

## ELECTRONIC-COMMERCE AND ITS GLOBAL IMPACT

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### ABSTRACT

Electronic commerce (e-commerce) is widely considered the buying and selling of products over the internet, but any transaction that is completed solely through electronic measures can be considered as e-commerce. E-commerce may have large economic effects in the future. Internet commerce will change the face of business forever. Moreover, it has affected the information technology, economic, social, and e-commerce has enhanced the productivity growth worldwide in the 21<sup>st</sup> century. The impact of e-commerce on developing countries for reducing inefficiencies for trading and to increase productivity in terms of economies with competitors internationally. There are many ways to accelerate the growth of productivity by cutting costs, increasing efficiency and reducing time and distance, e-commerce could become an important tool for development and growth in all sectors. Information security framework is specifically applied to the components that affect e-commerce that includes computer security, data security, and other wider realms of the information security framework. E-commerce security has its own particular nuances and is one of the highest visible security components that affect the end user through to obtain e-trade finance and equity investment, tourism and its internet incarnation.

**Keywords:** E-commerce, Advantage, Security issues, Global, Impact, Worldwide, Information technology.

### INTRODUCTION

Electronic commerce (e-commerce) may have large economic effects in the future. Internet commerce will change the economic structure of business forever. Enormous extension of dot-com businesses makes e-commerce as a vital and essential component of business and heart of global economy in the 21<sup>st</sup> century, which its impact is undeniable in almost all organizations and segments [1-3]. The e-commerce has affected the global economy in our country in many different manners and it is expected that e-commerce business [4] will become \$20 million by the year 2018. With increased usage and utilization of smartphones, tablets, and internet, e-commerce has become widely accessible to both urban and rural users.

The retail industries have recorded annual growth of 40-50%; huge investments is expected to flow into logistics sector in future. Many offline brick and mortar companies are slowly moving to online business and those who are not in online commerce business will be forced to come online.

Even to start small businesses which provide personal services such as bakery, daily need commodities, parlour/saloons, and health services - such as medical store, clinics, and polyclinics - such stores can be benefited from e-commerce by providing a website for sale of various article related to health and fitness and daily need requirement of commodities or any other essential products which are normally available can be highlighted for their local customers with advantages and benefits and the services provided by the seller. E-commerce draws on technologies such as mobile commerce (m-commerce), electronic funds transfer, supply chain management, inventory controls, internet marketing, online transaction processing, electronic data interchange (EDI) (Fig. 1), inventory management systems, and automated data collection systems. The buying and selling of products, services by business personals and consumers through an electronic medium, without using any paper documents which saves national economy.

There is a need to clarify the terms being used and explain the context in which they are being applied for the buyer and seller, respectively. E-commerce has an impact on three major stakeholders,

namely, society, organizations, and customers. There are a number of advantages of e-commerce which include cost savings, increased efficiency, customization, and global marketplaces. There are also certain limitations arising from e-commerce which apply to each of the stakeholders. To understand e-commerce, it is important to identify the different terms that are used and to assess their origin and usage. These include information overload, reliability and security issues, and cost of access, social divisions and difficulties in policing the internet.

E-commerce concept has changed a way of doing business in a modern world. It is not just a transaction of funds or electronic payment on the internet but it is an art of doing business. There are several application areas in this category such as banking activities, publishing including electronic distribution, sales portals covering sales, marketing, production, management, and distribution, and *viz.*, like collection of data, surveying the market for new product and predicting its potential sales, determination of various market strategies for future business, etc. One impact of e-commerce is to intensify competition and producing benefits to consumers is to avail the goods at lowest possible price with a wide range of product choices [5]. Online shopping or online retailing is a form of e-commerce which allows consumers to directly buy goods or services from a seller over the internet using a web browser. The online retail market is increasing at the rate of 3% of the complete commerce industry.

### WHAT IS E-COMMERCE?

According to IBM, which has defined this concept of e-commerce in 1997, "e-business can be the key in transforming business processes using internet technologies." Modern e-commerce typically uses the World Wide Web for at least one part of the transaction life cycle, although it may also use other technologies such as e-mail. In the simplest case, it can be defined as doing business transactions in an electronic format.

Alternative names for e-commerce are e-shop, e-store, internet shop, web shop, web store, online store, and virtual store. The number of organizational models such as e-commerce virtual store (e-shops, e-mails), e-procuring (or the electronic supply, e-commerce activity

encountered at all levels), e-auctioning (online auctions sites like eBay, for example), virtual communities of users and consumers with common interests (e.g., Geocities), collaboration platforms (the creation of instruments, especially software to implement and maintain electronic communication channels between companies), e-brokerage, third party marketplaces, and supply services (value chain service providers: e-payments or e-logistics).

Apart from several benefits and advantages for both buyer and seller, the major problem occurs in e-commerce is its privacy and safe transaction of money, the privacy has become a major concern for consumers while using any of the means of e-commerce with the rise of identity theft and impersonation, and any concern for consumers must be treated as a major concern for e-commerce providers.

E-commerce is totally based on data processing which includes text, sound, and image (audio, video or both). E-commerce as it is commonly known is the use of technology to conduct financial transactions online with safety parameters which are now secured, reliable and faster [6]. The business includes various activities such as the electronic exchange of goods and services, instant delivery of digital content, business plans, collaborative design and engineering, electronic stock exchange, government procurement, direct marketing, and services after the sales. E-commerce is not simply buying and selling of goods [7] and services, or the transmitting of funds or data, over an electronic network, primarily the internet [8,9] but it is beyond that which changes the entire scenario of today's business style in each and every aspect.

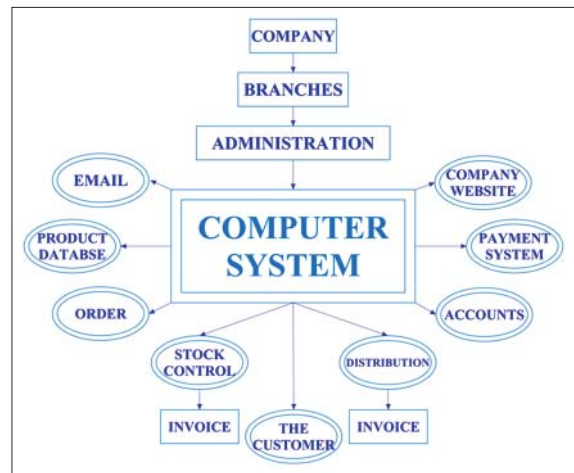
**WEBSITES AND E-COMMERCE**

Websites are effective in acts of business corporations for active promotion. Websites are gateways and pillars to establish business brands, products, and services of manufacturers. A company that does not care about its websites ultimately will be bankruptcy in business. The websites that are not adapted are like an old and faded showcase in a traditional business [10]. Therefore, companies should have a strong background and exact planning to update their website regularly to enhance their business strategy. For many users, the site of search (search engine) is the entry point to the usages of internet as well as a gateway for entering the world of e-commerce. For many changes in the world around us, each organization or agency should coordinate itself with the changes and enhance its work efficiency. Internet especially websites can be a suitable means to achieve this goal. For instance, web can use up to extend markets by facilitating the presentation and repartition of existing products into new business centers. The web can also be a workmanship that facilitates products development, for their existing customers which will create exciting, new or alternative offering for them.

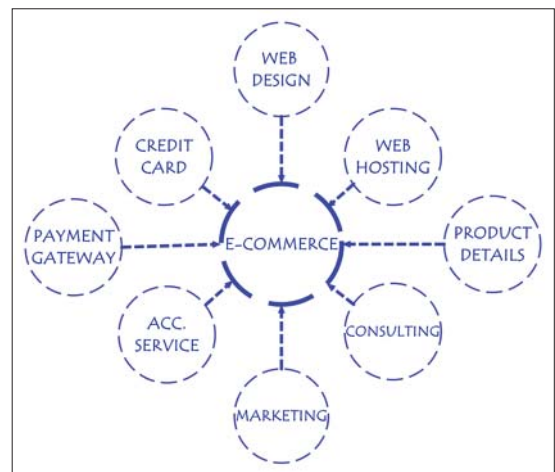
**NEEDS OF E-COMMERCE FOR COMMUNITY**

Today, in every aspect of our daily life internet has become an undivided part of our life as it has a versatile impact in our social activities. Every day going to bank for cash transactions or withdrawing money or going to market for purchasing the things and essential commodities are now become quite difficult as there is no time, human has become too busy in their work, and hence, under these circumstances online shopping have become an increasingly integral part of our society, exceeding \$200 billion in sales in 2010 alone. The internet economy is booming e-commerce sales are expanding by leaps and bounds at a rate of 20% and 25% growth each year, indicating a momentous shift in customer spending habit of human beings [11].

Shoppers/buyers are tuning to the internet rather than to phone directories or yellow pages for convenience product reviews and getting up to date information for their search and requirement (Fig. 2). A business owner simply cannot rely on an advertisement in phone book, in fact, customers are 15 times more likely to search on the internet than they are to flip through a phone book to call a company. Every business is different in it aspect, even each business differs in



**Fig. 1: Electronic data interchange**



**Fig. 2: Need of electronic commerce**

style, promotion, and volume but the requirement of power is same for all but today; it is important that living in the world of internet one must be updated himself regarding the business transaction, if you want to stay competitive with others. In the long run the net operating cost of a website becomes insignificant compared to the return on the investment that the advertisement delivers [9].

**E-COMMERCE TYPES [12]**

Major types of e-commerce can be categorized:

- Business to business (B2B)
- Business to customer (B2C)
- Customer to business (C2B)
- Customer to customer (C2C)
- Peer to peer (P2P)
- Business to government/government to business (B2G/G2B)
- Government to government
- Government to employee.

**B2B**

B2B is commerce between two businesses rather than business and consumer and it often deals with hundreds or even thousands of other businesses, either as customers or suppliers. Carrying out these transactions electronically provides vast competitive advantages over traditional methods. When implemented properly, e-commerce is often faster, cheaper, and more convenient than the traditional methods of bartering goods and services. It may be in between a manufacturer and wholesaler or between a wholesaler and retailer. Pricing is based on the quantity of order or the volume of order and is often negotiable [10].

**B2C**

Business or transactions conducted directly between a company and consumers who are the end-users of the products or services. It makes interaction between a manufacturer and the customer who utilizes the product and provides the feedback of the product or services utilized by him/her. B2C as a business model differs significantly from the B2B model, which refers to commerce between two or more businesses [13].

**C2B**

C2B refers to e-commerce activities, which uses reverse pricing models where the customer determines the prices of the product or services by giving the feedback regarding the product or services rendered. There is increased emphasis on customer empowerment [14] as customer has lots of choices in the market.

**C2C**

C2C refers to e-commerce activities, which uses an auction-style model. This model consists of person-to-person a transaction that completely excludes businesses from the equation. In C2C markets, the business facilitates an environment where customers can sell these goods and or services to each other [15].

**P2P**

E-commerce enables internet users to share files and computer resources directly without having gone through a central web server. No intermediary is required in P2P.

**B2G/G2B**

B2G/G2B represent the ways in which commercial transactions take place between companies and public sector. In the first case, companies carry out activities for the benefit of the public sector (procurement contracts, auctions, etc.) while through G2B the public institutions are mainly informing the private sector about the legal framework or cooperation opportunities with them.

**ADVANTAGES AND DISADVANTAGES OF E-COMMERCE****Advantages**

For consumers:

- Provide detail of virtual storefront on websites with online catalogs
- Reduced prices due to competitions (coupons and deals)
- 24 hrs access and convenience
- Global marketplace for buy or sale of the product
- Provide secure business transactions
- Easier to compare prices with other premium brands
- No standing in queue or being placed on hold evermore
- Lots of choices and range (options and options)
- Returning goods if of inferior quality
- Time-saving and easy to find reviews.

For businesses:

- Increased potential market share by increasing customer base
- Use EDI, the B2B exchange of data
- Low barriers to entries
- Provide secure business and instant transactions
- Engage in retail for launching new products and services
- 24/7, 365 days sale (buyer and seller)
- Expand business reach
- Superior inventory management
- Reduced employee costs
- Rise in sale.

**Disadvantages**

For consumers:

- Unable to examine products personally
- Online purchasing privacy and security
- Credit card fraud
- Delay in receiving goods
- Inability to identify scams
- Guarantee/warranty

- Quality
- Hidden cost
- Lack of personal interaction
- Fraud website.

For businesses:

- Hardware and software updating regularly
- Maintenance of website at a periodic interval of time
- Extra expense and expertise for e-commerce infrastructure
- Website stickiness
- Training and maintenance
- Customer loyalty
- Needs for expanded reverse logistics
- Security and credit card issues
- Fraud orders
- Sufficient internet services.

**SOME OF THE BENEFITS OF E-COMMERCE ARE AS FOLLOWS [16]****24 hrs access**

Companies can sell their product at any time, night or day (round the clock), 365 days a year even though if there is snowing and roads are closed or it is too hot or too cold companies can sell their product. Even while we are resting, our users can visit our website, search our goods, services, and determine their orders. The doors are never closed and the profit will keep rising.

**Reduced prices**

If we buy from online store, we spend low operational cost; we have better quality of service, and hence extra cost spent can we saved unnecessary costs. For example, if our goods or services downloadable, we will have transport costs completely cancel. With every online business more and more coupons and deal cannot be avoided which are totally great for customers.

**Global marketplace**

Every customer round the globe can found the business site, product, and information without leaving the home. In e-commerce, we do not need to visit the company physically. Physical company setups are not the criteria to deal with. We can buy from our house comfortable; users can easily choose goods from various procedures without moving around physically.

**Easier to compare prices**

Everyone can easily compare prices of goods of various companies and manufactures with respect to quality and quantity or the services provided with the prices as prices are easily comparable. When products are placed online, they come with all the specifications, and they want you to compare them with others, know they have the best options and come back for more.

**Returning goods**

Returning goods online can be an area of difficulty. The uncertainties surrounding the initial payment and delivery of goods can be exacerbated in this process. Will the goods get back to their source? Who pays for the return postage? Will the refund be paid? Will I be left with nothing? How long will it take? Contrast this with the offline experience of returning goods to a shop. It is important to view the return policy before buying. Always make sure returning goods is an option.

**SOME OF THE DISADVANTAGES OF E-COMMERCE ARE AS FOLLOWS****Online purchasing security and credit card issues**

Security pursues to be a main problem in e-commerce. Everyone good or bad can easily open a website, and there are many bad sites with their aim to cybercrime user's money. Before making instant transactions online, be sure to check the sites certificates of security. While it may be easy and convenient to shop, no one wants their personal information to be stolen.

**Guarantee**

There is no guarantee for product quality. Our orders might be damaged in the post during transaction period or things may look different online to what you actually receive, for example, slightly different colors and feel of clothes or the freshness of vegetables and fruits. While e-commerce makes everything easily accessible, a consumer cannot actually touch products until they are delivered to the door.

**Inability to identify scams**

Consumers are often taken in by fly-by-night e-commerce websites that look good but are up to no good. Scam artists often accept orders and then disappear.

**Unable to examine products personally**

There are many products that consumers want to touch, feel, hear, taste, and smell before they buy. E-commerce takes away that luxury.

**M-COMMERCE**

The use of wireless digital devices to enable transactions on the web is known as M-commerce. Many types of transaction can be conducted by mobile users and consumers, including stock trade, in store price comparisons, banking, travel reservations and many more. These transactions processes through electronic store searches and electronic point-of-sale capabilities, which enabled by computer-mediated networks. Dashes-top mobile devices, personal digital assistants (PDAs) or smartphones are examples of other mobile devices. To promote the advancement of e-commerce and m-commerce such that users can shop online from their phones, make online vendors collaborate with prominent names in the telecommunications industry. Most of these advances are accomplished through sophisticated application designs that are constantly evolving [17]. Younger generation uses smartphone more than any other age group people hence companies has adopted policy which has made easier to use and view their site easily on small screen of mobile phone. Nowadays, the m-commerce component (PDAs, smart-phones, etc.) is advancing step by step, alongside with the classic instruments of the internet commerce.

The main services are supervised by m-banking, m-ticketing, m-brokerage, sales of audio video content and last but not least, the acquiring of daily information (news, sports, weather, traffic, etc.).

**MAJOR SEARCH ENGINES IN THE MARKET**

By distinct search engines, portals, and websites who have alliances and who solicit bids for paid placements from a single source are treated as one search engine. For instance, by successfully bidding for a paid link with overture exposes a seller to traffic from several websites including MSN, Yahoo!, AltaVista, Info Space, AlltheWeb, and NetZero. There are various other search engines by content/topic based like Baidu, Bing, Blekko, Google, Sogou, Soso.com, Volunia, WireDoo, Yahoo!, Yandex, Yebol, Myntra, Snapdeal, Flipkart, Lenscart, Shopclue, Bigbasket, Amazon, Paytm, E-bay, Freecharge, and Yodao. Among PPC providers, Google AdWords, Yahoo! Search Marketing, and Microsoft adCenter are the three largest network operators and all three operate under a bid-based model.

**IMPACT OF E-COMMERCE**

E-commerce and online shopping in India are getting a remarkable and noticeable growth as more and more usage of internet facilities, high educational standards, changing lifestyle, and economical growth of the country reasons in the demand of e-commerce techniques and tools. Versatile shopping experience and rapid development of transaction facilities are further boosting opportunities for the remaining market segments. The biggest advantage of e-commerce is the ability to provide secure shopping transactions via the internet and coupled with almost instant verification and validation of credit card transactions [18]. This significant impact has resulted in more numbers of customers to explore various fields of e-commerce for their benefits. There is also

a significant national diversity in e-commerce adoption, particularly in downstream marketing and sales. India is gradually becoming the country with the highest number of internet literate population in the world, and the internet penetration is largely driven by mobile phones, with some of the cheapest and most basic handsets currently offering access to the internet. E-commerce has the effect of increase of market transparency at the macro level and at micro level a higher productivity. Digital solutions that replaced traditional applications offer many opportunities to businesses and individual consumers. Services are targeted to customers, products are traded faster and the number of errors is reduced. So far, in addition to the terms offered on the stock market, e-commerce makes the closest market to the model of perfect competition.

**GLOBAL TRENDS**

Globalization and the new digital economy jointly are having a major crash on the global economy. National markets, including in mounting countries, have been exaggerated by changes in the global economic environment, and further such changes will carry on affecting enterprises and citizens during the world. The impact of e-commerce for increasing countries is at present mainly in the international trade sector. Studies designate that over the past few years the import and export [19] industries have grown up considerably, so the impact of e-commerce have also been grown up. E-commerce will also have an important impact on the services sector as not only is this it is the greatest growing sector today but it is also the sector with the maximum impending for offering digitized service and transactions. In number of countries, it is of particular significance as the greater parts of their workers are employed in the services sector [19].

Global e-commerce sales crossed \$1 trillion for the first time in 2012 and it was projected that in year 2013 growth in online sales will be around 18.3%, or \$1.3 trillion in worldwide annual revenue 1. The regional market share of global e-commerce will also continue to change dramatically in the coming years; the e-commerce market is projected to grow at a rate of 33.0% and the compound annual growth rate from 2010 to 2015.

E-commerce has significantly outpaced brick-and-mortar retail growth and global markets are now easier to reach. While logistical access to customers abroad is made easier by web technology, revenue growth prospects are significantly diminished by failing to cater to the local languages of the target country or region.

**SOCIETAL IMPACT AND GROWTH OF E-COMMERCE IN INDIA**

The impact of e-commerce and its business effect in society varied for different models. Social impacts of e-commerce can be measured through satisfaction and trust generation through following factors:

**Increased usage of internet**

The demographic segment that had witnessed maximum growth comprises college going students and youngsters. This segment is the major users of advance application and online technologies. According to a survey made by the Internet and Mobile Association of India, the internet user base in the country stood at 190 million at the end of June 2013. With more and more people accessing the web through mobile phones, the internet user base in the country was projected to touch 243 million by June 2014, a year-on-year growth of 28%. The growth of internet users has also led to a substantial growth of other digital industries such as e-commerce, m-commerce, and digital advertising (Fig. 3) [20].

**Rising educational level in computer**

The Government of India has put new horizontal efforts in the educational system by implementing the tools and techniques of computer studies essential at all level of education starting from the primary education to post graduation. The students of urban areas and rural areas have been made aware by providing the personal computer,

laptops, tablets, or palmtop with the use of internet and its advantages in improving the lifestyle and by providing e-library and e-books. The business persons are also being attracted toward the advance computer technologies and its utility for e-commerce. The development of educational standards at all levels has enabled a great demand of e-commerce and m-commerce in the market.

### Changes in online shopping habits

The online process of shopping is constantly being worked on to make it easier and to understand and use. As online offers give some attractive discount and prices. This convinced coupled with better bargains have brought changes in the online shopping habit of buyers. The main advantage of online or e-shopping is that in no time one can able to know the features of the item which he wants to purchase and he can also compare the quality and its features with another competitive brand available in the market along with the feedback result of other users.

### Busy lifestyle

The powerful influence of various social media tools. Facebook, Quicker, Snapdeal, Amazon, Pinterest, and Instagram allows consumers to organize their favorite items and segment of collections to share it with others worldwide. Thus, society and the groups of people or communities may be linked together for sharing their views and ideas. This fuels personal expression in shopping and makes others reflect on their purchase decision.

### Increase in online payment

Securities of online transactions have been a major barrier to the growth of e-commerce. However, with secure payment transactions being provided by the website to internet users are fast overcoming apprehensions. Security features have four categories: Authentication/verification, authorization, encryption, auditing, and integrity. Nowadays 65-90% of users are selecting paying mode through debit or credit cards or by e-banking.

### Rising middle class with disposable income

With the rise of small and medium enterprises, foreign direct investment, and India's own powerful multinational corporations creating millions of new jobs, a new generation of globally-minded Indian consumers has been created. With growing job opportunities, the income sources have also increased. Because of high spending power, customers are willingly able to pay for the products online.

### Awareness of products

People are aware of the availability of various products in the markets through the help of television, newspaper, website, etc. Hence, the availability of a new product and its price and other features can be known easily [22]. In this system, buyers and sellers knew each other and there was mutual dependence on each other for survival during this period. The essence of barter system can be summarized as follows:

- Buyers and sellers knew each other
- They operated on mutual coexistence principles
- There was no dominance relationship
- There was a high level of loyalty among the sellers and buyers.

### Easy to find the review of products

It is quite easy to find the review of products by the help of online shopping. E-commerce has made it simpler to get information regarding the product and the customers can purchase the products after getting reviews and feedback of the product information from another customer who are using it [23].

### PROSPERITY OF E-COMMERCE IN INDIA

According to the survey by Industrial body Assocham (The Associated Chambers of Commerce and Industry of India), India's e-commerce market, which stood at \$2.5 billion in 2009, reached \$8.5 billion in 2012, and rose 88% to touch \$16 billion in 2013 [20]. The survey

also estimated that the country's e-commerce market will soon reach \$56 billion by 2023 with the rise of online retail (Fig. 4). E-commerce expands the marketplace to national and international markets. With minimal capital outlay, a company can easily and quickly locate more customers, the best suppliers, and the most suitable business partners worldwide.

India's e-commerce growth, on the other hand, has been slower although the country's potential remains solid considering its surging economy, the rapid growth of internet penetration, English language proficiency, and a vast market of 1.2 billion consumers although perhaps only 50 million access the internet through PCs and some estimate the most active group of e-commerce customers numbers only 2-3 million. E-commerce traffic grew about 50% from 2011 to 2012, from 26.1 million to 37.5 million, according to a report released by Com Score. Still much of the estimated 14 billion dollars in 2012 e-commerce was generated from travel sites.

### KEY POINTS FOR EFFECTIVE ONLINE SHOPPING

#### It must be secure

Every customer wishes for safe and secure transactions during purchasing goods online. If the website is secure, customers will tend to purchase more from it. Secure sockets layer (SSL) is a standard security technology for establishing an encrypted link between the web server and a browser. E-commerce websites with the SSL certificate are able to prevent and protect the users' information when customers access their websites [23].

#### There must be easy and understandable content

The website for online shopping should be in understandable language. The language should be kept simple while making the website, and if possible the translation of the content must be given on the website in simple and if possible in regional languages.

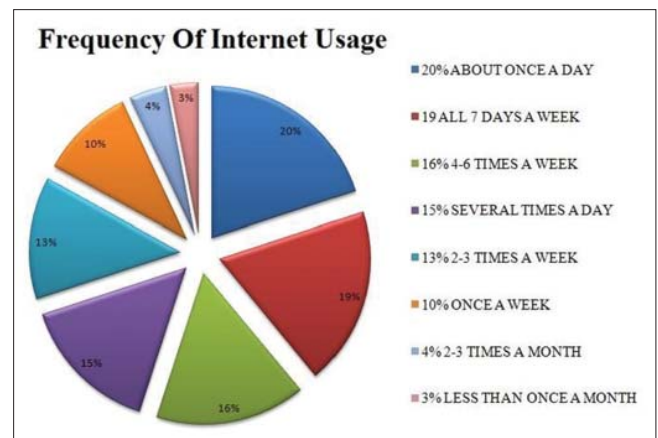


Fig. 3: Frequency of internet usage in India [21]

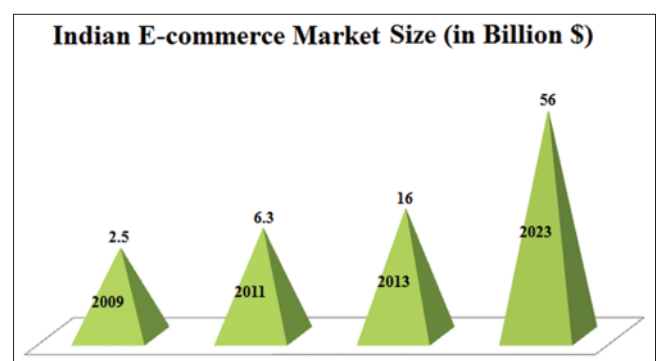


Fig. 4: Electronic commerce market growth in India [24]

### Effectiveness and cost-efficiency should be of concern

Internet marketing is one of the most effective and cost-efficient methods of advertisement. It is effective because it creates a better chance to see the impact of internet marketing on your online business almost immediately. It is cost-efficient because the costs associated with starting a website and then using marketing articles or social media to establish an online presence is minimal when compared to the costs of traditional forms of advertising.

### Choose a reliable hosting provider

Do analyze and opt for the most reliable and cost-effective choice of servers for your business. The most important things are to measure while selecting and choosing a hosting provider that is tried and tested, guaranteed uptime, response times of the servers, security and the level of support, and customer care provided.

### Prompt delivery and quick quality services

The processing of delivery and quick quality services of the product is an important feature to make the online shopping websites better than others. It must be quick in regards of home delivery services and payment, etc.

### Improve business credibility through online branding

Internet marketing campaign will help to enhance the business product awareness and brand loyalty. Maintaining an online presence via internet marketing is a great way to cope up with the time and provide consumers with all of the opportunities they need 24 hrs a day. As consumers browse the web, they may come across your business name or logo and become interested in what your business is offering to them.

E-commerce is recognized for its ability to allow business to communicate and to form transaction anytime and anyplace. Whether an individual is in the US or overseas, business can be conducted through the internet. The power of e-commerce allows geophysical barriers to disappear, making all consumers and businesses on earth potential customers and suppliers.

### Limitations [25]

There are some barriers for e-commerce setup, which includes:

- Lack of knowledge and necessary information for use of e-commerce and internet network
- Protection of consumer rights in e-commerce
- Lack of legal infrastructures in e-commerce such documents that are not acceptable and electronic signature
- Poor telecom and infrastructure for reliable connectivity, as internet connectivity is still slow, access cost is high and connections are unreliable
- Low security of electronic funds transfers in some countries
- Multiple issues of trust: There are certain cases where online buyer has not received the goods matching up to their expectations and quality. Sometime the goods are faulty or the sizes are not proper as order or goods look differ from what they perceived
- Lower speed and limitations on the use of internet
- Lack of information intermediary institutions and manufacturing companies of the benefits of internet business
- The security and confidentiality of information exchanged
- Fake or fraud websites.

### CONCLUSION

Commerce over the internet is very much in this early stage. In the digital economy generation, e-commerce is a necessary and integral part of businesses today. It may seem complicated, confusing and intimidating to implement but it is closely tied to the success of organizations in today's marketplace. The rapid growth of e-commerce is challenged by legal hassles, logistics. Considering its undeniable advantages such as more customer, wider target market, easier communications and effective marketing, electronic business has some serious disadvantages like information, money security or legal problems it is believed that

this concern regarding security will be lessened owing to a series of international developments.

Other issues regarding the growth of the internet are the lack of a public key infrastructure (particularly for international trade), governmental stance, access, reliability (service levels), integrated applications, and understanding/awareness of the internet based e-commerce capabilities, and finally the relative cost of required technologies.

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