



GROWTH OF ELECTRONIC COMMERCE AND ITS IMPACT TO THE INDIAN MARKET

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ABSTRACT

Electronic commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform and redefine relationships for value creation between or among organisation and between organisation and individuals. The e-commerce can be defined as a modern business methodology that addresses the needs of organizations, merchants and consumers. It further cut costs while improving the quality of goods and services. It increased the speed of service delivery with the help of Internet. It differs from the traditional electronic commerce in the way that it enables the trading of goods, money and information electronically from computer to computer. Business is done electronically and there is no longer a need for physical currency or goods to conduct business. It need to the virtual checkout counter and method of payment. Once entered all this information it can then just wait for delivery. The transaction has complete over the internet resulted as Electronic Commerce. But still it has a lots of barriers which are the obstacles in the path of E-commerce. In this paper I would discuss the impact of electronic commerce to the Indian market by analysing its growth, evolution, utilization and impact to the Indian market.

Keywords: Business, Digital, Information, Market, Stock

Introduction

Electronic commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform and redefine relationships

for value creation between or among organisation and between organisation and individuals. In the emerging global economy, e-commerce and e-business have increasingly become a necessary component of business strategy and a strong channel for development of economic. The integration of information and communications technology in business has revolutionized relationships within organizations and those between and among organizations and individuals. In the emerging competitive market E-commerce has been used as a strong catalyst for economic development of the country.

In other terms E-commerce means online shopping, but the whole structure is only a part of it. The term E-commerce also includes online stock, bond transactions, buying and downloading software without ever going to a store. In spite of this it includes business to business connections in a few seconds. The e-commerce can be defined as a modern business methodology that addresses the needs of organizations, merchants and consumers. It further cut costs while improving the quality of goods and services. It increased the speed of service delivery with the help of Internet. It differs from the traditional electronic commerce in the way that it enables the trading of goods, money and information electronically from computer to computer. Business is done electronically and there is no longer a need for physical currency or goods to conduct business. It is recognized that in the Information Age, Internet commerce is a powerful tool in the economic growth of developing countries. While there are indications of ecommerce patronage among large firms in developing countries, there seems to be little and negligible use of the Internet for commerce among small and medium sized firms.

India is a country with a diverse nature of people with a rich mixed pickle of different religion, culture and lifestyle that are inherent in the characteristics of the country. India is one of the biggest democratic country in the world. Since time immemorial India has been seen as a poor and underdeveloped third world country. But as time passes now India has been looked out as one of the developing country with a global market along with high prospective to grow. So in order to develop E-commerce has been a gift to the country. Future of E-commerce is very innovative in India with even the stock exchange coming online providing a online stock portfolio and status with a fifteen minute delay in prices. Due to the growing awareness and the safe security provided among the business community in India about E-commerce, it has being growing at a faster rate.

Problem Statement

E-commerce in India is growing at a faster rate and is changing the scenario of business in India. Nowadays every business house is using this technology for its lower operational cost and can reach the market within a less period of time and can touch the hearts of millions of people in India. E-commerce is about setting of the business on the Internet. It allows visitors to access the business website and go through a virtual catalog of the online products or services. When a visitor wants to buy something which likes it means virtual shopping basket. Items in the virtual shopping basket may added or deleted and when all set to checkout. It need to the virtual checkout counter and method of payment. Once entered all this information it can then just wait for delivery. The transaction has complete over the internet resulted as Electronic Commerce. But still it has a lots of barriers which are the obstacles in the path of E-commerce .In this paper I would discuss the impact of electronic commerce to the Indian market by analysing its growth, evolution, utilization and impact to the Indian market.

Objective of the study

The present study is undertaken primarily to understand the growth and impact of Electronic commerce to the Indian market. The board objective, describe the necessity of the study.

- ✓ To describe to concept of e-commerce.
- ✓ To find facilities of e-commerce in Indian Market.
- ✓ To identify the growth of e-commerce.
- ✓ To understand the utilization of e-commerce.
- ✓ To define impact of e-commerce on Indian Market.

Research Methodology

This research is based on secondary data. The scope of the present study is restricted to analyses growth and impact of e-commerce. The secondary data has been collected from internet and books.

Growth and Evolution of E-Commerce

Evolution of e-commerce can be attributed to a combination of regulatory reform and technological innovation. Though Internet which played an important role in evolution and it may appeared in the late 1960s, e-commerce of today took off with the arrival of World Wide

Web and browsers in early 1990s. The liberalization of the telecommunications sector and innovations such as optic fiber which has helped to expand the volume and capacity of communications. It has helped in the process of that rapid growth.

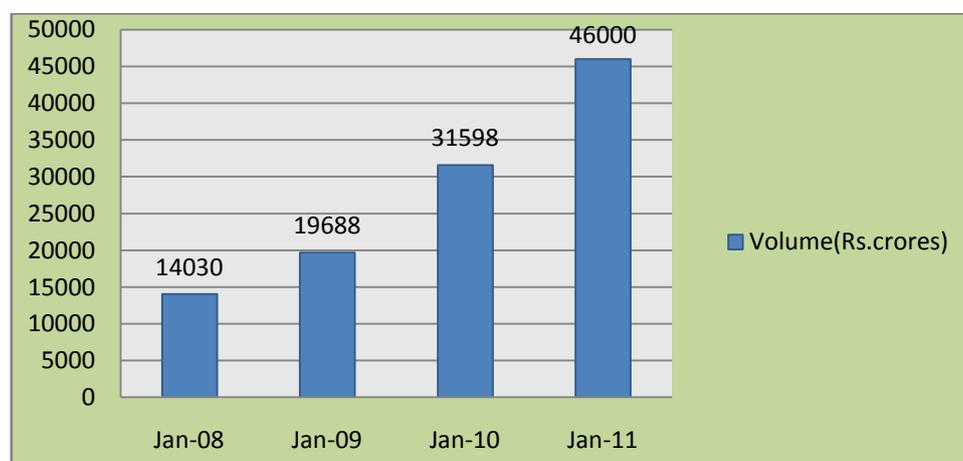
Commerce has evolved over the nations. Prior to the evolution of money it was a simple barter process doing around the world before evolution of business. It exchanged goods such as milk for grains. Electronic commerce and finance are growing rapidly. New payments mechanisms designed to aid electronic commerce have become routine. Predictions abound about the capabilities of the information and communication technology to bring forth important tools for conducting electronic commerce and payments. It is in the midst of a wave of innovation and change. E-commerce has started growing so fast that the growing internet penetration is providing an enormous opportunity for E-commerce to expand geographically. According to a study by Internet and Mobile Association of India and IMRB mobile internet user population in India has already touched 46 million figures by September 2011. The active mobile internet users are those who assess internet using their mobiles at least once in a month.

Table 1: Growth of E-commerce in India

Year	Volume(Rs.crores)	Growth(%)
Dec-2008	14030	72%
Dec-2009	19688	40%
Dec-2010	31598	60%
Dec-2011	46000	47%

Source: imediaconnection.in

Graph 1: Growth of E-commerce in India



E-Commerce Utilisation

E-commerce has becoming an integral part of our day to day life. Every things can be bought and sold through E-commerce. In simple E-commerce has bought the big business world in a single roof. These Indian E-commerce portals provide goods and services in a variety of categories. To name a few: Apparel and accessories for men and women, Health and beauty products, vehicles, software, toys, furniture etc for example

- ❖ **Stocks and shares and e-commerce:** Nowadays in India stocks and shares can be deal through e-commerce. Services provided by them are online trading like buying and selling of shares, comparison of shares etc.
- ❖ **Employment and E-commerce:** E-commerce helps in searching for employments to the unemployed providing them various alternatives. They can search jobs in websites which are opened only for employment purpose.
- ❖ **Holiday packages:** Holiday packages are also provided through E-commerce by which a man sitting at home can plan their holiday tour along with booked tickets and hotels.
- ❖ **Hobbies and E-commerce:** Human beings possess various hobbies like reading, playing, music etc. this can be fulfilled by seating at their homes in front of the computer.
- ❖ **Real estate and E-commerce:** E-commerce can provide information about various real estate buying, selling, Interiors etc. People who wants information on real estate can get to it and can used it according to their needs.

Impact of E-commerce to the Indian Market

Traditional method of marketing are nowadays avoided by the new generation due to the restriction it possess like within a restrictive time ,area and limited options they have been confined. As such they are more stick to the modern technology i.e. E-commerce as the barriers are removed. By the end of 2011 the E-commerce market in India has clocked closed to Rs.50,000 crores.

India is a large democratic country with diverse nature of people, culture, habit, tradition etc. As such the Indian market is a big market with every business houses having an eye on it. To keep pace with the changing world Indian market is changing at a faster rate. As such electronic commerce has been expanding very fast in the Indian market. Small towns and villages are becoming increasingly aware of E-commerce and are excited by the growth potential. With the entry and operational cost being very less every business houses are

opening the online business model a good number of new E-commerce sites spanning across a variety of businesses. Nowadays everything can be purchased and sell through E-commerce within a fraction of time. E-commerce also facilitates shopping anytime, anywhere and for almost anything desired i.e. it provides services 24 x 7. E-commerce also helps in comparing a product with other related goods in terms of price. Overall it is safe and trustworthy for consumer in going online purchasing.

E-commerce has already rapidly evolved to encompass sectors including fashion be it men or women, furniture, shoes, bags, jewellery, sports, toys, electronics and electrical equipments, tickets for bus, train, flights etc. It is difficult to define consumer and consumer needs as fashion changes within a day. So to keep pace with the changing fashion there must be an online customer care which can provide E-commerce users query. It is necessary to allow users and further players in the market to gain confidence in the use of E-commerce. Indian e-commerce is expected to grow very rapidly over the next few years and will continue to be driven by spending on B2B E-Commerce. Overall E-commerce has been a gift to the Indian society with merits and demerits on its parts. But with a heavy pace of positive attitude it has been a good device in the Indian market.

Conclusion

Developing countries like India, e-commerce offers considerable opportunity. Electronic commerce in India is still in nascent stage, but even the most pessimistic projections indicate a boom. Electronic Commerce is relevant to the Indian market despite its various limitations it possess in the Indian market. Electronic Commerce is a beneficial tool for various players in the market. A country like India can developed if it apply IT technology efficiently. Nowadays in our country with the rapid expansion of internet, E-Commerce is set to play an important role in the market. As India is a big country it is not possible to reach every hook and nook corner of the world. So in order to reach every one E-commerce is the best option in the Indian market. To do so E-commerce has to be developed so that domestic and international trade are allowed to expand their horizons. E-commerce progress level of India, the seventh-largest by geographical area, the second-most populous country, and the most populous democracy in the world. Indian ecommerce space percentage is getting higher as more and more online retailers enter the market. Although this level of entry in the e-commerce market is good from a long term perspective, the challenge is that most entrepreneurs don't have the resources or capital to wait for years before they can get profits.

There should be a process of designing the strategies that can make E-Commerce a force of development must necessarily include an international component that supports national efforts.

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