

Role of E-Commerce on Developing Markets

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ABSTRACT

E-commerce is growing day by day which provide opportunity to this industry to groom and grow. Due to change in Information technology, e-commerce is emerged in this industry and companies are now heading toward e-business through website, internet and different online software. Moving from traditional business way to e-commerce way is quite challenging and various factors are standing as a barrier for companies to adapt e-commerce. E-Commerce has affected various emerging markets in the world.

Keywords: E-Commerce, developing, market, business.

INTRODUCTION

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.

It is clear that e-commerce is a very broad concept and does not have a clear cut definition. One way of defining it, is that, it is a way of doing business transactions via the internet. E-commerce or e-business is based on the electronic processing and transmission of data, including text, sound, and video. E-commerce as it is commonly known is the use of technology to conduct financial transactions online. E-commerce can occur within and between three basic participant groups – business, government, and individuals.

Objectives of the Study

1. To study how e-commerce aid in the economic development of developing countries.
2. To identify the relationship between e-commerce and emerging market.
3. To identify the significant impact of e-commerce on emerging market.
4. To assess the influence of e-commerce in developing an economy.

Research Questions

1. Does e-commerce aid in the economic development of developing countries?
2. Is there a relationship between e-commerce and emerging market?
3. What significant impact does e-commerce have on emerging market?
4. Can e-commerce influence the development of an economy?

Significance of the Study

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 economies benefit more from trade. Unlike the requirements necessary to run a business from a physical building, e-commerce does not require storage space, insurance, or infrastructure investment on the part of the retailer. The only pre-requisite is a well-designed web storefront to reach customers. Additionally, e-commerce allows for higher profit margins as the cost of running a business is markedly less.

Scope of the Study

This study is on the impact of e-commerce on emerging markets using India online store as a case study.

E-COMMERCE MARKET MODELS

Business to Business (B2B) : Business to Business or B2B refers to e-commerce activities between businesses. These transactions are usually carried out through Electronic Data Interchange or EDI4 . This allows more transparency among business involved; therefore business can run more efficiently.

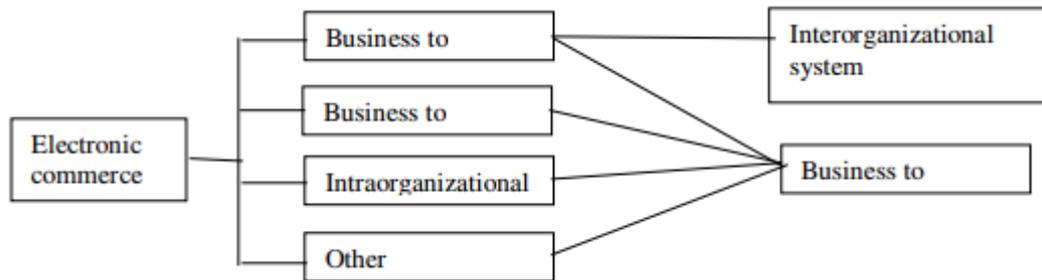


Figure 1: Classification of E-Commerce

2. Business to Customer (B2C): Business to Customer or B2C refers to e-commerce activities that are focused on consumers rather than on businesses.

3. Customer to Business (C2B): Customer to Business or C2B refers to e-commerce activities, which uses reverse pricing models where the customer determines the prices of the product or services. There is increased emphasis on customer empowerment.

4. Customer to Customer (C2C): Customer to Customer or C2C refers to e-commerce activities, which uses an auction style model. This model consists of person-to-person a transaction that completely excludes businesses from the equation.

EMERGING MARKET

An Emerging Market is a country that has some characteristics of developed market but does not meet standards to be a developed market.

The Internet revolution was truly about individual’s client and central move of market control from the dealer to purchaser. In the new economy clients desires are altogether different than some time recently. An organization comprehension of this distinction and its capacity to gain by it will be the way to progress. The web, the web and rising processing and correspondence advancements have reclassified business eradicating conventional limits of time and topography and making new virtual groups of clients and providers with new request to item and administrations. Web based business just structures a part of e-business. Prior organizations had sites showing the organization items and so on then they began to utilize the internet business as one of the circulation divert notwithstanding the current framework for deals that is web based business. The term Electronic trade or web based business comprises of all business exercises continued with the utilization of electronic media, that is, PC arrange. It includes leading business with the assistance of the electronic media, making utilization of the data innovation, for example, Electronic Data Interchange (EDI).

In straightforward words, Electronic trade includes purchasing and offering of products and ventures over the World Wide Web. Clients can buy anything appropriate from an auto or a cake sitting serenely in his room and blessing it to somebody sitting miles separated just by snap of a mouse. All the business application now exchanges to the idea of internet business and is one of the vital perspectives for conveying bank exchanges lie. In the business world

encompassed by exceptionally focused and unpredictable economic situations, any new idea or innovation would be satisfactory just on the off chance that it gives solid advantages to all concerned. Online business offers some particular points of interest.

To begin with, versatility enhances main concern of and association. Also, furthermore extended piece of the overall industry, some segment can be dealt with by various clients in the meantime.

An investigation has demonstrated that SMEs, while by and large slacking in ICT, have the most to pick up from increments in profitability because of internet business. SMEs, be that as it may, really risk missing open doors in both efficiency and productivity by not participating in e-business.

ROLE OF E-COMMERCE ON DEVELOPING MARKET/ECONOMY

The electronic economy will constrain change inside country states. The cutting edge country state remains the most predominant unit of administration in the created and the creating scene. The idea has, over the most recent 50 years, been broadened instead of withdrawn. There are currently more than 200 tremendously unique country states, with various legitimate and administrative frameworks, existing on the planet. In this specific situation, we characterize a country state as a cognizant region delineated by characterized fringes over which the single national government has true blue locale. Amid its 200 year history, the country state has persevered through many changes. Be that as it may, the approach of the electronic economy is going up against the country state, with insinuations of a future in which its importance to its nationals and endeavors will be tested.

The contraption of monetary controls and tax collection through which country states work was created to help and encourage modern economy. That economy produces unmistakable and area bound administrations that are sold and circulated inside and between settled fringes. In that commonplace universe of national and global exchange, country states have an assortment of devices available to them to accomplish their monetary finishes. They can require taxes on imports, raise charges, secure purchasers rights, rebuff financial culprits, set business principles, and give assurances of money related installment.

Up to this point, these devices were bolstered by governments lion's share control over interchanges systems and data scattering. As a result of the development of worldwide correspondences arranges, the country state is slowly losing imposing business model control of data and money related streams. Private people and endeavors and gatherings now can source, bundle, and transmit data in packed time and space. Through "digitization" cash, benefits, and even a few merchandise can be passed on quickly, executed imperceptibly over the globe. Intuitive systems are making another, organize connected world without outskirts, in which numerous business exchanges are past the range of national wards, laws, and tax assessment frameworks. Accordingly, huge numbers of the financial instruments and procedures of the country state should be reconsidered in the light of these new difficulties. It is country state feeble before this new worldwide monetary framework?

As electronic trade develops, there is some hazard that those country expresses that have not completely grasped the progressions could end up plainly negligible to the formation of financial esteem and electronic economy? Could the progressions dissolve the people feeling of national having a place, undermine charge bases, sidestep national laws and undermine the privileges of natives?

Lately, internet business has risen as the quickest developing division of the U.S. commercial center. Notwithstanding the withdrawal in the cutting edge industry amid the current subsidence, firms have kept on entering and grow their essence in web based business, and buyers have expanded the quantity of buys made on the web. Internet business at present speaks to a little offer of general trade, yet it is relied upon to keep on expanding quickly in coming years. As web based business develops, so will its effect on the general economy. The essential course by which web based business will influence the economy everywhere is through its effect on profitability and swelling. Business and customers that utilization web based business advantage from a decrease in costs in term of the time and exertion required to go after merchandise and enterprises and to finish exchanges. This lessening in costs brings about higher

profitability. A significantly bigger increment in economy – wide profitability levels may come about because of efficiency picks up by firms not occupied with online business as they react to this new wellspring of rivalry.

Proceeded with extension of internet business may likewise prompt descending weight on swelling through more noteworthy rivalry, cost reserve funds, and changes in value setting conduct of merchants. It was inspected that financial elements that have added to the quick development of internet business and evaluates how the future development of online business may influence the general economy. That closed web based business keeps on developing quickly, it could prompt an expansion in efficiency development and descending inflationary weights that hold on for quite a while.

LIMITATIONS OF STUDY

1. **Financial constraint** - Insufficient fund tends to impede the efficiency of the researcher in sourcing for the relevant materials, literature or information and in the process of data collection (internet, questionnaire and interview).
2. **Time constraint** - The researcher will simultaneously engage in this study with other academic work. This consequently will cut down on the time devoted for the research work.

CONCLUSION

E-Commerce has been accepted as one of the potential measures which could improve effectiveness and efficiency of the firms operation. It can be a major competitiveness which could lead to the global economic growth. The e-commerce has affected the global economy in many different ways. Overall, it has affected the information technology, and all the economic sectors, all and above ecommerce has enhanced the productivity growth worldwide.

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