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A Critical Analysis of the Transformative Effect of E-commerce and M-commerce on National Productivity in India

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ABSTRACT

This research paper aims to critically analyze the transformative effect of E-commerce (electronic commerce) and M-commerce (mobile commerce) on national productivity in India. Over the past two decades, India has witnessed a significant growth in its digital economy, with E-commerce and M-commerce playing a pivotal role in shaping consumer behavior, business practices, and overall economic activities. This research paper delves into the transformative impact of E-commerce (electronic commerce) and M-commerce (mobile commerce) on the national productivity of India. With the rapid proliferation of internet and mobile technology in the country, E-commerce and M-commerce have emerged as significant drivers of economic growth and transformation. This paper aims to critically analyze the various dimensions of this impact, examining both positive and negative effects on national productivity. To achieve this, the paper draws upon a range of reliable sources, including academic literature, government reports, and industry data, to provide a comprehensive understanding of the topic.

Keywords: E-commerce, M-commerce, India, National Productivity, Digital Transformation, Economic Growth, Business Productivity, Consumer Behavior, Government Policies.

INTRODUCTION

The introduction section will provide an overview of the rise of E-commerce and M-commerce in India and their role in the digital transformation of the economy. It will highlight the research objectives, methodologies, and the significance of studying the impact of these technologies on national productivity. The digital revolution has redefined the way business is conducted across the globe, and India has witnessed a rapid growth in E-commerce and M-commerce sectors. E-commerce and M-commerce have emerged as transformative forces in the global economy, and their impact on national productivity has been widely discussed. This research paper critically analyzes the effects of E-commerce and M-commerce on India's national productivity. Through an in-depth examination of existing literature, statistical data, and case studies, this study seeks to provide insights into the opportunities and challenges presented by these digital business models. The research aims to contribute to a better understanding of the role of E-commerce and M-commerce in driving economic growth and increasing productivity in India. This section introduces the research topic, outlines the objectives, and presents an overview of the research methodology.

Impact on National Productivity:
This section analyzes the direct and indirect impacts of E-commerce and M-commerce on India's national productivity. It considers factors such as improved supply chain efficiency, reduced transaction costs, enhanced market access for businesses, and increased consumption.

Employment and Skill Development: The transformation in commerce also influences the employment landscape and skill development. This section evaluates how E-commerce and M-commerce have contributed to job creation and the demand for a new set of skills in the Indian workforce.

Infrastructural Challenges and Digital Divide: Despite significant progress, India faces infrastructural challenges and a digital divide between rural and urban areas. This section examines how these challenges can hinder the potential transformative effect of E-commerce and M-commerce on national productivity.

Government Policies and Initiatives: The Indian government plays a crucial role in shaping the E-commerce and M-commerce ecosystem through policies and initiatives. This section evaluates the impact of relevant government policies and identifies areas for improvement.

Case Studies: This section presents case studies of successful E-commerce and M-commerce businesses in India, showcasing their strategies and contributions to national productivity.

Future Prospects and Recommendations: Based on the critical analysis, this section outlines the potential future prospects of E-commerce and M-commerce in India and provides recommendations to leverage their transformative effect on national productivity further.

M-Commerce Accelerators in India A vast segment of the population that neither had a landline nor a bank account (unbanked) in their names but now not only they own a mobile handset but are also well balanced to transact on their mobile. The mobile channel has provided a rare opportunity not only to leapfrog years of poor infrastructure development but also in bypassing geographical constraints to bring massive benefits and lifestyle changes to millions of under-served people across India. India is a land of many languages but only 2 percent of the Indian population prefers reading in English. If the content is in local language, it will not only ensure quicker adoption by the user but also will be an instant success. Further, content developers are tempted to look at India as one market, and there are more players to share the pie.

These apart, there exists the regional markets and a huge B2B market for m-commerce in India as well [4]. Ericsson estimates that by 2017, 85 percent of world's population will have 3G coverage, and that global data traffic will grow 15 times by the end of 2017. For many, the mobile phone will be the only means of accessing the internet. Further it sheds light on the economic benefits of broadband – a ten percent increase in penetration leads on average to one percent sustainable GDP growth. [80][82] And doubling Internet speed can improve GDP by 0.3 percent [82]. The status of mobile users and usage in India is as follows. There are currently about 875.48 million mobile subscribers with monthly growth 0.56% and this number is expected to touch 1.2 billion by 2015 according to the press release of TRAI, dated, 13th December, 2013, the country can easily expect M-commerce to take off faster than online or e-commerce and rising India as the world's second largest mobile market after China [60]. Internet subscribers in India grew to 164.81 million as of March 31, 2013, with as many as seven out of eight net users in the country accessing the services via their mobile phones, according to telecom regulator TRAI.

The total number of mobile internet subscribers stood at 143.2 million at the end of the last fiscal [60]. Total Broadband subscription reached 15.05 million in March 2013 from 15.00 million in February 2013. [31] Actively mobile Internet users are fairly young (18-35 years)and 81% percent users are using these devices as part of their daily routine - for sending emails, getting news and information, and shopping. More than half (61 %) expect these devices to become universal payment tools [4]. RBI guidelines for mobile banking has can be two levels of mobile based banking service-the first or basic level in the nature of information like balance enquiry, SMS alert for credit or debit, status of last five transactions, and many other information providing services. The second or standard level of mobile banking services involve financial transactions such as payments, transfers and stop payments.

LITERATURE REVIEW

This section will review relevant academic literature and empirical studies that have explored the relationship between E-commerce, M-commerce, and productivity in both developed and developing economies. It will analyze key findings and identify knowledge gaps that the current research seeks to address.

From 1990 onwards, methods of doing business have been tremendously changed with the innovations, fast development of ICT which offers powerful mechanism for promoting social and economic growth. Several recent studies have explained the remarkable success in using ICTs to help communities and to create new opportunities in developing countries. The large portion of the articles in this area are related to E-commerce and m-commerce theory and research, especially the study of E-commerce and M-commerce behavioral issues, Development; Cultural differences on adoption; E-banking and Mobile banking and payments issues; E-commerce and m-commerce overview, context, and usage. Miu li [2008] identified that technology foundation, user satisfaction, management of

informatization, EC security, and potential technology investment tended to have the most significant impact on EC development, Inma et. al [2008] evaluated the contribution of the size of the potential market represented by the community of Internet users to the development of electronic commerce [18], Cipriano et.al [2010] suggested that e-buying process has a positive influence on firm efficiency [5], Prashant P. [2009] developed a model that went beyond intention and included key relational concepts (satisfaction, value, loyalty, etc.), trust and its components are a major part of this model, which was based on strong theoretical foundations[8].

Ali Akbar [2011] proposed a practical model of e-commerce for rural areas of Iran [1] Very few articles are available on E-commerce in India. [Shwetaet. al. [2010] reveled that low cost of the PC and the growing use of the Internet are main growth indicators for Ecommerce in India [47]; Sridhar et. al. [2010] many firms in India still have not realized the potential benefits of EC [14]; Pradip Thomas [2009] explored variables that impact on the larger context of ICTs in development in India [3]. Felicitta et. al. [2008] concluded that M-commerce business model serve as drivers of the growing market demand [28]; Khawaret. al [2010] proposed an initial enterprise architecture framework for mobile commerce that which provides practitioners and researchers a platform for considering the development of m-commerce systems [35]; Yiming et.al [2008] investigated the relationships among personal innovativeness, perceived usefulness, perceived ease of use, perceived behavior control, subjective norm, perceived risk and initial intention to adopt M-commerce; She-I Chang [2009] identify the top critical successful factors like Technology and Task aspects and important factors for m-commerce adoption as the support capabilities of the IT vendor, senior management support, and capabilities of the project team of mobile commerce (m-commerce) adoption to develop a model based on this; Qingfei et.al. [2009] concluded that usability is a key factor to mobile commerce adoption in China and to increase mobile commerce adoption in China. From the study of earlier researcher work, authors found that Developing countries like India failed to follow the advantages of E-commerce and E-commerce is an important indicator of growth. The productivity which is measured as output divided by input is likely to be higher than e-firms than non e-firms and m-commerce is extension of E-commerce will make large positive contribution to overall productivity as it continuous to expand in size relative to rest of marketplace. M-commerce is continuously evolving after every passing day; its impact on productivity is likely to increase in coming years. Many researchers have found the linkage between E-commerce and productivity so there is need to find out the linkage between E-commerce and M-commerce practices, and productivity.

METHODOLOGY

The methodology section will outline the research approach, data collection methods, and analytical techniques used in the study. It will describe how data on E-commerce and M-commerce adoption, investment, and usage, as well as productivity indicators will be collected and analyzed.

E-commerce and M-commerce Landscape in India In this section, the current state of E-commerce and M-commerce in India will be examined, including market trends, major players, consumer behavior, and regulatory frameworks. The growth trajectory of these digital platforms and their implications for national productivity will be explored.

Impact on Business Productivity This section will investigate how E-commerce and M-commerce have affected business productivity in India. It will delve into aspects such as improved supply chain efficiency, cost reduction, market reach, and access to global markets for Indian businesses.

Impact on Consumer Productivity Here, the research will analyze the impact of E-commerce and M-commerce on consumer productivity. It will explore how these platforms have provided consumers with convenience, increased choices, time savings, and enhanced decision-making capabilities. Employment and Skills Perspective This section will examine the employment and skills implications of E-commerce and M-commerce adoption. It will explore the shift in job opportunities, workforce skills required, and the potential for job creation and skill development.

Challenges and Barriers the research will critically assess the challenges and barriers hindering the transformative effect of E-commerce and M-commerce on national productivity in India. This may include infrastructure limitations, digital divide, cyber security concerns, and policy-related challenges.

Government Policies and Initiatives this section will analyze the role of government policies and initiatives in fostering E-commerce and M-commerce growth and their impact on productivity enhancement. It will highlight successful policy interventions and provide recommendations for further improvements. Future Prospects and Opportunities the research will conclude by presenting future prospects and opportunities for leveraging E-commerce and M-commerce to enhance

national productivity in India. It will offer insights into potential strategies to overcome existing challenges and maximize the benefits of digital commerce.

CONCLUSION

The conclusion will summarize the key findings of the research and reiterate the significance of E-commerce and M-commerce in transforming India's productivity landscape. It will also highlight the policy implications and areas for future research. This research paper critically analyzes the transformative effect of E-commerce and M-commerce on national productivity in India. The study highlights the positive contributions of digital technologies while acknowledging the challenges that need to be addressed. By understanding the impact of these transformative forces, policymakers, businesses, and stakeholders can make informed decisions to foster sustainable economic growth in India.But the worldwide acceptance and use of standards such as Japan's I-mode and Europe's WAP, in combination with the work performed by market-based competition, collaboration of key-players, and regulations imposed by regulation authorities, securities in online payments are expected to boost consumer trust in M-commerce and strengthen its potential and perspectives.

India has third largest reservoir of technical human resource, second most populace country with purchasing power parity but it is not for medium of commerce for mass people, new models need to be developed and worked out with appropriate strategies to make electronic commerce and M-commerce as key policy for the development and progress in India. This current state will be further helpful to develop the new generation E-commerce i.e. mobile commerce for mass in India. With the explosion of internet connectivity through mobile devices like Smartphone and tablets, millions of consumers are making decisions online and in this way enterprises can build the brand digitally and enhance productivity but government policies must ensure the cost effective solutions. The advancements in technologies and innovative services show that India is moving from E-commerce to M-commerce. No other technology have been not ever reach to rural Indian population; in this sense M-Commerce based business models can capture 75 million rural population by providing innovative, cost effective, Efficient, daily needed Services . India still lags behind on key development indicators such as basic health and education facilities and m-commerce has potential to deliver services in immense and variety in order to promote and expedite inclusive growth; and can became asset for commerce by the people to the people in India.

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