



Socio-Economic Influence of E-Commerce

Ramakrushna Chandaka, Research Scholar

Andhra University, Waltair Junction, Visakhapatnam, Andhra Pradesh 530003, India

Abstract:

Many economists and experts believe that in recent years, a revolution has occurred similar to the industrial revolution which the world has entered the information age. It makes large changes in the economic, social and cultural aspects. One aspect of this transformation is changes in economic relations between individuals, corporations and governments. Commercial exchange between people who had been based on paper documents to transactions of by us the systems based on electronic information. In this article we will discuss the benefits of e-commerce and its impact on the market.

1. INTRODUCTION

E-commerce has so many advantages in our life because it makes convenient in daily life of the people. Several explanations have been proposed for e-commerce that most of them are based on past experiences in the use of e-commerce. As with e-commerce, e-business also has a number of different definitions and is used in a number of different contexts. One of the first to use the term was IBM, in October 1997, when it launched a campaign built around e-business. Today, major corporations are rethinking their businesses in terms of the Internet and its new culture and capabilities and this is what some see as e-business. There is no one commonly agreed definition of e-commerce or e-business. Thus, there is a need to clarify terms being used and explain the context in which they are being applied. E-commerce has an impact on three major stakeholders, namely society, organizations and customers. There are a number of advantages, which include cost savings, increased efficiency, customization and global marketplaces. There are also limitations arising from e-commerce which apply to each of the stakeholders.

In order to understand electronic commerce it is important to identify the different terms that are used, and to assess their origin and usage. These include information overload, reliability and security issues, and cost of access, social divisions and difficulties in policing the Internet. Successful e-commerce involves understanding the limitations and minimizing the negative impact while at the same time maximizing the benefits-commerce businesses usually employ some or all of the following practices:

- ✓ Provide detail of virtual storefront on websites with online catalogs, sometimes gathered into a "virtual mall"
- ✓ Buy or sell on online marketplaces.
- ✓ Gather and use demographic data through web contacts and social media.
- ✓ Use electronic data interchange, the business-to-business exchange of data.
- ✓ Reach prospective and established customers by e-mail or fax (for example, with newsletters)
- ✓ Use business-to-business buying and selling.
- ✓ Provide secure business transactions.
- ✓ Engage in retail for launching new products and services

2. WHAT IS THE E-COMMERCE?

Electronic commerce, commonly known as E-commerce, is trading in products or services using computer networks, such as the Internet. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection system.

Cite this article as: Ramakrushna Chandaka, "Socio-Economic Influence of E-Commerce", International Journal of Research in Management Studies, Volume 4, Issue 2, 2019, Page 1-4



International Journal of Research in Management Studies

A Peer Reviewed Open Access International Journal
www.ijrms

Modern electronic commerce typically uses the world wide web for at least one part the transaction's life cycle, although it may also use other technologies such as e-mail. In the simplest case, it can be defined as doing business transactions in an electronic format. The European Commission has defined the e-commerce in 1977 as follow. The April 1997 edition (ERCIM News No. 29) reported that "Europe has been lagging with respect to the rest of the world in its way towards the information society". As far as electronic commerce is concerned there is strong activity developing and a focus that is specifically European is certainly arising. Thus is happening on three front – firstly there is serious use of electronic commerce in many European countries, including France, The Netherlands, Sweden and the UK; secondly, these national activities are being brought together through a new user body, Electronic commerce Europe (ECE); thirdly the European commission is bringing together its various actions under a co-operative umbrella and calling for serious implementation initiatives under the latest ESPRIT Thematic calls.

E-commerce based on data processing, including text, sound image. The business includes various activities such as the electronic exchange of goods and services, instant delivery of digital content, business plans, collaborative design and engineering, electronic stock exchange, government procurement, direct marketing, services after the sales. E-commerce is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic new goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet. These business transactions occurs business-to-business, business-to-consumer, consumer-to-consumer or consumer-to-business. The terms e – commerce and e-business are often used interchangeably. The term e-tail is also sometimes used in reference to transactional processes around online retail. E-commerce is conducted using a variety of applications, such as email, fax, online catalogs and shopping carts,

Electronic Data Interchange (EDI, File Transfer Protocol, and web services. Most of this is business-to-business, with some companies attempting to use email and fax for unsolicited ads (usually viewed as spam) to consumers and other business prospects, as well as to send out e-newsletters to subscribers [1;6]. E-commerce industry offers to the Indian economy and its powerful impact on the society at large, particularly and its powerful impact on the society at large, particularly the inclusion of small businesses, small merchants, semi urban, and rural population. We have detailed out the following impact areas:

- Resurgence of traditional art forms: Creating opportunities for artisans and craftsmen
- Impact beyond metros: employment generation in the interiors of the nation
- E-commerce drives women empowerment: A significant step in the direction of gender equality
- Return of talent: E-commerce triggering the brain gain.

Resurgence of traditional art forms: Crating opportunities for artisans and craftsmen

The state of artisans engaged in the country, is not very encouraging. However, the availability of online trading platforms has emerged as a change agent for these artists and is also re-deeming many dying art forms. For the numerous traditional handicrafts clusters and Artisans, e-commerce has led to:

- Extensive reach with access to regional and global markets
- Availability of a platform to sell products directly to the end customer to earn better margins
- Revival of some of the art forms which were under the threat of becoming obsolete
- Creating of capital and possibilities to build and expand further

Many e-commerce players and their initiatives are enabling banarasi weavers; madhubani painters; handloom weavers; madhubani painters; handloom weavers; chanderi art form; and other multiple art



International Journal of Research in Management Studies

A Peer Reviewed Open Access International Journal
www.ijrms

forms. Such initiatives are positively impacting demand, because of which more family members who were earlier not employed for full time and hence added to disguised unemployment, are now actively contributing to the family business and increasing the overall household income.

Impact beyond metros: Employment generation in the interiors of the nation

There has been an increase in demand from small towns and rural India in the last couple of years, primarily due to growing smartphone penetration and high aspiration levels. A leading e-commerce player, for example, gets more than 70% of its orders from beyond the top eight metros. The e-commerce model has opened up diverse employment opportunities in tier II, tier III, and rural segments. With 66% of the population living in rural areas, employment creation will experience a multifold impact when the industry gathers serious momentum in rural parts of the country. The leading e-commerce players have signed Memorandum of Understanding (MoUs) with the government to enable reach in the far-flung areas.

In terms of infrastructure support, the Ministry of Communications and Information Technology plans to connect e-commerce companies with its 130,000 employment opportunities with the development of entrepreneurs, and ancillary industries such as handicrafts and textiles. Further, the recent announcement of 100% foreign direct investment in trading of food products, including through e-commerce companies, is expected to provide fresh impetus to 'farm to folk' linkage for farmers and food processing sector. These will allow-commerce players to bring investment and advancement in post-harvest infrastructure, and a direct reach to farmers to enable them to sell directly to consumers. This will have a significant impact on providing employment opportunity to farmers; transfer of technology and modern agricultural practices; enhancing export

opportunities; and providing them remunerative prices for their produce hence enhancing their income.

E-commerce drives women empowerment

The e-commerce industry is making an important contribution in the direction of gender equality, by providing women with increasing opportunities to become part of the growing bendwagon. The nature of employment for women is increasingly changing in more ways than one.

A significant step in the direction of gender equality

- Thousands of women are gaining financial independence by selling products across categories, such as fashion apparel, home furnishing, jewelery, handicrafts, and health care
- Women are becoming independent sellers, and eventually employers
- Women are able to work from home, which is enabling them to simultaneously meet the demands of the home and their career.

Return of talent: E-commerce triggering the brain gains

- The term 'brain drain' was coined to highlight the emigration of educated and intellectuals from India. However, in recent times, several young professionals, especially executives who are in their 30s have returned to India. One of the key reasons for the return is the growth of e-commerce along with the startup story, aided by
- Exiting opportunities;
- Competitive remuneration; and
- Encouraging government policies
- In India, demand for technology and engineering among startups has increased by more than 50% in recent times resulting in brain gain.
- Another interesting phenomenon observed is that many of those returning are venturing into their own startups, thereby creating further employment opportunities.



International Journal of Research in Management Studies

A Peer Reviewed Open Access International Journal
www.ijrms

Uplifting social enterprises: Empowering the people with disabilities

- The e-commerce industry is providing employment opportunities for people with diverse backgrounds and age groups. It is also proving to be a gateway for many disabled people to engage in society, hence creating balanced growth in the true sense.
- Miracle Couriers is one such existing example, which is a courier service in and around the city of Mumbai employing deaf people who 99% of the total staff. The organization has ventured into e-commerce deliveries and is looking at this space as a new growth area. It has won many esteemed awards like Helen Keller Award for being a role model employer for people with disabilities and the national award for the empowerment of people with disabilities by the Indian Government. The industry has a potential to offer multiple roles to people with disabilities e.g. a courier delivery enterprise where delivery boys barely need to interact with customers, or online selling where restricted movement is not a hindrance.

CONCLUSION

E-commerce has undeniably become an important part of our society. The World Wide Web is and will have a large part in our daily lives. It is therefore critical that small businesses have their own to keep in competition with the larger websites. Since web developers have lowered down the prices for their services, it has become more affordable for small business to use the World Wide Web to sell their products. E-commerce can conduct any business online and via the Internet to express. Many techniques have been developed in recent years and are expected to grow more than this. By e-commerce, the exchange of information related to the purchase and sale, required information for the transport of goods with less effort, exchange between banks and customers will be faster. Companies to communicate with each other haven't restriction and their relation to each other can be done easier and

faster. Advantages of e-commerce are cost savings, increased efficiency, and customization. In order to understand electronic commerce it is important to identify the different terms that are used, and to assess their origin and usage. These include information overload, reliability and security issues, and cost of access, social divisions and difficulties in policing the Internet. Successful e-commerce involves understanding the limitations and minimizing the negative impact.

11. REFERENCE

- [1] Gunasekaran, A., et al. "E-commerce and its impact on operations management." *International journal of production economics* 75.1 (2002): 185-197.
- [2] Subramani, Mani, and Eric Walden. "The impact of e-commerce announcements on the market value of firms." *Information Systems Research* 12.2 (2001): 135-154.
- [3] Schafer, J. Ben, Joseph A. Konstan, and John Riedl. "E-commerce recommendation applications." *Applications of Data Mining to Electronic Commerce*. Springer US, 2001. 115-153.
- [4] Daniel, Elizabeth, and Hugh Wilson. "Adoption intentions and benefits realized: a study of e-commerce in UK SMEs." *Journal of Small Business and Enterprise Development* 9.4 (2002): 331-348.