

The impact of E-Commerce in modernisation of traditional enterprises with special reference to the entrepreneurship development in BTAD of Assam

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Abstract:

This paper explores the synergies between Electronic Commerce (E-Commerce) and in traditional micro and small enterprises in Bodoland Territorial Area Districts of Assam for marketing, advertising, and sales their organizational products or services.

For this study used current literature review on E-commerce and Entrepreneurship and case study analysis from different sources. In addition to this, interviews were conducted to examine the perceptions of enterprises in E-Commerce regarding modernization of traditional micro and small enterprises and entrepreneurship development and the factors affecting the modernization of business and integration of entrepreneurship.

The study has explored the synergies between E-Commerce and modernization of traditional micro and small enterprises and entrepreneurships of Bodoland Territorial area Districts through a review of principal literature in this field, case study analysis, web researches and interviews with micro and small traditional enterprises.

Traditional micro and small enterprises and E-Commerce should be regarded as ongoing, everyday practice in enterprises. For rural area of North-East like BTAD, one of the most important benefits of E-Commerce is its potential to help a developing rural community to leapfrog into the knowledge paradigm. This positive effect of E-Commerce can be magnified beyond purely commercial growth to have a profound impact on all aspects of rural community like in BTAD of Assam.

Introduction:

The term Electronic Commerce or E-Commerce consists of all business activities carried on with the use of electronic media that depend on the Internet, such as e-mail, instant

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messaging, shopping carts, Web services, UDDI (Universal Description, Discovery and Integration), FTP (File Transfer Protocol), and EDI (Electronic Data Interchange), and all forms of messaging between enterprises including existing technologies like landline telephone, fax and mobile phone. E- Commerce can be between two businesses transmitting funds, goods, services and data or between a business and a customer. In simple words, E-Commerce involves buying and selling of goods and services over the World Wide Web or Internet. Customers can purchase anything right from a mobile set or a book sitting in his room by click of a mouse. Because of E-Commerce, the world stands at the edge of a new revolution. With the easing of the telecommunication sector worldwide, the use of E-Commerce will increase rapidly. E-Commerce brings new opportunities for enterprises to access markets of all over world. Every service and information about the product is available just on a mouse click. The modern technology offers an opportunity to enterprises to upgrade themselves and enter the global market at the right time and at a low cost. This would work like a boon for the entrepreneurs in rural area of BTAD.

E-Commerce may involve selling directly from Businesses-to-Consumers (B2C E-Commerce). For example, a number of craft producers and tourism enterprises have already found some success dealing directly with customers.

E-Commerce can also be conducted directly between Businesses (B2B E-Commerce). This is by far the most common type of E-Commerce at present.

There is also Business-to-Government activity (B2G E-Commerce) that refers to the growth in supply of goods and services for online government procurement – potentially a large growth area in developing countries.

An Entrepreneur is a business leader who has a pivotal role in fostering economic growth. An entrepreneur can be regarded as a person who has the initiative skill and motivation to set up a business or enterprise of his own and who always looks for high achievements. He is the catalyst for social change and works for the common good. They look for opportunities,

identify them and seize them mainly for economic gains. An action oriented entrepreneur is a highly calculative individual who is always willing to undertake risks in order to achieve their goals. Entrepreneurs generate employment both directly and indirectly. Directly, self employment as an entrepreneur and indirectly by starting many industrial units they offer jobs to others. Thus entrepreneurship is the best way to fight the evil of unemployment in the BTAD area.

For North-East region such as BTAD area one of the most important benefits of E-Commerce is its potential to help a developing rural areas to transform into the knowledge model region. The positive effects of E-Commerce can be adopted by the traditional entrepreneurs in BTAD area to modernise their local or native enterprises. E-Commerce can stimulate the traditional entrepreneurs of BTAD area by opening new possibilities to them and thus help to grow the economy of BTAD area. E-Commerce is as a new way of helping business enterprises of the rural areas of BTAD to compete in the market and thus contributing to economic success as well. E-Commerce involves the selling and buying of goods and services over World Wide Web i.e. Internet or others Electronic media by businesses, individuals, governments or other organisations. Customers can buy anything right from a mobile set or can book an Air ticket sitting in his room just by click of a mouse. The traditional enterprises of BTAD area can be modernise with the help of E-Commerce, which will add the flexibility and speed offered by electronic communications. This can facilitate improvement in competitiveness and efficiency through the redesign of traditional business methods. E-commerce has turned out to be the most efficient way of promoting one's products online and also ensuring a truly global appeal for the same. Some economists' say that the newly emerged economy can be very appropriately called as the "transparent economy" because the Internet makes has made it more open and exposed.

In BTAD, E-Commerce is not practice by the traditional enterprises. As E-Commerce offers new opportunities, entrepreneurs of BTAD area should try to gather maximum advantage of Electronic marketing. Thus, it is high time that the traditional entrepreneurs in BTAD area should act fast and decisively in order to use the growing Internet trading to achieve advantage.

The reason for concentrating on this topic is that, there is no research on E-Commerce in rural area of BTAD is conducted.

Objective of the study:

The propose study has been undertaken keeping in mind the following objectives:

- (a) To highlight the traditional entrepreneurship in BTAD area.
- (b) To study the impact of modernization of Entrepreneurship in BTAD area.
- (c) The analyses the impact of E-commerce on the entrepreneurs in BTAD area.
- (d) To highlight the scope of new entrepreneurs in the Internet marketing in BTAD area.
- (e) To help entrepreneur to start a new business and expand the existing one with the help of E-commerce.
- (f) To study E-commerce and its socio-economic impact on Entrepreneurship development.

Research methodology:

This research paper aims to give a better understanding of the complementary nature of entrepreneurship through an empirical study of Utilities of E-Commerce in various industries in the BTAD area. In order were conducted to examine the perceptions of entrepreneurs in E-Commerce regarding entrepreneurship and the factors affecting the development and integration of entrepreneurship in the BTAD area. The main purpose of the literature review was to collate the existing theories and basic knowledge about the entrepreneurship and E-Commerce to explore the conceptual relationships between them. A review of the current literature on E-Commerce as well as entrepreneurship was conducted. In addition web research was conducted to support the literature review. The sources provided by the web research were the most convenient and the fastest due to its accessibility. The analysis of some case studies has been done to support the literature review. Case studies were undertaken to explore organizational

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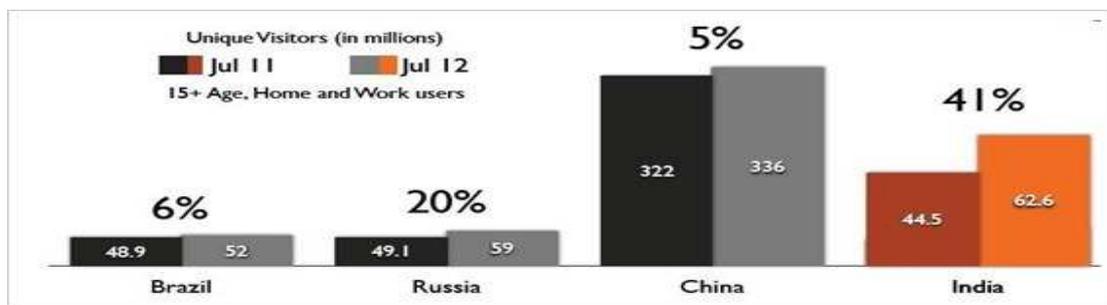
behaviour and practice, entrepreneurship and E-Commerce in various enterprises in BTAD area. In addition to the case studies, interviews were conducted in several enterprises of BTAD area to explore the conceptual relationship between entrepreneurship and E-Commerce, and the factors affecting the development and integration of entrepreneurship. These interviews focused on how these industries in BTAD area utilizes E-Commerce, how they benefited and what lessons can be learned from the experiences.

State of E-Commerce in India: ^[1]

a. GLOBAL INTERNET TRENDS AND INDIA'S POSITION:

Study found that the worldwide online audience has jumped 7%, with Asia-Pacific markets adding more than 40 million users.

India has been identified as the fastest growing online market during the twelve months from June, 2011 to July, 2012, with a 41% rise. This is much higher than China (5%), Brazil (6%) and Russia (20%). With most online categories in Indian exhibiting an average reach below the global figures, the potential seems to be high.

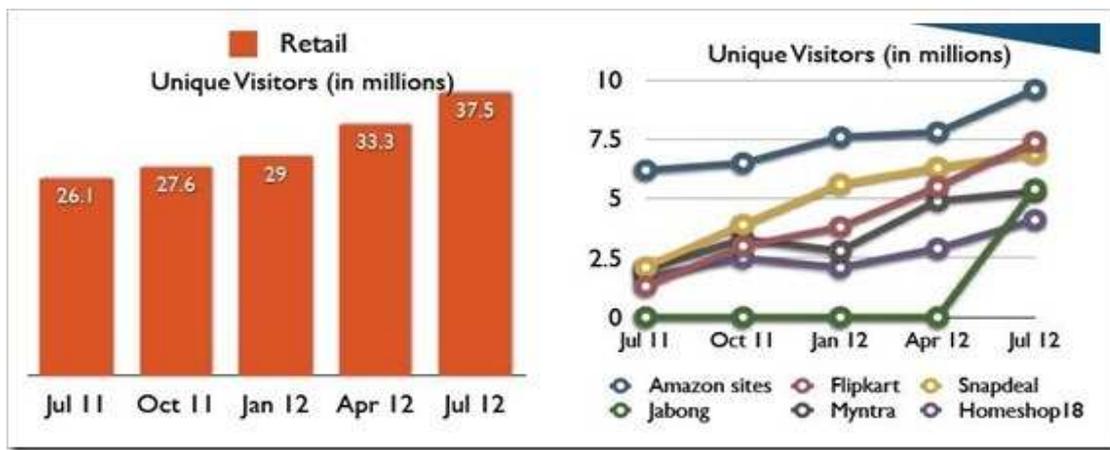


Source: <http://trak.in/tags/business/2012/08/27/comprehensive-indian-internet-usage-statistics-report/>

India's internet penetration has been estimated at 10%, with 124.7 million users going online during July 2012.

b. THE ONLINE RETAIL MARKETING: Business-to-Customer transaction

In case of Internet users every 3 in 5 users in India visit retail sites, which have registered a growth of 43% over the last year. The statistics indicate a close contest between Snapdeal and Flipkart in horizontal retail, and Jabong and Myntra in the lifestyle category, all of them fueled by aggressive marketing and growing demand. From June, 2011 to July, 2012 a total of 37.5 million unique visitors from India coming to retail sites, with the apparel sub-category being the fastest growing sub-category at a year-on-year growth of 362%. Consumer goods, sports equipment and home furnishing have shown promising signs of growth as well. Vertical retail segments are expected to grow the fastest in the coming months.



Source:<http://trak.in/tags/business/2012/08/27/comprehensive-indian-internet-usage-statistics-report/>

In my study, I found that more than 80% people of kokrajhar are Internet literate, that is, they know well how to handle Internet, either via computer or mobile. In chirang district, there are good percentages of internet users are also found. But in case of remote areas like serfanguri, there is only 10% people uses internet and majority of them uses internet via mobile. In kokrajhar and other places of BTAD the demand of online shopping, banking and searching for

good online deals increases day by day. It is good for online marketing and are expected to grow the fastest in near future.

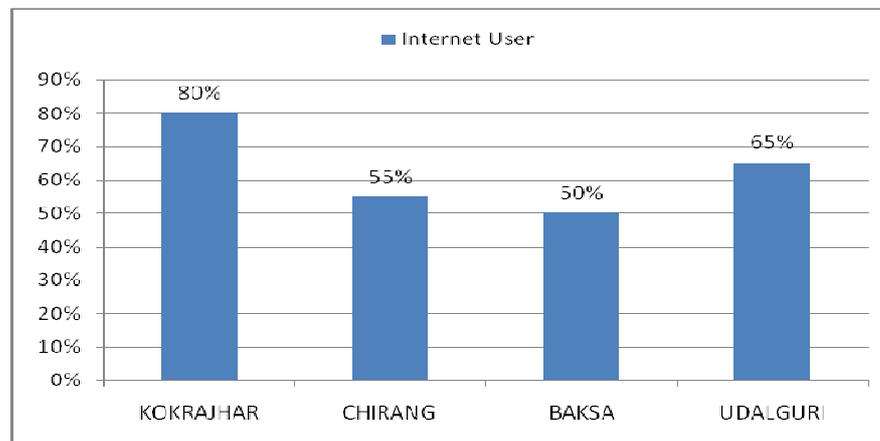


Figure: comparison of Internet users in BTAD area.

Conclusion:

After detailed studying and analyzing of the impact, effects and benefits of E-Commerce solution to existing enterprises in BTAD, it is clear that an E-Commerce solution will benefit the business in every aspect.

After implementation of an E-Commerce (in any form, like Mobile-to-Internet, Website etc.) solution by the enterprises, it will lower the operation cost, increasing its profit, minimized unnecessary paperwork expand the market exposure, and generate new revenue system. So, it encourages entrepreneurs to expand their business with the help of E-Commerce and generate new employments in the BTAD area.

Telecommunication system in BTAD area is good enough to utilise it for business purpose regularly. Almost all enterprises in BTAD have at least one mobile phone for communication. Already they are in the way of adopting E-Commerce for their business process. But the entrepreneurs in BTAD still not utilised the facilities provided by Internet into their businesses. Making business information available is one of the most important ways to serve the

customers. But if the enterprise looks at serving the customer, they will find even more ways to use WWW technology.

So I like to recommend that every enterprise in BTAD area should implement an E-Commerce solution (in any form, like Mobile-to-Internet) into the business operation. There are lots of companies available on internet to provide help for businesses. Like the “Facebook”, a social networking site in present time is of the best advertising site on net for any business, because millions of people stay online in this site any hour of a day. Any Enterprises can utilize them for advertising their business and can be able to increase the profit without having the personal website for the enterprise. The enterprises can also utilize the Google Blogs for their business too in effective way. Seller on the web has been referred to have one of the most efficient business operations in the world today.

A huge growth is expected in the games, health, and news and also in retail categories. Social Networks going to play the central touch point for all categories.

Going by predictions based on past trends, entertainment will dominate the content growth across both mobile devices and PC's, and categories like travel, news and career services are expected to continue showing decent growth. There is a projected increase in cash-on-delivery payments, particularly in the retail category. With India's internet population expected to get younger in the coming years, there's likely to be a boost in online advertising targeting the youth.

Endnotes:

1. <http://trak.in/?s=State+of+E-Commerce+in+India+&submit=Search>

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