



REVIEW ARTICLE

EFFECT OF INTERNET AND DIGITAL TECHNOLOGY ON INDIAN BUSINESS

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ARTICLE DETAILS

Article History:

Received 03 January 2023
Revised 11 February 2023
Accepted 20 March 2023
Available online 24 March 2023

ABSTRACT

One of the world's economies with the quickest rate of growth is India, whose economy is also firmly rooted in digitization. Beginning with a traditional economy, India is currently moving towards a massive economy worth \$1 trillion. Ravi Shankar Prasad claims (Mo IT). He went on to add that the contribution of the digital economy to India's entire economy would reach \$200 billion by 2020. The state of a nation or region's economy is defined as the supply of money, the production and consumption of products and services, and other related factors. Speaking of the digital business, it indicates that as a part of the digital economy, the digital business is acting as a driving force for the Indian economy by using technology to create new value in business models, customer experiences, and internal capabilities that support its core operations. This decade has seen a significant rise in digital business, with the previous five years being considered the economic pioneers. The NDA government's goal and commitment to implement Digital India resulted in a significant increase in the digital business sector in India, with the digital index rising to 56% by 2015. It was discovered that the digital economy contributed 8% to the nation's overall GDP in the years 2017–18. The main findings indicate that the demonetization that took place in November 2016 and the push to go cashless also encouraged digital business as it was a significant event in the nation's digital economy. In this study, we looked at the effects of digital business on the Indian economy as well as its potential and difficulties in expanding the national economy.

KEYWORDS

M-Commerce, UPI (Unified Payments Interface), and Digital Business (DB).

1. INTRODUCTION

Demonetization and the "Digital India Movement" have been in place for three years, and as a result of them, the second-most populous nation in the world has swiftly expanded its digital footprint. The expansion of the digital economy has also been depicted in a continuous, steady graph, with businesses moving digital and developing into digital businesses serving as the main driving force. A few industries, including as transportation, food, and retail, have largely embraced the National Democratic Alliance (NDA) government's initiative to accelerate digitization over the past five years. The adoption of digitization has not only provided the Indian economy a boost, but it has also offered international companies an advantage in getting a foothold in the Indian market.

Local transportation has been combined under one roof in the transportation industry. Ola began to buy up smaller cab companies, overtaking Uber and Meru in the race to become India's top cab provider. In the past two years, the introduction of food delivery systems has been notable and has greatly facilitated the availability of meals. Zomato took the lead initially, but Uber-owned ubereats was responsible for its growth. The second Counterpart also began and emerged Swiggy. Along with increasing restaurant sales, the growth in meal delivery services has had a significant positive impact on employment nationwide.

In India, online shopping has been on the rise for years, but the trend towards cashless transactions has caused a rapid explosion. By making it simple for sellers to sign up for Amazon, Amazon India began to take over local business through Amazon Seller. The Indian Child Flipkart is located nearby built a name for itself in the marketplace. According to a research by consultancy firm RedSeer, the end of the festive season in 2019 saw e-

tailers in India reach a record \$3 billion (about Rs 19,000 crore) in Gross Merchandise Value (GMV) during the period (September 29–October 4).

The growth of this digital industry was particularly notable in the transportation, food, and retail industries. In terms of transportation, logistics have significantly expanded during the previous five years. Traditional modes of transportation were abandoned in favour of digitalization and the advent of online booking. One of the main forces behind an expanding economy was logistics and transportation, and in the case of the Indian economy, it accounts for the lion's share of GDP. Cab services like Ola and Uber have seen a potential market thanks to the growing public awareness of cabs and cab sharing over the past 10 years. The company that runs Ola, according to the Economic Times, saw its consolidated revenue increase by 60.9% to Rs 2,222.6 crore in the fiscal year that ended in March 2018 from Rs 1,380.7 crore the year prior.

We simply considered ordering food online, and it became reality. The food industry was also impacted by the digital business where every industry was moving towards it. In this digital age, not only is it common to order meals online, but the food industry has also begun to exist online. Zomato launched India's first metro meal delivery service in 2011; nonetheless, it struggled to succeed. Over the last two years, however, Ubereats has emerged as India's leading food delivery service thanks to the Uber module. With the entry of Swiggy, Zomato Food Panda, and other competitors, the competition started to heat up. The most recent information on Amazon's entry into the market makes it possible to forecast future growth.

Online buying expanded along with the daily growth of the internet. Since its start in the 1990s, Amazon has grown to become the largest digital

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Website:
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DOI:
10.26480/csmj.02.2023.64.66

shopping portal, with no other competitors remaining. The sale of sarees, groceries, and everything else in India became digital, not only at Amazon but at many other small businesses as well. Online sources estimate that 391 million people will purchase online in 2020. After the demonetization, online shopping gained more popularity. When compared to traditional shopping, online shopping offers clients more customer satisfaction and is always improving.

One significant reason in the Indian economy's trillion-dollar growth is the digital business sector. With digitalization, the largest retailers adopted online payments and are now happy with them. Digital business has benefited not only retailers and traders, but it has also offered consumers an opportunity to become informed consumers. In addition to making it simple for customers to purchase goods and services, digital business also made them aware of the various competitors in the market. M-commerce allows customers to access their chosen services and products anywhere in the world without having to wait in line like they would at a traditional store.

The government likewise transitioned from a manual to a digital system when all other sectors did, giving every Indian citizen access to the "MyGov.in" Portal for statutory and non-statutory organisations operating online. In the government sector, e-payment acceptance through UPI and the interlinking of Aadhar-Card marked a significant advancement. Hence, the government adopted the "e-government" model. India's economy, which is already worth \$1 trillion, is not only the fastest growing in the world but rapidly transitioning to digital. It won't be long before we are all Global Digital Citizens of the World, as the nation with the second largest population is now one of the nations with the highest digital population.

In this study, we looked at the effects of digital business on the Indian economy as well as its potential and difficulties in expanding the economy of our country.

1. To research the digital business system.
2. To be informed about the expansion of Indian digital business.
3. To research the effects of digital business on the Indian economy.
4. To assess the economic impact of the digital India movement.
5. To determine the effect of growing digital business on the Indian economy.

The National Democratic Alliance (NDA) government's goal and its resolve to implement Digital India caused India's digital business sector to suddenly take off. After 2015, digital index increased to 56%.

2. RESEARCH METHODOLOGY

For this paper, secondary research methodology was used, and the information was gathered from a variety of secondary sources, including journals, articles, libraries, and newspapers. The data analysis done using annual reports from different e-business businesses that are made available to the public. The researcher used a descriptive approach after analyzing the data from the associated research publication.

2.1 Research Design Type

The study is both descriptive and exploratory. It is descriptive in that it makes a connection between the country's literacy rate and the specified metric. Exploratory research seeks to establish a cause-and-effect relationship between the parameters by gathering data from multiple parameters. The researcher used a descriptive approach after analyzing the data from the relevant research publication.

2.2 Element

Various parameters are utilized to establish the indicators' relationships with one another. E-commerce and M-commerce sales are available in India. To build a clear grasp of indicators, the growth of e-commerce and similar indicators are used.

2.3 Data Representation

The collected data is displayed as a table and a graph. In order to establish a clear understanding and relationship between indicators, the data technique used in this research article analyses the yearly comparative scale.

3. REVIEW OF THE LITERATURE

India's economy has been expanding for some time, and this has been made possible by the E- Economy, which has been crucial to the process.

India moved up from 132nd place in 2008 to 100th place in 2017 in terms of the ease of conducting business. Throughout this time, foreign direct investment has boosted India's digital business, which has grown. According to statistical data, there are now 429.23 million internet users, and that number is predicted to rise to 830 million by 2021 (Kapoot et al., 2018).

H0: The Indian economy has been significantly impacted by digital business.

H1: The Indian economy has not been significantly impacted by digital enterprise.

4. FINDINGS

1. Digital penetration is increasing in India, meaning that more Indians are using smartphones. They tend to accelerate India's m-commerce growth.

By 2020, India's whole economy would benefit by \$200 billion from the digital economy. India's digital business sector has suddenly taken off as a result of the Digital India initiative. After 2015, digital index increased to 56%. It was discovered that the digital economy contributed 8% to the nation's overall GDP in 2017-18.

2. Internet use is becoming more widespread in India. and as a result, three industries—transportation, food, and online shopping—see the most development. Food delivery is expected to rise at its fastest rate ever in 2019, at a rate of 16% yearly growth. India's market for meal delivery is anticipated to reach \$17.02 billion by 2023.

Economic Times reports that the transportation business has grown over the past few years. Ola's parent company saw its consolidated income increase by 60.9% to Rs 2,222.6 Crore for the fiscal year that ended in March 2018 from Rs 1,380.7 Crore for the prior fiscal year. This graph has been maintained as a growth curve.

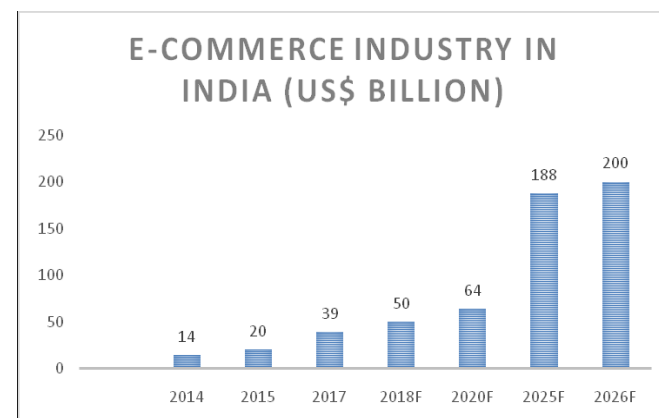
3. E-commerce is becoming more popular in India. with a growth in the GDP contribution of online shopping in India.

One of the oldest fields in this industry is retail. Online sources estimate that 391 million people will engage in online purchasing by the year 2020.

After the demonetization, online shopping gained more popularity. When compared to traditional shopping, online shopping offers clients more customer satisfaction and is always improving.

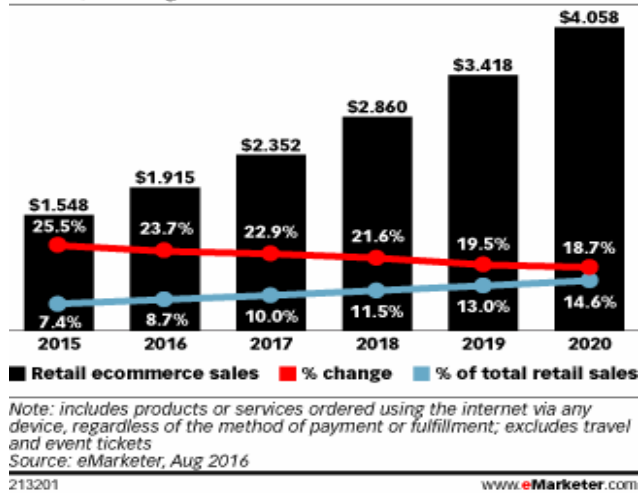
According to a research by consultancy firm RedSeer, the end of the festive season in 2019 saw e-tailors in India reach a record \$3 billion (about Rs 19,000 crore) in Gross Merchandise Value (GMV) during the period (September 29–October 4).

Year	Growth of E-commerce in India (In US \$ Billion)
2014	14
2015	20
2017	39
2018	50
2020	64
2025	188
2026	200



Today, we'll discuss the e-commerce development in India, the world's most populous democracy, the second-most populous country in terms of territory and population. As more online shops enter the market, the percentage of Indian e-commerce space is increasing. Although from a long-term viewpoint, this degree of entry into the e-commerce business is positive, the problem is that the majority of entrepreneurs lack the resources or funds to wait years before they can see returns.

Retail Ecommerce Sales Worldwide, 2015-2020
trillions, % change and % of total retail sales



Retail e-commerce sales have therefore increased significantly over time, and according to e-Marketer, they should surpass \$4 trillion by 2020. Given that all the main economies are moving towards e-commerce sales, the following data makes it simple to grasp how frequently and abruptly the world's sales patterns are changing.

In India, more businesses have adopted e-commerce technologies and the Internet over the past ten years. Cost-effective e-commerce sites with gift delivery services, books, audio and video cassettes, etc. have been designed with the \$34 in mind. Numerous Indian portal websites have also moved away from relying solely on advertising revenue and towards e-commerce. The online communities created around these portal websites have been successfully used to market products ranging from event and movie tickets to groceries and computers.

That being said, hugely successful e-businesses like Baba Bazaar and India Mart have shown that the e-commerce situation in India has not been awful at all. The adoption of technology to offer consumers real-time account status, the ability to transfer money between current and checking accounts and stop payment capabilities has been quite popular in India as well. With even stock changes going online and offering an online stock portfolio and status with a fifteen-minute price delay, the future of e-commerce in India does appear to be quite promising. It won't be long until we can see stock and sales over the 3et with specialised services under 47\$ restrictions. Others, like Online Shopping Top Onlineshopping.com4, are a group of businesses.

The government is implementing the appropriate incentives and programmes to encourage digitization and the growth of e-commerce in India. Though The Indian government has announced a number of initiatives since 2014.

- India's Digital Produced in India
- Beginning India
- Ability India

The appropriate operation and successful application of these programmes will undoubtedly accelerate India's e-commerce market's growth trend.

5. CONCLUSION

E-commerce is essential to India's social and economic development. This youthful Indian population has a very high standard of living and meets all of their fundamental needs. In total, India has fourteen crore internet users, but only 2.5 crore of those use the internet to do business. On the other hand, eighteen crores of Chinese people utilise the internet to buy various items. Despite the fact that no one in India carries currency anymore, it is still necessary to encourage digitalization among Indians in order to deal with internet transactions. The government must take the effort to educate the populace and business owners on the benefits of trade. India will soon begin to develop aggressively with the aid of socioeconomic development. The fundamental idea of spending money needs to be targeted to all Indians in order to rekindle the growth of the Indian economy.

Digitization will advance in the upcoming years and completely replace paper work in internet enterprises. As a result of Digital India's empowerment, the government is actively promoting online services to all citizens and pushing digitalization across the entire nation. The main goal of Digital India is to encourage growth and open up opportunities for the new India in terms of jobs, technology, and transparency. The concept of "Digital India" has completely altered every Indian citizen's perspective while also enhancing the country's overall social and economic development.

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