

E-Commerce and its sway on the minds of young generation

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Abstract- The article explores the impact of E-commerce on young generation. Indian E-Commerce market is growing faster and expected to see tremendous growth over next few years. The E-commerce industry has experienced unprecedented growth with its total revenue increasing over 60 times between 2010 and 2015. Even though there are only under-10 million internet users who actually buy online in India, there are about 150 million internet users or around 75 million households that are 'ready' for E-commerce. For a developing country such as India, one of the most important benefits of E-Commerce is its potential to help our young generation in earning a living. As the base of Indian e-commerce grows, high margin businesses will generate the steadiest returns for investors. E-Commerce, consisting of marketing and other business processes conducted over the computer-mediated networks is changing the way organizations in many industries function. It leads to the mechanization of some job functions and replaces others with self service operations, raising output per worker and inhibiting employment requirements in some occupations. The introduction and Implementation of new technologies has posed important challenges for the commercial workers worldwide. E-commerce has also spurred employment in industries producing software, and systems used by E-commerce and other occupations associated with websites and networks. The youth especially in the area of engineering and technology are benefiting from this. Young graduates today prefer e-commerce sector and even aspire to become first-generation successful entrepreneurs by investing in the sector.

Index Terms- E-Commerce, employment, entrepreneurship, youth population

I. INTRODUCTION

Electronic commerce, or Ecommerce, which has been around the globe since mid-90s, means business trading through the Internet. Recently, Ecommerce is getting more and more attention from entrepreneur and consumers, both local and international. One of the main reasons is due to the highly successful operations of some well-known names on the Internet, such as eBay, Yahoo, Amazon and Flipkart. The sales revenue these companies shown in their annual reports are without doubt, one of the biggest factors why Ecommerce is important in the commercial market nowadays.

From the business point of view, Ecommerce provides better connectivity for its potential consumers as their respective website can be accessed virtually from anywhere through

Internet. In the near future **ecommerce** will certainly continue to mature in the global market and eventually, it will become an essential business plan for a company in order to survive and stay competitive in the ever changing market.

Ecommerce proved its importance based on the fact time is money. Commercially, time plays an important role to both the business and consumers. From the business perspective, with less time spent during each transaction, more transaction can be achieved on the same day. As for the consumer, they will save up more time during their transaction. Because of this, Ecommerce steps in and replaced the traditional commerce method where a single transaction can cost both parties a lot of valuable time. With just a few clicks in minutes, a transaction or an order can be placed and completed via the internet with ease. For instance, a banking transaction can be completed through the Internet within a few minutes compared to the traditional banking method which may take up to hours. This fact obviously proves that Ecommerce is beneficial to both business and consumer wise as payment and documentations can be completed with greater efficiency.

Almost 57 per cent of E-commerce sales come from small towns, while the eight metros account for the remainder. According to IMAI and IMRB International current E-Commerce market in India is around INR 81,525 crore in 2014 out of which travel Industry comprises almost 61%. Trailing sector has a share of 41% of the total revenue, closely followed by Apparels, Footwear and personal items, in total, having 20% share. The rapid increase in the use of smart phones and internet services has earned India a place among top 20 developing countries as stated by Global Retail Development Index (GRDI). The first Indian E-Commerce site Fabmart.com (now known as IndiaPlaza) was founded by Mr. K. Vaitheeswaran in 1999. With E-Commerce flourishing on one side, Social Media in India has also rooted itself very well. Sites like Facebook, Twitter, Google+, Pinterest, etc are now the part of everyone daily routine. Some of the most popular items imported by Indians include pharmaceutical products, branded and unbranded apparel, accessories, and electronic goods like mobile, smart phone, laptops, iPod etc. Payments through online banking, PayPal, Paytm, PayUmoney and mobile banking are affectively contributing to the growth of E-Commerce. Availability of e-books, songs, games and films are also accelerating the growth of E-Commerce.

II. LITERATURE REVIEW

Youth are increasingly adopting E-commerce

India has the biggest youth population who is adopting technology quickly and love shopping. Indian youth are comfortable using technology and preferring to shop online. From books and apparel to FMCG goods, everything is being sold online today. The apprehensions of buying online are subtly fading away for the Indian consumers and online retail is showing positive signs for the future. According to IBEF, The Indian retail industry is one of the fastest growing in the world. Retail industry in India is expected to grow to US\$ 1.3 trillion by 2020, registering a Compound Annual Growth Rate (CAGR) of 16.7 per cent over 2015-20. Some of the largest retailers in terms of unique visitors are – Amazon, Flipkart, Jabong, Mynta, Indiatimes, Snapdeal and Quicker.

Online retailing Profile:

- Indian online retail is growing at 35% though the overall size is only 3000 crores.
- Sites such as Flipkart have their apps loaded in 40-50% of the smart phones in India.
- As per ASSOCHAM, 58% of the online shoppers shop using debit cards in spite of the cash on delivery option.
- Increase in assortment in online retailing ranging from books, apparel, shoes, electronics, to specialized FMCG, furniture, etc.
- Categories such as apparel have witnessed strong acceptance and growth in online buying
- Increasing time spent on smart phones in browsing online retail websites. In 2012, upto 20% of the traffic for Snapdeal came from smartphones.

Category-wise growth

According to ASSOCHAM, apparel and consumer goods are the fastest growing categories in e-commerce

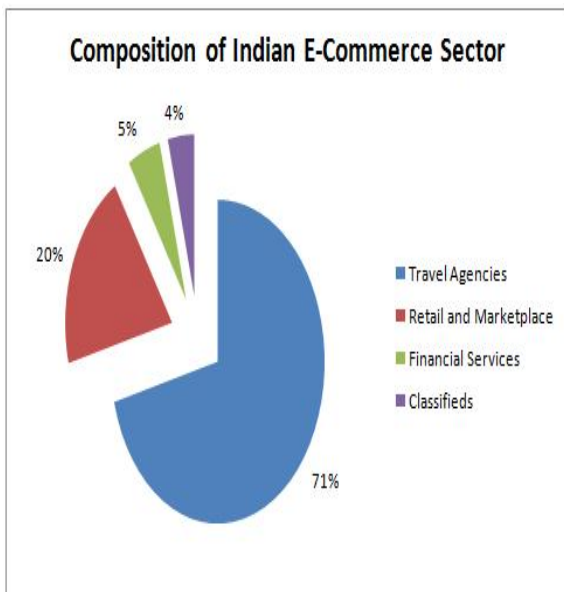
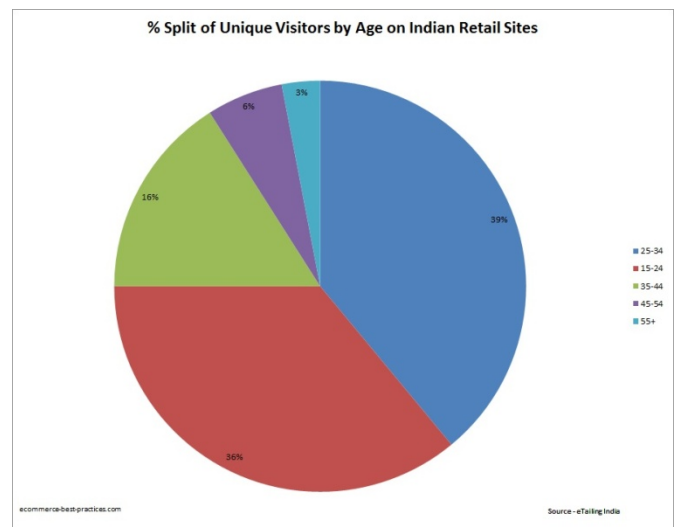


Exhibit 1 Growth Forecast for online retailing and marketplaces in India Source: Dinodia Capital Advisors

Majority of youth population

Every third person in an Indian city today is a youth. It is projected that by the year 2020, the median age of India's population will be 29 years, making India the youngest country in the world. The youth of India are hardworking and ambitious. They are eager to embrace new technology and internet savvy. A survey has revealed that 35% of online shoppers fall in the 18 - 25 years age bracket, 55% fall in the 26 - 35 years age bracket, another 8% are in the 36-45 years age group. Only 2% are in the age group of 45-60 years. This is a unique advantage for India.



Every youth today wants to raise their standards of living. This upwardly mobile educated class have high disposable income are quite comfortable shopping online. Their love for latest gadgets and gizmos has given a boost to the electronic industry. Youth play an important role in increasing the business of e-commerce and thus contribute to poverty reduction on a sustainable basis. E-commerce is emerging as a new way of delivering economic growth and increase new business opportunities. E-commerce offers new opportunities, and so entrepreneurs should try to gather maximum advantage of electronic market.

III. OBJECTIVE OF THE STUDY

The study has been done keeping in mind the following objectives:

- 1) To study the impact of E-commerce on local market and business.
- 2) To study E-commerce and its impact on entrepreneurship development.
- 3) To study the impact of E-commerce on the youth in NCR region.

IV. RESEARCH METHODOLOGY

This research paper aims to give a better understanding of the impact of E-Commerce in youth in the NCR region. The perceptions of youth regarding the factors affecting the development and integration of entrepreneurship in the area of

ecommerce. 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 behaviour and practice, entrepreneurship and E-Commerce in various enterprises. In addition to the case studies, interviews were conducted on youth 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 the youth in Ghaziabad area utilizes E-Commerce, how they benefited and will they in near future become an entrepreneur in the field of ecommerce.

V. STUDY FINDINGS

Importance of E-commerce:

E-commerce has changed our lifestyles entirely because we don't have to spend time and money in travelling to the market. E-payments can be made with the help of e-commerce. We can expand online business with the help of e-commerce application development and web development solutions. The ecommerce solutions offer many advantages as follows: E-commerce is one of the cheapest means of doing business as it is ecommerce development that has made it possible to reduce the cost of promotion of products and services. There is no time barrier in selling the products. One can log on to the internet even at midnight and can sell the products at a single click of mouse.

The on-time alerts are meant for the convenience of the consumers and inform the consumers about new products. E-commerce reduces delivery time and labor cost thus it has been possible to save the time of both – the vendor and the consumer. Hence, in this cut-throat competition, an interactive user friendly and focused website in the form of online shops can generate you good business.

E-commerce: Impact on local market and business

One of the main advantages of E-commerce is that it minimizes the cost of transportation, advertising, and marketing. Electronic commerce also reduce the distance between buyer and seller, and thus permitting rapid exchange of information or service between buyer and sellers in any part of the world. E-commerce not only provides options of goods and services at a lower cost, but it can potentially enables much more options to the needs of individual buyers. Nowadays it is relatively cost low for starting any business through Internet. For business purpose entrepreneurs can utilize the social networking sites, like facebook. The social networking facebook is quite popular among the young generation in BTAD area. So facebook will act as a potential tool for business online, mainly for accessing the targeted wide market as well as for sales and services. Mainly the entrepreneurs of BTAD area use mobile phone for business dealings. The use of mobile phone has greatly improved business by enabling both customer and suppliers a change of direct

communication. That has tremendously cut down the transportation cost. A present time Internet is easy accessible from mobile phones in affordable price. In this contest mobile internet is a very effective tool of E-commerce for marketing as well as for sales and services.

Internet based E-commerce also offer incredible opportunities to create collaborative marketplaces in low-cost and effective way (Nicolaisen, 2001). At the same time, the fast and convenient electronic bargain manner can accelerate the circulation of commodities, and lessen the risk, and increase the competitions of agricultural products in the international market (Cao and Chen, 2001). E-commerce in agriculture could also potentially tighten the supply chain and cut marketing margins and transactions costs in way that benefit smaller, local producers as well as local agribusinesses. Study of Golman Sachs (2000) discussed the general barriers cited by business to Internet based E-commerce adoption and explained that these barriers also apply to agribusiness as well. These Barriers include:

- 1) Unclear return on investment
- 2) Lack of budget
- 3) Lack of stakeholders support and
- 4) Complicated technology.

Impact of E-commerce on entrepreneurship development

Capturing India's rapidly growing e-commerce market has been a holy grail of tech entrepreneurs for years. India is a country with a booming economy, rapid growth of internet penetration, and a market of 120 crores. It's also a place where consumers have a lot to gain from not going to the stores. The shopping malls and local market area especially in Delhi NCR are chaotic, and the contents of a shopping list are distributed over dozens of different stores or street stands. Common person has to spend a lot of time finding a parking place which is mammoth task in these congested areas.

However, these problems were anticipated by entrepreneurs who welcomed e-commerce. Indeed, a year ago the business hotels of Delhi NCR were packed with budding e-commerce entrepreneurs. The race was on, and startups started battling for primacy in verticals from cars to baby products. But while a few well-funded companies like Flipkart, have succeeded in establishing brands and conquering large parts of the market, many of the major players have shown less profit, and few have even shown enough revenues to cover overhead after the cost of goods and deliveries.

The road to becoming the Amazon.com of India—or even the diapers.com—has proved more arduous and expensive than giddy investors had imagined in 2011. Problems with logistics, payment gateways, and intense competition for too few customers have created an environment in which companies are struggling to survive. As a result, investors are holding their money close, creating a funding drought just as the industry hits major growing pains. The war for each vertical has often become a test of who can outlast the siege of their competitors, who can survive the longest in the face of price wars.

Indian e-commerce companies have had to overcome serious hurdles. Among the largest of them is logistics. While major multi-nationals like DHL and Fed-Ex operate in India, goods are normally shipped through smaller and much cheaper third party carriers. Different carriers have to be used for

different regions of the country. The difficulties and unreliability of the carriers has forced some of the largest and best funded players, like Flipkart, to develop their own logistics arms to deliver their packages.

Another difficult problem is that the Indian market demands cash on delivery (COD) option, in which the consumer pays the courier once they have received the product. It's a hard problem to get around, because credit card penetration is relatively low in India, and consumers are still not trusting of putting financial information into online forms. India's economy is largely informal, and Indian consumers are used to paying cash; only the highest ends of businesses accept credit cards. The problem is that the COD system creates a delay in payment. Courier companies generally hold the money for two weeks, which means that the e-commerce company has to restock inventory before the cash from its last sale has arrived. It is also expensive, some couriers charging upwards of 3 percent for the service. But the biggest hit comes from the much higher return rate—sometimes up to ten percent—by consumers who simply changed their mind or could not be reached at home. These goods cycle back into inventory after weeks, and carry a high cost of restocking and re-listing, and sometimes have to be written off altogether.

Yet the greatest hurdle of all is the fierce competition that has been spurred by the glut of investments over the last few years. There can be as many five different well-funded players battling it out for the same small niche. Take, as an example, the market for baby products, which in the United States is basically owned by diapers.com. Three different Indian companies are duking it out: First cry, Hushbabies, and Babyoye, who had raised a combined \$30 million as of 2012. The companies have been fighting in a price war that has pushed margins to almost nothing on the most basic orders, like those for diapers and soap. Profits come only from the sale of high margin goods like children's books or toys, which customers tend to transact on only quarterly or bi-annually. India has an internet user base of about 375 million (30% of population) as of 2015. Despite being the second largest user base in world, only behind China (650 million, 48% of population), the penetration of e-commerce is low compared to markets like the United States (266 M, 84%), or France (54 M, 81%), but is growing at an unprecedented rate, adding around 6 million new entrants every month. (Online shoppers in India).

As the base of Indian e-commerce grows, it will be these focused, high margin businesses that will generate the steadiest returns for entrepreneurs specially youth. E-commerce allows the kind of trial and error that entrepreneurs often need to do before succeeding. The Internet allows you to try and fail and learn. Selling over the Internet helps streamline order processing, reducing costs and errors. It will be businesses that are discovered by word of mouth, and are not forced to bleed money in ruinous price wars and advertising. Even the largest businesses, like Flipkart, had to start by cornering a single market, as in their case books. Still, the difficulties for Indian e-commerce are not going away any time soon. Cash on Delivery seems here to stay, and the problems of that last-mile of delivery, and unreliable third party couriers will take at least a decade to resolve.

Impact on youth

E-Commerce, consisting of marketing and other business processes conducted over the computer-mediated networks is changing the way organizations in many industries function. It leads to the mechanization of some job functions and replaces others with self service operations, raising output per worker and inhibiting employment requirements in some occupations. (Hecker, 2001). The introduction and implementation of new technologies has posed important challenges for the commercial workers worldwide. Among the issues that workers has to deal with are, both B2B and B2C, self-scanning, logistics system, multimedia and other in store sales support applications. In many ways, they are already deeply affecting labour market (Gottardi et al., 2004).

In contrast, E-commerce has spurred employment in industries producing software, and systems used by E-commerce and other occupations associated with websites and networks. The youth especially in the area of engineering and technology are benefiting from this. More and more software specialists are required in the market.

The e-commerce industry is growing significantly in India and expected to add lots of jobs in the years to come. The job market in this relatively new industry seems to be flourishing like no other industry. There are ample of opportunities available because the industry is young and evolving continuously. Profiles and job descriptions that never existed have been created specifically for this industry and people are getting a chance to innovate and explore new opportunities since there aren't any set rules and there is a lot of learning along the way. Hiring activities are expected to grow by over 30% in this sector and may help create up to 50,000 employment opportunities in the next two to three years. (The Times of India, 2016)

E business is a suitable profession for those individuals with a futuristic approach towards business. E business bypasses geographical boundaries, so anyone with an international perspective should find it an interesting profession to go for. It is also one of the fastest growing professions in the world, attracting more and more students wanting to specialize in E business. In fact, the adoption of various technology-oriented tools in the sector is making room for more and more jobs for individuals who are trained in e-business.

E-Commerce, or Electronic Commerce, is a general term for any type of business, or commercial transaction that involves the transfer of information across the Internet. Web site design and development, Content Development, Web Programming and Application Development, Database administration and Webmaster are careers in e-commerce. Each of these requires different skills set and qualifications as per the roles to be played. Professionals from the traditional areas like Business Administration, Consultancy, Finance, etc and in retail management are also in demand for e commerce jobs.

Engineering and B-school graduates are opting for jobs in the e-commerce industry over sectors like FMCG, consulting, financial services and infrastructure, according to a poll by Assocham. "The number of intakes by the e-commerce sector from the various B-schools and engineering colleges has gone up by 65% this season over last year (35%)," Assocham secretary general D S Rawat said. The survey sample included over 500 students from various B-schools, including IIMs, BITS, ICFAI

Business School and Symbiosis Institute of International Business (Pune). The survey was conducted between September and October 2014. (Source: Economic Times)

Over 71 per cent respondents preferred e-commerce sector and even aspire to become first-generation successful entrepreneurs by investing in the sector, the survey said. The e-commerce industry has experienced unprecedented growth with its total revenue increasing over 60 times between 2010 and 2014. Around 50 per cent of the consumers in Delhi-NCR region use e-commerce websites as a medium of data and product search before buying them offline, says a Zinnov study.

According to the study, the tendency of searching online and buying offline is higher among urban respondents as 64 per cent of them use e-commerce websites to research on products that they are planning to buy offline, while just 20 per cent of non-urban respondents do so. (The Economic Times, 2016)

"More and more pass-outs from B-Tech and MBA graduates in Delhi, NCR are flocking to e-commerce industry over highly leveraged sectors like FMCG (fast-moving consumer goods), consulting, financial services, services jobs, telecom, real estate, power and other infrastructure," ASSOCHAM said. Nearly 3 million Indians work in the e-commerce sector, whereas 18 million jobs are created in other sectors as a result of e-commerce operations like marketing, IT, logistics and payment services. "India is successful in becoming the largest e-commerce market in the world. The rapid transformation in logistics, innovation, consumerism and productivity prove to be an interesting case study for other emerging economies," Rawat said. "The hiring activities are expected to grow by over 60-65 per cent in this sector and may help create between 5-8 lakh employment opportunities in three to five years," he added.

E-commerce companies are offering nearly around Rs 10-25 lakh annual package, higher than the average starting salary of Rs 4-7 lakh in the private sector for fresh engineering graduates and others, the poll showed. The survey also revealed that fresher packages are around Rs 2-3.5 lakh per annum for roles like customer service representatives but for other management and technical roles, the starting package would be anywhere between Rs 8 lakh and Rs 14 lakh per annum.

The job generation in Q3 is likely to be 3-4.5 lakh with majority demand from e-commerce, hospitality and retail industry," Indian Staffing Federation Executive Director Suchita Dutta said.

The hiring landscape has seen an improvement in the past few months thanks to the revival in business sentiments and scenario, and with the onset of the festival season, there is a renewed focus on employing additional staff to boost businesses. (Source: Economic Times)

But, perhaps the larger impact of E-commerce on labour market can be seen in the form of online job search. However, very little is known about the importance of online job applications or direct employer initiated contracts with potential candidates. Even then, online job posting has grown spectacularly (Autor, 2001). Estimates place the number of online job boards at over 3000, the number of active resumes online at over 7 million, and the number of job posting at 29 million (Boyle et al., 1999; Computer Economics, 2000). Kuhn and Skuterud (2000) reported that 7 per cent of employed workers regularly use the web to search for a new job in 1998.

The leading job board, Monster.Com, offered 3.9 million resumes and 4, 30,000 jobs in August 2000 (Nakamura and Pugh, 2000). Further, the Internet is likely to change how some workers deliver labour services. For example, falling telecommunications traffic regardless of where it originates (Call Centres, 1997; Uchitelle, 2000). Improvements in communication and control technology likely mean that people who monitor equipment or other workers can perform their task at the greater physical remove. Remote access to E-mail and company documents will enable many workers to perform some or all of their work from home to elsewhere.

VI. CONCLUSION

Online shopping is rising quickly and steadily. Lots of people refer to purchase products online from the comfort of their home. Today, more than 60% of people shop online as it is a comfortable mode of shopping by just click of a mouse. E-commerce brings changes in our way of living. E-commerce has a very strong impact on socio-economy status of NCR region by providing new opportunities of entrepreneurship and marketing. Impact of E-Commerce on engineering and Management Students have influenced job industries. Large and Small enterprises that have adopted and have used E-commerce have taken into account not only the technological part and organizational aspects of implementation but also the strong user's on the web sites with their own skills and attitude towards work. Whereas on the other side of the story, the majority number of consumers have to pace with and effectively use the services offered through internet by enterprises. Thus to carry out a successful relationship and transactions between consumers and firms, they not only have to exchange money and products but also information and mutual trust. E-commerce has been simply defined as a use of electronic range of networks to simplify, resolve, improve and pace up the various stages and processes of business like buying and selling and delivery of goods and services. E-commerce's prime driver is Internet which presents an hierarchical framework. The uses of websites for industries have created a major impact and global presence when compared to other Medias. E-commerce has opened the job opportunities for engineering and management students.

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