E-Commerce In India: Types

As defined by Kishor Kumar Das and Affreen Ara, “E-Commerce is buying and selling of goods and services or transmitting of funds or data, over electronic networking, primarily the Internet. These transactions occur either business-to-business, business to consumer, consumer to business and consumer-to-consumer. E-Commerce is done using applications EDI, email, shopping carts, Digital commerce makes possible for purchasing transaction over the web and supports the creation and constant growth of online relationship with customers across multiple channels like retail, mobile, direct and indirect sales”.

As per Economic Times, “The fast-growing e-commerce market in the country will touch USD 84 billion in 2021 from USD 24 billion in 2017”. Such growth in e-commerce won’t only change the traditional way of business, but will also bring in new opportunities for the industry as well as consumers. “E-commerce (Electronic commerce) is a paradigm shift influencing both marketers and the customers. Rather e-commerce is more than just another way to boost the existing business practices”. The advent of web presence for a company will help them increase the global presence and help them cater to the entire world as its market. E-commerce will help them with low operating costs and offering information depth to consumers.

As per a report by PWC, “India has the second-largest Internet user base, which exceeds 450 million today. Of these, approximately 70 million people are estimated to have more than three to four years of online experience, which makes them comfortable with engaging in e-commerce. As more people join the Internet economy (internet penetration is expected to almost double to 60% by 2022) and continue to get accustomed to their new online lives, the e-commerce industry is expected to grow into a 100 billion USD market by 2022”.

However, there are 6 basic types of e-commerce:

1. **BUSINESS-TO-BUSINESS (B2B)** “B2B e-commerce refers to all electronic transactions of goods and sales that are conducted between two companies. This type of e-commerce typically explains the relationship between the producers of a product and the wholesalers who advertise the product for purchase to consumers. Sometimes this allows wholesalers to stay ahead of their competition”.
2. **BUSINESS-TO-CONSUMER (B2C)** “Perhaps the most common form of e-commerce, B2C e-commerce deals with electronic business relationships between businesses and consumers. Many people enjoy this avenue of e-commerce because it allows them to shop around for the best prices, read customer reviews, and often find different products that they wouldn’t otherwise be exposed to in the retail world. This e-commerce category also enables businesses to develop a more personalized relationship with their customers”.
3. **CONSUMER-TO-CONSUMER (C2C)** “This level of e-commerce encompasses all electronic transactions that take place between consumers. Generally, these transactions are provided by online platforms (such as PayPal) but often are conducted through the use of social media networks (Facebook marketplace) and websites (Craigslist)”.
4. **CONSUMER-TO-BUSINESS (C2B)** “Not the most traditional form of e-commerce, C2B

e-commerce is when a consumer makes their services or products available for companies to purchase. An example of this would be a graphic designer customizing a company logo or a photographer taking photos for an e-commerce website".

5. **BUSINESS-TO-ADMINISTRATION (B2A)** "This e-commerce category refers to all transactions between companies and public administration. This is an area that involves many services, particularly in areas such as social security, employment, and legal documents".
6. **CONSUMER-TO-ADMINISTRATION (C2A)** "Another popular e-commerce category, C2A e-commerce encompasses all electronic transactions between individuals and public administration. Examples of this include taxes (filing tax returns) and health (scheduling an appointment using an online service. This paper focuses on the business-to-consumer model of e-commerce".

As per Khalifa and Liu, the increased web usage has led to increasing in competition in the industry, which further makes it difficult to satisfy the customers. Therefore, "managing high-quality customer relationship is crucial" [29]. In this competitive environment, "service quality in online environments has become recognized as an important factor in determining the success or failure of electronic commerce". As per Jessica Santos, "The notion of e-service has been increasingly recognized by both researchers and practitioners as being one of the key determinants in successful e-commerce". The term service quality in the context of e-commerce can be defined as, "consumers' overall evaluation and judgment of the excellence and quality of e-service offerings in the virtual marketplace"[30]. "Consumers place an important emphasis on the outcome of the service, and if an e-retailer fails to deliver the product or service in the manner desired, then previous evaluations of Web site interactivity will mean very little in the evaluation of e-service quality. In addition, how a service provider responds to a failure is extremely important when a buyer and seller are physically separated" [9]. Adhering to the customer perception towards e-service quality, many researchers have worked on the framework to develop factor that affects customer satisfaction. One of the widely used frameworks is SERVQUAL, this research studies consumer perception by using SERVQUAL in the research process. SERVQUAL, which has 5 dimensions, is being used in this research, the dimensions being Tangibility, Assurance, Personalization, Responsiveness, and Security.

"Online customer behaviors are influenced by exogenous and endogenous factors. Exogenous factors include attributes associated with the online retailer and the consumer's environmental influences and endogenous factors include characteristics attributed to consumers. Of these, personality has major influences on customer behaviors in the online stores" [23]. This research will use the TIPI model to establish a relationship between customer perception towards e-service quality and personality traits. The relevance of the study is to know which factor impacts the consumer most so the e-commerce industry can work on those areas and to know which personality trait will impact consumer satisfaction.

Objectives of the study are:

1. To analyze which dimension contributes most to e-service quality
2. To establish a correlation between personality traits and e-service quality dimensions.
3. To identify the relationship between variables and customer retention

This paper proceeds as follows, the second section presents the Literature Review, and then the next section demonstrates the methodology used in the paper. Then in the next section, the

findings and conclusion will be discussed. Finally, the limitation of the study will be discussed for further scope.