



ROLE OF E-COMMERCE ON ECONOMY IN MODERN BUSINESS

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Abstract: E-commerce represents a paradigm shift that has implications for both customers and marketers. E-commerce is more than just a fresh approach to grow an existing company's activities. It signals a fundamental shift in how businesses operate. Although the idea is commonly used in modern corporate contexts, further research hasn't been done on it. It was expected that the e-commerce market would enjoy a commensurate uptick given the exponential growth of the internet and online infrastructure in India. The solid foundation needed for e-commerce is provided by rising internet penetration rates and expanding organized sector dominance in retail markets. The Covid-19 pandemic has significantly changed the e-commerce sector. The epidemic has brought both advantages and disadvantages to the sector. Online shopping is more popular since it can be safer for preventing the transmission of disease. According to statistics, the ecommerce sector as a whole is experiencing increased revenue growth. This study aims to describe the condition of e-commerce in India at the moment.

Keywords: E-commerce, Economy, Modern Business

Introduction:

In the rapidly evolving landscape of business, the advent of electronic commerce, or E-commerce, has emerged as a transformative force, reshaping the way companies conduct transactions and interact with their consumers. The digital revolution has propelled businesses into a new era, where online platforms serve as the primary arenas for commercial activities.

This dissertation seeks to delve into the profound significance of E-commerce in the modern business environment, providing a comprehensive overview of its implications, challenges, and opportunities.

The term "e-commerce" refers to the exchange of goods, services, and data over the internet. Electronic commerce goes beyond online product purchase and marketing. The entire online process of creating, marketing, selling, delivering, serving, and paying for goods and services is included. It involves any activity that happens through transmission and digital scientific discipline technology directly between a company, its partners, or its clients.

Background:

The genesis of E-commerce can be traced back to the late 20th century when the internet began to permeate global communication. Over the years, E-commerce has evolved from a novel concept to an integral component of the business ecosystem. The ubiquity of internet access, coupled with advancements in technology, has fueled the growth of online transactions, enabling businesses to reach a global audience and consumers to access products and services with unprecedented convenience.

Review of Literature

"Ashok Panigrahi, Ranjan Upadhyaya, Pramod Raichurkar", 2016 in their research paper "Ecommerce



Services in India: Prospects and Problems” found that India is showing tremendous growth in Ecommerce and the future does look very bright for Ecommerce in India. They stated that in order to improve rural India and map the value of the commodities generated, India should support e-commerce businesses and make low-cost goods and services available to consumers.

“Anam Bhatti, Hamza Akram, Hafiz Muhammad Basit, Ahmed Usman Khan, Syeda Mahwish Raza Naqvi, Muhammad Bilal”, 2020 in their research paper “E-commerce trends during COVID-19 Pandemic” E-commerce was discovered to have increased as a result of the corona virus and is now a substitute source and the best option in this situation. They anticipated that other academics will be inspired by how COVID-19 affected e-commerce.

E-Commerce in India

The Indian e-commerce market has experienced steady expansion. After a spike in digital adoption during COVID-19, the Gross Merchandise Value of the Indian e-commerce business is predicted to reach over \$55 Bn in 2021. Some of the main factors driving this sector include the young population, rising internet and smart phone use, and generally stronger economic performance. India is currently the second-largest internet market, with 830 million subscribers. With a share of 45.4% in 2021, digital wallets were the most popular payment option for e-commerce purchases.

The e-commerce trend is gaining major popularity even in tier-2 and tier-3 cities as they now make up nearly half of all shoppers and contribute three of every five orders for leading e-retail platforms. The average selling price (ASP) in tier-2 and smaller towns is only marginally lower than in tier-1/metro cities.

When measured by transaction value, the e-commerce market is dominated by clothes and electronics at close to 70%. Ed-tech, hyper local, and food-tech are some further upcoming e-commerce categories. In 2021, funding for e-commerce in India increased by almost 600% year over year. The top-performing e-commerce industries in India in terms of market share are fashion and clothing, grocery, and electronics. Consumer electronics, which is anticipated to increase by up to 8% by 2025, is predicted to follow these sectors closely.

Internet penetration rate in India went up to nearly around 47 percent in 2021, from just about four percent in 2007. Although these figures seem relatively low, it meant that nearly half of the population of 1.37 billion people had access to internet that year. This also ranked the country second in the world in terms of active internet users.

Market of E-Commerce:

Owing to the increasing internet user base and favorable market conditions, India has a lot of potential in the e-commerce industry. E-commerce platforms in India: The Indian e-commerce market is rife with rivalry. Numerous domestic and international businesses compete for the largest portion of the market. The majority of respondent's favored allowing e-commerce platforms to ship goods to India after the coronavirus lockdown in a survey that was conducted in May 2020.

E-commerce is becoming more popular in India: Several factors are responsible for the e-commerce industry's rising expansion. One of the numerous factors driving the growth of digital sales in India is the digitization of the economy and the availability of affordable internet to the general public



E-Commerce Growth:

- 1. Local language:** Internet content is viewed by online retailers as the new growth engine due to the enormous increase in mobile subscribers who are now able to communicate in languages other than English. By the end of 2021,
- 2. Mobile commerce:** As more people use mobile internet, online retailers' reach in towns and cities outside of metro areas is expanding. More Indians are able to browse shopping websites conveniently because to an increase in smart phone ownership.
- 3. Modernization of payments:** India has been in the forefront of developing a real-time digital payment system supported by UPI and 24-hour NEFT. Due to a shift in consumer behaviour from cash to cards as a result of the COVID-19 pandemic, digital, contactless payments have increased even more.

Analysis

E-Commerce has surpassed traditional commerce as the preferred option for clients in India because of its variety of characteristics, including easy access, ease of purchasing, affordable prices,

E-commerce is the most secure and practical option for both customers and merchants to purchase necessities during a pandemic. E-Commerce difficult for India's illiterate populace. Cybercriminals take advantage of a weakness in e-commerce websites to steal personal information. Chances on the international market because e-commerce can be done from anywhere in the world.

Conclusion

Although the growth of e-commerce in India has been hampered by a lack of internet users, a small subscriber base for online purchases, slow internet speeds, low consumer confidence in online shopping, and a lack of adequate transportation and logistics in the modern business environment, e-commerce in India has the potential to grow more quickly. E-commerce is slowly but surely gaining popularity in India as a marketing strategy. The transformation of traditional business models by e-commerce has been thoroughly confirmed by the data and observations presented. E-commerce's disruptive force is unmistakable, as evidenced by the steady rise in online retail sales compared to traditional brick-and-mortar stores. This shift in consumer preferences has led to a notable increase in store closures among retailers slow to adapt to the digital landscape. However, success stories from companies like Amazon and Warby Parker showcase the potential for e-commerce to not only disrupt but also lead industries, emphasizing the importance of adaptation. As long as the government provides legal stability and structure for e-commerce, allowing domestic and international trade to extend their basic rights like intellectual property, confidentiality, detection and deterrence of online frauds, along with consumer rights protection, the electronic commerce in India has the potential to grow. There is room for more work in developing defenses against cyber threats and attacks and making online commerce secure. We are developing mechanisms that will be detailed in a subsequent communication.

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