



THE IMPACT OF ELECTRONIC COMMERCE ON BUSINESS

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Abstract:

Present work deals with electronic commerce, refers to the buying and selling of products or services over electronic systems such as the Internet and the other computer network. The use of commerce is conducted in this way, spurring and drawing on innovation in electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management system and automated data collection systems. Modern electronic commerce typically uses the World Wide Web at least at one point in the transaction's life cycle, although it may encompass a wider range of technologies such as e-mail, mobile devices and telephones as well. With the explosion of the E-commerce in the past few years, distinct buying patterns have been measured and collected by numerous independent marketing, business and even academic studies to understand how consumers connect with new technology. This paper lays the groundwork with brief introduction of recent trends in e-commerce on people.

Keywords: electronic-commerce(e-commerce), marketing, shopping trends, world wide web, information technology.

Introduction:

E-commerce stands for electronics - commerce. "electronic commerce has evolved from A high-tech marvel to a corporate initiative." Electronic commerce can no longer be ignored or thought of only as an I. T. project. Electronic commerce projects must now be intertwined with the firm's strategic plans. The most notable strategic effects at the business-unit level: are value-added, differentiation, cost leadership, focus and business growth strategies. This paper examines the effects-emerging and potential – of electronic commerce on these types of strategies. It is defined as buying and selling of products and services the internet (shim et al. 2000) but it is not a complete definition of E-commerce. As per Bidgoli (2002), it is a system that not only includes the transactions that center on buying and selling of goods and services to generate revenue but also those revenue support generation, such as generating demand of those goods and services, offering sales and customers services i.e., it includes not only buying or selling but also includes marketing of goods and services and also the transfer of funds online.

Popular Websites of online shopping

This is followed by their perceptions and preferences of the online shopping including product and website selection.

- 1.20North.com – This website offers variety of products like electronics, books music, movies, car accessories.
- 2.99labels.com – This site offers many fashion
- 3.and luxury brands at good prices.
- 4.Deasaland .com – This site offers various kinds of deals be it holidays, shirts etc. this

site also gives heavy discounts on regular basis that can be profitable for the shoppers.

5.Fashiondyaou.com This site also is a great place to shop, this site declares sale and heavy discounts almost every day.

6.FlipKart.com – This site offers various kinds of products and that too at one place. Mobile, its accessories, books, camera and laptop accessories and many more things are available on this site. One can find deals for home appliances also that are available at affordable prices.

Material and Methods:

This is the descriptive research paper base on secondary data. The literatures is collected from various journals, books, magazines, periodicals, various reports, publications of recent research papers available in different websites.

What is E-commerce ?

It is clear that e-commerce is a very broad concept and does not have a clear cut definition. One way of defining it, is that, it is a way of doing business transactions via the internet. E-commerce or- e-business is based on the electronic processing and transmission of data, including test, sound and video. E-commerce as it is commonly known is the use of technology to conduct financial transactions online. E-commerce can occur within and Between three basic participant groups-business, government and individuals

Types of E-commerce

i) B2B (Business to Business)

It is largest form of e-commerce. This model define that buyer and seller are two different entities (Malik, 2010). It is similar to manufacturer issuing goods to the retailer or wholesaler. For instance, Dell deals in

computers and other associated accessories online but it does not make all those products. So, in order to deal in those products, first step is to purchase them from other business i.e. the producers of those products. It is one of the cost effective ways to sell products throughout the world. Some of the benefits of using B2B are: It encourages business online. It facilitates import and export of products. It determines buyers and suppliers and also helps in positioning trade guides

ii)B2C (Business to Consumers)

B2C refers communicating with selling to an individual rather than a company. B2C e-commerce has the following advantages: Using B2C, online shopping can be faster and more convenient. The offerings and prices can change instantaneously. For example: if you want to sell goods and services to customer so that anybody can purchase any products directly from supplier's website. Direct interaction with the customers is the main difference with other business models. As B2B it manages directly relationship with consumers, B2B supply chains normally deal with business that related to customers.

iii)B2E(Business to employee)

This types of e-commerce refers to the requisitioning of supplies by employees for use in jobs, but this really has grown to encompass much more. B2E has grown into technologies that allow the employees to access their employee records to update address information.

iv)C2B(Consumer to Business)

A consumer saves his project with budget online and companies review it according to the requirement and bid on the project. This empowers consumers around the world by providing the meeting ground and platform for such transactions.

v)C2C(Consumer to Consumer)

It help the online dealing of goods or services among people. Though there are no major parties needed but the parties will not fulfill the transactions without the program which is supplied by the online market dealer such as eBay. It also involves the transactions between consumers through some third party (Wikipedia, 2011) The third party has no concern to check quality of the products being offered.

Difference between Electronic Commerce and Traditional Commerce

The major difference is the way information is exchange and processed :

i)Traditional Commerce:

Traditional commerce includes face-to-face, telephone lines, or mail system.

It includes manual processing of traditional business transactions.

In traditional commerce individual involved in all stages of business transactions.

ii)E-Commerce:

It uses Internet or other network communication technologies.

E-commerce uses automated processing of business transactions.

It pulls together all activities of business transactions, marketing and advertising as well as service and customer support.

Benefits of Internet Commerce:

E-commerce allows to people to carry out business without the barriers of time or distance. One can long on to the Internet at any point of time, be it day or night and purchase or sell anything one desire at a single click of the mouse (Chaudhary,2010)

i)Marketing benefits:

-Improve market analysis, product analysis and customer analysis.

-Low cost advertising

-Easy to create and maintain customer o client database.

ii)Customer benefits:

-Wide-scale information dissemination.

-Wide selection of good products and goods at the low price.

-Less time is spent in resolving invoice and order discrepancies.

-Wider access to assistance and to advice from experts and peers.

-Save shopping time money.

-Fast services and delivery.

-Reduction in buyer's sorting out time.

iii) Strategic Benefits :

The strategic benefits of making a business 'ecommerce enabled', is that it helps in reduce the delivery time, labour cost and cost of incurred in the following areas.

-Document preparation

-Error detection and correction

-Reconciliation

-Mail preparation

-Telephone calling

Credit card machines

-Data entry

Overtime

-Supervision expenses

Disadvantage of E-commerce:

i)For the Consumer

-Unable to Examine Products Personally

-Online Purchasing Security

ii)For Business

- Hardware and Software
- Maintenance of Website
- Costs
- Website Stickiness and Customer Loyalty
- Training and Maintenance

Result and Discussion:

The internet has changed many aspects of our lives, including the way we communicate with each other, how we keep our finances. It has made a profound impact on society. Now we shop online from our houses. This forces retailers to open online division. It also has changed people way of spending money. Undoubtedly, it will continue to influence how companies sell and market their products, as well as how people choose to make purchases for many years to come. The following are the impact of e-commerce on the global economy.

i)Awareness and education : A lack of awareness is a crucial barrier to the implementation of e-commerce in developing countries.

ii)Market size: business to consumer

iii)E-commerce infrastructure which includes lack of a certificate authority.

Conclusion :

In five years every company will be an E-business company, or it won't be a company at all. As Malcolm Frank of Booz-Allen has stated, "The Internet, particularly through its ability to enable electronic commerce, will rewrite the rules of entire industries. Those firms that become masters of electronic commerce will have vast new opportunities made available to them. Those that do not will quickly become irrelevant, because competing in the new millennium without electronic commerce capabilities will be similar to trying to complete today without a sales force or a telephone.

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