

RESEARCH ARTICLE

E-Commerce in Indian Economic Environment

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ABSTRACT:

Present trend of development of Information Technology is responsible for the outbreak of E-commerce. Which remove the person, place, hindrance. It is an attempt to study regarding the impact of E-Commerce in Indian economy. The study is made on the Historical background of commerce and its present trend in India. It consists of Facilities contributed by Information-Technology to commerce. It also includes the analysis of criticism, either positively or negatively along with suggestions.

KEY WORDS: E-Commerce, INR and ATM

INTRODUCTION:

In present times, every sector of world population enjoy the fruits of the “Information Technology revolution” which provide the opportunity for contact of each and other living in different parts of the world, just “Clicking” by the “Mouse” available with a computer for which the “Internet” system is responsible. One of the outcomes of evolution of “Sophisticated Information Technology” is “E-Commerce”^[1].

But at present, such place, time, person hindrances are successfully removed by utilizing the “E-Commerce” facilities which is one of the contribution of “Information Technology of Computer”^[2].

In the evolution of commerce “Online business” is the remarkable and sophisticated development, which avoid direct link between buyer and middleman.

HISTORICAL BACKGROUND OF COMMERCE:

As an ancient civilized country, India had business relationship with various parts of the world such as Rome, Egypt, China, and Greek etc. There are ample of evidences found in various classical literatures such as Silapathikaram etc. Further modern world history was started only in 1453 when the Constantinople was captured by Turks which made obstacles for movement of European people to Eastern part of the world for business purpose. So, it may be evident that there were hindrances such as place, time, political, to contact the buyer by the sellers. So, European countries such as Portugal, Dutch and Spain were forced to discover alternative route to move from West to East part of the world which resulted Magellan, Washcodacama and other eminent sailors discovered sea routes to tackle situation for which they have suffered a lot, which is the historical event.

ONLINE BUSINESS TRENDS IN INDIA:

Consequent on the revolution in I.T. Industry and the concept of Globalization and technologies implemented since 1992, the “On line Business” is slowly growing up in India. Some of them discussed below.

FACILITIES OF THE ONLINE TRADING IN INDIA:

The investors have to enter into an agreement with the firms in different securities for which the online trading portals are helpful.

Since the online trading portal are functioning round the clock, the investor’s order can be processed immediately and checked out the current status of their order, as the servers of online portal are connected with stock exchange. So, the Investors can take their decision for purpose of securities or otherwise at any time^[3].

CAPITAL FLOWS:

The explosive growth of international transaction and capital flows is one of the mode for reaching economic developments of the late 20th century. Net private capital flows to developing countries tripled during 1995 to 1997 comparing with the year 1987-89 which is due to the shift from national economy to global economies. Powerful forces have driven the rapid growth of international capital flows in both developed and developing countries like India towards economic liberation and the globalization of trade. Revolutionary changes in information and communication technologies have transformed the financial services industry worldwide.

At present internet is growing in a fast rate in India, consequent on the revolution in electronics and telecommunication. The organization like BSNL, Tata, Reliance and Airtel are coming up with new broadband packages and attractive tariff rates. The increase of interested facilities result the scope of online business. The services of matrimonial and online tuition are best examples for E-commerce trend in India. However, the rate of growth of Online business is not encouraged, since online shopping is limited to only major metros in India^[4].

The major hurdle that online shopping faces in the security of transactions, since it is necessary for shopper to submit their financial details on the website too. At present, only a limited number of merchants are doing business online due to the problem related to technology. Further, there are low penetration of computers, less amount of credit or debit cardholders and many adverse taxation rules. There are many internet users are not ready to reveal their financial information online. These are the main reasons which hamper the growth of the online business.

While looking at online shopping trends, one can observe that air and rail tickets estimated at INR 30 crores (1 NR 300 millions) are sold online every day, and further a jewellery piece sells every five minutes and a mobile hand set every eight minutes, and a car every nine hours on the popular commodity site "E Bay.com". Another site "Indiamart.com" achieved business over INR 500 crore through leads generated by it.

As per "E bay" Indian Census 2009, it is observed by Economic times, the size of e-commerce market in India is worked amount Rs.9500 crores, and the growth rate is upwards of 30%.

Like that, based on the same census published in E bay India, it is also observed by "Business Standard", the online travel industry in India achieved the growth to 86 billion (Over Rs.28000 crores) in 2010 in terms of revenue. So, in India, the size of users of internet has to be increased for the growth of online users including E-commerce. So, the Government of India has planned to expand broadband coverage to connect every Grama Panchayat to broadband network by May 2012 (C10L) and it is now in progress.

While the world's, tele-density as on December 31, 2008, stands at 78.11% Indian tele-density as on Oct.31,2009 is 44.87%, the rural tele-density in the country is 18.97% by 2010, (The Hindu) the number of internet users in India is expected nearly triple from 125 million in 2011 to million by 2016, says a report by Boston Consulting Group (USA) as per articles published in Business standard 25.04.2013.

As per the report by Dtec Net there are illegal downloading I.P.addresses on P2P (Peer to Peer) networks from April to September 2009, India was among the top 10 countries in the world with the largest number of illegal P2P activities as per "Economic times"^[5].

CRITICISMS:

There are outbreak of criticisms favorably or unfavorably for and against the impact of online business in India.

1. There is no lag of time in contacting the buyer by the seller because of online business, the hindrances of place and time are removed.

But, this facility paves the way of arising of middleman to get margin of profit without reasonable investment. The huge size of transactions in stock exchange etc are made without any production which is nothing but "Gabling" which promote the concept of "earning without production." This concept may not suitable for developing countries such as "India"

Though this criticism may be partly true, capital movement is necessary for entrepreneur development and so quick capital movement is possible in online business.

2. E-Commerce can be utilized only by the Internet users having Net banking, ATM card and credit card holders. They are few in India among 30.7 crores persons having 27.5% of world population in 2004-2005 increased to 40.71 crores person having 37.2% of world population. 10 crores of people are starting to move the above facilities in India at present as per the report of Thendulkar Commission submitted to Central planning commission in March 2010.

But, according to the Pretidesai, President, Internet and Online association of India, "E-commerce is coming of age in India changing life styles and shopping habits. As per the Survey reports of the internet association of India, the value of E-commerce activities may be crossed to Rs.2300 crore with of e-business in India". As per the reports, out of 3099 on line shoppers, the average of 55% are benefiting for online services. As per chairman of IOAL "The reports reflects the changing faces of business trends in India" So, in the point of view of business people, E-commerce is beneficial to them to promote their business inland and foreign.

3. Mostly in India the online facilities are utilized to get "Railway ticket reservation" Consequently, the people having internet are benefited. So, it is obvious that the others will suffer. Railway is the cheapest transport

facilities which are indirectly denied to the poor people. It is not justified since there is an in balance between have and have not.

But, there may be another argument against the above view that since there is no Reservation facilities for passenger train and it is available only to express trains and such unreserved trains can be used by all which is the cheapest. Though this view may be suitable for debate, it is not healthy. The passengers, who plan to travel to distance places, may not be used passenger trains and even passenger trains are not available for distance places. So, it may be advisable to fix certain percentage of seats for online users from fraud and cheating^[6].

CONCLUSION:

Though there are criticisms for and against “E-commerce” suitable remedies should be taken to improve online business which is unavoidable factor for development of economics. Being the second largest country, India should develop the “E-commerce”

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