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**“Opportunities and Challenges of E-Commerce in India-  
Paradigm Shift Perspective”**

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**Abstract**

In today's technology era the world is shrinking as global village. Due to rapid developments taken place in all form of business that paves the way to electronic mode of transactions across the globe. E-Commerce (electronic commerce or EC) is the buying and selling

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of goods and services, or the transfer of funds or data, over an electronic form, primarily the internet (online). These business transactions occur either as business-to-business, business-to-consumer, consumer-to-consumer or consumer-to-business. There are many players who made dramatic achievements with the advent of e-commerce. E-commerce provides wide range of benefits to the society such as availability of products at cheaper cost with quality, increased efficiency, customization, end number of choices and saves considerable amount of time and energy. The unique advantage is that consumers can easily buy goods with just a click of mouse button without moving out of their home or office. Besides online services like banking, e-ticketing (inclusive of bus, railways and airlines), bill payments, hotel booking etc. have been of tremendous benefit for the customers. The objective of this paper is to analyze the opportunities and challenges of e-commerce and implications of e-commerce practices by diverse business people at large.

**Keywords:** Global village, electronic mode of transactions, buying and selling.

### **I-Introduction**

Electronic commerce commonly known as e – commerce is the buying and selling of products or services over electronic system such as internet and other computer networks. In other words “any form of business transaction in which the parties interact electronically rather than by

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physical exchanges or direct physical contact.” It is the application of recent technology in order to create, transform and redefine relationships This can range from ordering of goods online, through online delivery and making payment to financial transactions such as transfer of money between bank accounts. Elizabeth Goldsmith and others (2000) reported that the general category of e-commerce can be broken down into two parts:

**1 E-merchandise:** selling goods and services electronically and moving items through distribution channels, for example through Internet shopping for groceries, tickets, music, clothes, hardware, travel, books, flowers or gifts.

**2 E-finance:** Banking, debit cards, smart cards, banking machines, telephone and Internet banking, insurance, financial services and mortgages on-line (Elizabeth Goldsmith and others,2000).

## II- Review of Literature

Diana Oblinger (2001) found that E-business can provide education with insight new ways to create greater efficiencies and economies of scale as well as practices that ensure learners stay with the institution for their lifetime. Bette Ann Stead and Jackie Gilbert (2001) found that rapidly changing technology is continually bringing new products/services to the market

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accompanied by new strategies to sell them. Therefore, it may also conclude that new ethical issues will emerge.

Prithviraj dasgupta and Kasturi Sengupta (2002) found that that e-insurance offers a potentially vast source of revenue for insurance companies that venture to go online. E-insurance offers new channels of income through service niche creation, first mover's advantage, and online promotions.

Nir B. Kshetri (2001) reported that the twin forces of globalization and the Internet have the potential to offer several benefits to individuals and organizations in developing as well as developed countries. Apart from economic benefits such as more choices and the convenience of shopping at home, the twin forces can make progress on educational and scientific development, mutual aid, and world peace; foster democracy; and offer exposure to other cultures. To fully exploit the potential of the Internet and e-commerce, policy makers in developing as well as industrialized countries are taking initiatives to develop the global information infrastructure (GII) and connect their national information infrastructures to the GII (Gore 1996).

Young Jun Choi, Chung Suk Suh (2005) reported that the development of the internet in the 20th century led to the birth of an electronic marketplace or it is called e-marketplace, which is now a kernel of electronic commerce (e-commerce). An e-marketplace provides a virtual space

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where sellers and buyers trade with each other as in the traditional marketplace. Various kinds of economic transactions and buying and selling of goods and services, as well as exchanges of information, take place in e-marketplaces. E-marketplaces have become an alternative place for trading. Finally, an e-marketplace can serve as an information agent that provides buyers and sellers with information on products and other participants in the market. These features have been reshaping the economy by affecting the behavior of buyers and sellers.

Devendra *et. al.*, (2012) defined that electronic commerce, commonly known as e-commerce or e Commerce, consists of the buying and selling of products or services over electronic system such as internet and other computer network. Intent is the technology for e-commerce as it offers easier ways to access companies and individuals at very low cost n order to carry out day-to-day business transactions. Search engine marketing (SEM) is a form of web advertising that companies use to promote their products and services on search engine results pages (SERPs). SEM is focused on the effective use of search engine advertisements (a.k.a., sponsored results, sponsored links) that appear on the SERP. SEM which allows firms to target consumers by placing ads on search engines has proven to be an effective audience acquisition strategy. Unlike traditional online advertising, advertisers pay only when users actually click on an ad when successfully implemented, SEM can generate steady traffic levels and tremendous return on investment (ROI).

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Waghmare G.T. (2012) has defined the following types of e-commerce:

- (i) B2B E-Commerce: Companies doing business with each other such as manufacturers selling to distributors and wholesalers selling to retailers. Pricing is based on quantity of order and is often negotiable.
- (ii) B2C E-Commerce: Businesses selling to the general public typically through catalogues utilizing shopping cart software. By dollar volume, B2B takes the prize, however B2C is really what the average Joe has in mind with regards to ecommerce as a whole. for example indiatimes.com.
- (iii) C2C E-Commerce: There are many sites offering free classifieds, auctions, and forums where individuals can buy and sell thanks to online payment systems like PayPal where people can send and receive money online with ease. E-Bay's auction service is a great example of where customer-to customer transactions take place every day.
- (iv) Others: G2G (Government-to-Government), G2E (Government-to-Employee), G2B (Government-to-Business), B2G (Business-to-Government).

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### III- Opportunities of E-Commerce

The first and foremost opportunity in electronic commerce is, it can be made fast and effective business even when the financial transaction is from any part of the globe. Nowadays many people are comfortable with doing E-commerce and also they are willing to do online shopping. This will lead the people of tomorrow also feel the same. Innovation in technologies are increasing rapidly, it attracts people for doing shop in online. When people are feeling difficult to purchase just because they are in rural area, E-commerce helps them to get the things at anytime without any interruption. Electronic commerce is user friendly for the business people and customer as well. E-commerce attained many leaps and bounds because of high availability along with each and every click of the mouse business is in operation. Due to E-business is having wider scope, there is a chance for people to promote their business. Owing to having online customer of a concerned company, they could cross over the local business competitors. The main advantage of E-business is that the advertisement cost effective is quite lesser than offline system.

A retailer can also extent his/her business by linking with online distribution. By doing so, they able to provide more information about various features of the product and be in touch with the consumers all the time. Therefore, E-Commerce is a good opportunity. The existence of the wholesalers is facing high risk because the producer can easily ignore them and sell their goods

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directly to the retailers and the consumers in the world of E-commerce. While dealing such a situation those wholesalers can use the field of E-Commerce who are capable of establishing contractors with reputed producers and linking their business with the online. Biggest opportunity is giving the product information in other link helps the producer to sustain their brand identity. As more people are getting linked with E-commerce, the demand cyber cafe is also increasing.

#### **IV- Challenges faced by E-Commerce practices**

Technology offers many advantages to the globe but there are so many challenges to be confronted by the society as well. In the world of e-commerce big companies are entered, this situation will give a tough competition for the small scale industry to the online business. Big companies are making people habitual at the cost of their companies. Beyond those changes in environment, law and regulations may lead to reduction in the usage of e-commerce. Nowadays people prefer more innovation in their products which is a threat to the e-commerce. In addition, to reduce the threat of e-commerce, innovation in business to be in relation to marketing mix. On using E-commerce there are many privacy related issues. There is a fear that information provided can be misused like carding, e-mail spamming and fraudulent. In electronic commerce there is a no direct contact between customer and seller, so there is no possibility of bargaining of products.



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Due to this people prefer offline system rather than e-commerce. Persons using unfair means to operate e-commerce can damage the confidence and faith of common people or customer.

Unauthorized persons use the e-commerce in an illegal way which threatens the customer to have a transaction through the internet. As the customer does not visualize the product physically so they face the risk at times of the products being unfair after it is been delivered. These are considered as the major challenges in electronic commerce.

#### **V- Suggestions**

Due to increase in the number of internet users in the 21<sup>st</sup> century, e-commerce plays pivotal role in all spheres in toto. There is end number of reasons that shall be highlighted about the growing importance of e-commerce platform.

By considering the recommendations. awareness need to be created about the importance of e-commerce and its applications with various stakeholders at large. As country moving towards Digital India, it is need of the hour about the implementation of e-commerce practices which paves the way for economic growth through adoption of technological practices at large.

#### **VI- Conclusion**

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E-Commerce serves as corner stone to the society in terms of myriad number of advantages it offers. Besides it serves as an information agent which provides information for the entire range of society at large. Both large corporations and small organizations are benefited through the buzz concept of e-commerce. With the vast development of e-commerce applications doing business has become cozy and easier nowadays. E-commerce in India achieved leaps and bounds in terms of diverse range of applications in almost all sectors. 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. Many techniques have been developed in recent years and are expected to grow more than this. Companies to communicate with each other haven't restriction and their relation to each other can be done easier and faster.

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