

Research methodology Assignment

Topic: Role of E-Commerce in Indian economy

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 Abstract

The text of this Research assignment based on secondary data explores the role of E-Commerce in Indian economy in three aspects. Contribution of E-Commerce in the gross domestic product growth (GDP). It shows the competitions among various online businesses and reflects the emerging of technology and advancement. It also highlights the core reason for households to adopt cashless transactions from the year 2000 onwards till now.

Not only the pros but the cons are also highlighted in Research work. It reflects the reasons for emerging of Cyber crimes and also the frauds with consumers. Many consumers and producers face the trust issues and competition in the marketing of products and services. Both the terms are interrelated and explained below. To know more scroll or turn the pages and start exploring your E- Surrounding.

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Review of literature

By Melanie Sanders: India has the fastest growing online retail market among the top global economics. The countries online retail market witnesses the compound annual rate of 53% for the period 2013 to 2018, according to the latest report presented by the Bain & company. The rapid growth, albeit over a small base, has been driven by aggressive discount driven e-commerce market places, advances in delivery infrastructure and penetration of smart phone uses and data usage.

Prithviraj Dasgupta and Kasturi Sengupta (2002): reported that the recent growth of Internet Infrastructure and Introduction of economic reforms in the Insurance sector have opened up the monopolistic Indian Insurance market to competition from foreign alliances. Although the focus of e-commerce has been mainly on business to consumer (B2C) applications the emphasis is now shifting towards business to business (B2B)applications. The Insurance Industry provides an appropriate model that combines both B2C and B2B applications.

Law and Bai (2008): on their research paper mentioned there are two types of customers who use travel companies websites, those are buyers and borrowers. Buyers are those people who actually intend to buy the services whereas browsers are those who intend to surf and get information only. Those browsers can be converted to buyers by improving the website contents making it attractive, provided very rich in contents and very user friendly to use. As more and more travel companies are applying these strategies, the increase in percentage of website buyers and browsers are also increasing day by day, this is due to adaption of e-commerce technology in travel and tourism industry.

Shweta Sharma, Sugandha Mittal: examined a developing country can become industrialized and modernized if it can extensively apply IT to enhance productivity and International competitiveness, develop e-commerce and e-governance applications. An Information based society or knowledge based society is composed of it products, IT applications in society and economy as a whole. Many countries in Asia are taking advantage of e-commerce through opening of economies which is essential for promoting competition and diffusion of International technologies.

Mr. RAJIV RASTOGI: Reported that a developing country can be- come industrialized and modernized if it can extensively apply IT to enhance productivity and international competitiveness, develop e-commerce and e-governance applications. An information based society or knowledge based society is composed of IT products, IT applications in society and economy as a whole. Many countries in Asia are taking advantage of e-commerce through opening of economies, which is essential for promoting competition and diffusion of Internet technologies.

Zabihollah Rezaee, Kenneth R. Lambert and W. Ken Harmon (2006): reported that the rationale for infusion of e-commerce education into all business courses is that technological developments are significantly affecting all aspects of today’s business. An Ecommerce dimension can be added to the business curriculum by integrating e-commerce topics into existing upper-level business courses. Students would be introduced to ecommerce education and topics covered a variety of business courses in different disciplines eg. accounting, economics, finance, marketing, management, management information systems. To help assure that all related business courses in all disciplines such as eg. accounting, finance, economics, marketing, management, information systems pay proper attention tothe critical aspects of e-commerce, certain e-commerce topics should be integrated into existing business courses .

Nir B. Kshetri (2001): This paper attempts to identified and synthesized the available evidence on predictors of magnitude, global distribution and forms of e-commerce. The analysis indicated that the twin forces of globalization and major revolutions in ICT are fuelling the rapid growth of global e-commerce.

Introduction

What is E-Commerce?

E-Commerce is the activity of buying and selling of products on online services or we can say over the internet. Modern electronic commerce typically uses the world wide web for at least one part of the transaction’s life cycle although it may also use the technologies such as e-mail, g-mail, facebook, instagram, twitter and many more.

The e-commerce has transformed the way business is done in India. The Indian e-commerce market is expected to grow to US$ 200 billion by 2026 from US$ 38.5 billion as of 2017. Much growth of the industry has been triggered by increasing internet and smart phone penetration. The ongoing digital transformation in the country is expected to increase India’s total internet user base to 829 million by 2021 from 560.01 million as of September 2018. India’s internet economy is expected to double from US$125 billion as of April 2017 to US$ 250 billion by 2020, majorly backed by ecommerce. India’s E-commerce revenue is expected to jump from US$ 39 billion in 2017 to US$ 120 billion in 2020, growing at an annual rate of 51 per cent, the highest in the world.

Objective of study

1. The study focuses on the demand of goods and services created through online businesses and various other shopping websites.
2. The study also highlights the report given by THE TIMES OF INDIA. According to THE TIMES OF INDIA, India is the fastest growing E-commerce market.
3. In India, there are many other businesses that are converting into the online businesses or we can say the B2C businesses. The famous example is the food outlets which are collaborating with various food delivery services like Zomato, Swiggy, Uber eats, Food panda, and various others.
4. One of the most important features of this research is the contribution of E-Commerce in the growth of Gross Domestic Product (GDP). It shows the gradual increase in the growth of E-Commerce from 2009 to till now. Though it is not easy to analyse the correct figures because of the fluctuation rates of Indian economy.
5. E-Commerce also helped Indian economy to reduce the level of black money as 40 per cent to 50 per cent of the urbanised population is moving towards cashless transactions for buying any goods and services online. Though the numbers are not so big enough to completely vanish the black money but somehow it does support the protest against raising black money.

Problem of study

The research study shows that how E-Commerce is indirectly resulting to the CYBER CRIMES and the frauds that are taking place at a fast rate. It is easier to hide behind the false details because of the less manual efforts required to design any online websites. The other reason is the COMPLEXICITY LEVEL of the data generated through the households sectors, government sectors, private sectors and many other sectors in an economy which are uncountable at international level.

The other major aspect is the rush and increasing competitions in the marketing of various goods and services that is very hectic to identify and analyse in a single data sheets. Day by day, year by year, decades by decades more and more businesses are moving towards the online businesses. This can also be the serious concern because of the over-burdened and over flow of the data storage in a second or a minute. This results in inflation in economy.

Research design

*Sample areas cover almost all the online shopping websites including the large scale and the small scale online businesses. Data has been collected from the secondary sources and are analysed through the tables and graphs.*

*The tables and graphs are based on the objective of study and the problem of study stated above.*

1. Based on the objective of study the first graph talks about the reasons for demand of goods and services created by the online businesses such as FLIPKART, AMAZON, MYNTRA and many other online stores.

|  |
| --- |
| Table no.1  WHY PEOPLE BUY ONLINE PRODUCTS  |
| REASONS  | PERCENTAGE OF REASONS |
| low price  | 38% |
| shopping convinence | 35% |
| easy to compare | 33% |
| free shipping | 32% |
| time saving  | 31% |
| range of products  | 17% |
| easy to buy | 29% |

As shown in the table no. 1 there are several reasons listed below with their weightage as compared to other reasons.

Many of the online websites sell their goods and services at a cheaper rates because of the direct manufacturing of the goods and services and carrying out the B2C business activites. It results in the prevention of the extra taxes and duties, interference of middle man is prevented so that consumers can be benefited more at a reasonable rates.

2. A report by THE TIMES OF INDIA who claims that India is the fastest growing retail online market among the top global economics. One of the core reasons behind the success in the fastest growing e commerce economy is the population and the distribution method among the various groups of people.

|  |
| --- |
|  Tableno.2 ONLINE RETAIL GROWTH  |
| COUNTIRES  | PERCETANGE |
| India  | 55% |
| China | 33% |
| Indonesia  | 31% |
| Malaysia  | 30% |
| south Korea | 12% |

As shown in the above table graph, India has now become the most growing country as compared to the other developed countries. We as a developing country in future can cope up with other big economies also if we continue and put more efforts into the online businesses.

3. Now coming to the contribution made by the E-Commerce in the Indian Economy growth, E-Commerce helped India to increase the GDP (gross domestic product) growth by 0.25% or more than 0.25%.

 CONTRIBUTION OF E-COMMERCE IN GDP GROWTH

|  |
| --- |
| YEAR GDP growth |
| 2009 | 13 |
| 2010 | 12 |
| 2011 | 14 |
| 2012 | 15 |
| 2013 | 16 |
| 2014 | 18 |
| 2015 | 18 |
| 2016 | 20 |
| 2017 | 22 |
| 2018 | 25 |

As GDP growth contribution is 0.25% and also it expected to increase in future. More and more businesses are expected to join the online retail and whole sale businesses in order to earn maximum of the profits.

4. Not only the GDP but it also helped Indian markets to reduce the value of the black money by converting many of the urbanized population to online transactions. All the payment made to buy any product are recorded in the passbook of the buyers and the sellers that helps government to record the TAXES.

|  |  |  |  |
| --- | --- | --- | --- |
| MODE OF PAYMENTS | YEAR 2013 | YEAR 2016 | YEAR 2018 |
| CASH ON DELIVERY  | 60 | 50 | 45 |
| CREDIT CARDS | 12 | 11 | 20 |
| DEBIT CARDS | 12 | 15 | 22 |
| NET BANKING | 12 | 8 | 18 |
| EMI | 1 | 5 | 12 |
| 3RD PARTY WALLET | 0 | 7 | 10 |

This is one of the main finding from the secondary data. As it will surely going to help the Indian economy in future for reducing the flow of black money. Also the quintessence of this graph and table is to summarise the innovation in transaction technologies and the rapid growth of banking systems.

Conclusion & findings

 As per my observations and graphical analysis with the help of the secondary data, E-COMMERCE can convert into a fully equipped and the most active market in the India through advancement, data usages, technologies, awareness among youth, business tools, keen knowledge, and innovations. Also, it is expected that Indian youth can perform better than the 20Th century generation in the business fields because of ample of awareness and knowledge of gadgets.

The youth must take part in the business activities and must learn the basics of opulent online businesses. E-Commerce is not bound to the websites but also the other social media like facebook, twitter, instagram etc., where people creates blogs of different products and services and the profits on social Medias are dramatically increasing day by day.

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 Questionnaire

 (Scope and the role of E-Commerce in India)

Name: ………………………………………………. Age: …………..

Sex: ……. (M / F / others) Occupation: ……………………………

Contact no: ……………………………………………

E-Mail ID: ……………………………………………...

1. For how many years you are using e-commerce?
* Less than one year
* More than one year < five years
* More than five years
* Cannot say
1. For what purpose you use E-Commerce?
* For personal use
* For business use
* For both personal and business
1. What do you think that the application of E-Commerce has increased in india?
* Yes
* No
* Don’t know / cannot say
1. Do you agree that E-Commerce has its advantages over the traditional commercial methods?
* Agree
* Disagree
* Don’t know / Cannot say
1. Do you agree E-Commerce can provide an alternative marketing channel by eliminating middleman?
* Agree
* Disagree
* Don’t know / cannot say
1. What according to you is the future of E-Commerce in India?
* Excellent
* Very good
* Good
* Do not have future in India
* Don’t know / cannot say
1. According to you how E-Commerce is helpful for the business discourse?
* Effectively caters to consumers’ demand
* Smoothens business by creating customers and businessman network
* Ensures guarantee of payments
* Don’t know / cannot say
1. Which shopping website do you prefer for buying goods and services?
* Amazon
* Flipkart
* Snapdeal
* Myntra
* Others (mention the name of that website if want to: …………………………………………)
1. According to you what can be the future of E-Commerce for the upcoming youth?

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1. Any suggestion or queries related to E-Commerce?

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