

Research on the Effects of E-Commerce on Both Established and Emerging Markets

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Abstract: *Each person's commercial activities are very diverse from one another, and this may be attributed to the type of commerce they engage in and the location of the market. Since the advent of E-commerce, commercial activity and transactions have undergone a complete transformation. This study largely focuses on how traditional offline commerce-both existing and emerging-is affected by e-commerce. This research focuses on examining the preferences, viewpoints, testimonials, and experiences of consumers of e-commerce. The study's sample size is 120, and it primarily focuses on businesspeople and entrepreneurs because they are more likely to have a thorough understanding of the entire world of trade.*

Keywords: E-commerce, Developing markets, Indian economy, old school Markets

1. Introduction

E-commerce is more than simply a combination of electronics and business. It represents a totally new method of doing business across a medium that changes how commerce is done in general. Therefore, corporate strategy and management are significantly more important than technology. When utilized properly for development, e-commerce and the internet may be instruments for assuring long-term economic growth. The immense impact of e-commerce on global economies and societies will undoubtedly increase economic efficiency, competitiveness, and profitability (for those who participate in e-commerce) and, as a consequence, contribute to the development of the information society.

By connecting remote areas and bringing together scientists, administrators, development professionals, managers, and people into projects and programs to promote economic and social development, e-commerce and new evolving technology technologies and services can be tools for development and help improve the livelihood of millions of people around the world. The Internet revolution resulted in a significant change in the power dynamic from the vendor to the customer and was mostly consumer-centric. Customers now have considerably different expectations than they had in the past, especially in the contemporary economy. A company's success depends on its capacity to grasp this difference and profit from it. New virtual communities of suppliers and customers with various needs for goods and services have been created as a result of the internet, the web, and developing computing and communication technologies. These developments have altered business practices and removed geographical and temporal boundaries. E-commerce makes up a small part of all online industries. Businesses used to market their products and services on websites, but they began utilizing e-commerce in addition to the e-commerce system that was already in place as a distribution channel.

E-commerce is not just a brand-new arena for international trade and business but also a cutting-edge piece of technology that is still in its infancy. If a market resembles an established market in some ways but falls short in others,

it is seen as emergent. Markets that may or may not subsequently emerge into developed markets are included in this. Developing countries with less established, riskier, or liquid financial markets than emerging markets are referred to as frontier markets. The economist asserts that despite the widespread belief that the term is archaic, no successful replacement has emerged. The BRICS nations represent the top nine developing and rising economies in terms of nominal or PPP-adjusted GDP. The practice of marketing involves business activities that control the movement of products and services from production to consumption. Not only is marketing something you do after the fact. It includes a wide range of operations that begin before goods are produced and continues after they are sold.

Statement of Problem:

- The markets for e-commerce are growing as a result of increased technology and improvements in people's lifestyles. The e-commerce platforms attract more users.
- It's important to comprehend how much the rapidly developing E-commerce is benefiting its clients to the point where it is influencing other traditional markets.

Objectives

- 1) To determine how e-commerce has significantly impacted both new and established economies.
- 2) To determine the connection between the present and developing markets and e-commerce.
- 3) Over-determine whether people prefer e-commerce to the current traditional markets.
- 4) To measure client satisfaction with online shopping.

2. Research Methodology

Research methodology refers to the specific procedures or techniques used to select, organize, and analyze a variety of statistical issues. In an extensive research report, the methodology section enables the reader to assess the overall validity and dependability of a glance act. Both primary and secondary data-gathering techniques were used to get the data. The initial data used in the questionnaire in this study. To collect the information from the responder, a structured questionnaire has been created. This may be used to gather the necessary information and documentation from various

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websites, periodicals, annual reports, journals, fact books, and newspapers. The study's sample respondents were selected using the convenience sampling approach. 120 persons made up the study's sample.

Statistical software was employed in this study. It's them,

- Percentage Calculation.
- Chi-square analysis.

3. Review of Literature

According to this study, electronic commerce could have significant future economic implications, Jeffin Saji (2021). The Internet will permanently alter how business is conducted. Furthermore, e-commerce will transform banking in the twenty-first century and has had a wide range of effects on the world economy.

Parveen Kumar Garg and Rajinder Kapil (2021): According to this study, e-commerce may have a big impact on the economy in the future. Because of the Internet, the corporate world will never be the same. In the twenty-first century, e-commerce will likewise have a significant effect on banking.

This essay by Kumar Anuj, Fahad Fayaz, and Ms. Namita Kapoor (2018) highlights the significance of e-commerce to the Indian economy. We all know that India has one of the world's fastest expanding economies, so it is crucial to have government intervention and significant inflows of foreign direct investment in a large country like India in order to stabilize and boost the growth of the E-Commerce sector.

E-commerce is short for electronic commerce, according to Rajeshwari M. Shettar (2016). E-commerce is conducting business electronically and online. The traditional idea of business has been dramatically transformed by e-commerce.

According to Alyoubi (2015), this research explains persuasively how the notion and practise of electronic commerce (hence referred to as "e-commerce") was born as a result of the Internet's rapid expansion.

4. Background of Study

4.1 History of E-commerce:

E-commerce may have its roots in the development of the telephone at the beginning of the 20th century. E-commerce is sometimes seen as having its roots in Electronic Data Interchange (EDI), which links commercial communities and digitizes corporate data. Since the 1960s, big corporations have been investing in EDI development. It wasn't until the 1980s that it became widely accepted. Over the last 30 years, internet trade has taken on new meanings. Business-to-business (B2B) and business-to-consumer (B2C) are the two types of e-commerce (B2C). Businesses utilise electronic networks to conduct B2B transactions with their suppliers, distributors, and other business partners. A business-to-consumer (B2C) business model explains how companies provide customers with products and services. Even though B2C is more well-known to the general public, B2B earns the greatest revenue in e-commerce. Even though they have distinct objectives, the terms "Internet economy"

and "digital economy," which both address the use of modern information and communication technologies in commercial activity, are connected with e-commerce. "Economic activities that generate revenue through the Internet or from goods and services linked to the Internet" is the meaning of the term "Internet economy." Pre-Internet As a result, the topic of e-commerce, which is covered in the next section, cannot be referred to as the Internet economy. Some actions, such as putting up Internet connections for companies, are part of the Internet economy even if they are not typically e-commerce. The internet and other digital technologies are the backbone of the digital economy.

4.2 Concepts and Types of Ecommerce:

E-commerce has significantly changed how people live their daily lives as well as how companies and governments operate. Online supply chains and digital marketplaces (or marketplaces) are employed in the business. Access to services like transportation (like Uber), computing and storage resources from cloud service providers, and legal and medical advice are all made possible via on-demand platforms. Mass customization of items purchased online, including apparel and cars, has become normal. With the use of semi-permanent supply chains, a central firm (like Dell) may surround itself with suppliers that carry out the bulk of manufacturing tasks and provide the core company with extra products and services.

The way companies communicate with one another, as well as with consumers and governments, is swiftly changing as a result of e-commerce. E-commerce has been hailed as a game-changer by many. Developing nations have the chance to establish themselves firmly inside the international economic system. E-commerce has the potential to significantly increase the benefits of trade for developing nations. Reviewing the definitions of e-commerce is crucial since they govern the use and reach of the technology. The term "retail sector" is often used to refer to e-commerce or internet company. The Organization for Co-operation and Development (OCD) describes electronic commerce as a cutting-edge kind of trade that makes use of open-source software through a network. It entails the movement of data and the exchange of products and services for money across an electronic network, most often the internet. Business to business, business to customer, customer to customer, and customer to corporate transactions are all conceivable. A developing country that has grown its involvement in global markets as it develops is known as an emerging market. Emerging market economies are those that exhibit some, but not all, of the characteristics of established market economies.

When local debt and stock markets are more liquid, trade and foreign investment are growing in volume, and contemporary financial and regulatory institutions are being built domestically, an emerging market is becoming more integrated with the global economy. The internet and evolving computer and networking technologies have altered traditional corporate boundaries in terms of time, region, and customer and supplier groupings, leading to new demand for products and services. Market and regulatory institutions in

underdeveloped countries are often less developed than those in developed countries.

Emerging economies often have banks, stock exchanges, and a single currency, but market efficiency and strict accounting and equity regulations are not on pace with those of industrialised nations. Emerging market economies are progressively shifting their focus away from agriculture and resource extraction and toward manufacturing and industrial activity. Emerging market governments often follow purposeful industrial and trade strategies to promote economic growth and industrialisation.

4.3 E-commerce growth prospects in India

According to the report, greater consumer acceptance of online payments, rising internet and mobile use, and favourable demographics have given India's e-commerce sector a unique opportunity to engage with customers. Due to the availability of all branded apparel, accessories, jewellery, gifts, and footwear at discounted costs and doorstep delivery, e-commerce will generate five to seven times more revenue than it did the previous year (as per industry body Assocham).

According to experts, 2016 will see a major increase in the e-commerce sector due to competitive online discounts, rising petrol prices, and a wider and more varied range. A dependable and secure complement to the e-commerce industry, mobile commerce (m-commerce) is rapidly expanding, according to the poll. Industry leaders estimate that mobile commerce might account for up to 70% of total revenue, which represents a major shift from internet buying. In India, mobile devices account for 60–65 percent of all e-commerce purchases, up 50% from 2015. It is expected that this trend would continue. It was highlighted that one in three customers in Tier-1 and Tier-2 cities are already transacting through mobile, and that online shopping is projected to follow suit since browsing patterns in India have switched from desktop to mobile devices. Inquiries about purchases were conducted on mobile devices 78% of the time in 2015, up from 46% in 2013.

The pace of growth for the garment market peaked in 2015, when it increased by almost 69.5 percent. Electronics came in second with 62 percent, followed by baby care products with 53 percent, self-care products with 52 percent, and home furnishings with 49 percent. The city where individuals shop online the most often is Mumbai, followed by Delhi, Ahmedabad, Bangalore, and Kolkata. When it came to payment methods, over 45% of online buyers said they preferred cash on delivery over credit cards (16%) and debit cards (21%). Only 10% of respondents chose internet

banking, and only 7% preferred cash cards, mobile wallets, and other equivalent payment methods, according to the research. Among the aforementioned age groups, individuals between 18 and 25 have had the largest growth online, with both male and female user bases contributing to this surge. According to the survey, 38 percent of regular customers are between the ages of 18 and 25.52 percent are between the ages of 26 and 35.8% are between the ages of 36 and 45.

4.4 Challenges of Ecommerce in India

India has few people who use credit cards, and its rural postal systems are sluggish. Slow transfer speeds, frequent disconnects, the cost of a wireless connection, and the wireless communication techniques utilised to convey data are now obstacles to internet connections. Most citizens of the country do not have access to high-speed, high-bandwidth Internet connections at a reasonable price. The bulk of Indians are either not proficient in speaking English or do not know it well enough. As a result, language is one of the most important variables in utilising technical gadgets to purchase, use, and sell a product or service via the internet. People don't have much trust in e-commerce technology for a number of reasons, including the lack of widely used standards, the unreliability of payment gateways, and the security and confidentiality of personal and commercial data exchanged over the Internet.

Data Analysis and Interpretation:

Chi-Square Test

$$\text{Chi-Square Value } \chi^2 = \sum (O-E)^2 / E = 27.791$$

$$\text{Degree of freedom} = (\text{row}-1) (\text{column}-1) = (4-1) (4-1) = (3) (3) = 9$$

$$\text{X2 Tabular Value} = 12.592$$

$$\text{X2 Calculated Value} > \text{X2 Tabular Value}$$

Interpretation:

In the above analysis, the calculated value (27.791) is greater than the table value (16.92) at the level of 0.05 significance. Hence there is a significant relationship between the age of the respondents and the number of years the respondents have been using E-commerce.

Table 1: Relation between age group and number of years

Age group	Years				Total
	Less than 1	1-3 years	3-5 years	Above 5 years	
10-20	4	10	2	1	17
20-30	4	30	30	7	71
30-40	0	3	2	4	9
above 40	0	5	13	5	23
Total	8	48	47	17	120

Table 2: Relationship between the products and services that respondents utilise online shopping for and their occupation

Occupation	Type of product or service						Total
	Electronics	Fashion	FMCG	Matrimony	Real-estate	Banking and other	
Business	5	19	12	0	1	6	37
Entrepreneur	8	27	13	1	0	7	49
Government employee	0	0	1	0	1	0	2
Private employee	4	1	1	0	0	1	6
Student	3	3	1	0	0	5	7
Total	20	50	28	1	2	19	120

Chi-Square Value $\chi^2 = \sum (O-E)^2 / E = 62.300$

Degree of freedom = (row-1) (column-1)

= (5-1) (6-1) = (4) (5) = 20

X2 Tabular Value = 31.41

X2 Calculated Value > X2 Tabular Value

Interpretation

In the above analysis, the calculated value (62.300) is greater than the table value (31.41) at the level of 0.05 significance. Hence there is a significant relationship between occupation and the type of product or service.

5. Findings

- 1) The majority of responders (59.2%) are in the 20–30 age range.
- 2) Men make up the majority of the respondents. (59.2%)
- 3) The majority of respondents are business owners. (46.7%)
- 4) The majority of responders make between 30, 000 and 45, 000 per month. (25.8%)
- 5) The majority of respondents said they always utilize a website or an e-commerce application. (59.1%)
- 6) The majority of respondents utilize online shopping for both personal and professional reasons. (83.3%)
- 7) The majority of respondents use e-commerce and have done so for between one and three years. (40%)
- 8) The majority of respondents utilize online shopping to buy services and goods linked to fashion. (41.7%)
- 9) The majority of respondents said using an e-commerce application or website results in a hassle-free payment experience. (90.8%)
- 10) The majority of respondents said they utilize an e-commerce application or website to find answers to their questions. (84.2%)
- 11) The majority of respondents believe that e-commerce applications have grown over time. (96.7%)
- 12) According to the majority of respondents, fashion is India's most popular e-commerce industry. (37.5%)
- 13) The majority of respondents believe that by cutting out middlemen, e-commerce can offer an alternative marketing channel. (93.3%)
- 14) The majority of respondents say they receive enough information on the goods and services they buy online. (90.8%)
- 15) The majority of respondents believe that the Indian government is promoting e-commerce in India sufficiently. (70.8%)
- 16) The majority of respondents believe that actions should be taken to raise public knowledge of e-commerce in order to enhance its uptake. (52.5%)

- 17) The majority of respondents believe that online store prices are often lower than those found in brick-and-mortar stores. (57.5%)
- 18) The majority of respondents believe that online product quality is generally comparable to that of a physical store. (48.3%)
- 19) The majority of respondents fall into the category of people who occasionally receive alluring offers on an e-commerce application or website. (56.6%)
- 20) The majority of respondents believe that the best thing about e-commerce applications and websites is their convenience. (34%)
- 21) The majority of respondents believe that better return policies are required as well as measures to eliminate technological problems at the time of purchase. (23.3%)
- 22) The majority of respondents believe that the main disadvantage of online shopping is that they are unable to touch or feel the product. (60.8%)
- 23) The majority of respondents believe that online shopping has an advantage over traditional shopping. (91.7%)
- 24) The majority of respondents said they would like to engage in both traditional and electronic commerce. (64.2%)

Results from Chi-square:

- 1) The age of the respondents and their duration of use of e-commerce are significantly correlated.
- 2) The type of goods or services that respondents utilize an e-commerce application or website for are significantly correlated with their occupation.

6. Suggestions

- a) From the standpoint of retailers and marketers, some product categories and the retailers who sell them are still safe in terms of traditional trade only because of the underdeveloped and underdeveloped components that e-commerce contains, but they will be in trouble when e-commerce can find a workable solution to these problems. Retailers must thus start finding the right mix between offline and online sales if they want to survive in the next years.
- b) When it comes to the viewpoint of the customer, we can all agree that some items still cannot be purchased online due to safety issues, but people should be knowledgeable enough to grasp the significant changes to lifestyle and health that might result from relying only on e-commerce.
- c) The simplest method anybody can use to incorporate e-commerce into their business is when the goal is to make money. It may be in newly developing start-ups or in established traditional markets. This is so that

businesses using the e-commerce model may simply cut out intermediaries and lower operating expenses to increase profit.

- d) E-commerce enables worldwide trade and commercial expansion by making it simple for companies to connect with clients located all over the world. The finest illustration of how this sort of assistance is used is in free advertising channels like social media and blogging.
- e) When e-commerce is integrated with traditional or offline businesses, customers may simply get in touch and get their questions answered. Additionally, if customers are happy with the company's goods and services, they will begin to remain loyal. This indicates a larger client base, which directly relates to the company's ability to turn a profit.

7. Conclusion

E-commerce has a huge influence on the developing market. E-commerce has often been praised as a tool for developing nations to get a better foothold in the international economic system. Additionally, because e-commerce has far lower operating costs than traditional retail, higher profit margins are achievable. We can clearly observe how E-commerce is expanding daily as consumers are prepared to pay more for the convenience it provides. E-commerce is becoming more and more significant in people's lives, and examining it from a new perspective shows how dependent people are on it.

On the other hand, e-commerce still has to develop and spread its wings in order to reach the most distant locations in order to give goods and services to everyone who can use an e-commerce platform.

Small-and large-scale traditional merchants are presently having a lot of trouble because to e-commerce. To avoid future problems and uncertainty among traditional commerce applicants, they will need to modify their commercial activity and embrace a blend of traditional commerce and E-commerce.

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