

THE ROLE OF INFORMATION TECHNOLOGY **IN COMMERCE**

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Abstract

Keywords:

*Information Technology,
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E-commerce,*

The Information Technology has given the best platform to procure new online business ideas with the use of E-commerce. In 1970, business technology was known as Data Processing (DP) and in the 1980 it was Information Systems (IS).

The Information Technology is the component of Information System. The researcher can provide detail information about the impact of Information Technology in commerce and E-commerce through this topic. Researcher is giving the brief overview of the role of Information technology in commerce. This paper also tries to explore several Roles of Information Technology in Commerce.

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1.1. INTRODUCTION

Concepts of information technology and commerce

Information Technology is the design, creation, utilization, support and management of computer-based information systems in fostering the transactions of information product and services. The Information Technology is used in each and every aspect of Commerce.

Commerce includes the exchange of goods and services in small as well as in large scale. The information Technology created the best impact in Commerce. Information technology is very important for automating the complex problems by introducing simple solutions.

It satisfies the customer demands in the best possible way. It has both tangible and intangible benefits that will help to make money and produce the results for customer demands.

Meaning of Electronic Commerce

The emergence of the internet has given rise to electronic commerce in carrying out business transactions and services. Here the internet is the infrastructure that fosters electronic or online transaction of goods and services.

“The Electronic commerce or E-commerce means buying, selling and exchanging of goods, services and information via computer network.”

E-commerce is related to business or commercial transaction. It involves transfer of information using internet. It covers different types of businesses such as retail sites and trading sites. It is currently one of the most important aspects of the Internet.

Now a day's customer's expectation of shopping are increases day by day, they are not easily satisfied in few list of product, they want to see all brands of product in one click and all this expectation is possible using E-commerce. Different websites like Flipcart, Amazone, Snapdeal, Jabong, Myntra, eBay, Paytm are available for selling and purchasing with the help of E-commerce. We can compare product with different websites and then purchase it from anywhere.

Customer can order all types of product with the help of internet. Not only we can purchase product but the travelling is also possible using E-commerce., we can book a cab, auto, railway tickets as well as air tickets also. For this purpose customers are having different websites like OLA, Uber, MegaCabs, BookMyCab.com, IRCTC, and MakeMyTrip etc. These types of websites provide the facility related to cab booking.

Customer can order food on their demand with the help of E-commerce. Instead of going to different hotels, food corner they can order food as per their choice. For this different kinds of websites are available such as Zomato, Foodpanda, swiggy etc. Thus, E-commerce solves the problem related to shopping, travelling, food ordering and many more.

The term E-commerce gives an overview of how business are being conducted online. E-commerce helps to bridge the geographical boundaries and eliminate the physical traditional market for the transaction of goods and services. As all transactions is online based.

Growth of E-Commerce in India

The E-commerce and Information Technology has transformed the way of business done in India. The most valuable & most visited top 10 E-commerce companies in India are Flipkart, Amazon India, Snapdeal, PayTM, Myntra, Ebay, Shopclues, MakeMyTrip, IRCTC, GoIbibo. These all are considered on the basis of their popularity, traffic, number of visits and market value. All are most valuable and biggest online shopping websites in India. Growth of Ecommerce in India is explained with the help of different charts.

1.2 NEED OF STUDY

The IT industry is rapidly growing and popular in the field of commerce. The Information Technology plays a vital role to ensure the smooth functioning of all the departments including Human Resources, Finance, Manufacturing and Security. The aim of the study is to highlight the performance of current scenario of the E-commerce Industry.

1.3 OBJECTIVES OF STUDY

To evaluate the impact of Information Technology in Commerce. The main objectives of the study are as under:

- i) To evaluate the E-commerce growth in India.
- ii) To study the relationship between Information Technology and Commerce
- iii) To examine how business is conducted using E-commerce techniques.
- iv) To evaluate the sales of E-commerce for different years in India.
- v) To find out the most preferred way of payment in India to do E-commerce transactions.

1.4 HYPOTHESES

H0: Online payment and quality of product is most prominent cause of E-commerce among citizens of India

H1: E-commerce reduces the complexity of processes using online payment and thus improves the relationship between business and citizens of India.

1.5 DATA COLLECTION

The analysis of different types of transactions in E-commerce based on secondary data which is collected from various sources like online journals, books, other published online material and published reports of Internet and Mobile Association of India. Internet & Mobile

Association of India (IAMAI) is a not-for-profit industry body registered under the Societies Act, 1986. The data is concerned with the year 2010 to 2018.

1.6 SCOPE OF STUDY

1. To analyse different business models with types of transactions.
2. Many ways of payment are available for doing transaction in E-commerce.
3. Cashless economy can have some positive and some negative impacts on Indian Economy.
4. This study concern to the period of 2010-16. Researcher can explore several different scopes over time.

1.7. RESULT ANALYSIS

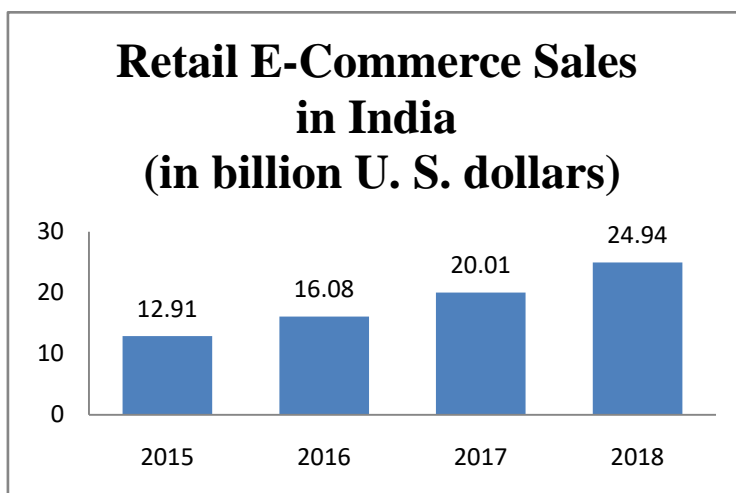
E-Commerce business models:-

Transaction Type	Name	Description
B2B	Business-to-business	Transactions between companies.
B2C / C2B	Business-to-customer/Customer-to-business	Companies making transactions between companies and the end customer.
C2C	Customer-to-customer	Transactions between end customers.
G2C/C2G	Government-to-customer/ customer-to-government	Transactions between government and end customers.
B2G/G2B	Business-to-government/ government-to-business	Transactions between government and Companies.
G2G	Government-to-government	Transactions between government Departments.
P2P	Peer-to-Peer	Transactions between two individuals

The above table depicts different types of transactions possible in E-commerce. These all types are useful in doing E-commerce business. This classification of E-commerce is based on who orders the goods and services and who is selling the goods or services.

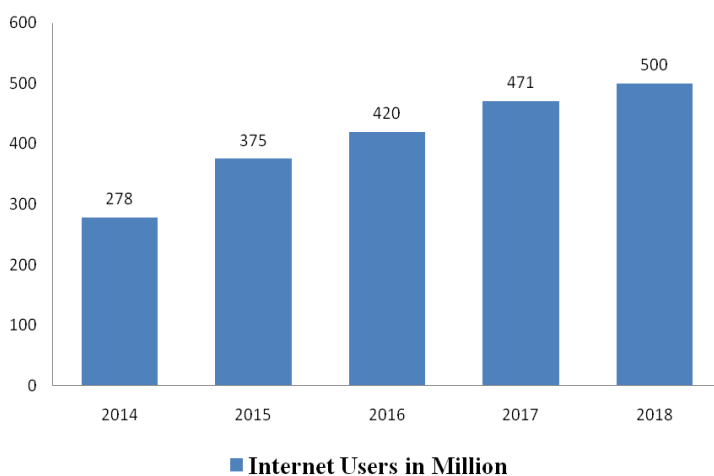
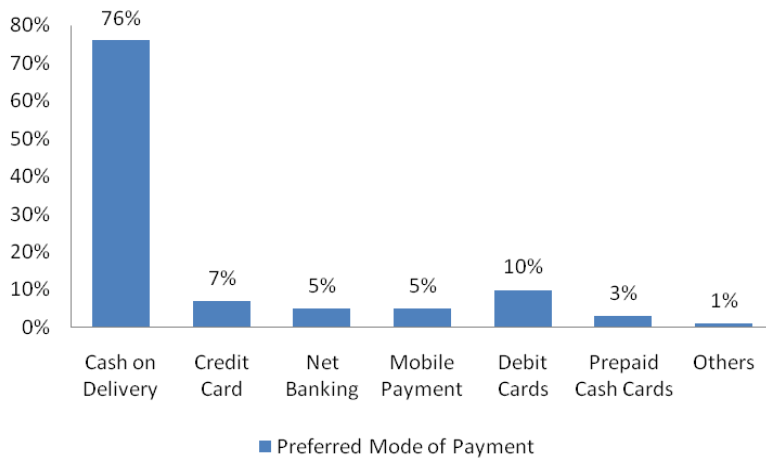


Internet and Mobile Association of India (IAMAI) has found that, Indian digital commerce was standing at 26263 crores in 2010. It is gradually increasing in the preceding years. In 2016 the Indian digital commerce stands at Rs. 2,11,005 crores.



It is clear from the graph that the retail E-commerce Sales is showing an increasing trend in India from 2015 to 2018 (in US billion dollars). The retail E-commerce Sale for the year 2015 was 12.91 US Billion \$, in 2016 it was 16.08, in 2017 it was 20.01 and in the year 2018 it has increased to 24.94 US Billion \$.

According to IAMAI Study Cash on Delivery (COD) remains to be the most preferred way of payment in India. Online payment options like Credit Card 7%, Net Banking 5%, Mobile Payment 5%, Debit Card 10%, Prepaid Cash Cards 3% and others 1% are less contributed as compared to Cash on Delivery.



According to Internet and Mobile Association of India (IAMAI) report in 2014 there was 278 million users using internet which has been increased to 500 million users in 2018. These figures are including both urban as well as rural. The growth rate of rural India seems to be higher. The overall internet users in rural India are still critically low as compared to the urban area.

The E-commerce sector is rapidly growing in India. The internet user's base in India is much less as compared to developed nations of the world, but it is expanding day by day. This growth of E-commerce in India is due to internet penetration and easily available smart phones. Retail sector is one of the largest growing sectors in India at present, which is expected to grow in future with an increasing rate.

In E-commerce we use cashless system. It has an effect on financial performance of banks in India. The introduction of cashless system significantly accounts to banks. It is found that the increased cost has both positive and negative impact to the financial performance. This led to the diversifying of banks and their resources. This reduces the subscription fees for POS banking, mobile banking as well as Internet banking.

1.8 SUGGESTIONS

1. Customers need to be aware of the new technology. Without use of technology it is not possible to setup the electronic market.
2. Technology has to aware in rural areas also so that they can use Internet facility for E-commerce.

3. Delivery boys must have insurance when he has joined the job. Because it might possible to get accident while delivering the product.
4. It can improve the productivity and thus it helps to increase the revenue of Indian economy.
5. To maintain the hygiene while delivering the product.

1.9. CONCLUSION

From the whole study, it can be concluded that E-COMMERCE plays a very vital role in the development of the whole Nation, society and the Indian economy.

- By the inception of the internet and E-commerce the business and customers get better opportunities and different payment options to do business smoothly. E-commerce is continuously progressing and becoming more important for any type of business. It creates better opportunities for the profit in business and it gives more options to the customers.
- Day by day new technologies will create the next best things in the field of E-commerce for doing transactions because customers continue to desire their products and services better, faster and cheaper way.
- The study aimed at investigating whether cashless system had any, positive or negative, impact on the financial performance. It was established that cashless system had a positive impact on the services offered as more customers have been able to transact different services electronically.
- It has been also very easy to access their accounts and therefore saving on valuable time. On the other side E-commerce is harmful in accidental and fraud cases.

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