

A CRITICAL STUDY ON INDIA'S TRADE AND COMMERCE UNDER THE INFLUENCE OF E-COMMERCE

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ABSTRACT

Online shopping has several advantages for customers, including reduced prices, more options, and less hassle. Online business may be divided into two subsets: e-goods and e-money. The term "e-commerce" refers to business conducted online. Transactions between businesses online are referred to as online shopping or digital commerce. Traditional business practices have been significantly changed by online trade. E-commerce is the practice of purchasing and reselling goods and services online. This essay examines the situation of online shopping in India, its challenges, the factors required for its growth, its successes there, and the revenue it generates from online retail sales in India. According to the study, distributors are more at risk in the e-commerce industry since manufacturers may avoid them by selling straight to customers and retailers. By partnering with trustworthy manufacturers and connecting their business processes with the web, merchants can profit from e-commerce. E-commerce, the survey revealed, offers several advantages to wholesalers, retailers, manufacturers, and consumers alike.

Keywords: *E-commerce, Challenges, On-Line Shopping, Evolution*

INTRODUCTION

Transactions conducted online are referred to as "e-commerce". E-commerce describes all online transactions for the purchase and sale of products and services. Electronic commerce or "E-business" refers to the use of the internet and related technologies like EDI, or Electronic Data Interchange, for conducting business. A vendor can transact business with a customer directly through a website that sells goods online by using an online shopping bag or cart and receiving payment through a debit or credit card, or digital currency transfer. Online business is referred to as "e-commerce" in this context. When it comes to reaching

and engaging consumers, e-commerce paves the way for novel information-based business operations. It may also help cut down on the price of order management and communication with a broad variety of vendors and traders. E-commerce has enormous possibilities for economically growing nations like India.

As such, it applies to "any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact."The process of transacting business electronically, sometimes known as "online shopping," involves using the World Wide Web and other digital information-processing networks to establish, deepen, or reimagine ties between businesses and consumers.

E-commerce is now deeply embedded in modern Indian culture. Most individuals, especially in densely populated locations, need easy access to E-commerce platforms; it's no longer a luxury. India has 59.14 million internet and broadband customers, out of a total global figure of close to 0.4 billion. The number of people who have access to the internet and who regularly make purchases online is growing, and so is their level of trust in doing so. Because of this, the e-commerce industry has expanded tremendously, with more and more people signing up for online stores and making purchases from their mobile devices. The e-commerce industry in India is poised for rapid expansion.

The analysis predicts that over the next five years, the mature E-commerce Compound yearly increases for the nations of Japan, South Korea, and Australia would be between 11% and 12%. These rates will be 25% and 57% in China and India, two of the world's fastest-growing economies, respectively. E-commerce markets in adjacent China are also highlighted, with CAGRs of over 20% expected to drive the industry to over \$50 billion by the end of the forecast period.

Literature Review**Anukrati Sharma (2008)**

"An Investigation of Electronic Commerce and Virtual Shopping: Problems and Influences" are cited. To improve e-commerce sites, this article analyses current consumer attitudes, behaviors, and tastes about online buying and e-commerce. The findings show that many buyers are between the ages of 21 and 30. A commercial website involves extensive preparation and planning.

To wit: Abhijit Mitra (2008)

An analysis of "Electronic Business in India" The goal of this article is to examine the state and driving forces behind online shopping in the nation of India. A growing percentage of businesses are embracing E-Commerce, according to the survey. Major Indian portal sites have moved their focus from advertising to E-Commerce, according to the survey.

Nisha Chanana and Sangeeta Goele's (2007)

This article discusses the possibilities for online trading. Examining the current situation of online sales and assessing the possible growth sectors in India are the goals of this study, and the country as a whole. Several key reasons were identified in the research as being responsible for the sustained development of India's e-commerce sector. The survey also concluded that in the future years, E-commerce as a whole would rise dramatically in India's burgeoning industry.

Author: Ray, Sarbapriya(2006)

"Emerging Trends of E-commerce in India: Some Crucial Issues, Prospects, and Challenges" is the title of an essay exploring these topics. The study concluded that the government must create an E-commerce legislative framework that guarantees the protection of basic rights while retaining space for the growth of trade on a global scale.

THE IDEA OF ONLINE STORES

Some online marketplaces provide a wide variety of products under one virtual roof, appealing to shoppers looking for everything and everything. Indian e-commerce websites offer a wide variety of items and services, such as clothing and accessories for both sexes, cosmetics, beauty and health goods, books and publications, machines and their accessories, cars, collectibles, software, home appliances, consumer electronics, jewelry, gifts, property and services, possibilities for jobs, and marriage.

Some Indian online marketplaces only sell one specific product. We may purchase and sell new and used four-wheelers and two-wheelers on the websites respectively, in the automotive industry. The company offers a variety of services, including information gathering and analysis, online assessment, technical specifications, insurance, financing, dealer finder, and more.

Stock and share markets have several resources available online, including Services such as online stock trading, market research, business profiles, company comparisons, equities and mutual fund analysis, trend monitoring, etc. are available to registered users.

This website acts as a platform for online real estate transactions, including the buying and rental of properties. They provide details on both brand-new and previously owned real estate. Affiliated services include mortgage and insurance brokerages, design firms, property managers, and more.

- One of the most important government websites in India which is focused on the travel and tourism business. Eco-themes, for example, include topics such as Indian coastlines, castles and sites, forests, plants, animals, mountain hotels, thrilling excursions, hill mountaineering; and so on. Passport and visa services, transport and lodging details, weather forecasts, festival and fair dates, retail opportunities, tour operator services, and so on are also available. Other resources exist, such as <http://www.incredibleindia.org>, which focuses on North East India but also has information on other popular tourist places in the country.
- There are Indian-focused shopping platforms that streamline the process of finding and sending the perfect present for every occasion and budget. The website

<http://www.indiangiftsportal.com> is one example. The presents may be classified as either practical, such as toys and games, or luxurious, such as leather goods, perfumes, jewelry boxes, and paintings and sculptures.

- Throughout history, people's favorite pastimes have always been reading books, listening to music, and watching movies. More than three million different books, and cassettes. Books are available on a broad variety of subjects, including business, art, cooking, engineering, tales for children, health, pharmaceuticals, and more. Music and movies covering a wide variety of genres, from devotional to old-time favorites to pop, etc.,
- Matrimonial websites such as www.jeevansathi.com and www.saadi.com. Marriages may be created in heaven, but in the modern digital economy, they are arranged via online matchmaking services known as "marriage portals." It's possible to find a compatible partner for these services regardless of your religion, ethnicity, or geographical location. Once a user has signed up for one of these sites, they are given access to features like e-mail and chat rooms, where they may get to know their potential life partner better. Services such as astrology, rituals, the law, health, and aesthetics are also available to registered users.
- In the job market, big portals such as www.monsterindia.com and www.naukri.com play an important role in connecting job seekers with appropriate employment opportunities. For those looking for work, the service is free, while employers pay a small fee. Online employment is offered in a wide variety of industries, from education to developing software, and from property management to administrative jobs.
- **E-Commerce Models**

The most common forms of online business are as follows:

B2B stands for "business to business" communication. The term "e-commerce" is used to describe any kind of electronic transaction that takes place between two businesses.

Businesses selling directly to end users or B2C. The term "e-commerce" describes transactions between commercial entities and end users. There has always been traded between businesses and consumers without any middlemen, but the rise of e-commerce has accelerated this trend.

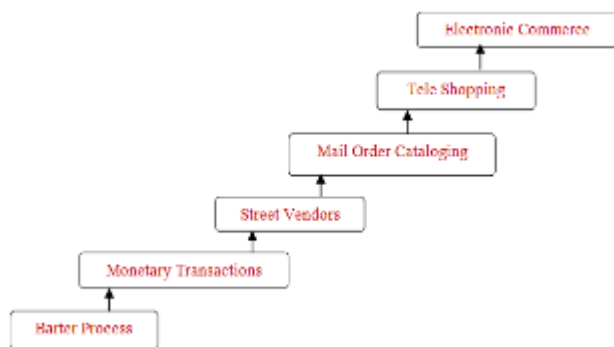
Transactions between individual customers are what we call "consumer to consumer" (or "C2C" for short). There may or may not be an intermediary in these transactions. Historically, customers have engaged in limited commercial interactions with one another. E-commerce paves the way for random people to meet and do business with one another.

C2B stands for "consumer to business," and it's a relatively new kind of business that operates in the opposite direction from more conventional forms of trade. Here, customers generate value for companies by providing them with products and services. In a consumer-to-business interaction, a group of consumers might approach a company as a unified buyer. Similar to the demand aggregator, these communities may function for monetary reasons. You can see this kind of exchange taking place in online communities where customers discuss and evaluate products to help market those products.

One variation of the B2B2C model involves a third-party company acting as an intermediary between the initial company and the final customer. It stands to do exceptionally well in a web-based commerce setting, where the expenses of an intermediary are minimized. One of the most popular online marketplaces, Flipkart allows customers to shop for anything from electronics to clothing to books and music CDs.

The primary role of electronic commerce is the transmission of data and documents between trading partners. One such process management tool is electronic mail. Discusses methods of improving and automating company operations. Linking two computers together is an example of the service management function. Using cutting-edge technologies to enhance customer satisfaction. To monitor and plan shipments, you may, for instance, use the Federal Express website. Capacity for Exchange Offers a platform for doing business transactions online. Take Amazon.com as an example.

EVOLUTION OF E-COMMERCE



THE PROBLEMS OF ONLINE BUSINESS

I. OUTSIDE PRESSURES:

The strategy for expansion and the quality of service that online retailers deliver to their customers both before and after a purchase are both affected by factors outside of their control.

To remain competitive, e-commerce businesses must adapt their product and market strategies to meet the needs of their ever-changing clientele. Get market knowledge on expansion, size, and share and navigate a hypercompetitive price landscape while expanding into new locations, product lines, and brand names across numerous consumer interaction channels.

Give a rich, new, and easy consumer experience that isn't aimed toward discovery. In recent years, social media has surpassed the effectiveness of traditional advertising methods.

Concerns about payment and transaction security, as well as the prevention of fraudulent activity, may plague online retailers. Another stumbling block is the Reserve Bank of India's regulations on prepaid instruments and electronic wallets. Cross-border tax and regulatory difficulties, as well as back-end service tax and withholding tax, may have significant consequences for transactions.

When it comes to fulfillment, businesses will need to determine whether internet speed has any negative effects on the physical infrastructure. Problems with distribution could also arise from a lack of an all-encompassing logistics platform and an innovative fulfillment choice.

Potential growth inhibitors include difficulties with third-party logistics relations and reverse logistics management.

II. INTERNAL CHALLENGES: The ability of E-commerce businesses to structure themselves for development is influenced by several factors.

Companies in the e-commerce sector will need to scale their organizations in several ways, including via adaptive governance, strong leadership and management development, and the cultivation of future leaders. To expand, it's important to look for possible acquisitions, raise capital, and be ready for an initial public offering. Transforming IT into an innovation center and fixing the disconnect between the enterprise's business, IT, and ops departments are two pressing technological concerns.

Companies are going to contend with issues such as wasteful retaining IPR or company structures, wasteful foreign taxation, and a discrepancy among FDI requirements and appropriate institution regulations at warehousing. The unpredictability of the GST road map, the new business act, and the policy on related party transaction pricing all provide potential problems shortly.

According to a risk perspective, e-commerce enterprises may experience issues with reputation hazards, threats from insiders, and website availability. Bribery, fraud, and worker-supplier nexus problems put businesses in danger of paying fines. The potential for malicious actors to abuse a website is another area of worry when it comes to cyber security.

Compliance Framework: Businesses engaging in electronic commerce must follow a plethora of regulations, many of which are currently in flux. Compliance with cyber laws, ineffective rules, and regulations about indirect and direct taxation all have the potential to be problematic. Problems may arise from the lack of clarity on Value-Added-Tax (VAT) implications between states resulting from varying company models.

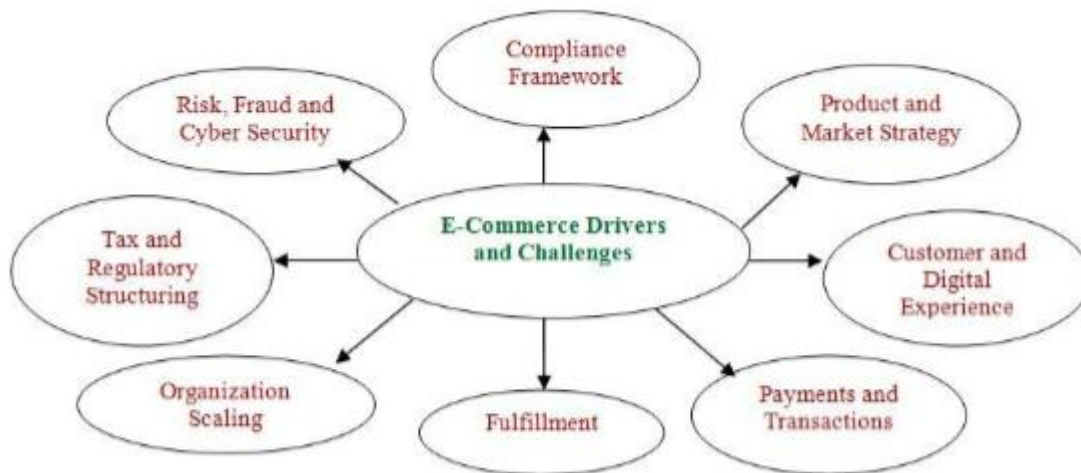


Figure1:DRIVERS IN E-COMMERCE AND PROBLEMS

SNAPSHOT OF INDIA'S E-COMMERCE RETAIL REVENUES

Table1:Online retail sales in India

Year	Prediction for e-commerce from Forrester Research
2008	US\$0.6billion
2009	US\$3 billion

According to the data supplied by Forrester Research, as shown in Table 1 below, E-Commerce is being driven by customers in India's major cities, who are most likely to use the internet to book flights, buy consumer electronics, and read books online. Forrester Research predicts that India's e-commerce market will grow from USD\$ 0.6 billion in 2008 to USD\$ 3 billion in 2009, a growth rate of almost five times.

Table 2 shows that in 2013, online retail sales were 0.83 billion, in 2007 sales were 1.59 billion, in 2008 sales were 1.90 billion, in 2009 sales were 2.11 billion. Internet users in India is increasing according to statistics from the Telecom Regulatory Authority of India (TRAI). With so many people now connected to the web, more and more Indians are taking advantage of the convenience and enhanced selection available via E-commerce sites.

Table2:Indian Retail E-Commerce Sales

Year	Indian retail online sales, in billions of dollars
2006	0.83
2007	1.59
2008	1.90
2009	2.11

Source:Statistics on the E-Market

CONCLUSION

Effective IT security systems are crucial to the expansion of e-commerce; thus it is important to put in place and continually develop the appropriate technical and regulatory safeguards. Many Indian businesses, nonprofits, and neighborhoods are starting to reap the benefits of e-commerce, but significant obstacles must first be solved before they can serve the masses. Today, online shopping is a normal aspect of most people's lives. Having easy access to an online marketplace is no longer a luxury but a need for many, especially those living in densely populated metropolitan regions. Our lifestyles, modes of communication, purchasing habits, and so on have all been revolutionized by the advent of modern telecommunications technology. It has far-reaching effects on our interpersonal interactions, mobility, information gathering, and the exchange of goods and services. International businesses are taking notice of India because of the country's rapidly expanding e-commerce market. Just as e-commerce opens up new horizons for commerce, it does the same for learning and research. There seems to be a huge need for E-business training programs. Millions of consumers are now making purchases online thanks to the proliferation of Organizations can increase efficiency and expand their online brands thanks to internet access on smartphones and tablets, but affordable alternatives must be guaranteed by government regulations. The popularity and scope of online buying in India will only grow. Research is needed to find solutions to the challenges and concerns raised by the difficulty of earning consumers' confidence in online shopping.

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