



# Emergence Of E- Commerce & The Role Of Internet On It: With Special Reference To Jammu And Kashmir

TAHSEEN QADRI

Dr. Jatin Yadav

## ABSTRACT

The purpose of this study is to present the current state of E-Commerce and to examine the current developments in E-Commerce. The study goes on to look at the important factors that influence the success of E-commerce business models. Objective: The study's goals are to: 1. comprehend the current state and developments of e-commerce; and 2. identify the important factors affecting the rising use of e-commerce. In today's commercial world, e-commerce is booming. Electronic commerce is referred to as e-commerce. Ecommerce (Electronic commerce) entails the purchase and sale of goods and services, as well as the transmission of payments and data, over an electronic network, most commonly the Internet. Electronic commerce (E-commerce) is a paradigm change that affects both marketers and customers. E-commerce, on the other hand, is more than just another technique to improve existing company operations. It is pioneering a complete transformation of the traditional business model. This huge shift in business paradigm is gaining traction all across the world, and India is no exception. environmental consequences Although the concept is widely employed in today's commercial environment, it has yet to be fully explored. undertaken to define the E-Commerce scenario and study the E-Commerce trends The study goes on to look at the important factors that influence the success of E-commerce business models and its growth in India over the years.

## KEYWORDS

Ecommerce, Indian Market, Growth in India, Internet, E-commerce in Jammu and Kashmir.

## INTRODUCTION

The definition of e-commerce is the electronic process by which individuals or organizations engage in a transaction, such as buying, selling, transferring and exchanging products, services and/or information (Turban), McLean and Weatherbe 2000). In a nutshell, e-commerce effectively removes the need to invest or spend huge amounts in physical infrastructure to develop a global presence, which has led to a revolution in the way business is done, conducted globally. E-Commerce stands for e-commerce. This means trading in

goods and services through electrical means and the Internet without the use of paper documents. A type of business model, or segment of a larger business model, that allows a business or individual to conduct business over an electronic network, usually the Internet. E-commerce operates in four main market segments: business-to-business, business-to-consumer, consumer-to-consumer, and consumer-to-business. This can be considered as a more advanced form of shopping through the mail through the catalog. Almost any product or service can be offered through e-commerce, from books and music to financial services and airline tickets.

### **Evolution and the Emergence of Commerce**

Trade has evolved over the centuries. Before the development of money, it was a simple "barter process" where anything could be exchanged, such as milk for cereal. The development of money brought with it the concept of the "market".

Seybold and Marshak (1998) are not the only authors who have looked at multiple retailing channels from a research standpoint. Some years earlier, Rayport and Sviokla (1994) had noted that business transactions were already occurring in both traditional and web-based channels.

These authors were writing at a time when the Internet was barely known and were already thinking about the consequences. In technology-based business channels transactions occur "on screen" in an electronic environment, rather than as physical interactions "over the counter". Nothing special today, but quite remarkable at the time.

E-commerce impacts directly on marketing, as the record of published work shows - some of the earliest experience with e-commerce revealed that not everyone will be interested. Berry (1995) reported that in moving to e-commerce, businesses must first identify the potential customers interested in working with that technology. Although technically a company website in principle has the capacity to serve an unlimited number of users, not everyone will be attracted. Strategically, it is important to identify the specific market segment that the website will attract and can be directed to serve its customers. In this pattern of evolving experience, it becomes clear that the emergence of e-commerce dramatically raises the significance of competition between businesses, and forces businesses to adapt continuously to new market situations (Mellahi & Johnson, 2000). The growth of e-commerce has attracted considerable recent attention within all business spheres. Increasingly, traditional retail businesses have also begun to utilise the opportunities offered by trading activities through the Internet (La & Kandarnpully, 2002).

As different regions of the world take e-retailing in different ways and at different rates, it is interesting to contemplate how quickly the United States(US) population has adopted the Internet and it is easy to understand why. Historically, the US has been a country in which new technologies are assimilated fairly rapidly, given the relative lack of economic constraints and the manufacturing realities of the time (Burt & Sparks, 2003). Windham and Orton (2000) further explains that the US is the source of most Internet technologies and it is not surprising that it should be in the lead in their application. The Internet reached as many Americans in the first six years as telephones did in four decades. Everyday, Internet access is becoming available to a growing percentage of the US population (Windham & Orton, 2000:3).

### **E-Commerce and changes in industry structures**

The advent of the internet has prompted the development of new types of businesses and consequently the proliferation of new business models and this has affected industry structures. A lot of organisations today can operate without necessarily having a physical location and hence, have a completely different way of conducting their activities in relation to traditional businesses. For example, 'Pure clicks' in the light of

Amazon, eBay, and CDNow operate differently from 'brick and click' organisations like Marks and Spencer, Tesco, Next and others.

According to Hamel and Sampler (1998), the traditional retail business model which is a location-centric model is shifting to a web-centric model, giving rise to higher levels of customer expectations in terms of speed, comparability, and price. E-commerce business models are different from traditional business models because e-commerce offers firms different market opportunities and changes organisations' revenue models, competitive environments and advantages, which are core elements of a business model. With the internet, consumers have access to a wider range of choices. They can research products extensively before making the actual purchase. Internet also facilitates product or service comparison by providing detailed information at almost no cost to Consumers and thus reducing customer's search cost. 'Pure click' organisations like Amazon have capitalised on the consumers' need for information to expand their business by providing consumers with a tool to compare a multitude of products. This type of business has been referred to by Evans and Wurster (1999) as the business of 'pure navigation'. Also, 'Pure clicks' often allow individuals and organisations to compete directly with them on the same product offerings. Amazon for instance allows individuals to sell the same book it sells on its own webpage. In a traditional business setting, it would have been absurd for an organisation to sell products on behalf of its competitors.

E-commerce has also prompted an era of mergers, acquisitions and collaborations between organisations that traditionally were competing against each other. Most organisations have identified the need to collaborate with their competitors in order to achieve operational effectiveness and stay in competition with 'pure clicks'. An example of this collaboration can be that between Universal and BMG, two giants of the music industry. These two companies got together to create getmusic.com which is an electronic joint venture to sell music.

Traditional 'brick and mortar' organisations have also recognised the threat of 'pure clicks' and in response have adopted a mixed strategy which combines both physical outlets and online presence. This new type of organisation is what some authors refer to as 'brick and click' organisations. In contrast to 'brick and mortar' organisations which are horizontally integrated, 'brick and click' organisations are rather vertically oriented. The Horizontal and vertical integration in this context are in relation to distribution channels. Traditional brick and click retailers by selling their products through many distributors are horizontally integrated and brick and clicks like Marks and Spencer by selling directly to their consumers are vertically integrated Horizontal and Vertical integration of distribution.

Porter used his five forces that determine an industry's attractiveness (bargaining power of suppliers, bargaining power of buyers, barriers to entry, availability of substitute products and inter-firm rivalry) to analyse the effect of e-commerce on industry structure, and drew the following conclusions. E-commerce by allowing consumers access to information has increased their bargaining power. It has also increased inter-firm rivalry by making the world a global village and thus increasing the threats of substitute products. There is also a lower barrier to entry in terms of access to channels and physical assets. As for the bargaining power of suppliers, it could be said to be high as suppliers have access to more customers. Nevertheless, the other side of the coin is that, as suppliers have access to more customers it creates a situation where all suppliers have equal access to the same customers and that reduces the bargaining power of the suppliers and shifts it to the buying organisations.

From Porter's point of view, the 'new' industry structures make some industries unattractive because of the fact that the internet also makes it more difficult for companies to translate internet benefits - easier and faster

business transactions - into profit. Nevertheless, Porter also argues that industry structure is fluid and is determined by the decisions taken by competitors.

mainly in Sweden and have few clients in the other Nordic countries.

### **INTERNET AND THE DEVELOPMENT PROCESS**

The Internet and ICT more generally are new tools for information acquisition, processing, analysis, and transmission, but information is the underlying resource of value to entrepreneurs. Based on surveys of small- or medium-sized enterprises (SMEs) in developing countries<sup>6</sup>, four types of information appear to be especially valuable:

- on customers and markets;
- on product design;
- on process technology operation, maintenance and repair of existing equipment, as well as new technology developments; and
- on financing sources and terms.

ICTs may also benefit entrepreneurs by improving information available to their transaction partners, whether customers, financiers, or others. Besides reducing information search costs, the Internet or mobile telephony can improve the efficiency of the working of product and factor markets directly, e.g. by reducing time for payments clearance, credit processing, etc. (Leff, 1984 and Garbade and Silber, 1978).

Far and away the most important use of the Internet to date in developing countries has been for e-mail services. In Bangladesh, about 82 per cent of Internet traffic consists of e-mail, while in the United States the Web accounts for 70 per cent and e-mail only 5 per cent (ITU, 1999). This is a result of the rather high access costs in many developing countries compared, notably, with the United States. As a mode of information management, the Internet competes with, but also complements, other modes. Depending on access costs, it can be a cheap if imperfect substitute for telephone and fax services: cheap because of the higher transmission speed of a given information bundle or, viewed differently, the large quantities of information that can be transmitted per unit time; imperfect because, unlike telephone at least, i) it does not readily permit two-way communication in real time<sup>7</sup>, and ii) it presumes basic literacy or the ability to hire a literate message transcriber. In any event, it makes use of the telecommunications infrastructure, whose inadequacy in many parts of the developing world (notably in rural areas, where most of the developing world's population, and a disproportionate share of its poor people, still lives<sup>8</sup>) precludes either telephone, fax, or Internet use. Wireless (or mobile) telephony has emerged as a potential solution to the rural telephone deficit and as a possible "bridging" technology from an unwired world to an Internet-accessible one<sup>9</sup>. While state-of-the-art mobile telephones already offer the potential of direct Internet access, even without this capability in many low-income countries mobile phones are diffusing rapidly, in some cases even in rural areas (e.g. the Grameen village phone network in Bangladesh).

As an instrument for acquiring timely information by otherwise isolated rural communities, there are certainly parallels between the current uses of wireless telephones and the potential uses of the Internet in developing countries. One difference is that the latter potentially makes available with a single call (or dial-up connection) a much larger set of databases and information sources. Moreover, the Internet makes possible the automatic packaging and distribution of information to targeted user groups on a repeated basis, and even the distribution

of fully customized information packets for each individual user. The question remains whether there is sufficient information on the Web of value to the average developing country entrepreneur to warrant the investment in Internet access. Most SMEs in developing countries serve local markets and rely mostly on locally generated information. In Botswana, for example, Duncombe and Heeks (1999) find that Internet use remains in its infancy and argue that its benefits to most SME users are unlikely to outweigh the costs until the amount and quality of local content is substantially increased. For low-income entrepreneurs in much of the developing world, this also means local- language content.

### **Objectives of the study**

1 .To study the impact of e-commerce on retailers in Kashmir division.

### **Research Methodology**

Research methodology is a way of systematically solving the research problem. It may be understood as a science of studying how research is done scientifically.

In the field of business, it can be defined as the process used to collect information and data for the purpose of making business decisions. The methodology may include publication research, interviews, surveys and other research techniques, and could include both present and historical information.

The present study is exploratory in nature. This type of research has been used to explore the different dimensions of the problem. The scope of this research extends to Kashmir Division of J&K state. Both primary as well as secondary sources of data have been employed for the current study. The primary data was collected by direct face to face interaction (interview) of the retailers in Kashmir division and the secondary sources constitute different research papers, journals, magazines and newspaper, books etc etc. Internet was also used to get a clear understanding of some of the facts about e-commerce. Several tools were used during the study which include observation methods, case study methods and other relevant tools for the simple and visual interpretation of the data.

**RANDOM SAMPLING:** This type of sampling is also known as probability sampling where each and every item in the population has an equal probability of being selected. The present study made use of simple random sampling to get the responses from the respondents.

### **SAMPLE SIZE**

We have taken sample size of “80” respondents.

### **MAJOR FINDINGS**

In view of the data we got from the sampling of at least eighty people from different areas of work, belonging to different age groups and different sexes, we found that about 100 per cent of the people are aware of e-commerce.

However, among those about 70 per cent do prefer offline shopping over online. When asked about the reason of their preference, the answer was that offline retailers provide better services than online ones. It was due to this reason that 75 percent of the sample size voted against online service providers when it comes to the betterment of the services.

Moreover, more often than not people consider online shopping as distrustful. Only 30 per cent of the people said that the online shopping is gullible enough to go for it, reasoning that sometimes online retailers sell duplicate items instead of the original ones. While 60 per cent feel that online shopping is prone to duplicity, 50 per cent of the people feel that online good is the copy of the original one, consequently. Also, sometimes online shoppers would display one picture of an item but would send completely different one.

Equally, only 75 per cent of the people said that offline is more credible than online retailers. It is felt that in-store shopping is an experience in itself as touch-and-feel of the items is readily available and expertise of the shopkeeper is an added help in building the credibility. Face to face talking develops much credibility than talking to an unknown person behind the customer-care computer.

Subsequently, 60 per cent of the people felt that the online shopping is susceptible to fraud and dubious phenomenon. The most prominent reasons that came out of the sampling were that the quality is compromised in online retail shopping and the delivery is sometimes exploited by the delivery guy. Online banking process is prone to get hacked, moreover.

Consequently only 30 per cent of the people find that online is a favorable option for shopping over offline. People feel that it is time consuming and not worth the wait. Offline shopping does not end at shopping only, one gets to see the change in the city and the market prices. The new trends and new goods and services available in the market is an added benefit.

It is due to these half a dozen reasons that people have become so discomforted with online shopping in the valley that not even a per cent among the sample wants to buy luxury goods online. The risk factor is felt so high that buying a luxury good online has itself become a luxury.

Taking the argument further, the situation for the online services providers is equally disappointed. Only 10 per cent of the people prefer ordering services online. The rationality behind the results is that people find the online services expensive and rather not-so-helpful. Likewise, not a single person wants to buy heavy machinery or heavy items online. The logistics are not good enough to handle the heavy-weighted goods. Hence there was zero per cent result.

However, 25 per cent of the people say that they do order food online. But all of them spent almost nine months outside the valley. In valley, however, no one has yet ordered food online due to the erratic internet connection that is time and again being snapped by the government apparatus. Consequently, no such business is available round the clock here. Internet business becomes first casualty of the escalation of tensions in the valley.

The situation is not all the way same as 50 per cent of the people do buy stuff online during festival seasons, owing to the discounts and other sales available on the said days. The monetary incentivizing does play a dominant role here surpassing all the negative thoughts of shopping online. On account of that, 40 per cent people believe that online goods are cheaper than the offline ones, which sounds like a breakthrough considering the previous results about credibility and gullibility about the online shopping in the vale.

80 per cent of the people suggested that offline retailers should provide online windows as well in order to fill the void created over the years of fallout by the online business. Though, in India 3D apps have been launched by the online retailers in order to give customer in-store experience but that seems a reverie for the people of valley.

## **MAJOR SUGGESTIONS**

The state as well as the central government should adopt a very flexible approach regarding the use of internet in the state, since internet blockage every now and then keeps away most of the customers who want to shop online.

The service providers should also maintain their credibility among the customers and enhance their services in the valley so that more and more customers can be attracted towards online shopping.

The terms and conditions of every purchase should include the cash on delivery and return to seller option. This will definitely boost online sales in the valley as customers will have a choice to either keep the good or return if expectations are not met.

There should be proper check and control for every transaction made via internet as it is a major hurdle in the way of online shopping. People do fear of making transactions online because of the major frauds that are coming forward every now and then.

Offline retailers of the valley should also open the platform to shop online for the customers. This will not only help customers who are willing to shop online but will also help retailers to reach different segments of customers.

## **CONCLUSION**

Jammu Kashmir is a state with tremendous potential for online sellers. Since valley has been continuously in the headlines because of the prevailing unrest in the valley it has shattered the very base of the use of internet. People of the valley are techno oriented and like to make use of internet for shopping as well, but the situation makes it difficult to rely on internet shopping. E-curfew is now a matter of routine in the valley which keeps away not only the people who want to shop online but it also has a bearing on other classes of the Kashmir valley including the student community in particular. So it is the primary duty of the people in power to let this online platform open so that both the sellers as well as buyers will get benefitted. Moreover the various issues like service quality, safe transactions, seller credibility etc need to be taken care of. To conclude, people in the valley have grown disappointed by the online retailers due to very many reasons. The security of their consume remains paramount, followed by credibility and time consumption. If these fallouts could be rectified, and technology upgraded, time is not far when the feelings about the online shopping could be reversed.

## **REFERENCES**

.Anckar B, Walden P. 2001. Introducing Web technology in a small peripheral hospitality organization. *International Journal of Contemporary Hospitality Management* 13(5): 241–250.

Abid, A., Rahim, M., Sheepers H. (2011). Experienced Benefits and Barriers of e- Business Technology Adoption by SME suppliers. [Online] Available: <http://www.ibimapublishing.com/journals/CIBIMA/cibima.html> [2012-03- 12] OECD (2000a), *Information Technology Outlook 2000*, Paris.

Bannock G. 2005. *The Economics and Management of Small Business: An International Perspective*. Routledge: New York. Brand, M. & Huizingh, E. (2008). Into the drivers of innovation adoption. *European Journal of Innovation Management*, Vol. 11 No. 1, 2008, pp. 5-24

Buhalis D. 1999. Information technology as a strategic tool for sustainable tourism development. *The Courier* 175(May–June): 55–57.

Buhalis D. 2004. eAirlines: strategic and tactical use of ICTs in the airline industry. *Information & Management* 41(7): 805–825.

