

A Study on Impact of E-Commerce on Emerging Markets

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ABSTRACT

Electronic commerce may have large economic effects in the future. Internet commerce will change the face of business forever. Moreover, e-commerce will change banking in 21st century. The e-commerce has affected the global economy in many different ways. First of all, it has affected the information technology, and all the economic sectors, all and above e-commerce has enhanced the productivity growth worldwide and here we are going to discuss this impact, they are able to identify the number of qualified people needed to advance their country's information economy or to calculate the amount of investments needed to provide business with access to the internet. Some countries are already benefiting from the results, they are now in apposition to benchmark their economies with competitors internationally and there are many ways to accelerate the growth of productivity but the reason for this is rather controversial. Banks and financial services companies in the developing countries will need to adopt online payment system, to obtain e-trade finance and equity investment, tourism and its internet incarnation is regularly cited as one of the fastest growing ecommerce sectors.

Keyword; e-commerce, emerging markets

INTRODUCTION

E-commerce, is more than just electronics and commerce added together. It represents an entirely new way of doing business over a medium that changes the very rules of doing business. It is therefore, far more about strategy and business management than it is about technology. E-commerce and the internet, if correctly utilized for development, can be instruments for ensuring future sustainable economic growth. Throughout the world, the profound impact of electronic commerce in the economics and societies of the glob will no doubt improve economic efficiency, competitiveness, and profitability (for those engaging in e-commerce) and, therefore result in the development of the information society. E-commerce and the new emerging digital technologies and services can be tools for development and help improve the livelihood of millions across the globe, by linking up remote regions and bringing together scientist, administrators development professionals, managers, and people into projects and programmes to promote economic and social development.

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 that is e-commerce. The term Electronic commerce or 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 (EDI). In simple words, Electronic commerce involves buying and selling of goods and services over the World Wide Web. 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. In the commercial world surrounded by highly competitive and volatile market conditions, any new concept or technology would be acceptable only if it provides strong benefits to all concerned. Ecommerce offers some distinct advantages. The E-commerce is more than just electronics and commerce added together. It represents an entirely new way of doing business over a medium that changes the very rules of doing business. It is therefore, far more about strategy and business management than it is about technology. Throughout the world, the profound impact of electronic commerce in the economics and societies of the globe will no doubt improve economic efficiency, competitiveness, and profitability (for those engaging in e-commerce) and, therefore result in the development of the information society. E-commerce and the new emerging digital technologies and services can be tools for development and help improve the livelihood of millions across the globe, by linking up remote regions and bringing together scientist, administrators development professionals, managers, and people into projects and programmes to promote economic and social development.

E-commerce involves conducting business using modern communication instrument: telephone, fax, e-payment, money transfer systems, e-data inter-change and the internet. E-commerce is not only a new technology and a new frontier for global business and trade, it is also still evolving.

An emerging markets is a market that has some characteristics of a developed market, but does not fully meet its standards. This includes markets that may become developed markets in the future or were in the past. The term frontier market is used for developing countries with smaller, riskier, or more illiquid capital markets than emerging. According to the economist, many people find the term outdated, but no new term has gained traction. The nine largest emerging and developing economies by either nominal or PPP-adjusted GDP are the BRICS countries.

The term marketing has been described as performance of business activities that direct the flow of goods and services from producers to consumers. Marketing is not merely a post –production activity. It includes many activities that are performed even before goods are actually produced and continue even after the goods have been sold.

OBJECTIVES OF THE STUDY

- ❖ To identify the relationship between e-commerce and emerging market.
- ❖ To identify the significant impact of e-commerce on emerging market.

- ❖ To study how e-commerce aid in the economic development of developing countries.
- ❖ To assess the influence of e-commerce in developing an economy.

RESEARCH METHODOLOGY

Descriptive research studies are those studies which are concerned with describing the characteristics of a particular group of situations. Descriptive research includes different kinds of fact-finding inquiries and surveys. The main objective of this research is describing the state of conditions as it exists at the present moment. For these types of researches we often use the term ex-post-facto research method, the main characteristics of which is that the researcher has no control over the variables, he can only report what has happened or what is happening.

HISTORY OF E-COMMERCE

The history of E-commerce begins with the invention of the telephone at the end of last century. EDI (Electronic Data Interchange) is widely viewed as the beginning of ecommerce if we consider ecommerce as the networking of business communities and digitalization of business information. Large organizations have been investing in development of EDI since sixties. It has not gained reasonable acceptance until eighties. The meaning of electronic commerce has changed over the last 30 years. There are two basic types of ecommerce: business-to-business (B2B) and business-to-consumer (B2C). In B2B, companies conduct business with their suppliers, distributors, and other partners through electronic networks. In B2C, companies sell products and services to consumers. Although B2C is the better known to the general public, B2B is the form that actually dominates e-commerce in terms of revenue. The concept of e-commerce is related to notions of Internet economy and digital economy. All these concepts relate to the use of new information and communication technologies for economic activities, but with different focuses. Internet economy refers to the economic activities that generate revenue from the Internet or Internet-related products or services. Therefore, pre-Internet e-commerce, as will be detailed in the following section, cannot be called Internet economy. On the other hand, some activities such as building Internet connections for commercial purposes, are a part of Internet economy, but they are not necessarily e-commerce. Digital economy is based on digital technologies such as computer, software, and digital networks. In most cases, digital economy is the same as e-commerce. However, not all activities in the digital economy are e-commerce activities.

The term ecommerce meant the process of execution of commercial transactions electronically with the help of the leading technologies such as Electronic Data Interchange (EDI) and Electronic Funds Transfer (EFT) which gave an opportunity for users to exchange business information and do electronic transactions. The ability to use these technologies appeared in the late 1970s and allowed business companies and organizations to send commercial documentation electronically. The growth and acceptance of credit cards, automated teller machines (ATM) and telephone banking in the 1980s were also forms of electronic commerce. Another form of E-commerce was the airline and railway reservation system. Although the Internet began to advance in popularity among the general public in 1994, it took approximately four years to develop the security protocols (for example, HTTP) and DSL which allowed rapid access and a persistent connection to the Internet. At

this time the meaning of the word ecommerce was changed. People began to define the term ecommerce as the process of purchasing of available goods and services over the Internet using secure connections and electronic payment services. Although the dot-com collapse in 2000 led to unfortunate results and many of ecommerce companies disappeared, the "brick and mortar" retailers recognized the advantages of electronic commerce and began to add such capabilities to their web sites. Ecommerce has a great deal of advantages over "brick and mortar" stores and mail order catalogs. Consumers can easily search through a large database of products and services.

From the 1990s onwards, electronic commerce would additionally include enterprise resource planning systems (ERP), data mining and data warehousing. Although the Internet became popular worldwide around 1994 when the first internet online shopping started, it took about five years to introduce security protocols and DSL allowing continual connection to the Internet. Since then people began to associate a word "E-commerce" with the ability of purchasing various goods through the Internet using secure protocols and electronic payment services. Electronic commerce has been recognized globally particularly in the developed markets as a mechanism for business organisations to reach global markets and guiding a wide spread of customers in different geographical locations. The adoption of e-commerce is widespread and also regarded as an essential tool for the efficient administration of any organisation and in the delivery of services to its clients. The internet revolution is really about customers, suppliers, groups, organisations, government, and the general public. In the new economy customers expectations are very different than before. A company understanding of this difference and its ability to capitalise on it will be the key to success.

CONCEPTS AND TYPES OF E-COMMERCE

E-commerce has deeply affected everyday life and business and governments operate. Commerce is conducted in electronic marketplaces (or marketspaces) and in the supply chains working on the Internet-Web. Almost instantaneous access to services is made available by on-demand platforms offering, for example, transportation (e.g., Uber), computation and storage resources furnished by cloud service providers, and medical and legal advice. Mass customization of goods sold online, such as garments and vehicles, became common. Semi-permanent supply chains enable a hub company (such as Dell) to surround itself with suppliers that perform most production tasks and deliver other goods and services to the central firm. E-commerce is rapidly transforming the way in which enterprises are interacting among each other as well as with consumers and governments. 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. It is important to elaborate on the definitions of e-commerce as that will help determine the scope of the technology and how it can be applied into retail business. E-commerce has been simply defined as conducting business on-line. The organization for economic cooperation and development defines electronic commerce as a new way of conducting business, qualifying it as business occurring over network which use non-proprietary protocols that are established through an open standard setting process such as the internet. It 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 the developing nation that is becoming more engaged with global markets as it grows. Countries classified as emerging market economies are those with some, but not all, of the characteristics of a developed market. As an emerging market progresses it typically becomes more integrated with the global economy, as shown by increased liquidity in local debt and equity markets, increased trade volume and foreign direct investment, and the domestic development of modern financial and regulatory institutions. The internet and emerging computing and communication technologies have redefined traditional boundaries of business in relation to time, geography and creating new virtual communities of customers and suppliers with new demand for products and services. Emerging markets generally do not have the level of development of market and regulatory institutions as found among developed nations. Market efficiency and strict standards in accounting and securities regulation are generally not on par with advanced economies, but emerging markets typically have a physical financial infrastructure, including banks, a stock exchange, and a unified currency. Emerging market economies tend to move away from agricultural and resource extraction focused activities toward industrial and manufacturing activities. Emerging market economies governments usually pursue deliberate industrial and trade strategies to encourage economic growth and industrialization.

E-COMMERCE IN MARKETING APPROACH

Emerging markets have lower-than-average per capita income. Low income is the first important criterion because this provides an incentive for the second characteristic, which is rapid growth. Leaders of emerging markets are willing to undertake the rapid change to a more industrialized economy to remain in power and to help their people. Rapid social change leads to the third characteristic, which is high volatility. That can come from three factors: natural disasters, external price shocks, and domestic policy instability. Traditional economies traditionally reliant on agriculture are especially vulnerable to disasters. Marketing is not merely a business phenomena or confined only to business organisations. Marketing activities are equally relevant to non-profit organisations. By adopting marketing orientation, an organisation whether profit making or non-profit making, can achieve its goals in the most effective manner. Also marketing acts as a catalyst in the economic development of a country and helps in raising the standards of living of people. Marketing is concerned with exchange of goods and services from producers to consumers or users in such a way that maximises the satisfaction of customer's needs. Emerging markets usually achieve a low-middle income per capita relative to other countries, due to their dependence on agricultural activities. As the economy pursues industrialization and manufacturing activities, income per capita increases with GDP. Lower average incomes also function as incentives for higher economic growth. The term marketing has been described as performance of business activities that direct the flow of goods and services from producers to consumers. Marketing is not merely a post –production activity. It includes many activities that are performed even before goods are actually produced and continue even after the goods have been sold.

A well- defined marketing strategy leads to an increase in the business sales and marketing. This directly impacts the revenue generated as the more you reach out to people, the more they reach out to yours business or brand. The marketing of a business is directly related to the sales it generates. The label of an emerging market applies less and less by the day as it's influence grows. Emerging markets will help the global economy to grow.

Marketing refers to activities a company undertakes to promote the buying or selling of a product, service, or goods. It is one of the primary company of business management and commerce. Markets can direct their product to other businesses or directly to consumers. Marketing management means management of the marketing function. Marketing management refers to planning, organising, directing and control of the activities which facilities exchange of goods and services between products and consumers or users of products and services.

CONCLUSION

E-commerce has significant impact on emerging market. E-commerce has been hailed by many as an opportunity for developing countries to gain a stronger foothold in the multilateral trading system... Additionally, e-commerce allows for higher profit margins as the cost of running a business is markedly less.

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