



Prospects of Economic Development Through E-Commerce.

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e-commerce, internet, social networking sites, economic development.

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ABSTRACT *E-commerce refers to Internet marketing, online transaction, processing mobile commerce etc. It has been seen that e-commerce besides contributing to the growth of GDP, has helped in the growth of small medium businesses and also helped in raising the per-capita income of the people. E-commerce can be looked into as one of the prospective opportunities that can be availed by the people of India, to bring an upliftment in the economic condition and also bring a change in the lives of people in India. It can offer consumers the easy option of purchasing products by simply logging into their social networking accounts like Face book, Twitter, Google+ and other such sites. For any start up business, priority should be client acquisition. Demand for your product must be created first. Supply will follow. 'A lot can happen over 'INTERNET'. Blending and Mending your own life as well as of others.*

Introduction :

Electronic commerce commonly known as E-commerce, is trading in products or services using computer network, such as the Internet. E-commerce usually refers to Internet marketing, online transaction, processing mobile commerce, electronic data interchange (EDI) etc. E-commerce generally refers to the sales aspect of e-business. It is a market entry strategy where the company may or may not have a physical presence.

In 2010, the United Kingdom was the biggest e-commerce market in the world. The Czech Republic is the European country where e-commerce delivers the biggest contribution to the enterprises 'total Revenue'. Among the emerging economies, China's e-commerce continues to expand every year. Brazil's e-commerce is growing rapidly. India's e-commerce growth on the other hand has been slower although the country's potential remains solid considering its surging economy.

Considering the rapid expansion of e-commerce in many of these countries, it is seen that e-commerce besides contributing to the growth of GDP, has also helped in the growth of small and medium business and also helped in raising the per-capita income of the people of the countries as well as their standard of living. E-commerce has helped development of business activities big or small and has sufficiently contributed towards economic development of all of the above mentioned countries.

Economic development refers to the process, whereby the people of the country or region utilizes the resources available to bring about a sustained increase in production of goods and services as well as bringing a sustained increase in per-capita income of the people. It is considered to mean growth plus progressive changes which determine the well-being of the people.

Need of growth of e-commerce in India :

India is home to 18 percent of humanity and contributes about 6 percent of Global GDP. Due to its demography, it will remain one of the youngest nations in the world for decades to come. The youth of India represents ambition,

aspirations, creativity, skills, and also a growing challenge of creating livelihood. But with less incentives of employment, our youth, our people, becomes demoralized and disillusioned many times. Markets being flooded with variety of goods, purchasing power parity (PPP) has to rise in every household, to increase the standard of living and bring an upliftment of the Indian Economy. E-commerce has been one of the reasons of China's huge growth of business. E-commerce can be looked into as one of the prospective opportunities that can be availed by the people of India today, to bring about an upliftment in the economic condition of their lives and also bring a change in the lives of millions of people in India. It does have the potential to drive the economy to the path of economic development of the country. E-commerce has the potential to grow to a 100 billion industry over the next decade. E-commerce in India stands at 15 billion of which over & 10 billion is online travel, the rest comes from product commerce.

The two big beneficiaries of e-commerce growth are consumers (they get access to products that they otherwise don't have) and small business. China's Alibaba has Taobao- the world largest e-commerce company -that provides two million small businesses a platform to sell their products to consumers, are now growing much faster than they were before because they are able to leverage the powers of the internet and the Taobao platform. In India, on the other hand, only 20,000 small businesses sell online through various market places like e-Bay, Flip Kart etc, although there are about four lakh businesses with a web presence. If the e-commerce industry grows, there could be a hundred-fold increase in the number of small business that benefit from it. This may enable millions of Indians to get a better life and aspire for a brighter future.

Consumers would also get access to a diverse set of products and services that otherwise would not have been easily available. For example, apparel, which is now the largest category in terms of the number of transaction in India. Over 50 percent of the products shipped by most apparel e-commerce sites are to cities beyond the top eight metros. Today, any consumer regardless of where he or she

lives, can access millions of products with click of a mouse or on their smart phone.

Our population ensures a massive consumer base. Demand in fact, far outstrips current supply. New markets can be created within sectors such as health care and nutrition, food processing as well as other consumption verticals.

If internet penetration expands via broad band and with high band width, consumption in both urban and rural India will witness phenomenal growth. So things will work out in both cases; we make the situation favorable in two ways (1) either with indigenous products available in your state and make it available to a greater market or (2) match local needs with available products and technology.

In India there is a largely false assumption that those who do not live in urban areas and follow its consumption patterns, automatically fall into the below-poverty-line (BPL) category. The trend is now mostly at appeasing the urban population, which is sure-shot heading towards saturation. The burgeoning working classes of rural and small towns are largely consumers with little choice. They constitute promising markets that have been ignored.

We need to evangelize new markets that target people living in areas outside the top 100-200 cities across India. It is the youth and our huge young population whose prowess can help them become self-reliant, create jobs, build India's growth story and transform India into a global force by 2047. Instead of looking to some higher authorities to address to our needs, it's time that we address our own, taking advantage of communication technology, e-commerce, internet, social networking sites like Facebook, Twitter, Google+ etc. to transform the lives of the people of the country, if followed in the right pursuit. It is not easy, but it can be done.

Prospects of Economic Development :

Prospects of economic development through e-commerce can be cited from the composition and size of the Indian population. India's 60 percent of the population consists of young people who are unemployed, educated, angry, somewhat educated, but have no skills. These are about half of the total 15 to 24 year olds we have. A portion of it is self-employed micro entrepreneurs, who are smart, keen to learn and full of ideas. E-commerce, internet and social networking sites can now prove to be a platform to showcase and even sell their products. Today's social networking sites can be very much used for marketing and advertisement. Any indigenous product-whether it is a Book, or a dress material, peculiar to a certain region, one can find a market not only in the domestic market but in the International market as well. This with the right kind of linkages can grow up to a big industry as well. India's cultural and geographical difference can be put to advantage today, by showcasing each region's indigenous products through the Global internet, whether it is for the retail market, or online streaming video, or online same day grocery delivery. All we need today is simply a smart phone or a computer. And if one can walk up the ladder to be a billionaire, he can have packages of food or other stuff dropped off by unmanned drones instead of bomb shells!

As on today the e-commerce sites are targeting the upper and upper-middle class section of the society. Selling from branded clothes to industrial motors, consumer durables, dress materials etc. in India. E-commerce can be extended

further to cover larger sections of the society and larger varieties of products at a lesser time and at a lesser price. The hospitals run out of medicine and surgical necessities in the rural areas. The challenge is to reach the unreached, by approaches that are accessible, acceptable and affordable. It may start at an individual level, but he can definitely make it big with a team effort.

Any person with entrepreneurial skills or even with marketing skills has to have a fair knowledge of financial support available, angel investors, start-up incubators, accelerators and seed funds besides institutional finance made by banks.

Then the next part of the job even for e-commerce business is, selling what for whom? Finding the right kind of customers. There are now-a-days analytical companies that analyse raw data, map out a person's social genome and then give personalized recommendations to consumer brands that have an online presence. This information is collected without breaking privacy laws, allows a retailer to identify and recommend products that will appeal to a customer. Social Genomix is a tool that combines a person's data from social networking sites to create a detailed profile of the customer including age, location, interest, places frequented and even spending power. Social genomix can tell everything we need to know about our customer. Most e-commerce retailers offer consumers the easy option of purchasing products by simply logging into their social networking accounts- Facebook, Twitter, Google+ and other such sites.

Social genomix can help to collate relevant information from their social networks and profile pages. Analytical companies get access to personal information when people use their social networking IDs to log into a retail website. For example, a book on 'Child Psychology' will have to target customers who are parents to teenage children' or a book on 'Short stories for Children' will have to target customers whose children are in the age bracket of 7-16 years, or children in this group. Similarly, herbal cosmetics to target females and electronic gadgets to target men for instance. Analytical companies help getting track of the prospective customers and target them for marketing those products. Social genome created from a user's profile is of huge interest of consumer business, particularly those that rely heavily on correct and relevant recommendations for consumer's conversion of clicks into sales. There is a huge untapped potential in this space as we can find social networking sites being used by all sections of the society now a days.

Analytical companies can take up clients from ethnic clothes to furniture to gifts to any traditional item. These analytical companies work on a revenue sharing model and get paid a percentage of the sale for every conversion it makes.

But the survival and success of any start up firm will depend on the ability to innovate a particular product, something that's different from the usual that stands out on its own and of course for those who want to make it BIG!

For any start up business, priority should be client acquisition not funding. Demand for your product must be created first. Supply will follow.

Conclusion : 'A lot can happen over 'INTERNET'. Blending and Mending your own life as well as of others.

A lot can be achieved through e-commerce, increased application of smart IT platforms for e-procurement, e-tending, e-documentation etc. A good example is Tamil Nadu's IT enabled drugs procurement model that has ensured that its citizens get access to affordable generic essential drugs. Such a model can be replicated throughout India.

Similarly Aadhar unique ID programme has the potential for e-governance and e-health care and e-commerce put effectually to use. The Aadhar cards which covers over 600 million people can create a unique e-delivery model across a plethora of services. If followed in the right perspective, e-commerce can assist economic development and a new sense of National purpose can be constructed around the idea of India emerging as the world's second biggest economy by 2020 and the world's biggest economy by 2047 in the 100th year of Indian Independence.

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