

# Impact of E-Commerce on Emerging Markets

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**Abstract:** E-Commerce is the buying and selling of goods and services or the transmitting of funds or data, over an electronic network, primarily the internet. These business transactions occur either as business-to-business, business-to-customer, customer-to-customer or the customer-to-business. An emerging market is a country that has some characteristics of developed market but does not meet the standards of developed market. The term e-commerce consists of all business activities carried on with the use of electronic media, that is, computer network. It involves conducting business with the help of the electronic media, making use of the information technology such as Electronic Data Interchange. In simple words, E-commerce involves buying and selling of goods and services over the World Wide Web.

**Key Words:** E-Commerce - Electronic Commerce, EDI- Electronic Data Interchange, WWW - World Wide Web.

## 1. INTRODUCTION:

E-Commerce refers to the use of communications technology particularly the internet to buy, sell and market goods and services to customers. The Internet has brought about a fundamental shift in national economies that are isolated from each other by barriers to cross-border trade and investment, isolated by distance, time zones and language. It is also isolated by national difference in government regulations, culture and business systems. In the current era, e-commerce has expanded globally. It created a better basis for the retail market's development. E-commerce has essentially encouraged the online sale and purchase of goods and commodities that are used by numerous market participants. Many businesses use marketing plans and strategies to draw in the general public or their regular customers with their distinctive brands and logos. It is always done to take up time and inspire clients to believe in their company's name and goods. It can also be used as a strategy to increase capital and income.

There are several online marketing companies, some of which are listed here.

- Big Basket
- Amazon Prime
- Swiggy
- Zomato

The process of selling and buying of goods and services through online medium is called E-commerce. Excess internet is required for user for online order and delivery. E-commerce has played vital role in connecting the directly the seller and buyer.

## 2. OBJECTIVES OF THE STUDY:

- To examine the impact of e-commerce on rate of sales turnover
- To identify the relationship between e-commerce and business profitability
- To explore the significant impact of ICT on operational efficiency
- To assess the influence of e-commerce in organizational profitability
- To identify the significant impact of e-commerce on emerging market
- To assess the influence of e-commerce in developing an economy
- To know about the prospects and benefits of Global e-commerce in emerging market.
- To explore the challenges of Global e-commerce.

### **3. LITERATURE REVIEW:**

Gupta (2014), in her paper “E-Commerce: Role of e-commerce in today’s business”, presents a comprehensive definition of e-commerce while isolating it from e-business. The paper enlists the different ecommerce models i.e. B2B, B2C, B2G and C2C, narratively analyzing the nitty gritty of each.

Rina (2016), also elaborates the different applications of e-commerce in “Challenges and Future Scope of E-commerce in India”, at the same time, defining the degree to which they are operational in the country.

Mishra & Kotkar (2015), trace the timeline and development of B2C ecommerce in “A Study on Current Status of E-Commerce in India: A Comparative Analysis of Flipkart and Amazon” with its inception in the mid 1990s through the advent of matrimonial and job portals. However, due to limited internet accessibility, weak online payment systems and lack of awareness, the progress was very slow. The Indian B2C e-commerce industry got a major boost in mid 2000s with the expansion of online services to travel and hotel bookings which continue to be major contributors even today.

Das & Ara (2015) observe in “Growth of E-Commerce in India” that though online travel and hotel bookings still control the lion’s share of e-commerce market, their share has comparatively fallen over the years due to the recent augmentation and consequent rise of e-tailing services. There has been a tremendous surge in the volume of investment in this sector. With the ecommerce markets in the west reaching their saturation, investors see tremendous potential in the Indian market, in the light of which, many startups have received funding from venture capitalists and private equity firms.

### **4. RESEARCH METHODOLOGY:**

The current research is descriptive in nature, with the majority of data coming from secondary sources such as:

- Book chapters
- Research journals
- Government publications
- Newspapers
- Articles and reports.

### **E-Commerce:**

The research topic is broad and the data sources are scattered across many locations, the study used this technique. Result and discussion have been made on reviewing the published articles. Seeking answers to the study questions through the evaluation and analysis of current data would be a helpful and positive outcome in order to arrive at a conclusion. The Internet revolution was really about people customer and fundamental shift of market power from the seller to buyer. In the new economy customers expectations are very different than before. A company understanding of this difference and its ability to capitalize on it will be the key to success. The web, the internet and emerging computing and communication technologies have redefined business erasing traditional boundaries of time and geography and creating new virtual communities of customers and suppliers with new demand to product and services. E-commerce only forms a fragment of e-business. Earlier companies had web sites displaying the company products etc. then they started to use the e-commerce as one of the distribution channel in addition to the existing system for sales. The Internet revolution was really about people customer and fundamental shift of market power from the seller to buyer. In the new economy customers’ expectations are very different than before. A company understanding of this difference and its ability to capitalize on it will be the key to success. The web, the internet and emerging computing and communication technologies have redefined business erasing traditional boundaries of time and geography and creating new virtual communities of customers and suppliers with new demand to product and services.

E-commerce only forms a fragment of e-business. Earlier companies had web sites displaying the company products etc. Later they started to use the e-commerce as one of the distribution channel in addition to the existing system for sales that is e-commerce. Customers can purchase anything right from a car or a cake sitting comfortably in their place and gift it to someone who are miles apart just by click of a mouse.

Shipping method is generally used for the delivery of the goods ordered. Every Bank which is highly leading now performs their transaction through computer and computer is not only the concept can make off the transaction automatic. All the commercial application now transfers to the concept of e-commerce and is one of the very important aspects for carrying bank transactions falsity. The adoption of e-commerce is widespread and also regarded as an essential tool for the efficient administration of any organization and in the delivery of services to its clients. According to Laudon and Laudon the trend of e-commerce began in 1995. It requires the digital goods for carrying out their transactions. Digital goods are goods that can be delivered over a digital network. E-commerce is rapidly transforming the way in which enterprises are interacting among each other as well as with consumers and governments. As a result

of changes in the landscape of ICTs, e-commerce is now growing rapidly in several emerging markets and developing economies. E-Commerce has been hailed by many as an opportunity for developing countries to gain a stronger foothold in the multilateral trading system. E-commerce has the ability to play an instrumental role in helping developing economics benefit more from trade. The growing use of the Internet, tablet devices, and smart phones coupled with larger consumer confidence will see that e-commerce will continue to evolve and expand.

**There are numerous techniques or procedures that aid in comprehending e-commerce:**

- a) Online marketing
- b) Internet marketing
- c) Product and Services
- d) Online invoices (receipt)

## 5. TYPES OF E-COMMERCE:

1. **B2B (Business to Business):** A business offers its good or service to another business in a B2B business model. Although the buyer frequently resells to the consumer, the buyer is occasionally the end user. In average, B2B transactions have a longer sales cycle but bigger order values and more frequent purchases.
2. **B2C (Business to Customer):** Direct sales to consumers are the focus of B2C companies. Every purchase you make as a customer at an online store, from clothing and home goods to entertainment, is a B2C transaction. B2C encompasses both goods and services. B2C innovators have used technology to directly sell to their customers and improve their lives, such as mobile apps, native advertising, and re-targeting.
3. **C2C (Customer to Customer):** C2C ecommerce companies, often known as online market places, link customers to trade goods and services. These companies typically make money by collecting transaction or listing fees. C2C firms profit from the motivated customers and sellers who drive their own growth, but they also confront significant challenges with quality assurance and technological upkeep. In the early years of the internet, companies like Craigslist, Walmart, Ali baba, and eBay pioneered this strategy.
4. **C2B (Customer to Business):** People can offer products and services to businesses through C2B firms. With this e-commerce approach, users might post the job they need done and request quotes from businesses via a website. C2B services would also include affiliate marketing. The pricing of goods and services is the competitive advantage of the C2B e commerce model. With this strategy, customers have the authority to set prices or to influence company competition to satisfy their wants. Recently, creative thinkers have connected businesses with social media stars to advertise their products.
5. **B2G (Business to Government):** Business-to-government (B2G) is an e-commerce model in which a company offers and sells its products to public administrations or government agencies, whether they be municipal, county, state, or federal.

This model relies on the successful bidding of government contracts. A government agency will typically put up a request for proposal (RFP) and e commerce businesses will have to bid on these projects.

## 6. BENEFITS OF E-COMMERCE:

- Global e-commerce facilitates market expansion abroad.
- E-commerce shortened and accelerated B2B sales cycles.
- Faster global presence expansion.
- Low obstacles to entry into the global market.
- Unlike traditional storefronts, online retailers are open every day of the year.
- Global e-commerce aided in the growth and internationalization of company and products.
- Greater marketing opportunities were made available.
- A large selection of goods between the producer and the customer.

## 7. CHALLENGES OF E-COMMERCE:

Global e-commerce has a reputation for being difficult. Diverse cultures, the requirement to provide services in a number of different languages and currencies, payment customs, tax laws, regulatory concerns, and governmental policies all provide obstacles that are challenging to resolve.

- **Localization and Language:** With the growth of global e-commerce, there is a greater need for consistent customer experiences. Candidates from countries like China or Germany might not be able to understand English. The idea that you only need to know one language prevents you from concentrating on the global e-market even if you are a non-native speaker.

- **Preconceptions of Content and Culture:** The cultural norms and traditions of different people groups vary. To others from other cultures, what is humorous or laid-back in one culture may seem silly or even rude.
- **Speed and Technological Infrastructural facilities:** Infrastructure in most modern nations is quite consistent. Moving to another nation causes a lot of things to alter. If you employ the same servers as a one layer unified solution, you'll rapidly discover that some regions have incredibly inadequate access. Conversion rates must consequently decrease.
- **Consumer Service and Support:** When selling electronic goods, you might need to provide static instructions as well as live service in many languages. Examining how well your FAQ pages work with users who speak different languages can tell you a lot about the types of support that different regions demand. If you're selling electronics or anything else that needs assembly, you might need to provide assistance in a variety of languages.
- **Payment habit, preference and Currency:** The real problem is giving people payment options. Although credit cards have gained widespread acceptance as a form of payment, in other nations, other, more recognizable payment methods may be more recognizable by users and therefore more reliable. Make an effort to ascertain whether this is the situation and fix it.

## 8. CONCLUSION:

Any business can be conducted online and over the Internet using e-commerce. The number of techniques that have been created recently is projected to increase. By using e-commerce, information on purchases and sales, information needed for the transportation of goods, and communication between banks and clients will all be sent more quickly. In the aforementioned studies, and trends have taught us that globalized e-commerce is not just necessary, but also imperative. It can imply that the success of our business and its existence are intimately related to international e-commerce. According to the research, international e-commerce was vital to globalization and for tying nations together. Our everyday lives currently and in the future heavily rely on the World Wide Web. Small businesses must consequently create their own in order to compete with larger websites. It is now more inexpensive for small businesses to use the World Wide Web to promote their products since web developers have reduced the costs for their services.

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