E – Commerce: Defined Way To Conduct Business

Himanshu Joshi[1], Smriti Tandon[2], Anupama Singh[3], Gaurav Rawat[4], Himani Binjola[5]

[1] Student, Department of Management Studies, Graphic Era Deemed to be University, Dehradun, (Himanshujoshi_20091394.bba@geu.ac.in)

[2] *Associate Professor, Department of Management Studies, Graphic Era Deemed to be University, Dehradun, (smriti.tandon.mba@geu.ac.in)

[3] Assistant Professor, Department of Management Studies, Graphic Era Deemed to be University, Dehradun (anupamasingh.mba@geu.ac.in)

[4] Student, MBA, Department of Management Studies, Graphic Era Deemed to be University, Dehradun, Uttarakhand, India.

[5]Assistant Professor, Department of journalism and Mass communication, Graphic Era Hill University.

*Corresponding Author: smriti.tandon.mba@geu.ac.in

Abstract

E-commerce has been the talk of town for quite a time now. That's why we are seeing a huge disruption on our daily life which is altering our daily routine, how we purchase, how we interact with machine/software so that businesses can understand human reaction to certain things and make most out of it in monetary terms.

Most of all— how today's businesses are being shaped, how mature companies are changing their age-old mechanism to gain competitive edge over others and how technology is the new disruptor in town.

This research paper has been undertaken for the purpose of understanding

Objectives:

- The future possibilities of e-commerce.
- What role are we going to play in that future?
- How will the e-commerce affect us?
- And what are the possible future technology that we are going to witness.

A REVIEW OF PAPER ON E-COMMERCE

1. <u>Introduction</u>

In today's ever-changing world commerce is vital, it's the fulcrum by which world is rotated, which has evolved ever since and continues to evolve till this date.

Commerce has evolved over the centuries from a simple barter system to complex buying, selling, and trading that occurs every day.

According to Statista estimates—the average daily social media usage of internet users worldwide amounted to 145 minutes/day, which is the testament of how people are spending their daily time increasingly on internet do all kind of activities—work, studying, learning, entertainment, networking, conducting business online and much more.

With increasing penetration of internet, it will further accelerate to a point where every moment might be spent on internet, which in turn will create demand for product and services. Also, with introduction of blockchain the e-commerce platforms will be more decentralized and the consumer can know—how, when, where are the products being manufactured and what the ingredients are.

Toady's dynamics are different, lots of consumer prefer convenience over comfort which is changing everything around us. That's why it's important for business to see and acknowledge these changes and act accordingly.

Further research tells all about these scenario

2. <u>What is Commerce?</u>

Commerce can be defined as being the exchange of money for goods or service. Commerce is much larger than it is assumed it encompasses politics, technology, economies, culture, societies, institutions and the legal system.

If we think deep enough we can assume that town, cities, countries even continents are present because of commerce, they owe it to ancient explorer such as Christopher Columbus known to discovered America, Amerigo Vespucci which is known to discover south America and realized that the continent was neither linked to Asia nor it is as small as it was thought at that time—also the continent 'America' was named after him, Charles Darwin he was known to travelled around the Atlantic and the Indian ocean, James cook, Marco polo, Vasco de Gama, ibn Battuta you name it.

These explorers weren't blessed with any type of technology, equipment or huge machines, but they all had one thing in common 'curiousness' to explore the unknown for which they set their voyages.

A. <u>Comparison: Modern vs Previous</u>

If we compare todays commerce, we see a huge conundrum of activities linked together such as global supply chain, manufacturing, technology, economies, trade, travel, leisure activities, packing, transportation, people, entities and much more.

2.1 What is E-Commerce?

The phrase "electronic commerce" (or "E-Commerce") refers to a business strategy that enables individuals and businesses to purchase and online resale of products and services. It can be carried out via computers, tablets, telephones, and other smart devices.

Global E-Commerce which is valued at $25.6 trillion!! comprises of handful companies such as amazon, eBay, Walmart, FlipKart, Rakuten, Zalando, Wayfair, Shopify, otto, AliExpress which controls global supply of everything ranging from a small pin to the largest possible thing that one can imagine.

Amazon alone control a sizeable chunk of global supply chain, which in turn generate huge revenue for the company—$386.06 billion, $280.52 billion for the year 2019 and 2020.

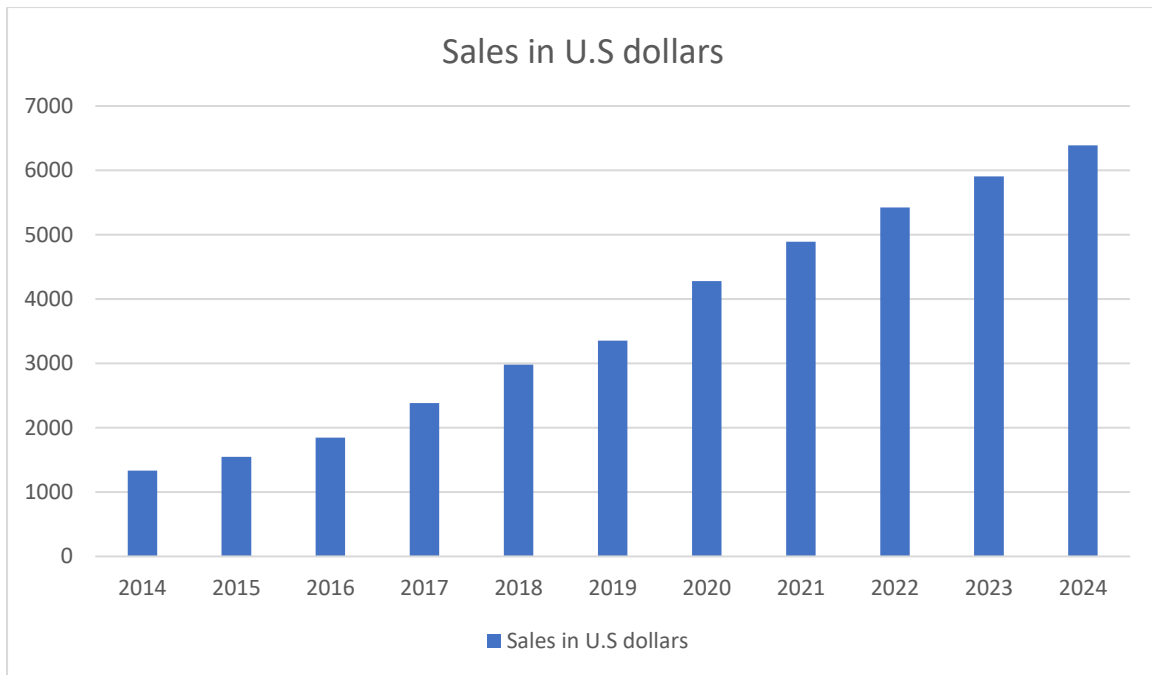E-commerce has operated in all four of the following major market segments—

B2B (Business to Business), B2C (Business to Consumers), C2C (Consumer to Consumer), C2B (Consumer to Business)

E-commerce has changed the way people shop and consume products and services. It is continuously evolving in the form M-Commerce which has resulted huge online sales penetration, according to a study— online sale will account for 74% of total sales which is going to take place through m-commerce by 2022.

By witnessing these scenarios I'm listing down some obvious trends that are identified: -

1. Revenue of US$6.3 trillion by 2024
I believe future is all about numbers and number portray an unbiased picture for people. According to Statista estimates, global e-commerce retail sales are projected to reach $6.3 trillion by 2024 from current $4.8 trillion.

Sales in U.S dollars

A bar chart titled "Sales in U.S dollars" showing annual sales from 2014 to 2024. The y-axis ranges from 0 to 7000 in increments of 1000. Approximate values: 2014 ≈ 1350, 2015 ≈ 1550, 2016 ≈ 1850, 2017 ≈ 2400, 2018 ≈ 2950, 2019 ≈ 3350, 2020 ≈ 4300, 2021 ≈ 4900, 2022 ≈ 5400, 2023 ≈ 5900, 2024 ≈ 6400.

E-commerce sales are gaining ground in the retail business because to this phenomenal rise.

And the chances for this growth to be even greater are very high as the speed and quantity of technological advancement and digital transformation of society is very high.

2. Various payment option

e-commerce has catapulted the use various and diverse payment method offered to customers, simplifying and speeding up the checkout procedure.

This can be witnessed by the tremendous rise of UPI in India (Rs. 7 trillion) and rise of debit/credit card payments across the globe

3. Personalization of the experience

Personalization of customer experience has gained great traction in recent years specially after the pandemic whereby companies are trying to make services more and more individualistic and differentiative for the customers. This can be done in several ways few are listed below:

- Relationship

Building an eternal relationship with customers for long term is beneficial from both point of view, the customer and the company. Such as amazon policy of putting the customers first is of great relevance.

- Shopping experience

The customization of shopping experience in today's world is new normal of e-commerce space, it is the phenomenon which will only grow in coming years.

Amazon-go store are apropos example of these as the customer can enter and leave with their desired products without being to interact with someone—the payment will be

automatedly be deducted!! Which is something unique and many retail stores have given a try to these services.

This all personalization is possible with help of AI as it becomes more easier to quickly and accurately identify each user's profile in order to provide more customized recommendations.

4. Automated service

Many services today are automated by various mechanism that are in-build in e-commerce website even various banking website such as chatbots which are the force of future. With the use of certain keywords, the machine identifies what the customer needs and interacts quickly and assiduously.

These also help in

- More reach
- Provide immediate responses to questions
- Offer 24-hour support
- Conserve time and materials
- Produces high levels of client satisfaction
- Minimize discrepancies

3. <u>E-Commerce Trends – An Uprising in Indian Business:</u>

In the current economic environment, e-commerce is booming. There is a paradigm shift underway that has an impact on both customers and marketers. E-commerce, however, is more than just a new tool for growing the existing business models. It is causing the current business model to completely shift. India is not an exception to the remarkable rise this substantial change in business paradigm is experiencing worldwide. Additionally, e-commerce has the potential to reduce pollution, having a substantial impact on the environment.

Online shoppers have the freedom to choose when and where to shop, as well as the ability to research the product, the vendor, and any other options. Shopping has changed as a result of the availability of information online. Online shopping is a viable option for almost any product that can be bought offline, even perishables like food. Customers from all across the world have embraced these options.

4. <u>E-Commerce Facilitators:</u>

4.1 Internet:

Internet usage has increased dramatically, which has helped e-commerce expand. Smart phones and the internet are becoming a necessity in everyone's life. The internet has developed into a vital tool for learning, communicating, shopping, and even employing professionals like plumbers, carpenters, and doctors in addition to being a source of knowledge. Digital platforms are assisting in a better connection with the clients, which

greatly minimizes waste and supports green enterprises, and this helps the supply chain become leaner and smarter.

4.2 Payments Gateway:

An internet application service provider known as a payment gateway accepts credit card payments for physical stores, online retailers, brick-and-mortar businesses, and e-businesses. The core of internet commerce is the payment options, which include credit card, debit card, online banking payments, and electronic money transfer. As an increasing number of people throughout the world switch from using cash to digital currency, payment gateways are essential for future, sustainable e-commerce.

4.3 Analytics

The systematic process of converting data into information to support decision-making is known as analytics. Analytics aids organizations in compiling, organizing, analyzing, and reporting on every action taken by their clients. Businesses now need to concentrate on analytics to understand client behavior due to the enormous rise in data volume. In order to calculate the return on online investments and manage the channel mix, e-tailor needs access to information in real time. The fundamental analytics tools offered by e-commerce businesses, such as basket size analysis, average order value, and conversion ratio, are useful, but for practical customer insights, we need deeper analytics solutions.

4.4 Social Media

Businesses are more frequently using social media to market their goods and services. Websites and computer programmers known as social media allow users of desktop computers, laptops, and mobile devices to communicate and share information online. Social media has been quite useful for promoting brands and informing customers about various deals. Another benefit is getting feedback on a good or service. It offers a platform for, among other things, developing a brand, running advertisements, expanding a network of dependable users, and word-of-mouth advertising.

4.5 3D Printing

The 3D printer is a machine that creates three-dimensional objects from digital designs. By layering components in a manner akin to how an ink-jet printer successively layers hues on a flat sheet of paper, it uses a technique known as "additive manufacturing". The Industrial Revolution, which upended rural life in the early 19th century, gave rise to manufacturing as we know it today. It's predicted that 3D printing may replace this type of manufacturing. Designs intended to be created by the customer, or by an independent producer, are finding a market thanks to 3D printing. The design and the right to have it printed are what are sold, not the finished item.

Conclusion

These were some of the trends that were identifiable by me, certainly there are more such as voice search, sustainability and social responsibility, uses of virtual reality, search by image, rise of M-commerce, omni-channel experience and much more.

Luxury brands have recently found it challenging to reach their target consumers, despite the fact that unauthorized sellers are enticing clients, the majority of whom succumb to the temptation of receiving discounts of up to 50-70%, via platforms such as Instagram, Twitter, and WhatsApp. This is due to the possibility that social media might help firms and marketers reach their target audience without having to invest a lot of money in traditional advertising. Businesses must spend money on legal checks and controls as well as ongoing account tracking.

In a marketplace model, the inventory is owned by the website's merchants, while the ecommerce company just provides the technological capabilities. Call centers are commonly used by e-commerce companies to interact with clients; however, it is vital to take the effort to build these centers.

The government ought to offer its e-commerce companies a level playing field in order to facilitate the country's significant development. In order to promote domestic and international trade, e-commerce should put a heavy emphasis on safeguarding fundamental rights like consumer protection, privacy, intellectual property, and fraud prevention. Banks must also pick the appropriate security protocols and methods to protect both themselves and their customers. E-commerce has the ability to significantly contribute to a country's economy and development if given the right resources and an environment that enables it to flourish.

And as we advent into following years I see changes that are arbitrary and scalable immensely, but they will require keen human eye even before they become profitable or generate any revenue.

It is essential to update and get ready in order to meet the challenges posed by advancements in e-commerce.

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