

ENTREPRENEURSHIP DEVELOPMENT THROUGH E-BUSINESS

Dr.M.Sindhuja

*Assistant Professor, Department of Commerce,
Saraswathi Narayanan College, Madurai(India)*

ABSTRACT

Entrepreneurship is a central path to job creation and economic growth. E-Business is defined as buying and selling of information, products, and services via computer networks or internet. Internet and electronic commerce technologies are transforming the entire economy; and changing business models, revenue streams, customer bases, and supply chains. One estimate says that online travel industry contributes about 76% of total net commerce in India. Customers of online shopping are delighted with prompt delivery and flawless payment mechanisms building trust in consumers. So E-Business has good scope in future. Online services such as jobs and matrimonial are successful service Business. Online retailers are now pushing a larger number of categories such as electronics and goods. In these emerging models, intangible assets such as relationships, knowledge, people, brands, and systems are taking center stage. The smart-phones and electronic goods like computers that are the primary drivers in India, the e-business goes beyond to include gadgets, apparel and jewellery, home and kitchen appliances, lifestyle accessories like watches, books, beauty products and perfumes and baby products. The survey indicates that largely it is the youth that make online purchase. With India poised to become youngistan, with about 64% of the population by 2020 in the age group of 15-35, the potential of e-business is all set to rise. The e-business industry in India is growing at a remarkable pace due to high penetration of internet and sophisticated electronic devices. However, the recent growth rate of e- business in India is far lagging behind than other developed countries. There are many big problems and challenges on the way of an online merchant. Factors like safety and security of online money transaction being the biggest problem along with others, have curb the smooth expansion of the online industry in the country but still there are few online giants like Makemytrip.com, flipkart.com, Snapdeal.com who have overcome the challenges and represents the perfect growth trends of e- business in India. India is having high potential women entrepreneurs. India is having high potential women entrepreneur's .When the potentials entrepreneurs are properly channelized and utilized India could stand top 5 position in GEDI index in future. Women are generally perceived as home makers with little to do with economy or commerce in India. But now they can be used for economic growth through e-business. The acceptance of the e business on a large scale by the Indian people influenced other business players also to try this technique for their E-businesses and gain high profits. Despite being a developing country, India has shown a commendable increase in the E-Business industry in the last couple of years, thereby hitting the market with a boom. Though the Indian online market is far behind the US and the UK, it has been growing fast.

I INTRODUCTION

Entrepreneurship is necessary to initiate the process of economic development of the both developed and developing countries. Entrepreneurs is instrumental in attaining economic development .Every country tries to achieve economic development for prosperity and better life of the people. So the contribution of both men and women Entrepreneurs are necessary for healthy nation building. Entrepreneurship can be enhanced through **E-Business or electronic commerce or Online trading**

E-business (electronic business) is the conduct of business processes on the Internet. These electronic business processes include buying and selling products, supplies and services; servicing customers; processing payments; managing production control; collaborating with business partners; sharing information; running automated employee services; recruiting; and more. **E-Business or electronic commerce** simply refers to carrying out business transactions over the internet. Just like in conventional businesses, this type of trade has all the aspects of a business transaction such as buying, selling, and payments. The major difference is that this business model is based on electronic transactions. In E-business companies set up stores on the internet and provide user interfaces that allow for the purchase and selling of merchandise. There is no physical contact between the seller and the buyer since purchases are done online. E-Business adopts the use of technology to meet customer demands and settle transactions. In this business model, an entrepreneur does not need to have a physical premise; only a store for keeping commodities. Online trading is act of purchasing products or services over the Internet. Online shopping has grown in popularity over the years, mainly because people find it convenient and easy to bargain shop from the comfort of their home or office. One of the most enticing factor about online shopping, particularly during a holiday season, is it alleviates the need to wait in longlines or search from store to store for a particular item.

II OBJECTIVE OF THE STUDY

This present paper focused on below three objectives.

- To study the Evolution and growth of E-Business in India.
- To find out the scope for Entrepreneurs to move to E- Business
- To understand the challenges and failures faced by the Entrepreneurs in E-Business

Evolution of E-business in India

Now that online shopping has become popular but the concept of e-business was introduced long back in the 20th century.

1991: Introduction of E-Business

The year 1991 noted in the history of the online world where e-business became a hot choice amongst the commercial use of the internet. At that time nobody would have even thought that the buying and selling online or say the online trading will become a trend in the world and India will also share a good proportion of this success.

2002: IRCTC teaches India to Book ticket online

India first came into interaction with the online *E-Commerce via the IRCTC*. The government of India experimented this online strategy to make it convenient for its public to book the train tickets. Hence, the government came forward with the IRCTC Online Passenger Reservation System, which for the first time encountered the online ticket booking from anywhere at any time. This is a big achievement in the history of India in the field of online E-Business.

2003: Introduction of Low Cost Airline with AirDeccan

After the unpredicted success of the IRCTC, the *online ticket booking system was followed by the airlines* (like AirDeccan, Indian Airlines, Spicejet, etc.). Airline agency encouraged, web booking to save the commission given to agents and thus in a way made a major population of the country to try E-Business for the first time.

2007: The Deep Discounted model of Flipkart

Though online shopping has been present since the 2000 but it gained popularity only with deep discount model of Flipkart. In a way it re-launched online shopping in India. Soon other portals like Amazon, Flipkart, Jabong, etc. started hunting India for their businesses.

Current Scenario

Online shopping in its early stage was a simple medium for shopping with fewer options. The users can just place an order and pay cash on delivery. But, in last few years this field has been renovated to a high extent and hence fascinated many customers. Today, the online shopping has become a trend in India and the reason behind the adoption of this technique lies in the attractive online websites, user friendly interface, bulky online stores with new fashion, easy payment methods (i.e. secure pay online via gateways like paypal or cash-on-delivery), no bound on quantity & quality, one can choose the items based on size, color, price, etc. Further, the addition of discounts, coupons, offers, referral systems, 30days return guarantee, 1-7 days delivery time, etc. to the online shopping and the E-Market have added new flavors to the industry.

E-Business in India has grown by 68% during the last three years, while in China and the United States it has only grown by 23% and 12% respectively. The most populated countries in the world, India is home of one of the most important online markets worldwide. There are currently more than 50 million online shoppers in India and this number is growing exponentially. There is a new Internet user every 3 seconds, that means that every month nearly 1 million Indians use internet for the very first time in their lives somehow. It is a fact that Indian online shoppers spent an average of \$288 every year, so it is not a coincidence that the E-Business in India is worth more than \$22 Billion and it is expected to be worth over \$100 Billion by 2020.

In addition, the availability of worldwide delivery makes it easy for customers to prefer online shopping over physical stores. The survey indicates that largely it is the youth that make online purchase. The age-wise analysis revealed that 35 per cent of online shoppers are aged between 18 years and 25 years, 55 per cent

between 26 years and 35 years, 8 per cent in the age group of 36-45 years, while only 2 per cent are in the age group of 45-60 years. Besides, 65 per cent of online shoppers are male while 35 per cent are female. With India poised to become youngistan, with about 64% of the population by 2020 in the age group of 15-35, the potential of e-commerce is all set to raise.

The Key drivers of in Indian E-Business have been:

- Increasing broadband Internet and 4 G penetration.
- Easy access to wide range of products.
- Growing Living standards
- Availability of much wider product range
- Busy lifestyles and lack of time for offline shopping
- Increased usage of online categorized sites
- Evolution of the online marketplace model with websites like eBay, Flipkart, Snapdeal, etc.

III SCOPE FOR ENTREPRENEURS TO MOVE TO E-BUSINESS

1. Reduced overhead

This is particularly true in cases where physical products, distribution, rent and other costs are non-existent. The resources required are going to be significantly less than that of a brick-and-mortar business with physical assets. So reduced overhead often translates to higher profit margins as well.

2. Increased adaptability

Marketing is one of the most important components to any business. Targeting specific demographics has never been easier, especially with the rise of social media advertising. You can find the audience you want to target, in exacting detail, and begin to market to the people that are most likely to be interested in your product or service offering. Blogs, podcasts, videos, social media, email campaigns, white papers, ebooks and a variety of other assets can all be used to attract your target profile. In short, all of these elements allow for more adaptability.

3. Added flexibility

With an offline business, you are often tied to a physical location. At times, there are advantages to being positioned in a specific part of the world, but the added flexibility of an online business is attractive to many entrepreneurs and investors.

With an online business, if you need to work from home, you can. You can also do your work from just about anywhere in the world, as long as you have a reliable Internet connection. A well-established online business may not even require employees and a business infrastructure to maintain, support and even grow.

4. Lower risk

E-business can mitigate risky and unwise investments. For the most part, online businesses are lower risk than brick-and-mortar businesses. Starting an online business doesn't have to cost a lot, and because of its inherent

adaptability. This doesn't completely eliminate the possibility of failure. Online businesses are also more liquid than you might think. Online businesses generally aren't tied to a location, and they require less work to maintain. Ultimately, online business is less risky than offline business.

IV MAJOR CHALLENGES FACED BY E BUSINESS INDUSTRY IN INDIA

The recent growth rate of e-business in India is far lagging behind than other developed countries. There are many big problems and challenges on the way of an online merchant. Factors like safety and security of online money transaction being the biggest problem along with others, have curb the smooth expansion of the online industry in the country.

Although, major portion of e-business sectors have affected by the below mentioned challenges but still there are few online giants like Makemytrip.com, flipkart.com, Snapdeal.com who have overcome the challenges and represents the perfect growth trends of e-business in India.

- **Poor Knowledge and Awareness:** Majority of Indian rural population are unaware of internet and its uses. Surprisingly, most of internet users or urban population are also suffering from poor knowledge on online business and its functionalities. Very few are aware of the online corruption and fraud and thus darkness still exists. A reliable survey reveals that 50% of Indian online users are unaware of the solution of online security.
- **Online Transaction:** Most of Indian customers do not possess money, credit card, debit card and net banking system, which is one of the prime reasons to curtail the growth of e-business.
- **Cash On Delivery:** Cash on Delivery (COD) has evolved out of less penetration of credit card in India. Most of Indian E-Business companies are offering COD as one of mode of payment for the buyers. 30%-50% of buyers are also taking advantage of this mode of payment while making purchase of any product and service over internet. COD has been introduced to counter the payment security issues of online transaction, but this mode has been proving to be loss and expensive to the companies. It is seen that majority of the customers denied to make the payment at the time of delivery of the product. Hence, companies tend to lose the sale along with product transit fees. In order to curb the problem of COD, online companies should take some judicial steps; otherwise basic logic behind the e-business business will be at risk.
- **Online Security :** In case of start up and small business, Business owners are ignoring the importance of authentic software due to budget constraints. They are even failing to take the initial steps to secure and protect their online business through installation of authentic protection services like antivirus and firewall protection, which indeed a crucial step for successful online business players. In India, maximum number of business entrepreneurs used unauthorized software in their server, which usually does not come with upgraded online security. Such pirated software leaves room for virus, malwares and Trojan attacks and it is highly risky task to make online transactions in the systems, which may disclose or leak sensitive details of credit cards and online banking of the users. These kinds of droopiness should be banned in Indian e-business sectors.
- **Logistics and Shipment Services:** In India, logistics and courier services required lots of improvement. While, perfect and strong logistics service is one of the key reasons behind the success of any online

company, India is lagging far behind in this sector as most of the town and small villages are still not covered under serviceable area of many of the courier and logistic companies.

- **Tax Structure:** Tax rate system of Indian market is another factor for lesser growth rate of e -business in India in comparison to other developed countries like USA and UK. In those countries, tax rate is uniform for all sectors whereas tax structure of India varies from sector to sector. This factor creates accounting problems for the Indian online business companies.
- **Fear factor:** Fear of making online payment is a universal psychological factor of Indian customers. But still, majority of customers are not aware of online transactions and its security. They often reluctant to disclose their credit card and bank details and preferred to stay away from online world of shopping.
- **'Touch and Feel' factors:** Indian customers are more comfortable in buying products physically. They tend to choose the product by touching the product directly. Companies dealing with products like apparel, handicrafts, jewelry have to face challenges to sell their products as the buyers want to see and touch before they buy these stuffs.
- **Comparison** -Social media can be dangerous for motivation, especially if it makes you feel negative about your own situation. Comparison crushes your creativity and feeds self-doubt, worry and concern. Comparison can really knock your confidence. The internet is saturated with online entrepreneurs.
- **Lack of commitment-** Entrepreneurs in e-business will have less real commitment towards business because of no physical assets. So decide to do it and commit to doing it
- **Poor planning-** Poor plan well enough for the financial, emotional, mental and physical implications. Entrepreneurs in e-business take ideas very quickly with no plan and research.
- **Lack of action-** Entrepreneurs in e-business simply don't take enough (or any) action because they are new to business . Their actions will not be properly aligned to their business so you waste a lot of time.
- Entrepreneurs in e-business attempt to grow your following on Facebook and Instagram but instead of being tactful and succinct you spend entire days on there browsing aimlessly.
- Entrepreneurs in e-business don't know who your target clients are, or where to find them.
- Entrepreneurs in e-business the Business plans are not planned well. Entrepreneurs will have no real idea about how to hit their targets. So a business plan is essential. Online purchase conversion rates are typically 1%....Entrepreneurs must match to the needs of consumers so they can hit their targets.
- **Visibility-** Entrepreneurs in e-business keep yourself hidden behind the curtains (i.e. your laptop) as opposed to being as visible as possible.
- Entrepreneurs in e-business spend hours each week on non-money making tasks, such as fixing annoying tech issues with your website or mailing list.

V ADVANTAGES AND DISADVANTAGE OF E-BUSINESS

5.1 Advantages

1. **Enhances convenience:** Customers can make orders for goods at their own convenience and from the comfort of their homes without having to travel to the business premise. Orders are also delivered to them at their most ideal locations. It's the best shopping option for people who are always busy.

2. **Allows for product and price comparison:** Again, when making purchases, customers want to get the best deals. This business model allows for product and price comparison by consumers so that the best products are bought at the fairest prices. They can also enjoy extra benefits like discounts, coupons, items on sale and also get the best deals.

3. **Easy fund-raising for start-ups ventures:** So many people have the desire to venture into business but lack sufficient funds to set up shop. Leasing a physical store can be quite expensive. E-commerce makes it easier for start-ups to do business and grow.

4. **Efficient:** Resources are used efficiently since most of the business services are automated. Business owners sometimes spend a lot of resources meeting business needs and this eats into profits. E-commerce thrives on efficiency.

5. **Customer reach:** It's easier to reach many customers on the internet. Using social media links and good search engine optimization strategies, an online business can increase brand awareness and grow its customer base.

6. **Prompt payments:** Payments are fast since online stores use electronic or mobile transactions payment methods. The mobile wallet system for merchant accounts drive up sales and increase revenue generation.

7. **Ability to sell different products:** The flexibility of conducting business over the internet makes it possible for entrepreneurs to display and sell several products and also cater to a wider demographic.

5.2 Disadvantages E-Business

1. **Poor quality products:** You don't physically see and inspect whatever you are paying for before it's delivered. Customers, therefore, run the risk of falling victim to false marketing and buying poor quality products from the virtual shop.

2. **Impulsive purchases:** Online stores display a large number of products and due to the convenience of shopping, customers can find themselves making bad financial decisions through impulsive purchases.

3. **Internet scammers:** The internet is a good thing but some people have decided to use it for all the wrong reasons. Scammers have made this type of business model unattractive for some consumers.

4. **Lack of after sales support:** As a result of lack of physical premises, customers find it hard to access after sales support. It can take up to several days before any help is accorded to a customer in need.

5. **Fast changing business environment:** Technology evolves so fast. Some entrepreneurs find it hard to keep up and lose a lot of business in the process. This may make business growth unattainable.

6. **Loss of personal touch:** Business is all about relationships. This business model erodes the personal touch between a customer and the business owner. Cultivating loyalty can thus be a problem since there are many such businesses that provide different options.

7. **Delivery of goods can get delayed:** It takes time before the goods ordered for are delivered. Sometimes the delivery delays and this inconveniences the customer. This is different from physical business premises where customers walk out with the products bought.

VI CONCLUSION

Indian Government has been introducing various investor friendly policies like ‘Digital India’ & ‘Make in India’ so India is Ranked 3rd in number of internet users. Further, the Indian Government is proposing to invest in Rural Networking systems to make rural India have internet connectivity. So opportunity for the entrepreneurs in e-business will be more in India in future. “Entrepreneurship is a central path to job creation and economic growth. Entrepreneurs investment in online business is a solid investment. Entrepreneurs in online Business can pick their wishing business model and can make invest in, so that they can hope to achieve and experience with the investment money.

The Internet and the WWW heralded an unprecedented evolution in the transformation of all business and communication. At present Internet is growing at an annualized rate of 34% and now has three billion users word wide. Due increased reliance of WWW, e-commerce will continue to grow in next few decades. Technology is certainly a good thing because it has made communication and access to information much easier. It has turned the world into a global village and created a wonderful platform for entrepreneurs who want to expand their enterprises. E-commerce is a business model for the modern world and with the adoption of the right strategies, it can turn a small business into an empire. online businesses are incredibly adaptable. One of the main reasons for the fast growth of E-Commerce is that online stores are “open” 24 hours a day, 7 days a week. Also online business owners can reach niche markets through personalized advertisement all over the web. With India poised to become youngistan, with about 64% of the population by 2020 in the age group of 15-35, the potential of e-commerce is all set to raise.

Women are generally perceived as home makers with little to do with economy or commerce in india. But now they can be used for economic growth through e-business. Women entrepreneurs constitute only 10 % of the number of entrepreneur in the country but this growth is very less when compared globally. So need to increase women entrepreneurs in India. The women should be encouraged to make their share of economic contribution towards the country because they constitute 50% of the population of our country. One way of achieving is by making women come out and become entrepreneurs this can be easily done through e-business.

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