

E-commerce and its affect in the Indian Market

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ABSTRACT

E-commerce (electronic commerce) is a boom in the modern world, which involves the buying and selling of goods and services or transmitting the electronic funds or data, over internet. Although it has become a familiar concept in business and has the potential to alter the traditional form of economic activities. This paper is about e-commerce and how it has evolved the Indian market.

WHAT IS E-Commerce?

E-commerce means electronic commerce, involves buying and selling of goods and services, or the transfer of funds or data over the electronic network. E-commerce relates to a website of the vendor on the internet, who trade their services or goods directly to the customer from the storage. The web portal uses a digital cart or digital baskets systems and allows payment through different means of payment such as credit card, debit card, net banking UPI (Unified Payment Interface) and even cash on delivery.

A more accurate definition of e-commerce is: E-commerce is the use of electronic communication and digital information processing technology in business transaction to create, transform and redefine relationships for value creation between or among organizations and individuals.

E-commerce operates in four major market segments and can be conducted over computer, tablets, smartphones, and other smart devices. Nearly every imaginable product and services is available through e-commerce transactions, including books, music, plane tickets, and financial services such as stock investing and online banking.

The different types of electronic commerce are:

- Business-to-Business (B2B)
- Business-to-Customer (B2C)
- Customer-to-Business (C2B)
- Customer-to-Customer (C2C)
- Business-to-Administration (B2A)

- Customer-to-Administration (C2A)

BUSINESS-TO-BUSINESS –

A B2B model of business involves the conduct of trade between two or more business/companies. The channels of such trade generally include conventional wholesalers and producers who are dealing with retailers.

BUSINESS-TO-CUSTOMER–

B2C model of business deals with the retail aspects of e-commerce, i.e., the sale of goods and/or services to the end consumer through digital means. This mode of purchase has proved to be beneficial to the consumer when compared to the traditional method, as they are endowed with access to helpful contents which may guide their purchase appropriately.

CUSTOMER-TO-CUSTOMER -

This business model is leverage by a consumer for selling used goods and/or service to other customer through the digital medium. The transactions here are pursued through a platform provided by a third party, the likes of which include OLX, Quicker, etc

CUSTOMER-TO-BUSINESS –

A C2B model is the exact reversal of a B2C model. While the latter is serviced to the customer by a business, the C2B model provides the end customer with an opportunity to sell their products/services to companies. The method is popular in crowdsourcing based projects, the nature of which typically includes logo designing, sale of royalty-free photographs/media/design elements, and so on and so forth.

BUSINESS-TO-ADMINISTRATION –

This model enables online dealings between companies and public administration, i.e., the government by enabling the exchange of information through central websites. It provides businesses with a platform to bid on government

opportunities such as auctions, tenders, application submission, etc. The scope of this model is now enhanced, thanks to the investments made towards e-government.

CUSTOMER-TO-ADMINISTRATION-

The C2A platform is meant for customer, who may use it for requesting information or posting feedbacks concerning public sectors directly to the government authorities/administration. The areas where it is applicable includes: Distance Learning, tax returns, seeking appointments, information about illnesses, payment of health services, etc.

HOW DOES A ECOMMERCE BUSINESS STARTS?

One should have done a thorough research about what products and services you have to sell and look into the market, target audience, competition, and expected costs before starting ecommerce business.

Next, come up with a name, choose a business structure, and get the necessary documentation like taxpayer number, license, and permits if they apply. A proper platform and website needed to be decided before selling of goods or services and at the beginning try to keep the things simple and make sure you use as many channels as you can to market so that your business can grow.

HISTORY OF ECOMMERCE

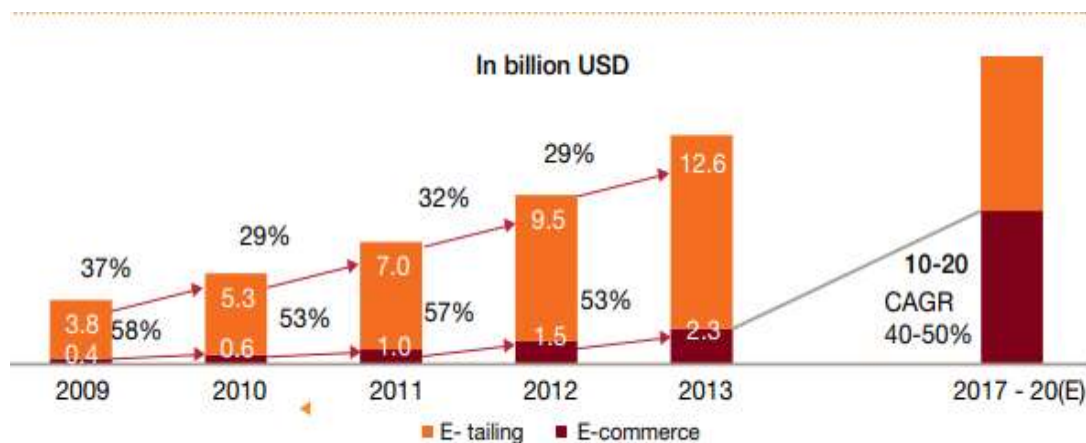
Most of us have shopped online for something at some point, which means we've taken

part in ecommerce. So, it goes without saying that ecommerce is everywhere. But very few people may know that ecommerce has a history that goes back before the internet began, when companies used an electronic system called the electronic data interchange to facilitate the transfer of documents in 1960s. But it wasn't until 1994 that the very first transaction took place, which evolves the sales of CD between friends through online retail website called NetMarket. Since then the industry went through so many changes, resulting in a great deal of evolution. Traditional brick-and-mortar retailers were forced to embrace new technology in order to stay afloat as companies like amazon, Alibaba, eBay, and Etsy became household names. These companies created a virtual marketplace for goods and services that customer can easily access.

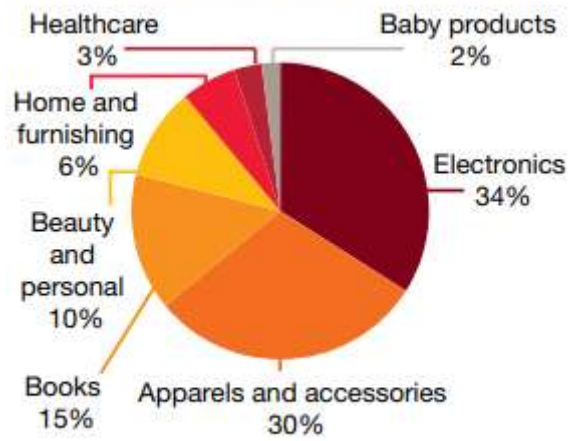
EVOLUTION OF ECOMMERCE IN INDIAN MARKET

Over the last two decades, rising internet and mobile phone penetration has changed the way we communicate and do business. E-commerce is relatively a novel concept. It is, at present, heavily leaning on the internet and mobile phone revolution to fundamentally alter the way businesses reach their customers.

While in countries like USA and China, e-commerce has taken significant strides to achieve sale of over 150 billion USD in revenue, the industry in India is, still at its infancy. However over by almost 35% CAGR from 3.8 billion USD in



Source: Crsil, IAMAI, PwC analysis and Industry experts



Source: Internet and Mobile Association of India research