

Recent Trends in E-Commerce

Abhinav Sharma¹, Capt. (Dr.) S.K. Gupta²

¹Research Scholar in Dr. K.N. Modi University, Rajasthan, India

²Senior Lecturer in Govt. R.R. PG College, Alwar, Rajasthan, India

International Journal of Commerce & Business Studies
Volume 3, Issue 1, January-March, 2015, pp. 19-23
ISSN Online: 2347-2847, Print: 2347-8276, DOA : 19022015
© IASTER 2014, www.iaster.com



ABSTRACT

Electronic commerce, commonly known as E-commerce or e-commerce, is trading in products or services using computer networks, such as the Internet. Electronic commerce draws on technologies such as commerce, electronic, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web for at least one part of the transaction's life cycle, although it may also use other technologies such as e-mail.

In 2010, the United Kingdom had the biggest e-commerce market in the world when measured by the amount spent per capita. The Czech Republic is the European country where ecommerce delivers the biggest contribution to the enterprises' total revenue. Almost a quarter (24%) of the country's total turnover is generated via the online channel.

Among emerging economies, China's e-commerce presence continues to expand every year. With 384 million internet users, China's online shopping sales rose to \$36.6 billion in 2009 and one of the reasons behind the huge growth has been the improved trust level for shoppers. The Chinese retailers have been able to help consumers feel more comfortable shopping online. China's cross-border e-commerce is also growing rapidly. E-commerce transactions between China and other countries increased 32% to 2.3 trillion Yuan (\$375.8 billion) in 2012 and accounted for 9.6% of China's total international trade in 2013, Alibaba had an e-commerce market share of 80% in China.

Keywords: *Commerce, Electronic, Technology, Trade.*

1. INTRODUCTION

Electronic commerce, commonly known as E-commerce or e-commerce, is trading in products or services using computer networks, such as the Internet. Electronic commerce draws on technologies such as commerce, electronic, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web for at least one part of the transaction's life cycle, although it may also use other technologies such as e-mail.

E-commerce businesses usually employ some or all of the following practices:

- Provide Etail or "virtual storefronts" on websites with online catalogues, sometimes gathered into a "virtual mall.
- Buy or sell on websites or online marketplaces.

- Gather and use demographic data through web contacts and social media.
- Use electronic data interchange, the business-to-business exchange of data.
- Reach prospective and established customers by e-mail or fax (for example, with newsletters).
- Use business-to-business buying and selling.
- Provide secure business transactions.

Timeline

A timeline for the development of e-commerce:

- 1971 or 1972: The ARPANET is used to arrange a cannabis sale between students at the Stanford Artificial Intelligence Laboratory and the Massachusetts Institute of Technology, later described as "the seminal act of e-commerce" in John Markoff's book *What the Dormouse Said*.
- 1979: Michael Aldrich demonstrates the first online shopping system.
- 1981: Thomson Holidays UK is first business-to-business online shopping system to be installed.
- 1982: Minitel was introduced nationwide in France by France Télécom and used for online ordering.
- 1983: California State Assembly holds first hearing on "electronic commerce" in Volcano, California. Testifying are CPUC, MCI Mail, Prodigy, CompuServe, Volcano Telephone, and Pacific Telesis. (Not permitted to testify is Quantum Technology, later to become AOL.)
- 1984: Gateshead SIS/Tesco is first B2C online shopping system and Mrs Snowball, 72, is the first online home shopper
- 1984: In April 1984, CompuServe launches the Electronic Mall in the USA and Canada. It is the first comprehensive electronic commerce service.
- 1984: California becomes first US state to enact an Electronic Commerce Act defining basic consumer rights online.
- 1990: Tim Berners-Lee writes the first web browser, Worldwide Web, using a NeXT computer.
- 1992: Book Stacks Unlimited in Cleveland opens a commercial sales website (www.books.com) selling books online with credit card processing.
- 1992: St. Martin's Press publishes J.H. Snider and Terra Ziporyn's *Future Shop: How New Technologies Will Change the Way We Shop and What We Buy*.
- 1992: Terry Brownell launches a fully graphical, iconic navigated Bulletin board system online shopping using RoboBOARD/FX.
- 1993: Paget Press releases edition No. 3 of the first AppStore, *The Electronic AppWrapper*
- 1994: Netscape releases the Navigator browser in October under the code name Mozilla. Netscape 1.0 is introduced in late 1994 with SSL encryption that made transactions secure.
- 1994: Ipswitch IMail Server becomes the first software available online for sale and immediate download via a partnership between Ipswitch, Inc. and Open Market.
- 1994: "Ten Summoner's Tales" by Sting becomes the first secure online purchase.
- 1995: The US National Science Foundation lifts its former strict prohibition of commercial enterprise on the Internet.

- 1995: Thursday 27 April 1995, the purchase of a book by Paul Stanfield, Product Manager for CompuServe UK, from W H Smith's shop within CompuServe's UK Shopping Centre is the UK's first national online shopping service secure transaction. The shopping service at launch featured W H Smith, Tesco, Virgin Megastores/Our Price, Great Universal Stores (GUS), Interflora, Dixons Retail, Past Times, PC World (retailer) and Innovations.
- 1995: Jeff Bezos launches Amazon.com and the first commercial-free 24-hour, internet-only radio stations, Radio HK and Net Radio start broadcasting. Dell and Cisco begin to aggressively use Internet for commercial transactions. E-Bay is founded by computer programmer Pierre Omidyar as Auction Web.
- 1996: India MART B2B marketplace established in India.
- 1996: ECPlaza B2B marketplace established in Korea.
- 1996: Seller deck, formerly Actinic, the UK's first PC/LAN e-commerce platform established.
- 1998: Electronic postal stamps can be purchased and downloaded for printing from the Web.
- 1999: Alibaba Group is established in China. Business.com sold for US \$7.5 million to E-Companies, which was purchased in 1997 for US \$149,000. The peer-to-peer file sharing software Napster launches. ATG Stores launches to sell decorative items for the home online.
- 2000: The dot-com bust.
- 2001: Alibaba.com achieved profitability in December 2001.
- 2002: eBay acquires PayPal for \$1.5 billion. Niche retail companies Wayfair and Net Shops are founded with the concept of selling products through several targeted domains, rather than a central portal.
- 2003: Amazon.com posts first yearly profit.
- 2004: DHgate.com, China's first online b2b transaction platform is established, forcing other b2b sites to move away from the "yellow pages" model.
- 2007: Business.com acquired by R.H. Donnelley for \$345 million.
- 2009: Zappos.com acquired by Amazon.com for \$928 million. Retail Convergence, operator of private sale website RueLaLa.com, acquired by Commerce for \$180 million, plus up to \$170 million in earn-out payments based on performance through 2012.
- 2010: Group on reportedly rejects a \$6 billion offer from Google. Instead, the group buying websites went ahead with an IPO on 4 November 2011. It was the largest IPO since Google.
- 2011: Quidsi.com, parent company of Diapers.com, acquired by Amazon.com for \$500 million in cash plus \$45 million in debt and other obligations.^[21] GSI Commerce, a company specializing in creating, developing and running online shopping sites for brick and mortar businesses, acquired by eBay for \$2.4 billion.
- 2013: US E-Commerce and Online Retail holiday sales reach \$46.5 billion, up 10 percent.
- 2014: Overstock.com processes over \$1 million in Bitcoin sales. India's e-commerce industry is estimated to have grown more than 30% from a year earlier to \$12.6 billion in 2013. U.S. E-Commerce and Online Retail sales projected to reach \$294 billion, an increase of 12 percent over 2013 and 9% of all retail sales. Alibaba Group has the largest Initial public offering ever, worth \$25 billion.

Global Trends in E-Commerce

- In 2010, the United Kingdom had the biggest e-commerce market in the world when measured by the amount spent per capita. The Czech Republic is the European country where ecommerce delivers the biggest contribution to the enterprises' total revenue. Almost a quarter (24%) of the country's total turnover is generated via the online channel.
- Among emerging economies, China's e-commerce presence continues to expand every year. With 384 million internet users, China's online shopping sales rose to \$36.6 billion in 2009 and one of the reasons behind the huge growth has been the improved trust level for shoppers. The Chinese retailers have been able to help consumers feel more comfortable shopping online. China's cross-border e-commerce is also growing rapidly. E-commerce transactions between China and other countries increased 32% to 2.3 trillion Yuan (\$375.8 billion) in 2012 and accounted for 9.6% of China's total international trade in 2013, Alibaba had an e-commerce market share of 80% in China.
- Other BRIC countries are witnessing the accelerated growth of ecommerce as well. In Russia, the total ecommerce market is projected to total somewhere between 690 billion rubbles (\$23 billion) and 900 billion rubbles (\$30 billion) in 2015, at 2010 values. This will equal 5% of total retail volume in Russia. Longer-term, the market size of Russian e-commerce could reach \$50 billion by 2020. Ecommerce players need to understand unique insights about trust factor, online payments and language peculiarities to penetrate the Russian market. Brazil's eCommerce is growing quickly with retail eCommerce sales expected to grow at a healthy double-digit pace through 2014. By 2016, eMarketer expects retail ecommerce sales in Brazil to reach \$17.3 billion. India's ecommerce 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 ecommerce was generated from travel sites.
- eCommerce is also expanding across the Middle East. Having recorded the world's fastest growth in internet usage between 2000 and 2009, the region is home to more than 60 million internet users. Retail, travel and gaming are the region's top eCommerce segments, in spite of difficulties such as the lack of region-wide legal frameworks and logistical problems in cross-border transportation. E-Commerce has become an important tool for small and large businesses worldwide, not only to sell to customers, but also to engage them.
- In 2012, ecommerce sales topped \$1 trillion for the first time in history.
- Mobile devices are playing an increasing role in the mix of eCommerce. Some estimates show that purchases made on mobile devices will make up 25% of the market by 2017. According to Cisco Visual Networking Index, in 2014 the amount of mobile devices will outnumber the number of world population.
- Multichannel Selling is also worth mentioning, when it comes to e-commerce. As stated in E-commerce trends for 2014, multichannel selling is relatively young but though has already managed to become a key driver for promotion of small business companies unable to compete with media giants in Google. The essence of it lies in equipping a few shopping platforms like Amazon or Nextag for goods promotion.

Applications of E-Commerce

Some common applications related to electronic commerce are:

- Document automation in supply chain and logistics
- Domestic and international payment systems
- Enterprise content management
- Group buying
- Automated online assistant
- Newsgroups
- Online shopping and order tracking
- Online banking
- Online office suites
- Shopping cart software
- Teleconferencing
- Electronic tickets
- Social networking
- Instant messaging

Impact of E-Commerce on Markets & Retailers

Economists have theorized that e-commerce ought to lead to intensified price competition, as it increases consumers' ability to gather information about products and prices. Research by four economists at the University of Chicago has found that the growth of online shopping has also affected industry structure in two areas that have seen significant growth in e-commerce, bookshops and travel agencies. Generally, larger firms are able to use economies of scale and offer lower prices. The lone exception to this pattern has been the very smallest category of bookseller, shops with between one and four employees, which appear to have withstood the trend.

Individual or business involved in e-commerce whether buyers or sellers rely on Internet-based technology in order to accomplish their transactions. 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. eBay is a good example of e-commerce business individuals and businesses are able to post their items and sell them around the Globe.

REFERENCES

- [1] "E Commerce – Essays – Hpandurang92". Study mode. Retrieved 17 June 2013.
- [2] <http://ecommerce.internet.com/resources/library/paysolutions>.
- [3] "Online shopping: The pensioner who pioneered a home shopping revolution". *BBC News*. 16 September 2013.