APPLICATION OF E-COMMERCE IN INDIA AND ITS AWARENESS IN NARNAUL

Pukhraj Yadav
Assistant Professor, Govt. College Ateli, India
Email : yadavpukhraj2011@gmail.com

ABSTRACT

Environment is taking rapid change. Business environment is also effecting due to change in technological environment. We all know that today the form of market has been totally changed, physical market is going to change in online market. Because the life of the people has changed now the people is buying and selling goods through internet now the online market is performing well. The concept of e-commerce is developing due to rapid change in technology and baking system. But when we talk about the metro cities than it’s true that e-commerce is performing well but in rural and backward area still e-commerce needs some development. Some of the major services are necessary for performance of e-commerce like banking service, internet service and computer literacy. But in rural area still these services are not in well form. In rural area internet facility is not available and if it is available than it’s not in well condition. Baking service is also not good in rural area Literacy is the most important aspect of e-commerce without this e-commerce is not possible. Literacy rate in rural area is not good that why e-commerce is not well in rural and backward area it’s clear that e-commerce is not independent service it’s the base on so many other services like banking, internet and computer literacy. So it’s clear that development of ecommerce is based on the development of these services. But in other sides urban area and metro cities also facing some problems. These problems are based on security and quality regarding goods. It’s clear that development of ecommerce is based on all these issue which is arising in the way of online market.

Keywords: Penetration; Disintermediation; Phenomenon; Broadens Consumer

INTRODUCTION

The past two years have seen a rise in the number of companies’ embracing e-commerce technologies and the Internet in India. Most e-commerce sites have been targeted towards NRI’s with gift delivery services, books, audio and video cassettes etc. Major Indian portal sites have also shifted towards e-commerce instead of depending on advertising revenue. The web communities built around these portal sites with content have been effectively targeted to sell everything from event and movie tickets to groceries and computers. The leader in these services being Rediff on the net (www.rediff.com) and India plaza which started a shopping section after their highly successful content site generated WEB visitors. In spite of RBI regulation, low Internet usage e-commerce sites have popped up everywhere hawking Things like groceries, bakery items, gifts, books, audio & videocassettes, computer etc. None of the major players have been deterred by the low PC penetration; credit card usage in India has also tried to close the success worldwide of online commerce. BPB publication went online selling its complete range of computer books about 2 years ago, it might not have the success of an Amazon.com of Barnes and Noble, but they definitely have promised the cause of e-commerce in India with at least 1 to 5 web sites like India bookshop coming online. This is not to say that the e-commerce scenario has been bad in India, as highly successful e-businesses like Baba Bazaar and India mart have proved themselves. Indian Banks too have been very successful in adapting EC and EDI Technologies to provide customers with real time account status, transfer of funds between current and checking.
accounts, stop payment facilities etc. ICICI Bank, Global Trust Bank and UTI-Bank also have put e-banking over the internet facilities in place for the upcoming e-commerce market speed post also plain to clone the FedEx story with online package status at any moment in time. The future dislikes very bright for e-commerce in India with even the stock exchanges coming online providing an online stock portfolio and status with a fifteen minute delay in prices. The day cannot be far when with RBI regulations we will able to see stock transfer and sale over the Net with specialized services like Schwab and e-trade. Though with security and encryption being proven, technology for the transfer of funds over the Internet, the Indian Government still has problems with 'Digital signatures' and verification processes over the Internet. This combined with RBI norms and regulations has proved a major hurdle for e-commerce even though VSNL India's monopolistic ISP does want to jump on to the electronic transaction bandwagon with the advent of private ISP's and India’s new and positive attitude towards IT and the prime ministers new 'IT policy "the future is very positive in India for doing commerce.

Meaning Of E-Commerce

Functions of Electronic Commerce

The four functions of e-commerce are:

1. Communication
2. Process management
3. Service management
4. Transaction capabilities

Evolution of Commerce

Commerce has evolved over the centuries. Prior to the evolution of money it was the simple “barter process” where things could be exchanged, say milk for grains. The evolution of money brought with it, the concept of a “marketplace”. In a marketplace, Commerce is a function of the 4 P’s – Product, Price, Place and Promotions. All these four components play a vital role in a transaction to take place. Different combinations of 4Ps determine different forms of Commerce. Once the marketplace came into existence, a few pioneers realized that people would be ready to pay extra if they could deliver products at the customer’s doorstep. A slight modification on Price and Place led to the convenience of getting products at their homes. This concept delighted the customers and thus, the concept of “Street Vendors” was born. When the Postal System came into being the sellers decided to cash in on the new opportunity and started using mailers giving a description of their products. It led to the concept of “Mail Order Cataloguing”. From here, the evolution of the “Tele shopping “networks was thus inevitable in the development of media vehicles. The latest generation of commerce is one that can be done over the internet. The internet provides a virtual platform where sellers and buyers can come in contact for the sale and purchase of goods and services. They can be thousands of miles apart, may belong to different parts of the world, and might speak different languages, “E-Commerce emerged as the boundary-less trade medium in the era of globalization.

E-Commerce: Current Status and Recent Trends

Today E-commerce is a byword in Indian society and it has become an integral part of our daily life. There are websites providing any number of goods and services. Then there are those, which provide a specific product along with its allied services.

India has an internet user base of about 243.2 million as of January 2014. The penetration of e-commerce is low compared to markets like the United States and the United Kingdom but is growing at a much faster rate with a large number of new entrants. The industry consensus is that growth is at an inflection point with key drivers being:

- Increasing broadband Internet (growing at 20%MoM) and 3G penetration.
• Rising standards of living and a burgeoning, upwardly mobile middle class with high disposable incomes.
• Availability of much wider product range (including long tail and Direct Imports) compared to what is available at brick and mortar retailers
• Busy lifestyles, urban traffic congestion and lack of time for offline shopping
• Lower prices compared to brick and mortar retail driven by disintermediation and reduced inventory and real estate costs.
• Increased usage of online classified sites, with more consumers buying and selling second-hand goods.
• Evolution of the online marketplace model with sites like eBay, Infibeam, and Tradus.

**Future Trend of E-Commerce in India**

India's retail market is estimated at $470 billion in 2011 and is expected to grow to $675 Bn by 2016 and $850 Bn by 2020, – estimated CAGR of 7%.

**Table 1. Future Trend of E-Commerce In India**

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>470$ billion</td>
</tr>
<tr>
<td>2016</td>
<td>675$ billion</td>
</tr>
<tr>
<td>2020</td>
<td>850$ billion</td>
</tr>
</tbody>
</table>

**Source:** Wikipedia retrieved on 25/08/2015

According to Forrester, the e-commerce market in India is set to grow the fastest within the Asia-Pacific Region at a CAGR of over 57% between 2012–16. India's e-tailing market in 2011 was about $600 Mn and expected to touch $9 Bn by 2016 and $70 Bn by 2020 – estimated CAGR of 61%.

**Online Shopping In India Compared To Other Countries**

**Source:** E-markter.com, Dainik Bhasker, 25/08/2015

**How E-Commerce Is Unique In India?**

Some of the aspects of Indian e-commerce that is unique to India (and potentially to other developing countries) are:

- Cash on Delivery as a preferred payment method. India has a vibrant cash economy as a result of which 80% of Indian e-commerce tends to be Cash on Delivery.
• Direct Imports constitute a large component of online sales. Demand for international consumer products (including long-tail) is growing much faster than in-country supply from authorized distributors and e-commerce offerings.

Problem Statement

A developing country can become industrialized and modernized if it can extensively apply IT to enhance productivity and international competitiveness, develop e-commerce and e-governance applications. An information-based society or knowledge based society is composed of IT products, IT applications in society and economy as a whole. Many countries in Asia are taking advantage of e-commerce through the opening of economies, which is essential for promoting competition and diffusion of Internet technologies. The Internet is boosting efficiency and enhancing market integration in developing countries.

India is also of the developing country and India also of the largest economy of this world. After independence India economy is growing much with a higher rate. New and latest technology is adopted by the Indians as a result Indian economy is moving on the side of modernization. The income of the people is increasing year to year in India that’s why the lifestyle of the people is moving traditional to modern style that’s why the style of the trade has totally changed.

Now companies as well as literate people are trading and shopping through internet. India has 137 million internet users and year to year new people are connected to the internet technology. Nowa day’s internet uses not only for a particular purpose. Internet has the wider use that’s why a new form of market take place name of that market is electronic market. The electronic marketplace participants are not limited only to digital product companies’ e. g. Publishing, software and information industries. The digital age and the digital revolution affect all by virtue of their process innovations: Web-TV and digital television are going to affect TV news and entertainment programs. Changes in telecommunication will affect the way the information is received, product announcements, orders etc. It is clear that’s India have a large number of internet users but still hear a small number of e-commerce user. Now a day’s India has 13 core internet user but only 2 crore use the online shop. Every year 5 crore new customer joins the internet but only 15 lac new people join the online shopping and this is the data of national level but when we talk about the status of e-commerce in small or backward cities than we found that only a small number of people use the online shop. So my main purpose to select this study that why people are not much interested in e-commerce and what are the reason behind the backwardness of e-commerce in backward cities.

LITERATURE REVIEW

Electronic commerce or e-commerce consists primarily of the distributing, buying, selling, marketing, and servicing of products or services over electronic systems such as the Internet and other computer networks. The information technology industry might see it as an electronic business application aimed at commercial transactions. It can involve electronic funds transfer, supply chain management, e-marketing, online marketing, online transaction processing, electronic data interchange (EDI), automated inventory management systems, and automated data collection systems. It typically uses electronic communications technology such as the Internet, extranets, e-mail, e-books, databases, and mobile phones.

A Brief Review of Literature

Sumanglarathore 2011- Internet shopping in a developing nation such as India is still a nascent activity, hence analyzing the usage pattern of the Internet is extremely important to understand the present status of the Inter usesage as a buying medium; particularly in states like Rajasthan, where this phenomenon has yet to gain momentum. It can be emphasized that the Internet usage pattern holds great significance for e-marketers in order to plan online interactions with potential customers. The place of access to the Internet or the number of hours spent on the Internet can determine the likelihood of an individual for online transaction. It also helps the marketers to devise...
a marketing strategy that suits the requirements of Internet users who are the ultimate prospects as online buyers. The online shopping process involves several activities ranging from information search to making payments.

Rashidbanal 2012- Aims to overview various socio-cultural factors such as urban-rural digital divide, regional languages, customs, geographical locations and transport and logistics that affect the development of the electronic commerce (e-commerce) in India is the global scenario. The scenario of e-commerce in India presents a study in contrast due to approximately 69 per cent population living in the villages. However, the segment of the population living in metros and sub-metros are also quite large and affluent and surpasses the total e-markets of many developed countries. Due to this reason, the online shopping in India is catching up. Nevertheless, there are different driving forces as well as barriers which have been identified. The most important driving force for e-shopping is time saving while the most prominent barrier is the doubt about the quality of the product. Insecurity of the electronic transaction is also an important inhibitor.

Sweat Sharma, Sugandhamitta 2013- E-Commerce has unleashed yet another revolution, which is changing the way businesses buy and sell products and services. E-commerce stands for electronic commerce and pertains to trading in goods and services through the electronic medium. India is showing tremendous growth in the ecommerce. The low cost of the PC and the growing use of the Internet is one of reasons for that. There is a growing awareness among the business community in India about the opportunities offered by ecommerce. The future does look very bright for ecommerce in India with even the stock exchanges coming online providing an online stock portfolio and status with a fifteen minute delay in prices.

Praveen Kaur, Dr.Mukesh M Josh 2012- Electronic commerce, commonly known as e-commerce or E-commerce, consists of the buying and selling of products or services over electronic systems such as the Internet and other computer networks. The amount of trade conducted electronically has grown dramatically since the spread of the Internet. A wide variety of commerce is conducted in this way, spurring and drawing on innovations in electronic funds transfer, supply chain management, Internet marketing, online transaction processing, Electronic Data Interchange (EDI), automated inventory management systems, and automated data collection systems. In this paper, we have discussed the structure of E-Commerce along with its advantages and challenges.

OBJECTIVES

1. To understand the situation of e-commerce in India.
2. To know the level of awareness of e-commerce in Narnaul city.
3. To chalk out the reasons behind the backwardness of e-commerce in Narnaul city.

RESEARCH METHODOLOGY

The procedure adopted for conducting the research requires a lot of attention as it has direct bearing on accuracy, reliability and adequacy of results obtained. It is due to this reason that the research methodology, which the researcher used at the time of conducting the research, needs to be elaborated upon. The research methodology is a way to systematically study & solve the research problems. If a researcher wants to claim his study as a good study, he must clearly state the methodology adopted in conducting the research so that it may be judged by the reader whether the methodology of work done is sound or not. This involves exploring the possible methods, one by one, and arriving at the best solution, considering the resources at the disposal of research.

RESEARCH AND ITS PURPOSE

The purpose of this research is highlighting the situation of e-commerce in India. It is aimed at identifying those reasons that’s why e-commerce is not many popular and what are the reasons behind the backwardness of e-commerce in a small town or rural areas.
In the present study, the main purpose of the researcher was found out the relationship between remuneration and the performance of these three companies. This study is based on the primary as well as secondary data a questionnaire is designed to get the primary data to complete this survey.

**RESEARCH DESIGN**

The research design implemented in this research his exploratory in nature, as it seeks to discover facts, ideas, insight & to bring out new relationships among the data items already existing. Research design is flexible enough to provide opportunity for considering different aspects of problems under s

**DATA SOURCES**

There are two methods of collecting data are as follows:-

Primary Data–It is the data which is collected fresh or first hand, and for the first time which is original in nature. Primary data can collect through personal interview, questionnaire etc. to support the secondary data. It consumes time and needs trained researchers.

Secondary Data –It is the data, which is already present in the record and is readily and easily available. It is cheap but, may be obsolete and may not suit all applications of the researcher. There are different ways for collecting secondary data are newspapers, magazines, generals, editorials, company’s official documents etc. In this research project, the researcher collected secondary data from the, the published report &the official website of e-commerce. The data collected from the above-mentioned sources will be processed, analyzed, interpreted, and presented in the study.

**Tools of Analysis**

The researcher used tools to analysis the performance of the e-commerce. These are

- Mathematical tools like simple Percentage method.
- Average and growth rates are used to analyze the trends and phenomenon.
- Questionnaire Survey has been carried out in the field by the researchers

**Sample Size and Design**

A sample of 50 educated peoples was taken on the basis of convenience.

**DATA ANALYSIS AND INTERPRETATION**

**Profile Tables**

<table>
<thead>
<tr>
<th>Awareness of E-commerce</th>
<th>Yes</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>33%</td>
<td>67%</td>
</tr>
</tbody>
</table>

Graph 1. The peoples are known about e-commerce

Source: Questionnaire
Interpretation

As per the diagram only 32 people out of 50 are well known about the e-commerce and 33% people are still not aware about e-commerce. This show that the awareness of e-commerce is not sufficient in the modern world a major portion of the population is away from the e-commerce

![Use of E-commerce Graph](image)

Source: Questionnaire

Interpretation

As per the diagram 48% people are using e-commerce from less than one year and only 22% people using e-commerce for more than five years. This show that numbers of the e-commerce user is increasing year to year. The people who belong to the rural or backward area are shifting to traditional commerce to e-commerce.

![Purpose of use Graph](image)

Source: Questionnaire

Interpretation

This diagram show that most of the people use e-commerce for business purpose 64% people use e-commerce for business use and 25% people use e-commerce for personal use. This show that’s e-
commerce is much popularly in business to business but now people are using it for the both purpose and personal use.

**Graph 4. Mode of payment**

*Source: Questionnaire*

**Interpretation**

This diagram shows that 70% people use debit card for use for the payment and 10% use credit card and any other use of net banking and others made of the payment. This show that the people of backward areas have a lack of the others payment of instruments like credit card or net banking.

**Graph 5. People feel secure with payment**

*Source: Questionnaire*

**Interpretation**

As per the diagram only 10 out of 50 people are feeling secure in the mode of the payment and 16 people feel insecure and some of them feel less secure in the term of funds. This shows that people have the problem of security of the funds that’s why people don’t show much interest in e-commerce.
Importance of E-commerce

**Graph 6.** How E-commerce is different to traditional method

**Source:** Questionnaire

**Interpretation**

50% people use e-commerce because they found multi choice on e-commerce and 37% use it because they think that e-commerce have the transparency of the price and some of them think that e-commerce is the fasten business process. This shows that several people have several views of behind use of e-commerce.

**Graph 7.** Goods which are unsecure buying through E-commerce

**Source:** Questionnaire

**Interpretation**

Most of the people feel more secure to buy the goods through e-commerce like movie, clothes and books but they feel more uncomfortable buy things like furniture etc. Most of the people think that’s goods which don’t have a quality standard issue are more secure buy through e-commerce. Others which have a heavy quality issue are not secure buy through e-commerce.
Challenges for E-commerce

Graph 8. Challenges to the implementation of E-commerce in India

Source: Questionnaire

Interpretation

40% people have the problem of slow penetration of internet, 20% have the security problem and some of them have a lack of awareness regarding this that's why people little use of e-commerce. These reasons are different at different places but mainly in backward areas slow penetration and awareness among the people is the major problem.

RESEARCH FINDINGS

Education and Profession: Peoples those are educated can use e-commerce so literacy rate play a major role in e-commerce. So as per the survey find out that's those are lit rate only know about the e-commerce. E-commerce is much popular in metro cities in the comparison of other small cities or backward cities because in metro cities people are much literate they will know about the e-commerce and its use.

Internet access/savvies: Internet access one of the part of e-commerce without the internet there is no meaning of e-commerce so now a day’s internet is available on all sides of the country but still in backwards area internet facilities are not available this is one of the major problems for e-commerce in backward areas.

Top five reasons behind the backwardness of e-commerce in backward areas: 40% people think that slow penetration of the internet of the reason 20% are worried about the security concern 6% have a lack of trust 22% don’t have the knowledge of e-commerce and 12% think that’s some other reason are responsible for the backwardness of e-commerce in backward areas.

Satisfaction Index: Only 20% people are fully satisfied with e-commerce 26% are feeling less satisfied 22% feel less satisfaction level with e-commerce and 32% people are completely unsatisfied with e-commerce.

One of the top reasons behind backwardness of e-commerce: India has 13 core internet users but only 2 crore people use online shopping. And mostly out of this use it for booking the tickets. Fraud is the one of the major reasons behind the little growth of e-commerce. In the previous year 5 crore new people join internet but only 15 lacs people newly join online shopping.

99% people have the problem with e-commerce to pass out the personal problem and fraud in financial transactions.
80% people use e-commerce only for booking the tickets.

SUGGESTIONS

As per the above data we found that there are so many reasons behind the e-commerce. E-commerce is performed in India but very slow there is not a single factor responsible for it so many factors are responsible for it. And if we can remove these factors we can change the performance of the e-commerce in Indian market these are some below:

- When we talk about the e-commerce then we say that only those people can use the e-commerce those are literate. But it’s not true e-commerce can use only those people those are it literate .So if we want to increase the size of e-commerce than we should focus on the skill.
- The main reason of the little growth of e-commerce is the internet. Here people don’t know about the e-commerce they don’t have the availability of internet. Normally we found that in small or backward city's internet facilities is not there. As soon as internet access will increase the size of e-commerce will increase.
- There are so many fraud cases with online customer that’s why they don’t want to again use e-commerce and one more thing some time they confused what we should do and where we should do they complain. So to remove all the problem government should issue the clear guideline regarding this.
- Security of the funds also of the main reason of the behind the e-commerce. Some time online customer faces the problem of the refund of the funds. So government as well as facilitators of the e-commerce should make the clear guideline regarding this
- In rural areas or small cities people don’t about the benefit of the e-commerce. So banks and others e-commerce companies should tell about the e-commerce and its advantage that’s why people can use it and take the advantage of the e-commerce.
- Security is the one of the major issues with the e-commerce. India has so many controlling authorities regarding e-commerce in India still people feel less secure with e-commerce. So government should more clear the security regarding the e-commerce.

CONCLUSION

From the survey, it is evident that the potential benefits offered by e-commerce are far from realized. The perception that trading on electronic channels cannot make money is challenged as incorrect, at least in the Business-To-Business sector. There is also some expectation that, Although trading on electronic channels may take longer on the consumer sector due to the trading barriers on the Internet, this, too, will soon follow. Electronic channels are forcing companies to re-think major aspects of the way they are organized and do business. E-Commerce raises major strategic issues and is accelerating developments in areas such as Globalization, branding, customer service, and supply chain. Markets are being transformed as barriers to entry are torn down. This survey shows that the application of e-commerce and the Internet in particular, extend beyond marketing to all aspects of the supply chain. It also shows that the technical aspects are no longer as important as the integration of business processes and the resulting need to re-engineer them across the organization. Both companies are approaching these developments piecemeal. If companies are to make profitable use of e-commerce, then, its champions must make their cases heard at the highest levels. This is an opportunity for the InfoTech and marketing departments make their Board aware of the effect of e-commerce not just from the technical point of view, but also in terms of its impact on the bottom line. In our opinion,

Only those companies with an organization-wide initiative, funded from the central or, at least, on a joint venture basis between functions, with Board approval, will emerge as leaders in what is a rapidly changing environment.
LIMITATIONS OF THE STUDY

1. Due to shortage or less availability of time it was not possible to have intensive study, hence study was limited to a small area.
2. The data included for analysis purpose has been taken only from small that may not be sufficient for the better results.
3. Many other factors might also affect the performance of the e-commerce which was not considered in this study.
4. The result of this study is purely primary as well as secondary data, so it covers the limitations of the secondary data; however all care has been taken to include the relevant data.
5. All the analysis done in this study is limited to the availability of data.

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