 ISSN : 2230-9519 (Online) | ISSN : 2231-2463 (Print)

To Identify and Explore the Use of E-Commerce in a Developing Country

S.V.N Kumar
Dept. of MBA, School of Management Studies, Jawaharlal Nehru Tech. Univ., Kakinada, AP, India

Abstract
E-commerce means sale or purchase of goods and services carried out over network of computers or TV channels by means specially intended for the purpose. However goods and services are ordered electronically, payments or delivery of goods and services need not be performed online. Business to Business i.e. B2B is e-commerce among businesses such as between a manufacturer and a wholesaler or between a wholesaler and a retailer. The bookings done by electronic means between Business to Consumer for purchase or sale of goods and services are known as B2C e-commerce. Though B2C e-commerce obtains a lot of concentration, B2B dealings far surpass B2C transactions.

Keywords
E-Commerce, Developing Country, B2B, B2C

I. Introduction

E-commerce business can be between businesses, households, individuals, governments and other public or private associations. There are many kinds of e-commerce transactions that happen online ranging from sale of clothes, shoes, books etc. to services such as airline tickets or making hotel bookings etc. From the point of view of business there are two forms of e-commerce. First model is known as "Market Place" model which works like swap over for buyers and sellers. The "Market Place" provides a stage for business transactions between buyers and sellers to take place and in arrival for the services provided earns charge from sellers of goods/services. Ownership of the inventory in this model vests with the number of enterprises which promote their goods on the website and are eventual sellers of goods or services. The "Market Place", thus works as a catalyst of e-commerce. Dissimilar from the "Market Place" model is the second group of business known as "Inventory Based" model. In this model ownership of goods and services and market place vests with the same entity.

II. Related Work

A.T. Kearney's 2012 E-Commerce Index scrutinized the top 30 countries in the 2012 Global Retail Development Index™ (GRDI). Using 18 infrastructures, regulatory and retail-specific variables the Index ranks the top 10 countries by their e-commerce possible. Developing countries characteristic outstandingly in the Index. Developing countries hold 10 of the 30 spots together with first-placed China. These markets have been capable to shortcut the conventional online retail development curvature as online retail produces at the same time that physical retail turn out to be more controlled. Consumers in these markets are quick implementing behaviours comparable to those in more developed countries.

II. Existing Method

India has the Consumer Protection Act 1986. However nothing in the Act refers unambiguously to e-commerce consumers. It presents for regulation of trade practices, creation of national and state level Consumer Protection Councils, consumer disputes redressed forums at the National, State and District level to restore disputes, class actions and for acknowledged consumer associations to proceed on behalf of the consumers.

III. Disadvantages

The Act presents a thorough list of inequitable trade ways but it is not comprehensive.

IV. IC Proposed Method

In recent months there has been a lot of attention and deliberate approximately permitting FDI in B2C e-commerce. While its proponents observe enormous benefit there is no lack of people who have grave anxieties to this proposal. In answer to news reports emerges in print and electronic media a number of demonstrations have been external in this Department from dissimilar stakeholders.

V. Advantages

More resourceful provide chain management. It will decrease the need for middlemen leading to lower transaction costs, reduced overhead and reduced inventory and labour costs. Consent to FDI in e-commerce will give e-commerce players with total geographical reach which will be against the spirit of FDI in multi brand retail trade i.e. being restricted to cities with a population of more than one million in consenting states or any other city of their choice.

VI. Influences on Diffusion of E-Commerce

A. The Global E-Commerce

Global business-to-consumer e-commerce sales will go by the US$ 1,250 billion mark by 2013 and the whole number of Internet users will augment to in the order of 3.5 billion. Around 90% of the global e-commerce dealings are in the nature of B2B leaving meager 10% as B2C e-commerce. The main e-commerce markets are U.S.A. followed by U.K. and Japan. In Asia, China, India and Indonesia are the greatest growing e-commerce markets. main global e-Commerce companies are Alibaba.com, Amazon.com, Wal-Mart, Apple, Dell, e-bay, Mercadolibre Inc., Rakuten Inc., Crate & Barrel, Symantec, Autozone, Microsoft, Gap, Nike, Disney stores, HP, ASOS PLC, Blue Nile Inc. etc.

B. E-Commerce Sector in India

Growth of e-commerce business has been amazingly high. However its growth is dependent on a number of factors and most important of them is internet connectivity. Industry assessments suggest that e-commerce industry is accepted to contribute around 4 percent to the GDP by 2020. Around 90% of the global e-commerce transactions are settled to be in the nature of B2B leaving meagre 10% as B2C e-commerce. Case of India is no dissimilar where most of such dealings are in the nature of B2B. Moreover Indian e-commerce industry is considered by „Market Place" model. The rising e-commerce industry can have a positive fall in excess of result on connected industries such as logistics, online advertising, media and IT/ITES. While many factors hold up the growth of e-commerce in India. The fledgling industry is faced with important obstacles with respect to infrastructure, governance and regulation. Low internet penetration of 11 percent obstructs the growth of e-commerce by warning the internet access to a broader section of the populace.

C. Internet and Mobile Phone Usage

Importance the face up to as authoritarian constraint to hoist funds from foreign PE/VC has recommended a caution based approach to allowing FDI in the sector. Another national body of software and IT companies has made influential case for allowing FDI in B2C e-commerce. It is stated that e-commerce can be allied to the objectives of national increase by given that momentum to manufacturing sector, order consolidation and distribution, facilitating and supporting SMEs getting better outreach and way in to buyers/sellers bringing traceability and transparency in transactions, authorizing consumers with information and data and at last creating new job chances.

D. Traders

Diminutive occasion trade or opening corner stores still relics a huge cause of employment. FDI in the sector will have terrible collision on this domestic industry foremost to dominations in e-commerce, manufacturing, logistics, retail sector etc. and reason large scale unemployment. Because of scale of economic operations, e-commerce players will have more negotiating powers than unconnected traders. They have assured that Indian market is not yet complete for opening up e-retail space to foreign investors.

E. FDI in B2C E-Commerce

Development in retail sector will have tumble effect in the manufacturing sector which will absolutely supply to in general expansion of economy and job creation. It will provide augmented way in to buyers/sellers allow MSMEs and artisans to attain out to customers far away from their instantaneous location both locally within India and abroad. Traceability and transparency will not only authorize consumers with information and data but also help in better fulfilment of regulatory framework. Reduced costs on marketing and distribution, travel, materials and supplies will promote businesses. Enhanced customer service given that more reactive order taking and after-sales service to customers and competitive pricing. Allowing FDI in e-commerce will offer e-commerce players whole geographical reach which will be next to the spirit of FDI in multi brand retail trade i.e. being limited to cities with a population of more than one million or any other city as per the choice of consenting states.

VI. Results

Respondents with 4 or more credit cards constituted 21.03% of total respondents and 21.69% of e-commerce participants. Other credit card ownership ranges also had comparable distributions between the study participants vs. ecommerce participants. As we expected for our research participants aptitude to pay access to credit cards was not an obstruction to e-commerce 86.51% had credit cards, with 69.84% having 2 or more credit cards. However the conclusions showed that having enlarged number of credit cards did not of necessity translate into bigger occurrence of purchases.

VII. Conclusion

Online retail in India comprises a diminutive fraction of total sales but is set to produce to a widespread amount due to a lot of factors such as rising disposable incomes, rapid urbanization, increasing adoption and penetration of technology such as the internet and mobiles going up youth population as well as increasing cost of running offline stores across the country. Our findings show that even though a developing country government may make the obligatory investments in infrastructure as China has done to a significant degree except the e-commerce industry participants appreciate and speak to the cultural issues that are sole to that country and narrate to off-site transactional process the large scale dispersal and success of such endeavours will be greatly obstructed. Therefore we would like to give confidence other researchers to focus on different cultural environments countries or regions if there is homogeneity of culture and by considerate and commerce with these characteristics facilitate a broader globalization and acceptance of e-commerce.

References

[1] China Internet Network Information Center, (2002) Semiannual Survey Report on the Development of China's Internet (1997-2002), Retrieved 11th September 2002 from the World Wide Web [Online] Abailable: http://www.cnnic.net.ch/develst/2002-7e/5.shtml
[2] China Internet Network Information Center, (2003),"Semiannual Survey Report on the Development of China's Internet (1997-2003), Retrieved 20th September 2003 from the World Wide Web [Online] Available: http://www.cnnic.net.cn/develst/2003-1e/444.shtml
[3] Grabner-Kraeuter, S. (2002). The role of consumers' trust in online shopping. Journal of Business Ethics 39: pp. 43-50.
[4] Hennock, M., (2002). China's Baby Steps in E-Commerce, BBC Online News September 24, 2002, Retrieved 2nd November 2002 from the World Wide Web
[5] [Online] Available: http://news.bbc.co.uk/1/hi/business/2276360.stm
[6] Juliussen, E., (2002). Internet Users by Country Retrieved 13th December 2002 from the World Wide Web, [Online] Available: http://www.etforecasts.com
[7] Lee, M. and E. Turban, (2001). "A trust model for consumers Internet shopping", International Journal of Electronic Commerce 6, pp. 75-91.
[8] Magee, M., (2002). "PC sales are set to grow by 3 per cent," Retrieved 12th September 2003 from the World Wide Web [Online] Available: http://www.theinquirer.net/print.aspx?article=2839&print=1
[9] McKnight, D., N. Chervany.,"What trust means in e-commerce customer relationships: An interdisciplinary conceptual typology." International Journal of ElectronicCommerce 6: pp. 35-59, 2001.
[10] McKnight, D., L. Cummings, N. Chervany,"Initial trust formation in new organizational relationships", Academy of Management Review 23: pp. 473-490, 1998.
[11] Rose, B., Rosin, L.,"Internet 9: The Media and Entertainment World of Online Consumers", Arbitron/Edison Media Research, 2002.
[12] Travica, B.,"Diffusion of electronic commerce in developing countries: The case of Costa Rica", Journal of Global Information Technology Management, 5(1), pp. 4-24, 2002.
[13] Urban, G., F. Sultan, W. Qualls,"Placing trust at the center of your Internet strategy." Sloan Management Review 42: pp. 1-13, 2000.
[14] Wolcott, P., Press, L., McHenry, W., Goodman, S. E., Foster, W., "A framework for assessing the global diffusion of the

Internet", Journal of the Association for Information Systems, 2(6), 2001.

Mr. S.V.N.KUMAR received M.Tech (CSE) from Acharya Nagarjuna University is working as LECTURER, School of Management Studies, JNTUK. He has 5 years of teaching experience in various engineering colleges and presently working at JNTUK, Kakinada since 5 years . His area of Interest includes e-Commerce, ERP, Systems Auditing and Control, Software Project Management, Decision Support System, Data Warehouse and Data Mining, Database Management System.