

E-commerce on emerging markets

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Abstract

E-commerce is one of the fastest growing segments in the Indian Economy. Though marked by high growth rate, the Indian e-commerce industry has been behind its counterparts in many developed and emerging economies, primarily due to a relatively low internet user base. In a study conducted by global management consultancy firm AT Kearney in 2015, there were only 39 million online buyers in India; a tiny fraction of the 1.2 billion who live in the country. However, increased technological proliferation combined with internet and mobile penetration, presents a favorable ecosystem for the development of e-commerce in India. The country is currently at the cusp of a digital revolution. Launch of 4G services and decline in the tariffs of data plans and prices of data cards/USB dongles have reduced the cost of ownership of an effective internet connection. Availability of low cost smart phones and the extension of internet and broadband to the remotest corners will boost the augmentation of the internet user base, effectively bridging the gap between potential online buyers and actual buyers. The demographic dividend of the country also seems to encourage and favor the growth of E-commerce.

Keywords: B2B, E-commerce, Indian context, literature review

Introduction

The Internet revolution was really about people customer and fundamental shift of market power from the seller to buyer. In the new economy customers' expectations are very different than before. A company understanding of this difference and its ability to capitalize on it will be the key to success. The web, the internet and emerging computing and communication technologies have redefined business erasing traditional boundaries of time and geography and creating new virtual communities of customers and suppliers with new demand to product and services. E-commerce only forms a fragment of e-business. Earlier companies had web sites displaying the company products etc. then they started to use the e-commerce as one of the distribution channel in addition to the existing system for sales that is e-commerce.

The term Electronic commerce or e-commerce consists of all business activities carried on with the use of electronic media, that is, computer network. It involves conducting business with the help of the electronic media, making use of the information technology such as Electronic Data Interchange (EDI). In simple words, Electronic commerce involves buying and selling of goods and services over the World Wide Web. Customers can purchase anything right from a car or a cake sitting comfortably in his room and gift it to someone sitting miles apart just by click of a mouse. Shipping method is generally used for the delivery of the goods ordered. Every Bank which is highly leading now performs their transaction through computer and computer is not only the concept can make off the transaction automatic. All the commercial application now transfers to the concept of e-commerce and is one of the very important aspects for carrying bank transactions falsity. In the commercial world surrounded by highly competitive and volatile market conditions, any new concept or technology would be acceptable only if it provides strong benefits to all concerned. E-commerce offers some distinct advantages.

First, portability improves bottom line of and organization. And secondly expanded market share, some component can be handled by multiple customers at the same time.

Review of Literature

Mishra & Kotkar (2015) ^[2] trace the timeline and development of B2C e-commerce in "A Study on Current Status of E-Commerce in India: A Comparative Analysis of Flipkart and Amazon" with its inception in the mid 1990s through the advent of matrimonial and job portals. However, due to limited internet accessibility, weak online payment systems and lack of awareness, the progress was very slow. The Indian B2C e-commerce industry got a major boost in mid 2000s with the expansion of online services to travel and hotel bookings which continue to be major contributors even today Das & Ara (2015) observe in "Growth of E-Commerce in India" that though online travel and hotel bookings still control the lion's share of e-commerce market, their share has comparatively fallen over the years due to the recent augmentation and consequent rise of e-tailing services. There has been a tremendous surge in the volume of investment in this sector. With the e-commerce markets in the west reaching their saturation, investors see tremendous potential in the Indian market, in the light of which, many startups have received funding from venture capitalists and private equity firms.

Gupta (2014) ^[1] in her paper "E-Commerce: Role of e-commerce in today's business", presents a comprehensive definition of e-commerce while isolating it from e-business. The paper enlists the different ecommerce models i.e. B2B, B2C, B2G and C2C, narratively analysing the nitty gritty of each. Rina (2016) also elaborates the different applications of e-commerce in "Challenges and Future

Scope of Ecommerce in India”, at the same time, defining the degree to which they are operational in the country.

There are 6 types of E Commerce business models

1. **B2C:** Business-to-Consumer
2. **C2B:** Consumer-to-Business
3. **B2B:** Business-to-Business
4. **C2C:** Consumer-to-Consumer
5. **B2A:** Business-to-Administration
6. **C2A:** Consumer-to-Administration

Business to Consumer (B2C)

Business-to-consumer or B2C e-commerce consists of the sale of goods and services to the general public. In this type, customers or consumers can visit the website and purchase goods online using credit cards.

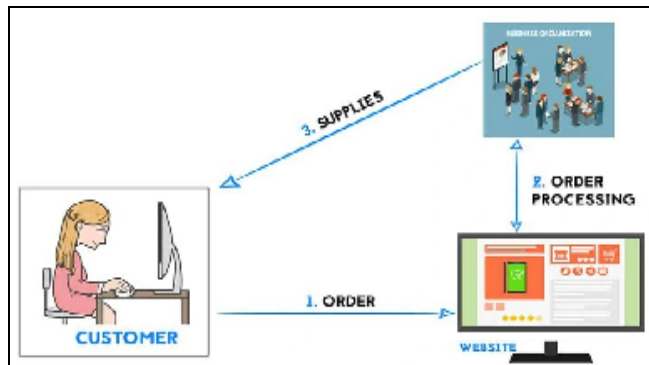


Fig 1

Consumer to Business (C2B)

Consumer-to-business or C2B e-commerce consists of the sale of goods and services to the business organization via the website. In this business model, the consumer creates value, and the businesses consume that value. C2B is a complete reverse of the B2C model; if we reverse the process of the Business-to-consumer e-commerce model, we can call it the Consumer-to-business model.

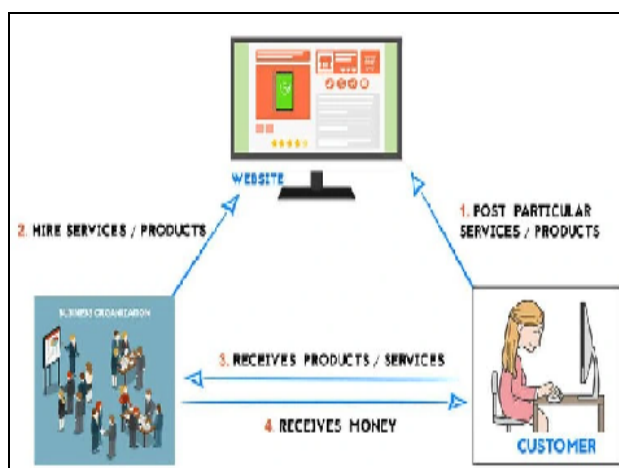


Fig 2

Business To Business (B2B)

Business-to-business or B2B takes place between two businesses where one business provides services to other businesses. The business organization, also known as the manufacturer of the products, sells products to wholesaler, and the wholesaler re-sells them.

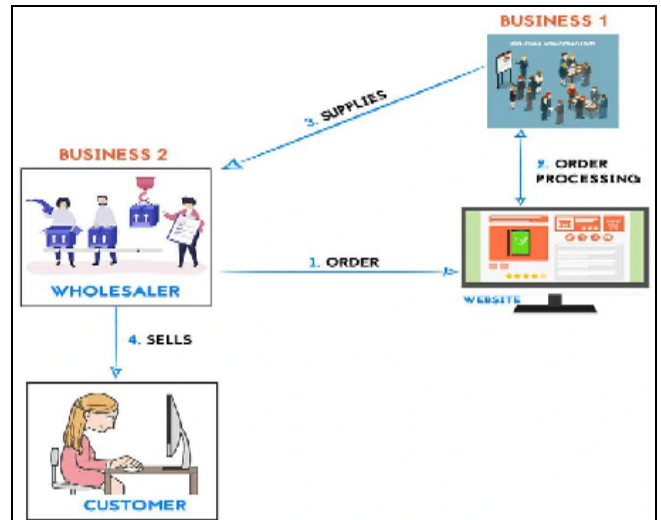


Fig 3

B2B Example

- For example, there are two businesses:
1. Business Organization or Manufacturer
 2. Wholesaler

A wholesaler goes to the Business Organization’s website or any other online resource and order products in bulk. The Business Organization processes the order and supplies the products to the wholesaler.

When the wholesaler receives the products, then the wholesaler can sell those same products at a high price to their customers, and it can be referred to as a business-to-business or B2B model.

Consumer To Consumer (C2C)

Consumer-to-consumer or C2C e-commerce takes place between two consumers where one consumer sells an item through an online auction while the other consumer purchases the item by offering the highest bid.

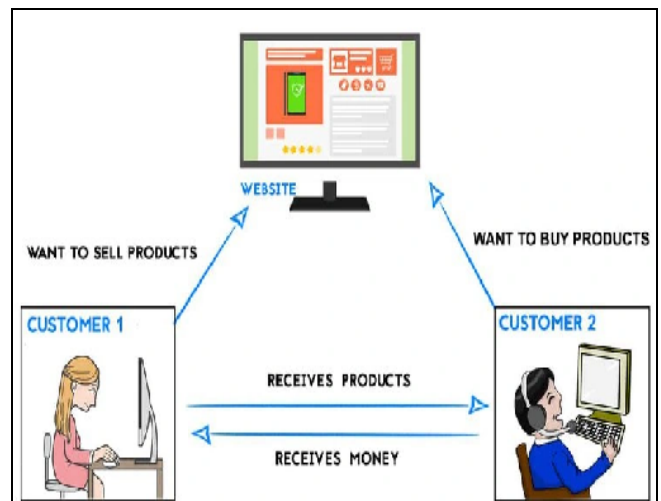


Fig 4

Business to Administration (B2A)

Business-to-administration or (B2A) takes place between companies, public administration, or government agencies. In this e-commerce business model, there are dealings between companies and public administration using the internet.



Fig 5

Consumer to Administration (C2A)

The Consumer-to-Administration or C2A e-commerce business model encompasses electronic transactions online between the individuals and the public administration.



Fig 6

The C2A e-commerce model helps the consumers to post their queries and request information regarding public sectors directly from their local governments/authorities. It provides an easy way to establish communication between the consumers and the government.

Conclusion

In general, today's businesses must always strive to create the next best thing that consumers will want because consumers continue to desire their products, services etc. to continuously be better, faster, and cheaper. In this world of new technology, businesses need to accommodate to the new types of consumer needs and trends because it will prove to be vital to their business' success and survival. E-commerce is continuously progressing and is becoming more and more important to businesses as technology continues to advance and is something that should be taken advantage of and implemented.

From the inception of the Internet and e-commerce, the possibilities have become endless for both businesses and consumers. Creating more opportunities for profit and advancements for businesses, while creating more options for consumers. However, just like anything else, e-commerce has its disadvantages including consumer uncertainties, but nothing that cannot be resolved or avoided by good decision making and business practices. There are several factors and variables that need to be considered and decided upon when starting an e-commerce business. Some of these include: types of e-commerce, marketing strategies, and countless more. If the correct methods and practices are followed, a business will prosper in an e-commerce setting with much success and profitability.

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