A CRITICAL STUDY ON NEGATIVE IMPACT OF E-COMMERCE INDUSTRY ON SELLERS AND BUYERS

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ABSTRACT

The fame of electronic commerce is gaining step by step. The purposes of attractions for selection of E-commerce are time, high accessibility, pervasive, efficiency and economic cost. With the fast developing technologies, the recent development in e-commerce associations needs improvement of internal and external data stream. The high accessibility of data requirements has served blends of co-ordinations management systems and store network management systems in numerous industries. The usage of unified resources with e-commerce will shape the business progress for the future. This research paper deals with the impact of e-commerce industry the primary objective of this research paper is to focus on the effect of e-commerce in Indian economy and the challenges faced by the e-trading society. The primary objective of this research paper is to consider the different impacts of e-commerce industry onsellers and buyers.

Key words-*E-commerce, e-trading society, impacts of e-commerce industry*

1. INTRODUCTION

E-commerce is purchasing and selling of products and enterprises over the internet. Before e-commerce purchasing and selling were done without internet physically in the markets however after the landing of e-commerce in India our life has become more convenient because of its number of advantages. The advantages offered by e-commerce are online shopping of anything whenever and at wherever, customers can discover the items on e-commerce websites which is no available in physical markets, it reduces cost and time, without stepping out from home we can get our item at home. Alongside e-commerce there is likewise a well known term called e-business due to which the business of enterprises has increased electronically with the help of internet by which they can reach to numerous customers which increases their sales [1]. There is no specific definition of the terms E-commerce and E-business, they are usedinterchangeably. Truth be told, E-commerce is a piece of E-business which focuses on external activities while E-business focuses on both internal and external activities of a business. Ecommerce has a great deal of good and terrible effects on different areas.

2. LITERATURE SURVEY

Chen and Barnes, 2007: Evidence suggests that, the central reasons why people don't purchase by means of the internet are related to online security and approach, reliabilities of companies and website technology [2].

Gefen and Straube 2004: with increasing the level of consumers' trust, we will have an increase in the degree of purchase intentions of consumers and it is easier for companies to retain customers. Moreover, Pavlou, Gefen and Straub believe that online trust plays a key role in creating satisfied and expected outcomes in online exchanges [3].

Gustafson, 2005: customer fulfillment is defined as a customer's overall evaluation of the performance of an offering to date. This overall fulfillment has a solid positive effect on customer reliability intentions over a wide range of item and service categories [4].

Homburg et al, 2006: To satisfy this objective we need to know the definition of fulfillment by customers. As indicated by previous research has recognized that both discernment and affect fundamentally predict fulfillment [5].

Jamal, 2004: Amid the most recent four decades, fulfillment has been considered as one of the most essential theoretical and in addition viable issues for most marketers and customer researchers [6].

3. VARIOUS MARKETS/INDUSTRY IN INDIA

E-Commerce industry in India

India had an internet user base of around 354 million as of June 2015and it crossed 500 million out in 2016. Despite being the second-largest user base in world, just behind China (650 million, 48% of populace), the penetration of e-commerce is low compared to markets like the United States (266 million, 84%), or France (54 M, 81%), however is developing at an unprecedented rate, including around 6 million new entrants every month. The business consensus is that development is at an inflection point. In India, money down is the most preferred payment method, aggregating 75% of the e-retail activities. As indicated by an examination conducted by the Internet and Mobile Association of India, the e-commerce sector has been reached to Rs. 211,005 crore by December 2016. The examination likewise stated that online travel represents 61% of the e-commerce market. By 2020, India is expected to generate $100 billion online retail revenue out of which $35 billion will be through design e-commerce. Online apparel sales are set to grow four times in coming years [7].

4. BARRIERS OF E-COMMERCE IN INDIA

Different infrastructural barriers create obstacles in the development of ecommerce in India. Some of them are listed below [8]:

- *Payment Collection:* Exactly when get paid by net dealing with a record one needs to end up giving a basic offer of income (4% or all the more) even with a business having low benefit. Cheats, money backs et cetera all transform into trader's commitment and consequently to be represented in the business model.
- *Logistic:* You need to deliver the item safely in the hands of the privilege person in opportune time period. Standard post doesn't offer an attractive service whereas couriers charge high and have restricted traverse of working. At to begin with, you may need to insure for high value delivered articles expanding the expense even further.
- *Vendor Management:* However propelled framework may be, seller should descend and deal in an inefficient framework for stock management. This will back off fundamentally. A large segment of them won't convey any computerized data for their items. No decent looking photographs, no advanced data sheet, no component to check at step by step costs, accessibility to keep your site overhauled.
- *Tax collection:* Octroi, entry duty, VAT and heaps of state specific expense structures go ahead with them which can create confusion.

5. NEGATIVE IMPACTSOF BUYERS & SELLERSWHILE USING E-COMMERCE

Negative Impacts for Buyers

Online shopping — that brilliant innovation which enables people to buy things from the solace of their homes. No all the more going to different stores to locate the correct product; no all the more dealing with over-energetic deals persons; not any more remaining in long queues at the checkout counter. The web based business blast has positively changed the way we shop to improve things. Be that as it may, such as everything else, the universe of online shopping isn't all roses. In spite of the considerable number of endeavors of web based business organizations to mitigate them, there are a couple of problems that customers still need to confront while shopping online. Six of these problems are recorded underneath [9].

- **Quality issues**

The most serious issue while buying things online is that you have no assurance of a product's quality. Surveys are not generally solid and all the examination can't guarantee you of a product's quality; deceitful dealers who deliberately delude customers to build deals are the prime explanation behind defective/below average products being sold online. With the volume of merchandise internet business organizations handle nowadays, it can be very troublesome for them to lead quality keeps an eye on every single one of the products they're offering. Furthermore, the issue of getting the right size remains a genuine downside for

buying apparel and footwear online. Sizes differ from brand to brand, and since you can't experiment with the products previously buying them, choosing the size is dependably a bet.

- **Delivery and logistics**

One scrape that continually turns up while shopping online is the point at which the request will be conveyed. While all internet business sites have arrange following frameworks for their customers, they aren't generally exact. Delivery personnel regularly turn up at our homes when we're grinding away or out some place as there's no real way to settle a specific schedule vacancy for the delivery to happen. This same issue exists while returning products. Another problem is that by far most of the Indian populace which lives in rural areas and Tier-III urban communities can't shop online in light of the fact that not all web based business sites give delivery administrations to their areas.

- **Digital payment failures**

Regardless of whether a customer is paying by credit/platinum card, net banking, or one of the few digital wallets that exist today, the failure of digital payments dependably lingers overhead while making online transactions. A wavering web association or a specialized glitch regularly brings about the payable amount being charged from a customer's record without being credited to the offering party. What's more, recovering this amount is definitely not a fast procedure; one needs to advise the site and afterward stick around 7-10 days before the amount is refunded to their financial balances. Be that as it may, this circumstance is consistently enhancing as the part is concentrating more on cashless transactions and customers are getting more educated about making payments online.

- **Additional charges**

How frequently has it happened that you've recognized an incredible deal on a product and when you're a single tick far from acquiring it you saw an additional shipping charge. This is ordinary on all web based business sites when your order sum isn't sufficiently high to meet all requirements with the expectation of complimentary shipping. What's more, notwithstanding when it is, once in a while these shipping charges are included every individual product (in case you're purchasing different products obviously) and not the aggregate order.

- **Unclear return and certification strategies**

Since you have no clue about product's quality until the point that you grasp it, returning things purchased online is very normal. Unless you're purchasing from one of the set up

internet business organizations, it's imperative to experience the return policy while making a buy. In any case, most sites have dubious return approaches that can abandon you with a low-quality product and no real way to return it. The same applies for ensures, as most sites don't unmistakably say what the policy is for a product and after that decline to do substitutions on the off chance that you get a damaged product.

- **Lack of security**

Digital security, or all the more unequivocally its lack, is a noteworthy issue on the internet today. Online business sites record essential customer data like name, telephone number, address, and bank subtle elements. In the event that these sites don't actualize stringent digital security measures, your data is in danger of falling into the wrong hands who would then be able to wreak ruin on your bank account. A large portion of the enormous players in online shopping positively have the best-in-class security measures to ensure their customers' points of interest, however the same can't be said in regards to the incalculable littler sites who might not have the ability to do as such. Online shopping is awfully advantageous to get thwarted by these issues. Be that as it may, if internet business sites can settle these issues, they will positively enhance customer encounter and consequently create more sales.

Negative Impacts for Sellers

E-commerce is a great route for small business to increase their sales and widen their reach. It's additionally convenient for consumers, who can purchase at their convenience, without leaving their homes or spend the day battling queues at the shopping center to get the best deals. However, e-commerce additionally impact on the two consumers and sellers likewise [10]:

- **Peer Competition**

The greatest challenge that commercial center sellers confront is peer competition. The competition for a pleasant pair of shoes isn't only the shoe store down the road any longer. Presently it's the shoe store most of the way over the world. Anybody can offer anything from anyplace. Organizations that can deliver products and ventures for less win out. That is useful for the buyer in light of the fact that expanded competition drives down cost. It's likewise useful for organizations around the globe that can deliver things for less. Be that as it may, this could be an issue for small organizations that can't.

- **Pricing Volatility**

In past times worth remembering, the price of an item on the rack may change each couple months if there was a sale. Nowadays, the price of an item in an online market can change at

regular intervals. Presently PCs screen the price of an object on the web and can naturally refresh your price if a competitor has it for less. While this can be something worth being thankful for sellers, it additionally can exhibit a test. A typical issue is that in their push to undermine prices, sellers are really not making any profit. Different components, similar to PC errors, can likewise happen. In 2014, a typical valuing programming had a glitch and unintentionally dropped prices on a large number of items on Amazon to one penny. In 2011, a glitch raised the price of a standard biology course reading to $24 million.

- **Branding Challenges**

Another potential challenge for commercial center sellers needs to do with branding. At the point when most purchasers shop on a commercial center, they recollect which commercial center they acquired the item from. They could let you know whether they got it from Amazon, eBay, and so on. In any case, do they recall the seller himself? At the point when was the last time you purchased something online? Do you recollect the seller? Be that as it may, you do recollect the site you got it from. Inspiring people to recall your brand on an online store can be hard. What's more, when people don't recall you, they won't be faithful customers.

- **Return Policies**

Amazon has for quite some time been known for its marvelous return strategies. Customers can return any Amazon product for about any reason, without a problem. As of late, Amazon changed their return policy to enable all shoppers to return things not simply from their own particular store, but rather from all organizations that sell on Amazon.com. This change, while useful for customers, can be a test for commercial center sellers. Sellers now need to manage returns on things that are harmed or utilized. This can be counterbalanced by restocking fees, however it can even now be a burden.

- **Payment Delays**

One major challenge for sellers in the commercial center is payment delays. A few commercial centers may not pay out deals instantly. With web based shopping, getting a paycheck each Friday isn't the standard. Sellers depend on prompt payment and regularly live paycheck to paycheck. Since they rely upon incite payment, if something turns out badly with an exchange, they could be late on their auto payment, for instance. This can introduce a challenge for some sellers, and regularly little should be possible to keep these problems. On the off chance that a seller can't deal with such hiccups, they may need to alter their desires or make new business methodology to adjust.

- **Inventory Tracking**

Another problem for some marketplace sellers includes tracking their inventory. Suppose a company offers cleanser. They have a local storefront in San Diego, and they're offering their products through three diverse online marketplaces. Monitoring inventory in the storefront is genuinely simple. You can track and refresh it physically as required. When you have three online stores to monitor rather than only one storefront, tracking your inventory can be considerably more troublesome. Presently, a few marketplaces, for example, Amazon and eBay have innovative solutions for this. They can make the procedure smoother. Yet, numerous littler marketplaces don't. In cases like these, occasionally it is simpler to request that another company handle the inventory tracking for you.

- **Inventory Allocation**

Allotting your inventory to various stores at various circumstances can be trying for marketplace sellers, too. You need to distribute your resources for the opportune time, portal and cost. We should backpedal to the cleanser case. Diverse deals portals in the marketplace can have distinctive circumstances for having deals. The opposition in one portal may have deals the main week in June, while another portal may have deals running the most recent week in June. Monitoring your inventory crosswise over various portals can take a considerable measure of work. Setting the evaluating accurately in view of offers at various circumstances is an endeavor that you might not have time for. Utilizing an office like Marketplace Valet can help with this.

- **Commissions and Fees**

Marketplaces profit off commissions. On the off chance that a consumer purchases a product, one marketplace will charge the seller a specific amount, and another will charge an alternate amount. Marketplace sellers must know that every marketplace has their own particular expense structure.

- **Transparency of Fees**

It's important for sellers to read the fine print when it comes to fees.Some marketplaces slap on extra fees for certain kinds of purchases.For example, legacy systems often apply fees to cross-border payments. This means that for older systems if you buy a product in the US from a company in China, you'll have to pay extra.Often fees go unnoticed until they are charged to your account. You may think that you'll get the full $3.00 on an item only to discover that you actually only made $0.80 after extra charges are accounted for.

- **Running Out**

Sometimes, even though you do everything right, you run out of stock on certain items. While this does mean that you're a popular seller, it also means that customers will go to other buyers who have the item in stock.This can hurt your image and limit your profits. But, you can adjust your inventory as needed to ensure that you don't run out in the future.

6. CONCLUSION

The future of E-Commerce is hard to predict. There are different components responsible for the development of e-commerce. There are some of serious challenges to be faced by the e-commerce industry. In general, the present businesses should dependably strive to create the next best thing that consumers will need because consumers continue to desire their items, services etc. to constantly be better, faster, and cheaper. In this universe of new technology, businesses need to accommodate to the new types of consumer needs and trends because it will prove to be crucial to their business' success and survival. E-commerce is persistently progressing and is becoming more and more imperative to businesses as technology continues to advance and is something that ought to be taken advantage of and implemented. However, much the same as whatever else, e-commerce has its disadvantages including consumer uncertainties.

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