

E-Commerce: A Virtual Assistance Making Life Challenging Or Simpler

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Abstract—In today's scenario e-commerce has a vital and significant role in every individual's life. E-commerce is a virtual network which uses technology (like internet network) to facilitate faster and easier transaction between two parties (business, customer) like buying and selling of product and services. This is research paper would discuss about e-commerce, its current scenario and impact on Indian society and conclusion of the research would be done by proposing a model which would be showing the e-commerce process and its SWOT analysis of current scenario. This research would be conducted with the help of secondary sources and some creative new ideas.

Keywords: E-commerce, internet, SWOT analysis, barriers

1. INTRODUCTION

E-Commerce (Electronics Commerce) is cutting the edge of all the businesses with the help of computer networks. Advancement in the Computer technology has provided relaxation to many industries and also helped them to grow. E-commerce is one of the industries which have effect the networking system. It basically means dealing of products and service with the help of electronic media. In this vendor of the product deals with the buyer of the product on-line by using digital shopping cart. In this portal payment is made through credit card, debit card or EFT (Electronic fund transfer) payments.

E-commerce has different activities which are lined up through B2B or B2C i.e. Business to business or business to customer-commerce and e-commerce. E-commerce has become an important activity in day today life of everyone. Flipkart, Snapdeal, Amazon, Limeroad, Myntra and many more like this are example of E-commerce only. Smoothly carrying of business can be only done by using EDI (Electronic Data Interchange). Now days we are not left with the one or two definition of E-commerce, it has taken the grand name on the World Wide Web. As we know everything has its pros and cons both so in this study we would be doing the SWOT analysis of E-commerce in order to know the strength, weakness, opportunities and Threats.

There are two kinds on E-commerce:

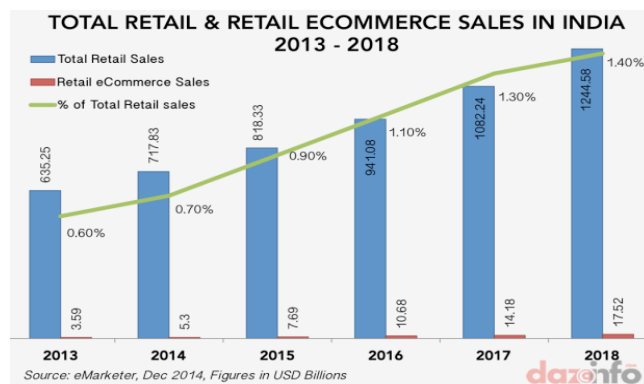
1. **Direct E-commerce:** In direct E-commerce there is exchange of goods with the help of electronic media.
2. **Indirect E-commerce:** In Indirect E-commerce we order goods on-line it can be both tangible or intangible goods

The World Trade Organization defines e-commerce as, "e-commerce is the production, distribution, marketing, sales or delivery of goods and services by electronic means." [11]

The Organization for Economic Co-operation and Development (OECD) defines e-commerce as commercial transactions, involving both organizations and individuals, that are based upon the processing and transmission of digitized data, including text, sound and visuals images and that are carried out over open networks (like, the internet) or closed networks (like, AOL or Intel) that have gateway onto an open network. [11]

European Union Website (Esprit, 1997)

Table 1



Source: <http://dazeinfo.com/2015/01/07/retail-ecommerce-sales-in-india-growth-2014-2018-report/>

Electronic Commerce is a general concept covering a form of business transactions or information exchange executed using information and communication technology, between their customer or companies, and public relations

The above graph shows the trend of total retail and retail ecommerce in India .It was found that retail ecommerce is approximately 1% of the total ecommerce in India.

2. OBJECTIVE OF STUDY

The objectives of this study are as follows:

- i) To study Facilitators and barriers of e-commerce
- ii) To study current scenario of e-commerce in India
- iii) To study SWOT analysis

3. E-COMMERCE PROCESSES

The e-commerce process means how the placement of order takes place what are the steps that are involved in it.

There are nine steps that are involved in e-commerce process:

1. **Company/Customer Desire for product:** In this we check what product is to buy and from where.
2. **Internet:** In second step we take the help of internet search engine to hunt the product of our choice.
3. **Order:** We select the order that we need to buy.
4. **Shopping Cart:** then the order goes into our accounts shopping cart.
5. **Online transaction/Cash on delivery:** in this the address of delivering order is asked and the mode of payment.
6. **Email Notification:** Then, order confirmation email is received.
7. **Order Fulfilment:** In this the order is packed and fulfilled
8. **Shipment:** Then the order is being shipped for its destination.
9. **Order Delivery:** Order is successfully delivered to the customer/Company

4. FACILITATORS AND BARRIERS OF E-COMMERCE

4.1. Facilitators of e commerce in India

Information directory: Government of India has started many portals that maintain directory to provide any type of trade details you may require such as information regarding machinery, food, employment etc. Examples of such portals are <http://www.trade-india.com/> and <http://trade.indiamart.com/>. To facilitate surfing of a serious information seeker i.e. to make it easier for a person to search information all the products and services are listed with appropriate sub-headings. A few examples of other portals are:

- <http://www.indiagrid.com/>

- <http://indiatimes.com/>
- <http://indiainfo.com/>

Message boards, chat rooms, forums are a few allied services provided by them.

Bank: Bank can help e-commerce to facilitate in two ways:

- **Net banking/phone banking:** Savings account holder and current account holders have a facility of online banking which includes various services such as: sale/purchase of stocks and shares, Foreign Exchange services, Direct or Instant payment of bills on the behalf of account-holder, Financial Planning which also includes the economically backward account holder, remittance department etc.
- **Credit/Debit Cards:** E-commerce's biggest facilitators are bank as they have provided the Credit or Debit Card which is the most crucial tool in trade, which makes the concept of E-commerce possible. Few Indian banks are as follows: HDFC bank, ICICI bank, SBI(State Bank Of India) and oriental bank of commerce (OBC).

4.2. Barriers of e-commerce in India

The slow growth of e-commerce in India are due to following infrastructural barriers that can also be perceived as major new business opportunities.

- i. **Payment Collection:** In any business whether it is high margin generating or low margin generating they have to give a significant share from the revenue generated such as 4% or more if the payment is made with the help of net banking. In a business model merchant bears i.e. he is accountable in any case of back charges, fraud charges etc.
- ii. **Logistics:** Regular posts, couriers are not able to offer an acceptable level of service; I order to do so they have high charges within a limited reach. So for the delivery of product at the right time to the right person safely and securely you would have to increase the cost by take insurance for high priced shipped products.
- iii. **Vendor Management:** Most of the vendors don't have any digital data for their products like photographs, digital data sheet and they don't even have any mechanism for the checking of daily prices and availability of products in order update website regularly therefore in case of any inefficiency, vender will have to deal with it manually hence slowing the process

- iv. **Taxation:** entry tax, Octroi, VAT and to accompany them state specific forms. There are lots of special rules and exception which can be confusing.
- v. The internet access between customers and SMEs is limited.
- vi. Connectivity is not reliable due to poor telecom and infrastructure.
- vii. In the present legal and regulatory framework there are multiple gaps.
- viii. **Multiple issues of trust and lack of payment gateways:** There is no assurance of privacy, security and confidentiality of personal and business data connected over the internet.

5. CURRENT SCENARIO OF E-COMMERCE IN INDIA

The world is every vast but with the help of on-line shopping have become easier for everyone. In earlier days there were very few shopping sites, but with the increasing demand of the e-commerce has brought many options to us. Nowadays COD (cash on delivery) also exist which wasn't there in the past because there was the gap between the customer and service provider. With the increasing demand the facilitation and renovation of e-commerce is also done and also the factor which develop the business. Earlier people were not used to on-line shopping and they have mentality that they will get con if they order something on-line or they may not get the product of their choice and expectations. But now it has become in India to shop on-line. The main reason which influence the customer to get used to on-line shopping was adoption of new techniques which involves attractive on-line sites, user friendly interfaces and view of the product in 3D, options on on-line stores with new fashion, easy payment methods which include secure payment on-line via gateways like PayPal or (COD) cash-on-delivery), no limitations on quantity & quality, one can choose the product of his or her own choices. In spite of being a developing country, India has shown a tremendous increase in the e-commerce industry in past few years, and e-commerce had hit the Indian market as well as the share and stock market with the boom. It was found the Indian market is on 3rd place and lacks behind with USA and UK.

Factors which have influenced the Indian online market to grow are:

- The increasing and the vast trend that has been shown in the internet service like broadband and the 3G penetration.
- Increasing standards of living
- Availability of product with many different options.
- Hectic schedule and no time for online shopping.
- No. of user Increasing for online categorized sites

- Increasing in online shopping websites likes eBay, Flipkart, Snapdeal, etc.

6. SWOT ANALYSIS

6.1. Strength

Globally widespread: E-commerce can be viewed in global aspect as there is no need of boundary because of this the companies can expand globally.

Less time consuming: As we don't need to be present physically anywhere, it saves lot of time and transportation

No bound of time: We can use it anytime anywhere as we pleases as there is no time bound.

Comparison between products and prices: Provides a platform for efficient and effective comparison between products and prices to consumers

Less cost consumption: Control cost consumption by reducing logical problems and helps compete with the bigger giants.

Customer reachability is easy: With the help of online advertisement and social networking sites it's easier to reach consumer at all hours and generate a buzz about online stores

Interaction with customer is easy: It's easy to obtain feedback and comments from the customers.

Target market segmentation is flexible: due to its flexibility it can be modified any-time.

Exchange of information is easy and simple: exchanging information between buyer and seller is easy therefore enabling fast and just in time deliveries.

Transaction cost can be decreased: In a properly implemented online store things can automated distribution cost can be reduced. In case the online download facility is available.

Arrangement of products is easier: Online stores made it quite easy to arrange products in the shelves in a matter of minutes.

Buying of products is easier: E commerce has provided means for better and faster customer services. Due to online customer services customers are happy because buying procedure is faster and quicker due to lack of intermediaries.

No warehouse cost: Due to no need for a physical set running e business is cost effective.

Transactions are easier: Due to various means of electronically transferring funds financial transactions can be done from any part of world any time and at a much faster pace.

Niche Products: It is possible to sell everything on the internet. We can find buyers on net even if target market is small.

Operating cost is lower: Cost of hiring staff is very low it can be initialized and continues on a very low cost investment.

6.2. Weakness

Security threats: Security matters related to integrity of process of payment generate a doubt among the customers

Fake websites on the internet: Various fake websites has highlighted the negative aspect of e-commerce

Fraud: The most serious weakness of e-commerce is the misuse of personal and financial information.

Less bargaining power and fewer available discounts: Customer has very little bargaining power and only very little discounts that are available.

Longer time in delivering products: Sometimes it takes a week or few to deliver and customers are not ready to wait that longer.

The physical condition and quality of products is unpredictable: We cannot touch, see products to gauge their quality and condition.

Products are limited: Amount of products or number of products available online is limited.

No personal services: personal services i.e. intangible services are not available only physical Services are present.

Shipping cost is higher: In case of online ordering there is additional shipping cost.

Exposure of e-commerce is limited: There is less exposure of e-commerce in developing areas where there is lack of internet availability.

Customer's satisfaction: The option of convincing the customers or persuading them with talking is not available as there is no customer and seller interaction and generally customers prefer to personally reach the market rather than buying online.

6.3. Opportunities

Changing trends: now a day's e-commerce is proving to be a effective and faster way as you can make financial transaction from anywhere in the world. In future internet would be a more comfortable way to buy products.

New technologies: Due to new technologies people are more comfortable in buying online and number of internet users is increasing daily.

Global expansion: We can use e-commerce at any place and at any time.

24*7 availability: Everything is just a click away. It just needs a click for the business to be in operation at any time.

Wide business growth: The scope and vision to grow in business is wider.

Reduction in local competition: There is a competitive advantage to the company due to online customer services.

Advertising: In comparison to conventional offline system advertisement is less cost consuming.

6.4. Threats:

Competitors: Day by day competition is increasing day by day many big brands are either entering or already entered this field selling at their brand values.

Changes in environment, law and regulations: Changes in fashions, trends can cause distress to e-commerce and adjacent changes in laws and regulations are also affecting it.

Innovation: Nowadays innovative new products I.e. innovation in either of the four P's are always searched by customers

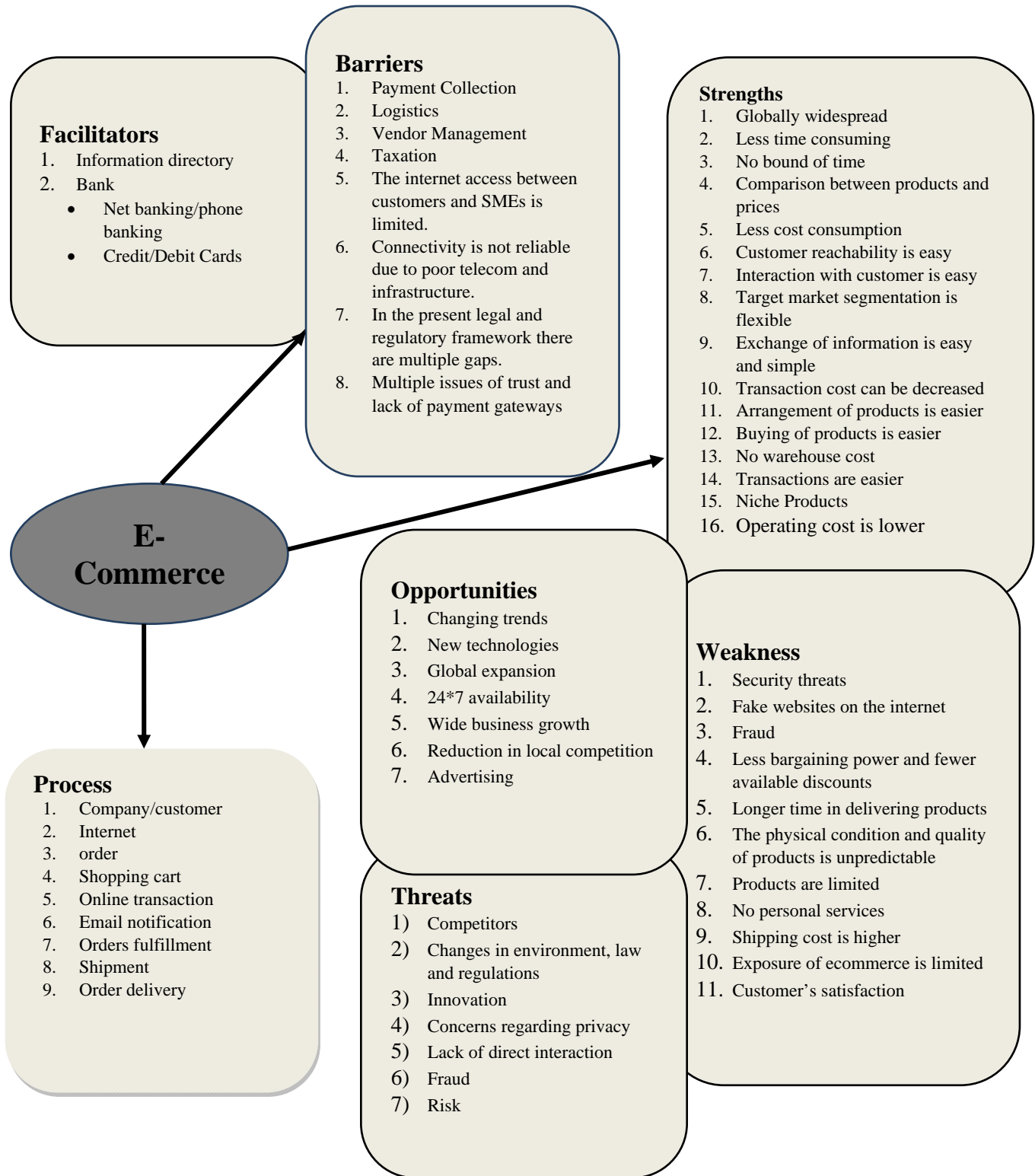
Concerns regarding privacy: customer fears their privacy breach that can lead to fraud of ID or spam emails.

Lack of direct interaction: Due to lack of direct interaction between customer and seller there is no scope for bargaining hence customer preferred to buy by physically reaching the markets.

Fraud: Faith and confidence of common people are disturbed by use of unfair means by various individuals.

Risk: Customer faces risk as he trusts unseen setup while making transactions.

7. PROPOSED MODEL



8. RESEARCH METHODOLOGY

8.1. Research objectives

The objective of this research is to do the SWOT analysis of e-commerce and then develop a model accordingly for the same.

The motive behind this research is to study the facilitators and barriers of e-commerce.

8.2. The Purpose of Research

The design of research which was adopted in this research was the explanatory research design which is appropriate for any kind of e-commerce industry research.

The results of this study could be beneficial to any company, organization or particular individual who is concerned or involved in e-commerce shopping.

8.3. Type of Interrogation

It is a causal type of interrogation or say exploration. We have tried to explore about the e-commerce its strengths, threats, weakness and opportunities.

The researcher involvement is minimal in our study which leads to the impression of preciseness of the results.

8.4. Data Collection

The source of data collection that helped in completion of this research was the secondary sources like research paper, journals and books which helped in completing the study of this paper

9. CONCLUSION

Doing business on internet is not as easy as it seems to be. No doubt the increase in number of users helped a lot for e-commerce industries to grow. It was found that approximately there are 243 million user of internet in India .However, we know every coin has two sides of it, so if it has pros than it has cons also.

The adoption of e-commerce is new to the Indian society as we all know e-commerce industry is new .And the recent penetration of this in market has made many benefits to the people and the users. In this research we tried to analysis the SWOT (strength, weakness, opportunities and threats) in order to understand it more efficiently .We tried to study its current scenario in India which lead us to know about the ecommerce demand in the society and how well it would be growing in the future.

10. FUTURE SCOPE

The following factors are going to affect the ecommerce in future are:

Social Media as a Lead Generation tool

Social media is the best practice which can be adopted by the merchants to enhance their business as it has become a necessity and a part of every youth's life.

Mobile Commerce

The latest trend that has been figured out in e-commerce was mobile based shopping .It was found that in 2014 the half of the traffic that online shopping sites were getting was from mobile itself. As the in upcoming year price of Smartphone's is expected to go down so the graph of the mobile shopping will automatically go down. Because of this reason, many e-commerce firms have started focusing on mobile commerce.

It is accepted that the next wave of digital commerce consumer will come through the mobile.

Price comparison engine

In race of acquiring, e-commerce business market ,vendors offer huge amount of discount and these discounts and offers keeps on changing with site to site and seasons to seasons. To get the best product and best offer customer needs to hunt many sites. And in upcoming time offer will get more exciting it is expected that more number of e-commerce site will increase and also the number of consumer of site.

Online Grocery Store

The mode of online grocery stores are gaining popularity in India ,due to advantage of easy convenience mode of shopping .It provide products on discount, with the free home delivery services. The main target audience to this is that housewife's of India who are still not the user of e-commerce.

Innovation in logistics

The concept of e-commerce industry is new to the Indian market and it was observed when Amazon declared about its first model called *Prime Air* which was expected to be launched in upcoming year. In this they would be using high techniques and helicopters for the quick delivery of product to the user. In this model it is planned that they would be dropping the package in front of customer's home with the full security.

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