E-COMMERCE: AN OVERVIEW

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ABSTRACT

Doing business using computer networks is known as electronic commerce. Anyone sitting in front of a computer with very basic computer networking skills can use all the features of the Internet to purchase or sell goods.

E-commerce has made it easier than conventional commerce, which requires a person to physically leave their home to go buy goods. It began in the early 1990s and has advanced significantly in the business world. Cybersecurity is the one element that has proven to be a barrier to the expansion of e-commerce. The main advantage of e-commerce over conventional commerce is the user can browse online shops, and compare, and order merchandise sitting at home.

To quicken the uptake of e-commerce in emerging nations B2B e-commerce is used to give businesses in developing nations better access to international markets. The development of e-commerce is crucial for a developing nation. The research plan demonstrates the significance of trade for commercial applications in emerging nations.

Keywords – E-commerce, consumers, online business, B2B, and B2C.

Introduction

Computers, the internet, and information and communication technologies (ICTs, sometimes known as the "e-revolution") have revolutionized how people live in the knowledge society of the twenty-first century. New terms like the "cyber world," "netizens," "e-commerce," etc. are used today. Through the creation of a more affordable and effective distribution network for their goods or services, e-commerce has allowed businesses to enter new markets or strengthen their positions in those that already exist. E-commerce is a type of business model, or a component of a larger business model, that allows a company or individual to conduct business over an electronic network, typically the internet. There is no set definition for the term "e-commerce," but it is known that it is the activity of buying and selling goods and services, especially on a large scale.

People in the business world were aware of the growing use of ICTs in the 1990s because it was simpler, quicker, and less expensive to store, transact, and communicate information electronically. However, they were hesitant to interact online because there was no legal protection provided by the laws at the time. In order to establish order in cyberspace, a new branch of law called cyber law, cyberspace law, information technology law, or internet law evolved. In 1996, the United Nations Commission on International Trade and Law (UNCITRAL) adopted a Model Law on E-commerce (MLEC) for the first time. The General Assembly of the United Nations later ratified the MLEC. Notably, the key goals of MLEC were to ensure that the law governing e-commerce was standard at the global level and to treat both paper-based and electronic information equally. Many nations that signed this Model Law either passed new legislation or changed their current laws to conform to it. India ratified this Model Law as well and adopted the Information Technology Act in 2000 as a result. The Model Law on E-Signature (MLES), 2001 was adopted by the United Nations Commission on International Trade and Law to keep up with technology (UNCITRAL). The Information Technology (Amendment) Act, 2008 was consequently passed in India. However, a critical analysis of the said Model Laws shows that various legal issues (such as Jurisdiction, Taxation, IPRs, and Domain Names) arising due to activities of E-commerce in cyberspace remain untouched by these Model Laws and are attracting the attention the of international

community.[1]

Statistics of use of E-commerce

- India had an internet user base of about 354 million as of June 2015 and is expected to cross 500 million in 2016[2].

- Despite being the second-largest userbase in the world, only behind China (650 million, 48% of the population), the penetration of e-commerce is low compared to markets like the United States (266 million, 84%), or France (54 M, 81%), but is growing at an unprecedented rate, adding around 6 million new entrants every month[3].

- Recent statistics show that retail e-commerce sales in India have grown tremendously, from 2.3 billion U.S. dollars in 2012 to an estimated 17.5 billion U.S. dollars, representing an almost eight-fold growth[4].

- As of 2015, the retail e-commerce sales as a percent of total retail sales in India are set to account for 0.9 % of all retail sales in India, but this figure is also expected to grow in the near future, reaching 1.4 % in 2018.

- According to recent data, the number of digital buyers in India alone is expected to reach 41 million by 2016, representing some 27 % of the total number of internet users in the country.

- In 2016, total retail sales across the globe will reach $22.049 trillion, up 6.0% from the previous year. It is estimated that sales will top $27 trillion in 2020, even as annual growth rates slow over the next few years, as explored in a new eMarketer report, "Worldwide Retail Ecommerce Sales: The eMarketer Forecast for 2016" (eMarketer PRO customers only).

- The e-retail market is expected to continue its expansion – it registered a growth of over 35% of CAGR to reach 1.8trillion rupees in FY20. Over the next five years, the Indian e-retail industry is projected to exceed 300-350 online shoppers, propelling the online gross merchandise value 100-120billion USD by 2025[5].

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[1]http://isij.in/index.php/our-journals/international-journal-of-social-science-and-economics-invention/archive/93-ijssei-volume-1issue-2/132-law-relating-to-e-commerce-international-and-national-scenario-with-special-reference-to-india

[2] https://datareportal.com/reports/digital-2022-india

[3] https://www.ibef.org/industry/ecommerce

[4] https://www.ibef.org/industry/ecommerce

[5] https://www.statista.com/topics/2454/e-commerce-in-india/

Here are the top 10 e-commerce countries based on projected 2015 web sales along with their year-over-year growth[6]:

i.   China: $672.01 billion (42.1%)

ii.   U.S.: $349.06 billion (14.2%)

iii. U.K.: $99.39 billion (14.5%)

iv.   Japan: $89.55 billion (14.0%)

v.   Germany: $61.84 billion (12.0%)

vi.   France: $42.60 billion (11.1%)

vii. South Korea: $38.86 billion (11.0%)

viii. Canada: $26.83 billion (16.8%)

ix.   Brazil: $19.79 billion (17.3%)

x.   Australia: $19.02 billion (9.3%)[7]

History and evolution of E-commerce

Since its inception in the 1970s, the ease, security, and user experience of e-commerce have all significantly increased. When British entrepreneur and inventor Michael Aldrich discovered how to use a telephone connection to connect a real-time order processing computer to a specially modified TV in 1979, e-commerce was born.

1. The practice of carrying out business transactions electronically utilizing technologies like

(i)   Electronic Data Interchange (EDI) in the early 1970s, and

(ii)   Electronic Funds Transfer (EFT) in the late 1970s and early 1980s was initially referred to as "e-commerce."

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[6] https://ecommerceguide.com/ecommerce-statistics/
[7] https://ihumanmedia.com/tag/pinterest/

2. Then it came to include activities more precisely termed "Web-commerce" the purchase of goods and services over the World Wide Web via secured servers with e-shopping carts and with electronic payment services like credit card payment authorizations.[8]

3. In 1994, the public first learned about the Web widely.

4. Since 1994, it has taken roughly four years for security mechanisms to mature and be widely used.

5. Subsequently, between 1998 and 2000, a substantial number of businesses in the United States and Western Europe developed rudimentary Web sites.

6. Despite the fact that many "pure e-commerce" businesses failed during the dot-com bust in 2000 and 2001, many "brick-and-mortar" shops realized that these businesses had discovered profitable niche markets and started to include e-commerce functionality into their websites.

E-commerce is now well established in many major cities across much of North America, Western Europe, and East Asia, including South Korea, although it is still only just beginning to take off in some developed nations and is essentially nonexistent in many Third World nations as of 2005.

Types of E-Commerce[9]

1. Business-to-Business (B2B)

Business-to-Business (B2B) e-commerce encompasses all electronic transactions of goods or services conducted between companies. Producers and traditional commerce wholesalers typically operate with this type of electronic commerce.

2. Business-to-Consumer (B2C)

The Business-to-Consumer type of e-commerce is distinguished by the establishment of electronic business relationships between businesses and final consumers. It corresponds to the retail section of e-commerce, where traditional retail trade normally operates.

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[8] www.indianjournals.com/ijor.aspx?target=ijor:ijmt&volume=**2**&issue=**2**...014...
[9] bloomidea.com/en/blog/types-e-commerce

These kinds of connections can be simpler and more dynamic, but they can also be sporadic or terminated. Due to the development of the internet, this sort of commerce has rapidly expanded, and there are now several online virtual shops and malls that sell a wide range of consumer items, including computers, software, books, shoes, vehicles, food, financial products, digital magazines, etc.

Comparing online shopping to traditional retail, consumers typically have access to more informative content and there is a general perception that online shopping will result in lower prices without sacrificing equally personalized customer service or the prompt processing and delivery of their orders.

3. Consumer-to-Consumer (C2C)

Consumer-to-Consumer (C2C) type of e-commerce encompasses all electronic transactions of goods or services conducted between consumers. Generally, these transactions are conducted through a third party, which provides the online platform where the transactions are actually carried out.

4. Consumer-to-Business (C2B)

In C2B there is a complete reversal of the traditional sense of exchanging goods. This type of e-commerce is very common in crowdsourcing-based projects. A large number of individuals make their services or products available for purchase for companies seeking precisely these types of services or products.

Sites where designers submit multiple concepts for a company logo and only one is ultimately chosen and purchased serve as examples of such methods. The markets that sell royalty-free photos, images, media, and design components, like iStock photo, are another platform that is quite popular in this type of commerce.

5. Business-to-Administration (B2A)

This part of e-commerce encompasses all transactions conducted online between companies and public administration. This is an area that involves a large amount and a variety of services, particularly in areas such as fiscal, social security, employment, legal documents, registers, etc.

These types of services have increased considerably in recent years with investments made in e-government.

6. Consumer-to-Administration (C2A)

The Consumer-to-Administration model encompasses all electronic transactions conducted between individuals and public administration.

Applications in education, such as information dissemination and distance learning, are examples.

• Social Security - via disseminating knowledge, issuing payments, etc.

• Taxes: making payments and filing tax returns.

• Health - appointments, disease information, payment for medical treatments, etc.

The effectiveness and usability of the services given by the government to citizens with the aid of information and communication technology are intimately linked to both models of public administration (B2A and C2A).

Advantages of E-Commerce[10]

i. E-Commerce Advantages for Customers

Convenience. On the internet, everything you need is essentially at your fingertips. Your preferred search engine will instantly display all of your options in a clean list when you enter the keyword for the item you're looking for.

Time-saving. There is no more searching and digging in the hopes of finding what you need while driving around in circles with e-commerce. Products are simple to find and can be delivered to your door in a matter of days when you shop online since stores employ warehouses rather than storefronts and provide their whole product **line.**

Choices, choices, choices! The buyer can quickly compare and contrast products without having to drive from store to store. Check out who has the greatest prices and the widest

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[10] https://www.tutorialspoint.com/e_commerce/e_commerce_advantages.htm

selection. A traditional store may not have enough room, but an online store will have enough inventory.

Simple to compare. Comparisons between items can be made quickly and easily. Products are listed online with all the details because the sellers want you to compare them to other products, know they are the best, and buy more from them. Easy to find reviews.

Companies online encourage you to read other customer reviews since there is the fierce rivalry. Every website has both positive and negative evaluations, allowing you to not only determine whether a product is loved but also to learn the reasons why.

Discounts and coupons. Every online business wants your business, therefore there will only be more coupons and deals in the future, which is fantastic for consumers. You might find things at large department store websites for up to 80% discount! Utilize the competition to your advantage and hunt for the lowest price.

ii. E-Commerce Advantages for Businesses[11]

Increasing customer base. The customer base is every business's main concern, online or off. When online, a business doesn't have to worry about getting the best property in town, people from around the world have access to their products and can come back at any time.

The rise in sales. By not managing a storefront, any business will have more sales online with a higher profit margin. They can redistribute money to make the consumer shopping experience faster and more efficient. While being available to international markets, more products will sell.

24/7, 365 days. If it's snowing and the roads are closed, or it's too hot and humid to even step outside in the summer, or on a holiday that every store in town closes, your online business is open for consumers 24/7 every day of the year. The doors never close and profits will keep rising.

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[11] https://stockarea.io/blogs/10-benefits-of-ecommerce/

Expand business reach[12]. A great tool on the internet is…translation! A business online does not have to make a site for every language. With the right marketing, every consumer around the globe can find the business site, products, and information without leaving home.

Recurring payments made easy[13]. With a little research, every business can set up recurring payments. Find the provider that best suits your needs and billing will be done in a consistent manner; payments will be received in the same way.

Instant transactions. With e-commerce, there is no more waiting for the check to clear or a 30-day wait for certain other types of payment. Transactions are cleared immediately or at most two to three days for the money to clear through the banking system.

Disadvantages of E-Commerce[14]

i. E-Commerce Disadvantages for Customers[15]

Privacy and security. Before making instant transactions online, be sure to check the site's certificates of security. While it may be easy and convenient to shop, no one wants their personal information to be stolen. While many sites are reputable, always do your research for those with less than sufficient security.

Quality. While e-commerce makes everything easily accessible, a consumer cannot actually touch products until they are delivered to the door. It is important to view the return policy before buying. Always make sure returning goods is an option.

Hidden costs. When making purchases, the consumer is aware of the product cost, shipping, handling, and possible taxes. Be advised: there may be hidden fees that won't show up on your purchasing bill but will show up on your form of payment. Extra handling fees may occur, especially with international purchases.

Delay in receiving goods. Although delivery of products is often quicker than expected, be prepared for delays. A snow storm in one place may throw off the shipping system across the board. There is also a chance that your product may be lost or delivered to the wrong address.

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[12] https://propelrr.com/blog/advantages-of-ecommerce-to-business
[13] https://www.oberlo.in/blog/20-ecommerce-advantages-and-disadvantages
[14] https://www.tutorialspoint.com/e_commerce/e_commerce_advantages.htm
[15] https://www.thebalancesmb.com/disadvantages-of-e-commerce-1141571

Need access to the internet. Internet access is not free, and if you are using free Wi-Fi, there is a chance of information theft over an insecure site. If you are wearing out of your public library, or cannot afford the internet or computer at home, it may be best to shop locally.

Lack of personal interaction. While the rules and regulations of each e-commerce business are laid out for you to read, there is a lot to read and it may be confusing when it comes to the legalities. With large or important orders, there is no one you can talk to face to face when you have questions and concerns.

ii. E-Commerce Disadvantages for Businesses[16]

Security issues. While businesses make great efforts to keep themselves and the consumer safe, there are people out there that will break every firewall possible to get the information they want. We have all seen recently how the biggest and most renowned businesses can be hacked online.

Credit card issues. Many credit card businesses will take the side of the consumer when there is a dispute about billing; they want to keep their clients, too. This can lead to a loss for e-commerce businesses when goods have already been delivered and the payment is refunded back to the consumer.

Extra expense and expertise for e-commerce infrastructure[17]. To be sure an online business is running correctly, money will have to be invested. As an owner, you need to know transactions are being handled properly and products are represented in the most truthful way. To make sure you get what you need, you will have to hire a professional to tie up any loose ends.

Needs for expanded reverse logistics. The infrastructure of an online business must be on point. This will be another cost to the business because money will need to be invested to ensure proper handling of all aspects of buying and selling, especially with disgruntled consumers that want more than a refund.

Sufficient internet service. Although it seems that everyone is now on the internet all the time, there are still areas in which network bandwidth can cause issues. Before setting up an e-

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[16] https://www.lightspeedhq.com/blog/advantages-and-disadvantages-of-ecommerce/
[17] https://www.oberlo.in/blog/20-ecommerce-advantages-and-disadvantages

commerce business, be sure your area can handle the telecommunication bandwidth you will need to run effectively.

Constant upkeep[18]. When a business has started as e-commerce, it must be ready to make changes to stay compatible. While technology grows, the systems that support your business must be kept up to date or replaced if needed. There may be additional overhead in order to keep databases and applications running.

Conclusion[19]

Some elements of e-commerce don't fall neatly into either the pro or con categories. Customers benefit from unique difficulties, but they provide challenges for businesses. Even if customers are purchasing, the company may still experience additional problems. Online shoppers sometimes have the advantage of price comparison, which can be restrictive for businesses.

Instead of traveling across town to visit another business, customers may compare costs with only one click. Many customers will look for the lowest price possible, so if you can't provide it, you'll probably lose the business. Even if you can cut your pricing, companies who engage in these price wars will notice a decline in their earnings. Although there is nothing inherently related to discounts in e-commerce, the method in it has developed has resulted in reduced prices. Although vendors don't like the cheaper prices as much, buyers do. Although shipping is handy for customers, it is inconvenient for businesses. The weight grows as you make additional purchases. Even though the company has consistent profit growth and customer retention, logistics and management might turn into a nightmare.

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[18] https://www.marketing91.com/disadvantages-of-e-commerce/
[19] https://www.thebalancesmb.com/ecommerce-pros-and-cons-1141609