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E-commerce and its Linkages with Services by Centre for WTO Studies

ARNAV AVASTHY¹ AND SONAL GUPTA²

ABSTRACT

“Commerce is the equalizer of the wealth of the nation”.

-William E. Gladstone

Commerce in layman terms can be defined as exchange of goods and services for a consideration. E-commerce is often regarded as a modern form of performing various business activities where the seller sells his products online on a web-space. E-commerce provides a platform to the sellers to sell their products to mass number of people within a limited span of time. However, if we compare e-commerce with the traditional market the biggest advantage is ease of doing monetary transactions. Previously in traditional market the seller used to perform all the business transactions in cash. However, if we purchase any product from the e commerce website numerous ways are available with plenty of options to choose from. The second biggest advantage that the e commerce users have is the wide variety of products and amazon prime and flipkart exclusively provide deliveries within 24 hours for limited products. The delivery of products is not restricted within the territory of India but, the products can also be exported or imported through the medium of these websites at no extra cost. Further, these large websites like amazon and flipkart have their own logistics and storage facilities that enables them to store products in large quantity and since, they are storing these products in this manner they are able to reap the benefits of economies of scale. Further, their logistics support and also ensure that the product reaches safely to the end consumer on time. Government in India is supporting E commerce and many international organisations like the World Trade organisations is also in its favour. As, the trend of e commerce is drastically increasing it would not be wrong to say that e commerce will be the future of business industry.

¹ Author is a student at Amity Law School, Noida, India.

² Author is a student at Amity Law School, Noida, India.

I. INTRODUCTION

E commerce is also known as the internet commerce or electronic commerce which is used for buying and exchange of services by the customers online on internet, it also includes the process of transfer of money and data to execute these transactions. E commerce is usually used for transfer of money and data transfer other than the usual usage like buying of products etc., online. E commerce also includes electronic business which means online business transaction in terms of money, products and services.

History of electronic commerce began in first ever online sale on 11th august, 1994 where a man sold a C.D by the band sting to his friend through his website net market, an American retail platform. It is the first example of consumer purchase of a product through the World Wide Web or e-commerce. Since then e commerce evolved as a source of buying and selling of products through customers. Independent freelancers, small businesses and large corporations have benefitted from the evolved concept of e commerce.

There are ³four types of models of e commerce which can describe every kind of possible transaction which takes place through internet: -

- 1) **Business to consumer (B2C)**: When there is a sale of any product, goods or services from business to the customer directly then it is called B2C model of e commerce.
- 2) **Business to business (B2B)**: When there is a sale of any product, goods or services from business to business then it is called B2B model of e commerce.
- 3) **Consumer to consumer (C2C)**: When there is a sale of any product, goods or services from consumer to consumer then it is called C2C model of e commerce.
- 4) **Consumer to business (C2B)**: When there is a sale of any product, goods or services from consumer to business then it is called C2B model of e commerce.

There are several examples of e commerce out of which we would consider the few of them:-

- 1) Retail- the selling of a product through a business directly to a customer without an intermediary
- 2) **Wholesale**: The selling of products in bulk, often to a retailer which are sold off directly to the customers or consumers.

³ Shopify.com, <https://www.shopify.com/encyclopedia/what-is-ecommerce>.

- 3) **4Drop shipping**: the selling of a product which is further manufactured and shipped to the customer by third party.
- 4) **5Crowdfunding**: It is process of collection of money from the consumers in advance to providing the product, available to raise the start-up capital necessary to bring it to market.
- 5) **Subscription**: The automatic recurring purchase of the product or a service on regular basis until the subscriber cancels it by his own choice
- 6) **Physical products**: Any tangible good where inventory is required to be replenished and orders to be physically shipped to the customers as sales are made.
- 7) **Digital products**: The goods which can be downloaded like downloadable goods, templates and courses or media that must be purchased for the consumption
- 8) **Services**: A skill provided in return to the compensation or money in terms of salary.

II. BENEFITS/ADVANTAGES OF E-COMMERCE

- 1) **Convenience and easiness**: Now a day's e commerce has become the most available source of buying and selling products for the customers as well as the sellers just because it is the most easily approachable and convenient form of platform available for trade and business to them. It is the most preferred form because it is available to everyone at all the times. The best thing about it is that it makes the buying and selling process easy, convenient and less time consuming along with the fact that it is very user friendly in respect to the transfer of funds
- 2) **Offer product datasheets**: Consumers can get the detailed analysis of any product at any time and at any instance whenever and wherever they want to before purchasing the product because it is very important for the customers to go through the details of the product before they buy the product irrespective of the day and time of the purchase.
- 3) **Attract new customers with search engine facility**: We all are aware of the fact that physical retail is run by branding and relationships, but online retail is also driving people towards itself.

⁴ Armando Roggio, 5 reasons to consider drop shopping <https://www.practicalecommerce.com/5-Reasons-to-Consider-Drop-Shipping>, (November 11, 2011).

⁵ Gautam John, why crowd funding is important, <http://idronline.org/why-crowd-funding-is-important-for-philanthropy-to-support/>, (Aug 17, 2017).

- 4) **6Comprise warranty information**: No matter whether you are looking to choose including warranty information with product descriptions and datasheets or providing it from within an ecommerce shopping cart, you need to make sure that customers must be aware of important terms and conditions that are associated with their purchase.
- 5) **7Decreasing cost of inventory Management**: With e-commerce business, the suppliers can decrease the cost of managing their inventory of goods that they can automate the inventory management using web-based management system. Indirectly, they can save their operational costs.
- 6) **8Keep Eye on Consumers' Buying Habit**: The best thing is e-commerce retailers can easily keep a constant eye on consumers' buying habits and interests to tailors their offer suit to consumers' requirements. By satisfying their needs constantly, you can improve your ongoing relationship with them and build long-lasting relationships.
- 7) **9Competence**: For effective business transactions, e-commerce is an efficient and competence method. Setting-up cost is extremely low as compare to expanding your business with more brick and mortar locations. Very few licenses and permits are required to start-up an online business than physical store. You can save your lots of money by using fewer employees to perform operations like billing customers, managing inventory and more.
- 8) **10Allow Happy Customers to Sell Your Products**: With lots of customers' reviews and product ratings, you can easily increase your sells as new customers find that your products are good and effective. Make sure that you mention your clients' testimonials, reviews and product ratings as such things can help your new customers to purchase your products.
- 9) **Selling Products across the World**: If you are running a physical store, it will be limited by the geographical area that you can service, but with an e-Commerce website, you can sell your products and services across the world. The entire world is your playground, where you can sell your complete range of products without any

⁶ Tim Friesner, Three levels of a product, <http://www.marketingteacher.com/three-levels-of-a-product/>(May 8, 2014).

⁷ <http://www.wasppbarcode.com/buzz/reduce-inventory-cost/> (N.A).

⁸ Lucjan Kierczak, <https://survicate.com/customer-satisfaction/importance-customer-satisfaction/>, (N.A).

⁹ Winston Sieck, <https://www.globalcognition.org/what-is-competence/> , (July 14, 2020).

¹⁰ <https://the-happy-manager.com/happy-customers/> (N.A).

geographical limits. Moreover, the remaining limitation of geography has dissolved by m commerce that is also known as mobile commerce.

- 10) **11Stay open 24*7/365**: One of the most important benefits that ecommerce merchants can enjoy is store timings are now 24/7/365 as they can run e-commerce websites all the time. By this way, they can increase their sales by boosting their number of orders. However, it is also beneficial for customers as they can purchase products whenever they want no matter whether it is early morning or mid-night.
- 11) **12Economy**: Now, you don't have to invest your money in the physical store, insurance or infrastructure as all you need is a wonderful idea, unique products and well-designed website to reach your precious customers to sell your products and services. We can say that this makes an e-commerce a lot more economical and reasonable.
- 12) **Boost Brand Awareness**: As like e-commerce business can help B2B organizations to get new customers, so it will be helpful for e-commerce businesses to boost their brand awareness in the market. Developing pages that can be indexed by search engines crawlers is one of the best ways to enhance your website' search engine optimization and enhance the target audience on your site.

III. FDI (FOREIGN DIRECT INVESTMENT) IN E-COMMERCE

The selling of goods by the sellers and the purchase of those goods in a market is not just a business but also a basis to earn livelihood by the millions of people on India. The introduction of FDI in e commerce will great ramifications on the livelihood of the people who are earning from the retail market whether from the physical market or the virtual as in e commerce.

1.) Impact Assessment:

Allowing FDI in any segment of retail trade is a major policy decision since it has vital bearing on livelihood of large number of people in the Country particularly that section which does not have any other means of earning. Therefore, before giving any shape to FDI policy in e commerce/Retail, an Impact Assessment on various stakeholders has to be made in great detail. This should be done by a competent Indian body and not by a foreign company or research institution funded by foreign sources. Such an Indian body must be well versed with

¹¹ Axiom Group, <https://thinkaxiom.com/axiology/the-importance-of-having-24-hour-customer-support-for-your-business/> (March 8, 2017)

¹² <https://economictimes.indiatimes.com/definition/category/Economy>

the ground realities of Indian retail trade and enjoying credibility beyond any doubt. We would like to further submit that Indian Associations or Trade Groups primarily representing corporate interests should not be funding or sponsoring or conducting such an Impact Assessment.

Therefore, it is urged that before taking the discussion further an Impact Assessment study be conducted with a clear brief and mandate. Such an Impact Assessment must study the impact of e-Commerce in other nations also, and identify the negative fallout clearly in those nations.

2.)¹³India – an E-commerce Dumping Ground

- Dumping is recognised as an unfair trade practice the world over. The Indian Government has an anti-dumping policy with a clear mandate to protect domestic trade & industry from such unfair trade practices. Dumping happens when prices are artificially lowered by accessing funds from overseas sources, be it government or otherwise.

- . Currently, under the umbrella of e-Commerce business in India, the e-retailers are selling products much below the actual price of the manufacturer. This is possible only because of funding received from overseas. This is nothing but e commerce dumping. This practice creates huge distortions. The Government must put an end to this by issuing suitable guidelines, and follow its anti-dumping policies which are already practiced in other sectors.

If FDI in e commerce/Retail trade is allowed, the e commerce business will convert the Indian market as a versatile dumping yard and products from all over the globe will be dumped into India much to the disadvantage of trade and SMEs sector.

3.)¹⁴Uneven Playing Field

- The FDI in e commerce/Retail trade is nothing but an issue of Big Capital v/s Livelihood of millions of people in the Country. The global and other big players engaged in e commerce business in India are working with a mandate to control & dominate the retail trade and to convert it into a monopolistic market. The FDI component is creating an uneven playing field to the disadvantage of millions of small business enterprises.

- The e-retailers are engaged in predatory pricing policy and subsidizing the prices with a view to oust brick & mortar shops from retail trade. Though 100% FDI is allowed in B2B business model, it is well known that the e-retailers are engaged in B2C business by circumventing prescribed rules & regulations. This is evident from the fact that big advertisements have been inserted addressing directly to consumers. If it is a B2B model,

¹³ <http://www.cait.in/causes/fdi-in-e-commerce> (N.A)

¹⁴ <http://www.cait.in/causes/fdi-in-e-commerce> (N.A)

then why such aggressive advertising campaigns are being conducted addressed to the consumer?

- It is a fact that in foreign countries, the finance is available at interest rates ranging from 1.5% to maximum 3% whereas in India the corresponding interest rate varies from 12% to 20% and more. FDI funding with such a big margin of interest rate is quite sufficient to monopolise the market.

- The present working under Wholesale Cash & Carry model is yet another classical example of uneven playing field. Under the FDI norms the WCCM model can sell goods only to wholesalers but in practice thousands of Individuals are registered as members for each such Store and this is being done by circumventing the law. The distortions in such a policy have gone to the extent that even a wholesaler of one particular commodity is free to purchase any commodity of his choice from such Stores irrespective of the fact that whether or not he is dealing in such products. The above facts have created an uneven playing field in the Indian market and have vitiated the business environment.

4. FDI in e - Commerce-contrary to Existing ¹⁵FDI Policy

- The notification for allowing 51 percent in multi-brand retail clearly mentions that this policy does not allow FDI in e-retail sector as government was of firm opinion that the Indian markets (especially in smaller cities, towns and rural areas) are not mature enough for competition and investment by foreign players.

- The operability clause of 'cities' area as mentioned in multi-brand retail policy will become irrelevant.

5. Technology Provider or ¹⁶Foreign Investor

In case if government fails to distinguish between the technology provider vs a foreign investor who is investing in e-retail, this will mean global retail giants will invest in technology to sell their warehouse/store products to both offline and online customers. This is quite evident where some of the prominent e-commerce websites are openly flouting the norms and are resorting to predatory pricing and have resorted to business model where on one hand, they show financial funding in e-commerce platform from overseas and retail selling of products by a different business entity. Due to existing policy on FDI in e-retail, venture capital funding is not allowed in e-commerce, some companies have registered themselves in another nation and have routed the money in India for its retail operations.

¹⁵ <https://dipp.gov.in/foreign-direct-investment/foreign-direct-investment-policy> (N.A)

¹⁶ <https://business.mapsofindia.com/finance-ministry/foreign-investment.html> (N.A)

Though many such companies are not making any profit till date, but due to their strong financial base they are able to offer products at significantly lower price than their retail counterparts.

IV. ¹⁷REGULATION OF E- COMMERCE IN INDIA

E-commerce activities are governed by a number of Regulations and Acts of the Government. Information Technology Act 2000 provides legal recognition for the transactions carried out by means of electronic data interchange and other means of electronic communication, which involve the use of alternatives to paper-based methods of communication and storage of information. Ecommerce companies have to comply with the Companies Act, 2013 and other applicable laws of the country. Such companies with FDI can operate only in activities which are specifically permitted. Any violation of FDI regulations are covered by the penal provisions of the FEMA. Reserve Bank of India administers the FEMA and Directorate of Enforcement under the Ministry of Finance is the authority for the enforcement of FEMA. Further, activities of e-commerce companies inter alia involve compliance of Shops and Establishments Act of the State concerned.

National Consumer Helpline (NCH) has been set up by the Department of Consumer Affairs to receive complaints from consumers. It has partnered with some companies to resolve their customer complaints received by it. This is the alternate grievance redressal method, and is a completely voluntary initiative taken up by these companies. As part of this convergence programme, NCH gives access to the individual convergence company to address these complaints as per the company's own internal grievance handling system. Companies which have voluntarily partnered with NCH as part of the convergence programme, directly respond to these complaints according to their redressal process and revert by providing a feedback to the complainant on the portal directly. Complaints regarding the companies which have not partnered with National Consumer Helpline are forwarded by NCH to the company for redressal. Further, the Bureau of Indian Standards (BIS) has a consumer affairs department to provide consumers with prompt attention and speedy redressal of their grievances lodged regarding quality of BIS certified products.

WTO (world trade organisation) IN E-COMMERCE

¹⁸The WTO Work Programme on Electronic Commerce covers issues related to trade arising

¹⁷SSRana and Co.

<https://www.ssrana.in/Intellectual%20Property/Ecommerce%20Business%20Law/Ecommerce-Business-Law-in-India.aspx> (N.A)

¹⁸ https://www.wto.org/english/thewto_e/minist_e/mc11_e/briefing_notes_e/bfecom_e.htm (N.A).

from global e-commerce. Some of these issues include the protection of privacy and public morals and prevention of fraud, access to and use of public telecommunications transport networks and services, rules of origin, increasing the participation of developing countries in the e-commerce marketplace, protection and enforcement of copyright and trademarks, enhancing the participation of developing countries and their small and medium sized enterprises (SMEs). The programme also explores the economic development opportunities afforded by e-commerce for developing countries, particularly least-developed countries.

Logistics

Logistics can be defined as a management through which goods are obtained, stored and shipped from their origin to their final destination. The planning, execution and control of the movement and placement of these goods and services must all occur within a given system that's designed to achieve specific objectives, which may vary from industry to industry. Logistics Management entails few steps which are needed to be followed. First, locating and identifying the potential suppliers and distributors. Second, determining their accessibility and effectiveness in terms of business production. And third is forming relationships and finding the most cost-effective solution for your business. Big Corporates often work with multiple parties to keep pace with demand. However, small business doesn't necessarily need to partner with different organizations to manage ecommerce website logistics. If operation is small enough, they can work with local businesses and organizations to ship and store their products.

Logistical Process

Logistics on a small-scale business is not a very complex process. Once a customer completes his or her order on the website, the transaction will trigger any inventory software. As a retailer, most ecommerce platforms will have integrated to inventory management software, so a completed payment will automatically adjust the inventory accordingly. Once you get the notification an order has been confirmed, and it's time to ship the product. Depending on the size of your operation, the next steps could vary.

- **Home/office operation:** If you're running your website from your home or a separate office and store inventory there, all you have to do it package the product and send it to the buyer. This is a great option for newer and small businesses because they save money on overhead by not having to outsource their warehouse management to a third party.

- **Brick-and-mortar retailer:** If you own a storefront location and have the room to store the products you sell online there; the same principle applies as above. Just pack up the product and send it to the awaiting customer.
- **Outsourced logistics:** If your operation is large enough to outsource your online operation logistics, you'll likely have to sync your platform with the third party you partner with. That way, once a customer makes a purchase, the distribution centre will know and they can send the package out quickly. This hands-off approach is well organized and eases the stress of shipping so you can focus on other aspects of your website.

Tracking facility at the Back end

Logistics has become so complex and reliant on digital technology, there are options available to keep tabs of the inventory and where it is in the supply chain. Inventory management solutions within the ecommerce platform gives visibility into how much of a given product is left. Inventory management tools give real-time insight into products so that an e-commerce website is never behind on customer orders. E-commerce website partners with associates like UPS, FedEx or the USPS, you can also track items based on the fulfilment numbers they provide. Once the product leaves the warehouse, it may be a good idea to keep tabs on certain orders to make sure they reach the customer. It's also an industry best practice to provide the same tracking numbers to customers in their confirmation email so they can keep track of where their package is.

E- commerce logistics model

In developed economies e-commerce logistics represents the latest big driver of change in logistics and physical distribution networks, which have evolved substantially over the past 40 years or so. Currently, it remains the case that as e-commerce continues to grow, most shippers, particularly multi-channel shippers, are still only just beginning to work out what this will entail for their distribution network infrastructures.

Evolution of Logistics

In the 1970s, most retail stores were replenished by direct deliveries from suppliers or wholesalers. Whereas, in the 1980s, retailers started to centralize their store deliveries through new distribution centres which they controlled. Further, in the 1990s, global sourcing (for non-food products) took off, with many retailers developing import centres to receive and process mostly containerized imports. From around 2000, e-commerce began to rapidly expand with pure-play (internet only) retailers leading the way in establishing e-fulfilment

distribution networks.

E Commerce scenario is developed countries

In developed economies the growth of online retail has been stronger in sectors such as fashion, electrical and ICT goods, as opposed to food. In the former, where purchased items are typically distributed via a postal, parcel or freight network, e-commerce logistics models have led to a wave of new demand for four distinct types of logistics functions:

- Mega e-fulfilment centres where the merchandise is stocked and picked at item level. These facilities, which are either operated by the retailer or a logistics service provider, are typically 500,000 sq. ft to one million sq. ft in size, or even larger. They often operate 24/7.
- Parcel hubs/sortation centres which sort orders by zip or post code so that they can be delivered to the relevant parcel delivery centre for final delivery to the customer's home or designated collection point. Parcel delivery centres which handle the 'last mile' delivery to the customer. These types of e-commerce logistics systems, based on the above considerations, ensure the following benefits to shippers, customers, and service providers:
 - Improved communication
 - Transparency into the supply chain
 - Improved customer satisfaction
 - Cost reduction
 - Improvement in efficiency
 - On-time delivery

Evolution of Supply Chains in E-Commerce Logistics World¹⁹

Supply chains handled old-school, brick and mortar retail, where products arrived in warehouses in bulk, were moved around in pallets and selected by the case, and were shipped out to store in bulk. **Now**, Ecommerce poses the unique challenge of inventory arriving in bulk, but requires much care from there – receiving bulk orders, then inventorying and picking those SKUs as individual products. Therefore, ecommerce retailers have to find a way to standardize and synchronize business processes to have real-time access and insight to

¹⁹ Adam Robinson, <https://cerasis.com/2014/04/30/e-commerce-logistics/>, (N.A)

inventory movement. Often, with dozens of suppliers, multiple warehouses, and an extensive number of sales channels, the chances of a misplaced order are much higher.

However, order fulfilment technologies have helped integrate the front-end and back-end of online retail. The back-end process is now a collaborative effort thanks to automated software and real-time fulfilment data. The alignment of important touch-points in the supply chain has reduced inefficiencies and had helped identify redundant processes. Heck, we even have robots that will pick inventory for us and move it around the warehouse.

Freight Shipping scenario in E-Commerce Logistics World

In the early days of e-commerce, it was about the convenience of ordering a product from home. No driving to the mall and no waiting in line, just living life and waiting for the package to be delivered to your doorstep. Shippers still used snail mail and phone calls to communicate with customers and order delivery times were in the weeks, not days. Free shipping quickly became a tool that brought in competitors' customers, since there weren't many carrier options, no additional costs (such as sales tax) existed, and order delivery times were slow anyway. **Now** E-commerce merchants collect sales tax, fuel charges are much higher, and the ever-popular free shipping is the farthest thing from free to retailers. Other than giants like Amazon, not many retailers have the resources to operate multiple distribution centres in strategic locations and instead are turning to third party logistics service providers to reach their customers.

The evolution of multiple shipping options allowing customers more control over the delivery process than ever before, expanding from only small package from USPS, UPS, and Fed Ex to now get larger items via less than truckload modes.

It's no longer about being the fastest rate in the e-commerce delivery race. Instead, it is about being able to deliver an order at a time frame and price point that customers want.

E-Payments

An e-payment system is a way of making transactions or paying for goods and services through an electronic medium, without the use of checks or cash. It's also called an electronic payment system or online payment system. The electronic payment system has grown increasingly over the last decades due to the growing spread of internet-based banking and shopping. As the world advances more with technology development, we can see the rise of electronic payment systems and payment processing devices. As these increases, improve, and provide ever more secure online payment transactions the percentage of check and cash transactions will decrease.

One of the most popular payment forms online are credit and debit cards. Besides them, there are also alternative payment methods, such as bank transfers, electronic wallets, smart cards or bitcoin wallet (bitcoin is the most popular cryptocurrency).

E-payment methods could be classified into two areas, credit payment systems and cash payment systems.

Credit Card: A form of the e-payment system which requires the use of the card issued by a financial institute to the cardholder for making payments online or through an electronic device, without the use of cash

E-wallet: A form of prepaid account that stores user's financial data, like debit and credit card information to make an online transaction easier.

Smart card: A plastic card with a microprocessor that can be loaded with funds to make transactions; also known as a chip card.

Direct Debit: A financial transaction in which the account holder instructs the bank to collect a specific amount of money from his account electronically to pay for goods or services.

Block Chain

The Blockchain is certainly an innovation that promises to change the way our world operates. A blockchain, as its name suggests is a growing chain of blocks. The blockchain network records data across its peer to peer network, making the data highly transparent. Blockchain network has the ability to disrupt the financial industry as we know it. However, there are a few crucial sectors where the application of the innovative blockchain technology can transform banking and finance.

Fraud Reduction

Every year, at least 45% of financial mediums like stock exchanges and money transfer services suffer from economic crime. The blockchain network is technically new, but because of its ability to eliminate fraud, the network is gaining a lot of attention. Almost every banking sector is centralized and governed, which makes it vulnerable to cyberattacks. At any point of time, a hacker can breach into a system and get complete access. The blockchain system contains batches of individual transactions with a link to the former block. Blockchain technology will help eliminate the current cons taking place online. The technology will help the financial sector to keep the transactions safe.

Know Your Customer (KYC)

According to a survey, financial institutions spend around \$60 million to \$500 million to keep up with the KYC protocols. These regulations help to reduce money laundering and terrorism activities. Blockchain technology will enable an organization to individually verify users so that other organizations wouldn't have to follow the same process. Blockchain technology is beneficial to organizations because they greatly reduce administrative costs.

Smart Contracts

Since blockchain technology can store any kind of digital information, including computer codes that can be executed once two or more parties enter their keys, the technology can enable us to have smart contracts. This code can be programmed to create contracts or execute financial transactions once a certain set of conditions are achieved. Other sectors like e-commerce can also use blockchain technology to counter problems. Let's have a look at the various fields of e commerce that can use blockchain network.

Payments

The payment industry can greatly benefit from blockchain technology, just as the financial sector has. The current payment methods cost users processing fees along with high fees charged by e commerce platforms on any sale made by the user. This fee can start from around 2–3 % of the total purchase of any transaction made. Request Network and E-Commerce aim to create a blockchain network using fast and private transactions for any e commerce model. Request Network also wants to use blockchain technology for the financial transactions aspect of the e commerce industry by providing low transaction fees, high security and privacy, and overall an amazing customer experience.

Supply Chain Management

The supply chain management certainly is an important aspect of e commerce and it can be optimized using blockchain technology. Supply chain management has certain issues that blockchain technology can probably resolve. The data recorded on a blockchain is incorruptible, so the supply chain via blockchain technology can be an easy solution for the ecommerce industry. A dependable blockchain network will provide a secure supply where consumers will get every detail of the product flow, which will lead to customer confidence.

Data Security

One of the issues that the e commerce industry faces today is the data storage. Given the industry, a lot of data is stored, most of which is directly collected from users and retailers

registered on any platform. The data is stored on centralized networks which are prone to cyber-attacks. E-commerce companies have suffered and lost a lot of data because of these attacks. But now with the possibility of a blockchain network, such attacks can be put to rest. Blockchain networks are virtually impossible to breach.

At this point blockchain technology is still developing and promises a secure future. Even more excitingly, new ways of using blockchain technology emerge daily. Now, whether you are directly involved in the digital world or not, it's necessary to develop an understanding of the technology and how this technology can be used to transform the business and investment worlds.

V. CRYPTO CURRENCIES FUTURE OF E-COMMERCE²⁰

1. Lower Transactions Fees: Both retailers and consumers can benefit from cryptocurrency transactions. For example, the leading Bitcoin payment provider, Bit Pay, takes a flat 1% settlement charge for Bitcoin payments. Credit card companies, by contrast, can charge upwards of 3% in processing fees. These fees can add up. The Cyber Miles blockchain waives transaction fees for most common operations, a feat achievable without sacrificing the security of the e-commerce provider's network.

2. Faster Transactions At the end of 2017, the average time to confirm a Bitcoin transaction was 78 minutes. By the beginning of January, Ethereum faced slow transaction times and higher fees due to the high number of transactions processed by the network. Yet other blockchain networks now can facilitate number of times the number of crypto currency transaction per second. The Cyber Miles blockchain was built around the concept of optimal response to high e-commerce transaction demands, reaching 10,000 transactions per second with CMT.

3. Peer-to-Peer Exchanges: One of the main benefits associated with accepting cryptocurrency payments is that there are no middlemen involved. Bitcoin's peer-to-peer technology is designed to facilitate (at least in theory) instantaneous, cheap and secure settlement of values without the intervention of any middleman (i.e. banks or other financial institutions).

4. Secure Transactions: Another primary benefit of using cryptocurrencies for e-commerce transactions is to protect against fraud. Crypto payments are irreversible and secure, as all transactions are recorded on the blockchain and funds are locked in a public key

²⁰ Sandra wrobel-konior, <https://securionpay.com/blog/e-payment-system/>, (N.A).

cryptography system. Also, the way a payment takes place in a decentralized blockchain provides a level on encryption that is virtually impossible to break.

5. Reward Incentives: More and more e-commerce platforms that accept cryptocurrencies offer reward programs. For example, Coin Payments provides its users with CPS tokens to save on transaction fees, earn additional coins as well as rebates on Coin Payment's decentralized marketplace. Cyber Miles, for our part, will reward validators for both creating new blocks (network will mint new coins) and executing smart contracts in the block, among host of other incentives and network benefits.

VI. CONCLUSION

After conducting a thorough research, we would like to conclude that although e commerce is regarded as the future of the business fraternity but, there are numerous flaws which are attached to it. First, often in many instances it is seen that a wrong product is delivered which often leads to wastage of time and money on the end of the buyer. The second, biggest disadvantage of e commerce is that there is some duration under which a product is delivered and there is no such concept of immediate delivery of the product. It is a psychological phenomenon that people tend to bargain before buying the product hence, it is the third biggest disadvantage that they don't get an opportunity to bargain. People whenever buy any kind of clothing material often want to try it and check the quality before purchasing it hence, they don't get an opportunity to actually try the product before buying it. The last biggest disadvantage is that many websites don't tend to deliver the product in remote areas which makes it difficult to buy a product online on these websites. Further, we find out that the logistics support should be upgraded time to time to ensure that the product is not warned out and fragile products should specially be taken care of. The government has taken many steps like introduction of many statutory bodies such as SEBI which acts as a watchdog on the transactions of these e commerce websites. Even though numerous ways of performing transaction are available still it would not be wrong to say that cryptocurrencies will act as a medium of future payments for these products.
