

A Study on Relevance of E- Business in India

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ABSTRACT:

The objective of study is to find out the latest trend of e-commerce in business. Electronic has changed the concept of business all over the world specifically after 1995. Even a small company or business undertaking has turned into a multinational company since internet has broken all barriers of communication and boundaries of the countries. So attempt is being made to find out how the internet has changed to global business. Based on those data, a concept and analysis have been developed to get information on the challenges and opportunities faced by the business. The research study covers e-commerce activities, benefits, barriers and key success factors. It covers essentially the Global business and especially Indian interest and Indian Growth rate as compare to world level. Since the study is being completed within a very short span of time the primary data from the different sources like Railways, tourism and Banks could be collected. Although we understand that the business of these entities is heavily depending upon internet infrastructure. All the working of these undertakings id stalled if the internet is not functioning. Even then we tried to collect data from the various secondary sources including various web sites.

INTRODUCTION:

Originally, electronic commerce was identified as the facilitation of commercial transactions electronically, using technology such as Electronic Data Interchange (EDI) and Electronic Funds Transfer (EFT). These were both introduced in the late 1970s, allowing businesses to send commercial documents like purchase orders or invoices electronically. The growth and acceptance of credit cards, automated teller machines (ATM) and telephone banking in the 1980s were also forms of electronic commerce. Another form of e-commerce was the airline reservation system typified by Sabre in the USA and Travicom in the UK.

Beginning in the 1990s, electronic commerce would include enterprise resource planning systems (ERP), data mining and data warehousing In 1990, Tim Berners-Lee invented the WorldWideWeb web browser and transformed an academic telecommunication network into a worldwide everyman everyday communication system called internet/www. Commercial enterprise on the Internet was strictly prohibited by NSF until 1995.

Although the Internet became popular worldwide around 1994 with the adoption of Mosaic web browser, it took about five years to introduce security protocols (i.e. SSL encryption enabled on Netscape 1.0 Browser in late 1994) and DSL allowing continual connection to the Internet.

The difference between e-business and e-commerce

E -business and e-commerce are terms that are sometimes used interchangeably, and sometimes they're used to differentiate one vendor's product from another. But the terms are different, and that difference matters to today's companies. In both cases, the e stands for "electronic networks" and describes the application of electronic network technology - including Internet and electronic data interchange (EDI)- to improve and change business processes. E-commerce covers outward-facing processes that touch customers, suppliers and external partners, including sales, marketing, order taking, delivery, customer service, purchasing of raw materials and supplies for production and procurement of indirect operating-expense items, such as office supplies. It involves new business models and the potential to gain new revenue or lose some existing revenue to new competitors. It's ambitious but relatively easy to implement because it involves only three types of integration: vertical integration of front-end Web site applications to existing transaction systems; cross-business integration of a company with Web sites of customers, suppliers or intermediaries such as Web-based

marketplaces; and integration of technology with modestly redesigned processes for order handling, purchasing or customer service. E-business includes e-commerce but also covers internal processes such as production, inventory management, product development, risk management, finance, knowledge management and human resources. E-business strategy is more complex, more focused on internal processes, and aimed at cost savings and improvements in efficiency, productivity and cost savings.

E – Business Growth in India

S. No	YEAR	ONLINE TRADING Rs.
01	2007-08	8146 cr.
02	2008-09	14030 cr.
03	2009-10	19688 cr.
04	2010-11	31598 cr.
05	2011-12	46520 cr.
06	2012-2013	62500 cr. (Approx)

Source of data: (Internet and Mobile Association of India)

Note: Online trading could be more than that because many online trading data have not been included.

Importance and Uses of E – Business in Global Business Exploitation of New Business

Broadly speaking, electronic commerce emphasizes the generation and exploitation of new business opportunities and to use popular phrases: “generate business value” or “do more with less”.

Enabling the Customers

Electronic business is enabling the customer to have an increasing say in what products are made, how products are made and how services are delivered (movement from a slow order fulfillment process with little understanding of what is taking place inside the firm, to a faster and more open process with customers having greater control.

Improvement of Business Transaction

Electronic business endeavors to improve the execution of business transaction over various networks.

Effective Performance

It leads to more effective performance i.e. better quality, greater customer satisfaction and better corporate decision making.

Greater Economic Efficiency

We may achieve greater economic efficiency (lower cost) and more rapid exchange (high speed, accelerated, or real-time interaction) with the help of electronic commerce.

Execution of Information

It enables the execution of information-laden transactions between two or more parties using inter connected networks. These networks can be a combination of ‘plain old telephone system’ (POTS), Cable TV, leased lines and wireless. Information based transactions are creating new ways of doing business and even new types of business.

Incorporating Transaction

It also incorporates transaction management, which organizes, routes, processes and tracks transactions. It also includes consumers making electronic payments and funds transfers.

Increasing of Revenue

Firm use technology to either lower operating costs or increase revenue. Electronic Commerce has the Potential to increase revenue by creating new markets for old products, creating new information-based products, and establishing new service delivery channels to better serve and interact with customers. Reduction of Friction

Facilitating of Network Form

Electronic business is also impacting business to business interactions. It facilitates the network form of organization where small flexible firms rely on other partner, companies for component supplies and product distribution to meet changing customer demand more effectively. Hence, an end to end relationship management solution is a desirable goal that is needed to manage the chain of networks linking customers, workers, suppliers, distributors and even competitors. The management of "online transactions" in the supply chain assumes a central roll.

E-commerce integration

The rationale for infusion of e-commerce education into all business courses is that technological developments are significantly affecting all aspects of today's business. An e-commerce dimension can be added to the business curriculum by integrating e-commerce topics into existing upper-level business courses. Students would be introduced to e-commerce education and topics covered in a variety of business courses in different disciplines e.g. accounting, economics, finance, marketing, management, management information systems. To help assure that all related business courses in all disciplines such as e.g., accounting, finance, economics, marketing, management, information systems pay proper attention to the critical aspects of e-commerce, certain e-commerce topics should be integrated into existing business courses.

As the availability of the Internet expands, as computing devices become more affordable, and as energy requirements and form factors shrink, e-learning will become more popular. In addition to the importance of lifelong learning, distance education and e-learning will grow in popularity because convenience and flexibility are more important decision criteria than ever before. E learning will become widely accepted because exposure to the Internet and e-learning often begins in the primary grades, thus making more students familiar and comfortable with online learning. In fact, for many countries, distance education has been the most viable solution for providing education to hundreds of thousands of students.

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Impact of e-business on the Global Economy

When it is considered the **impact of e-business on the global economy** it is said to be very influential and far reaching. E-commerce is one that has a profound and radical effect for businesses that is located all over the world.

It is more powerful than the traditional resources that were adopted by businesses all over the world. With the aid of ecommerce it is possible for people to shop online from their comforts of their home irrespective of the geographical location. Ecommerce has been able to remove the geographical barriers successfully and helped customers to come into contact with vendors without hassles.

The impact of e business is one that has brought in a drastic change in the traditional market. It is one that has been welcomed with open arms as it has clicked immensely for many businesses and now most of the businesses that exist without ecommerce cannot exist. Ecommerce has also helped many small businesses as they no longer require to have a physical office that caters to a particular geographical location. The impact of ecommerce on the global economy is so immense that the targeted audience can be reached without wasting time and economic resources. The target market is easily reached with the aid of effective internet marketing techniques.

It has influenced everything right from the production to the service levels that many companies are able to do business with. This change is a very significant one and it is here to stay. With ecommerce these businesses are faced with the main challenge of having to stay ahead of their market competitors with the shifts in technology. They should be able to embrace and wield the power of marketing successfully to their advantage so that have the edge in market competition.

The impact of e business on the global economy has also affected countries that are not so economically sound and it has acted to take them to the forefront on international trade and commerce. Ecommerce crosses all economical and political barriers and this in turn gives rise to more effective marketing techniques that has the ability to penetrate all barriers. Ecommerce carries with it a number of benefits and it has worked wonders for both small and big businesses alike. With ecommerce techniques companies have enhanced sales and increased profits. It is a technological boom and here to stay for a very long time!

Why E-business is changing the way businesses operate?

E-Commerce facilitates the current reengineering of business processes which is widespread in most large companies. The goals of e business are similar to the goals of reengineering:

- Reduced costs
- Lower product cycle times
- Faster customer response
- Improved service quality

Advantages of E-business

- Faster buying/selling procedure, as well as easy to find products.
- Buying/selling 24/7.
- More reach to customers, there is no theoretical geographic limitations.
- Low operational costs and better quality of services.
- No need of physical company set-ups.
- Easy to start and manage a business.
- Customers can easily select products from different providers without moving around physically.

Disadvantages of E-business

- Any one, good or bad, can easily start a business. And there are many bad sites which eat up customers' money.
- There is no guarantee of product quality.
- Mechanical failures can cause unpredictable effects on the total processes.
- As there is minimum chance of direct customer to company interactions, customer loyalty is always on a check.
- There are many hackers who look for opportunities, and thus an ecommerce site, service, payment gateways, all are always prone to attack.

New possibilities brought about by technology.

E-commerce involves an online transaction. This can range from ordering online, through online delivery of paid content, to financial transactions such as movement of money between bank accounts. One area where there are some positive indications of e-commerce is financial services.

Challenges for E-business

Internet based e-commerce has besides, great advantages, posed many threats because of its being what is popularly called faceless and borderless. Some examples of ethical issues those have emerged as a result of electronic commerce. All of the following examples are both ethical issues and issues that are uniquely related to electronic commerce.

CONCLUSION:

With the development of computer technology, the World Wide Web has become the connection medium for the networked world. Computers from locations that are geographically dispersed can talk with each other through the Internet. As with any new technology, there are positives and negatives associated with its use and Adoption. Finally, an e-marketplace can serve as an information agent that provides buyers and sellers with information on products and other participants in the market.

E-business creates new opportunities for business; it also creates new opportunities for education and academics. It appears that there is tremendous potential for providing e-business education. As discussed earlier about the different

media of e-commerce such as TV, PC or Mobile these new media will be a major preoccupation for marketers over the few years that especially how to combine them within an integrated bricks and clicks marketing mix. However, rapidly changing technology is continually bringing new goods and services to the market accompanied by new strategies to sell them. Therefore, it may also conclude that new ethical issues related to business will emerge. New ethical issues must be identified and immediate steps and actions should be taken. Initially, new Internet users would be reluctant to conduct any kind of business online, citing security reasons as their main concern. In order to increase consumer adoption of e-services, the sources of consumer confusion, apprehension and risk need to be identified, understood and alleviated. E-commerce provides tremendous opportunities in different areas but it requires careful application for consumer protection issues. Growth of e-commerce would also depend to a great extent on effective IT security systems for which necessary technological and legal provisions need to be put in place and strengthened constantly. While many companies, organizations, and communities in India are beginning to take advantage of the potential of e- business, critical challenges remain to be overcome before e-commerce would become an asset for common people.

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