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E-Commerce: Problems and Prospects

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Abstract:
Technology evolves on a daily basis, resulting in a constant stream of fresh grounds for action. Due to the country's cost competitiveness and natural advantage, business has become global. The slogan of contemporary business is interdependence. E-commerce is a sort of business model in which the exchange of products and services, as well as the transmission of payments, data, and conditions of sale, takes place via an electronic network.

Today, E-commerce offers huge prospects in a variety of industries. The widespread usage of ICT has paved the way for new corporate advancements. Due to its 24-hour accessibility, worldwide accessibility, and typically excellent customer service, e-business retail is undoubtedly handy. Its development would be heavily reliant on strong IT security systems, for which the required technical and legislative measures must be implemented on a continuous basis and reinforced as needed.

Companies, organizations, and communities in India are starting to realize the promise of e-commerce; nevertheless, significant difficulties must be solved before e-commerce can become a useful tool for the general public. It is stated that e-Business is created by, by, and for the people.
The intricacy of e-rising commerce's role and its numerous elements are discussed in this study. The study analyses contrasts conventional and electronic commerce. It recognizes the advantages while also recognizing the drawbacks. Discuss its influence, as well as the concerns and restrictions, challenges, and possibilities that it presents in the current e-world.
Keywords: Traditional business, E-Business, E-Commerce, ICT, issues, challenges

Introduction

The world in which we currently live is like a little global village. The scope of today's economic activity extends well beyond national boundaries. As a consequence of countries' cost competitiveness and natural advantages, it has expanded over the world. People operate companies for, with, and for the benefit of the general public. Interdependence is the mantra of today's corporate world. As a consequence of e-business, companies and industries are fast transforming. The increased use of ICT in the workplace has created a plethora of new opportunities.

The purpose of global marketing is to encounter the demands of a broad variety of clients throughout the globe while profiting from global operational variances and similarities. A corporation must cope with challenges such as global integrated e-market entry strategies, global marketing mix element plans, and global buyer behavior strategies, as well as differences in the legal environment, administrative procedures, and other aspects, to compete in the global market.

"E-business is all about time cycle, speed, globalization, better efficiency, reaching new consumers, and sharing information across institutions for competitive advantage," remarked Lou Gerstner, former CEO of IBM. As a result, Indian businesses and corporations

must acquire how to penetrate overseas e-markets, improve their worldwide competitiveness, and acclimate their e-business to global e-market needs. E-business has the potential to positively affect every aspect of a company and pave the way for the growth of the manufacturing and service economies.

Objectives:
The paper's goals are as follows:
1. To comprehend the intricacy, growth, and numerous sides of E-commerce in the global business sector.
2. Recognize the advantages and drawbacks of e-commerce.
3. To explore e-concerns, commerce's restrictions, challenges, and prospects.
This is a descriptive study that uses secondary data. The information was gathered mostly from books, journals, periodicals, government publications, and other digital sources.

Theoretical Background:
  1. History
When the Internet was made available for business use in 1991, e-commerce became conceivable. Its first business transactions date back to the late 1970s. In reality, before the Web, E-commerce was alive and thriving in business-to-business transactions through EDI (Electronic Data Interchange), VANs (Value-Added Networks), and EFT (Electronic Funds Transfer) (EFT).
The ICT revolution has made it easier for businesses and institutions to communicate commercial documents via the internet. Online purchasing and selling of products and services had become commonplace in the United States and Western Europe. The first E-businesses were started by Amazon and eBay.
  2. Meaning and Definitions
The activity of exchanging items or services through computer networks is referred to as e-commerce. Electronic or web-based commerce is another name for it.
'Electronic commerce includes exchanging business information, maintaining business contacts, and completing business transactions using telecommunications networks,' says Vladimir Zwass, editor-in-chief of the International Journal of Electronic Commerce.
E-Commerce is a sort of business model that allows a company or person to undertake operations/dealings through an electronic network, such as purchasing or selling, exchanging products and services, or conveying payments or data or conditions of sale. The term may also be used to describe the process of downloading software, playing games, or reading journal papers and novels. Business to Business - B2B (Cisco), Business to Consumer - B2C (Amazon), and Consumer to Consumer - C2C (Amazon) are a few examples (eBay) Other types of e-commerce include Business-to-Employee (B2E), Government-to-Government (G2G), Government-to-Employee (G2E), Government-to-Business (G2B), Business-to-Government (B2G), Government-to-Citizen (G2C), and Citizen-to-Government (C2G).
E-business is a subcategory of e-commerce. Telephone, email, fax, online catalogues, shopping carts, e-payment, money transfer systems, e-data interchange Electronic Data Interchange (EDI), File Transfer Protocol, and the Internet are used to conduct all

commercial operations electronically. E-commerce, on the other hand, is not limited to the Internet.

E-commerce may now be used to sell almost any goods or service. Online advertising, online ordering, publishing, banking, investing, auction, and professional services are among the products available, which vary from books and music to financial services and aircraft tickets. The activities of this sort of company must be safe, secure, private, and efficient. As a result, each firm/company must verify itself and get access to resources.

E-commerce was divided into two categories by Elizabeth Goldsmith and others (2000):

1. E-commerce refers to the sale of products and services through the internet and the movement of commodities through distribution networks. Purchasing food, tickets, music, clothing, hardware, travel, books, flowers, or presents, for example.

2. E-finance consists of online banking, debit cards, smart cards, phone and Internet banking, insurance, financial services, and mortgages.

E-Business vs. E-Commerce

E-Commerce and E-Business are concepts that are sometimes used interchangeably. However, there are a few distinctions.

E-business is the use of Internet technologies to perform commercial operations. It encompasses not just purchasing and selling, but also customer service and collaboration with business partners. Customer service (e-service) and intra-business responsibilities are also included. A firm that can adapt to constant and continuous change is known as an e-business. Intranet and extranet development is an element of e-business. Everything to do with an organization's back-end systems is referred to as e-business.

Anything that includes an internet transaction may be classified as e-commerce. It encompasses all areas of operating a company that sells products and services, including marketing, manufacturing, financing, sales, negotiations, customer acquisition and retention, procurement, and cultivating business partners. Online shops with virtual shopping carts and wish lists that can be forwarded to friends and family are available via E-commerce and E-businesses. E-businesses also often offer an electronic chat option for technical and customer assistance. E-business evolved from e-commerce to include all parts of enterprises that operate online. E-commerce is a part of e-business, although it does not encompass all facets of it. In most circumstances, e-business is a kind of company that makes use of Internet technology to boost productivity and profitability. E-commerce and e-businesses must have great storefronts to browse and explore company with accurate and extensive catalogue information in order to be successful. Companies may decrease expenses and increase customer response times by using e-Business. In practice, the terms e-commerce and e-business are often interchanged.

E-Commerce vs. Traditional Commerce

The nature and structure of competition have altered as a result of the Internet. Most firms used to have to compete inside a particular sector and, in some cases, a certain geographic region, but the Internet has broken down those barriers. Customers may buy things from nearly anywhere in the globe via E-Business. It improves the current market position by delivering a more cost-effective and efficient product or service distribution network.

The expenditures of maintaining a storefront may be too expensive for a typical firm. A web-based firm, on the other hand, does not always have those kinds of expenses. It has almost completely removed the need for a middleman. Consumers and businesses may interact directly in order to complete transactions. Despite the fact that e-commerce is still a growing portion of the economy, some individuals predict that conventional retailers will ultimately close.

According to Farooq Ahmed (2001), the internet's great flexibility has enhanced conventional commercial practices. Businesses can reach a global audience more rapidly and at a lower cost through e-commerce, and they will undoubtedly discover new ways to collaborate.

Types of E-Commerce
Companies now use various types of e-commerce to sell their goods and services online. There are several subcategories within e-commerce. It is classified into four primary types in general. B2B, B2C, C2B, and C2C are acronyms for business-to-business, business-to-consumer, and business-to-

1. B2B (Business-to-Business): Here, businesses will transact with one another. Manufacturers, for example, sell to distributors, while wholesalers sell to retailers. Pricing is determined on the size of the order and is often adjustable.

2. B2C (Business-to-Consumer): This refers to the sale of products or services to the general public, usually through catalogues and shopping cart software.

3. C2B (Consumer-to-Business): In this situation, the consumer puts his proposal online along with a budget, and interested enterprises analyze the specifications and submit bids on the project. The customer evaluates the offers and chooses the contractor who will perform the job. Elance is a firm that links outstanding developers, designers, authors, marketers, support representatives, administrators, and other professionals, as well as providing a platform and a meeting ground for customers all over the globe.

4. C2C (Consumer-to-Consumer) - A variety of web sites provides free classified ads, auctions, and forums for people to purchase and sell items. Since 1995, eBay's auction service has been a fantastic illustration of where person-to-person transactions occur every day. PayPal is a prominent online payment system that allows customers to send and receive money quickly and easily.

E-commerce today operates in all four key market segments: B2B, B2C, Consumer to Consumer, and Consumer to Business. Few firms in India have just begun to capitalize on the promise of e-commerce; nevertheless, key difficulties must be solved before e-commerce can become a useful tool for the general public.

Growth of E-Commerce
Computer networks have become an intrinsic element of economic activity as a result of revolutionary breakthroughs in information and communication technologies (ICT) in recent years. As the internet grows in popularity, more shops are beginning to provide online shopping to their clients. The majority of analysts anticipate that the whole e-commerce industry will grow at an exponential rate in the next years.

The Indian e-commerce business has been expanding at a rapid pace. The Indian e-commerce sector is expected to be valued over $55 billion in Gross Merchandise Value in 2021, after a boom in digital adoption during COVID-19. Furthermore, the online retail sector is predicted to account for 25% of the entire organized retail market by 2030, rising to 37% by 2030. It is predicted to reach a gross merchandise value of $350 billion by 2030.

Benefits of E-Commerce
Globalization and the Internet, according to Nir B. Kshetri (2001), have the ability to provide several advantages to people and companies in both developing and developed nations.
Customers gain from e-commerce in a variety of ways.
The advantages primarily include its low-cost, round-the-clock availability, speed of access, a larger range of products and services, accessibility, and worldwide reach, as well as time savings. Customers, on the other hand, may have restricted customer service because to the inability to view or touch a product before to purchase, as well as the necessary wait time for product delivery. Organizations today, on the other hand, have modified their finest healthy business practices.
1. The Benefits of E-Commerce:
Convenience: E-Business may be conducted at any time, 24 hours a day, seven days a week. Consumers may use e-commerce and e-businesses at any time of day or night, from their office or while still in their pyjamas.
E-stores provide a larger selection of things to choose from. Consumers may use internet databases to browse through a wide range of goods and services. Prices are rapidly compared online to see which company provides the greatest items at the lowest cost.
Focused marketing: When compared to conventional firms, e-business utilizes more targeted marketing and provides more in-depth information to consumers.
Product at a cheaper cost: It provides the product to the nation at a lesser cost than it would be if it were delivered physically.
2. E-Commerce Disadvantages:
Limited customer service: This Company lacks a human touch. If you're looking to purchase a computer online, you won't be able to speak with a professional about which machine will best suit your requirements.
There is no immediate satisfaction when you purchase anything online since it must be transported to your house or business.
No way to feel or view the product: Images on the internet don't always reveal the complete story of a product. When a customer gets a product that is not what they purchased, e-transactions might be frustrating.

E-Commerce: In practice
Some or all of the following techniques are often used by e-commerce enterprises.
1. Offer e-commerce, a virtual shop, or a virtual mall on websites that have online catalogues.
2. They use internet marketplaces to purchase and sell products and services.
3. They utilize online connections and social media to collect and use demographic data.

4. They employ electronic data interchange (EDI), which is a kind of business-to-business (B2B) data exchange.

5. They use e-mail or fax to communicate with potential and existing consumers. For instance, consider newsletters).

6. They do their purchasing and selling on a business-to-business (B2B) basis.

7. They ensure that business transactions are safe.

Issues of E-Commerce

Because of its faceless and global nature, internet-based commerce has created several challenges in addition to its many benefits.

E-commerce is a curse. It is not without its flaws.

Companies that have used the internet as a commercial medium have learned that their greatest issue is not just establishing connection and infrastructure, but also transmitting critical data in a safe and secure manner.

Many concerns, as well as obstacles, confront modern businesses. The following are the primary concerns:

1. Technological - telecommunications, hardware, software, and technical skill sets available.

2. Non-technological - Intellectual property problems, copyright, trademarks, credit/cash rules, and privacy are all examples of non-technological difficulties.

3. The imposition of taxes on things imported in physical form but not when they are communicated electronically. The existence of tariffs on physical delivery does not cause an issue as long as the cost of electronic transmission is lower than the cost of physical delivery.

4. Political issues, such as the government's participation in enacting laws, initiating projects, and allocating funds to promote the usage and growth of e-commerce and information technology.

5. Social factors: taking into account the degree and progress of IT education and training, which will allow both prospective consumers and the workforce to comprehend and apply the new technology.

6. Economic considerations, such as the nation's overall wealth and commercial health, as well as the causes that contribute to it

The following are some of the numerous difficulties, according to Farooq Ahmed (2001).

1. E-contract formation: a) Contracts based on electronic data transmission; b) Cyber contracts

2. E-transactions' validity.

3. Offer and invitation to treat dichotomy

4. Offer and acceptance communication.

5. E-commerce blunder. Mutual b) Unilateral b) Mutual b) Unilateral b) Unilateral b) Unilateral b) Unilateral

6. Jurisdiction: Transactions in cyberspace transcend national and international borders and are not comparable to the three-dimensional reality in which common law rules apply.

7. Parties' identities: Issues of jurisdiction, relevant law, and judgement enforcement are not limited to national borders.

The issues discussed are global in scope and need global solutions. Sincere efforts must be undertaken to improve success factors, construct failure barriers, reduce failure barriers, and combat failure causes.

Opportunities for E-Commerce

The virtuous loop of Internet dissemination caused by globalization and successive revolutions in information and communication technology is unlikely to benefit all nations equally. E-commerce may advance educational and scientific advancement, mutual help, and international peace, as well as strengthen democracy and provide exposure to various cultures. According to Young Jun Choi1 and Chung Suk Suh (2005), the advent of the internet resulted in the emergence of an electronic marketplace. As in a conventional marketplace, an e-marketplace offers a virtual venue for vendors and buyers to trade with one another. It provides both emerging and developed nations with unparalleled opportunity.

Today, e-marketing is transforming the economy by combining disparate needs and influencing consumer and seller behavior. Companies may decrease expenses and increase customer response times by using e-Business.

To fully realize the Internet's and e-potential, commerce's policymakers in both developing and developed nations are working to construct the global information infrastructure (GII) and link their national information infrastructures to it (Gore 1996).

E-Commerce: A Road Ahead

Business and technology are two sides of the same coin. Technology is constantly redefining business models, reinventing processes, shifting company cultures, and enhancing consumer and supplier connections.

The World Wide Web has become the connectivity medium for the networked world as computer technology has progressed. Through the Internet, computers in geographically scattered areas may communicate with one another. E-commerce, according to most commentators, has changed the corporate sector.

A small business with a higher-quality product and better customer service may fight bigger companies by leveraging the massive expansion of virtual communities from the manufacturer to the consumer—something it might not be able to achieve in the conventional realm of commerce.

As we all know, there are benefits and drawbacks to using and adopting new technologies. Rapidly evolving technology, on the other hand, is always bringing new items and services to the market.

Today, E-commerce offers huge prospects in a variety of fields, but it must be used with caution in order to safeguard consumers. E-commerce development would also be heavily reliant on strong IT security systems, which would need putting in place and continually strengthening the appropriate technical and regulatory requirements.

E-commerce gives needed market players information about items and services from customers and vendors. In this setting, Indian businesses, organizations, and communities are starting to reap the benefits of e-commerce while also confronting significant hurdles that must be solved before it becomes a useful tool for the general public.

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