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E-Commerce: Concept and Design

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Abstract: Electronic Commerce (E-Commerce or EC) is possibly the most promising application of information technology witnessed in recent years. E-Commerce has been defined in several ways depending on the context and research objective. With the advent of the Internet and its related technologies as a new vehicle for commerce, new models have developed. The development and wide adoption of information technology, computer network and the Internet have transformed the mode of operation of many businesses, and at the same time have brought along unprecedented business opportunities. Businesses are now able to conduct transactions across geographical boundaries, across time zones and at a high efficiency. E-Commerce has become the market trend of the Century. This paper lays the groundwork with a brief introduction of recent trends in e-commerce on people. We collected data from top corporate website by using an Internet survey and show the experimental results of the Internet marketing influence.

Keywords: E-Commerce; Information Technology; Internet Marketing, Electronic Commerce.

I. INTRODUCTION

The high rate of growth of business carried over the Internet has made it synonymous with the whole phenomenon of E-commerce. Electronic commerce is the new term for existing activities being done in new ways. As long as communication networks have been available, they have been used to their fullest capability by entrepreneurs to create business opportunities. Most prominently, the meteoric rise of the Internet and the World Wide Web has accelerated the transformation of global commerce, allowing for instantaneous, inexpensive contacts among sellers, buyers, investors, advertisers, and financiers throughout the world. The rapid integration of the Internet and other telecommunications based functions nearly into every sphere of business is what has given rise to the recent international focus on the new world of Electronic commerce.

Electronic commerce is a much broader term encompassing not only EDI but also other forms of communication, such as E-mail and Electronic bulletin boards. EDI was primarily developed for high volume exchange of commercial documents in a standardized electronic format over an electronic public network between the automated business processes of trading partners. E-mail, on the other hand, is the exchange of less structured correspondence in electronic format.

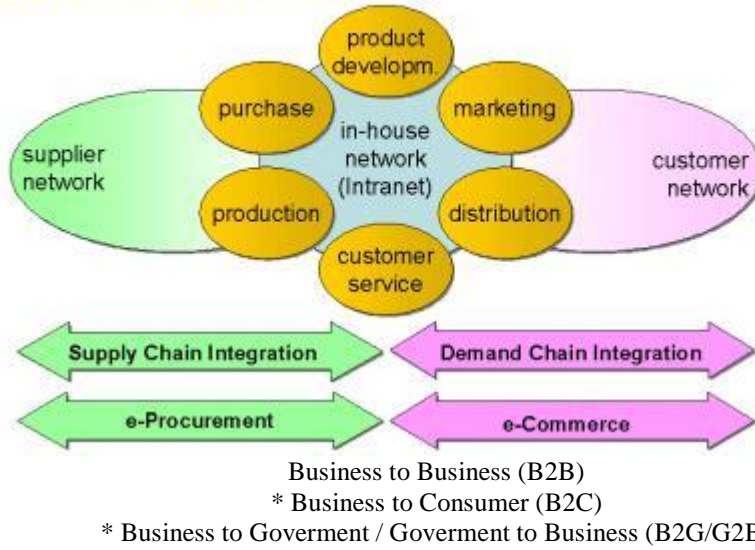
II. TYPES OF ECOMMERCE

E-commerce is not merely selling a T-shirt over the World Wide Web. It is much more than that and includes communication activities among trading organizations and within them. The prevailing E-commerce activities have been divided into 3 major categories:

- A. Business to Consumer E-commerce
- B. Business to Business E-commerce
- C. Business to Employee E-commerce

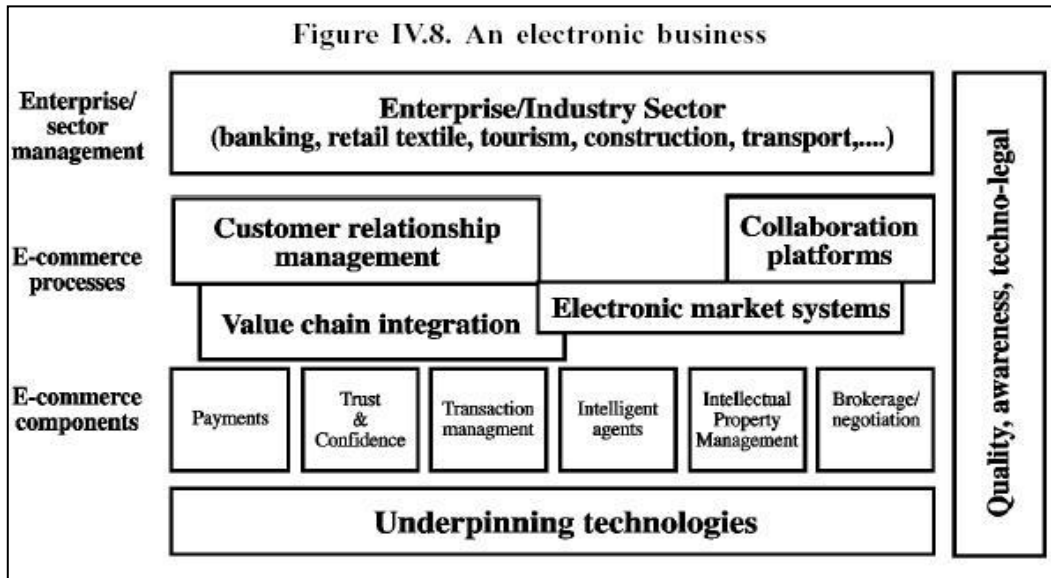
Main Areas of E-Commerce Activity

e-Business overview



E-commerce can be broadly classified into three categories: business to business (B2B), business to consumer (B2C) and consumer to consumer (C2C). The Internet also encompasses a wider spectrum of potential commercial activities and information exchanges. For instance, it offers firms, individuals and governments an electronic infrastructure, which enables the creation of virtual auction markets for goods and services.

III. DIFFERENCE BETWEEN TRADITIONAL AND ECOMMERCE



Although consumer shopping on the Web was running about \$50 billion per year in 2001 and is expected to exceed \$350 billion by 2004, electronic commerce is much broader and encompasses many more business activities than just Web shopping. For example, businesses conduct transactions with other businesses, with their employees, and with governmental agencies.

IV. BENEFITS OF ECOMMERCE

Electronic commerce can increase sales and decrease costs. Advertising done well on the web can get even a small firm’s promotional message out to potential consumers in every country in the world. A firm can use electronic commerce to reach narrow market segments that are geographically scattered. The web is particularly useful in creating virtual communities that become ideal target markets for specific types of products or services. A virtual community is a gathering of people who share a common interest, but instead of this gathering occurring in the physical world; it takes place on the internet.

Advantages:

- ✚ A business can reduce the costs of handling sales inquiries, providing price quotes, and determining product availability by using electronic commerce in its sales support and order-taking processes.
- ✚ Electronic commerce provides buyers with a wider range of choices than traditional commerce.
- ✚ Electronic commerce provides buyers with an easy way to customize the level of detail in the information they obtain about a prospective purchase.
- ✚ Electronic payments of tax refunds, public retirement, and welfare support cost less to issue and arrive securely and quickly when transmitted over the internet.
- ✚ Electronic payments can be easier to audit and monitor than payments made by cheque, providing protection against fraud and theft losses.

Disadvantages of electronic commerce

Some businesses are less suitable for electronic commerce. Such businesses may be involved in the selling of items which are perishable or high-cost, or which require inspection before purchasing. Most of the disadvantages of electronic commerce today, however, stem from the newness and rapidly developing pace of the underlying technologies. These disadvantages will disappear as electronic commerce matures and becomes more available to and accepted by the general population.

Disadvantages:

- ✚ Return-on-investment is difficult to calculate.
- ✚ Many firms have had trouble recruiting and retaining employees with the technological, design, and business process skills needed to create an effective electronic commerce presence.
- ✚ The difficulty of integrating existing databases and transaction-processing software designed for traditional commerce into the software that enables electronic commerce.

V. IMPACT AND ISSUES OF ELECTRONIC COMMERCE

- ✓ The business, societal, and research problematic of E-commerce spans an immense range, which reflects the depth of change being caused by this rapidly expanding mode of doing business. It is, of course, possible here to point only to some nodal impacts and issues within the hierarchical framework we have discussed. In keeping with the nature of our framework, we are discussing the problematic at the macro level.
- ✓ In discussing the issues of E-commerce, we shall move up the hierarchy the infrastructure to the business governance. The following aspects of E-commerce will be discussed: the limitations and asymmetries of the technological infrastructure of the Internet, integrating the transaction process in consumer-oriented E-commerce by incorporating the payment stage into it, building the consumer marketplace, moving products and stages of supply chains into market space changes in business governance, and the new intermediation in the electronic marketplaces



Ecommerce market share

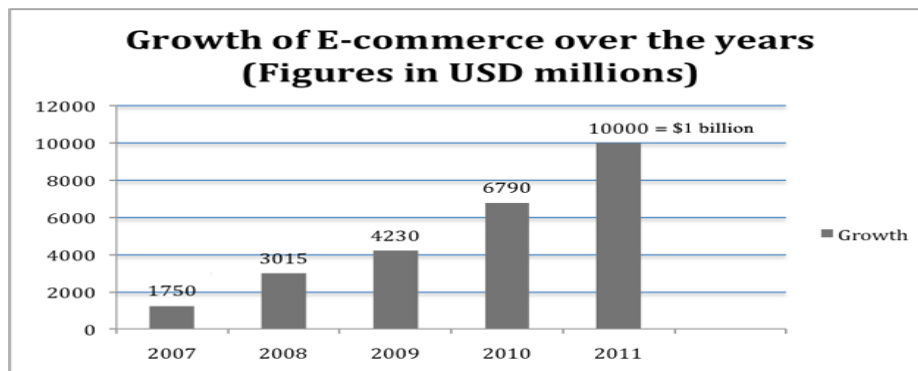
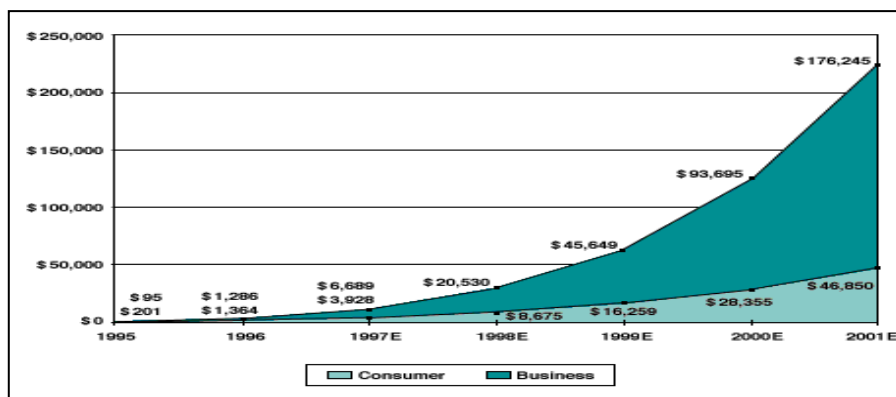
VI. PRESENT SCENARIO AND STATISTICS OF ECOMMERCE

It has been estimated that the worldwide E-Commerce market will exceed \$46 billion in consumer transactions by the year 2001 (courtesy IDC) and 15% of all WWW users have used it to purchase a product or service online (courtesy CommerceNet/Nielsen Media). The Figure below illustrates the statistics of some of these market predictions.

- In 2011 E-Retailing industry was Rs crore 3600.
- The number of transaction presently in India is 10 million, which is expected to increase by 38 million by 2015.
- Currently the Estimated number of internet user in India is 376 million by 2015.
 - In 2011 Ecommerce Ventures Raised Around -1622.6 crore of private
 - Retailer giant Macy’s and some other began shipping to India.
- In 2012 Amazon entered into India with Junglee.com.
- In 2011 growth in online sale of Tesco recorded was 15.2%.
- Retail in India is tiny in comparison to \$550 billion market which is unorganized.
- 12 of ACCEL’s 38 investments are e-commerce.
- No. of employee in FLIPKART is 3500, this number is 800 at snapdeal.com

Share of E-commerce industry wise

1. Travel- 51%
2. E-Retailing-40%
3. Cothiers-09%



VII. CONCLUSION

New E-commerce will present over time countless opportunities and challenges to our economies and societies. Expansion of commerce and technological innovations are two of the levers of economic growth. These forces are combined with the progress of E-commerce. The macroeconomic effects of E-commerce on the national and regional economies and on the international trade and its terms will need to be assessed and analyzed. The prevailing judgment at this stage of E-commerce development is to allow free-market forces to assert themselves unhampered by excessive government regulation. The traditional institutions, such as banks of issue, commercial banks, universities, established business intermediaries, media and publishing companies, would find a need to redefine their roles in the new environment. The taxability of products traded globally over the Internet is as yet an open issue. Intellectual property that can be converted to on-line content may find itself reevaluate in the global marketplace.

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