profits. In order to maintain the competitive advantage firms always make sure to seize a competitive strategy and it can be a costly strategy or a differentiation strategy. For example, in the market of e-business, the Dell Inc. was adopting a differentiation strategy for selling its computers and phone through the internet, till 2007. In addition to this, the company also customizing its laptops according to the requirements of their customers. Hence, by using e-business term and differentiation strategy, the Dell Inc. grabs the chunky part of the trading market.

4. **Reduced Transaction Cost:** the nature of e-business is such that the cost incurred for every transaction without any middleman to undergo smooth and sound. For providing stress-free transaction for their customers the websites are always fully loaded with simple and sufficient guidelines. All modes of payments which are predetermined by the website ensure security to the customer.

5. **Providing Qualitative Customer Services:** e-business possesses, offers to their customers within sufficient and improved customers' services. Many times, on visiting a new website, the customer is greeted by a pop-up chat window and encouraging the customer to know more about the item as well as service. Moreover, payments can be made online through any mode of payment which is given on the websites and the item shipped to the customers without departing from the house.

IV.   DISADVANTAGES

Despite the above mentioned advantages of e-business, there are certain disadvantages of e-business also whom we cannot ignore. Some of these are as follows:

1. **Sectoral Limitations:** the main disadvantage of e-business is the lack of rise in some sectors on account of some products. It is a very difficult task for those companies to sell their products online who is carrying some large and old-sized items. Similarly the customers do not search perishable products, like food products, on the internet. When the requirement for these products arises they prefer going physically to the supermarket in order to purchase these items. Some legally restricted items by the state law like ammunition and alcoholic beverages has also not benefited in terms of growth of sales.

2. **Question of Security:** this is another important obstacle in the growth of e-business. When we purchase products online, the website requires information like e-mail address, shipping address, credit card detail and contact detail carry out online transaction. Certain sites have a complicated operational structure and therefore, sometimes customers break at the mention of providing personal details. Hence, such type of available tools provides enough resources for hackers to initiate identity theft and in this way they manipulating e-business. Therefore, due to the fear of hacking and misusing the financial information the customer feel uncomfortable with online shopping.

3. **Evanescent Impalpable:** absence of an opportunity to physically examine the product is another disadvantage in the growth of e-business. Until delivery, one cannot touch, feel, taste or smell of a product. But if we purchase any product physically these factors absolutely influence our decision to buy products.

4. **Expensive E-business Solution for Making Effective:** in order to sell online upgrading websites and computer system, training personnel required efficient substantial resources. Moreover, Electronic Data Management (EDM) and Enterprise Resource Planning (ERP), necessary for ensuring optimal internal business processes, may be looked upon, by some firms, as one of its disadvantages.

5. **System Up gradation**: in order to attract more customers, up gradation of the system at intervals is the responsibility of the online company, otherwise the website turnover would be poor. But many sites think that keeping up with advancement is an unnecessary characteristic. This is a big disadvantage of e-business in the lack of growth of revenue.

V. CHALLENGES FACED BY INDIAN E-BUSINESS

In India e-business still faces certain challenges to grow which are as follows:

1. It is seen that about 30-40 per cent customers taking advantage of the cash on delivery payment mode and the majority of the customers denied to make the payment at the time of delivery of the item. Therefore, manual cash collection is risky and very expensive for companies.

2. Trend to purchase the product directly by touching or physically is still exist in Indian market especially by the rural population. There is a lack of awareness of using internet among a majority of the Indian rural population and those who use the internet are also shopping less online because of online insecurity fear.

3. Besides the mobile phone users in India is very high, but still in India majority of people uses feature phones as comparative to smart phones. As a result of this a majority of consumers are unable to purchase products online and e-business is still behind from developed countries.

4. Most of the customers in India return much of the products after purchasing online. This type of problem is a global problem. When the item is actually delivered, the customers feel regret and return the item. Returns are expensive for e-business companies.

5. In most of the Indian regions the internet entrance is still very low and quality of connectivity of internet is also very poor and inefficient.

VI. CONCLUSION

In this digital age, e-business is playing a vital role in the field of trading market. It accelerates development in various areas like availability of goods at a cheaper rate, wider choice in brands and saving time. Today with the help of e-business, people can purchase goods with a click of a mouse button without going anywhere out of their homes. In a nutshell, e-business is still a new mantra and building a resplendent crescendo of enthusiasm for Indian economy. We also cannot deny the fact that in the 21st century e-business becomes a necessity besides an option for business.

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CONFERENCE PAPER
International Conference on
Recent Trends in Computer Science & Information Technology (RTCSIT-2016)
21st August 2016
Guru Nanak College Budhlada, Punjab India

978-93-85670-72-5 © 2016 (RTCSIT)   111