

# A Study on E-Commerce with reference to Applications of Computers

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## Abstract

*The way business works, has changed a lot with the introduction of computers. No matter whether a business is small or large, computers are used to enhance the efficiency of business. In business, several transactions take place in a day. Businessman buys from various suppliers and sells products. Accounting software helps them to keep the record of things they purchased and sold in a day and the profit made selling those things.*

*With this, they can keep track of the finance and they can make important decisions related to their business. There are apps for accounting and payables, expense tracking, budgeting etc. which help a businessman to handle their finances effectively. Businesses advertise their business with the help of advertising video clips which cannot be created without computers.*

*Using computers and internet, business can be promoted on online platforms to a much large audience. Connectivity is most important for the success of a business.*

**Keywords:** E-commerce, Production, Management, Record, Accounting, Software, Operation.

## Introduction

Computer is used in all commercial activities including like Shopping malls and Big departmental stores to calculate the sales and purchase of the Firm. Computers are very helpful in the business to maintain their accounts through the computer with Tally Accounting Software and MARG Software.

It Portable laptop computers, smart phones, wireless internet, air cards and hub spots are the wave of the future when it comes to computer uses in business. Today, business can be conducted remotely from almost anywhere.

Computers have revolutionized the way businesses operate in their respective industries. Technology has advanced so fast that those who are not using computers in their business are lagging behind. A computer can speed-up the total workflow of a business and reduce cost from every single stage of conducting a job or any task in a business. Every kind of business requires distinguished computer applications. In this modern era, no business can run smoothly without a computer and an internet connection.

From restaurants to banks, from a simple farm to plumbers, from a lawyer to tax service provider; every business of this world needs to use computer applications to have better ROI.

Various online and offline IT-related businesses are earning money by using computer and technologies. Internet penetration rate in India went up to nearly around 50 percent in 2020 from just about four percent in 2007. Although these figures seem relatively low, it meant that around half of the population of 1.37 billion people had access to internet that year. This also ranked the country second in the world in terms of active internet users.

## Objectives

This study aims to describe important role and application of computer in business, commerce and business management.

## Research Methodology

This study deals with secondary data available on internet, different websites and online published articles and sources.

## E-commerce

E-commerce, also known as electronic commerce or internet commerce, refers to the buying and selling of goods or services using the internet and the transfer of money and data to execute these transactions. Every time individuals and companies are buying or selling products and services online they are engaging in e-commerce. The term e-commerce also encompasses other activities including online auctions, internet banking, payment gateways and online ticketing.

- The B2C e-commerce model represents a transaction between businesses and individuals. B2C e-commerce is the most common business model among both physical and online retailers.
- The B2B e-commerce model involved business with both parties. In this type of a transaction, one business provides the other with products or services.
- The C2B business model represents a transaction in which individuals create value for businesses, unlike the traditional business-to-consumer model where companies are the ones that deliver value.
- C2C e-commerce happens when the two parties involved are consumers that trade with one another.
- The G2B e-commerce models happen when the Government provides companies with goods and services.
- The B2G model refers to companies and businesses that provide goods and services for the Government.

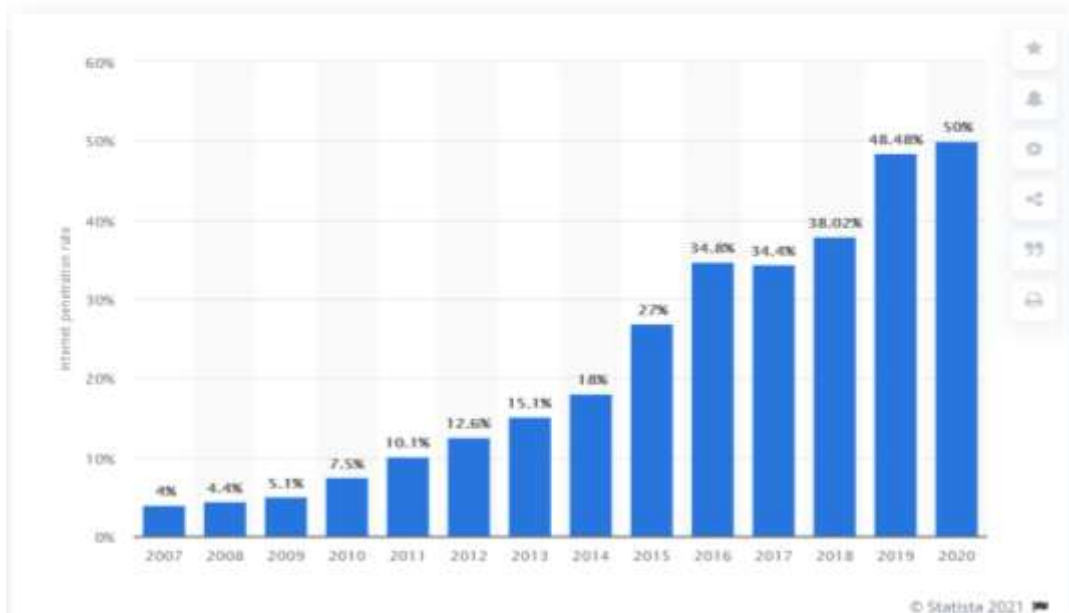


Fig. 1: Internet penetration rate in India from 2007 to 2020

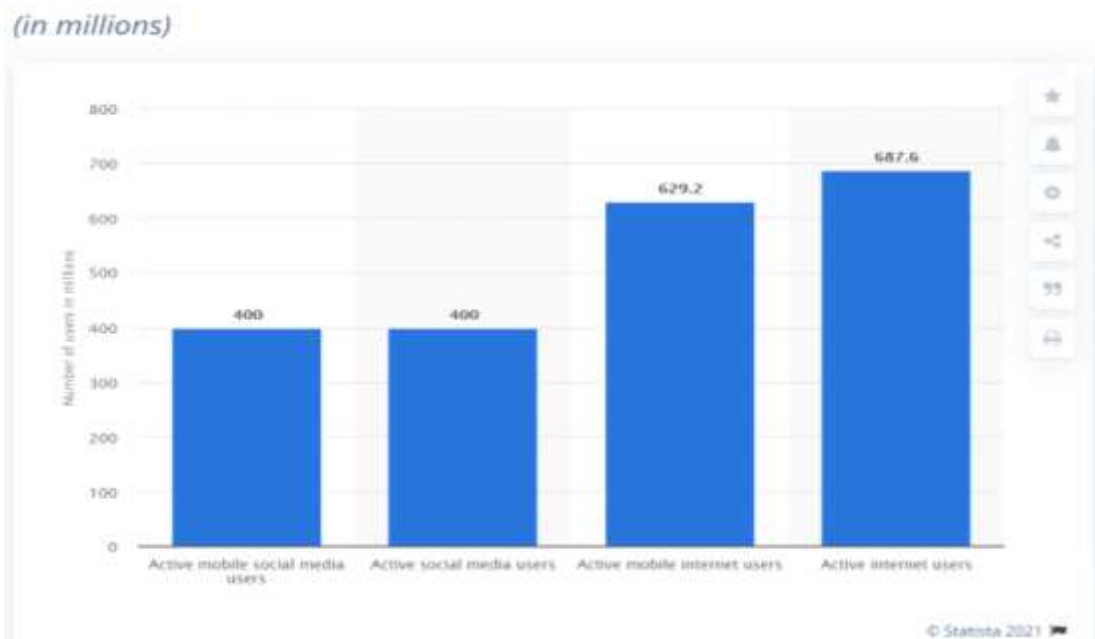


Fig. 2: Digital population across India as of January 2020

- Every time consumers pay taxes, health insurance, electronic bills, or request information concerning the public sector, they are engaging in C2G.

The introduction of the Government’s Digital India initiative hand in hand with the increasing internet penetration over the recent years, resulted in the country’s digital population amounting to approximately 688 million active users as of January 2020. The traffic in the world’s second largest internet market at this stage was largely dominated by mobile internet users.

The arrival of Reliance Jio services in 2007 provided people in the country with schemes and subsidies that were not only attractive, but easily affordable, irrespective of their income

levels and socio-economic classes. The impact was almost instant, with over 60 percent of the mobile data traffic coming from Jio services in less than ten years of its launch.

### Advantages of e-Commerce

There are a number of prominent and not-so-obvious advantages for doing business on an online platform. Understanding exactly how E-commerce works, can help individuals to their advantage:

- 1. A Larger Market:** E-commerce allows individuals to reach customers all across the country and all around the world. E-commerce gives business owners the platform to reach people from the comforts of their homes. The

customers can make any purchase anytime and anywhere and significantly more individuals are getting used to shopping on their mobile devices.

**2. Customer Insights Via Tracking and Analytics:** Whether the businesses are sending the visitors to their website via PPC, SEO, ads, or a good old postcard, there is a way of tracking the traffic and the consumers' entire user journey for getting insights into the keywords, marketing message, user experience, pricing strategy and many more.

**3. Fast Response to the Consumer Trends and the Market Demands:** Especially for the business people who do "drop ship," the logistics, when streamlined, allow these businesses to respond to the market and the trends of E-commerce and demands of the consumers in a lively manner. Business people can also create deals and promotions on the fly for attracting customers and generate more sales.

**4. Lower Cost:** With the advancement of the E-commerce platforms, it has become very affordable and easy to set up and run an E-commerce business with a lower overhead. Business people no longer need to spend a big budget on TV ads or billboards and do not think about personnel and real estate expenses.

**5. More Opportunities for "Selling.":** Business people can only offer a limited amount of information about a product in a physical store. Besides that, E-commerce websites give them the space to include more information like reviews, demo videos and customer testimonials for helping increased conversion.

**6. Personalized Messaging:** E-commerce platforms give people in business the opportunity to provide personalised content and product recommendations for registering customers. These targeted communications can help in increasing conversion by showing the most relevant content to the visitor.

**7. Increased Sales along with Instant Gratification:** For businesses selling digital goods, E-commerce allows them to deliver products within seconds of placing an order. This satisfies the needs of the consumers for instant gratification and assists increase in sales, especially for the low-cost objects that are often known as "impulse buys."

**8. Ability to Scaling Up (Or Down) Unlimited "Shelf Space.":** The growth of any online business is not only limited by the availability of space. Even though logistics might become an issue as one's business grows, it is less of a challenge compared to running any brick-and-mortar store.

E-commerce business owners can choose to scale up or down their operation quickly by taking advantage of the non-ending "shelf space" as a response to the market trends and demands of consumers.

## Disadvantages of E-commerce

Running a business that is E-commerce is not always rainbows and unicorns. There are unique challenges to this business model — learning about them will help business people navigate the choppy waters and avoid common pitfalls.

**1. Lack of Personal Touch:** Some customers appreciate the personal touch they offer when visiting a physical store by interacting with the sales associates. Such personal touch is especially essential for businesses that sell high-end products as customers want to buy the products and have an excellent experience during the process.

**2. Lack of Tactile Experience:** No matter how good a video is made, customers still cannot feel and touch a product. Not to mention, it is not an easy task to deliver a brand experience that could often be including the sense of touch, taste, smell and sound via the two-dimensionality of any screen.

**3. Product and Price Comparison:** With online shopping, customers can compare several products and find the least price. This forces many businesses to compete on price and reduce their profit margin, reducing the quality of products.

**4. Need for Access to the Internet:** This is obvious, but do not forget that the customers do need access to the internet before purchasing from any business! As many E-commerce platforms have the features and functionalities which require a high-speed internet connection for an optimal consumer experience, there is a chance that companies are excluding visitors who have slow internet connections.

**5. Credit Card Fraud:** Credit card frauds are natural and growing problems for online businesses. It can lead to many chargebacks, which result in the loss of penalties, revenue and a bad reputation.

**6. IT Security Issues:** More and more organizations and businesses have fallen prey to malicious hackers who have stolen information of the customers from their databases. This could have financial and legal implications and it also reduces the company's trust.

**7. All the Eggs in One Basket:** E-commerce businesses rely solely or heavily on their websites. Even just some minutes of downtime or technology glitches could result in a substantial revenue loss and customer dissatisfaction.

**8. Complexity in Regulations, Taxation and Compliance:** Suppose any online business sells to its consumers in different territories. In that case, they will have to stick to the regulations in their own countries or states and their consumers' places of residence. This could be creating a lot of complexities in accounting, taxation and compliance.

## Important Guidelines

✓ Know your Vendor. ...

- ✓ Physical presence of the Vendors. ...
- ✓ Finding out the hidden cost. ...
- ✓ Reputable websites only. ...
- ✓ Know the Shopping Process. ...
- ✓ Use only Secured Transactions. ...
- ✓ Ensure if encryption technology is in place. ...
- ✓ Be aware of law.
- ✓ Read the Terms and Conditions first
- ✓ Avoid too much offers
- ✓ Check Security Certificates
- ✓ Secure records of all transactions
- ✓ Avoid disclosure of information before purchase
- ✓ Do not fall for special offers
- ✓ Avoid Websites about which you have zero knowledge.

### Conclusion

E-commerce still represents one of the best business methods of 21<sup>st</sup> century. In spite of fall in stock market, E-commerce is able to survive and receive high transaction. E-commerce has a tremendous opportunity. Use the extensive E-commerce via internet world to bring the goodness of the individual or the State.

E-Commerce has undeniably become an important part of our society. The successful companies of the future will be those that take E-commerce seriously, dedicating sufficient resources to its development. E-commerce is not an IT issue but a whole business undertaking. Companies that use it as a reason for completely re-designing their business processes are likely to reap the greatest benefits. Moreover, E-commerce is a helpful technology that gives the consumer access to business and companies all over the world.

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