

E-Commerce Marketing Entrepreneurship in India

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Abstract

Digital technology has transformed the economy. Value creation for customers has shifted from the physical good to an economy that favors service, information and intelligence as the primary source of the value creation. At the centre of this economy transformation is e-commerce. Globalization and information technologies are radically changing the face of business and organizations. There is a growing interest in the use of e-commerce as a means to perform business transactions over the internet. In the past few years, the term of e-commerce is everywhere across the entire world. People define e-business in various ways and images that it has no standard definition. E-business or e-commerce is often interpreted as selling products over the internet. In its broader sense, e-commerce can be interpreted as the use of electronic transmission mediums to engage in the exchange, including buying and selling, of products and services requiring transportation, either physically or digitally, from location to location. Electronic commerce involves all sizes of transaction bases and it requires the digital transmission of transaction information.

KEYWORDS: E-business, E-commerce, Digital, Economy, Technology

INTRODUCTION

In commercial point of view, e-commerce can also be defined as transaction activities between firms and individuals, also it involves in the exchange of money, goods or duties. This definition clearly excludes email, telephone, fax, as well as internal computing accomplished by accounting sales, inventory, treasure, personnel or executive information systems. In short way of expressing this definition will be by excluding inter-organizational systems in total. There are many forms of commercial transactions that can occur in daily life from business to business or B2B such as electronic data interchange, auction markets etc. Commercial transactions can also occur in B2C or business to consumers, such as retailing in the internet and electronic brokerages. E-commerce has tried to take advantage of economies in single point keying to reduce errors and cycle time, a high degree of customizability of product or services to meet customer needs and customer interaction with databases at very low marginal cost. Firm will lead to an understanding of the innovation and its justification for improved business, competitiveness and customer service.

Meaning of E-commerce

E-Commerce is the process of doing business electronically or over internet. It includes business-to-business, business-to-consumer, even consumer-to-consumer transaction that involve

the buying and selling of goods and services, the transfer of funds and even the exchange of ideas.

Definition:

Peter Drucker defines” an entrepreneur as one who always searches for change, responds to it and exploits it as an opportunity, innovation is the specific tools of entrepreneurs, the means by which they exploit change as an opportunity for a different business or services.and some type of network. (e.g.) a direct connection or the internet.”

- ✓ E-commerce (electronic commerce) is the buying and selling of goods and services via the communications capabilities of private and public computers networks including the Internet.
- ✓ Global business indeed is increasingly becoming e-business.
- ✓ This helps both the parties to efficiently coordinate their activities.
- ✓ Extranet also links dealers, retailers and distributors so that the company can have better controls on the delivery on finished goods.
- ✓ All consultants’ ad agencies and market research agencies are linked with the company through the extranet making it possible for them to provide service of value to the company.

OBJECTIVES

Electronic commerce popularly known as ‘E-Commerce ’is doing business over internet. E-commerce originated way back during 1970s in US. In India its origin coincides with Internet connectivity in 1989.

- The distinct advantage E-commerce offers includes Improvement in customer services.
- E-commerce if found suitable for small enterprises in the country especially for the products.
- Lack of infrastructure facilities, absence of cyber laws, payment and tax related matter.

Characteristics of E-commerce

E-commerce is characterized by the following feature:

- The business tools are electronic and the application is commerce, i.e profit motive.
- Business is externally focused on those with whom business is conducted.
- Most of the transactions are processed automatically.
- Uses a gamut of business support services, such as inter-organizational e-mail and on-line directories

Needs for Entrepreneurs:

- Entrepreneurs promote capital formation by mobilizing the idle saving of the people.
- They create immediate and large-scale employment by establishing small scale enterprises, thus, they reduce the unemployment problem in the country.
- To promote balanced regional development by establishing small scale enterprises in rural, remote and less developed regions.

- To encourage effective resources mobilization of capital and skill which might otherwise remain unutilized and idle

Categories of E-Commerce

Business-to-Business E-commerce:

Among the various categories of e-commerce, business-to-business (B2B) commerce

is the largest category. This involves companies conducting e-procurement, supply chain management, network alliances, and negotiating purchase transactions over the internet or web. One of the major purposes why businesses use e-commerce is to the extent possible, to lower transaction costs of conducting business and also to make savings in terms of time and effort in conducting e-business.

Business-to-Consumer E-commerce:

Business-to-Consumer (B2C) e-commerce is the second largest category and involves businesses introducing products and services to consumers via internet technologies. This includes companies selling software and hardware through the internet, taking orders for products that are subsequently delivered to the consumer and providing digital services such as online magazines and search engines.

Business Processes:

Business process refers to the use of e-commerce to tailor the internal activities of a business in order to maximize their efficiency and effectiveness. Through the use of e-commerce, businesses can fine-tune supply chains, provides advanced consumer relations management systems, reduce transaction costs.

Consumer-to-Consumer E-Commerce:

Consumer-to-Consumer (C2C) e-commerce is concerned with the use of e-commerce is concerned with the use of e-commerce by individuals to trade and exchange information with other individuals. There has been a huge growth in consumer-to-consumer auctions sites such as e-Bay and sites enabling consumers to offer goods and services to other consumers on an individual basis.

Business-to-Government E-Commerce:

Business-to-government (B2G) e-commerce is concerned with the need for business to sell goods or services to governments or government agencies. Such activities include supplying the army, police force, hospitals and schools with products and services. Furthermore, businesses will often compete in an online environment for contracts to provide services to the public on behalf of the government. The commonest examples of such services may include the collection of taxes, and the supply of public services.

History of E-commerce:

The origin of e-commerce in India concerned with the introduction of internet connectivity in the country in 1989. As such, e-commerce in India is in its infancy. Historically, Rediff-on-the-net, one of India's leading online services, set up India's first e-commerce on August 13, 1998.

National Association of Software and Services Companies (NASSCOM), the apex body and Chamber of Commerce of India's software-driven IT industry, has recently released findings of its survey to evaluate the E-commerce scenario in India. As per the findings of the survey, the total volume of e-commerce transactions in India was about Rs.131 crore in the year 1998-1999. Out of this volume, about Rs.12 crore were contributed by retail Internet or business-to-business (B2B) transactions. The figure for the year 1999-2000 was estimated to reach Rs.450 crore. Here, it is significant to note that India's experience in e-commerce transactions is compatible with that of US and other countries where percentage share of B2B remained much larger than that of Business-to-Customer (B2C). This implies that businesses are more willing able than individuals to use e-commerce technology.

Evolution and growth of e-commerce:

The evolution of e-commerce is traced back to 1970's with the emergence of internet. E-commerce was developed for the business community in the early 1970s to facilitates processing high volume and high value transactions electronically. Electronic Data Interchange (EDI) was the first business-to-business (B2B) application.

The power of the internet as a global access was realized with the arrival of the World Wide Web (WWW) in 1994. Never in the history of mankind has a popular innovation spread as fast as internet. United States (US) has been considered the leader in the application of e-commerce.

Problems of marketing of small enterprises:

Competition with Modern Sectors:

The market competition of the small enterprises with the modern sector is aggravated due to several factors over the years. Although the traditional hallmarks of the small-scale industries are slowly yet steadily changing, there is an implicit assumption of poor quality for goods manufactured in small enterprises.

Lack of sales promotion:

Act of products through the celebrate sales promotion methods such as cadres of trained salesmen, advertisement in cinema slides, posters, papers, magazines and so on has become increasingly fashionable particularly in the case of medium and large-scale Industries. But small scale industries lack in the required resources as well as knowledge to practice the methods of sales promotion.

Weak in Bargaining Power:

Incase of handicraft units such as copper smithy and carpet weaving units, the price realized is usually better than the sales are made at the place of production itself than when these products are marketed in the fairs. It looks that, very possibly the manufacturers are in a better bargaining position at home.

ADVANTAGES AND DISADVANTAGES:

E-commerce is a win-win situation for the consumer and the product/service provider (Schneider 2007). The various advantages E-commerce offers to them are discussed separately hereunder.

TO CONSUMERS:

The distinct advantages e-commerce can offer to the consumers include but are not confined to the following only:

- Consumers have a much wider choice available on the cyber market.
- They bear lower costs for products due to increased on-line competition among sellers.
- Because of wide-scale information dissemination, consumers can compare products, features, prices and even look up reviews before they select what they want.
- They enjoy wider access to assistance and to advice from experts and peers.

TO SUPPLIERS:

The major advantages that e-commerce can bring to the companies/suppliers are:

✓ **It minimizes inventory cost.**

Ecommerce venture need not maintain huge inventories or expensive retail showrooms. Their marketing and sales force is a fraction of that of traditional mortar-based businesses.

✓ **It can improve customer services.**

It has been found that providing both customer and after-sale services account for up to 10 per cent of the operating costs. By putting these services on-lines under e-commerce, these costs. By putting these services online under e-commerce, these costs get reduces, on the one hand, and simultaneously the quality of services also gets improved, on the other. If company is to stay in business then it will have to deliver the products or services to customers as they want, when they want, and how they want.

✓ **It reduces distribution costs as well.**

The Electronic Data Interchange (EDI) based on Organization for Economic Co-operation and Development (OECD) study has revealed that the time needed to process an order declined abruptly by a minimum of 50 per cent to a maximum of 96 percent. It is really amazing.

✓ **It helps business globalize.**

As stated earlier, e-commerce by minimizing costs enables companies especially small ones to make information on its products and services available to all the potential customers spread over worldwide.

✓ **It helps market products more quickly.**

By taking the entire products design process online, drawing partners and customers into the process and removing the traditional communication barriers, companies can bring products and services to market far more quickly.

DISADVANTAGES:

Some businesses are less suitable for electronic commerce. Such businesses may be involved in the selling of items which are perishable or high-cost, or which require inspection before purchasing.

- Return-on-investment is difficult to calculate.
- Many firms have had trouble recruiting and retaining employees with the technological, design, and business process skills needed to create an effective electronic commerce presence.

- Difficulty of integrating existing database and transaction-processing software designed for traditional commerce into the software that enables electronic commerce.
- Many businesses face cultural and legal obstacles to conducting electronic commerce.

The excellent opportunities e-commerce offers to small enterprises are but not confined to the following only

- ✓ Access new markets
- ✓ Improve customization
- ✓ Lower various kinds of costs
- ✓ Reduce the size of the enterprise
- ✓ Sell products/ goods in to global market

CHALLENGES

- Infrastructural Problems
- Absence of Cyber Laws
- Privacy and security concern
- Payment and Tax Related Issues
- Digital Illiteracy and Consumer psyche
- Virus Problem
- English Specific

SUGGESTION AND CONCLUSION:

- The electronic marketplace presents an extraordinarily challenging environment for entrepreneurs and their organizations. The fast acceleration and availability of technology is shaping a new economy, with different forms of distribution, marketing, selling and arranging work becoming observable. Attributes of this economy include collapsing boundaries between firms, suppliers, customers and competitors.
- Since e-commerce is relatively new, the foundation will support the future market has yet to be solidly defined where much of the thinking and building needed to harness its potential has just begun. Internet firms that emphasize innovation and rapid response to change may be best positioned for recognizing and identifying new opportunities and ideas for their business. Identifying new opportunities can be critical in initiating innovation and change associated with improvements in products/services, technological capabilities, and seeking alternative markets and opportunities.
- Those internet firms which adopt a more conservative and defensive e-business strategy of retaining their market positioning may not fully value innovations associated with incorporating additional marketing strategies or improving business processes. From the review of the principal literature and from cases studies conducted by the authors, the results revealed that e-commerce firms that emphasize a market leadership position and rapidly respond to changes within their environment were

more likely to identify and assess new opportunities and ideas for their business.

- It is suggested that internet firms that emphasize constant change with their strategic orientation may be positioned for success in this new form of entrepreneurship. In conclusion, entrepreneurship and innovation should be regarded as ongoing, every day practices in organizations.

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