

Emerging Trends of E-Commerce perspective in Developing Countries

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Abstract

In the age of globalization, many countries are now converted into one big economy that is now transforming the global economy through the exposure of web technologies like social media, and e-commerce. All businesses are transformed into information-based operations whereas, there are huge advances in science and technology ushering the change in the field of trade, while modern electronic commerce is currently causing enormous economic upheavals that are affecting all sectors of the economy. Commerce, finance, and marketing are three of the most important professions in the world market when viewed on a global scale which is why E-Commerce and its Impact have been observed in the current business environment.

E-commerce is the practice of conducting business through the Internet with a relatively new concept with the potential to disrupt standard business practices, where it has already impacted major industries such as communications and finance. Electronic commerce plays a vital role in broadening the merges of electronic commerce and business that ushers in a new era of marketing as it provides the opportunity to know and understand customers from a wider perspective. It broadens the scope of the market to include both domestic and foreign marketplaces, ultimately revolutionizing commerce and marketing.

This paper is focused on the new arising factors of e-commerce benefits and obstacles faced in developing countries.

Keywords: Electronic Commerce, Developing countries and e-commerce, e-commerce trends.

INTRODUCTION

Electronic commerce research is blooming for the past few decades which has now attracted both academics and industry's various fields into the emerging global economy, making e-commerce and e-business an increasingly necessary component of business strategy and a strong catalyst for overall economic development. The integration of information and communications technology (ICT) in business has revolutionized relationships within

organizations and those between or among organizations as well as individuals. Specifically, the use of ICT in business has enhanced productivity by encouraging an increase in customer participation as well as enabled mass managing, promoting, and distribution of a variety of goods-services because of which it has become a rapidly growing field of research. Since the development in information and communication technology infrastructure is

high due to the penetration of internet and mobile communication connections, people now can access information through communication technology infrastructure which also makes the massive online applications and activities accessible from anywhere in the world regardless of time and location. E-commerce is no more a passing novelty as it has now become a fundamental part of our daily lives through online shopping, selling, and any transaction involving the transfer of ownership/rights to use products or services over a computer-mediated network since there been a long and illustrious history to it. On the 11th of August, 1994 the very first internet online sale was observed which took place in America when a man sold a CD to a friend through his website, at that time Net Market was the website from which the person sourced to complete the sale via the internet.

E-commerce can be defined as the use of electronic communications along with digital information to process technology into business transactions to create, transform, and redefine relationships for value creation between or among organizations and individuals, despite its popularity the definition falls short of capturing recent developments in new and revolutionary business phenomena that is E-commerce. In a broader sense, it is the purchasing and selling of goods & services using information available on a computer network/internet which can also be used to refer to technology to automate commercial transactions and processes like the transmission of data, products, and services as well as payments across telephone lines, computer networks or any other electronic channels. It is also a tool that satisfies the need of businesses, consumers, and management to reduce service costs while increasing service delivery speed by which a business organization, e-commerce can provide chances to accelerate company operations, cut costs, reach new customers, and establish new business models in the market.

There may be reductions in quantities procured or stored, surplus production and mistake rates between the supplier and the manufacturer in this industry, which is why E-commerce has

transcended into extremely-important facilities for people to buy and sell things online.

Objectives:

Recently, companies with E-commerce activities have a variety of goals where their objectives can be specific and measurable right once, or they can be more indefinite and complex to understand the concept. Therefore, the following are the most frequently cited goals of the impact due to the internet commerce on business:

- To study the models and trends of E-Commerce and
- To study the impact and important factors that influence the rising use of E-Commerce.
- To find out the obstacles of e-commerce in developing countries.
- To identify specific infrastructural barriers hindering the adoption of e-commerce in developing countries.

The hypothesis of the Research Study:

The current investigation was conducted with the following hypothesis in mind:

- The usage of electronic commerce for marketing will become a major tool in the marketplace.
- Emerging trends of e-commerce will change the scenario of the environment of the worldwide marketing and business industries.
- E-commerce will help in promotes entrepreneurs and improve the country's economy.
- E-Commerce can be a good influence on marketing for businesses.

Research Methodology:

The research analysis is dependent on secondary data, this data on E-Commerce, E-Business, Marketing Management, Marketing Research, Mobile Commerce, Internet Marketing, and Electronic Commerce is

gathered from various references. The collocation of data from a variety of national and international research projects and E-Commerce, Internet, Commerce, Banking, and other relevant books and journals.

Emerging trends of e-commerce:

- AI-assisted upwelling and cross-selling.
- Additional payment options.
- Augmented reality to visualize purchases.
- Smarter mobile shopping tools.
- Growth in subscription models.
- Renewed focus on sustainability.
- Multichannel customer support.
- Enhanced distribution and fulfilment planning.
- Seamless online purchases.
- Marketing and products that are more individualized.
- New marketplaces and distribution routes are more efficient.
- Websites that are well optimized for conversions.
- Expansion of forward-deployment fulfilment centers (FDPC).
- Increased competition in online advertising.
- Use real-time analytics and machine learning to boost sales.
- Preferences for firms that are ethical and self-sufficient.
- Automated B2B transactions (nineteen).
- Consumer privacy preferences are changing.
- Businesses that sell directly to consumers.

- Increased prevalence of voice search.

Models of e-commerce

Developing an e-commerce solution primarily entails designing and establishing an e-commerce website after the identification of the model which can be grouped into primarily based models on the parties engaged in the transaction. As shown in the figure below.



(Source: <https://www.google.com>) Figure 1.1

Business-to-Consumer (B2C):

This is the form of e-commerce that deals with business-to-business relationships. B2B e-commerce is the fastest-growing category of e-commerce, accounting for over 80% of all e-commerce, because of which most analysts believe that B2B e-commerce will continue to develop faster than the B2C market. This concept comprises household-to-household computerized interactions for ordering, purchasing, and other administrative tasks as among other things such as business subscriptions, professional services, manufacturing, and wholesale dealings are part of it. In the B2B paradigm, a business may occasionally exist between virtual firms with neither having a physical presence and only the Internet can be used to conduct business in such situations. Therefore, B2B model has two major benefits: it can successfully manage the supply chain as well as manufacturing and procurement processes, or it can automate corporate procedures to quickly and cost-effectively deliver the right products and services.

Business-to-Business (B2B):

This is the type of e-commerce that deals with relationships between and among businesses. It is the fastest-growing sector of e-commerce with about 80% of this type, for such most experts predict that B2B e-commerce will continue to grow faster than the B2C segment as the B2B model entails computerized interactions between households for ordering, purchasing, and other administrative chores. It covers commercial subscriptions, professional services, manufacturing, and wholesale dealings, among other things.

A business may occasionally exist between virtual organizations in the B2B paradigm, with neither having a physical presence, in such instances only the internet is used to conduct the whole process. Therefore, B2B model has two key advantages, it can efficiently maintain the supply chain as well as production and procurement operations, and it can automate corporate procedures to offer the correct products and services swiftly and cost-effectively.

Consumer-to-Consumer (C2C):

Consumer-to-consumer e-commerce or C2C is simply commerce between private individuals or consumers. A consumer sells directly to another consumer in this scenario, where the consumers can use online auction websites to advertise and sell their things to consumers. However, both the seller and the buyer must register with the auction site while the seller must pay a fixed charge to the online auction house to sell their items, the buyer does not have to pay anything, such a website brings the buyer and seller together to conduct deals and if any buyer discovers such a product, he places an order for it on e-commerce website like eBay.

Such a website now buys the item from the vendor and then sells it to the customer which creates the transaction between two customers and the organization will serve as an intermediary between the two.

Consumer-to-Business (C2B):

The C2B model involves a transaction that is conducted between a consumer and a business organization. In this kind of transaction, the consumers decide the price of a particular product rather than the supplier. Individuals that offer products and services to businesses fall into this group in addition to the models covered thus far, five new models involving transactions between the government and other entities, such as consumers, businesses, and other governments, are being developed. E-governance refers to all these interactions that include the government as a single entity.

Business-to-Administration:

Business-to-administration or (B2A). Dealings between businesses and government agencies are conducted over the internet in this e-commerce business paradigm the central websites are used by government agencies (administration) to trade and exchange information with various corporate entities. Fiscal measures, social security, legal documents, and other government-related processes are among the services included in B2A. The Business-to-Administration (B2A) model is also known as the Business-to-Government (B2G) model (B2G).

Consumer- to- Administration:

Electronic transactions between individuals and government agencies are covered under the Consumer-to-Administration (C2A) e-commerce business model. Consumers can use the C2A e-commerce model to address their questions and requests for information about public services to their local governments/authorities.

E-Commerce of Developing countries:

Presently e-commerce is an emerging trend in globalization that plays a significant role in developing countries. Traditional or brick-and-mortar firms are largely product-centric, with product differentiation and innovation typically serving as competitive advantages, where E-businesses on the other hand place a strong emphasis on customers and take a customer-centric strategy, especially for companies that

used to perform in the traditional way of doing business. However, because customers are now active participants in the product development process, the corporate environment and consumer market have become a challenge in the developing world.

SME business market has been spreading very vastly in developing countries because of e-commerce which poses the benefits of reduced information searching costs and businesses operation transition costs and improved efficiency and productivity in many areas as developing countries are giving significant attention to e-commerce, however, there has been some doubt about the relevance of e-commerce for developing countries because it can be used where ever internet connection is accessible a computer or a phone such hurdles are reaping benefits of e-commerce which may sometimes be underestimated. Developing countries have these technologies but are in short supply, in addition to this issue internet access remains prohibitively expensive, both in absolute terms and in terms of per-capita income, where computer and Internet prices have dropped drastically over the previous decade they remain out of reach for the majority of individual users and businesses in developing countries. Therefore, in underdeveloped countries, the lack of suitable fundamental infrastructural, socioeconomic, and government national strategies has created a substantial obstacle to e-commerce acceptance and expansion.

Barriers of adopting e-commerce in developing countries:

This study highlights specific infrastructural hurdles to e-commerce adoption in poor nations and developing countries. E-commerce adoption in developing nations is hampered by a variety of factors such as problems with SMEs encounter while using e-commerce, the poor economic environment, high cost of ICT and security concerns are among the perceived external impediments to e-commerce, according to recent polls done in several Southeast Asian countries. Internal barriers include a lack of internal communications infrastructure in SME firms, a lack of ICT

awareness and knowledge, as well as an insufficient number of ICT-capable/literate managers and workers, a lack of financial resources, and a perception of ICTs' lack of relevance. The following are the primary concerns that function as roadblocks to increased adoption of information technology and e-commerce:

Lacking knowledge awareness:

Most SMEs in developing countries have not taken up e-commerce or used the Internet because they fail to see the value of e-commerce in their businesses. The new start-ups choose their traditional path of businesses due to the lack of awareness of new trends because most small entrepreneurs think that e-commerce is required only by big companies and that it is an additional investment.

Obstacles of Infrastructural system:

The adoption of e-commerce in underdeveloped nations has been highlighted as a distinct infrastructure impediment. There are severe infrastructure hindrances relating to access to technology such as computers, connectivity, internet, lack of specialization, trustworthy online merchants of appropriate size, an imperfect legal system, and a lack of large-scale telecommunication, whereas citizens of a developed country can decide to adapt e-commerce as they are influenced by the availability of a wide range of Internet connections and other communication services, preferably at competitive prices which allow users to select different and appropriate services based on their specific needs and expectations from online activities, on the other hand, the majority of developing countries are dealing with weak and inconsistent electricity supplies.

Obstacles of a Socio-Economic Nature:

Before they may join in electronic commerce, most developing countries must overcome several socioeconomic and regulatory obstacles. Various socioeconomic features have been suggested as impediments to e-commerce adoption in underdeveloped nations such as Economic conditions, educational systems,

payment systems for facilitating the movement of funds and distribution systems for the actual transport of items, which are among the most pressing. The situation of the economy in developing countries is usually regarded as a significant barrier to e-commerce adoption as the gross domestic product (GDP) and per-capita income are two common economic indicators because e-commerce relies on technology infrastructures that are relatively expensive for many developing countries and also because they are in a poor economic condition, hence they are unlikely to participate. Furthermore, most developing countries' educational systems are seen as a barrier to its adoption.

Obstacles of a Political and Governmental:

The majority of developing countries lack ICT strategies to guide Internet service provision as in the absence of defined policies and their resolute application no progress can be made. The adoption of e-commerce and other ICT, in general, relies heavily on government initiatives which could be in the form of ICT usage promotion, education or construction of an effective e-commerce regulatory environment, free trade, national governments monopolies over national telecommunications, and import restrictions on IT equipment like hardware and software are all considered impediments to e-commerce adoption. Government policy changes are considered crucial in creating an environment that allows the widespread internet usage in many sectors of developing countries, where the government's dedication and engagement in Internet service provision as well as the decrease of import levies, lowers prices, making equipment cheaper and encouraging Internet connection for future development. In most developing nations, there is no government strategy on Internet access or the future of e-commerce, nor any comprehensive information policies for better functionality. Finally, in poor nations lack of national information policies can dictate that the government is not involved in providing internet services.

Suggestions:

E-commerce can be an extremely beneficial tool in developing countries provided that certain problems are to be resolved. The government of developing countries demonstrate that they have the political will to remove the barriers that currently stand in the way of widespread adoption. But due to these barriers, we are facing issues which we can consider for developing successful policies in E-Commerce. Some of the suggestions are:

- Create a situation that shows which technologies will be in use (in terms of e-commerce) in the following years.
- Examine and evaluate the available technologies, including their obsolescence, in-depth.
- Evaluate fully the technology providers, procedures, and technology transfer to local enterprises and institutions.
- To successfully transfer technology to local developers, build the requisite human capital capabilities.
- Create a technology purchase bid procedure that includes as many technology providers as possible while also lowering the cost of the technology.
- Examine the ramifications and effects of implementing these technologies in various industries.
- Seek advice from international organizations and institutions that are knowledgeable about the subject.
- Put in place domestic limits on the use and import of encryption technologies.
- Define the government's role in encryption processes.

Conclusion:

The Internet is not yet a globally accessible resource in developing countries as most countries lack the necessary policies and infrastructure that would enable widespread

usage of the Internet and even though the necessary conditions for supporting internet usage are not in place in most developing countries. E-business is a new type of online commerce with no borders, a new approach to global clients, new business models, new tactics, and new payment mechanisms, so if a firm wants to be profitable in new market employees must be familiar with the procedure for implementing the necessary tools and technologies to provide benefits to the developing countries which have facilitated the access of human resources and SMEs to world markets and promoted the development of tourism for developing countries on a global scale. E-commerce has helped improve the economic position of the country and SMEs services with the increased ability to transact directly with overseas or international customers but these advantages for developing countries are also facing many challenges in the global market because of the improper information and lacking modern technology, social -culture, political and international rules and regulations are also becoming the obstacles of the e-commerce in the developing countries.

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