

A Study on the Impact of E-Commerce on Existing and Emerging Markets

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Abstract: Commercial activities of each person are quite different from the other, which can be based on the mode of commerce and marketplace where these transactions take place. Commercial activities and transactions have completely transformed after the introduction of E-commerce. This research mainly focuses on the impact of the very E-commerce on the existing and emerging traditional offline commerce. This research specializes in studying the preferences, opinions, reviews, and experiences of the people who use E-commerce. The study has a sample space of 120 and mainly focuses on business people and entrepreneurs who are more likely to better understand commerce as a whole.

Keywords: E-commerce, traditional commerce, marketplace.

1. Introduction

E-commerce is more than just the combination of electronics and commerce. It represents a completely new manner of doing business across a medium that alters the rules of business itself. As a result, strategy and business management are significantly more important than technology. E-commerce and the internet, when used properly for development, can be tools for assuring long-term economic progress. Electronic commerce's tremendous impact on global economies and societies will undoubtedly improve economic efficiency, competitiveness, and profitability (for those who engage in e-commerce) and, as a result, contribute to the development of the information society.

By connecting remote regions and bringing together scientists, administrators, development professionals, managers, and people into projects and programmes to promote economic and social development, e-commerce and new evolving technology technologies and services can be tools for development and help improve the livelihood of millions of people around the world. The Internet revolution was primarily about individuals as customers, as well as a fundamental shift in market power from seller to consumer. Customers' expectations in the new economy are vastly different than they were previously. The key to success will be a company's comprehension of this distinction and its ability to capitalize on it. The web, the internet, and growing computing and communication technologies have reshaped business, removed conventional time and geographic barriers and formed new

virtual communities of customers and suppliers with new demands for goods and services. E-commerce is only a small part of e-business. Previously, corporations had websites that displayed their products and services; however, they began to use e-commerce as a distribution channel in addition to the existing e-commerce system.

E-commerce is not only a modern tech and a new frontier for international business and trade, but it is also in the early stages of development. An emerging market is one that shares some of the features of an established market but does not meet all of its requirements. This includes markets that may or may not become developed markets in the future. Frontier markets are defined as developing countries with capital markets that are smaller, riskier, or illiquid than emerging markets. Many people consider the term archaic, according to the economist, but no alternative term has gained traction. The BRICS countries are the nine largest developing and emerging economies in terms of nominal or PPP adjusted GDP. The performance of business operations that steer the flow of products and services from production to consumption is referred to as marketing. Marketing is more than just a postproduction task. It encompasses a wide range of operations that begin before things are manufactured and continue after they have been sold.

A. Statement of Problem

- Due to the increase in technology and advancements in the living habits of the people E-commerce is having a hike in its markets. People are more drawn towards the Ecommerce platforms.
- We need to understand the extent to which the newly advancing E-commerce is being convenient to its customers in such a way that it is affecting the other traditional markets.

B. Objectives of the Study

- To identify the significant impact of e-commerce on emerging and existing markets.
- To identify the relationship between e-commerce and existing and emerging market.
- To identify the preference of people towards e-commerce over existing traditional markets.
- To assess the satisfaction of customers while using e-commerce.

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C. Research Methodology

Research methodology is that the precise process or strategies accustomed identify, pick, technique, and examine statistics a couple of topics. In an exceedingly studies paper, the methodology section allows the reader to critically evaluate a take a glance acts overall validity and reliability. Data was collected using both primary and secondary data collection methods. In this research the first data that's been utilized in questionnaire. Structure questionnaire has been framed to gather the info from the respondent. This maybe accustomed collect the mandatory data and records by different website, magazines, annual report, journal, book of facts and newspapers. Convenience sampling technique has been adopted to pick out sample respondents for the study. 120 respondents constituted the study.

Statistical tools used in this research. They are,

- Percentage Analysis
- Chi square Test

2. Review of Literature

Jeffin Saji (2021): This study says that electronic commerce may have large economic effects in the future. Internet will change the face of business forever. Moreover, e-commerce will change banking in the 21st century and that e-commerce has affected the global economy in many different ways.

Parveen Kumar Garg, Rajinder Kapil (2021): This study says that in the future, e-commerce might have a significant impact on the economy. The world of business will never be the same again because to the Internet. E-commerce will also have a major impact on banking in the 21st century.

Kumar Anuj, Fahad Fayaz, Ms Namita Kapoor (2018): This paper reveals the importance of ecommerce in Indian economy. As we all know India is among the fastest growing economy of the world, thus it is very much important to have government intervention and huge investment inflow in form of Foreign direct investment in large economy like India to stabilise and increase the growth of ecommerce industry in the economy.

Rajeshwari M. Shettar (2016): E-commerce stands for electronic commerce. E-commerce is doing business online and electronically. The E-commerce has completely revolutionized the conventional concept of business.

A. Alyoubi (2015): This study effectively shows how the rapid proliferation of the Internet gave rise to the concept and practice of electronic commerce (e-commerce, from here onwards), which has become a common phenomenon in the world today.

3. Profile of the Study

A. History of E-Commerce

The beginning of E-commerce may be traced back to the development of the phone at the turn of the century. If we define ecommerce as the connection of business communities and the digitization of business information, EDI (Electronic Data Interchange) is usually regarded as the start of ecommerce. Since the 1960s, large corporations have been investing in the development of EDI. It wasn't until the 1980s that it acquired

widespread acceptability. Over the last 30 years, the definition of electronic commerce has evolved. Business-to business (B2B) and business-to-consumer (B2C) are the two types of ecommerce (B2C). Companies use electronic networks to conduct business with their suppliers, distributors, and other partners in B2B. Companies sell products and services to customers under a business to-consumer (B2C) model.

Despite the fact that B2C is the more well-known to the general public, B2B is the revenue leader in e-commerce. Ecommerce is linked to the terms "Internet economy" and "digital economy." All of these notions are concerned with the use of modern information and communication technologies to economic activity, although they have diverse foci. The Internet economy is defined as economic activities that produce income from the Internet or Internet-related products and services. As a result, pre-Internet ecommerce, the described in the next section, cannot be referred to as Internet economy. Some actions, such as establishing Internet connections for business purposes, are part of the Internet economy, although they are not always e-commerce. Digital technology, such as the internet, are at the heart of the digital economy.

B. Concepts and Types of E-Commerce

E-commerce has had a significant impact on everyday living, as well as how businesses and governments work. Digital markets (or marketplaces) and Internet-based supply chains are used to do business. On demand platforms allow near-instantaneous access to services such as transportation (e.g., Uber), compute and storage resources provided by cloud service providers, and legal and medical consultation. Mass customization of online-sold goods, such as clothing and automobiles, has become commonplace. Semi-permanent supply chains allow a central company (such as Dell) to surround itself with vendors who execute the majority of production operations and deliver additional goods and services to the central company.

Ecommerce is quickly changing the way businesses interact with one another, as well as with customers and governments. Many people have welcomed e-commerce as a game-changer. Developing countries have an opportunity to build a strong footing in the multilateral economic system. E-commerce has the potential to significantly increase the benefits of trade for emerging economies. It's crucial to go through the definitions of ecommerce because they'll help decide the technology's reach and how it might be used. The retail industry Simply said, ecommerce is the act of conducting business over the internet. Electronic commerce, as defined by the Organization for Co - operation and development, is a new way of doing business that takes place via a network and uses non-proprietary software. It is the purchasing and selling of products and services, as well as the transmission of payments and data, over an electronic network, most commonly the internet. Business-to-business, business-to-customer, customer-to-customer, and customer-to-business transactions are all possible. The term "emerging market" refers to a developing country that has become more involved in global markets as it develops. Emerging market economies are ones that have some, but not all, of the features

of a developed market economy.

Greater liquidity in local debt and stock markets, increased volume of trade and overseas investment, and the local establishment of contemporary financial and regulatory institutions are all signs that an emerging market is becoming more connected with the global economy. The internet and growing computing and networking technologies have reshaped traditional corporate boundaries in terms of time, geography, and customer and supplier communities, resulting in new demand for products and services. Market and regulatory institutions in emerging markets are often not as developed as those in industrialized countries.

Emerging markets often have a tangible financial infrastructure, including banks, a stock exchange, and a uniform currency, but market efficiency and tight accounting and equities regulation are not on par with mature economies. Emerging market economies are increasingly shifting their focus away from agriculture and resource extraction and toward industrial and manufacturing activity. To support economic growth and industrialization, governments in emerging market economies frequently follow purposeful industrial and trade plans.

C. Growth Prospects of E-Commerce in India

Increased internet and mobile usage, rising acceptance of online payments, and favourable demographics have given India's e-commerce sector a unique opportunity to engage with customers, according to the report. With all branded goods, accessories, jewellery, gifts, and footwear available at a lower price and delivered to the doorstep, there will be a five-to seven-fold increase in revenue earned from e-commerce as compared to the previous year (as per industry body Assocham).

The e-commerce business will experience a considerable upward movement in 2016 due to competitive online discounts, rising fuel prices, and a bigger and abundant choice, according to experts. Mobile commerce (m-commerce) is fast expanding as a solid and secure complement to the e-commerce industry, according to the report. Shopping online via mobile devices is proving to be a key differentiator, with industry leaders estimating that m-commerce may account for up to 70% of total revenue. Smart phones and tablets account for around 60-65 percent of total e-commerce sales in India, up 50% from 2015, and this trend is expected to continue. It was highlighted that, since surfing tendencies in India have switched from desktop to mobile devices, online buying is projected to follow suit, with one out of every three customers in tier-1 and tier-2 cities presently transacting via mobile. In 2015, mobile devices were used for 78 percent of shopping queries, up from 46 percent in 2013.

The clothes market grew at the fastest pace in 2015, about

69.5 percent over the previous year, followed by electronic items at 62 percent, baby care products at 53%, beauty and self-care products at 52%, and home furnishings at 49%. It was discovered that Mumbai is the most popular destination for internet shopping, followed by Delhi, Ahmedabad, Bangalore, and Kolkata. When it came to payment methods, nearly 45 percent of online consumers said they preferred cash on delivery over credit cards (16%) and debit cards (21%). Only 10% chose internet banking, while only 7% preferred cash cards, mobile wallets, and other similar payment methods, according to the study. Among the above age groups, the 18–25-year-old group has been the fastest growing online, with both male and female segments contributing to user growth. According to the survey, 38 percent of regular consumers are between the ages of 18 and 25, 52 percent are between the ages of 26 and 35, 8% are between the ages of 36 and 45, and 2% are between the ages of 45 and 60.

D. Challenges of E-Commerce in India

India has a low credit card population, and rural India lacks quick postal services. Slow transfer speeds, frequent disconnects, the cost of a wireless connection, and the wireless communication protocols through which data is sent are currently impeding Internet access. Most inhabitants of the country do not have access to a high-speed, high-bandwidth Internet connection at a reasonable cost. In India, the majority of individuals are either unaware of or inadequate in the English language. As a result, language is one of the most important variables in purchasing, hiring, and selling a product or service through the internet via electronic devices. Multiple difficulties of confidence in e-commerce technologies, including a lack of universally acknowledged standards, payment gateways, and the security and confidentiality of personal and corporate data transmitted over the Internet are not guaranteed.

4. Data Analysis and Interpretation

A. Chi Square Test

$$\text{Chi-Square Value } \chi^2 = \sum (\text{O}-\text{E})^2 / \text{E} \\ = 27.791$$

$$\text{Degree of freedom} = (\text{row}-1) (\text{column}-1) \\ = (4-1) (4-1) = (3) (3) = 9$$

$$\text{X}^2 \text{ Tabular Value} = 12.592$$

$$\text{X}^2 \text{ Calculated Value} > \text{X}^2 \text{ Tabular Value}$$

Interpretation:

In the above analysis the calculated value (27.791) is greater than the table value (16.92) at the level of 0.05 significance. Hence there is a significant relationship between age of the respondents and the number of years the respondents have been using E-commerce.

Table 1
Relation between age group and number of years

Age group	Number of years				Total
	Less than 1	1-3 years	3-5 years	Above 5 years	
10-20	4	10	2	1	17
20-30	4	30	30	7	71
30-40	0	3	2	4	9
above 40	0	5	13	5	23
Total	8	48	47	17	120

Table 2
Relation between the occupation and the products and services for which the respondents use E-commerce

Occupation	Type of product or service						Total
	Electronics	Fashion	FMCG	Matrimony	Real-estate	Banking and other	
Business	5	19	12	0	1	6	37
Entrepreneur	8	27	13	1	0	7	49
Government employee	0	0	1	0	1	0	2
Private employee	4	1	1	0	0	1	6
Student	3	3	1	0	0	5	7
Total	20	50	28	1	2	19	120

$$\text{Chi-Square Value } \chi^2 = \sum(O-E)^2 / E$$

$$= 62.300$$

$$\text{Degree of freedom} = (\text{row}-1) (\text{column}-1)$$

$$= (5-1) (6-1) = (4) (5) = 20$$

$$\chi^2 \text{ Tabular Value} = 31.41$$

$$\chi^2 \text{ Calculated Value} > \chi^2 \text{ Tabular Value}$$

Interpretation:

In the above analysis the calculated value (62.300) is greater than the table value (31.41) at the level of 0.05 significance. Hence there is a significant relationship between occupation and the type of product or service.

5. Findings, Suggestion and Conclusion

A. Findings through Percentage Analysis

- Majority of the respondents belong to the 20-30 age group (59.2%)
- Majority of the respondents are male. (59.2%)
- Majority of the respondents are entrepreneurs. (46.7%)
- Majority of the respondents earn 30,000-45,000 a month. (25.8%)
- Majority of the respondents always use an E-commerce application or a website. (59.1%)
- Majority of the respondents use E-commerce for both personal and business purposes. (83.3%)
- Majority of the respondents have been using E-commerce since the past 1-3 years. (40%)
- Majority of the respondents use E-commerce for purchase of fashion related products and services. (41.7%)
- Majority of the respondents have a hassle-free payment experience when they use an Ecommerce application or website. (90.8%)
- Majority of the respondents get their queries resolved when they use an E-commerce application or website. (84.2%)
- Majority of the respondents think that the application of E-commerce has increased over the years. (96.7%)
- Majority of the respondents think that fashion is the most prominent domain in which E-commerce is used in India. (37.5%)
- Majority of the respondents think that E-commerce can provide an alternative marketing channel by eliminating middlemen. (93.3%)
- Majority of the respondents do get adequate information about the products and services that they purchase online. (90.8%)

- Majority of the respondents think that the Government of India is doing enough to promote E-commerce in India. (70.8%)
- Majority of the respondents think that there should be measures taken to increase the level of awareness among people about E-commerce to increase its usage. (52.5%)
- Majority of the respondents think that that price of the products online is generally lesser to that of a retail store. (57.5%)
- Majority of the respondents think that that quality of the products online is generally similar to that of a retail store. (48.3%)
- Majority of the respondents come under the category where that sometimes get attractive offers on an E-commerce application or website. (56.6%)
- Majority of the respondents feel that convenience is the most adored feature about Ecommerce application or website. (34%)
- Majority of the respondents feel that there should be steps taken to reduce technical errors during the time of purchase and better return policy is needed. (23.3%)
- Majority of the respondents feel that the fact that they cannot touch or feel the product is the main drawback of E-commerce. (60.8%)
- Majority of the respondents feel that E-commerce has an advantage over traditional commerce. (91.7%)
- Majority of the respondents prefer both traditional and E-commerce to be part of their commercial activities. (64.2%)

Findings through Chi square:

- There is a significant relation between the age and how long the respondents have been using E-commerce.
- There is a significant relation between the occupation and the type of product or service for which the respondents use an E-commerce application or website.

B. Suggestions

- Thinking in the point of view of the retailers and marketers, some product lines and retailers who sell these products are still safe when it comes to traditional commerce only because of the still immature and raw elements that E-commerce contains, but they will be in trouble when E-commerce can find an effective solution for these problems. So, retailers should start finding the right balance between

traditional and E-commerce so that they can survive in the coming years.

- When, it comes to the point of view of the customers, we can agree that some products cannot still be bought over the internet only because of safety concerns, but people should be aware enough to understand the major lifestyle and health wise changes it can bring if we entirely depend on E-commerce.
- When it comes to the motive of profit making, the easiest way anyone can adopt to bring in Ecommerce into their business. It can be either in the existing traditional markets or emerging start-ups. This is because, E-commerce mode of business can easily eliminate middlemen and reduce operational cost to maximize profit.
- Worldwide trade and globalization can be achieved through E-commerce any business can easily reach people at different parts of the world and hence increase their customers. Free modes of advertising such as social media and blogging is the best example for this kind of aid applied.
- When E-commerce is taken into the traditional business or offline business, customers can easily reach out for help and clear out their queries. Moreover, if the customers are satisfied with the products and services of the business, they will start getting loyal. This means there is more customer base which is directly proportional to profit making of the company.

C. Conclusion

The impact of e-commerce on the emerging market is enormous. Many people have lauded ecommerce as a way for

poor countries to obtain a stronger foothold in the global economic system. Furthermore, because the cost of running a firm is far lower with e-commerce, larger profit margins are possible. We can plainly see how E-commerce is growing day by day as people's willingness to pay a higher price for the convenience that E-commerce delivers. The importance of Ecommerce in everyone's life is growing by the day, and looking at it from a different angle also reveals how people are becoming more reliant on it.

E-commerce, on the other hand, still needs to spread its wings and develop large enough to reach the most remote regions in order to give goods and services to everyone who can use an E-commerce platform.

Existing and growing small- and large-scale traditional commerce retailers are facing significant challenges as a result of e-commerce. To avoid further problems and confusion among traditional commerce applicants, they will need to modify their commercial activities and adapt a hybrid of traditional commerce and E-commerce.

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