



E-COMMERCE & INTERNET

Esha Sirya,

Research Scholar, Dept of Management,

Maharaja Agrasen Himalayan Garhwal University, Uttarakhand

Dr. Vikas Kumar,

Professor, Dept of Management,

Maharaja Agrasen Himalayan Garhwal University, Uttarakhand

ABSTRACT

Electronic Commerce is process of doing business through computer networks. A person sitting on his chair in front of a computer can access all the facilities of the Internet to buy or sell the products. Unlike traditional commerce that is carried out physically with effort of a person to go & get products, ecommerce has made it easier for human to reduce physical work and to save time. E-Commerce which was started in early 1990's has taken a great leap in the world of computers, but the fact that has hindered the growth of e-commerce is security. Security is the challenge facing e-commerce today & there is still a lot of advancement made in the field of security. The main advantage of e-commerce over traditional commerce is the user can browse online shops, compare prices and order merchandise sitting at home on their PC. For increasing the use of e-commerce in developing countries the B2B e-commerce is implemented for improving access to global markets for firms in developing countries. For a developing country advancement in the field of e-commerce is essential. The research strategy shows the importance of the e-commerce in developing countries for business applications. E-banking is one way that information technology contributes to provide better services for less money. Numerous cutting-edge IT-based services have given customers many practical services, including Automated Teller Machines (ATM), Internet Banking, Smart Cards, Credit Cards, Mobile Banking, Phone Banking, and Anywhere-Anytime Banking.

KEYWORDS:E-commerce, Internet, Technology, E-Market, Automated Teller Machines (ATM), Internet Banking, Smart Cards, Credit Cards, Mobile Banking, Phone Banking, and Anywhere-Anytime Banking.

INTRODUCTION

Electronic commerce comprises core business processes of buying and selling, goods, services and information over the internet. Electronic commerce refers to wide range of online business activities for products and services [a]. E-commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform and redefine relationships for value creation between organizations and individuals.

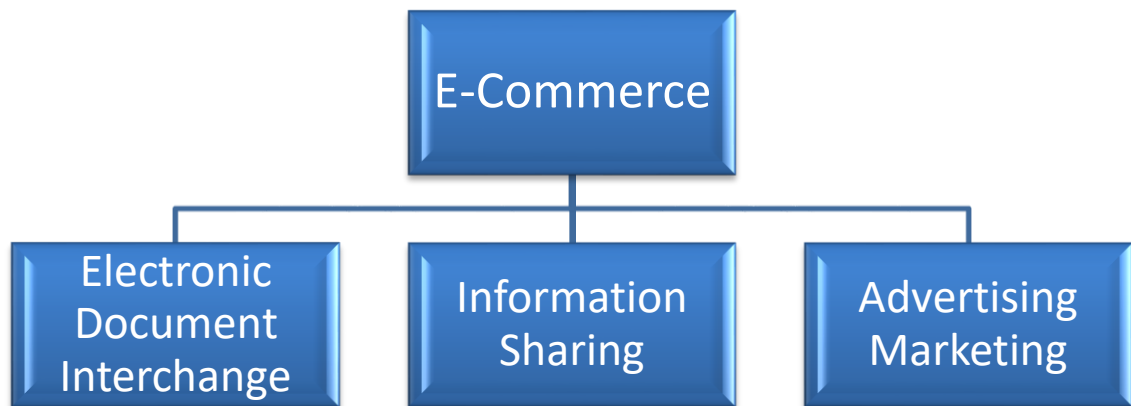


Fig. 1. E-Commerce workflow diagram

E-commerce provides platform by which retailers sales and advertise their product and share information on the internet using the information technology like EDI(Electronic Data Interchange) by which more and more customers can attract get to it. [c] E-commerce relates to website of the vendor, who sells products or services directly to the customer from portal using digital shopping cart E-mail is one example of how people collaborate to exchange information and work on solution .[d].Today E-commerce is a backbone in Indian society and it has become integral part of our society life. The first e-commerce site in India was rediff.com E-commerce allows different payment through debit card, credit card of EFT (Electronic fund transfer) payments. Ecommerce provides multiple benefits to the customers in form of availability of goods at lower cost, wider choice and saves time.

Electronic commerce, also known as e-commerce, is the exchange of products and services as well as the transmission of money and data via an electronic network, most commonly the internet. These commercial exchanges can be between businesses, consumers, other businesses, or between consumers and businesses. E-business and e-commerce are frequently used interchangeably. Transactional procedures for online buying are also occasionally referred to as e-tail.

Electronic commerce, often known as EC or E-Commerce, is a newly developed term that refers to the exchange of goods, services, and information over computer networks, such as the Internet. 1 It is the practice of conducting business over the Web and the Internet. doing business online, usually using the Internet. "I-commerce," "e-business," and "e-tailing" are other names for it. Although the terms "e-commerce" and "e-business" are often used interchangeably, "e-commerce" denotes the online purchase of products and services, while "e-business" may be used to refer to a company's overall online presence, which always includes a "shopping" component. E-commerce may also be used to describe electronic data interchange (EDI), in which a computer at one company requests and sends purchase orders to a computer at another company.

In August 1995, India's state-owned Videsh Sanchar Nigam Limited (VSNL) introduced Internet Services. VSNL served as the nation's only source of Internet services for the initial four years. According to the Internet Service Providers Association of India, the first few years saw a 20% monthly increase in broadband usage in India (ISPAI). The term "broadband" entered the general vernacular, and the majority of Internet users were aware of faster Internet speeds, thanks to the advancement in the penetration of ICT and, in particular, the Broadband Policy launched in 1995. The government dissolved VSNL's monopoly and permitted private operators to offer Internet services in November 1998. The ISP's license had exceptionally lenient terms that allowed an infinite number of participants and had no license fee. ISPs have the power to set their own rates and even international gateways. Indian citizens use the Internet for a variety of activities, including e-mail and instant messaging (IM) - 98%, job searching - 51%, e-banking - 32%, bill payment -18%, stock trading - 15%, and matrimonial search - 15%, according to the Internet and Mobile Association of India (IAMAI), a trade association that represents the online content and advertising, e-commerce, and mobile content and advertising industry.

One of the industries with the highest information density, banking, is the perfect setting for the growth of e-commerce. The current study focuses on ways that e-commerce might enhance client services in the Indian banking industry.

The current study will focus on Kotak Mahindra Bank and SBI, two of India's top financial giants that provide comprehensive financial solutions that touch on every aspect of daily living. The firm offers a range of financial services to meet the needs of both individuals and businesses, including commercial banking, stock brokerage, mutual funds, life insurance, and investment banking.

HISTORY OF E-COMMERCE

The use of Electronic Data Interchange (EDI) by firms to exchange business papers with other businesses can be credited as the birth of e-commerce in the 1960s. ASC X12 was created in 1979 by the American National Standards Institute as an international standard for businesses to exchange documents through electronic networks. In the 1990s, the emergence of eBay and Amazon changed the e-commerce sector, which had previously seen an increase in the number of individual users sharing electronic data with one another in the 1980s. 5 Nowadays, customers can buy an infinite number of products online from both traditional brick and mortar establishments with e-commerce capabilities and one another.

E-COMMERCE SOFTWARE

Applications used in e-commerce include email, EDI, File Transfer Protocol, online catalogs and shopping carts, and web services. This covers business-to-business interactions and outreach efforts including sending unsolicited email advertisements to consumers and other potential clients (which are typically regarded as spam) and e-newsletters to subscribers. 6 With the use of techniques like targeted adverts, social media marketing, and digital coupons, more businesses are increasingly attempting to attract customers directly online.

E-commerce has many advantages, including round-the-clock accessibility, quick access, a vast range of consumer-friendly goods and services, ease of accessible, and global reach.

Customers' perceptions of its drawbacks include occasionally restricted customer assistance, the inability for customers to view or touch products before making a purchase, and the required wait time for goods shipping.

The e-commerce market is still expanding: According to data from the U.S. Commerce Department, more than a third of the growth in U.S. retail sales in 2015 was attributable to online purchases. In 2015, web sales reached \$341.7 billion, up 14.6% over 2014. The use of social media and mobile devices for e-commerce is growing as well: According to Internet Retailer, mobile accounted for 30% of all e-commerce transactions in the United States

in 2015. 8 And according to Invest, social commerce accounted for 5% of all online purchases in 2015, with Facebook, Pinterest, and Twitter serving as the main referral sources.

The growth of e-commerce requires IT professionals to think about several customer-facing factors, such as consumer data protection and security, in addition to infrastructure design and management.

Data governance-related regulatory compliance requirements, personally identifiable information privacy laws, and information protection measures must be taken into account when creating IT systems and applications to support e-commerce activities. 10

THE VALUE OF E-COMMERCE:

E-commerce enables people to conduct business without being constrained by geography or time. Anytime, day or night, anyone can use the Internet to connect and buy or sell anything they want with only a few mouse clicks.

- Because there is no human interaction required during the online electronic buy order process, an order placed through a website has a cheaper direct cost of sale than an order placed through a traditional method (retail, paper-based). Additionally, electronic selling is quicker and more convenient for the customer while essentially eliminating processing errors. E-commerce is perfect for specialty items. Typically, these products have few consumers. However, in the wide market, or Internet, even specialized products could provide sufficient volumes.
 - The fact that e-commerce is the most affordable method of conducting business is another significant advantage.
 - The options for businesses to invest in enhancing their competitive position have decreased as a result of the ongoing challenges of the market. The quantity of capital available for investment has been decreased by a mature market and heightened competition. The difference may be in how the firm is run if the selling price cannot be raised and the manufacturing cost cannot be lowered. E-commerce has given the answer by drastically reducing associated costs. E-commerce has several observable benefits for consumers as well.
1. A shorter buyer sorting period.
 2. Better purchasing choices
 3. Resolving invoice and order inconsistencies takes less time.

4. More options for purchasing substitute goods.

Making a company "ecommerce enabled" has the strategic advantage of lowering labor costs, delivery times, and other expenses in the following areas:

- ❖ Document preparation
- ❖ Error detecting and fixing
- ❖ Reconciliation
- ❖ preparing mail
- ❖ Making phone calls
- ❖ Payment terminals
- ❖ Data input Working overtime
- ❖ 9. Charges for supervision

• E-commerce has operational advantages such as lowering the amount of time and people needed to execute business procedures and relieving pressure on other resources. Because of all these benefits, one can employ strong turnkey ecommerce solutions offered by e-business solution providers to harness the potential of ecommerce and transform a business into an e-business.

Customers can undertake any virtual banking or financial function online with the help of the e-banking (Internet Banking) application in a safe and secure manner.

It entails delivering financial goods and services over the internet. BFSI is a function of e-banking (Banking, Finance, Securities and Insurance). Providing virtual banking services to customers is what banking is concerned with, whereas financial services include stock trading, payment gateways, mutual funds, etc.

MODALS FOR E-COMMERCE NETWORKS

A variety of strategies are used in e-commerce to increase the effectiveness and efficiency of business operations. These strategies give banks access to a variety of tools that let them conduct business better, whether locally, internationally, or in emerging financial and capital markets. 12 A new phrase and e-commerce E-business is frequently used synonymously, and the word "e-tailing" is occasionally used to refer to online banking. E-commerce benefits for the bank and its clients include:

- Make it possible for businesses to connect with clients globally.
- Increase profitability and provide businesses the ability to grow.
- Permit minimal overhead business operations.
- Ensures that clients have access to the service around-the-clock, every day of the week.
- Under the E-commerce Act, the following ways are used to conduct online business activities by companies:
 1. One-to-One Business (B2B)
 2. Customer to Business (B2C)
 3. Business to Consumer (C2B)
 4. Client to Client (C2C)

BENEFITS OF E-COMMERCE

Important benefits of E-commerce include the following:

- Lower transactions costs – If an E-commerce site is implemented well, the web can significantly lower both order taking cost and customer service costs after sale.
- Larger purchases per transaction.
- Integration into business cycle.
- People can shop, in different ways.
- Ledger catalogues
- Improved customer interactions.
- Access to a more geographically dispersed customer base.
- Low procurement processing cost.

Some of the benefits are very specific to the consumer such as:

- Increased choice of vendors and products.
- Convenience from shopping at home or office.
- Greater amounts of information that can be accessed on demand.
- More competitive and increased price comparison capabilities.
- Greater customization in the delivery of services.

BENEFITS OF E-COMMERCE TO CONSUMERS

a) 24/7 Access - Enables customers to shop or conduct other transactions 24hours a day, all year round from almost any location.

For example: checking balances, making payments, obtaining travel and other information.

b) More Choices - Customers not only have a whole range of products that they can choose from and customize, but also an international selection of suppliers.

c) Price Comparisons - Customers can 'shop' around the world and conduct comparisons either directly by visiting different sites, or by visiting a single site where prices are aggregated from a number of providers and compared.

d) Improved Delivery Processes - This can range from the immediate delivery of digitized or electronic goods such as software or audio-visual files by downloading via the Internet, to the on-line tracking of the progress of packages being delivered by mail or courier.

e) An Environment of Competition - Where substantial discounts can be found or value added, as different retailers vie for customers. It also allows many individual customers to aggregate their orders together into a single order presented to wholesalers or manufacturers and obtain a more competitive price.

BENEFITS OF E-COMMERCE TO SOCIETY

a) Enables more Flexible Working Practices -This enhances the quality of life for a whole host of people in society, enabling them to work from home. Not only is this more convenient and provides happier and less stressful working environments, it also potentially reduces environmental pollution as fewer people have to travel to work regularly.

b) Connects People - Enables people in developing countries and rural areas to enjoy and access products, services, information and other people which otherwise would not be so easily available to them.

c) Facilitates Delivery of Public Services - For example, health services available over the Internet (on-line consultation with doctors or nurses) filing taxes over the Internet through the Inland Revenue website.

ADVANTAGES OF E-COMMERCE

Electronic commerce gives various advantages to the buyers in type of accessibility of products at lower cost, more choices and also saves their time. Individuals can purchase merchandise with a tick of mouse without moving out

of their home or office. Also online services, for example, money transfer, e-ticketing, hotel bookings, payments and soon have been of huge advantage for the clients. The Indian e-gift portals and shopping sites additionally give merchandise and in an assortment of classes like clothing and accessories for males and females, home use products, books and magazines, PC and peripherals, vehicles, electronic gadgets, gems & stones, sound and recordings.

MODELS OF E-COMMERCE

Most transactions in E-commerce may broadly be classified into two main categories:

1. Business-to-consumer
2. Business-to-business
3. consumer-to-consumer transactions

Business-to-consumer transactions (B2C): These are the transactions that most of us are familiar with today. It may be define as any business selling its product or service to consumers over the internet for their own use. Like individual customers buying books and music CDs over the Web, or surfing the Web on find the best deal for some particular item. Here, the merchant setting up the shop on the Web deals directly with the end customer. This category is characterized by a large number of transactions, where each transaction is typically small in volume. The end-customer could be totally unknown to the merchant or might be visiting the shop for a few occasional purchases.

Business-to-business transactions (B2C): These are transactions between two businesses or corporations, where the product traded is for business use. This category is characterized by limited number of transactions, where each transaction is typically or larger volume. The end-customer is typically a previously approved or registered customer or at least known to the merchant.

To two forms of web-based e-commerce, business-to-business and business to-consumer, share many common characteristics and technologies. However, they also differ in important ways, in characteristics and technologies as well as in the business drivers for adopting e-commerce.

Consumer-to-consumer transactions (C2C): Consumer-to-consumer (C2C) electronic commerce promotes the opportunity for consumer to transact goods or services with other consumer present on the internet. The

C2C, in many a situations models the exchange systems with a modified form of deal making. For deal making purposes a large virtual consumer trading community is developed.

REASONS BEHIND THE GROWTH OF E –COMMERCE

- **Busy Lifestyle**

The life of individuals is so fast to the point that they can't go to the swarmed markets each time for shopping. Also people want to shop in a relaxed environment.

- **High Disposable Income**

With increased employment opportunities the income has become higher and thus giving more spending power to individuals. Thus they are energetically ready to pay for the items on internet.

- **Awareness of Products**

These days' people are much more of the new products, their specifications, costs etc through the assistance of media like TV, radio, news paper etc. So they shop online with confidence.

- **Rising Computer Educational Level**

Because of the endeavors of Government and Educational Institutions in India, computer education is getting to new skylines. Individuals have more knowledge of the tools and applications of computers. Not just students of urban zones, in fact students of rural zones, house wives and professionals are likewise attracted to the developments like e -commerce and e-business. So there is consequently an incredible interest in purchasing and utilizing new items [Jain and Kapoor, 2012].

- **Increased Usage of Internet-**

The count of internet users is more than 100 million now. Moreover, in the course of recent years, sophisticated online travel operators began transforming these underlying Web users into Web clients thus boosting the dominance of e-commerce.

CHALLENGES FOR E-COMMERCE

Although Web based e-business has numerous advantages but it has also postured threats on account of its being what is prominently called faceless and borderless. A few cases of moral issues have risen as a consequence of electronic business. Stead and Gilbert reported the accompanying ethical issues identified with e-commerce [Stead and Gilbert, 2001].

A. Privacy

Protection has been a critical issue of both present and forthcoming electronic commerce users. Following issues in this regard are generally striking:

- Not being meddled with, having the ability to prohibit; singular Privacy is an ethical right of every individual.
- Privacy is "an alluring state regarding ownership of data by different people about him/herself on the perception/seeing of him/herself by different people"

B. Security concerns

Notwithstanding privacy issues, other ethical issues concerned with e-commerce is the security. The Internet offers uncommon simple entry to an unfathomable exhibit to various products and services. The quickly growing field of "click and mortar" and to a great extent unregulated cyberspace have however incited worries about both privacy and information security.

C. Other Ethical Issues

Manufacturers compete with Intermediaries Online have given rise to a new practice that is "Disintermediation incorporates". It is a method or wiping out the mediator. Disintermediation incorporates

- Music being downloaded straightforwardly from producer's websites.
- Authors distributing their work by creating their own sites.

CONCLUSION

The e-commerce industry will be a leader with popularity in electronic business world in the upcoming years. The e-commerce revolution has fundamentally changed the business of transaction by giving new opportunities and breaking borders easily. It has strongly impacted the traditional business system and changing the life of people by making it easier. While it gives benefits to customer and seller, e-commerce gives challenges to traditional business for competitive position. Developing countries face many obstacles that affect the successful implementation of e-commerce with the help of comparing with developed country. When the internet cost will be low then the e-commerce will flourish easily and will make many of traditional business to run out of their business. Convenience is one of the benefits that customer gets from the e-commerce and thus increasing customer

satisfaction. This is due to customer can place a purchase an order from anywhere with internet connection. E-commerce business provider should give importance on every customer by giving smooth service and many options for payment and have more functions available online. Other benefits are expanded product offerings and expanded geographic reach. But e-commerce business faces a lot of challenges in flourishing their business. Electronic commerce opens new doors for business; it additionally creates new avenues in the field of education. E-banking is superior to traditional banking since it has lowered transaction processing costs, increased payment efficiency, improved financial services, and enhanced the interaction between banks and their customers. With the level of satisfaction, the relationship between e-banking and service quality can be investigated. 17 Customers are more likely to be satisfied when they use e-banking because it bridges the gap between the quality of service they expect and what they actually receive. Therefore, banks should identify ways to increase the accessibility of electronic services and give customers the ability to confirm the accuracy of e-banking transactions in order to close this gap.

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