

## REVIEW ON TRENDS OF E-COMMERCE IN INDIA

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### Abstract

E - Commerce allows consumers to electronically exchange goods and services with no barriers of time or distance. It's been projected that e-commerce will continue to grow at this pace, if not accelerate even more in the coming years. As more companies transfer parts of their operations to the Internet, the line between "traditional" and "electronic" trade will become more blurred. A high penetration of the internet and advanced electronic gadgets are driving rapid growth in India's e-commerce sector. However, India's recent e-commerce growth rate has lagged considerably below that of other industrialised nations. Convenience, time savings, and options are just a few of the benefits of electronic commerce. It's simple to compare products and read customer feedback, thus Deals and coupons, expanding the base of clients more customers and more money, 24/7/365 extend the reach of your company, simplify recurring payments, and conduct transactions instantly. It also discusses some of the issues that need to be addressed.

*Keywords:* e-commerce, internet, information technology, electronic devices.

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### 1. Introduction

A commercial transaction that includes the transmission of information over the Internet is referred to as electronic commerce, or simply e-commerce. These include anything from consumer-based retail sites to auction and music sites, as well as commercial exchanges where products and services are traded among companies. It's one of the most significant new features of the Internet right now. Consumers may now transact business via the internet in real time and from a distance, thanks to ecommerce. It's been projected that e-commerce will continue to grow at this pace, if not accelerate even more in the

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coming years. As more companies transfer parts of their operations to the Internet, the line between "traditional" and "electronic" trade will become more blurred. [1]

### *1.1. What is E-commerce?*

When you purchase and sell products and services via the Internet, you are engaging in electronic commerce, often known as e-commerce. Before making an online or in-store purchase, many individuals utilise the Internet as a source of knowledge rather than only for buying and selling. An alternative name for this procedure is e-Business. The term “digital transformation” is more often used to describe how the Internet is altering the way businesses do business, how they connect to their clients and suppliers, and also how they think about many aspects of their operations, including marketing and logistics. E-commerce is defined in this research as doing business via the internet. [2]



Figure 1: Features of e-commerce

The major different types of e-commerce are

- “Business-to-business (B2B)”
- “Business to-consumer (B2C)”
- “Business-to-government (B2G)”
- “Consumer-to-consumer (C2C)”
- “Mobile commerce (m-commerce)”

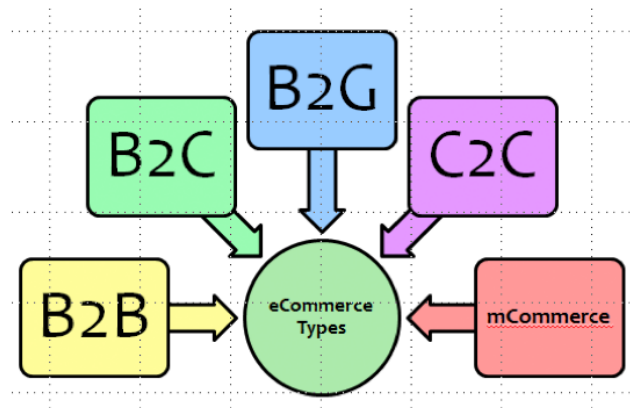


Figure 2: five types of e-commerce

When referring to B2B e-commerce, the term simply means business-to-business. This kind of e-commerce is concerned with commercial connections. B2B ecommerce is expected to expand at a higher rate than B2C ecommerce in the next years, with around 80% of all e-commerce being of this kind. [3]

Business-to-consumer or B2C, Companies and consumers do business over the internet using e-commerce. Customers collect information, purchase tangible items (like books) and/or digitally-encoded content (like software or e-books) and get the latter via an electronic network for information goods.

Electronic commerce between businesses and governments, often known as B2G, is a term used to describe this kind of trade. Public procurement, licensing processes, and other government-related activities may now be handled through the Internet. Both the public sectors as well as the assumptions that the public sector has the greatest need to improve its procurement system are characteristics of this kind of e-commerce. The public sector takes a pilot/leading role in developing electronic commerce. [4]

Consumer-to-consumer C2C, or consumer-to-consumer e-commerce, refers to transactions between two or more private people or customers. As electronic markets and online auctions increase in popularity, this kind of e-commerce is becoming more popular among companies in vertical sectors. There's a good chance it'll open up new markets.

In m-commerce, products and services are purchased and sold through wireless technology, i.e. portable devices such as cell phones and personal digital assistants, such as the internet (PDAs). In the field of mobile commerce, Japan is regarded as a worldwide leader. [5]

## 1.2. FEATURES

E-Commerce provides following features:

- **Non-Cash Payment:** Using e-commerce means you may use a variety of payment methods including credit cards, debit cards, and smart cards to make purchases.
- **24x7 service availability:** E-commerce automates business operations for companies, and the services they offer to consumers are always and everywhere accessible through e-commerce channels. Here, 24x7 denotes a weekday with 24 hours of service and a weekend with seven days of service.

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- Advertising / Marketing: E-commerce expands a company's advertising's potential customer base. It aids in more effective product and service marketing management.
- Improved Sales: It is possible to create orders for the goods at any time, anyplace with no human involvement by using E-Commerce. As a result, customers' reliance on a product is reduced, and sales rise.
- Support: E-commerce offers many pre- and post-sale support options to help businesses better serve their clients.
- Inventory Management: "Product inventory management" is automated using E-Commerce. When necessary, reports are produced immediately. The management of product inventories becomes much more effective and simple to maintain.
- Communication improvement: E-commerce enables consumers and partners to communicate more quickly, efficiently, and reliably.

## **2. LITERATURE REVIEW**

(Išoraitė & Miniutienė, 2018) [1] The use of electronic commerce is growing in popularity throughout the globe. Before making a purchase, the majority of customers go online to research goods, read reviews, and compare prices. Increasing numbers of businesses and established shops are opening their own online storefronts to offer consumers with more convenience, even late at night when conventional stores are closed. You may save time by shopping online instead of going from store to store looking for a certain item. The article examines the idea of e-commerce, as well as its benefits and drawbacks, as well as the current state of e-commerce in Lithuania.

(Vadwala, 2017) [2] E-popularity commerce's has soared in recent years because to the convenience and speed with which products and worldwide services may be exchanged. For e-commerce company concepts, India will be a thriving market. The current research is conceptual in nature and descriptive in scope.. It tries to explain the idea of e-commerce, as well as e-commerce business methods, benefits, and drawbacks. It comes to the conclusion that e-commerce has many advantages for a variety of parties. However, there are a number of restrictions, legal and technological hurdles in the way of India's e-commerce growth that may be overcome in the future. Due to globalisation and technological development, we must prepare ourselves to embrace e-commerce as a natural result.

(Moon et al., 2017) [3] An overview of search engine marketing and e-commerce in Bangladesh is provided in this article, as well as a literature review, present situation, and future prospects. By using its easy applications, e-Commerce has become a popular term in today's ICT world. This review paper's primary goal is to examine the differences between conventional and online purchasing in Bangladesh, as well as the efficiency of e-Commerce. According to prior study, convenience and time are the most important factors in deciding whether to buy online or at a conventional store in Bangladesh. Researchers also discovered that young customers prefer to shop online since they feel more at ease and satisfied.

(Franco & S, 2016) [4] Consumption may now be accomplished entirely via the use of E - Commerce. It's been projected that e-commerce will continue to grow at this pace, if not accelerate even more in the coming years. In today's digital marketing environment, e-commerce is critical to consumer purchasing habits. A high penetration of the internet and advanced electronic gadgets are driving rapid growth in India's e-commerce sector. However, India's recent e-commerce growth rate has lagged considerably below that of other industrialised nations. An internet retailer faces many difficulties and challenges along the road. Security of online money transactions is a major issue, but other factors have slowed the growth of the internet business in China to an uncomfortable pace.

(Khan, 2016) [5] An developing country like Bangladesh's banking industry and business practises have benefited greatly from advancements in information technology. To reduce fraudulent activities, increased use of smart mobile services and the internet as a new distribution channel is required for commercial transactions and international trade. Since the advent of "Information and Communication Technology (ICT)", people's everyday lives have seen many transformations. E-commerce offers several advantages that improve customer satisfaction by making it easier for customers to shop whenever and wherever they want, while also giving the business a competitive edge over their rivals. According to the findings of this research, developing economies will face a number of difficulties.

(Osa, 2014) [6] This study's goal is to discover the connection between financial incentives and staff productivity. There's also a point here to say that in a culture like ours, with such high living costs, monetary incentives are a smart way to motivate employees. Also, it's to show how insufficient a monetary incentive is to get all types of employees to do a better job. When it comes to achieving corporate objectives, employees are a valuable resource. To make sure that everyone is on board, managers must use a variety of methods to keep their employees motivated and inspired, including incentives.

### **3. Challenges in e-commerce**

Sellers and buyers that conduct commercial transactions via the internet face the following challenges:  
[7]

- The private and governmental sectors aren't working together to expand e-commerce. To grow an online company, private and public sector collaboration is required. Collaboration builds trust, which is essential for the growth of an online company.
- It's difficult to trust systems because of the absence of security, dependability, and standards. A hacked ecommerce site results in customers losing their money. Lack of cyber security is the most frequent issue with e-commerce websites.
- Financial institutions and banks in developing nations have been reluctant to play a proactive role in supporting e-commerce so far. In order to expand the scope and attractiveness of ecommerce, businesses require banks' participation, as well as to assist prevent fraud and possible losses due to credit card fraud. Banks and other financial service intermediaries are

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pushed to create alternative modalities for safe and reliable online transactions in settings where credit cards are not commonly used beyond the credit card method, nonetheless.

- There is a tradition in poor nations of haggling over the price of a goods before purchasing it, which is almost impossible with e-commerce due to a lack of infrastructure.
- Reducing the cost of internet access is a major issue. The government is making an effort to keep the cost of bandwidth affordable. However, the enormous cost of building and maintaining networks makes it difficult to keep internet prices low.

#### **4. Benefits of e-commerce**

**Transaction costs:** Conducting B2B e-commerce reduces costs in three key areas. Buyers no longer have to travel through numerous middlemen when looking for suppliers, goods, and pricing, as they would in a conventional supply chain. The Internet is a more cost-effective information medium than conventional media in terms of effort, time, and money. As a result of B2B, transaction expenses (such as invoices, purchase orders, and payment schemes) are reduced, and this is because transaction procedures may be automated, allowing for a quicker deployment than with other channels (such as the telephone and fax). The capacity of the B2B e-market to execute sales via online auctions further enhances trading procedure and transaction efficiency. Online processing, in the third place, enhances inventory control and logistical planning. [8]

**Disintermediation:** Suppliers may communicate and deal with customers directly via B2B e-markets, removing the need for middlemen and distributors. New types of intermediates, on the other hand, are beginning to emerge. E-markets, for example, may be regarded as intermediates since they sit in the middle of the supply chain, connecting suppliers with consumers. [9]

**Transparency in pricing:** The increased pricing transparency that e-markets have brought about is one of its more obvious advantages. With so many buyers and sellers converging in one e-market, participants have access to market pricing information and transaction processing. By publishing information about a single purchase or transaction, the Internet makes that information easily available to all participants in the electronic market. Price transparency improves the competitiveness of the market by reducing price differences. Buyers have a lot more time to evaluate costs and make wiser purchases in this situation. [10]

#### **5. CONCLUSION**

E-commerce will continue to grow in prominence as a leader in the electronic commercial sector in the years to come. The e-commerce revolution has transformed the transactional industry by opening up new markets and removing geographical barriers. E-commerce deployment in developing nations is hindered by a number of challenges when compared with those in wealthy ones. When internet costs are

cheap, e-commerce will thrive and many conventional businesses will be forced to close their doors forever. Customer happiness rises as a result of the convenience provided by e-commerce. This is because customers may make purchases and orders via the internet from almost anywhere. E-commerce service providers should prioritise each client by providing quick and easy service, as well as a wide range of payment methods. They should also make additional features accessible to customers online. Additional advantages include a wider range of products and a larger geographic service area. However, growing an e-commerce company is a difficult task because of the many obstacles they must overcome.

A number of roadblocks stand in the way of the growth of e-commerce right now. These include the need for early investment, technical challenges such as computer literacy problems, legal issues, and a negative attitude among customers. Furthermore, these e-commerce roadblocks will be removed in due time, and India's e-commerce industry now has a promising future. To welcome e-commerce and profit from it, we must modernize our approaches.

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