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The Influence of E-Commerce on Society

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Abstract

This study examines the influence of e-commerce on societal structures, focusing on the dynamics within online shopping, which encompasses both business-to-consumer (B2C) and business-to-business (B2B) transactions. By reviewing extensive literature and employing a descriptive research methodology, this paper highlights both the positive and negative impacts of online commerce. The research outlines significant advantages such as enhanced accessibility, convenience for seniors and individuals with disabilities, and cost-effective business models that facilitate market entry. Conversely, it addresses challenges including the decline in traditional retail employment, increased privacy risks, and environmental concerns from packaging waste. The findings suggest that while e-commerce has revolutionized consumer behavior and expanded market reach, it necessitates strategic public policy interventions to mitigate its adverse effects and support sustainable practices. Ongoing research is vital to align e-commerce developments with broader societal objectives.

Keywords : E-Commerce, E-Commerce Public Policy, B2B, B2C

Introduction

Online shopping refers to the relatively straightforward and accessible process of purchasing and selling various goods and services over the internet, which is a platform available to anyone with online access. This form of modern commerce can be divided into two primary categories: business-to-consumer (B2C) and business-to-business (B2B) transactions, both of which cater to different segments of the market. Brick-and-click retailers, who are found both online and on the high street, often inspire greater consumer confidence by allowing customers to buy items either online or in-store and providing the option to return them in-store. The practice of online shopping has become a prevalent and indispensable method for businesses and organizations to conduct transactions efficiently. Today, most companies maintain an online presence, even if solely to disseminate information about themselves and bolster brand awareness, even if it is not directly used for commercial transactions. Many individuals prefer online shopping due to its significant time efficiency compared to physically searching for products in stores, and it often proves to be more cost-effective for consumers. While some individuals may feel apprehensive about making purchases online, particularly when it involves the sharing of personal information, the majority of consumers generally feel at ease and comfortable with the process.

Literature Review

Patric Barwise, in the year 2001, observes that an overwhelming majority of e-commerce transactions, specifically 99%, are projected to be conducted through personal computers, which include both laptops and desktop models. (Menaka & Seethal, 2018). While it is anticipated that business-to-consumer (B2C) e-commerce will evolve to become more complex and will offer a more extensive range of relevant media options, such as interactive digital television and a variety of mobile and wireless services, this predominant use of PCs is expected to remain unchanged. The disparity in access to and ownership of different technological devices among consumers will show significant variability. Some individuals may completely lack digital communication capabilities, while others will enjoy the benefits of broadband internet access. (Cullen, 2001) (Pick & Azari, 2008).

In their comprehensive 2001 analysis, Jackie Gilbert and Bette Ann Stead meticulously examined the significant and rapid expansion of electronic commerce, exploring the array of ethical challenges that have subsequently emerged in this new digital landscape. (Nguyen, 2016) (Peace et al., 2002). They addressed intricate issues such as heightened security concerns that threaten consumer trust, the prevalence of unsolicited electronic communications known as spamming, and the pervasive lack of transparency in the advertising found on numerous websites. Moreover, they delved into the problem of cybersquatting, the ethics of online marketing strategies targeted specifically at minors, and the potential conflicts of interest that could arise in this context. Additional topics included the growing competition between manufacturers and online intermediaries, as well as the myriad challenges faced by traditional brick-and-mortar businesses struggling to compete with their digital counterparts.

In the year 2000, researchers Elizabeth Goldsmith and Sue L.T. McGregor conducted an in-depth study that meticulously analyzed the impact of burgeoning e-commerce on various facets such as public policy, business practices, educational systems, and shifting consumer behavior patterns. Their comprehensive discussion further delved into exploring a range of potential topics suitable for future research endeavors, carefully formulating pertinent research questions that could guide subsequent studies. Additionally, they thoughtfully suggested strategic efforts aimed at advancing the development of public policy to better accommodate the evolving digital landscape.

Research Gap

The proliferation of online shopping has fundamentally altered consumer behavior by providing a convenient and accessible medium for purchasing goods. This paradigm shift has considerably reshaped traditional retail models, resulting in a decline of physical stores and impacting employment within the retail industry. The convenience of obtaining products online has also led to an increase in consumerism, as individuals tend to make more frequent and impulsive purchases. On the positive side, online shopping has broadened the market reach for small and local enterprises, enabling them to tap into a global customer base. However, environmental concerns have surfaced due to the rise in packaging waste and the carbon emissions associated with delivery services. Additionally, the digital nature of online transactions raises significant issues regarding data privacy and security.

Objectives of the study

Investigate the numerous effects that online shopping has on the dynamics of society

Research Methodology

The research study represents a comprehensive exploratory endeavor, utilizing an array of secondary sources drawn from various journals, periodicals, scholarly papers, and reputable media outlets. A descriptive research design was implemented, meticulously aligned with the investigation's specific objectives and overarching aims. This particular design was carefully selected to enable a thorough, precise, and insightful analysis of the research study, while keeping the stated objectives firmly in mind. The study extensively depended on a vast amount of publicly accessible secondary data, which is crucial for thorough examination. The researcher systematically gathered the required data through a structured secondary survey methodology. An assortment of carefully identified and rigorously documented news articles, informative books, and relevant websites were employed in the compilation of data.

Online Shopping's Beneficial Impact on Society:

Accessibility

When searching for any desired item, online shopping generally provides a significantly greater level of convenience compared to the effort required to visit a traditional physical mall. Alternatively, if you prefer, you have the option to easily submit your order while relaxing comfortably at home, as long as you have a reliable internet connection. (Burt & Sparks, 2003) (Lai et al., 2014).

Seniors & Disabled

People who have physical or cognitive impairments, along with senior citizens, frequently face significant challenges when attempting to shop at traditional malls. Living further away from urban centers can often exacerbate this problem considerably. Through the use of online shopping platforms, these individuals enjoy the unparalleled convenience of obtaining the products and services they require while remaining comfortably in their own homes (Mittal, 2013) (Salehi et al., 2012).

Time Conserving

When compared to the experience of visiting your nearby physical store, purchasing an item through an e-commerce website takes significantly less time. Ordering online eliminates the need for travel, allowing consumers to make purchases swiftly from the comfort of their own homes.

Information Accessibility and Cost Evaluation

In today's digital age, almost anything imaginable can be swiftly located on the internet, thanks to powerful search engines like Google, which are richly stocked with vast amounts of information. With these advanced tools, one can rapidly find the most competitive price for the specific product they are searching for online, thereby saving themselves the hassle of physically visiting numerous stores. (Jung et al., 2014) (Kocas, 2002). Among the search engines designed for comparing product prices and finding the best deals at various selling stores, Google Shopping stands out as an effective tool.

New Enterprises

Starting a new business with a physical location can involve a wide array of significantly costly expenses. On the other hand, launching a business with an online presence typically requires substantially lower startup and operational expenses than setting up a traditional storefront and securing appropriate premises for product storage (Moriset, 2018) (Feindt et al., 2002).

Jobs

For an online business to function effectively and efficiently, it is crucial to possess a well-designed website that is capable of securely processing payments and facilitating the seamless sale of various products and services. (Zeng et al., 2014). Larger organizations typically employ in-house teams consisting of skilled web developers, experienced marketing analysts, and adept SEO specialists to manage these tasks. In contrast, smaller enterprises often opt to engage external firms that specialize in establishing these critical components to ensure business success.

Round-the-clock

Provided there are no technical difficulties or interruptions, online platforms are designed to remain continuously accessible at all hours of the day and night. The convenience of ordering a wide array of products through the internet is particularly advantageous for individuals who have demanding work schedules and often work late hours, as they may not have the opportunity or time to quickly visit a nearby physical store to purchase what they urgently need.

Additional Options

When you are shopping in a physical store, you generally have immediate and direct access to the products that are available on the premises at that moment. This experience is in stark contrast to online shopping, where the overall experience is considerably different and distinct. When shopping online, you have the extensive opportunity to browse through multiple websites to locate and find the specific item you are seeking (Javadi et al., 2012). Conversely, with a bricks-and-clicks retailer, the particular product you want might not be available or in stock at your local store and may need to be shipped from another location.

Global Commerce Exhibition

Individuals who have access to the internet have the capability to observe content that is accessible from all corners of the globe. As a consequence, your operational website becomes available to any individual anywhere around the world. This widespread accessibility significantly expands your potential market to a global scale (Sakarya et al., 2007). However, it simultaneously intensifies the level of competition, given that everyone with an online presence is pursuing the same objectives and goals.

Initial Acquisitions

In contemporary times, a significant number of highly desirable online products are available for pre-order. This method involves purchasing the product prior to its official release, ensuring its arrival at your doorstep on the launch date. This practice is especially prevalent with most entertainment merchandise, such as video games.

Innovative Strategies in Marketing

The recent surge in the widespread popularity of online shopping platforms has led to the rapid development of numerous accompanying features designed to enhance the consumer experience. Among these are detailed review platforms, where consumers can access and evaluate others' assessments and evaluations of specific products before making a purchase. Online advertising strategies have also experienced significant growth, with many prominent websites frequently employing intrusive pop-up windows or banner ads to capture and attract visitors' attention. Pay-per-click (PPC) advertisements have become a favored and effective method of digital promotion, remunerating the hosting company based on the achieved click-through rates (Kapoor et al., 2016). In conjunction with the dramatic rise of e-commerce sites, targeted mailshots and customer loyalty programs have also emerged as essential marketing tools.

Internet Promotion

In today's digital age, the internet has unequivocally become the most essential platform for advertising, largely due to its vast and widespread usage among consumers across the globe. Companies that manage and operate their own e-commerce websites frequently engage in promoting the products of non-competing businesses as a strategic move to enhance their sales figures and create mutually beneficial partnerships.

Online Shopping's adverse impact on society

Layoffs

Certain companies have made the strategic decision to transition to an online presence, thereby becoming more globally accessible and moving away from being traditional brick-and-mortar organizations with physical locations (Rodríguez, 2010). Consequently, they find that they no longer require the same number of employees they had previously employed in those physical locations.

Unpredictability

It is not a reflection on individuals that they hesitate to input their personal or financial credentials online due to the significant presence of malicious websites specifically designed to deceive and exploit unsuspecting users. However, amidst the sea of potentially harmful sites, there are numerous trustworthy websites, and it is indeed feasible to determine their legitimacy through various reliable methods. Users can benefit from utilizing PayPal, which is an efficient and secure online payment method that acts as a protective barrier by guarding your credential information from the merchant's reach. When a transaction occurs online through the PayPal system, the company from which you are purchasing products or services will not have access to any sensitive details regarding your payment method, ensuring your financial safety.

Issues related to safety and customer satisfaction

Providing a secure and safe online shopping environment is crucial when a customer seeks to make a purchase from your platform. This practice is instrumental in fostering stronger customer trust, assuring them that they can place an order without concerns. As a customer completes a payment transaction, it is imperative for the company to ensure the presence of a secure gateway and to safeguard the information effectively.

Reimbursements and Concerns

In the event of a product defect, customers are likely to request a replacement or a refund, even if the fault was not theirs, such as when the product arrives damaged. For patrons of an exclusively online business, the process of returning an item or securing a refund can present challenges, as they lack the option to visit a

nearby physical store. This inconvenience may lead to a negative customer experience, reducing the likelihood of their future patronage.

Channels of Communication and Understanding of Product Information

Purchasing online hinders customers from interacting with sales representatives in person and from physically experiencing the product. Instead, the product is typically accompanied by limited images and a description to assist in visualization. In some cases, these images and descriptions might be misleading, resulting in the consumer acquiring an item that may not fully meet their expectations.

Delivery

An online transaction necessitates a waiting period before the item is received. Typically, these online retailers offer a range of delivery options, from costlier, expedited shipping to more economical, slower shipping, or even complimentary delivery (Nguyen et al., 2019). However, orders for items or services intended for future occasions, such as birthday or Christmas gifts, may experience delivery delays due to various complications.

Conclusion

The analysis of e-commerce's impact on society illustrates a profound transformation in how consumers engage with retail environments. Online shopping has undeniably enhanced accessibility and convenience, offering significant benefits to diverse groups, including seniors and individuals with disabilities. It has facilitated the emergence of new business models that require lower startup costs and contribute positively to economic growth and employment in digital sectors. However, the expansion of e-commerce also presents challenges, such as workforce displacement in traditional retail sectors and heightened concerns regarding data privacy and security. Environmental issues related to packaging and logistics further complicate the discourse, emphasizing the need for sustainable practices in e-commerce operations. The shift toward digital commerce necessitates the development of robust policies to address these multifaceted challenges, ensuring that the benefits of e-commerce are maximized while mitigating its adverse effects. As digital commerce continues to evolve, ongoing research and strategic public policy interventions will be crucial in aligning these developments with societal goals.

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