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**Dynamics Of Commerce In The Contemporary Business Scenario In India
(E-Commerce)**

Abstract

The significance of Commerce and Business are increasingly shaping the future of the nation. In the wake of globalization and liberalization of Indian economy, there has been a sweeping transformation in almost all spheres of trade, industry and commerce. In this growing age of globalization, online businesses are trying hard to please customers and generate profits. For developing countries like India, e-commerce offers considerable opportunity. There has been a rise in the number of companies' taking up e-commerce in the recent past. India's e-commerce industry is on the growth curve and experiencing a spurt in growth. A report by the Internet and Mobile Association of India has revealed that India's e-commerce market is growing at an average rate of 70 percent annually and has grown over 500 percent since 2007. Electronic commerce activities fall in two main categories: The business to business and business to consumer categories. In 2012, e-commerce sales topped \$1 trillion for the first time in history. Today E-commerce is a byword in Indian society and it has become an integral part of our daily

life. E-commerce provides multiple benefits to the consumers. On the negative side there are many challenges faced by e-commerce sites in India. Constant innovation and customization of the web will continue to diversify trade. A recurrent trend, of which we will see more of in 2013 is that E-commerce will drive consumers heavily towards alternatives to the bricks-and-mortar retail. As E-commerce in India is at nascent stage but growing at a very high rate, the competition issues may arise in the near future. There has been tremendous competition to target each and every computer owner who is connected to the Web. Overall e-commerce will increase exponentially in coming years. E-commerce trends for 2013 clearly pose a win-win situation for both the brands and their customers. Though 2013 is bound to be a tricky time for online businesses, e-commerce sites that promise undeniable benefits to individuals and economies, and view the trends as opportunities will surely flourish.

E-commerce

Electronic commerce, commonly known as e-commerce, is a type of industry where buying and selling of product or service is conducted over electronic systems such as the Internet and other computer networks. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web at least at one point in the transaction's life-cycle, although it may encompass a wider range of technologies such as e-mail, mobile devices social media, and telephones as well.

Introduction

The significance of Commerce and Business are increasingly shaping the future of the nation. Post-1990's has witnessed several structural changes in India. Such changes in the field of Commerce, Business and Industry have marked a long lasting and permanent impact on the country's economic and business policies. These developments have changed the rules of the game and the way in which business is being conducted in India. In the wake of globalization and liberalization of Indian economy, there has been a sweeping transformation in almost all spheres of trade, industry and commerce. In this scenario, the organizations have to face new challenges, threats and opportunities in terms of technology, quality, fierce competition, customer relations, human resource development, hedging of financial risk and so on. In this growing age of globalization, online businesses are trying hard to please customers and generate profits. The contemporary business milieu implies continuous efforts towards better understanding and coping with the challenges of the modern era characterized by ongoing global crisis, intense competition and the imperatives for making changes, which are widely acclaimed to have placed special and overwhelming demands on our business panorama.

Objectives of the study:

- ❖ To understand deliberate upon the multifarious and ever changing business scenario prevalent in India;
- ❖ To identify the emerging areas thereof and to explore the opportunities & challenges; and
- ❖ To analyse in-depth the contemporary areas of Commerce and Business scenario in India.
- ❖ To evolve measures and concrete solutions to meet these challenges.

RESEARCH METHODOLOGY:

The present study is based on literature review of secondary information such as research papers, articles available in commercial databases like Emerald, online newspapers, online journals, blogs etc. However it is to be noted that study is carried out to understand the dynamics of commerce in the contemporary business scenario in India with respect to e-commerce.

E- commerce in India

For developing countries like India, e-commerce offers considerable opportunity. E-commerce in India is still in nascent stage, but even the most-pessimistic projections indicate a boom. It is believed that low cost of personal computers, a growing installed base for Internet use, and an increasingly competitive Internet Service Provider (ISP) market will help fuel e-commerce growth in Asia's second most populous nation. Indian middle class of 288 million people is equal to the entire U.S. consumer base. This makes India a real attractive market for e-commerce. To make a successful e-commerce transaction both the payment and delivery services must be made efficient. There has been a rise in the number of companies' taking up e-commerce in the recent past. Amul, a milk cooperative, is successfully using ecommerce to deepen its brand loyalty. Likewise, corporate in the automotive sector are improving their customer relations through this medium. Many sites are now selling a diverse range of products and services from flowers, greeting cards, and movie tickets to groceries, electronic gadgets, and computers. With stock exchanges coming online the time for true e-commerce in India has finally arrived. However, many Indian Banks have put the Internet banking facilities. The speed post and courier system has also improved tremendously in recent years. Modern computer technology like secured socket layer (SSL) helps to protect against payment fraud, and to share information with suppliers and business partners. With further improvement in payment and delivery system it is expected that India will soon become a major player in the e-commerce market. India's e-commerce industry is on the growth curve and experiencing a spurt in growth. The Online Travel Industry is the biggest segment in

ecommerce and is booming due largely to the Internet-savvy urban population. The other segments, categorized under online non-travel industry, include e-Tailing (online retail), online classifieds and Digital Downloads (still in a nascent stage). The online travel industry has some private players such as Makemytrip, Clear trip and Yatra as well as a strong government presence in terms of IRCTC, which is a successful Indian Railways initiative. The online classifieds segment is broadly divided into three sectors; Jobs, Matrimonial and Real Estate. Mobile Commerce is also growing rapidly and proving to be a stable and secure supplement to e-commerce due to the record growth in mobile user base in India, in recent years. A report by the Internet and Mobile Association of India has revealed that India's e-commerce market is growing at an average rate of 70 percent annually and has grown over 500 percent since 2007.

Forms (Types) of e-commerce

Electronic commerce activities fall in two main categories: The business to business and business to consumer categories. The business to consumer relation is carried out normally by systems that connect users to the company's web site. The transaction then is routed from the Web to the company's legacy system. This kind of systems is referred to as "electronic shops". The business to business is carried out by EDI and middle-ware systems. The mode of operation that is going to be developed consists in developing an "electronics shop", which is EDI enabled.

Global trends

In 2010, the United Kingdom had the biggest e-commerce market in the world when measured by the amount spent per capita. The Czech Republic is the European country where e-commerce delivers the biggest contribution to the enterprises' total revenue. Almost a quarter (24%) of the country's total turnover is generated via the online channel.

Among emerging economies, China's e-commerce presence continues to expand. With 384 million internet users, China's online shopping sales rose to \$36.6 billion in 2009 and one of the reasons behind the huge growth has been the improved trust level for shoppers. The Chinese

retailers have been able to help consumers feel more comfortable shopping online. E-Commerce is also expanding across the Middle East. Having recorded the world's fastest growth in internet usage between 2000 and 2009, the region is now home to more than 60 million internet users. Retail, travel and gaming are the region's top e-commerce segments, in spite of difficulties such as the lack of region-wide legal frameworks and logistical problems in cross-border transportation. E-Commerce has become an important tool for small and large businesses worldwide, not only to sell to customers, but also to engage them. In 2012, e-commerce sales topped \$1 trillion for the first time in history.

Impact on markets and retailers

Economists have theorized that e-commerce ought to lead to intensified price [competition](#), as it increases consumers' ability to gather information about products and prices. Research by four economists at the University of Chicago has found that the growth of online shopping has also affected industry structure in two areas that have seen significant growth in e-commerce, [bookshops](#) and [travel agencies](#). Generally, larger firms are able to use [economies of scale](#) and offer lower prices. The lone exception to this pattern has been the very smallest category of bookseller, shops with between one and four employees, which appear to have withstood the trend.

Status of e-commerce in India

Today E-commerce is a byword in Indian society and it has become an integral part of our daily life. There are websites providing any number of goods and services. Then there are those, which provide a specific product along with its allied services. Indian E-commerce portals provide goods and services in a variety of categories. To name a few: Apparel and accessories for men and women, Health and beauty products , Books and magazines, Computers and peripherals, Vehicles, Software, Consumer electronics, Household appliances, Jewelry, Audio/video, entertainment, goods, Gift articles, Real estate and services .

Some Indian portals/websites deal in a specialized field, for example:

- 1) *Automobiles*
- 2) *Stocks and shares and e-commerce*
- 3) *Real estate and e-commerce*
- 4) *Travel & tourism and e-commerce*
- 5) *Gifts and e-commerce*
- 6) *Hobbies and e-commerce*
- 7) *Matrimony and E- commerce*
- 8) *Employment and e-commerce*

List of Top E-Commerce Companies of India

- 1) ASA Systel Communications Pvt. Ltd.
- 2) *Candid Info*
- 3) *Chenab Information Technologies Private Limited*
- 4) *Euro link Systems Limited*
- 5) *HashPro Technologies*
- 6) *Compare Info Base*
- 7) *Sanver E-solution*
- 8) *Planet Asia*
- 9) *Candid Web Technology*
- 10) *Trisoft Design*

Benefits of E-Commerce to Businesses

E-commerce provides multiple benefits to the consumers:

- ❖ Availability of goods at lower cost, wider choice and saves time.
- ❖ People can buy goods with a click of mouse button without moving out of their house or office. Online services such as banking, ticketing (including airlines, bus, railways), bill payments, hotel booking etc. have been of tremendous benefit for the customers.
- ❖ Business to business transactions will represent the largest revenue but online retailing will also enjoy a drastic growth.
- ❖ Online businesses like financial services, travel, entertainment, and groceries are all likely to grow.
- ❖ Easy reach to a fast growing online community
- ❖ Unlimited shelf place for products and services
- ❖ Fuse the global geographical and time zone Boundaries
- ❖ Helps reach national and global markets at low operating costs.

- ❖ Research studies have indicated several factors responsible for the sudden spurt in growth of Ecommerce in India such as:
 - ❖ Rapidly increasing Internet user base Technology advancements such as VOIP (Voiceover-IP) have bridged the gap between buyers and sellers online
 - ❖ The emergence of blogs as an avenue for information dissemination and two-way communication for online retailers and e-commerce vendors
 - ❖ Improved fraud prevention technologies that offer a safe and secure business environment and help prevent credit card frauds, identity thefts and phishing
 - ❖ Bigger web presence of SME's and Corporate because of lower marketing and infrastructure costs.

- ❖ This mode of operation promotes services and electronic commerce through a modern, quick, flexible and fully secure environment.
- ❖ A 24hour store where anyone with access to the Internet can order or buy products any time he wants.

Challenges and issues

On the negative side there are many challenges faced by e-commerce sites in India. The relatively small credit card population and lack of uniform credit agencies create a variety of payment challenges unknown in India. Delivery of goods to consumer by couriers and postal services is not very reliable in smaller cities, towns and rural areas. Growth drivers and barriers are present in equal measures for new e-commerce ventures.

- Affordable ICT infrastructure (Internet, broadband)
- Digital literacy among producers *and* users
- Electronic payment systems
- Ecommerce platforms – local content
- Branding/recognition
- Delivery and distribution networks (physical transportation)
- Tracking, monitoring and taxing transactions
- Legal framework to build trust
- Risk of bias/unfair competition
- Circumvention of trade barriers (Licensing, immigration restrictions, bans)

Legal issues related to e-commerce

- Electronic signatures and authentication
- Electronic contracting
- Consumer protection
- Privacy and data protection
- Computer crime
- Taxation and custom duties
- Intellectual property rights

Strategies to achieve e-commerce(*A multidimensional challenge*)

- Key policy areas:
- Infrastructure and access
- Human resources
- E-payment solutions
- Legal issues
- Tailor national ICT strategies to each country
- Involve all stakeholders: supportive public intervention with private sector initiative
- Benchmark against and learn from other countries
- Use internationally agreed indicators and collect data

E-Commerce 2013 – Time to Upgrade Your Online Store

Constant innovation and customization of the web will continue to diversify trade. A recurrent trend, of which we will see more of in 2013 is that E-commerce will drive consumers heavily towards alternatives to the bricks-and-mortar retail. Online retailers will continue to offer a number of products and services with attractive buying schemes to attract online visitors.

Customers, on the other hand, will enjoy increasing influence on brand decisions with more buying power than ever before.

The E-commerce sector will continue to evolve and with this, be prepared to witness experimentation of new e-commerce techniques like never before. Users will be encouraged to leave suggestions and feedback on anything from website design to discounts and deals. Online retailers will smartly incorporate these strategies to simplify and refine e-commerce platforms. These and many other trends will dominate web design in 2013.

Following are the top 5 trends that will be shaping E-commerce for 2013:

1. Localization – Big Opportunities for Small Businesses

Word of advice – *Go Local!*

2. M-Commerce Is the New Buzzword

Word of advice – *Go Mobile!*

3. Increased Online Security – Simpler Payment Processes

Word of advice – *Go Cashless!*

4. Interactive Products Display Will Replace Images

Word of advice – *Get a Video, Share it Social Media!*

5. Content Continues To Rule

Word of advice – *Get short, simple, original content*

Future of E-Commerce in India

As E-commerce in India is at nascent stage but growing at a very high rate, the competition issues may arise in the near future. E-commerce may become a platform for the anti-competitive agreements between the companies. Credit cards market in India is growing at a fast rate. These issues may come up in India in the near future. This is not to say that the e-commerce scenario has been bad in India as highly successful e-business like Baba bazaar and India mart have proved. Indian Banks too have been very successful in adapting EC and EDI Technologies to provide customers with real time account status, transfer of funds between current and checking accounts, stop payment facilities. ICICI Bank, Global TRUST BANK AND UTI-Bank also have put their electronic banking over the internet facilities in place for the upcoming e-commerce market speed post also plan to clone the federal express story with online package status at any moment in time. The future does look very bright for e-commerce in India with even the stock exchanges coming online providing an online stock portfolio and status with a fifteen minute delay in prices. The day cannot be far when with RBI regulations will able to see stock transfer and sale over the Net with specialized services.

Conclusion

There has been tremendous competition to target each and every computer owner who is connected to the Web. Although business-to-business transactions play an important part in e-commerce market, a share of e-commerce revenues in developed countries is generated from business to consumer transactions. There is a growing awareness among the business community in India about the opportunities offered by ecommerce. Ease of Internet access and navigation are the critical factors that will result in rapid adoption of Net commerce. Safe and secure payment modes are crucial too along with the need to invent and popularize innovations such as Mobile 40. Overall e-commerce will increase exponentially in coming years.

RECOMMENDATIONS

E-commerce trends for 2013 clearly pose a win-win situation for both the brands and their customers. Online retailers will have to build a distinctive strategies to suit their business motives, whereas consumers will be more picky looking for better alternatives. Companies will have to spend more time on building brand loyalty by consistently providing a great user experience for both existing as well as newly-acquired consumers.

Though 2013 is bound to be a tricky time for online businesses, e-commerce sites that promise undeniable benefits to individuals and economies, and view the above trends as opportunities will surely flourish.

Limitations of the study:

The review conducted was only confined to secondary method for collection of data.

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