

E-Commerce and It's Impact on Global Trend

Abstract

Many economists and experts believe that in recent years, a revolution has occurred similar to the industrial revolution which the world has entered the information age. It makes large changes in the economic, social and cultural aspects. One aspect of this transformation is changes in economic relations between individuals, corporations and governments. Commercial exchange between people who had been based on paper documents to transactions of by us the systems based on electronic information. In this article we will discuss the benefits of e-commerce and its impact on the market.

Keywords: E-Commerce, Advantage, Needs, Global, Impact.

Introduction

E-commerce has so many advantages in our life because it makes convenient in daily life of the people. Several explanations have been proposed for e-commerce that most of them are based on past experiences in the use of e-commerce. As with e-commerce, e-business also has a number of different definitions and is used in a number of different contexts. One of the first to use the term was IBM, in October 1997, when it launched a campaign built around e-business. Today, major corporations are rethinking their businesses in terms of the Internet and its new culture and capabilities and this is what some see as e-business. There is no one commonly agreed definition of e-commerce or e-business. Thus, there is a need to clarify terms being used and explain the context in which they are being applied. E-commerce has an impact on three major stakeholders, namely society, organizations and customers. There are a number of advantages, which include cost savings, increased efficiency, customization and global marketplaces. There are also limitations arising from e-commerce which apply to each of the stakeholders. In order to understand electronic commerce it is important to identify the different terms that are used, and to assess their origin and usage. These include information overload, reliability and security issues, and cost of access, social divisions and difficulties in policing the Internet. Successful e-commerce involves understanding the limitations and minimizing the negative impact while at the same time maximizing the benefits- commerce businesses usually employ some or all of the following practices:

1. Provide detail of virtual storefront on websites with online catalogs, sometimes gathered into a "virtual mall".
2. Buy or sell on online marketplaces.
3. Gather and use demographic data through web contacts and social media.
4. Use electronic data interchange, the business-to-business exchange of data.
5. Engage in retail for launching new products and services.

What is The E-Commerce?

Electronic commerce, commonly known as E-commerce, is trading in products or services using computer networks, such as the Internet. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web for at least one part of the transaction's life cycle, although it may also use other technologies such as e-mail. In the simplest case, it can be defined as doing business transactions in an electronic format. The European Commission has defined the e-commerce in 1977 as follow: The April 1997 edition (ERICIM News No. 29) reported that "Europe has been lagging with respect to the rest of the world in its way towards the information society.



Dileep Kumar Verma

Head of Department,
Deptt.of Commerce,
Satyapal Singh (P.G.) College,
Shahjahanpur, U. P.

E-commerce based on data processing, including text, sound, image. The business includes various activities such as the electronic exchange of goods and services, instant delivery of digital content, business plans, collaborative design and engineering, electronic stock exchange, government procurement, direct marketing, services after the sales, E-commerce is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the Internet.

Global Trends

In 2010, the United Kingdom had the biggest e-commerce market in the world when measured by the amount spent per capita. The Czech Republic is the European country where e-commerce delivers the biggest contribution to the enterprises total revenue. Almost a quarter (24%) of the country's total turnover is generated via the online channel.

Among emerging economies, China's e-commerce presence continues to expand every year. With 384 million internet users, China's online shopping sales rose to \$36.6 billion in 2009 and one of the reasons behind the huge growth has been the improved trust level for shoppers. The Chinese retailers have been able to help consumers feel more comfortable shopping online; China's cross-border e-commerce is also growing rapidly.

E-commerce has become an important tool for small and large business worldwide, not only to sell to customers, but also to engage them. In 2012, e-commerce sales topped \$1 trillion for the first time in history.

Impact on Markets and Retailers

Economists have theorized that e-commerce ought to lead to intensified price competition, as it increases consumers' ability to gather information about products and prices. Research by four economists at the University of Chicago has found that the growth of online shopping has also affected industry structure in two areas that have seen significant growth in e-commerce, bookshops and travel agencies. Generally, larger firms are able to use economies of scale and offer lower prices.

Benefit of Electronic Commerce

The benefits of e-commerce include it's the speed of access, a wider selection of goods and services, accessibility, and international reach. It's perceived downsides include sometimes- limited customer service, not being able to see or touch a product prior to purchase, and the necessitated wait time for product shipping. To ensure the security, privacy and effectiveness of e-commerce, business should authenticate business transactions, control access to resources such as webpages for registered or selected users, encrypt communications and implement security technologies such as Secure Sockets Layer.

Benefits to Organizations

E-commerce has many advantages for organizations which some of them are as follows: Expands the marketplace to national and international markets, Decreases the cost of creating, processing, distributing, storing and retrieving paper-based information.

Benefits to Society

Finally, e-commerce can have good effects on society, which are enables more individuals to work at home, and to do less travelling for shopping, resulting in less traffic on the roads, and lower air pollution, allows some merchandise to be sold at lower prices benefiting the poor ones, enables people in Third World countries and rural areas to enjoy products and services which otherwise are not available to them, facilitates delivery of public services at a reduced cost, increases effectiveness, and/or improves quality.

Needs of E-Commerce

Today, in every aspect of our day to day life internet has become undivided part of our life. Every day the bank system online checks mail online every day. So it's only so it only makes sense that on line shopping has become an increasingly integral part of our society, exceeding \$200 billion in sales in 2010 alone. The internet economy is booming E-commerce sales are expanding by leaps and bounds at a rate of 20% and 25% growth each year, indicating a momentous shift in customer spending habit of human beings.

B2B (Business-to-Business)

Business-to-Business (B2B) is commerce transactions between businesses, such as between a manufacturer and a wholesaler, or between a wholesaler and a retailer, pricing is based on quantity of order and is often negotiable.

B2C (Business-To Consumer)

Business or transactions conducted directly between a company and consumers who are the end-users of its products or services. Business to consumer as a business model differs significantly from the business to business model, which refers to commerce between two or more businesses.

C2B (Consumer-to-Business)

Consumer-to-business (C2B) is a business in which consumers individuals create value and business consume that value. C2B model, also called a reverse auction or demand collection model, enables buyers to name or demand their own price, which is often binding, for a specific good or service. The website collects the demand bids then offers the bids to participating sellers.

C2C (Consumer-to-Consumer)

Customer to Customer (C2C) markets are innovative ways to allow customers to interact with each other. While traditional markets require business to customer relationships, in which a customer goes to the business in order to purchase a product or service. In customer to customer markets the business facilitates an environment where customers can sell these goods and or services to each other.

Conclusion

E-commerce has undeniably become an important part of our society. The World Wide Web is and will have a large part in our daily lives. It is therefore critical that small businesses have their own to keep in competition with the larger websites. Since web developers have lowered down the prices for their services, it has become more affordable for small

businesses to use the World Wide Web to sell their products.

References

1. Gunasekaran, A; et al "E-commerce and its impact on operations management." *International journal of production economics* 75.1(2002):185-197
2. Subramani, Mani, and Eric Walden. "The impact of e-commerce announcements on the market value of firms" *Information Systems Research* 12.2(2001):135-154.
3. Schafer, J.Ben, Joseph A. Konstan, and John Riedl. "E-commerce recommendation applications" *Applications of Data Mining to Electronic Commerce*. Springer US, 2001.115-153.
4. Daniel, Elizabeth, and Hugh Wilson. "Adoption intentions and benefits realized: a study of e-commerce in UK SMEs. *Journal of Small Business and Enterprise Development* 9.4 (2002):331-348.
5. Eastin, Matthew S. "Diffusion of e-commerce:an analysis of the adoption of four e-commerce activities." *Telematics and informatics* 19.3 (2002): 251-267.
6. Drew, Stephen. "Strategic uses of e-commerce by SMEs in the east of England." *European Management Journal* 21.1(2003):79-88.
7. Gibbs, Jennifer, Kenneth L. Kraemer, and Jason Dedrick. "Environment and policy factors shaping global e-commerce diffusion: Across-country comparison." *The information society* 19.1 (2003)5-18.