

The Evolution And Impact Of E-Commerce

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Abstract

This research paper delves into the evolution, current trends, and impact of e-commerce on various aspects of business and society. It examines the technological advancements that have facilitated the growth of e-commerce, the challenges faced by e-commerce businesses, and the transformative effects on consumer behavior, the economy, and regulatory frameworks. India is on the verge of a revolution in e-commerce. E-commerce, or electronic commerce, refers to the buying and selling of goods and services over the Internet. It has evolved significantly since its inception and has had a profound impact on various aspects of business, society, and the economy. Here's an overview of its evolution and impact. India's e-commerce market is expanding thanks to factors including rising smartphone adoption, rising wealth, and affordable data plans, which are fuelling the expansion of online retail. India is the second-largest internet market in the world with over 800 million users and 62 billion UPI transactions in 2022.

Even though e-commerce has been popular in the nation for more than a decade, it is only in recent years that the proper ecosystem has already begun to develop. The speed of internet access, the astonishing widespread use of mobile devices, and active investment have fuelled this industry's expansion, and if present if predictions are accurate, India is on track to become the fastest-growing e-commerce in the world. India has seen a growth in the use of smartphones and the internet in recent years. Due in large part to the "Digital India" effort, there were 830 million internet connections worldwide in 2021. 55% of all connections to the internet were in metropolitan areas, and 97% of those connections were wireless. The number of smartphones has also greatly grown, and by 2026, that number is anticipated to be 1 billion. India's digital economy has benefited from this, and by 2030, it is predicted to be worth US\$1 trillion.

Keywords Evolution, Evolution, Industry, Business, Digital India, Economy.

Introduction

Micro, small, and medium-sized enterprises (MSME) in India have been directly impacted by the e-commerce sector, which also has a positive cascading effect on other industries by offering means of financing, technology, and training. By 2034, it is anticipated that the Indian E-commerce market will overtake the US to overtake it as the second-largest E-commerce market in the world. Innovations made possible by technology, such as digital payments, hyper-local logistics, analytics-driven customer involvement, and digital marketing, are likely to promote the sector's expansion. In addition, India intends to launch the Open Network for Digital Commerce (ONDC). The ONDC will give e-commerce platforms the ability to display goods and services from every platform while also synchronizing search results across all of them. This would enable MSMEs do more business and support the expansion of e-commerce in India. Long-term improvements in customer products and services will be made possible by the sector's growth, which will also promote employment, raise export revenue, increase tax collection for the exchequers, and increase export revenues. According to a Kantar analysis, India has seen an increase in online consumers of 125 million over the past three years, with an additional 80 million predicted to join by 2025. "Communication is at the heart of e-commerce and community."

The Indian e-commerce market is probably going to grow in new markets. India's e-retail market is anticipated to maintain its rapid expansion; in FY20, it reached Rs. 1.8 trillion (US\$ 25.75 billion) with a CAGR of over 35%. The Indian e-retail sector is expected to attract more than 300–350 million customers over the next five years, increasing the online Gross Merchandise Value (GMV) to US\$ 100–120 billion by 2025. "Amazing things will happen when you listen to the consumer."¹

The rapid growth of information technology and the flow of knowledge in the twenty-first century has given the entire civilization new motivations and creative ideas. The community has seen major changes because of the widespread adoption of information technology. These modifications go beyond simple data processing and computation. They are adjustments that have an impact on how we interact with one another, plan our days, educate the next generation, and conduct

¹Dudhela, M., & Chaurasiya, H. (2020). A study of content marketing strategy in e-commerce with respect to B2C. *International Journal of Creative Research Thoughts*, 8(10), 2715-2730.

business.² The widespread adoption of information technology, computer networks, and the Internet has changed how many firms operate while also creating previously unheard-of economic prospects. The increased use of computer networks, the Internet, and information technology has altered how many businesses function while also opening new economic opportunities. These days, life is busy. Time restrictions, demanding schedules, and odd work hours have affected how people purchase nowadays. As a result, many consumers now choose to shop through e-commerce. They enjoy how simple it is to shop online from home at any hour of the day or night. When you can transfer money online, purchasing possibilities are quick and easy. By doing their shopping and product research online, consumers save time and money. To physically travel from place to place and buy a difficult-to-find item can take days and cost time and money. E-commerce is also a productive retail way of conducting business. Compared to opening a physical store location, starting an online business requires fewer licenses and permits. Additionally, you can save money by hiring fewer people to handle tasks like inventory management and customer billing. You won't need to look for a suitable geographic location or be concerned about the facility's high utility prices.

Importance of E-Commerce Electronic commerce is also known as e-commerce. It refers to the use of the internet and electronic media to transact in products and services. E-commerce requires a business to use IT, such as electronic data interchange (EDI), as well as the internet. E-commerce is the direct sale of goods or services to a customer via the internet through a vendor's website. The gateway accepts payments made with a credit card, debit card, or electronic funds transfer (EFT) via a wireless shopping cart or shopping basket. Here is an additional description: In commercial transactions, electronic communications and digital information processes are used to establish, alter, and redefine value-generating relationships between organizations and between people.³ The worldwide corporate world is moving quickly into e-commerce (Business-to-Business) because of the ICTs' expanding use, particularly the Internet. The Internet allows customers to participate in the global economy, which allows them to compare prices between locations, learn how prices vary based on requests, and become aware of substitutes. The buyers benefit significantly. Consumers can easily evaluate other websites' e-commerce offerings thanks to the openness of the market. If the business were online, the competitors would be just a click away from the customer. "Market-specific customer care – e-business leaders must understand how customers want to interact with

² Lévesque, S. (2008). *Thinking Historically: Educating students for the twenty-first century*. University of Toronto Press.

³ Tan, M. (2004). *E-payment: The digital exchange*. NUS press.

their brand for customer service. Customers' reliance on different service channels (e.g., call center, email, online chat, and social) vary by market, and well-localized websites will dedicate resources to channels relative to local preference."⁴

Application of E-Commerce

Internet E-commerce has expanded thanks to the internet's widespread use. Every life now practically includes the Internet and clever mobile phones. Although the internet is no longer a reliable source of intelligence, it is still a useful tool for service providers like doctors, carpenters, and riders to buy, read, and interact. Because digital networks can immediately connect to clients, the supply chain is lean and intelligent, which dramatically reduces pollution and supports green enterprises.⁵ The ICT revolution has given the economy an unheard-of boost over the last 15 years. With significant technological improvements, the Internet and its services have assisted in the growth of new markets. In May 2015, there were 7.2 billion people on the planet. There were just 400 million Internet subscribers worldwide in 2006.

Payment Portal The payment transfer is an e-commerce application service provider solution that enables credit card payments for e-commerce, online stores, brick and clicks, and conventional brick and mortar locations. The primary determinants of internet transactions include payment methods, such as credit cards, debit cards, purchases made through online banking, and transfers of electronic monies. Payment gateways are necessary when the economy moves from using cash to using digital currency in the future. "Always deliver more than expected."⁷

Analytics: Analytics is the empirical process of converting data into intelligent decision-making. Analytics help businesses gather, organize, review, and comment on data about their customers. Organizations currently rely on research to understand the behaviour of their customers because of the enormous increase in data volume. For retailers to calculate returns on online investments and a channel blend, knowledge must be available in real-time. For e-commerce players, basic

⁴ Friederiszick, H. W., & Głowicka, E. (2016). Competition policy in modern retail markets. *Journal of Antitrust Enforcement*, 4(1), 42-83.

⁵ Vermesan, O., & Friess, P. (Eds.). (2013). *Internet of Things: converging technologies for smart environments and integrated ecosystems*. River publishers.

⁶ <https://www.zippia.com>

⁷ Negi, P. S., Negi, V., & Pandey, A. C. (2011). Impact of information technology on learning, teaching and human resource management in educational sector. *International Journal of Computer Science and Telecommunications*, 2(4), 66-72.

statistics are provided; nevertheless, for consumer insight, average order volume, basket size measuring, conversion ratios, and a deeper analytical approach are required.⁸

Social Platform: Businesses frequently use social media to advertise their products. Social media includes blogs and computer programs that let users connect and exchange information online via a computer or a mobile device. Social networking plays a bigger role in product development and serves to remind customers about various promotions.

A Self Driving Vehicle Autonomous vehicles fall under the category of motor vehicles that can function without the direct involvement of a human operator by utilizing artificial intelligence, sensors, and the global positioning system. The time of the personal automobile is rapidly approaching. Autonomous customers will have plenty of time to browse the internet, check their emails, buy new things, and watch adjacent advertising. Autonomous vehicles benefit from very broad digital media skills. This new sector can be avoided by firms by adjusting their marketing approach with the help of these shopping and search patterns. Although big data are already lot more diverse, they will become so adaptive and predictive in the next years that nothing will be able to be changed manually once more.

3 D Printing A 3D printer is a type of electronic device that can create a digital, three-dimensional model. The "additive manufacturing" process is an overlay that closely matches how ink from an ink-jet printer would successfully be laid out on a flat piece of paper. Similar to how the Industrial Revolution at the beginning of the 19th century upended agrarian life, 3D printing may one day completely alter how people produce things. Prototypes made using 3D printing are either intended for consumer printing or are connected to a maker by the designer. The concept and a printing license are sold, not the actual product.

Types of Business E-Commerce

Consumer-to-administration (C2A): All electronic transactions between businesses and citizens are included in the C2A paradigm. Highlights of the application include Education: information dissemination, online learning, etc. Social Security: via providing information, processing payments, etc. Taxes, include making payments and submitting returns. Health: consultations, disease information, payment for medical treatments, etc.

⁸ Tan, X., Yen, D. C., & Fang, X. (2002). Internet-integrated customer relationship management a key success factor for companies in the e-commerce arena. *Journal of computer information systems*, 42(3), 77-86.

Business-to-administration (B2A): this includes a wide range of various programs, particularly in the areas of taxation, social assistance, healthcare, legal records, and so forth. Spending on e-government has recently led to a major expansion of these service delivery channels. “E-commerce isn’t the cherry on the cake, it’s the new cake”⁹ All online transactions between businesses and the government fall under this category.

Consumer-to-business (C2B): In C2B, the typical setting of a commodities exchange is inverted. E-commerce businesses that rely on crowdsourcing frequently adopt this technique. Individuals offer their services or products to businesses that specifically target certain services or goods. These occasions include ones when designers solicit multiple logo choices, but only one is ultimately chosen and bought. The markets where images, media, and design elements are sold without requiring any kind of royalties are another well-liked medium in this industry. “Timing, perseverance, and ten years of trying will eventually make you look like an overnight success.”¹⁰

commercial-to-Consumer (B2C): Electronic commercial connections between an organization and its end users. The area for online shopping is where most traditional retail transactions take place. These collaboration models can be more straightforward, intricate, sporadic, or abandoned. Several online stores and canters now offer customers products of any kind, including computers, electronics, books, accessories, cars, food, financial materials, and digital publications. This business type has grown significantly because of the development of the Internet. Contrary to retail sales in traditional trade, the buyer typically has more knowledge about the available insightful content, and it is generally accepted that you can buy it for less money without compromising a similarly individualized customer experience or promising easy processing and distribution. ¹¹

Consumer-to-consumer (C2C) e-commerce: This type of electronic e-commerce includes all electronic trade in goods or services between customers. Usually, a third party that provides an online transaction forum conducts this exchange. “Over-developed websites are slow to load. This directly impacts conversion rates. No matter how cute the

⁹ Funk, T. (2008). *Web 2.0 and Beyond: Understanding the New Online Business Models, Trends, and Technologies: Understanding the New Online Business Models, Trends, and Technologies*. ABC-CLIO

¹⁰ SANTOS, O. K., & BENIN, C. (2023). PETTY TRADERS'PERCEPTION ABOUT E-COMMERCE TRANSACTIONS.

¹¹ Zittrain, J. (2008). *The future of the internet--and how to stop it*. Yale University Press.

treatment, if your home page requires a “Loading” message, you’re probably in trouble.”¹²

Effect of E-Market

the Internet and World Wide Web (WWW) have reduced the number of trading locations in the global economy. By accelerating the process of buying and exporting commodities, South Pacific countries have been closer to the rest of the globe in terms of shorter trading cycles and reduced transaction costs. The South Pacific will ostensibly have access to fresh markets. They might provide opportunities for online direct sales and the presentation of images of their products to artists who make items like tapa clothing. Although electronic business appears to be very promising for small-scale producers, who have difficulty entering overseas markets, it remains to be seen whether a reduction in transaction costs brought about by the internet is sufficient to drive a wide-ranging transformation within the global economy. In contrast to how it started, the new trend in the e-commerce sector has now spread in numerous ways. As e-commerce has evolved, from being incredibly local to incorporating artificial intelligence and offering even intangible products and services like GST enforcement and short-term loans, the marketplace today is more than just an online marketplace for people to buy and sell. The possible view of the consumer is on the cusp of a complete transformation due to the advent of technologies that are developing at the speed of light. For the future generation of e-commerce patterns, it will focus on customer services improved across the Internet of Things (IoT), data processing, logistics, artificial intelligence, customization, and hyper-local area.

Characteristics of E-Commerce **E-Commerce Advantages** From the perspective of the consumer, the largest benefit is that it drastically improves, saves a lot of time, and is easy to access from anywhere in the globe. The buyer can place the order whenever they like. The main benefits of online shopping for customers are: Lower trade commissions for stock exchange participants. • Increased flexibility—purchases can be made whenever it suits the buyer, without having to physically interact with the business. Save time – Consumers can buy or sell any product online at any time. The customer can quickly and continually access information by clicking the button to search details across several pages. A buyer should be able to conduct business from the comfort of their home or place of business. If a company's operations are subpar, customers can still easily switch to another one. Customers may now have access to a larger product than they did previously thanks to a

¹² Hui, X., Liu, M., & Chan, T. (2023). Targeted incentives, broad impacts: Evidence from an e-commerce platform. *Quantitative Marketing and Economics*, 1-25.

product that was previously unavailable on the local or national market. Before making a final purchase, a customer will provide feedback on a product to see what others buy or to read other customers' review comments. sales growth and a decline in running the main benefit of e-commerce from the viewpoint of sellers is the reduction in transaction costs and ongoing expenses via the Internet. consist of the following: It increases revenue generation, dramatically lowers operating and maintenance costs, and lowers costs associated with acquisition and procurement. It increases both consumer retention and loyalty. Significantly less money will be spent on product transportation. Customer and supplier relationships will also be strengthened. It facilitates accelerating the selling process. Improve both internal and external communication It enhances the reputation of any brand or corporation.

Indian E-Commerce Trends

When buying goods and services online, customers can choose when and where to buy as well as research the product, the vendor, and other options. The capacity to access information online has transformed the purchasing process. Almost anything that can be purchased at a store may also be purchased online, including perishable goods like food. And clients from all over the world have seized these chances. E-commerce has already had a significant impact on all areas of business, from customer services to new product design It provides new ways for businesses to interact and connect with customers, including online commercialization and advertising, order fulfilment, and customer support. At least part of the WWW's buy life is still used for online shopping. It may also reduce order processing expenses and communication costs with several suppliers and business partners, which often add significantly to the price of goods and services. E-commerce offers developing nations like India fantastic opportunities. Even the most pessimistic predictions for India's economy still point to a boom. There has been an increase in the number of electronic commerce groups in recent years. Large Indian websites have pushed e-commerce as an alternative to advertising revenues. Numerous services and goods, including grocery stores, mobile devices, machines, greeting cards, and movie tickets for multiple places, are now accessible. Electronic commerce has developed to the point where cow dung patties are now being sold like hotcakes. According to a report by Assocham [10], the Indian market for electronic commerce is predicted to reach a \$38 billion level in 2016, representing a significant increase over the \$23 billion in sales the sector saw in 2015 [10]. A unique opportunity for businesses to connect with their customers has been made possible by rising internet and smartphone usage, rising adoption of online shopping, and positive demographic trends.

CONCLUSION

In conclusion, the field of electronic business will see a rise in the importance of the electronic commerce industry in the years to come. The electronic commerce revolution has had a hugely favourable impact on the transaction industry by opening new markets quickly and bridging boundaries. It had a significant impact on the global conventional market system and made it feasible to enhance people's lives. E-commerce benefits buyers and sellers while posing challenges to the sustainability of traditional enterprises. When Internet costs are low, e-commerce booms, and many businesses are often depleted. One of the main benefits of electronic commerce for consumers is convenience, which boosts client loyalty. This is so that customers may place orders from anywhere in the world using an internet connection. Any client should consider a company's e-commerce offering a seamless process and a variety of payment options crucial and should offer additional features accessible online. Added items and improved regional coverage are further benefits. However, e-commerce businesses confront numerous obstacles to growth. E-commerce has unquestionably risen to prominence in our society. Future-proof businesses will be those that take e-commerce seriously and invest enough money in its expansion. E-commerce is a whole-business endeavour rather than an IT problem.

References