

Role of E- Commerce in Economic Growth

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Introduction

E-commerce (Electronic Commerce) CompuServe the first E-Commerce company was formed by Dr John R Goltz and Jeffrey Wilkins with the help of dial up connection after work in the year 1979. Michel Aldrich invented electronic shopping, Mr Michel is one of the great founder of the E-commerce, and he put the concept by connecting a transaction processing computer with a modified TV through a telephone connection. Electronic commerce means to buy or sell their goods and services through an internet platform. In an e commerce there are many perspectives are develop like B2B (Business to Business), B2C (Business to Consumer), D2C (Direct to Consumer), C2B (Consumer to Business), B2A (Business to Administration) and C2A (Consumer to Administration). Nowadays the world is going through rivalry, henceforth complete with world new practice should be taken into consideration.

E-commerce is not only an aid to grow the business but also help to reduce the cost, time and efforts. In brief, when goods are purchased through e-commerce there are many options available in front of the consumer as well as the price of goods, discount policy, premium policy, loyalty points etc.

Whereas when money transfers from one account to another through electronic mode in a recent era this is very much easy to transfer funds or money from one party or account to another one. An ample of applications are available in play store like Phone Pay, Google Pay, Pay TM ,Bhim App, Venmo, Zelle, Paypal, Cash App Remitly, Samsung pay, Azimo, PayoneermobikWik, Transferwise, OFX Money transfer etc. Electronic commerce not only helps buy goods or sold goods and transfer funds but also assist with digital services like transfer the documents through email, video, short message send and also the google browser helps the user to find out required information .

Ultimately the e-commerce helps to reduce the operational cost like transportation, administration cost, marketing cost etc.

Keywords - *E-commerce, Operational Cost, Internet, Digital services.*

Objectives of the Study

1. To understand the history of E-Commerce.
2. To know the different perspectives of E-Commerce.
3. To understand the concept of operational cost.
4. To understand the applicability of E-Commerce.

Hypothesis of the Study

H1= E-Commerce helps to enhance the Economic Growth.

H0= E-Commerce does not helps to enhance the Economic Growth.

Period of the study

The present study will an encompass the data and information for the financial year 2018-19, 2019-20, & 2020-21

Review of Literature

- Shri Mishra & Kotkar (2015): Both the author of “A study on current status of E-Commerce in India”:A comparative analysis of Flipkart and Amazon. The research paper encompass to the all objectives of the study whereas they concentrate on users of internet facility and E Commerce. They found that in the mid 1990 only limited customers because limited resources and infrastructure facility. During the year 2000 many changes have been volatile.

- Miss Rina (2016): stated in her paper “Challenges and future scope of E-Commerce in India.” She explained how to overcome the challenges and bring the future scope for the e-business.
- Miss Gupta (2014): she write in her paper title “Role of E-Commerce in todays business.” The research paper encompass the different perspectives or models of E-Commerce.
- Marrie, Mcgaughey Nebhawari & Gunesekharan (2002): stated in the research paper that “E-Commerce and its impact on Operational Management”. In their research they played a revolutionary role in relation with production, selling, marketing, advertising, warehousing, design, distribution etc.
- Henry Chan, Reymond Lee, Tharam Dillion Elizabeth Chang, book on entitle “E-Commerce fundamentals and applications publish by willey India pvt. Ltd.” this book encompass the history of E-Commerce, revolutionary changes in E-Commerce, system development procedure in E-Commerce, system application in E-Commerce etc.

Applicability of E-Commerce

1. E-Commerce is the smartest way of doing business. In E-Commerce you can ask your customer to do work for you such as filling in the order forms, checking the order status and downloading the product themselves so that you can save huge costs and manpower. Furthermore, they do not make any complaints and even think that you have done excellent work for them. You can think of any think smarter than this?
2. E-Commerce is changing the traditional way of doing and way of measuring business performance. People no longer look at the profit and loss account any more instead the future value of the company.
3. In the recent era, e commerce companies having challenges like how to make money but how to spend money slowly or burn slowly. Many E-Commerce companies tackle the this type of challenge by means of which some time it may called as burning money.

Key factors in E-Commerce

- a) **Time** - With the help of E-Commerce company customer can buy the product which require less time as compare with physical buying process.
- b) **Cost** - The most important advantages of E-Commerce Company can save the operational cost like rent of shop or store, depreciation, electricity, maintenance & repairs etc. in brief many times they are not able to pay aforesaid cost.
- c) **Transportation** - When customer buy the product from the physical store it will not be convenient to carry from store to home whereas in case online purchasing company provide the facility of transportation of the buy product.
- d) **Discount Policy** - As compared with the physical store E-Commerce Company provide high loyalty discount because they can afford incentive or discount policy reason is non requirement of Rent, non-payment of depreciation, electricity, maintenance & repairs etc.
- e) **Affordable Marketing Cost** - An E-Commerce Company sell the product with the help of online platform hence they can easily disseminate the product information in a large scale.
- f) **Availability** - The biggest advantages of E-Commerce store is that they are open 24x7. Customer can put the demand at any time and from any place.

E-Commerce is the bequest to the Economic Growth or Development

The economic development or growth is revolute with different factor or aspect of the perspective like employment, purchasing, selling, education, research invention, transportation, other hospitality industry etc. As like the above component. E-Commerce industry also one of the integral part or wheel of the economy. In the third revolution i.e. software development era playing a pivotal role in the economic development or growth.

The economist are agreed that digital products and services is one of the vital part of the economy i.e. having the two digit share in the economy. E-Commerce helps to render the services (buying & selling) through internet platform i.e. transmission of funds or the data through the internet to facilitate the purchases and sales of goods and services.

One of the integral merits of the E-Commerce is to facilitate the structural growth like from domestic market to local market and from local market to national and from national to international or foreign market. With the help of E-Commerce product can be bought or sold from any corner of the world (cosmos) with minimal price and less time.

Due to the emergence of E-Commerce companies, retailers face the competition and new challenges.

The following are the principal factor in the economic growth:

1. Foreign Trade

E-Commerce helps to increase the foreign trade by facilitating access to global market. Now a day's access into global market is very simple because there are many restrictions or hindrances are removed, in brief there is not necessary to take the permission or follow hectic administrative procedure. E-Commerce not only facilitate to increase the trade but also develop the healthy relationship between two countries.

2. Investment

E-Commerce an assist to build the new infrastructure in E-Commerce industries. And as I already told that the investment in ICT sector support the national economy.

3. Generation of Employment Opportunities

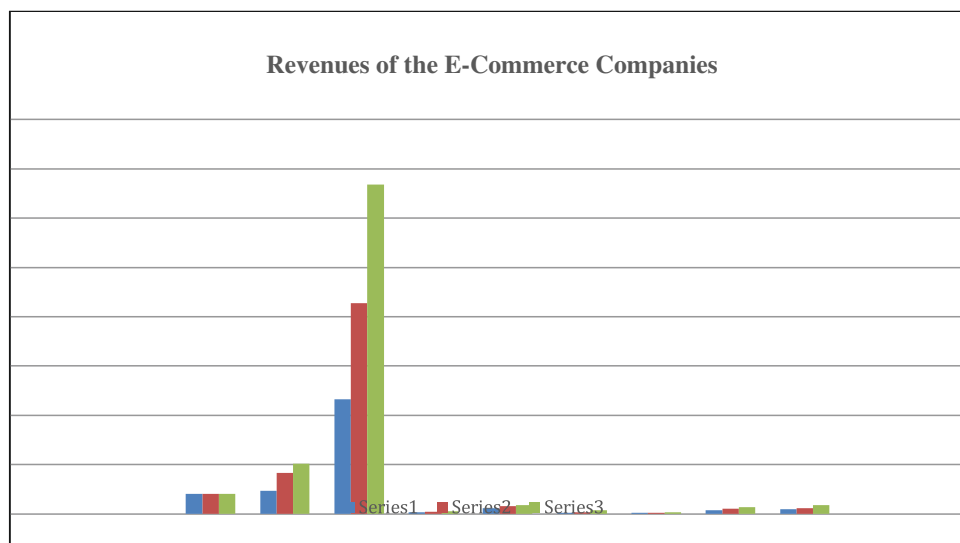
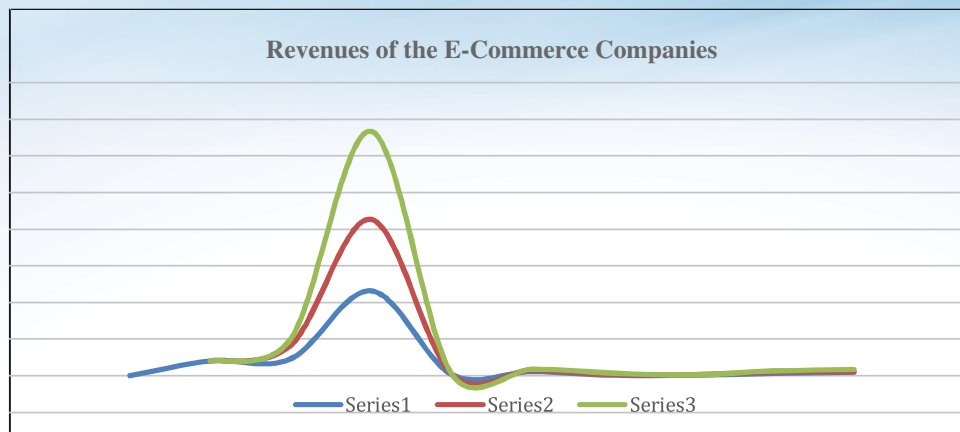
E-Commerce helps to meet the unemployment in some extent. There are two component which generate employment.

- Setting up of small and medium size start up and connecting them with international business outlet.
- Investment the money for generation of App which regularly minimize the cost of administration, supervision, enumeration etc.

Revenues of the E-Commerce Companies

Name of the Company	Revenues in \$		
	2019	2020	2021
eBay	2303	4151	5048
Amazon	11588	21331	33364
Myntra	164	198	220.16
Snapdeal	567	749	891
Book my show	74.94	146	357
India mart	103	112	125
Nykaa	323	521	649
Shopclues	458	574	854

Source <https://www.annualreports.com/>



Justification of the Research

- Increase in the revenue of the business put the share of profit in the economy by way of tax or levy.
- E-Commerce is an integral wheel of the business.
- As per the above table, revenue of the business is going up during the period of pandemic era.
- Legal and ethical activities put the emphasis in the economic growth of the nation.

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