Journal of
Corporate Governance and
International Business Law

Volume 5, Issue 1, 2022
(January-June)
DOI (Journal): 10.37591/JCGIBL

http://lawjournals.celnet.in/index.php/jcgibl/index

Measuring Impact of E-commerce on Small Scale Business: A Systematic Review

Ankita Sharma[1,*], Ankita Sharma[2], Bhupinder Singh[3]

Abstract

The Internet has altered our lives and the way we used to connect with friends and conduct business. Marketing, advertising, and promotional efforts have all changed as a result of the Internet. Similarly, the Internet has a significant impact on brand equity. Strategists have exploited the Internet to gain a competitive advantage as more and more clients use the web. It has altered the competitive landscape by assisting brands in establishing themselves through internet platforms. New companies that built e-commerce sites battled for brand awareness, driving older corporations to use the e-commerce approach to build brand awareness in online markets. The methods have aided them in pulling and repositioning their existing brand assets online in order to create a new brand through competitive e-commerce operations.

Keywords: E-commerce, Internet, legal aspect, small business, technology

INTRODUCTION

There are various perspectives on how the Internet and e-commerce will affect conventional retailing. Scenarios range from near-total devastation of existing physical commerce to little or no impact on "actual" retailing. E-commerce processes and procedures carry the potential for a fundamental rethinking of how retailing operates and how retailers act, despite excessive hype, spectacular failures, and a profusion of conflicting opinions, and crystal ball gazing. Old modes of working and associated cost structures in retailing will surely be revaluated in the face of the assault of new technology and retail models.

This article reviews the data showing how e-commerce has affected the retail process. Instead of offering fresh evidence, it analyses the current circumstances. The emphasis is on the process as it supports B2C activity and how retail processes and procedures may be affected by e-commerce, rather than being focused on sales impact through traditional item and product sector typologies.

Three conclusions should be drawn. The leading retailers are increasingly focusing on the operational advantages and cost savings afforded by the Internet, which could result in a stronger competitive position in terms of procedure, structure, and relationships. Second, consumer responses to new tangible and digital offers will determine whether they succeed or fail, but we don't yet know what those responses will be. Third, the quality and presentation of the current retail floor area must be upgraded if it is to continue performing retail duties [1–5].

***Author for Correspondence**
Ankita Sharma
E-mail: sharmasimmi161@yahoo.com

[1]Assistant Professor, Department of Commerce, Chandigarh Law College, Jhanjeri, Mohali, Punjab, India
[2]Assistant Professor, Department of English, Chandigarh Law College, Jhanjeri, Mohali, Punjab, India
[3]Director, Chandigarh Law College, Jhanjeri, Mohali, Punjab, India

Received Date: May 23, 2022
Accepted Date: November 15, 2022
Published Date: November 20, 2022

Citation: Ankita Sharma, Ankita Sharma, Bhupinder Singh. Measuring Impact of E-commerce on Small Scale Business: A Systematic Review. Journal of Corporate Governance & International Business Law. 2022; 5(1): 34–38p.

E-business is defined as digitally enabled commercial transactions utilising information systems under the firm's management that take place between and among organisations and individuals. E-commerce is the term used to describe conducting business over the web. The majority, if not all, products today are becoming digitally enabled as "e" gains popularity, so as a result, it is important to distinguish between various types of businesses or trades that use the "e" factor. Depending on the sort of relationship that occurs between various trading parties, it can be categorised into a wide range of types. In this paper, we will explore them in detail of e-commerce.

We allude to "e-business" which focuses on digitally enabled commercial connections between and among organisations and the individuals who are using data systems managed by the firm. Nowadays, the letter "e" is gaining traction, and most, if not all, things are becoming digitally accessible. As a result, it is important to make a distinction between different forms of e-commerce and business. Based on the type of relationship that occurs between the various sides of commerce, it can be divided into a variety of categories.

Different transaction schemas have sprung up as a result of forks in various sorts of e-commerce. We will explore them in depth in this section. The relationships between businesses, such as those between a wholesaler and a manufacturer or a retailer and a wholesaler, are called business-to-business (B2B) transactions. Business-to-government (B2G) and business-to-consumer (B2C) are jointly selected words (B2G). B2B (business-to-business) transactions are far more common than B2C (business-to-consumer) transactions. The fundamental cause of this is that there would be a lot of B2B transactions involving subcomponents or raw materials in a normal supply chain, but only one B2C transaction, which would be the sale of the finished product to the final consumer. For example, among other B2B transactions, an auto manufacturer purchases tyres, glass for screens, and rubber hoses for its vehicles. A single (B2C) transaction occurs when a finished car is sold to a consumer. In the area of communication and collaboration, B2B is also employed. Many businesses are now utilising social media to engage with their customers (B2C); however, they are also using similar platforms to connect with their employees (B2B). Employee communication is referred to as "B2B" communication when it occurs between co-workers.

BUSINESS TO BUSINESS (B2B)

To distinguish electronic interactions between businesses and consumers, the phrase "business-to-business" was first established to characterise electronic communications between businesses or organisations (B2C). It was originally used to describe mainly industrial or capital goods marketing, but it soon began to be employed in marketing as well. It is now regularly used to describe all the goods and services that businesses use. Although the majority of sales and marketing employees work in the B2B sector, many professional institutions and trade periodicals place a greater emphasis on B2C than B2B.

The use of electronic communication in the exchange of goods and services is called electronic commerce, also called e-business. Although e-commerce has been around for more than 30 years, the general public has only recently become aware of it. The two types of e-commerce are business-to-business (B2B) and business-to-consumer (B2C). Electronic networks are used by businesses to transact business with their distributors, suppliers, and other partners in B2B. A business-to-consumer (B2C) model is the method used by businesses to offer goods and services to customers. B2C is more familiar to the general public and dominates B2B in terms of revenue in e-commerce [6–10].

E-commerce is linked to the terms "Internet economy" and "digital economy". All of these notions are concerned with the use of modern information and communication technologies to economic activity, although they have diverse foci. The definition of the Internet economy is "economic activities that generate income through the Internet or from products and services related to the Internet". As a result, pre-Internet e-commerce, described in the next section, cannot be referred to as

Internet economy. Some actions, such as establishing Internet connections for business purposes, are part of the Internet economy, although they are not always e-commerce. The digital economy is supported by digital technology such as computers, software, and digital networks. In most circumstances, the terms “digital economy” and “e-commerce” are interchangeable, but not all online pastimes are made equal. Purchasing computer equipment from a brick-and-mortar retailer, for example, is not an e-commerce transaction, though it is an important part of the digital economy. As a result, while e-commerce, the Internet economy, and the digital economy are all related, they are distinct ideas. In the current digital age, “e-commerce” has become one of the most commonly used terms. Although e-commerce was formerly thought of solely as a means of accumulating riches, it has genuinely changed the way people do business. The use of communication and information in commercial scope is shown by the historical examination of e-commerce. Furthermore, examining the history of e-commerce as well as its current state will allow us to forecast future e-commerce developments.

METHODOLOGY OF E-COMMERCE

E-commerce, an Internet application, has grown at an exponential rate over the last five years and is largely projected to continue to grow at a rapid pace in the medium future. To fully realise the advantages of e-commerce, additional work needs to be done. Additionally, if e-commerce develops, it could have a significant impact on macroeconomic performance and policy, as well as on specific economic sectors. This article examines the potential results and economic effects of e-commerce in the business-to-business and business to consumer sectors, as well as the factors promoting its growth and the consequences for the management of structural and macroeconomic policy.

The increasing number of e-commerce sites enables clients to find things easily. What began as a novelty has evolved into a valuable commercial tool. Product knowledge, either hand-coded knowledge provided by professionals or “mined” knowledge derived from customer behaviour is used by recommender systems to help consumers navigate the often-overwhelming chore of finding things they will like. We explain how recommender systems are related to various standard database analysis approaches in this post. It examines how recommender systems can assist e-commerce sites to raise sales and looks at six market-leading sites’ recommender systems. Based on the given examples, we find a taxonomy of recommender systems which includes the users’ inputs necessary, the extra knowledge from the database necessary, the methods by which recommendations are presented to consumers, the technologies which are used to create the recommendations, and the degree of personalization necessary for the recommendations. We list five prevalent e-commerce recommender system application models, talk about numerous ongoing research challenges in the industry, and explore privacy issues with recommender system technology.

The 2019 Consumer Protection Act safeguards the benefits of consumers. This regulation safeguards consumers from subpar goods, subpar service, and unfair business practices. By creating authorities for the prompt and efficient administration and resolution of consumer complaints, the Consumer Protection Act of 2019 aims to defend consumers’ rights. Consumers have a right to knowledge on a variety of topics related to goods and services. It is possible to give details about the number, calibre, potency, purity, cost, and standard of the products or services.

With the advent of the digital age, a new era of digital branding, commerce, and customer expectations has emerged. Digitization has made it possible to have simple access, a large selection, effective payment methods, improved services, and the ability to shop whenever one wants. Along with these advantages, users have to face some disadvantages as well. The Consumer Protection Bill, 2019 by the Indian Parliament, highlighted some challenges that came before the users of digital era. The bill aims to offer fast and effective administration and resolution of consumer complaints.

Consumers have a right to knowledge on a variety of topics related to goods and services. A description of the amount, calibre, potency, purity, price, and standard of the goods or services could be provided. To be safe from potentially dangerous goods and services, one has the right to be shielded from products and services that could endanger one's life or property; one also has the right to be protected from unfair or discriminatory business practices. Customers have the right to a variety of products and services at fair prices, as well as the ability to file a complaint.

The Central Consumer Protection Authority (CCPA) is the monitoring body, and consumer rights will be protected, promoted, and enforced under it, which will also govern situations involving unfair trade practises, misleading advertising, and violations of consumer rights. The CCPA will have broad powers including the ability to conduct suo moto acts, recall items, require refunds of goods and services prices, cancel licences, issue penalties, and initiate class-action lawsuits. An investigation division of the CCPA will carry out impartial inquiries into violations of consumer legislation [11–15].

IMPACTS

In the year 2019, due to the COVID-19 pandemic, all businesses suffered a lot and had to bear huge losses, but in the case of online shopping, things were different. Online shopping's business reaches new heights during this time. During this time, people avoided outdoor shopping to avoid crowds so they opted for sitting comfortably at home and doing online shopping. People could order anything online, like clothes, groceries, medicines, or vegetables. So many small businesses got hampered because of the outburst of online shopping.

Few years back, people were only aware of those gadgets or mobile phones which were available at their nearby shops, but from the last 2–3 years, people are going for online shopping in spite of buying something from nearest stores. The reason is the low prices or the discounts that they can avail during online shopping. Online sellers have removed the middlemen from the supply chain. That is why they are providing items at low price and this is the reason behind the growth of this business. But it is hampering local businesses. Sometimes these local businessmen sell their product without any profit, just to attract some buyers and survive in the market. Sometimes customers show the shopkeepers the price of an item that they are buying online.

In online shopping, the EMI option is also available for buyers; now they can buy an expensive item or gadget by paying in instalments. So people are going for this option rather than buying it directly from the shop. So it is also hampering small retail businesses.

Along with these major challenges, there are a few more. Some big names in industries are also supplying items directly from the manufacturers, like JioMart. In the first week of its launch, the JioMart application was downloaded by 1 million people. It is affecting local vegetable sellers, fruit sellers, etc. Loss to retailers is not only the issue. But because of this, the distributors and wholesalers are also affected. Both are losing their buying power. Instead of buying products from local areas, they are purchased from big companies' headquarters giving them cost advantages.

CONCLUSION

As the Information Technology Act of 2000 (On October 17, 2000), it was the law in India that dealt with law-breaking and internet trade, and we will examine the objectives and alternatives of the Knowledge Technology Act 2000 in this article. According to the publication of the United Nations Commission on International Trade Law (UNCITRAL), the model law on electronic commerce (e-commerce) was adopted in 1996 to synchronize the law in many countries. Furthermore, the international organization's General Assembly advised that each country consider this model law before making changes to its laws. With the passage of the Knowledge Technology Act, 2000, India became the 12th country to change its cyber law. The first draft was prepared by the Ministry of Commerce, Government of India, in response to the E-Commerce Act of 1998; however, it was redrafted in response to the 'Information Technology Bill, 1999', and passed in May of 2000. All electronic contracts that were made via secure electronic channels were legal. Digital signatures have legal validity, and security precautions for electronic documents and digital signatures are in place. The procedure for appointing adjudicating officers to conduct inquiries under the Act has been completed. The Act contains a provision for the creation of a cyber-restrictive appellate judiciary. Furthermore, this judicature can hear all appeals filed against the Controller's or Adjudicating Officer's orders. It appeals against the Cyber Appellant's ruling that judicial review be limited to the courtroom. A hash function and a mixed cryptosystem are both used in digital signatures. To issue licences and oversee the operation of certifying authorities, the controller of certifying authorities (CCA) shall be appointed. All digital signatures are stored in the controller. Without a warrant, senior law enforcement personnel and alternative officers will enter any public location and search and arrest anybody. There is a provision for the creation of a committee to advise the central government on cyber laws.

E-business is defined as digitally enabled commercial transactions utilizing information systems under the firm's management that take place between and among organizations and individuals. E-commerce is the term for using the Internet and websites to conduct the online business. Nowadays, 'e' is gaining traction, and most, if not all, products are becoming digitally enabled. So as a result, it is important to make a distinction between the various types of businesses or professions that use the "e" factor. It can take different shapes which depend upon the different connections among different trade parties.

REFERENCES

1. Laudon Kenneth C, Carol Guercio Traver. E-commerce. Boston, MA: Pearson; 2013.
2. Rayport Jeffrey F, Bernard J Jaworski. Introduction to e-commerce. Irwin MarketspaceU: McGraw-Hill; 2004.
3. Bajaj Kamlesh K, Debjani Nag, Kamlesh K. Bajaj E-commerce. Tata McGraw-Hill Education; 2005.
4. King David Neden, David Neden King. Introduction to e-commerce. Prentice Hall; 2004.
5. Qin, Zheng, Zheng Qin. Introduction to E-commerce. Vol. 2009. Heidelberg: Springer; 2009.
6. Goel Ritendra. E-commerce. New Age International; 2007.
7. Burt Steve, Leigh Sparks. E-commerce and the retail process: A review. Journal of Retailing and Consumer services. 2003; 10(5): 275–286.
8. Barnes Stuart J, Richard T Vidgen. An integrative approach to the assessment of e-commerce quality. J. Electron. Commer. 2002; 3(3): 114–127.
9. Nemat Rania. Taking a look at different types of e-commerce. World Applied Programming. 2011; 1(2): 100–104.
10. Qin Zheng, Yang Chang, Shundong Li, Fengxiang Li. E-commerce strategy. Springer; 2014.
11. Coppel Jonathan. E-commerce: Impacts and policy challenges; 2000.
12. Fingar Peter, Harsha Kumar, Tarun Sharma. Enterprise e-commerce. Meghan-Kiffer Press; 1999.
13. Goldstein Andrea, David O'Connor. E-commerce for development: Prospects and policy issues; 2000.
14. Schafer J Ben, Joseph A Konstan, John Riedl. E-commerce recommendation applications. Data Mining and Knowledge Discovery. 2001; 5(1): 115–153.
15. Fraumeni Barbara M. E-commerce: Measurement and measurement issues. American Economic Review. 2001; 91(2): 318–322.

