

# INFLUENCE OF E-BUSINESS ON ORGANIZATION ECONOMY PERFORMANCE IN INDIA

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## ABSTRACT: -

The rise of e-commerce is one of the most notable recent developments in India's commercial sector. It's spawning a brand-new economic system with enormous potential that's reshaping the way business is conducted. Given that India's economy is one of the world's fastest growing, it seems sense that the country's government would take steps to stabilize and boost the growth of e-commerce there, as well as attract big amounts of foreign direct investment. Business involving industry. Internet use in India has risen to 429.23 million people and is projected to reach over 830 million by 2020, demonstrating a significant growth in the country's advanced penetration for quantifiable information. A total of \$ 125 billion was generated in 2017. The bulk of the discussion in this study is on business-to-consumer (B2C) e-commerce in India and the contribution it makes to the country's gross domestic product (GDP). Since India's economic growth has slowed, we'll also discuss the importance of entrepreneurs and the depreciating benefits of a relaxed work environment there "ranked one hundredth out of 190 nations in 2017 down from 132nd in 2008.

**KEYWORDS:** Contribution, E-Business, Economy, GDP and Business Performance

## INTRODUCTION

E-commerce encompasses any kind of business conducted entirely online. Anything from making a purchase to transferring funds across accounts is an example of this. The rise of e-commerce is one of the most notable recent developments in India's commercial sector. It's spawning a brand-new economic system with enormous potential that's reshaping the way business is conducted. Advantages for both buyers and sellers contribute to its rapid growth. Consumers around the nation are finding online shopping to be more appealing and convenient due to rising earnings and a wider selection of products and services available. India's current trade facilitation strategy relies heavily on electronic commerce. The need to facilitate international trade through policy and procedure reforms has become a cornerstone of India's trade and fiscal policies since 1991, when economic reforms explicitly took place in India as a result of opening the economy with the aim of integrating itself with the worldwide economy. As a result, Internet, web technologies, and their applications have become more popular in recent years, ushering in a new era of technical advancement. As part of the digital revolution, e-commerce, or "e-business," has seen widespread adoption in international trade and the Indian economy. E-business has transformed the way trade is done throughout the globe and continues to do so as a hallmark of globalisation in the information age. Due to the Internet's increasing popularity and the ease with which it may be used for commercial purposes, electronic commerce has emerged as a powerful means of doing business between companies.

Doing business online presents some new and interesting difficulties. We call this method of doing business through the internet "e-business." Doing company in this day and age is much different than it was even ten years ago, all thanks to the Internet. The corporate world of today has access to wonderful resources, such as the internet and other digital technologies. Additionally, the Internet has been transforming every facet of the business sector and the method in which business is conducted as a whole. Negroponte discusses the problem of digitization and explains how IT, data, and product descriptions are all intertwined to build the future of business success. Firms are progressively adopting the online business standard, with an emphasis on the B2C model, or the business between companies and people who may be consumers or end users, as a result of rising levels of competition, changing business environments, and rising customer needs and wishes. For instance, the expansion of internet trade has significantly altered the promotional activities of export companies. By moving their marketing and advertising efforts online, businesses may recognize the numerous ways in which these

efforts can be put into action, each of which can be categorized by the "who initiates" and "who is the target" of the efforts.

Internal e-business characteristics including the capacity to sell products online and e-business assets are directly linked to improved company marketing, communication, and distribution efficiency, as well as increased pricing competitiveness, according to the available empirical data. E-business, or online business as it is referred to here, allows companies to more easily combine traditional and interactive methods of contacting clients and closing purchases. Global processes of globalization and integration, the practice of international business, the rise of SMEs engaging in online commerce, and an increase in the need for trade services are all major contributors to the growth of the e-commerce sector.

## LITERATURE REVIEW

**Uchenna, et.al (2019)** To that end, researchers in Nigeria looked at how adopting e-business strategies affected company output in a few different service sectors. The study's overarching purpose is to evaluate how the rise of e-business has affected the efficiency and productivity of businesses. The particular goals were to analyse the connections between e-business service delivery and organizational effectiveness and between e-business customer satisfaction and effectiveness. The investigation was predicated on two hypotheses. The study made use of a survey research strategy. 839 workers from the chosen firms in Lagos State made up the study's population. From a total of 270 participants, 202 completed questionnaires were found to be accurate and were analyzed using descriptive and inferential statistics (Spearman Rank Correlation Coefficient). According to the results, e-business service delivery correlates positively and significantly with company success. Organizational success was also shown to be positively related to customers' perceptions of their experiences with a company's e-commerce operations. We drew the conclusion that E-business affects organizational performance in Nigeria's service sectors based on the data we gathered. Management was urged, among other things, to make sure services were being delivered effectively and to allow for input on areas where they fell short. This would help the organization improve its performance.

**Qamar Farooq et.al (2019)** Shipping products and papers quickly from one location to another is a developing sector that helps individuals all over the globe. Profitability for one-man operations depends on competitive pricing, product or service quality, and dependability. However, the literature seldom discusses how corporate value capture methods affect the long-term viability of the value generation process. The goal of this literature study is to create a model connecting management processes' efficacy and efficiency to service quality, employee satisfaction, and repeat business. Extensive research confirms that improvements in e-commerce infrastructure reinforce the connection between competent management and repeat business. This article elaborates on how automation is used as a mediator in our model of supply chain management. This paper makes a theoretical addition to the existing literature on e-commerce and supply chain management and has practical relevance for the management of Private Express Enterprise, especially in regards to the use of modern technology to automate the procedures for success.

**Rashmi Sundriyal et.al (2017)** Today, the term "e-business" is used to describe any commercial transaction that involves the use of the Internet and other forms of ICT to facilitate communication between the various parties acting as buyers and sellers. Since the proliferation of Internet-based media, which has in turn made the globe smaller, there has been a meteoric rise in electronic commerce. With the advent of the Internet, doing business online has become nothing more than an additional method of improving or expanding upon their standard procedures. It's also been called a "disruptive innovation" because of how it's altered traditional retail. In our nation, where hundreds of e-commerce sites exist, e-commerce has shown to be a significant economic driver. Customers' expectations of the retail sector have been reshaped by this new business model. With the advent of the Internet, business owners now have a tool with which to increase their reach into new demographics, enhance their rapport with existing clients, provide more products and services, personalise their offerings, and save costs without sacrificing quality. This research was conducted to provide a snapshot of the current state of e-commerce in India and to identify the most successful online marketplaces from the perspective of customers. The research focuses on four different e-commerce websites: Amazon, Flipkart, eBay, and Snapdeal.

**Brzowska, Anna et.al (2015).** In addition to physical and human capital, the most important resource that businesses today must have is knowledge. When information is lacking at a crucial juncture, it may be disastrous for a business, but when it's plentiful, it can be the key to its success and growth. The success of a

company may be improved with the help of a well-thought-out e-business plan and solutions that are tailored to the unique needs of this kind of corporation and are put to good use.

## RESEARCH METHODOLOGY

Data collection method- An investigation of the structure and form of visual representations of secondary data from a variety of research articles was indicated. There are also several researchers involved, as well as data from other banks and authoritative sources that is then analysed to ensure accuracy.

Type of research design: Both a descriptive and exploratory study, research aims to learn more about the world. Descriptive in the sense that a connection is drawn between a variable and the literacy rate in a country. This study may be considered exploratory since it uses several variables to see whether there is a correlation between them.

Parameters: - The connection between pointers is defined by means of a further argument. Indicators such as the level of education being tested, the growth of m-commerce, the expansion of internet access, the rate of unemployment, and similar metrics are used to illuminate the benchmarks.

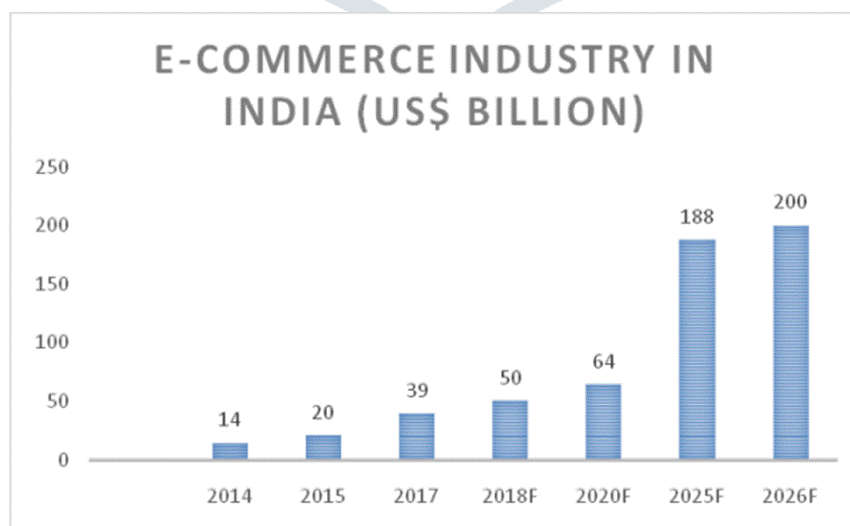
Data Presentation: - Tables, diagrams, pie charts, and XY charts all show the data obtained.

Data Technology - In this study, Spierman rank's co-relation and Pearson's co-relation methods are used to demonstrate the understanding and relationship between the indicators.

## Overview of the e-commerce industry in India

India's online market is the world's fastest-growing. With a projected 51% annual growth rate, Indian e-commerce will explode from 2016's \$30 billion to 2020's \$120 billion (2020) Forrester Research Report (from the Association of South Asian Chambers of Commerce). In 2016, China had \$ 680 billion in online retail sales, making it the world's biggest e-commerce market. Though electronic commerce has been around in India since at least 1990, its impact at the time was small. The potential and the flexibility to perform are fundamentally great, hence several top PE businesses in India have recently invested a lot of money in e-commerce. India. The growth of the e-commerce sector in India is highly reliant on the supplementary elements that have an impact on the Indian economy and the e-commerce sector in India. Consider some of these variables, including:

1. Market-specific businesses' integration into electronic marketplaces
2. Superior Ideas
3. Continuously Variable TPS



**Figure 1 e-commerce industry in India**

India's e-commerce sector has begun a trajectory of vertical expansion, and by 2034, it is forecasted to have surpassed the United States as the world's biggest e-commerce market. To paraphrase a popular saying, « India

is on the edge of a digital revolution. The following are some of the many reasons why the Internet has become so integral to the lives of so many people: -

1. price drop for continuing broadband service.
2. lifestyle changes in India's major cities
3. increased online activity
4. Online shopping's many advantages

According to online sales. ai's research on the Indian market, e-commerce in India is expanding at a quick clip and is projected to contribute around 1.61 percent of global GDP by 2018. They discovered through onlinesales.ai that not all of the major ones did. When considering the Indian market for online shopping, they were –

There are more than 100 people shopping here today.

More than 1.4 million orders were placed

Over 2 million deals

The aforementioned number not only demonstrates the company's significance to the Indian market, but also highlights the company's dependency on, and contribution to, the Indian economy and GDP. As NASSCOM estimates, is the online market share of India last year climbed by more than 19%, which in 2017 over 33 billion US dollars was.

### **Government initiatives supporting the e-commerce - growth**

The government's support of and investment in the growth of e-commerce in the Indian market is crucial. Foreign investment and the readjustment of investors throughout the globe are impacted by governmental policies and changes, which in turn are influenced by the public. Benefits of an open economy have been felt by the Indian people since 1991, when the government introduced LPG (Liberalization, Privatization, and Globalization). The Indian government has made a number of policy announcements since 2014.

- Digital India
- Made in India
- Start-up India
- Jurisdiction India
- Innovation business

E-commerce in India is on the rise, and their effective operation and rollout of these projects will no doubt contribute to that. The government has allocated \$1.55 billion USD to the Bharat Net project in the association's budget for 2017–18.

Very cheap levies at the rural and panchayat levels make high-speed internet, Wi-Fi, and other modern services accessible in a variety of villages.

There will be more prepayment in India now that the government has stated the BHIM app would be sent out. More than 12.5 million Indians now use it. The Indian government has announced two initiatives to aid in the creation of this app. the following:

1. person referral program
2. cashback program for merchants

## DATA ANALYSIS

This article will investigate whether or not there is a correlation between the growth of e-commerce and literacy rates in various countries. Therefore, we used the statistical technique of pitcher rank correlation to find out. where (x) is the proportion of total retail sales that occur by electronic means, and (y) is the literacy rate in the nation in question (y). Here, Rx denotes the x-location marker's and Ry denotes the y- marker's, therefore D = difference between the two.

$$1 - \left( \frac{6 \sum d^2}{n(n^2 - 1)} \right) = 1 - \left( \frac{6 \times 6}{n(n^2 - 1)} \right)$$

here n = 6

Coefficient (z) = here n = 6 = 1

$$- 6 * 6 / 125 - 5 = 1$$

$$- 36 / 120 = 1$$

$$- 0.3 = 0.70$$

When n is 5, z = 0.7 is correct. This indicates that the proportion of retail transactions made over the internet is positively correlated with the literacy rate in a certain nation. The proportion of a country's retail sales that take place online increases as the literacy rate rises, and vice versa.

As part of our study, we will also look at whether or not the growth of business-to-consumer online sales in India has a bearing on the country's unemployment rate. Similar to the United States, India has seen an increase in its jobless rate, and those living below the poverty line have struggled to benefit from online shopping. However, we observed in the prior chapter that mobile penetration is expanding in India, which is influencing the growth of ecommerce sales in India in some fashion. A correlation test may help establish whether or not there is a relationship between the unemployment rate in India and the share of GDP devoted to e-commerce in India.

year	e-commerce as percentage of gdp in India	Indiaunemployment rate
2009	0.13	3.91
2010	0.12	3.55
2011	0.14	3.54
2012	0.15	3.62
2013	0.16	3.57
2014	0.18	3.53
2015	0.18	3.49
2016	0.2	3.46
2017	0.21	3.4
		-0.674043437

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

### Pearson's correlation coefficient

Following the preceding procedure, we obtained r = -0.67403. Adding a minus sign (-) to a number simply means that if you raise one number, the other number will drop and vice versa. Which is why my model is so clear. According to my findings, the unemployment rate in India decreases in tandem with the growth of e-commerce there, as the country's expanding commercial and technological infrastructure creates new job

opportunities for the countries jobless. If electronic commerce grows in India, it might mean more employment for people in logistics, customer service, information technology, and management, as well as a need for unskilled workers to update the country's ageing infrastructure. It's clear that there's a negative relationship between the two indicators when  $r = (-0.67)$ . According to ET BUREAU, this model makes it simple to see how a tenfold rise in e-commerce in a single nation like India might generate 12 million net jobs within a decade, therefore reducing unemployment and fostering further growth in the sector.

**Table 1 Regression (Sur) Results For The Relationship Between Intensity Of E-Business Adoption And Performance**

	Efficiency	Sales Performance	Customer Satisfaction	Relationship Development
Overall intensity of adoption	.09**	.11**	.06**	.04**
Size (control)	.12	.28	.17	.04
$R^2$	.15**	.12**	.10**	.07**
Adjusted $R^2$	.14	.11	.09	.06
System weighted $R^2 = .20$				
Process-level adoption				
Communications	.11**	.15**	.08**	.03**
Internal				
Administration	.11		.10**	.11**
Order Taking	-.05	.07	-.01	
Procurement	.11			.04
Size (control)	.12	.28	.19	.02
$R^2$	.18**	.12**	.14**	.12**
Adjusted $R^2$	.15	.09	.11	.09
System weighted $R^2 = .17$				

Table 1 shows the performance-related results. It was found that the level of e-business adoption as a whole significantly impacted ( $p .01$ ) all indicators of performance (i.e., efficiency, sales performance, customer satisfaction, and relationship development). This lends credence to H11. On the level of the processes involved, however, a new image emerges. First, all performance indicators were considerably impacted by the use of e-business in communications. Both Hypotheses 8b and 8c are supported by the evidence that the implementation of e-business in internal administration has a major impact on customer satisfaction and the growth of relationships. Interestingly, online order taking and procurement via e-business did not substantially affect any performance measures. Finally, the size of the SBU (the independent variable) did not have a role in the results. The results show that when e-business is looked at as a process rather than a single entity, new insights become accessible.

## CONCLUSION

Understanding the significance of the e-commerce business in the modern world was made possible via the analysis of a study article. In the Indian context, we are working to raise the prevalence of mobile start-ups and cutting-edge services, as well as to adhere to the current upward trend in India's e-commerce growth. For some years now, the growth of electronic commerce in India may be directly attributed to government policies and activities that encourage and facilitate it. Educating rural Indians about the benefits of a cashless economy and the Internet is crucial if India is to keep up with the rest of the world. More resources must be allocated to combating cybercrime, and stricter regulations must be enacted, in order to make this procedure not only more secure, but also more trustworthy. This study reveals the growing importance of e-commerce to the Indian economy, as well as the role that service providers like 4G and 3G have had in expanding access to the internet throughout the country. In a similar vein, the government's many rules and directives have contributed significantly to the growth of online shopping.

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