



# An Exploratory Framework on the Applications of E-Commerce

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**Abstract**— Today E-commerce have become a part of our everyday life. It is no longer a technology that only technically advanced and wealthy people use. Electronic commerce predominantly comprises of the marketing, buying, advertising, selling distribution as well as the examining of products by means of internet. E-commerce has given a free rein to another revolution in Kerala that changed the commercial way of business. The companies like Amazon and eBay actually began using E-commerce and now it plays a major role in Indian economy. This paper talks about the recent trends in the business in the state of Kerala that employs e-commerce and its impact on Indian economy by exploring the benefits and limitations of e-commerce. The benefits in general are wider reach, savings in time, low cost, all time accessibility, well synchronisation and large assortment. However, there are certain limitations, one among many being trust, financial security, human less transaction and delivery.

**Keywords**— E-Commerce, Indian Economy, E-Commerce Trend in Kerala, Internet Regulation, Traditional Commerce.

## I. INTRODUCTION

For the past two decades, India has been emerging as one of the countries that embraces the use of technologies like e-commerce. This is because, both the internet and e-commerce have become a part of our routine life. With amplified use of internet, tablets and smart phones, ecommerce has developed by providing a broad accessibility to both rural and urban users. Companies from overseas are capitalising large amounts of money into Indian companies. Global companies are captivated by Indian markets and trades. The escalation in technology offers better opportunities to the merchant and trader to influence the purchaser in much economic, faster and in easier way.

The birth of the Internet era unlocked incredible opportunities and the e-commerce has arisen to an impeccable amalgamation of marketing expertise and technology acumen. India has conjoined the bandwagon and the statistics themselves discourses talking. The up-to-date statistics disclose that our country has been testified to have nearly 70 million Internet users, the count increasing exponentially by each minute. Nevertheless, markets encompass complicated collaborations and interfaces concerning a range of over-all

economic, community trends and commercial factors. Besides the real possibility in the growth in e-commerce cannot be appraised without contemplation of certain factors.

These days, the internet has its inseparable clutch on retail market. Billions of people are shopping online worldwide. Then again, buying the manufactured goods from traditional marketplace is on-going for many years. Several customers opt for purchasing products offline, to scrutinise the product and embrace the ownership of the product after the paying for the product that is purchased. In this modern world, purchaser's loyalty hinges upon the constant capacity in delivering satisfaction, value and quality. Few people make use of offline shopping, while some go for online, a lot of people use both the kinds.

The simple justification to a boom like this relies in the fact that e-commerce and marketing has appeared as a benefit to both the consumers as well as sellers. It has harvested attention from customers because of the shopping convenience. The need to visit stores physically has, in many circumstances, been reduced. As a substitute, one can sit at home and order, simply browsing through a host of products, conveniently relating the prices and availing the best deal. It is about saving on energy, time, and money and getting what we desire. On the other side, it has prospered in pleasing the merchants and traders by providing a quicker buying, ensuing in saving more time. Nowadays, products are made available and accessible for purchase and sold all the time. This also offers a broader scope and range, disregarding all hypothetical and conjectural geographical and physical limitations in getting the customers. Retailers have given away outstanding fervour and interest for this scheme as their necessity to incessantly augment and retain customer anticipations and needs is pertinently outfitted to.

E-commerce is any business transaction done over a computer network that comprises of the transmission of rights to use goods. The main players in this are trade service suppliers, e-merchants, vendors and end users.

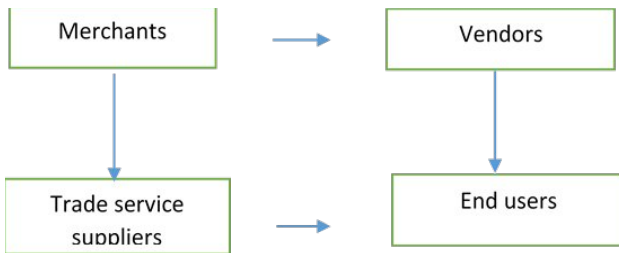


Fig.1.Essential Players of E-Commerce

The chief drivers of e-commerce can be categorised into political, technological, economic and social factors. This division explains the various types like Business to Consumer (B2C), Consumer to Business (C2B), Consumer to Consumer (C2C) and Business to Business (B2B), and observes the techniques and involvement in government in its growth. The zones in which government plays a major role are:

- Online transactions,
- Telecommunication,
- Attaining the resources by government and,
- Subcontracting of non-core functions of the government.

This also makes a comprehensive examination of the influence on the society by e-commerce. E-commerce Marketing has advanced in an evolutionary fashion. The public travels from one stage of commercial growth to another, the theory of e-commerce marketing has endured radical change. The principal objective of commerce and trade has altered intensely in the past few years. Previously, the foremost objective of commerce was to increase the profit, though it is not like that now. The main goal of modern e-commerce is to satiate the customer/shopper by meeting their wants and need. Thus modern e-commerce and marketing strategies have now turned into customer oriented. As a result every firm has to discover, what the customers want, at what time and at what price with the quantity. This study focusses on the application of e-commerce on building a new business and also discussing about the present condition of e-commerce in and around Kerala with the limitations.

Regardless of the potential of all these, some bigger states produce only 1% virtual sales, either because of the restrictions in laws, poor network connectivity, poor e-commerce management and growth :

- Bihar
- Kerala
- Orissa
- Assam
- Madhya Pradesh

Though, India is said to be fastening its operations and processes to counterpart the necessities of e-commerce, problems related to regulation of laws and restrictions in e-

commerce has been solved in many regions, especially in Kerala.

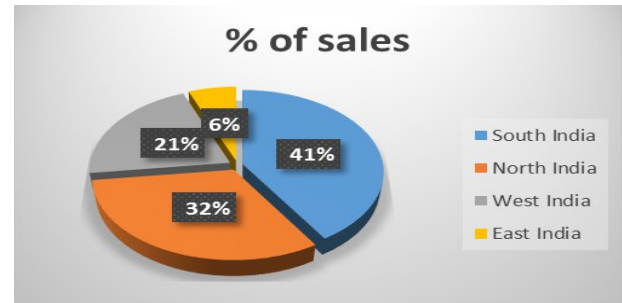


Fig.2. Contribution to overall e-commerce sales

## II. NEED OF E-COMMERCE BOOM IN INDIA

The new customers and consumers (customer base) nearly 50% come from the tier 1 and 2 of Indian towns. In the present day, India is proudly one amongst the countries where online shopping blooming. This will keep continuing to do so. It shows that e-commerce has a good future prospects. The need for e-commerce in India is due to the following reasons.

- The secluded and faraway regions that are inaccessible to internet facilities will soon have the accessibility.
- This over extension of internet to rural areas could bring increased amount of smartphone and mobile users.
- The internet is used to do commerce and trade related transactions
- This will improve the progress in smartphone sales and consequently, e-commerce reaches its potential.
- Greater economic efficiency through increased revenue.
- Online shopping would truly augment the growth in the shopping scale of the people. All paragraphs must be indented. All paragraphs must be justified, i.e. both left-justified and right-justified.

## III. REVIEW OF LITERATURE

### Evolution of E-commerce

According to Barrett (1997), more younger the consumers are, the more at ease they are in exploiting non branch service transfer systems, on the other hand, the older customers are more devoted to the old-fashioned branch system.

Moutinho et.al. (1997) recommended that divergent to all the expectations that the branch-based network distribution would turn into an antediluvian in a computerized social order, the office branch that provides full-service office has lasted. Examinations of demographic relates of expertise acceptance have created contradictory results with reverence to momentous relationships to approval. These changes may relate to the arrays of variables comprised in the analysis.



Rohet Sareen & Gupta M. P. (2001) reflect numerous concerns and issues of customers concerning e-payments in India. Conferring to his study, an extensive market for 'e-money' goods is estimated because of numerous reasons like the cost effectiveness, the net boom, and the occasion for better security and convenience. Nevertheless these profits cannot be completely comprehended short of widespread consumer e-money acceptance, and for that the buyers ought to have confidence in the new goods and products, realise the risks and benefits of the products, and have faith that their issues with the products have been deliberated and spoken.

Scenario of the Indian commerce and trade enhancing

Harmandeep singh and Ruchi Treham (2003) jagged out that Indian market is an enormous market with quite a lot of probability in it. Approximately 70 per cent of the people live in urban areas. Indian markets have rural and urban characters. Both the markets significantly differ from one another while considering general and product specific factors and making their purchase decisions.

Tendulkar et al., (2006). Their book offers a set of Indian industrialisation papers in the milieu of enhancing the market and liberalisation of trade reforms that seem to be proceeding. It arises with mapping out swings in the industrial policy of India, since freedom. These papers provided in five units throws a pitch on the numerous surfaces of the significant transformation of the Indian economy with significance to industrial development

Niharika Satinder (2015), in their journal "A study on internet marketing in India: Challenges and Opportunities" says that online advertising progresses by producing better opportunity to derive data and statistics concerning the customers as associated to the conventional approaches of marketing. In the following years, e-commerce will reinforce in making the shopping ways of the public more effective.

Rajasulochana N (2008) the proposal included that Tamil Nadu must learn target marketing from Goa and Kerala. Invention is obligatory for destination marketing and the state should be familiar with the importance of packaging, branding, promoting and placing of products.

Ajimon George (2013) steered the study amongst the IB users in Kerala to comprehend their acuties and opinions on different features of IB. It was exposed that IB users are content about the features of IB facilities and their approval on several quality dimensions. However the users have to deal with certain problems, the magnitude is known to be less. Nonetheless the existence of the problems have adverse effects on consumer satisfaction.

Banerjee et al (2010) exposed that e-commerce is expressively associated with income of the family and internet usage regularity. Internet users with great periodic revenue are more likely to involve in this. Therefore numerous demographic variables like income, age and gender have

initial constructive influence on e-commerce behaviour of individuals. Gender also shows significant role in it. Women have interest more than men in using the internet. All title and author details must be in single-column format and must be centred.

#### IV. OBJECTIVES

The objectives of the study may be stated as follows.

1. To discuss the benefits of ecommerce from the perceptions of Indian customers.
2. To deliberate the main confinements of ecommerce in Kerala and to investigate the major attributes influencing the implementation of online shopping.

#### V. METHODOLOGY

A research design provides a framework for the collection and analysis of data. It is a blue print according to which the research is being conducted and that specifies the method of study and formulate the research problem. With ample amount of articles, literature and several studies showed e-commerce, that it certainly has become the new mantra in the marketing world. In validation to the above-mentioned statement, it is said that there is basically no shortage of e-tailing portals.

This study implicates the conceptual idea based on the facts from secondary data. Many reports have been composed together from a range of sources like various publications, newspapers, journals, magazines, and websites. Qualitative Analysis of numerous these literatures has been done using the techniques of statistical reference and analysis of the content.

When there is no positive effect, there is no meaning in either commercial or non-commercial activity. The profits could come directly or even indirect. The extent of any benefit may be countless or even smaller nevertheless the impact and impression should be pleasant and positive. It should not encroach upon the fundamental social beliefs and norms. Some of e-commerce benefits for the Indian society are as follows below.

- 1) It provides many merchandise, goods and services to be retailed at much lower prices, in that way enhancing the purchasing power of people by augmenting their living standard and changes the life style.
- 2) Achievement of better commercial and financial efficiency and more rapid global exchange with the help of e-commerce
- 3) It empowers people to handle and purchase products from home without much traveling, this subsequent reduction road traffic and more environmentally friendly.
- 4) Electronic Commerce has the Possibility in increasing revenue by generating first-hand markets for old products, making well-established facility provision, delivery of service information-based products, and establishing new service delivery.
- 5) It allows Indian people, especially the rural areas to relish products, brands and amenities etc. or else unavailable.

6) It enables distribution of public services like government privileges rapider and thus reducing the fraudulent. Consequently increasing the quality, speed and legitimacy of community services, health care, police work and education.

The up-and-coming of e-commerce in Kerala offers an evolving vision for both the state as well as the country. Online. The e-commerce trend the state keeps mounting that now has impacts on the consumer behaviour, contribution of websites for selling branded products and the availability of such products even in remote areas.

Kerala is expected to benefit in the same way from the Virtuous disc of Internet flow formed by globalization and several revolutions in technological development of India. Forces that influences the spreading of e-commerce in Kerala and it includes political factors, economic factors, and cultural factors. Economic factors mostly has an effect on perceived advantage of using Internets while cultural and political factors impacts the e-commerce compatibility with a society. There are certain other influencing factors like the quality, the price and accessibility products, and mainly in rural areas. Furthermore government of Kerala are impelling laws, guidelines, policies and regulations, making the state more compatible with e-commerce and trade. The effects of these

TABLE I  
FACTORS ON ADOPTION OF E-COMMERCE.

Stage	Fiscal Factor	Social Factor	Legal Factor	Other factor
Internet adoption	Per capita GDP	Literacy rate and computer skill and good knowledge of English	The internet's democratic nature unequal with demanding political structures	Introduction of the internet in many rural areas and increasing the competition in telecom sectors.
	Pricing edifice	Viewed as a tool of cultural imperialism in some areas	Tariff and non-tariff barriers to the products	Reducing the price of goods and services when purchased online.
Buying/selling online	Presence of credit card system in rural areas	Intellectual property protection	Redress mechanism in case of problems in online transactions	model laws for e-commerce
Ads and searching phase	Operating speed of computer	Influence of language	Ban on some website in	Products can be advertised

	and modern size	and symbols used on site visited and purchase decision	authoritarian regimes	and searched globally.
Payment phase	Penetration rate of credit cards.	Forms of payment: check, wire transfer, cash on delivery etc.,	Governments' concern on the outflow of foreign currency	smart card systems
Delivery phase	Delivery means and infrastructure facilities	Products stolen some countries	Tariff and non-tariff barriers	Electronic delivery free of custom duties.

**V. FINDINGS**

Marketers and traders in Kerala are still in the initial stages of altering to the unmatched complexity of India since it has so many traditional off lines customers than the online customers. It is identified that Kerala has a potential to offer vast source of revenue to India when the laws and policies are improvised and regulated. The study has revealed that overpowering spatial barriers through the means of e-commerce and trades pull down the price level. E-commerce courses and programs in Kerala are likely to develop more and therefore, the content, the structure and the delivery of e-commerce are surfacing and it has to be tailored well for all governmental and non-governmental discipline. The outcomes from this paper showed the contention that e-commerce can be less risky when properly used. Thus, e-commerce providers should sensibly measure and evaluate their categories to dispose accordingly.

Confinements that hinders the growth of E-Commerce in Kerala

1) Even for the state like Kerala that has highest literary rate, e-commerce calls for well-advanced and progressive knowledge with higher level of technical skills to know the mechanism and to function cost-effectively. Since, the e-commerce business has virtual existence that coordinates and channelizes the issue of goods and services, it needs incessant monitoring as well as human intermediation now and then.

2) Inadequate infrastructure reduces the penetration of e-commerce to bottommost zone of the society since the infrastructural facilities of Kerala is not up to the level even though the literacy rates and internet usage keeps increasing but concentrated only in few cities.





3) Deficient bandwidth, unreliable supply of power supply are the main concerns and hinders for ecommerce to prosper in a state like Kerala.

4) Hitches in incorporating the applications of Ecommerce with some existing databases. It also requires for distinct web servers along with other network servers. Likewise, availability of hardware and software is also inadequate in certain places.

5) Swelling threats from hackers. Increasing virus attacks, privacy concerns, identity thefts and threats from hackers are also the reasons for the slow growth of e-commerce in Kerala.

#### VI. CONCLUSION

Growing mobile and internet diffusion, mounting adequacy of online shopping and constructive demographics has given the e-commerce sector in Kerala, the exclusive opportunity to primarily change the way businesses in connecting with the clients. The key e-commerce opportunities in Kerala are online travel. Alongside, the most significant challenges for ecommerce and trade to overcome are in infrastructure, Financing, Logistics and focussing on creating Customer Loyalty to guide and sustain the ever-growing e-commerce business world. Kerala government has provided e-commerce laws which help in addressing the issues related to legal and regulatory framework of the e-commerce business. Kerala Government has to upsurge the acceptance and implementation rate of technology in order to sustain and grow. . Government policies and initiatives has also lead to increase of e-commerce in India over years Further the paper can be considered for analysing the factors that help in inhibiting the rural customers in adopting new purchasing technology and modes. Thus, E-commerce is altering the shape, concepts and the perception of business. Newer technologies that may perhaps suggestively bring about paradigm shift in the business with e-commerce as it provides unparalleled convenience. The ecommerce industry in Kerala will eventually be challenged with many issues as it develops nonetheless there is still possibility of growth if the state advances in technology. Retailers and traders in the state of Kerala will have to work harder in providing enhanced service to customers since companies are foraying in e-commerce business.

#### ACKNOWLEDGMENT

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