Review of e-commerce and its future scope in business industry

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Abstract- This paper purports to demonstrate how business has moved from the market space into the cyber space through the vehicle of e-commerce. The Introduction of e-commerce, this paper has argued, has been conducive to environment as well. The subject of discussion of this paper is how different transactions are controlled at present and may be controlled in future, and what are the prospects of this e-commerce? It also discusses the importance and problems of e-commerce, and possible solutions to the problems.

I. INTRODUCTION

It is now being increasingly recognized that the material progress of a nation is crucially dependent on the three C's, namely component, communications, and computer. Hence this era is often called the 'age of computer'. Some prefer to call it the age of third wave. In today's dynamic and fast-moving world, mankind has increased its speed of movement by means of computers. Earlier, transactions involved time-consuming processes and large amounts of paper works; but now the Internet and the computer have minimized both. Business has moved from market spaces into cyber space's, and further on, into the lap space through the latest invention of laptop. It may well turn out in the future that all the business transactions have been centered on Electronic media. At present, we are familiar with so many E's, such as EDI (Electronic Data Interchange), EFT (Electronic Fund Interchange), E-cash, E-stamp, E-mail, E-business etc. [3]

II. OBJECTIVES OF THIS PAPER

The main objectives of this paper are as follows-
a) To examine the concept of e-commerce and related terms.
b) To review the role of e-commerce and problems related to it.
c) To throw some light on the future of e-commerce and give an idea for solving the problems related to e-commerce.[5]

III. SOME IMPORTANT TERMS

Here we provide some definitions that are needed for an understanding of the subject.
E-commerce— When the entire business is run on the basis of the electronic media, e.g. the Internet and the Computer, it is called electronic commerce, or e-commerce.
E-commerce act— It is the rule framed in the year 1998 in order to create a legal infrastructure for the regulation of electronic transactions.
Electronic signature--It is a sign expressed in the shape of a letter, sign, number or digital mark that is logically linked with electronic documents, and which testifies to the veracity and validity of these documents.[5]

IV. ROLE OF E-COMMERCE

Today's world has rapidly and steadily transferred its business transactions into the e-media. From the following points it may be clear to us why the e-commerce is important:
a) Today the entire world is a market for e-commerce.
b) With the help of the Wireless Application protocol (WAP), business is flourishing everywhere i.e. on Land as well as in air and water.
c) With the help of e-commerce, the safety of storage of documents is ensured and the volume of necessary paper works is vastly reduced.
d) The problem of spatial distance is now almost non-existent because the transactions between two persons staying at long distances can be conducted with a very high speed.
e) E-commerce helps to reduce the use of space, manpower and recording costs.
f) It is a solution for office automation.
g) It is controlled by proper electronic act and is familiar to entire world.
h) Owing to its huge storage capacity, tremendous speed and data processing ability, it is helpful for Management Decision Making.

i) It is a tool for improving intra- business functioning like business reengineering.

V. PROBLEMS OF E-COMMERCE

E-commerce, like all other devices in the filed of human activity, is not without its problems and shortcomings. The problems may be listed as follows:

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a) The problem of Hacking:-Hacking means unauthorized intrusion into others 'business transactions. Hackers enter into others' e-mails, bank accounts and business transactions. They distort others' business accounts and create many problems for the users of e-mails.

b) Initial investment for the computer, the Internet and human capital, i.e. Employment of skilled profession persons, is quite high, and only a small section of the people can afford it.

c) Today's hardware technology is so fast that some of the computers may become obsolete even before full utilization.

d) The manual system is more flexible than computer system, because it can be made to alter with unaided human brain and hands, without the service of any specialized professional person.

e) There is a relative dearth of skilled analyzers and programmers, making it difficult to arrange the computerized business processes.[4]

VI. HOW TO SOLVE THE ABOVE PROBLEMS

The problems of e-commerce as stated above are quite important, and it is difficult to suggest total guidelines for their solution. Here some guidelines are, however, suggested:

a) For prevention of hacking, it is a dependable technique to change the password at regular intervals and to maintain utmost secrecy in this regard. This technique has been gaining currency.

b) In the long run, the computer reduces various costs and so it is profitable, although the primary investment is quite considerable.

c) The computer may always be upgraded with the latest technology and this prevents obsolescence.

d) Proper programming may help in increasing the flexibility of computers.

e) Availability of skilled persons is not so much of a big problem because now –a- days a large number of computer institutions supply such persons from time to time.[2]

VII. LAW TO CONTROL E-COMMERCE

In order to tackle various problems that emerge with the conversion of paper transactions into electronic transactions, the Electronic Commerce Act was enacted in1998. The purpose of this Act is to form a legal infrastructure for the protection of electronic contracts, maintenance of the sanctity of electronic transactions, use of digital signatures and other related works, so as to create a proper regulatory environment for electronic commerce.

The Electronic Commerce Act has thirteen components dealing with use of electronic documents, hacking, virus, digital signature etc. This Act has recognized the right to use electronic media for contract. In other words, contracts negotiated through such media are valid as per the Contract Act, 1872.

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There is an another act, Information Technology Act, 2000, is an Act to provide legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as "electronic commerce", which involve the use of alternative to paper-based methods of communication and storage of information to facilitate electronic filing of documents with the Government agencies and further to amend the Indian Penal Code, the India Evidence Act, 1872, the Banker's Books Evidence Act, 1891 and the Reserve Bank of India Act, 1934 and for matters connected therewith or incidental thereto.[3]

Future of e-commerce

The word e-commerce is today very familiar to anybody having even a nodding acquaintance with the business world. Even two decades earlier, the people including businessmen had hardly any awareness of the term. The interest in e-commerce grew rapidly with the growing use of computers and Internet. Today e-commerce is a ubiquitous phenomenon in the world of business, and possibly the time is not too distant when it will come to be the only method of conducting business transactions. The use of laptops, desktops, mobiles, palmtops etc will gradually shift the sites of business from the market space to the cyber space there from to lap space and finally to pocket space. The immediately beneficial effect of this is to save much of the space now occupied by market places and to promote a worldwide bond among business minded people. The reasons for the phenomenal growth of e-commerce are many; some of them may be listed below:

1) It is a necessary instrument for survival in the face of competition;

2) It has provided a means of saving time and labor,

3) It facilitates the search for new products, which is a necessity in this age of rapid obsolescence.

4) It is a necessity for promoting inter-country and global economic linkages.

5) It helps in expanding the market and promotion of sales at a lower rate of profit, which may well mean a higher level of absolute profit.

6) E-commerce enables the performance of a variety of functions, sale, purchase, marketing and renting under one roof.

7) E-commerce enables not only global giants, but smaller organizations as well to participate in global business negotiations.Right at present, more than two hundred countries are hooked on to the Internet, and are taking

recourse to e-commerce at varying levels of participation.[1]

VIII.   CONCLUSION

With the progress of time, the importance of e-commerce as the ultimate instrument of man's future business transactions is being realized. Its weaknesses are also being overcome gradually. Time, land and labour are becoming scarce, and e-commerce has provided a useful channel for the optimal use of these elements of production and *E-Commerce and Business Society* business. In passing, it may also be mentioned that since e-commerce does not require any paper, it saves paper and hence trees. Since the introduction of e-filing by the government under M.C.A 21(Ministry of Company Affairs) project around 60 million tons of paper sheets have been saved till now. Hence it can be argued that ecommerce is environment friendly also. The WAP (Wireless Application protocol)has given e-commerce a high dimension, enabling business to spread everywhere. The Electronic Commerce Act is serving as the safeguard of e-commerce, which has length greater credibility and attracting increasing numbers of people to its use.

IX.   REFERENCES

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