

## **E-Commerce: A study of impact on active Economy**

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### **Abstract**

After Economic breakdown and in the wake of measures required to curb the menace reforms explicitly took place in India as a result of opening-up of the economy with a vision to incorporate with the global economy; the need to expedite global trade both through policy and procedure reforms has become the foundation stone of India's trading norms and regulations. Electronic commerce (e-commerce) as a strength of information technology insurrection became extensively used in the global trade in general and Indian economy in precise. Electronic commerce (or e-commerce) is all business piloted by means of computer cloud networks. The prompt growth of e-commerce volumes in India is drawing the attention of players worldwide. More than 80% of trade activities are accomplished with the E-commerce platforms offering futuristic market trends. India being the highest available human resource as a result of population is destination of various castes, creeds, religion etc. Regardless of marginal lower per capita procuring power, this fact makes India still one of the most striking emerging markets for e-commerce. The paper aims at looking over various compulsion, obligations and scopes and prospects committed under E-commerce.

**Keywords:** e-commerce, trade online, e-transactions, e- cash etc.

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### **Introduction**

Revolutionised Information Technological advancements over the previous decades and usage of IT applications so frequently used made remot E-Commerce possible. The electronic exchange of data (EDI) is deliberated as in perfect stage of E-commerce development. Electronic commerce is an indispensable mechanism of India's trade acceleration policy. As a result of 1991 breakdown, Economic policy of the country was to be thoroughly revised and revisited in India with a necessity to commensurate economy with the global economy, the need to simplify global trade with international clients both simplifying policies and procedural reforms has become the groundwork of India's trade and fiscal policies. As an emblem of globalization, e-commerce represents the critical edge of success in this digital age and it has rehabilitated and is still changing business is conducted around the world. A frequent developments in the field of telecommunications and computer cloud computing concept emerged as a major success in recent years have witnessed a constructive implementation in economic arrangement. Various companies are assisting transactions over web. As in response to incredible competition to target each and every to outsmart the existing process, companies gearing on to prioritise and getting accustomed to electronic way of commerce.

Commerce through electronic means have accomplished magical figure of 10% of GDP. In the days to come a study outsmart China in terms of per capita and GDP growth.

E-commerce progressed has defined relationship with clients within the business processes. Various forms of E-Commerce through which the mechanism of E-commerce could be achieved, components defined in this electronic advertising, E-payment system, digital marketing, online customer support service and online order and delivery processes.

Ecommerce distinctive asset is its paperless transactions and usage of EDI (Electronic Data Interchange) and certain other managerial terms used in perfect exchange of goods and services.

E-commerce continues to explore and it is more reliable and fastest mean to trade goods. The trend that this paper is attempt to expose the need and significance of online trading in safe, secure, more reliable exchange.

### **Objectives of the study**

1. To analyse E-Commerce business in India.
2. To interpret the outcomes of E-commerce on Indian Economy.
3. To address the issues, challenges and recommendations in response to it.

### **Background: Defining E-Commerce**

E-commerce is a contract of buying or selling online. Electronic commerce establishes on technologies such as mobile-E-commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Currently electronic commerce uses the elements of World Wide Web as in transactions of goods and services online.

Existing commerce modules accepts electronic commerce as a main ingredients that includes everything from ordering "digital" content for instantaneous online trading.

E-commerce invariably orders and minimization of resources consumed in a physical trading, in turn, offers a smooth, serious trading commitment online.

For conventional businesses, finding information technology explicitly used as e-commerce is a good opportunity for the frequent development and growth of initiative. Many companies have invested massive cache of investment in mobile applications. The three main components which led to a successful Information system quality, service quality and users' satisfaction. There is no boundary of time and space, there are endless and a useful and comfortable reach out to customers around the world, and chops down unnecessary intermediate links, thereby reducing the cost price, and can

profit from one on one large customer data analysis, to achieve a high degree of personal customization strategic plan, in order to fully enhance the core effectiveness of the products in company. [source <https://en.wikipedia.org/wiki/E-commerce>]

#### **Terminologies used frequently in E-commerce:-**

1. **E-banking:** A service that allows an account holder to obtain account information and manage certain banking transactions through a personal computer via the financial institution's Web site on the Internet. (This is also known as Internet or online banking.)
2. **E-cash:** Cash that is transferred through the means of electronic means.
3. **Electronic Funds Transfer (EFT):** The transfer of money between accounts by consumer electronic systems-such as automated teller machines (ATMs) and electronic payment of bills-rather than by check or cash. (Wire transfers, checks, drafts, and paper instruments do not fall into this category.)
4. **E-Payment:** Payment is made through the use of Debit cards, credit cards, swipe machine.

#### **Features and significance of E-commerce:**

1. Safe, secure and Reliable: Commerce through Electronic way is secured and reliable and is highly encrypted. The vital information travels along the line is escorted by some security mechanism.
2. Fastest and flexible mode of payment methods: Companies accepts various payment options to facilitate smooth and comfortable trading such as Debit cards, Credit cards, Net banking, online transactions and other payment gateway employed by companies at their own.
3. Reviews and Testimonials by customers: E commerce companies have reviews, testimonials and opinions expressed by clients about a specific which helps in better analysis of a product. The testimonials given by clients are of great importance as they correspond to popularity of any product.
4. No intermediate and hidden charges: Since E commerce platform is directly endorsing products and services from company domain, No intermediate and hidden charges can be levied.
5. Round the clock support and technical assistance: Round the clock support and troubleshooting for any complaint registered. The dedicated technical assistance team equipped with quick response mechanism help out the clients trapped.
6. Provide a platform to choose among best contemporary items available: The platform facilitates comparison among the products available of same domain and provide unique distinctive features to choose the best.
7. Minimizes the efforts, expenses and additional headaches of going physically to shops
8. E-payment methods offer the reduced risk of having physical cash all time.

#### **Issues, challenges and Obligations**

There are several obligations, issues and challenges that are underway in implementing a perfect platform for E-Commerce. Some potential threats that may hinder the growth of E-commerce.

We, therefore, compute the major challenges corresponding to

e-commerce in small enterprises facing tough issues and threats.

- **Infrastructural Resources:** An infrastructural facility that facilitates and improvises upon the Electronic trading is in great shortage.
- **Insufficient definition of Cyber Laws:** Cyber laws and regulations framed for E commerce play an important role in maintain the privacy, confidentiality and integrity of the information. Some companies are violating the norms suggested just to lure some extra profits because of the fact cyber laws are not properly defined.
- **Confidentiality and privacy of Account details:** Flowing of vital and sensitive information online is of great importance. The security and integrity of the account statement is always at stake, some malicious program may intrude into the details and may project a big threat. Some nasty elements always on the look to get over such banking terms.
- **Payment and Tax Related Issues:** People accessing E-commerce websites must be exempted from paying taxes but as such no provision is made, in turn, demotivate the commercial activities through electronic means.
- **Digital Illiteracy at large:** In Indian context, the digital literacy is at marginal level as the rural population is still under depleted education level. People are not aware of the concept such as net banking, E-commerce etc. Plastic money is a hypothetical asset that devoid them of using the platform more frequently.

#### **Remedial measures adopted by E-Commerce companies**

1. Big giants in E-Commerce business have designed easy to use platform and uses bit encryption scheme to secure the online transaction details. Bit encryption scheme is one of the secure ways of transaction method which ensure integrity of data.
2. Cyber-crime is on rise and there is a need to look on the serious implications it could rest on the system. Companies have invariably set a cyber-cell which monitor the transactions over the internet and well track the possible threat in between. Various threats
3. For confidentiality and privacy of account details various secure schemes as in no case the information entered by the clients are compromised. Account details are retained under confidential terms and the employees handling those data are scanned under a confidential commitment.
4. The issues related to payment of Tax and other tax imposed by government in the pipeline and would be resolved soon in the days to come. Since government's initiative to use plastic money for any buying or selling, government would promote the cause of plastic money and use of credit and debit cards.
5. The one of the most complicated hurdle to eliminate is to aware people about the digital terms and make an attempt towards building digitally enabled persons all over the country. Government has directed the stakeholders to install in digital literacy program in an order to make digital empowerment possible.
6. Potential Virus threats are on the rise and spoilt minds are making all effort to capitalise on the information flowing in through electronic means. Virus proof system has been made and there is less and reduced risk of information getting control over.

7. Internet penetration problem is an issue and in response to it many ISP companies have logged in to provide better data connection and speed for the trade to accomplish smoothly.

### Conclusions and Recommendations

E-Commerce has revolutionised the way the trade practices been achieved. The electronic method of transaction and accepting cash online also empowering people with digital strength. The issues in the process have been rectified and improved to sustain better results. Over the last decades the trading has reached to a record level and aspires for next records in the days to come.

E-commerce has made possible the use of plastic money, digital cash components which reduce the risk of having using physical cash instead. Since a better, reliable transparent trading is possible through E-platform, GDP is making new breath taking records surpassing China in global market. India stands beside China and making tough commitment in response to China's sustainable economy. Companies facilitating services of E-Commerce are making a memorable experience for the end users by offering clients with unique multidimensional, dynamic comparison and providing customers reviews on particular product making E-Commerce a joyful shopping experience.

As far as Government's initiative in regard to it, there has to be responsible departments and which organises awareness campaign for digital empowerment. Security, confidentiality and reliability issues has to be addressed as soon, the prestige, honour and respect for the privacy of the clients has to be reserved at any cost. There must be some strict norms need to be imposed on the culprits found to be having control the privacy illegitimately. E-Commerce is one of the strength of Indian market and it has to be taken to greater level as it promises a sustainable and roaring GDP for the country.

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