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ROLE of E-COMMERCE RELATED TO PRESENT SCENARIO

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Abstract—*E-commerce implies that goods and services can be purchased online, whereas e-business might be used as more of an umbrella term for a total presence on the Web, which would naturally include in e-commerce component.*
E-commerce may also refer to electronic data interchange (EDI), in which one company's computer queries and transmits purchase orders to another company's computer E-commerce (electronic commerce or EC) is the buying and selling of goods and Services or the transmitting of funds or data, over an electronic network, primarily the Internet. Electronic commerce, commonly known as E-commerce or e Commerce, is trading in products or services using computer networks, such as the Internet. 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 for at least one part of the transaction's life cycle, although it may also use other technologies such as e-mail. E-commerce businesses may employ some or all of the following:
Online shopping web sites for retail sales direct to consumers Providing or participating in online market places, which process third-party business-to-consumer or consumer-to- consumer sales
Business-to-business buying and selling Gathering and using demographic data through web contacts and social media Business-to-business electronic data interchange Marketing to prospective and established customers by e-mail or fax (for example, with Newsletters) Engaging in retail for launching new products and services The level of enterpreneur in a given country has a significant positive effect on the level of economic growth in that country. Contrary to some established theories, this study has found evidence that the level of entrepreneurship in a given country is not explained by the levels of the traditional causes of economic growth in that country (specifically the amounts of labor, capital, knowledge that a country possesses as well and as the presence or absence of market friendly government policies).

Keywords: *Services, Economic, Technology*

1. INTRODUCTION

The most amazing aspect of e-commerce is its ability to impact sales and marketing efforts immediately. By going online, suddenly a neighborhood bakery or a home based consulting service expands its reach to a national or even international base of potential customers. Web-based sales know no international boundaries.

Forrester Research, which analyzes online trends and statistics, projects the online retail market for U.S. businesses to be $230 billion by 2008. That's a full 10 percent of anticipated total U.S. retail sales. Not only is the internet increasing the number of potential customers that a company can reach, but it's also driving profitability, according to research from IPSOS, commissioned by Pay Pal. The survey discovered that, far from being an extra "expense," internet operations boosted businesses' bottom lines. Of small businesses that sell online, 64 percent said the internet has increased their revenues or sales, 48 percent felt the internet helped to expand their geographic reach in the U.S. and 73 percent saved money by decreasing administrative costs.

Cash flow is of significant importance to a new business--online or brick and mortar. The IPOS study found that small-business owners who conduct business online feel it allows them to receive payments faster and conduct business easier. In online, they establish themselves on a level playing field with larger competitors. On the internet, even the smallest online retailer can be as attractive and as functional as the largest big box store-- without the need to have a physical presence on every street corner. Often, small shops project a "boutique" feel that attracts shoppers, who perceive smaller businesses as more distinctive than larger stores.

The level of E commerce in a given country has a significant positive effect on the level of economic growth in that country. Contrary to some established theories, this study has found evidence that the level of entrepreneurship in a given country is not explained by the levels of the traditional causes of economic growth in that country (specifically the amounts of labor, capital, knowledge that a country possesses as well

and as the presence or absence of market friendly government policies.E-commerce is creating a new economy, one that is connecting producers, sellers, and customers via technology in ways that have never been possible before. In this fast-paced world of e- commerce, size no longer matters as much as speed and flexibility do. The Internet is creating a new industrial order, and companies that fail to adapt to it will soon become extinct.

2. OBJECTIVES

- Company must first choose between paying a service provider to host the site and self hosting.
- External hosting options.
- Shared hosting, dedicated hosting, and co-location.
- Key elements of electronic commerce software.
- Catalogs, shopping carts, and transaction processing capabilities.
- Commerce service provider (CSP).
- Used by small enterprises just starting an electronic commerce initiative
- If a company already has computing equipment and staff in place purchasing a midrange electronic commerce software package provides more control over a site.
- Large enterprises with high transaction rates need to invest in larger, more customizable systems.

3. METHODOLOGY

The data selected through secondary data sources like books, journals, and websites.

Entrepreneurial process – a framework

There are many ways to organize the effort of planning, launching and building aventure. But there are a set of fundamentals that must be covered in any approach. We offer the following as a way to break down the basic activities necessary.It is useful to break the entrepreneurial process into five phases: idea generation, opportunity evaluation, planning, company formation/launch and growth. These phases are summarized in this table, and the Opportunity Evaluation and Planning steps are expanded in greater detail below.

1. Idea Generation

Every new venture begins with an idea. In our context, we take an idea to be a description of a need or problem of some constituency coupled with a concept of a possible solution. (A characterization of this phase is still work in process on this site.)

2. Opportunity Evaluation

This is the step where you ask the question of whether there is an opportunity worth investing in. Investment is principally capital, whether from individuals in the company or from outside investors, and the time and energy of a set of people.

But you should also consider other assets such as intellectual property, personal relationships, physical property, etc.

3. Planning

Once you have decided that an opportunity, you need a plan for how to capitalize on that opportunity. A plan begins as a fairly simple set of ideas, and then becomes more complex as the business takes shape. In the planning phase you will need to create two things: strategy and operating plan.

4. Company formation/launch

Once there is a sufficiently compelling opportunity and a plan, the entrepreneurial team will go through the process of choosing the right form of corporate entity and actually creating the venture as a legal entity.

5. Growth

After launch, the company works toward creating its product or service, generating revenue and moving toward sustainable performance. The emphasis shifts from planning to execution. At this point, you continue to ask questions but spend more of your time carrying out your plans.

There are four main areas of strategy:

Determination of the target customer set, Business model, Position and Objectives.

These are described briefly below and in more depth in the sections devoted to these topics.

Target customers

The target customer is the set of potential buyers who are your focus as you design your company's solution. The more you know about them, the better off you are.

Your characterization should be both qualitative and quantitative .You should investigate any alternatives the customer has for solving or working around the problem or need that you are targeting. You should understand the buying process in detail, including who are the decision makers and who influences the decision.

Business Model

The business model is your theory about how you will make money. It involves a definitions of a solution to the customer’s need, an hypothesis about how and how much the customer will pay for that solution. If there are any assumptions required for your theory to be true (such as the existence of complementary product or services, or the Customer’s willingness to change business processes) these should also be articulated.

Position

"Position" refers both to how your company is differentiated from any competitors and also how it relates to other companies in the value chain. This is an opportunity to define, at a fundamental level, what your company will do and what it will not do. An element of position is your company's vision how it wants to be known or thought of. A compelling vision is necessary to inspire investors, recruit and motivate employees, and to excite customers and partners.

Milestones / Objectives

As a first step toward creating your operating plan, you should create a set of high level objectives for your business. This should include: Key milestones (prototype, product, customer, partnerships, etc.) Share or penetration into your chosen market A clear articulation of objectives will allow you to set priorities for your venture, which will be critical as you face the many tough decisions that any entrepreneur must face.

These ideas are developed in the Strategy

Development section

Operating plan

Benefits of Ecommerce

E Commerce is one of the most important facets of the Internet to have emerged in the recent times. Ecommerce or electronic commerce involves carrying out business over the Internet with the assistance of computers, which are linked to each other forming a network. To be specific ecommerce would be buying and selling of goods and services and transfer of funds through digital communications.

The benefits of Ecommerce

Ecommerce allows people to carry out businesses without the barriers of time or distance. One can log on to the Internet at any point of time, be it day or night and purchase or sell anything one desires at a single click of the mouse. The direct cost-of-sale for an order taken from a web site is lower than through traditional means (retail, paper based), as there is no human interaction during the on-line electronic purchase order process. Also, electronic selling virtually eliminates processing errors, as well as being faster and more convenient for the visitor. Ecommerce is ideal for niche products. Customers for such products are usually few. But in the vast market place i.e. the Internet, even niche products could generate viable volumes. Another important benefit of Ecommerce is that it is the cheapest means of doing business.

The day-to-day pressures of the marketplace have played their part in reducing the opportunities for companies to invest in improving their competitive position. A mature market, increased competitions have all reduced the amount of money available to invest. If the selling price cannot be increased and the manufactured cost cannot be decreased then the difference can be in the way the business is carried out. Ecommerce has provided the solution by decimating the costs, which are incurred.

E- Commerce in India at present

E-Commerce in India is one of the fast growing sectors of India’s Digital Economy.

The leader in retail e-commerce Flip kart recently announcing that it crossed $ 1 Billion in sales early this year, this development has sent many small e-commerce companies scrambling to gather a piece of the online e-tailing action. One of the pioneers of the Indian IT Industry, Mr. Narayan Murthy recently announced that he would partner with Amazon India to launch a joint venture to create a new e-commerce entity for the Indian Market. care ratings recently released a detailed PDF report on it’s assessment of the fast growing e-commerce sector in India which can be accessed below.

The report provides the latest trends and developments in Ecommerce in India for the years 2014-2015.

E-Commerce Market in India – Report

E-Commerce is gaining momentum globally with Asian economies like China, India and Indonesia being the fastest growing e- commerce markets. E-commerce in India is growing at a fast pace with an estimated size of Rs.43,930 crore in FY13 and a CAGR of 43.8% (FY08-13). As per the internetworldstats.com – The top 20 countries in the internet by number of users as on June 30, 2012, India ranks 3rd after China and US. The ecommerce industry is mainly dominated by the travel segment which accounts for more than 70% of the transactions of industry and e-retail’s share in e-commerce stands at approximately 12.5%. In spite of the robust growth, the ecommerce industry is still in a nascent stage with significant e- commerce ventures being started by young first-time entrepreneurs. The e-commerce industry in India lags far behind various developed and developing countries (share of ecommerce to total retail is approximately 1.5% vis-à-vis 5.8% in US) mainly on account of low internet penetration due to poor infrastructure.

E-Commerce in India

Evolving Models

The Indian e-commerce industry comprises two key business models: B2B (90% of market share) and the remaining 10% comprise of B2C. India and China, unlike US are characterized by ‘Marketplace Model’, while US follows inventory-based/ independent model. ‘Market Place’ model only provides platform to a large number of Manufacturers / traders (especially MSMEs) to advertise their product (which translates to benefit the MSMEs in the form of increased turnover) as well as manages related functions and in turn the entity earns commission from sellers for goods and services. The B2B players do not carry inventory while in the other model-B2C, the merchant owns the goods. Currently FDI is restricted in B2C model in India.

E-Retailing

At an inflexion point

The e-retailing market in India is estimated at Rs.5, 513 crore in FY13 with a robust CAGR of 30.5% (FY08-FY13). However, e-retailing in India constitutes a miniscule 0.2% of the total retail market and 2.3% of organized retail in India. E-retailing industry in India is fragmented with a few large players at the top and race for high valuation has led to fierce competition and aggressive growth. Furthermore, the industry has also witnessed consolidation with the largest acquisition of Myntra by Flip kart. The trend is likely to continue in future given the foray of Amazon, inability to raise follow-up capital from PE by majority start-ups in the past couple of years and likely opening of FDI in B2C. Below-average penetration of e-retailing, has led to explosive growth of unique visitors during July 2011 to July 2012 within Indian retail online market.

Key Drivers for E-Retailing

Today's consumer, especially the middle-class urban and semi-urban India, who are increasingly pressurized due to paucity of time as well as lured by convenience and increased use of plastic money is all leading way to more online consumption.

Furthermore, favorable demographic profile 75% of internet users is aged between 15-34), limited geographical reach by brick & mortar model, increasing internet penetration, increasing smart phone usage & declining data charges offer high market potential for e-retailing in India.

Indian Ecommerce: Growing under constraints

The inability to provide a direct connect with consumer is the biggest challenge in e-retailing. Further, apart from low internet penetration, like low debit card/credit card usage which is being offset by cash on delivery, multiple languages, and logistics issues which is being managed by building in-house logistics by players are also some of the challenges faced by players. However with the help of technology, backbone of e-retailing, an attempt is made to bridge this gap. Also, other challenges are developing efficient supply chain management, customer relationship management solution and enhanced security systems which form heart of e-retailing. Foreign capital inflow is the next logical step to build the necessary infrastructure.

FDI in B2C: Next Logical Step

FDI in ecommerce in India has seen around US$1.3 billion of foreign investment in the ecommerce industry since 2010 to June 2013 and a large number of deals compared with some other peers on account of huge potential seen in India. At present, 100% FDI is allowed in business- to-business (B2B) e-commerce. Restriction on FDI in B2CInventory / Independent model has restricted the growth of this segment on account of lack of financial backing required for their expansion plans. Equity funding is important for growth of e-retailing given the large requirements on account of deep discounts given to customer as an acquisition strategy, for establishing logistics and creating differentiation in terms of customer service.

FDI in B2C: Pros and Cons

FDI in B2C model is likely to have a positive impact on overall economic development. It will provide the required significant financial backing to the young entrepreneurs. MSMEs, if provided financial backing, will be able to enhance their coverage through e-commerce platform. Long-term committed investment will also bring in know how and improve efficiencies in the supply chain necessary for the industry and also lead to competitive pricing. It will boost the ancillary industries like logistics, warehousing, online advertising etc. Minimum investment requirement, if mandated, in backend may also lead to infrastructure development.

On the other hand, with opening of FDI in B2C model, monopolies of foreign retailers may adversely impact the domestic industry Brick and Mortar players as well as existing B2C players leading to consolidation in the industry. It may shrink the Indian Entrepreneurship & MSME sector. However, foreign player's entry with certain riders like mandated minimum local sourcing with the MSMEs will lead to increased manufacturing activities

4. CONCLUSION

In entrepreneurship e-commerce is a now play a vital important role in the India. E-commerce (electronic commerce or EC) is the buying and selling of goods and Services or the transmitting of funds or data, over an electronic network, primarily the Internet. With the new government focusing on overall economic development, they may look at careful calibrated approach for opening up B2C model in India to FDI. Opening up of Foreign Direct Investment (FDI) in this segment shall change the contours of E- commerce industry in India as well as contribute positively to the overall economic development going forward.

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