

A STUDY OF DIGITAL BUSINESS IN INDIA AND ITS IMPACT ON GROWTH IN INDIAN ECONOMY.

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ABSTRACT:

Indian Economy is one of the fastest growing economies in the world and it also strengthening its roots in digitalization. Starting with the traditional economy the India is now approaching towards economy worth the Giant “\$1 Trillion”. According to Ravi Shankar Prasad (Mo IT). Further he extended his saying to its Contribution of Digital economy would be \$200 Billion by 2020 in overall economy of India. Economy refers to the state of a country or region in terms of the production and consumption of goods and services and the supply of money.

Talking about the Digital Business it explains Digital businesses use technology to create new value in business models, customer experiences and the internal capabilities that support its core operations and as a part of digital economy the Digital Business is playing a role of driving factor of Indian Economy. The major increase in digital business took place in this decade while last 5 Years found to be the Pioneer of the economy. The motive of ` NDA government and their decision of Digital India gave a sudden rise to the Digital Business Sector in India Digital Index went up to 56% after 2015. In 2017-18 it was found that the digital Economy has given a contribution of 8% in total GDP of the country.

The major findings tell that Digital India Movement and demonetization that occurred in November 2016 and the initiative of Going Cashless also increased the Digital Business as it was the major event in Digital economy of the Country.

In this research, we have studied an impact of Digital Business in Indian Economy and its future scope and challenges in growing an economy of our nation.

Keywords: Digital Business (DB), Economy, UPI (Unified Payments Interface), M-Commerce.

Introduction:

It has been three years for demonetization and digital India Movement hence from them the digital reach and transformation of the world's Second largest populous Country has been increasing rapidly. There has also been a continuous steady graph that shows the growth of the Digital economy and the major factor for that is Businesses going Digital and becoming Digital Business.

In The last 5 Years the Initiative taken by National Democratic Alliance (NDA) government to boost the digitalization was majorly accepted by few sectors like transport, food and Shopping. The acceptance of digitalization has not only given Indian Business a new boom but it also gave an advantage to the foreign Business to have their foot hold in the Indian Market.

The transport sector has seen the integration of local transports under a Roof. Ola started to acquire the local cab services and became the leading cab service in India leaving behind in race Uber and Meru.

The entry of food delivery system has been remarkable in last 2 years and made a great ease for the food availability. The first lead was taken by Zomato but the success was created by Uber owned UberEats. The other Counterpart also started and came up Swiggy. The increase in food delivery not only increased the restaurants revenue but also drastically increased the employment all over the nation.

Online Shopping has been the Increasing in India since decades but the Cashless move gave it a sudden boom. Amazon India started to capture the local Business through Amazon Seller by making it Easy for the seller to join the Amazon. Next to it the Indian Child Flipkart also.

Established its identity in the market. The recent news reports on Economic times says that the end of festive season in 2019, the e-tailers in India achieved a record \$3 billion (about Rs 19,000 crore) of Gross Merchandise Value (GMV) during the period (September 29-October 4), as per a report by consulting firm RedSeer.

The boom in this digital business was remarkable in few sectors which are transport, food and shopping. Talking about the transportation the logistics grew to a vast extent over the last five years. Leaving behind traditional ways of transport the transport went on for opting the digitalization and started online booking. Logistics and transportation were one of the major driving factors a growing economy and when it comes to Indian economy it contributes the major part of the GDP. In this last decade it has been that the increasing people awareness towards cabs and cabs pooling has also led to cab services like Ola and Uber to get potential market. According to economic times-the entity running Ola -- saw its consolidated revenue rising 60.9 per cent to Rs 2,222.6 crore in the fiscal ended March 2018 from Rs 1,380.7 crore in the previous fiscal.

We just thought of getting food online and it came true. Where every industry was going digital the digital business captured the food industry also. Not only ordering the food online becomes popular but also food sector started to have their online existence in this digital world. In 2011 the first food delivery started in metros in India by Zomato but it could not do well but in last two years with the Uber module of UberEats became the major food delivery entity in India. Later the competition started to increase with Swiggy, Zomato food panda etc. the latest news that arises that the online giant Amazon is entering the market and hence one can predict the rise henceforth.

With the internet increasing day by day the online shopping also increased simultaneously. The Amazon was the first online shopping portal launched in 90's has now become the greatest digital shopping portal now with no other competitor holding besides. Not only Amazon but also many short entities went digital right from selling a Saree to grocery and everything in India. According to online sources in 2020 the e- shopping is projected to grasp 391M customers. The e shopping became more trending post demonetization. Comparing with the traditional shopping the e-shopping gives customers a better satisfaction and it has been upgrading every moment.

The Indian economy growing to trillions has one major factor that is Digital business. The major retailers went for online payment post digitalization and are now satisfied by it. Digital Business has not only benefited to the merchants and traders but also it has given a chance to customers to become aware customers.

Digital business not only made the customers easy to buy the goods and services but also it made aware of different competition out there. As in the traditional way of trade the customer here doesn't need to stand in the queue and wait for hours, he just can utilize his preferred services and goods all around the world through M-commerce.

When all the sectors were going digital and making their business 'A government also switched from manual system to digital system, hence "MyGov.in" Portal access to each citizen of India for statutory and non-statutory body working online.

A great leap took in the government sector when e- payment acceptance started through UPI and the interlinking of Aadhar-Card started. The government hence became 'e-government'.

Emerging to 1 trillion economy, Indian economy is not only fastest growing in the world but also getting digital too. The country with second largest population is now becoming one of the maximum digital population countries and it's not too far that we all be the Global Digital Citizen of the World.

In this research, we have studied an impact of Digital Business in Indian Economy and its future scope and challenges in growing an economy of our nation.

Objectives:

1. To study digital business system.
2. To aware about the growth of Digital Business in India.
3. To study an impact of digital Business on raising Indian Economy.
4. To trace impact of digital India movement on Indian economy.

Statement:

To identify impact of increasing Digital Business in increasing Indian economy.

The motive of National Democratic Alliance (NDA) government and their decision of Digital India gave a sudden rise to the Digital Business Sector in India Digital Index went up to 56% after 2015

Research Methodology:

Methodology used for this paper is secondary method and the data collected from various secondary resources such as journals, articles, libraries and newspapers. The data analysis held on the basis of annual reports of various E-business companies displayed publicly. The data taken from the related research paper were analysed and hence descriptive methodology followed by researcher.

Type of Research Design: The research is descriptive and exploratory research. Descriptive in the sense that it establishes relationship between literacy rate of the country and given parameter. Exploratory research in the sense that it collects data from various parameter and tends to establish a cause and effect relationship between the parameter. The data taken from the related research paper were analyzed and hence descriptive methodology followed by researcher.

PARAMETER: - Different parameter is used to establish relationship between the indicators E- Commerce Sale in India, M-commerce sale in India Growth of Ecommerce and such indicators are used to establish clear understanding about indicators.

DATA REPRESENTATION: -The data collected is represented in form of Table, graph.

Data technique – To establish clear understanding and relationship among indicators yearly comparative scale is analyzed in this research paper.

Literature review:

India is now increasing its economy parameters since years and it been possible with the help of E- Economy which have played an important role in the same. It has been seen that India has acquired 100th position in 2017 which was 132nd in 2008 in ease of doing a business. The Digital Business in India has been increased in this period while the Foreign Direct investment has given it a boost. The Statistical Data Suggest that the internet data users have been increased to 429.23 million and is expected to reach 830m by 2021. (Kumar Anuj, Fahad Fayaz, Ms Namita Kapoor, IOSR-JBM May 2018)

Hypothesis:

H0: There is significant impact of digital business on Indian Economy.

H1: There is no significant impact of digital business on Indian Economy.

Findings:

1- There is an increase in digital penetration in India

i.e. more smartphones are utilized by the people of India. which tend to increase m-commerce growth in India.

Contribution of Digital economy would be \$200 Billion by 2020 in overall economy of India. The decision of Digital India gave a sudden rise to the Digital Business Sector in India Digital Index went up to 56% after 2015. In 2017-18 it was found that the digital Economy has given a contribution of 8% in total GDP of the country.

2- There is increase in internet penetration in India. and hence the major growth takes place in three sectors that is transport, Food and online shopping. The growth in Food delivery is found to be maximum in 2019 and it is seen to grow 16% annually. The food delivery market of India is estimated to capture \$17.02 Billion by 2023

Transport sector has also seen a growth in past few years, according to economic times-the entity running Ola, saw its consolidated revenue rising 60.9 per cent to Rs. 2,222.6 Crore in the fiscal ended March 2018 from Rs 1,380.7 Crore in the previous fiscal. This graph has been kept growing upwards.

3- There is an increase in an e-commerce trend in India. With increase in a contribution of e-commerce in India's GDP.

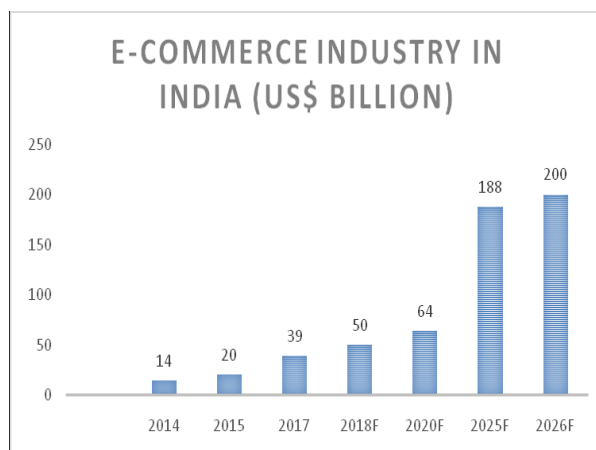
Shopping has been one on the oldest field in this sector. According to online sources in 2020 the e-shopping is projected to grasp 391M customers.

The shopping became more trending post demonetization. Comparing with the traditional shopping the e-shopping gives customers a better satisfaction and it has been upgrading every moment.

The recent news reports on Economic times says that the end of festive season in 2019, the e-tailors in India achieved a record \$3 billion (about Rs 19,000 crore) of Gross Merchandise Value (GMV) during the period (September 29-October 4), as per a report by consulting firm RedSeer.

Growth of E-commerce in India (In US \$ Billion):

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 are talking about e-commerce progress level of India, the seventh-largest by geographical area, the second-most populous country, and the most populous democracy in the world. Indian ecommerce space percentage is getting higher as more and more online retailers enter the market. Although this level of entry in the e-commerce market is good from a long-term perspective, the challenge is that most entrepreneurs don't have the resources or capital to wait for years before they can get profits.



Thus, there is significant rise in sale of retail e-commerce over the years and according to e-Marketer retail e-commerce sale by 2020 should reach more than

\$4 trillion. With above figure we can easily understand how frequent and sudden the change of sales pattern is world as all the major economies are shifting towards e-commerce sales.

The past 10 years have seen a rise in the number of companies embracing e-commerce technologies and the Internet in India. Cost e-commerce sites have been targeted towards the 34\$1s with gift delivery services, books, Audio and video cassettes etc. Many of Indian portal sites have also shifted towards e-commerce instead of depending on advertising revenue. The web communities built around these portal sites with content have been effectively targeted to sell everything from event and movie tickets the grocery and computers.

This is not to say that the e-commerce scenario has been bad in India as highly successful e-business like baba bazaar and India mart have proved this all. Indian ranks too have been very successful in adapting technologies to provide customers with real time account status, transfer of funds between current and checking accounts, stop payment facilities. The future does look very bright for e-commerce in India with even the stock changes coming online providing an online stock portfolio and status with a fifteen-minute delay in prices. The day cannot be far when with 47\$ regulations will able to see stock and sale over the 3et with specialized services. While others, such as online Shopping top onlineshopping.com4, represent an association of companies.

4- Government are making necessary incentives and schemes to promote digitalization and thus encouraging e-commerce growth in India. Though Since 2014 government of India has announced various initiativesnamely.

- Digital India Make in India
- Start-up India
- Skill India

The proper functioning of and effective implementation of these program will certainly boost the growth trend of e-commerce in India.

Conclusion:

E-Commerce is playing pivotal role in the Social economic development of India. Standard of living as well as the basic requirement of this young mass of India is tremendous. At the end there are fourteen crore internet users in India but only two and half crore are doing trade over the internet. In the other hand chines are eighteen crores to use internet for the use of purchasing different types of products. Though the concept of carrying the cash has been reduced by all people in India, Stillit needs to promote the digitalization amongst Indian people for the dealing the online transactions. Government has to take initiative to make aware the people as well as traders about the advantages of commerce. Near future is waiting for the perpetrate development of India with the help of socio-economic development. To reignite the growth of Indian Economy the basic concept of money spending needs to be oriented to all the people in India.

In the coming years Digitization is going increase and will replace all the paper work in to online businesses. As Digital India has empowered and Governmentis already pushing Digitalization throughout the country by promoting online - services to every citizen. Digital India is all about promoting development and creating an opportunity for new India in terms of all the entities like employment,technology, and transparency through Digitalization. Digital India term has totally changed the perspective pf every citizen of India and improving the overall aspect social and economic growth of all the people in India.

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