



DICSUSSION THE TRENDS AND COMPONENT OF E-COMMERCE

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ABSTRACT

Electronic commerce streamlines the business transaction process by replacing paper forms with digital ones. E-commerce has been active in India since the late 1990s, when it was first launched with much fanfare. The purpose of this study is to determine what factors influence online shoppers' final purchasing decisions. In this study, we look at how consumers' online and physical shopping habits compare. Rapid global transformation is a result of the Internet's proliferation. It just takes a few clicks of the mouse to get detailed information on the variety of products for sale online, their pricing and quantities, and the names of the sellers, all of which contribute to the enhancement of the sales boom. This study provides a framework for assessing the efficacy of internet service providers' marketing strategies, which might be used by these companies to boost their bottom line. One definition of online shopping is the practice of searching for and requesting to buy products through the internet using a computer or other device. The completion of an online transaction is marked by the arrival of the ordered products. Careful administration and oversight of the whole procedure is required. Fraud or cheating might happen. Therefore, national governments should take the lead in developing a regulated framework to ensure the safety of the whole purchase and delivery process. All parties involved (buyer and seller) will be safeguarded. This research provides a policy perspective and regulatory framework for doing business online.

Keywords: - E-Commerce, Online Shopping, Customer, Business, Websites

I. INTRODUCTION

Electronic commerce (or e-commerce) has evolved over the years to become a major channel through which businesses can exchange goods and services, coordinate production and market to customers. By harnessing the power of the internet, electronic commerce has changed the way in which organizations conduct business. The ever-increasing sophistication of websites, intranets and extranets has led to advanced web applications being used to address the needs of customers. Although the downturn in e-commerce activities at the end of the 20th century led to many new businesses failing, it has subsequently been followed by a second wave of e-commerce that is more international in nature, more dynamic in terms of business and revenue models, and more



effective in terms of utilizing internet services to address customer needs. Today organizations around the world are using e-commerce to satisfy their communication and business needs. This subject guide is designed to support you when studying the University of London BSc in Computing and Information Systems course unit Electronic Commerce.

II. ROLE OF E-COMMERCE IN ONLINE SHOPPING

E-commerce in India is still in its infancy, but it is growing very quickly. When marriage web sites first appeared in India in 1996, business to consumer (B2C) e-commerce was in its infancy. Then, in 1997, job-seeking online portals were introduced, bridging the gap between employers and job seekers. In 2002, The Indian Railways established IRCTC, the country's first interactive e-commerce website. The gateway was established so that anybody, anywhere, at any time may purchase a railway ticket. This platform quickly rose to prominence in India's e-commerce industry. However, the arrival of Low Cost Carriers (LCC) in the aviation sector in 2005 transformed the landscape of e-commerce. Through LCC websites, travel-related information, ticket purchasing services, and airline schedules are now accessible online. As a result, Indian travelers learned important information regarding e-ticketing. The wide range of customer satisfaction in the e-ticketing industry encouraged e-retail and gave entrepreneurs the confidence to improve customer experiences by creating several online businesses in 2007. With the emergence of companies like Flipkart (2007) and Snapdeal (2010), it was possible to shop for anything online in India.

The internet and e-commerce markets in India have steadily grown and improved. The internet industry is always evolving because of quick-paced lifestyles, instantaneous money transfers, and fierce rivalry. This development may be attributed to India's growing online customer base as a result of India's rapid technological adoption, which is driven by the rising usage of electronic devices like smartphones and tablets and access to quick Internet connections through broadband and 4G. In India, there are several retail websites, 80 of which are well-known e-retailers. By 2016, several of these websites, like Flipkart.com and Amazon India, had already surpassed \$100 million in sales. With net e-commerce sales of 437.7 billion dollars in 2016, Amazon India led the market in India, ahead of rivals FlipKart and Snapdeal. This demonstrates how the size of the Indian market's internet business potential has grown.

III. COMPONENTS OF E-COMMERCE

1. Growing relevance of government initiatives: The Indian government has been active in expediting the implementation of digital e-commerce platforms to reorganize and manage the conventional brick and mortar marketplaces, such as those of neighborhood supermarkets, agricultural product shops, etc. To facilitate the trading of agricultural goods, the government



has established an online market platform to connect farmers from different states with mandis. In addition to these, programs and initiatives like Start-up India, Digital India, Skill India, Innovation Fund, etc. are supporting the expansion and advancement of e-commerce in India.

2. Increase in Internet Penetration: The E-Commerce sector in India has benefited from the rise in internet penetration as a result of significant innovations and upgrades to the telecom infrastructure. People are spending more on internet data as 3G and 4G services arrive in India and data rates decline. India has the slowest internet speeds in Asia, but its data prices are still far less expensive than those in China and the United States. Additionally, programs like the National Optical Fibre Network (NOFN) may significantly expand internet use in rural areas, giving e-commerce businesses a chance to access India's enormous untapped market.

3. Internet-based services and the uptake of smartphones: Smartphone usage is outpacing that of feature phones, and growth in the future years is anticipated to be enormous. The widespread use of smartphones is being aided by a number of reasons, including their cheap cost, the dominance of internet-enabled services, and the simplicity of connecting to them. A research from venture capital company KPCB claims that India has the largest percentage of mobile-based E-Commerce sales, at 41%. The E-Commerce corporations have said that between 70 and 75 percent of their online purchases are made using mobile devices, and as a result, mobile apps generate higher income. For instance, Flipkart claims that approximately 50% of its traffic comes from mobile applications, compared to Quikr, where that percentage is closer to 70%.

4. Development of new payment methods: With the introduction of cutting-edge payment methods like Cash on Delivery (CoD), the landscape of online buying has undergone a significant transformation. In India, COD is now the most widely used method of payment for online purchases. Cash transactions come with a hefty administrative expense, which further lowers the profit for online sellers. To address these problems, new digital payment solutions are being created. Additionally, the Indian government promotes cashless purchases. With the introduction of programs like "Jan DhanYojna," banks are also offering services to their formerly unbanked residents by adding a sizable number of debit cards, or over 110 million, giving their clients simple access to electronic payments.

5. Logistics partnering with hyper-local businesses: Modern internet shoppers want the earliest delivery of their orders. Online retailers have experienced an increase in the number of third-party logistics service providers (3PLs), who assist the E-Commerce firms in managing last-minute deliveries, as a result of problems with massive quantities of delivery, better standards of customer care, and return orders. To reach every corner of the nation, there is a growth in cooperation between online retail businesses and 3PLs. Leading e-retailers have also



established their own logistics firms to have far more control over delivery and improve consumer experience. In order to accommodate last-minute deliveries, several e-commerce businesses have partnered with India Post, which has a wide reach of 19,000 pin codes and 1,54,725 post offices nationwide.

IV. CURRENT TRENDS IN E-COMMERCE

- **Social media as a tool for sales:** Retailers increasingly use social media as a hub for studying consumer preferences based on their purchasing behaviors. Numerous social networking platforms, including Twitter, LinkedIn, Facebook, Google+, and others, have evolved into methods for quick sign-in and purchases. Additionally, the postings promoted on social medium allow the consumers to keep informed. Furthermore, the chances of a successful transaction have risen in many ways thanks to the marketing and promotions on these social networks.
- **Mobile e-commerce:** Due to its convenience compared to desktop/laptop shopping, individuals prefer to utilize their cellphones and improved internet connections to conduct their business. According to the IAMAI data from 2016, Snapdeal and Flipkart received more over 50% of their traffic from mobile devices. These numbers will rise along with the cost-effective smartphones and falling data rates, and it is anticipated that mobile will be the source of the next boom in digital commerce.
- **Price Comparison Websites:** Online stores often offer steep reductions on their pricing to entice buyers, but these savings vary from store to store based on how well suppliers can be negotiated with. As a result, there are several price comparison websites accessible today, such as Priedekho.com and mysmartprice.com, that assist clients in obtaining the greatest offers available. These days, there are even price comparison websites for hotels, such as Trivago.com, Tripadvisor.com, etc. These websites provide users with a list of the best available pricing by comparing costs throughout the whole network.
- **Online grocery market:** Online grocery online shops are popular with consumers in India right now. Bigbasket.com-like websites have already hit the market and are becoming more popular. Even digital titans like Amazon have launched their own online grocery shop in response to the rapidly expanding business. These websites are simple to use and even send fresh produce right to your home. These websites cater to Indian housewives who previously showed little interest in internet buying.
- **Dynamic Retail Environment:** Today, e-commerce encompasses more than just the purchase and sale of goods. Web retailers provide consumers a vibrant and enjoyable



experience that will draw them in and keep them there for a while. The main issue for internet merchants is to please consumers since they are unable to touch or feel the goods and can only communicate visually. Retailers must thus design their online storefronts to appeal to clients and provide them a pleasant shopping experience. To keep clients, an online business must provide an atmosphere with fresh and cutting-edge components. These days, clever, intuitive interfaces supported by technology, quicker product discovery utilizing filters, and more secure transactions are luring consumers and giving them a pleasurable shopping experience.

- **This may be repeated:** E-commerce is slowly growing in India. It has brought about a change in the retail sector. With many worldwide companies joining the online market, there are many opportunities and dynamism for this sector. The current businesses are also striving to develop strategies to keep up with the rate of growth in this industry.

Therefore, online merchants must place a high value on the buying habits of their clients by giving them a better, quicker, more affordable, and more fun shopping experience. Customers compare the design of the online shop to the conventional offline store. They want to virtually "walk" the aisles of the store shown on their screens, choose a box off the shelf, rotate it, read the label, check for a special discount, then either add it to their shopping cart or put it back on the shelf after reading the label. This has been made feasible even in online shops thanks to the development of a user-friendly environment with 3-D pictures of each product, appealing product films, and a choice to pick a product and add it to the basket in the web stores. All of this has made buying online seem as authentic and alive as going to a physical store. Thus, it can be inferred that a web store's visual environment, or visual shopping, is a crucial component to luring and keeping clients, and online merchants should make an additional effort to provide a dynamic experience.

The physical components of a store's design that appeal to customers' emotions and influence their decision to purchase a something or service are referred to as online shopping. Lighting, store structure and design, music, the store's color scheme, and even odors have all been widely researched in the literature on consumer behavior and the retail business. The numerous visual shopping components, such as product presentation, mannequins, store design and layout, props and materials, lighting, and signage, have been shown to affect product sales and store image in the retail environment, according to Cahan & Robinson (1984); and Diamond & Diamond, (2003). More people are purchasing online as a result of increased internet use, and more merchants (both conventional and online) are embracing web-based selling. According to Ha, Kwon, and Lennon (2007), while online shops have the benefit of carrying a wider variety of goods and services, clients who buy online have more alternatives accessible to them, which leads to quicker website switching. Therefore, it is crucial for shops to build their websites in a



way that would draw in and keep consumers. Since the primary means of communication between merchants and consumers in an online setting is visual, the only way to distinguish one website from another these days is by how it looks, which is nothing more than video shopping as described by Kotler (1973). Online visual shopping is described by Dailey (2004) as "conscious designing of web atmospheres to generate a positive affect in online shoppers in order to develop a positive consumer responses." According to a research by Eroglu et al. (2001), the importance of store online visual shopping in the context of conventional retailing has even more relevance in the context of online retailing. However, Lohse & Spiller (1999) discovered that the first definition of online visual shopping was somewhat minor since it only discussed the online retail environment from the standpoint of the design elements and visuals of the internet interface. After that, Ladwein (2000) proposed that the layout and design idea, including the readability of web pages, the simplicity of navigation and use, a website's structure, and the interface features, be used to define the Online Visual Shopping as the main characteristics. In order to define the components of online visual shopping, Childers et al. (2001) introduced a new concept of "web-mospherics" based on the setting of conventional retail stores. In order to characterize and forecast the effects of e-consumer preferences, behavior, attitudes, and orientations within this evolving online marketing environment, Anji Ben Hamed Amara (2016) and SanjeevPrashar (2017) have also produced clear and well-structured customer investigations.

The aforementioned debate therefore emphasizes the fact that a store's ability to expand in the future is largely dependent on how strategically it uses visual shopping to brand itself. This research attempts to determine the mediating function of both of these factors on the link between online visual shopping and customer response behavior since emotional state has a greater impact on customer value. The current research starts the process of bridging this gap in the body of knowledge. An comprehensive framework for comprehending the phenomena of visual shopping in an online setting will be provided by the research. Additionally, it will raise knowledge and comprehension of the crucial elements that affect consumers' emotional states as well as their shifting reaction behaviors. Given how quickly this industry is expanding, it would also assist merchants and marketers stand out from the competition and get an advantage over them.

V. CONCLUSION

It includes the results of consumer demographic research, variables affecting online shoppers' purchasing decisions, and the implications of these factors on customers' preferences for online and offline shopping. Another portion of this chapter covers the results of a comparison of online and offline customer purchasing behavior, the methods of e-commerce service providers, and finally the elements crucial for online merchants.



Online shopping refers to the process of buying products or services through digital technology. Online shopping marketing is defined as the art and science of selling goods or services on digital networks, such as cellular and Internet phone networks, and includes both the art and science of choosing the best combination of consumer-attracting strategies and assessing the effectiveness of those strategies. The current trend is toward online buying. Online retailers are expanding their reach into new states and towns on a daily basis. Along with Indian web platforms like Paytm, Jabong, Flipkart, Myntra, Koovs, CraftsVilla, and Shopclues, several foreign online retail web platforms like eBay, Amazon, etc. have been operating on the same domain for a significant amount of time.

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