

Innovative practices in the field of Marketing, Banking & Finance with special reference to e-commerce organizations

Abstract

Electronic commerce, commonly written as e-commerce, is the trading or facilitation of 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 this research paper, the researcher tries to explain several advantages and disadvantages regarding this field. In India, now lots of companies are comes into the picture and they change the scenario of retailing from traditional methods to online methods. So, this paper explores the various opportunities in e-commerce industry.

Keywords: E-Commerce, Internet Marketing, Mobile commerce, online transaction processing

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Introduction

E-commerce is conducted using a variety of applications, such as email, fax, online catalogs and shopping carts, Electronic Data Interchange (EDI), File Transfer Protocol, and Web services. Most of this is business-to-business, with some companies attempting to use email and fax for unsolicited ads (usually viewed as spam) to consumers and other business prospects, as well as to send out e-newsletters to subscribers.

The benefits of e-commerce include its around-the-clock availability, the speed of access, a wider selection of goods and services, accessibility, and international reach. Its 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.

E-commerce businesses may employ some or all of the following:

- Online shopping websites for retail sales direct to consumers
- Providing or participating in online marketplaces, which process third-party business-to-consumer or consumer-to-consumer sales
- Business-to-business buying and selling
- Gathering and using demographic data through web contacts and social media
- Business-to-business electronic data interchange
- Marketing to prospective and established customers by e-mail or fax (for example, with newsletters)
- Engaging in prevail for launching new products and services employ some or all of the following:
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Business application

Some common applications related to electronic commerce are:

- Document automation in supply chain and logistics
- Domestic and international payment systems
- Enterprise content management
- Group buying
- Print on demand
- Automated online assistant
- Newsgroups
- Online shopping and order tracking
- Online banking
- Online office suites
- Shopping cart software
- Teleconferencing
- Electronic tickets
- Social networking
- Instant messaging
- Pretail
- Digital Wallet

Governmental regulation

Internationally there is the International Consumer Protection and Enforcement Network (ICPEN), which was formed in 1991 from an informal network of government customer fair trade organisations. The purpose was stated as being to find ways of co-operating on tackling consumer problems connected with cross-border transactions in both goods and services, and to help ensure exchanges of information among the participants for mutual benefit and

understanding. From this came Econsumer.gov, an ICPEN initiative since April 2001. It is a portal to report complaints about online and related transactions with foreign companies.

There is also **Asia Pacific Economic Cooperation** (APEC) was established in 1989 with the vision of achieving stability, security and prosperity for the region through free and open trade and investment. APEC has an Electronic Commerce Steering Group as well as working on common privacy regulations throughout the APEC region.

In **India**, the Information Technology Act 2000 governs the basic applicability of e-commerce.

Forms

Contemporary electronic commerce involves everything from ordering "digital" content for immediate online consumption, to ordering conventional goods and services, to "meta" services to facilitate other types of electronic commerce.

On the institutional level, big corporations and financial institutions use the internet to exchange financial data to facilitate domestic and international business. Data integrity and security are pressing issues for electronic commerce.

Aside from traditional e-Commerce, the terms m-Commerce (mobile commerce) as well (around 2013) t-Commerce¹ have also been used.

Global trends

In 2010, the United Kingdom had the biggest e-commerce market in the world when measured by the amount spent per capita. As of 2013, the Czech Republic was the European country where ecommerce 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 668 million internet users, China's online shopping sales reached \$253billion in first half of 2015, according for 10% of total Chinese consumer retail sales in the same period. The Chinese retailers have been able to help consumers feel more comfortable shopping online. E-commerce

transactions between China and other countries increased 32% to 2.3 trillion yuan (\$375.8 billion) in 2012 and accounted for 9.6% of China's total international trade. In 2013, Alibaba had an e-commerce market share of 80% in China.

In 2013, Brazil's eCommerce was growing quickly with retail eCommerce sales expected to grow at a healthy double-digit pace through 2014. By 2016, eMarketer expected retail e-commerce sales in Brazil to reach \$17.3 billion. India has an internet user base of about 243.2 million as of January 2014. Despite being third largest user base in world, the penetration of Internet is low compared to markets like the United States, United Kingdom or France but is growing at a much faster rate, adding around 6 million new entrants every month. In India, cash on delivery is the most preferred payment method, accumulating 75% of the e-retail activities.

E-Commerce has become an important tool for small and large businesses 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.

Mobile devices are playing an increasing role in the mix of eCommerce, this is also commonly called mobile commerce, or m-commerce. In 2014, one estimate saw purchases made on mobile devices making up 25% of the market by 2017.

In 2014, there were 600 million Internet users in China (twice as many than in the US), making it the world's biggest online market.

For traditional businesses, one research stated that information technology and cross-border e-commerce is a good opportunity for the rapid development and growth of enterprises. Many companies have invested enormous volume of investment in mobile applications. The DeLone and McLean Model stated that 3 perspectives are contributed to a successful e-business, including information system quality, service quality and users satisfaction. There is no limit of time and space, there are more opportunities to reach out to customers around the world, and to cut down unnecessary intermediate links, thereby reducing the cost price, and can benefit from one on one large customer data analysis, to achieve a high degree of personal customization strategic plan, in order to fully enhance the core competitiveness of the products in company.

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. The lone exception to this pattern has been the very smallest category of bookseller, shops with between one and four employees, which appear to have withstood the trend. Depending on the category, e-commerce may shift the switching costs—procedural, relational, and financial—experienced by customers.

Individual or business involved in e-commerce whether buyers or sellers rely on Internet-based technology in order to accomplish their transactions. E-commerce is recognized for its ability to allow business to communicate and to form transaction anytime and anyplace. Whether an individual is in the US or overseas, business can be conducted through the internet. The power of e-commerce allows geophysical barriers to disappear, making all consumers and businesses on earth potential customers and suppliers. Thus, switching barriers and switching costs may shift. eBay is a good example of e-commerce business individuals and businesses are able to post their items and sell them around the Globe.

In e-commerce activities, supply chain and logistics are two most crucial factors need to be considered. Typically, cross-border logistics need about few weeks time round. Based on this low efficiency of the supply chain service, customer satisfaction will be greatly reduced. Some researcher stated that combining e-commerce competence and IT setup could well enhance company's overall business worth. Other researcher stated that e-commerce need to consider the establishment of warehouse centers in foreign countries, to create high efficiency of the logistics system, not only improve customers' satisfaction, but also can improve customers' loyalty.

Some researcher investigated that if a company want to enhance international customers' satisfaction, where cultural website need to be adapted in particular country, rather than solely depending on its local country. However, according to these research findings, the researcher

found that German company had treated its international website as the same local model, such as in UK and US online marketing. A company could save money and make decision quickly via the identical strategy in different country. However, opportunity cost could be occurred, if the local strategy does not match to a new market, the company could lose its potential customer.

Impact on supply chain management

For a long time, companies had been troubled by the gap between the benefits which supply chain technology has and the solutions to deliver those benefits. However, the emergence of e-commerce has provided a more practical and effective way of delivering the benefits of the new supply chain technologies.

E-commerce has the capability to integrate all inter-company and intra-company functions, meaning that the three flows (physical flow, financial flow and information flow) of the supply chain could be also affected by e-commerce. The affections on physical flows improved the way of product and inventory movement level for companies. For the information flows, e-commerce optimised the capacity of information processing than companies used to have, and for the financial flows, e-commerce allows companies to have more efficient payment and settlement solutions.

In addition, e-commerce has a more sophisticated level of impact on supply chains: Firstly, the performance gap will be eliminated since companies can identify gaps between different levels of supply chains by electronic means of solutions; Secondly, as a result of e-commerce emergence, new capabilities such implementing ERP systems have helped companies to manage operations with customers and suppliers. Yet these new capabilities are still not fully exploited. Thirdly, technology companies would keep investing on new e-commerce software solutions as they are expecting investment return. Fourthly, e-commerce would help to solve many aspects of issues that companies may feel difficult to cope with, such as political barriers or cross-country changes. Finally, e-commerce provides companies a more efficient and effective way to collaborate with each other within the supply chain.

The social impact of e-commerce

Along with the e-commerce and its unique charm that has appeared gradually, virtual enterprise, virtual bank, network marketing, online shopping, payment and advertising, such this new vocabulary which is unheard-of and now has become as familiar to people. This reflects that the e-commerce has huge impact on the economy and society from the other side. For instance, B2B is a rapidly growing business in the world that leads to lower cost and then improves the economic efficiency and also bring along the growth of employment.

To understand how the e-commerce has affected the society and economy, this article will mention three issues below:

1. The e-commerce has changed the relative importance of time, but as the pillars of indicator of the country's economic state that the importance of time should not be ignored.
2. The e-commerce offers the consumer or enterprise various information they need, making information into total transparency, will force enterprise no longer is able to use the mode of space or advertisement to raise their competitive edge. Moreover, in theory, perfect competition between the consumer sovereignty and industry will maximize social welfare.
3. In fact, during the economic activity in the past, large enterprise frequently has advantage of information resource, and thus at the expense of consumers. Nowadays, the transparent and real-time information protects the rights of consumers, because the consumers can use internet to pick out the portfolio to the benefit of themselves. The competitiveness of enterprises will be much more obvious than before, consequently, social welfare would be improved by the development of the e-commerce.
4. The new economy led by the e-commerce change humanistic spirit as well, but above all, is the employee loyalty. Due to the market with competition, the employee's level of professionalism becomes the crucial for enterprise in the niche market. The enterprises must pay attention to how to build up the enterprises inner culture and a set of interactive mechanisms and it is the prime problem for them. Furthermore, though the mode of e-commerce decrease the information cost and transaction cost, however, its development also makes human being are

overly computer literate. In hence, emphasized more humanistic attitude to work is another project for enterprise to development. Life is the root of all and high technology are merely an assistive tool to support our quality of life.

The e-commerce is not a kind of new industry, but it is creating a new economic model. Most of people agree that the e-commerce indeed to be important and significant for economic society in the future, but actually that is a bit of clueless feeling at the beginning, this problem is exactly prove the e-commerce is a sort of incorporeal revolution. Generally speaking, as a type of business active procedure, the e-commerce is going to leading an unprecedented revolution in the world, the influence of this model far exceeded the commercial affair itself. Except the mentioned above, in the area of law, education, culture and also policy, the e-commerce will continue that rise in impact. The e-commerce is truly to take human beings into the information society.

Distribution channels

E-commerce has grown in importance as companies have adopted pure-click and brick-and-click channel systems. We can distinguish pure-click and brick-and-click channel system adopted by companies.

- Pure-click or pure-play companies are those that have launched a website without any previous existence as a firm.
- Bricks-and-clicks companies are those existing companies that have added an online site for e-commerce.
- Click-to-brick online retailers that later open physical locations to supplement their online efforts.

Examples of new e-commerce systems

- Alternative payments
- Comparison of shopping cart software

- Digital economy
- Electronic bill payment
- Electronic money
- E-commerce credit card payment system
- Comparison of free software e-commerce web application frameworks
- Non-store retailing
- Online marketplace
- Paid content
- Payments as a service
- Types of e-commerce

Some Examples of e-commerce websites

There are lots of e-commerce websites available in India. These are as follows:

(1) **Amazon.in** -World leader in e-commerce market recently started operation in India, Now Indians can buy Books, CDs and Electronics at cheaper prices from Amazon.in. For limited time they are offering free shipping.

(2) **Flipkart.com** – Founded in 2004 with only Rs. 400,000 now in 2014 valued over 60,000 Crore company. You can not only buy books online through Flipkart, but also mobile phones & mobile accessories, laptops, computer accessories, cameras, movies, music, televisions, refrigerators, air-conditioners, washing-machines, Clothings, Footwears, Accessories, MP3 players and products from a host of other categories. After takeover of Letsbuy.com now Flipkart is largest player of e-commerce of India.

(3) **Snapdeal.com** -SnapDeal offers everything from local daily deals on restaurants, spas, travel to online products deals. They offer you best price with free shipping.

(4) **Paytm.com**– Started with Mobile Recharge and Bill Payment website now Paytm selling everything from Home Decor, Clothing, Laptops to Mobile at killer price. In very short time period Paytm has grown very fastly and able to place under our Top 10 Indian Shopping Website list.

(5) **ebay.in** -After almost 6month of dominating at number 1 ebay has come down at number two on indiafreestuff.in list. eBay.in is the Indian version of the popular online shopping portal eBay.com – world's online marketplace. Ebay has a diverse and passionate community of individuals and small businesses. Ebay offers used and fresh items with a wide network of international shipping.

(6) **Jabong.com**:- Jabong Fashion & Lifestyle Store offers you great discount on all listed product.They offers wide range of products from Apparel to Home needs.

(7) **Myntra.com** :- Myntra.com is leading online retailer of lifestyle and fashion products. Myntra offers T-shirts, Shoes, watches and more at discounted price.

(8) **Shopclues.com**:- Shopclues is famous for their heavily discounted Jaw Dropping deals. Shopclues is one of the best online stores that offers a wide variety of cameras, Computer accessories, Mobile, Gift, Jewellery, Cosmetics, toys, clothes, books and bag. Their Jaw Dropping deal has become most liked deal of 2012.

(9) **Pepperfry.com** :- Pepperfry is one of leading Indian website in selling lifestyle products ranging from men and womens clothing, home decor, jewellery, perfumes and cosmetics, furnitures, bags and accessories.

(10) **Homeshop18.com** - Here you find large range appliances, kitchen, cameras, mobiles, laptops, site, indian, gifts, apparel, buy, online, gifts. and more, HomeShop18 is a venture of theNetwork18 Group, India's fastest growing media and entertainment Group. Network18 operates India's leading business news television channels – CNBC TV18 and CNBC Awaaz. HomeShop18 has also launched India's first 24 hour Home Shopping TV channel. The company has its headquarters in Noida, UP. The website has received the 'Best shopping site" award from PC World Magazine in 2008.

Conclusion

So, this research paper shows that there are lots of advantages of e-commerce. In India, lots of companies are trading such as amazon, flipkart, snapdeal,etc. They earn a good amount of

revenues from online shopping. The customer are also taking lots of benefits from these ecommerce websites. The main benefit is heavy discounts and great offers. They change the scenario of retailing from traditional methods to online methods. So, this paper provides the lots of information about innovative practices in the field of Marketing, Banking & Finance with special reference to e-commerce websites.

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