

E-COMMERCE: A BUSINESS REVOLUTION IN TWENTY FIRST CENTURY

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Abstract:

E-Commerce or electronic commerce is one of the key aspect in the economy of any country. It is a powerful tool in the economic growth of developed and developing countries and it is necessary component of the business. It has revolutionized the customer participation and it created the new economic environment in the global market. This paper highlights the growth of e-commerce and how e-commerce is important in online trading business and how e-commerce generates revenue to strengthen the country's economy. The main objective of the paper is to highlight the development of e-commerce from past to present and how ICT (Information and Communication Technology) has played key role to develop the e-commerce and how the e-commerce websites successfully running their business through the internet with case study of selected online websites are discussed. E-Commerce technology will continue to propagate through all commercial activity, with overall revenues from e-commerce, the number of products and services sold over the Web in the recent decades.

Key Words: E-Commerce, Business, Customers, Goods, Transactions, Digital Commerce etc.

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Introduction: E-Commerce has become an important tool for small and large businesses worldwide, not only to sell goods to customers, but also to engage them. E-Commerce means, a wide range of online business activities for products and services or buying and selling of goods and services through the using of internet or electronic network or the transmitting of funds or data over an internet primarily, it is popularly known as '*Online Business or E-Business*'. Generally e-commerce means trading of products or goods and services using computer network such as the internet is called as e-commerce. The complete definition of the e-commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform, and redefine relationships for value creation between or among organizations, and between organizations and individuals. Simply we can say e-commerce is buying and selling goods and services over the internet. According to Vladimir Zwass, the Editor and Chief of International Journal of Electronic Commerce defined that e-commerce is sharing business information, maintaining business relationships and conducting business transactions by means of telecommunication networks.

Growth of E-Commerce: It is difficult to pinpoint just when e-commerce began. During the Ancient period, Harappa people maintained commercial relations with Mesopotamia and other West Asian countries. A number of goods exchanged from the West and Central Asian sites. Rug Vedic people practiced trade and commerce on a large scale. The exchange of commodities based on the principle of '*Barter System*'. Road and River ways are the means of transport. However no merchants or intermediaries had any role to play. Trade is the natural corollary of industry and it is the main channel of distribution of industrial products. Trade was an important social and economic life, which was tremendous rise in Sixth Century B.C. *Srenis*, *Sresthins* and *Guilds* are played an important role in the market. They worked as joint stock companies, contributed to business both with money and commodities. The arrival of Portuguese in India and the advent of other European communities monopolized trade and commerce and they were commercial and profit based industries were established. After independence, Indian government established joint stock companies and small scale industries for the development of trade and commerce. During this period, there were no computer facilities to public, even government having limited. In 1960s, a small number of computers and their users maintained limited connectivity with world, but the internet has since grown into the world's largest network

connecting over 500 million computers worldwide. In the late 1970s, a pharmaceutical firm named Baxter Healthcare initiated a primitive form of business to business e-commerce by using a telephone-based modem that permitted hospitals to reorder supplies from Baxter. This system was later expanded during the 1980s into a PC-based remote order entry system and was widely copied throughout the United States long before the Internet became a commercial environment. The 1980s saw the development of Electronic Data Interchange (EDI). 1971-72, the ARPANET is used to arrange a sale between students at Stanford Artificial Intelligence Laboratory and the Massachusetts Institute of Technology, later it described as 'the Seminal Act of E-Commerce', and it was mentioned in the book of *'What the Dormouse Said'*, by John Markoff. Michael Aldrich demonstrates the first online shopping system in 1979. Thomson holidays from United Kingdom was first business to business online shopping system was introduced. United States of America and Canada launched first comprehensive electronic commerce service in 1984. In 1990-95, the period of explosive growth of e-commerce and extraordinary innovations are took place. In 1992, www.books.com was opened for commercial selling of books through online with credit card processing system, later it extended to all type of products selling through online. In 1995, the first widespread use of the web of advertises products introduced. In 1996, India MART B2B (business to business) market place established in India and later many companies came out in the market and started business transactions and services through online.

These business transactions are occurring in either buyer to seller or seller to buyer or consumer or business to business. Most of the online business is conducted using a variety of applications like email, online catalogs, fax, and other web services. Most of the National or International companies are sending e-letters and posted advertisements through web services for getting high attention of the particular new product. It is easy to send throughout world. The buyer select particular product from their home and same will get door delivery after paying money through online or delivery by cash. The seller posted the availability of the products or goods in the websites, if customer needs to see such products; they have to register the fundamental details in the website. The registered users will get full information about the product. By submitting the personnel information, we agree to receive emails regarding relevant products and special offers of the company. The companies will implement the security, privacy and effectiveness to the customers as per business rules. Online shopping websites for retail sales

direct to consumers only. They provided sales products to customer from company through third party. In the recent decades, social websites and electronic media and communications have provided rich publicity about the product and demographic data. Recently, the Facebook also entered in the e-commerce network for online shopping particularly Facebook digital advertising trade and takeover the 'www.Thefind.com'; it is one of the leading online shopping search engines. In the year 2014, Facebook earned 12.6 billion dollars through the advertisements.

Digital Commerce: The growth of internet connectivity has given boost to online shopping. The following table shows the market value from 2010 to 2014.

S.NO	Year	Digital Commerce Market Value(in Crore Rupees) in India
1	2010	26,263
2	2011	28,500
3	2012	47,349
4	2013	53,301
5	2014	81,525
6	2015	1,00,000
7	2020*	50 (billion dollars)

Source: The Enadu Newspaper, Dated: 19-03-2015, p.9 and Sakshi Newspaper, Dated: 19-3-2015, p.11

The table shows the growth rate of digital marketing in the preceding years. In 2010, the digital commerce market value was 26,263 Crore rupees and it was increased 53, 301 cores in 2013 and one lakh Crore in 2015. According to IAMAI, IMRB International agency imagined the growth rate was more than Fifty three percent. As per UBS, It is a global firm providing financial services in over fifty countries, Surveys says e-commerce will get fifty billion dollars at global

market in 2020. (Sakshi, Dated 16-4-2015, p.12). The United States of America, United Kingdom, and France having high internet penetrating market and China, India and Brazil are the rapid growing markets in the world. The statistics reports say that India having 244 million internet users and 106 million internet users are active. In India, cash on delivery is the most preferred payment method, accumulating 75% of the e-retail activities. Buyers will enjoy an experience of online shopping.

Why e-commerce is growing fastest development in the world, because, the usage of internet customers are increasing day by day, it means the accessibility of technology to the common people, second one is the lakh of goods and services in their home town and third one is cash on delivery and high discount offers, high competition in the companies, some products are available in only few e-commerce websites like Flip kart and Snap deal etc. In the recent past, most of the peoples were businessman's' and tourists are using online booking and paid money on online only. National wise credit card system encouraged these online businesses; it is also very comfortable and time saving. The most popular e-commerce products are non-consumables durables and entertainment related products such as clothing, electronic devices, e-books, hotel and travelling reservations, event tickets and sporting goods etc. E-commerce represented an extraordinary opportunity to earn far above normal returns on investment.

There are different types of e-commerce one is business to business (e-commerce between companies), second one is business to consumer (commerce between consumers and companies), and third one is consumer to consumer (commerce between private individuals) and M-Commerce (buying and selling of goods and services through wireless technology). These types of business are very popular in the recent decades. E-Commerce is to be a competitive alternative to traditional commercial transactions. In the beginning, the companies used private networks such as the Electronic Data Inter Change (EDI), it too expensive, but now the internet allows people from all over the world to get connected with electronic devices.

Advantages of E-Commerce: Using e-commerce, advantages goes to organizations, customers and society. Any Organization can easily expand their market to worldwide. It provides the better customer services with minimum capital investment and it also helps to reduce paper work and increase the brand image. Customers always get information and transactions at any time. The customers can compare the products value and prices easily and they have best option to

choose products from their home. Customers cannot move to market for buying products and even the government and non-governmental organizations can get advantages to deliver the health care, education and social services at reduced cost. It gives equal opportunity to start the small and medium sized enterprises to reach the global market easily. Customers can choose easily according to their personal interest, whether online or offline business. (Sakshi, 5th June 2015, p.14). E-Commerce workers or contractors are connected with computer network. E-commerce allows for a faster and more open process with customers having greater control. E-commerce makes information on products and their availability in the market along with price and specific features of the product, which enable customers to make more appropriate purchasing decisions. There is a direct contact with producer and consumer. The producer will supply automatic packaging and distributed to specific target groups. It facilitates the marketing of agriculture and tropical products and promotion and development of tourism at global level. There is a chance to compare the under developing countries products with developed countries products. Several successful e-businesses have established their business models for generate revenue and reduce costs for business and entities. Many of the government and non-governmental institutions and industries are the main recipients of e-commerce. The websites and telecommunication technologies play a major role in e-commerce. Many companies have taken advantages of the web and e-commerce to reduce cost and improve revenue and increase customer service. The main goal of e-commerce is to generate revenue and make a profit. These e-commerce stores are provided employment for huge population in metro cities and urban areas, based on their educational qualifications and experience. In the recent past, the transparent and real time information protects the consumer's rights.

There is a criticism on e-commerce that most of the sellers don't know the buyers and buyers don't know the sellers, this causes huge gap between sellers and buyers, sometimes buyers got low quality product and sometimes they got variety of products in the delivery packages instead of ordered product. For instance, a customer from Jagityal, Karim Nagar District in Telangana State ordered (May 28th, 2015) mobile phone through online and paid 8,099 rupees from his credit card, he got parcel on June 11th, 2015, and there he found two Mangoes instead of mobile. He made a call to customer care, but the response was poor. (Sakshi, June 11th, 2015). Another instance is that there are many fake companies and organizations sends emails to online users for

offering jobs or asking the verification of account or your email won huge lottery amount etc, if you want claim that amount you should deposit some money on account, but finally the customers realized that it is fraud. Such types of complaints are registered in the police stations. (Sakshi, June 15th, 2015, p.14). There is a mechanism to control such type of incidents, for instance, Consumer Forum in India and International Consumer Protection and Enforcement Network (ICPEN) at internationally to deal with consumer problems connected with cross border transactions in both goods and services, even though this type of incidents happened in many times. Another problem in e-commerce was conflict of laws in cyber space is a major hurdle for harmonization of legal frame work. Moreover, the reviews or rating institutions sometimes did not give factual information for particular product; sometimes they will give poor and higher ratings. The Power of Reviews Report says that ninety four percent of buyers following the reviews. (Sakshi, 5th June, 2015, p.14). Privacy and security is lacking in online business. There is a software development every day and insufficient telecommunication is another disadvantage. Lack of knowledge on computers and initial cost of creating application and lack of feel or touch with products are another disadvantages. Retailers must deliver products for lower prices and exact products without delay to the customers, proper security protocols are a must. Seventy Six percent of the people say that online shopping is convenient says Nielsen Global Survey. In Asia and Pasfic region, Australia having Eighty Nine percent of internet penetration, but India have only Eleven percent, which is low in the Asian region.

Nielsen Global Survey 2014 says that online browsing buying is highest in Latin America and online buying is the highest in Asia-pasfic. Mobile phones are catching up in developing countries as the favored online shopping device. The consumers were using the internet to research products with the intention of making a purchase online. They are buying items closely with highest respondent purchase such as cosmetics and personal care products, toys and, groceries; computer software, flowers and drinks etc. The global average percentage of the population age between 21 to 34 years is spending much money on online shopping. They will buy Fifty Two to Sixty Three percent online products. The buyers using most frequently for online shopping is computer, mobile device and tablets. Some companies advertised fabulous offers when you shop with your debit card. Mobiles, computers, cameras, home entertainments, appliances like air conditioners, refrigerators, washing machines, vacuum cleaners, water

purifiers and other home needs, fashions particularly men's ware and women's ware, watches, and jewelry etc. Home and kitchen needs, home furniture like curtons, towels, sofas, beds, and office basins, etc. E-learning sources like online courses, online tests, educational devices, competitive exams material, health and sports supplements like nutrition supplements, protein supplements, diabetic care, and other sports equipment's etc. E-Commerce is impact on many business areas and disciplines in business management like marketing products that are door to door delivery through the telephone or television or computer. It impact on finance, accounting, marketing and retailers business. Supply and chain management system and logistics are two most crucial factors for e-commerce activities.

E-Commerce Sites and its operating System: There are many e-commerce websites opened by different companies and organizations in the recent decades, for instance, Snap deal and flip kart are the most popular sites, among other sites like couponzguru.com, My smart price, myntra.com, yepme.com, go javas, health cart, lens cart, zabong.com, garuda bazar.com, maxabout.com, myuniverse.co.in, indiatimes shopping, koovs.com for fashion online, stylistia, chumbak, happy unmarried, amozan.in, makemy trip.com, yatra.com domestic flight booking, just eat, food panda, big rock, infi beam.com, paytm, trend in.com, Ebay.in, shopping India times.com. Olx.com etc websites are very popular and they are always depending on electronic communication and internet facility only. There transactions are through internet. They offering many discounts and benefits every day, for instance if you take snap deal, which was started in February 2010, it is one of India's largest e-commerce marketplace; it provides a platform for vendors across the country to connect with millions of customers. This online shopping platform has the widest assortment of products from thousands of national, international and regional brands.

They have network of more than 50,000 Merchants/Brands, and has over twenty million members (which is one out of every six internet users in the country) and caters to the shopping needs of customers across 4000+ towns and cities. Six thousand feature brands, 4,000,000 listed products; more than five hundred categories ate there. As of February 2013, 20,000000 members were registered. 1:2 men and women workers are working with this company. A new product has been added every thirty seconds. First in India to sell automobiles online, one saree sold in every two minutes, foot ware sold every thirty seconds; one mobile sold every two minutes from this

online website. There is an encouragement of every team member to share ideas and feedback openly. The ownership and honesty are the core values of this company. Snap deal ties up with several companies to sell various new products.

Online websites sells huge products online in India that are delivered at customer doorstep. They offered lowest price mobile phones and high end mobile phones and different models on online portal. This allows selecting one that best suits our tastes and requirements. Besides offering free shipping and 100% genuine products will deliver. They will follow an easy return policy and they offered hassle free COD (Cash on Delivery) services which can enables to pay only after being fully satisfied with the product. Buy smart phones online with lowest price advertisements also displayed in several websites. Snapdeal.com is one of the leading e-commerce website in India. They started off in 2009 as a Daily Deals Site and today they have totally converted into a multi-product online shopping portal. They also excel in online deals for Spas and Restaurants. They have a one of the largest inventory compared to other online stores in India and have products from more than 1000+ brands. Alibaba had an e-commerce market share of eighty percent in China.

Discount Offers: On the eve of festival seasons, high percentage of bumper offers given and sold as much. Gift hampers also offered during the seasons. High discounts also given. Special offers, buy on get one free and buy one and get two free advertisements are common in the festival seasons like Dasara and Diwali. One of the best advantages of shopping at online is the kind of discount they offer. They keep releasing various discount coupons and discount codes which can be used by online shoppers in India and in turn save good amount of money on all sorts of luxury as well as budget brands. There tag line is the more you buy, the more you save. At Couponz Guru, customers will always get latest, genuine deals and offers. Customers can use these coupon codes on Mobiles, Laptops, Apparels, Footwear, Watches, Sunglasses, Bags, Books, Baby Products and almost all categories at Snap deal. The Company provides a number of offers including discount coupons and promo codes to enhance the experience of their buyers. There are valuable and a satisfactory service has gained a huge popularity. These online stores contain products from many different categories and also get an easy return policy and other services like EMI options, cancellation and refund, which add to the reliability of the business.

The range of products and long list of categories are available and every category is further divided into a number of different branded product types like Blackberry, Good way, Kaspersky, JSB, jockey, Puma, Panasonic, Quantum, Reebok, Zion, WOW, UCB, Urban Living, Spice, Yamaha and many more. Buyers will get a superior experience of online shopping, while buying. They can buy a product by making full payment or on EMIs termed for there, six, nine and twelve months period through credit card payment option, with zero processing fee of three and six month EMIs and minimum limit set for all. There are no shipping charges for orders above 300INR, below which, only 30INP charges are applicable, while you will get to know about the shipping and delivery time required mentioned along with the product. There is a chance to cancel our order before shipment or return the product within seven days of delivery by contacting customer support service.

These type services will provide many online websites, for instance, amazon.com also one of the most customer centric companies. A globally recognized and comprehensive purchase protection provided. They also offer low prices, vast selection, fast and reliable delivery, and a trusted and convenient experience and provide sellers a world-class e-commerce platform. This site having many affiliated operating websites. They are committed to ensure hundred percent purchase protection for shopping. In Feb 2012, amazon seller services made its foray into the Indian market with the launch of jungle.com enabling retailers in India to advertise their products for free to millions of Indian shoppers and drive targeted traffic to their stores. With the introduction of the amazon.in marketplace and launch of two new programmes like sell on 'amazon and fulfillment by amazon sellers' across India now have access to unlimited and free 'virtual shelf space' and a scalable, pay-as-you-go fulfillment and customer service offerings. Both programmes have successfully been used by more than two million sellers globally to sell to over 200 million customers worldwide and boost their sales. They become a trusted and meaningful sales and logistics channel for retailers of all sizes across India. These websites offered mobile app in play store for free of cost to reach the customers easily. The flipkart.com also provided such type of offers. This is one of the leading and most popular e-commerce website, which introduced friendly returns policy for every purchase. If the buyer is not fully satisfied with what they ordered, just return it to the company. They sold branded and genuine products. In case the product you received is 'damaged', 'defective' or 'not as described',

the friendly returns policy has got covered. Replacement, exchange and refund facilities are available. In 2007, the Flipkart established with the objective of making books easily available to anyone who had internet access. Today, across various categories including movies, music, games, mobiles, cameras, computers, healthcare and personal products, home appliances and electronics, stationery, perfumes, toys, apparels, shoes etc are trading.

Conclusion: E-Commerce is a big business and getting bigger in the twenty first century. Thus the government should take the lead role in the development and encouragement of e-commerce, for that the government should create healthy environment and give more concessions to establish the more network companies, this creates easy internet access to the people. The government should also strengthen the consumer's law and consumer protection. The main barrier of the e-commerce is lack of knowledge in using technology. The government and private sectors should take responsibility to create awareness programmes like conducting the workshops, and free training courses. The government should resolve the consumer problems as early as possible and should verify the identity of seller and buyers, while doing transactions and give more transaction security and keep passwords confidential. The government should maintain transparency and accountability. E-commerce is not a new kind of e enterprise, but it is creating a new economic model, and it is significant for economic society in the future. In India, The Information Technology Act, 2000 governs basic applicability of e-commerce; it also needs a comprehensive legislation to deal with e-commerce related activities. E-commerce is going to lead an unprecedented online business in the world, the influence of this model far exceeding the commercial affair itself. The online business continues impact on law, pharmaceuticals, health care, travelling, business, education, culture and government policies.

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