

SOCIO - ECONOMIC IMPACT ON DIGITALIZATION FOR E-COMMERCE IN BUSINESS TO CUSTOMER

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ABSTRACT

Innovations in information and communications technologies have shaped a digital revolution that is changing the world works, learn, communicates and transacts business. E-commerce continues to illustrate strong growth and has been influencing the socio-economical growth of nations. The waves of assumption and practice of ICT's (Information and Communication Technologies) have revolutionized our world by introducing distinct technology– enabled services in every sphere of our lives. Digitalization is a process of converting the diverse forms of information, such as text, sound, image or voice into digitalized format. It has demonstrated impact on economy and society by dropping unemployment, improving quality of life, and boosting access to knowledge and other public services. The Process of Digitalization is marked by cost effectiveness to cut the cost that incurred in various knowledge practices related to the production, organization and communication of information that makes long-term economic growth. Today E-commerce has become a significant part of daily life. Accessibility to E-commerce platforms is not a privilege but rather a necessity for most people particularly in the urban areas. There are alternative E-commerce platforms available for almost every facet of our lives, starting from purchasing of everyday household items to online brokerage. In 21st century as internet has become most vital and most indispensable device, it will surely race to achieve more growth and sales via internet. Also focused about the augmentation of E-commerce in India and its sales and impact in Indian economy of all different types of E-commerce, restricts the study to mainly Business to Customer types of business, though it did cover other types of E-commerce and its social impact also in India via sales of e-commerce in India.

KEYWORD: Digitalization, E-commerce, Economic impact, Employment, Social impact.

1. INTRODUCTION

Over the last ten years, the way of buying and selling of goods and services has been distorted by the Internet. E-commerce is converting the shopping experience of Indian customers. The introduction of electronic data interchange spreads into producers, retail traders, stock market operations and travel reservations etc., which ensued in a higher growth of the economy. In this new economy, knowledge and information have become the main production factor. In this context, innovation and technical progress have a major contribution to the durable economic development. The E-commerce is the key for enterprises' competitively in this informational era, insuring the access to new market segments, increasing the speed of developing business, the increased flexibility of commercial policies, decreasing the provisioning, sale and advertising costs, simplifying the procedures etc. The impact of the E-commerce upon the companies and upon society will be of great importance both as extent and as intensity. This study aims to establish the ways of making the Internet trade activities more effective and the possibilities by which this kind of activity contributes to the economic development and becomes a growth factor for companies' competitiveness.

The Revolution in computing and communications of the past decades, indicate that technological progress and use information technology will continue in rapid pace. The Internet's growth and E-commerce has begun to create fundamental change in government, societies, and

economies with social, economic and political implications. Right information to the right user at the right time has been the endeavor of information professionals. Recent developments in the information and communication technologies, especially the Internet and the web based technologies have brought significant changes in the ways the information generate, distribute, access and use. These technologies play an important role to curtail the problems in using information at its earliest. One of the significant application of IT is the Digitalization of knowledge i.e., to convert the printed information in the digital form and made available for use with the help of computer networks. This has changed the whole scenario of information world. Indian economy has seen extraordinary growth of e-commerce in the last few years. Increasing internet access, rapid technology adoption and high sale of technical gadgets like smart phones, tablets, etc, have led to an attractive online customer base. Digitalization has brought social transformation in the life of common Indians. The present government has taken up an initiative called “Digital India” for modernization of the society that will unite every corner of the country.

2. DIGITALIZATION

The dominant digital economy discourse employs ‘E-commerce’ as a stand-in term for random and extensive liberalization of global digital commercial interactions of all kinds, without forming due distinctions between different natures of such interactions, or the differential impacts of such liberalization on different countries. Its aim is to clear the path for global digital businesses of any current or future regulation, so that they can govern all sectors of every country. Digitalization is the mass adoption of connected digital services by consumers, enterprises, and governments. It has emerged in recent years as a key economic driver that accelerates growth and facilitates job creation. In the current environment of a sluggish global economy, Digitalization can play an essential role in assisting policymakers to urge economic growth and employment. Emergence of Digitalization followed by explosion of E-commerce has intense impact on the productivity. The process of Digitalization makes the invisible to be visible. A number of users can access the same document at the same time without hurdle. It also removes the trouble of distance, as users do not have to travel to locations that possess the hard copies of materials. Although, Digitalization is a time consuming and very expensive venture, but, it is a powerful way to cope up with the problems of constant shortage of periodicals and other technical literature in institutions, universities and technological schools in the developing world.

3. E-COMMERCE

The currency of the term ‘E-commerce’ in policy discourse comes largely from the global trade scene. E-commerce is the buying and selling of goods and services, it increases the growth of online business. It can be categorized for instance Online marketing, Online advertising, Online sales, Product delivery, Product service, Online billing and Online payments

3.1. E-Commerce and Economic Development

E-commerce has a tremendous growth potential and also create economic growth. In order to realize its full potential to carry about the structural changes needed for economic development, it is important to distinguish that E-commerce provides an environment in which new activities can fruitfully be developed (Purohit M. and Purohit V., 2005). Its interaction with diverse aspects of growth has to be self-reinforcing to yield the required rate of growth. It is significant to identify that E-commerce is and is going to be the driving force of economic development

Historically, E-commerce has existed for the last two decades in some form or the other but the widen of Internet has become a new force popularizing it. Six main instruments of E-commerce have been recognized by WTO. These are telephone, fax, TV, electronic payment and money transfer system, electronic data interchange and Internet. The evolution of e-commerce during the past few years is a result of the transition from private or closed network system to an open, public network platform, such as the Internet. The Internet affords access 24 hours a day, seven days a week, anytime, anywhere. Thus, time and place are no longer the constraint. E-commerce builds on the structures of traditional commerce by adding the flexibility offered by electronic networks. This aid improvement

in operations leading to substantial cost savings as well as increasing competitiveness and efficiency through the redesigning of traditional business. E-commerce is one such action that has generated new dimensions in economic growth and has helped many countries to attain a higher level of development in recent years.

3.2. Retail E-commerce Sales in India

India is a big E-commerce market place now with every age group comforting transaction online. E-commerce industry in India is growing fast in India and is expected to contribute 1.61% of global GDP by 2018. In India, cash on delivery remains the most suitable and used options among the citizens of India .more than 65% transactions are paid via COD. Apart from COD, net banking, credit and debit card comprise around 15% of total transaction across Indian market. Only few transactions are done via EMI or E-wallets. Though in the coming times though role of E-wallets in e-commerce will increase significantly but still COD will remain most used choice in Indian market. Ever since involvement of COD option in India, the rate of growth of E-commerce in Indian market has increased significantly. Thus modes of payment also contribute significantly towards the growth of E-commerce in India. According to Goldman Sachs there will be more increase in e-commerce sales in India and thus will contribute 2.5% of GDP by 2030.

YEAR	B2C E-COMMERCE AS
2009	0.13
2010	0.12
2011	0.14
2012	0.15
2013	0.16
2014	0.18
2015	0.18
2016	0.20
2017	0.21
2018	0.22

Source - statista.com

With the above table we can effortlessly see how growth of E-commerce has increased significantly and thus now supply towards GDP of India of E-commerce sector in Indian economy has also amplified. There is a growing trend in an increase of E-commerce sales in India and internet penetration in India and thus results in an increase in a Contribution of E-commerce in India's GDP.

3.3. Economic and social impacts

- With the growing competition in the E-commerce market, players who are able to adapt and innovates quality products will gain proceeds and enhance the economy of the country.
- Both electronic learning and mobile learning enhances the admittance of the good educational institutions in remote areas.
- The rise of online sales in the developing markets will persuade retailers to go online for global expansion.
- E-marketplaces are working well in India due to high destruction on the supply side. Mobile banking reduces the transaction cost of banks which increases access to financial services through swiftly growing mobile market.

Rural areas which are too costly or unprofitable for business development might be a focus of investment and market expansion and also for building corporate offices.

4. THE GROWTH OF RETAIL (B2C) E-COMMERCE

The trend also reveals the changing nature of today's B2B buyers and their expectations for working with suppliers and partners. Businesses can no longer simply prioritize negotiating large contracts with procurement or senior leadership at a client account; they need to consider the end-to-end digital experience for all client buyers. B2B companies must deliver the content, features and experiences that their buyers expect from their daily lives as B2C consumers. Consider Uber, Netflix and Amazon – the experience bar is set high. B2C e-commerce is overwhelmed by the low average purchasing power and inadequate transportation and warehousing infrastructures which make the final

delivery to consumers a logistical nightmare. According to National Report of E-commerce Development in India, it was clearly stated that there is increase in internet access in India to very large level. Internet user increases to 429.23 Million in 2017 which is expected to take a huge upward trend to 829 million in 2021, which will thus facilitate internet economy of India to grow significantly. With the increase of digital invasion and increase of internet access in Indian context, it was thus needed to link between the growth and impact of E-commerce in context of Indian scenario.

With the increase in digital buyer, it was quite clear the internet penetration will thus also ultimately rise to certain extent. Thus with the advancement of technology and increase in share of smart phone and internet operators it was quite clear that internet penetration was much needed to make a more significant impact on the Indian market.

5. DIGITALIZATION'S ECONOMIC IMPACT

All over the world, ICT's continue to propagate at prompt speed, the cost of the developments in the technicalities of ICT initiate the concept of Digitalization. The transformation from print to digital media for communication of information to the larger community is resulted from the growth of the Internet and now enables the remarkable amount of information handy to everyone. By the process of Digitalization, knowledge to an ever greater amount is being communicated and preserved digitally. The economics related to the perception of Digitalization is two-fold. The first one how economic is the process of Digitalization and seconds its impact on the economy of the countries. In the current slothful worldwide economy, the use of digital technologies is served as a means of boosting economic activities.

5.1. SOCIAL IMPACTS OF DIGITALIZATION

Digitalization, as a social process, enables the institutions to generate, cooperate and create larger for the profit and growth of the society through digital communications and applications. The process of Digitalization involves the mass Digitalization of books and older or rare materials. According to Hughes (2003), more than a last three decades, cultural heritage institutions have incorporated technology into all aspects of their mission and services. By digitizing their resources, cultural heritage institutions can make information reachable that was formerly only available to a selected group of users. For Digitalization, a number of libraries, archives, museums and publishers have been scanning their older documents and rare images for many years and catalogued and made them available through the World Wide Web.

5.2. IMPACT ON EMPLOYMENT

The advancement in Information and Communication Technology has a greater impact on employment, as it creates supplementary jobs in the IT sector, which may be related to software development, Outsourcing, hardware manufacturing and other IT related businesses. In addition, the impact of these technologies has been realized on other service sectors, like in trade, industry, financial and health care services. The global creation of hundreds of millions of jobs in the last few years has brought a great outburst in the society that can highly supply to the economy of the country. Thus, Digitalization step up economic growth and affluence of the country by assist job opportunities to the peoples.

6. DIGITAL PENETRATION IN INDIAN ECONOMY

In India smart phone penetration rate are increasing over years , with the increasing role of and importance of internet and digitalization , it is thus very much needed to have an active smart phone with proper internet connection. With the increase of role of e-commerce in India, and its high contribution and increasing of e-commerce share in total retail sale .As of 2015, 18.21% of India's overall population owned a smart phone that is around to be at 39% by 2019 (Source – stastia.com) This increase in smart phone penetration in India is done by the point that India's share of the global smart phone market is forecast to more than triple between 2013-17 to reach. With the increase in number of smart phone and good connectivity of internet it is thus much needed factor to increase e-commerce influence in the Indian economy. The above graph depicts increase in digital penetration in India, from 30% in 2014 to be expected 64% by 2019, Availability of large number of electrical

appliances and its positive influences has guided towards such an increasing trend .With the increase in digital penetration, it thus according to (stastia.com) that we should know where did the population, what they did with the increase of digital penetration increments. Thus according to stastia.com reports, Indian digital people in Jan 2017, different classified people came under different subsection which overall had an impact on e-commerce in India.

7. GOVERNMENT INITIATIVES SUPPORTING THE E-COMMERCE GROWTH

The role of government in increasing the growth of e-commerce is very important and plays immense role in the growth of E-commerce in Indian market. It is the government policies and reforms which not only affects the foreign investment and mindset of investors across the globe, but it is the people who also influence from the governmental policies. since 1991 when government of India opened its economy with the introduction of LPG (Liberalization , privatization and globalization) the Indian people started enjoying the benefits of open economy since 1995 when internet was first introduced for E-commerce purpose in India . Since 2014 government of India has announced various initiatives namely

- Digital India
- Make in India
- Start-up-India
- Skill India
- Innovation fund

The proper execution of an effective implementation of these programs will certainly enhance the growth trend of E-commerce in India.

1. In the union budget of 2017-18 government has allocated US \$1.55 billion to Bharat Net project. According to which village will also be accessible to high speed internet and Wi-Fi hotspots and digital services at very low tariff in rural and levels.
 2. Government of India has publicized the launch of BHIM app; it will increase the digital payment in the country. It has been adopted by more than 12.5 million people of India. For promotion of this app government of India has announced two schemes for promotion of this app.
 - 1- Referral bonus scheme for individual
 - 2- Cash back scheme for merchants
- The government of India has spread rewards worth of Rs. 153.5 crores to more than 1 million citizens or say customers for embracing digital payment under scheme of Lucky GrahakYojana and Digi – dhanvyaparyojana.

8. CONCLUSION

As E-commerce grows, there will be important socio-economic side effects. Our research suggests that E-commerce technologies are helping organizations, societies and nations to accelerate their socio- economic growth and to provide more opportunities for businesses to grow, but it has also created many challenges and effects across numerous domain of society, and poses many challenges for policy makers. Here we have identified a comprehensive set of socio-economic variables that are influenced by E-commerce. Digital conversion of print sources has improved rapidly in the past few years. Digitalization is the social transformation started by the massive adoption of digital technologies to generate process, share and manage digital information. Digitalization is an comprehensive technique of preservation and access by which all the institution's assets are transformed into digital and creating high-quality copies in digital format. It provides superior opportunities for preservation and access to knowledge contents, also it changes the ways in which collections are used and accessed. Emerging Digitalization initiatives and ways in which institutions are becoming digital are causing various effects on economy, society and academics as well. The proposed idea of digital market would help India increase output and create jobs. Government spending in the infrastructure building and ability building would also be a source of employment generation. The upcoming new technologies like virtual mirror and virtual wall would push Indian E-commerce in the next gear. Effective planning and regulation of Digitalization would help Indian economy to compete with the grown-up economies in the coming years.

After taking a complete scrutiny of the industry trends, it is seen E-commerce is emerging as an important tool to endorse exploding growth of Indian economy. It has the extent to lead India into an Economic superpower. With a rapidly growing internet penetration E-commerce offers an attractive option for the retailers to expand. To achieve this, there should be more investments in supporting infrastructure and innovative and game changing business models in India.

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