

## **A STUDY ON THE ROLE OF THE INTERNET AND E-COMMERCE IN INCREASING MARKET TRANSPARENCY**

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### **ABSTRACT**

*The Internet gives a business the chance to develop. In other words, the Internet can be used to perform consumer research, enter new markets, better serve consumers, more easily deliver merchandise, solve customer issues, and more effectively interact with business partners. A major move towards promoting economic transactions and growing market openness has been the advent and development of electronic commerce. The goal of this article is to examine how electronic commerce has enhanced consumer performance by increasing transparency.*

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**Keywords:** *Consumer Research, Customer Issues, Business Partners, Economic Transactions.*

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### **Introduction**

In an emerging economy, e-commerce is becoming popular nowadays. E-Commerce started in 1995. To carry out their transactions, digital products are required. Digital merchandise are items that can be supplied through a digital network (1). E-commerce is rapidly transforming the way companies interact with each other and with customers and governments. E-commerce is currently increasing rapidly in several emerging markets and developing economies as a consequence of changes in the ICT landscape (2). Technologies designed to enhance business transactions using the Internet have evolved as rapidly as possible. However an ideal universe of painless and secure transactions using the Internet has not yet been achieved, as the purchaser's unresolved privacy issues have impeded the additional improvement of technology (3). E-commerce has been hailed by many as an occasion to gain a stronger traction in the multilateral trading system for developing countries. E-commerce can assume a key role in helping economic development to benefit more from trade (4). Combined with increased consumer confidence, increasing use of the internet, tablets and smartphones will see e-commerce continue to evolve and expand. The conversation between companies and customers has become more engaging, making it easier for online value-based exchanges to take place, with web-based media exponentially growing in recent years. Internet retailers continue to strive to create better content with technologies, for example, augmented reality and a down to business shopping experience(5). By increasing its control over its place in the gracefully chain and along these lines improving its market efficiency, e-commerce could deliver a significant benefit to businesses in developing countries (6).

The purpose of this paper is to illustrate how the penetration of technical elements in the economic sphere and in particular, the development of the Internet has revolutionized the conduct of commercial transactions and led to an increase in market transparency.

### **Internet and E-commerce**

Millions of users today have access to and use the internet for the duration of the day for various purposes. They use the internet to search, browse, write and communicate, listen, view news, videos, distribute copies, print, talk about, trade and sell, etc. The rundown of activities and choices the internet has to offer people is constantly expanding. There is a huge open door for companies to get on board with the internet bandwagon and cash in on the business opportunity that is presenting itself every minute, with millions of users actively looking for different items, information and services.

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Technology has helped to construct a platform that has enabled companies to cash in and sell to the enormous population and market that is presently available over the internet. Take the case of online banking, mobile banking, debit| credit cards, ATMs, online trading and other business exchanges, which were all and were established as a result of advances in correspondence, software and hardware technology. From the moment you connected to the Internet using a desktop, model and telephone line, we graduated very rapidly to the present Wi-Fi technology making it possible to purchase and sell at the dash of a catch. At another level in addition to EDI, the Business Processes as well as ERP coupled with different software and applications have allowed companies to go On Line with their business models.

No company today, whether it is Business to Business or Business to Consumer, can ignore the enormous 'Online Market' on the Internet. Trade was inevitable. 'Virtual Markets' have literally replaced physical markets. E Commerce has enabled merchants to reach out to markets and customers worldwide, changing the manner in which business is carried out. The in-depth understanding of 'Online Marketing' and 'E Commerce' has become very significant for all professional management prospects. Marketing managers have to return to the classrooms to learn the new game rules that are drastically and completely different from traditional marketing, selling, distribution and advertising strategies in the handling of online marketing. The building squares of one's new learning are understanding everything about the Internet, E Commerce mechanisms, technologies, learning how to market online, understanding E customers and learning to identify, create and nurture an E customer relationship.

### **Strategic Response to e-Commerce**

Businesses across industries and at different levels of flexibly chains have been discovered to be gearing up to take advantage of e-commerce opportunities while equipping themselves to tackle the challenges involved. Some of the large actual retailers surveyed have launched their own websites to supplement the actual sales. Smaller retailers basically use external marketplace stages to gain access to online consumers. There has also been an emergence of a class of sellers, with no physical presence, who sell exclusively online. In view of increasing competition from online grocery platforms, retailers in the grocery space are strengthening doorstep delivery agreements.

According to the majority of sellers surveyed, the contract terms between producers and merchants presently include specific clauses with regard to online sales. Although the online mode was adopted as an important and growing sales channel, the manufacturers were concerned about any distortionary impact that could be caused by e-commerce. As well as using the marketplace route, large brands sell their items through their own websites. Small brands have been found to rely generally on online consumer access platforms in the marketplace. It has also emerged among large brands that they have introduced e-commerce teams to monitor prices and sales via markets in their sales departments.

On the services side, the main trend seen in the category of food services is the emergence of online delivery-only formats popularly known as cloud kitchens. The trend of opening up cloud kitchens as a means of minimal effort expansion into new kitchens or geographies, an offshoot of e-commerce in food, is rapidly catching on even with established players. For online ordering and delivery stages, cloud kitchens have likewise become the new frontier of development. They have entered cloud kitchen infrastructure domains, i.e. supplying partner restaurants with delivery-only kitchen facilities, while some have launched their own brands/private labels for cloud kitchens. E-commerce has enabled a new business model in the accommodation service category in the type of large franchise chains in the budget hotel segment. Through their own websites and mobile applications, these chains access online clients while listing their properties on OTAs as well. Some OTAs have launched assurance programs in which they lend their brand names to a number of selected hotels while listing them on their platforms, acting as a quality signal to customers.

### **The Importance of the E-Business Customers**

Customers are a business' lifeblood. They decide whether to purchase the results of a company or a competitor's items. They may be convinced to attempt an item once. They are more likely to purchase from the company again whenever satisfied. They can also inspire friends and family to purchase. Companies with satisfied clients are likely to be effective. Those who are incapable of satisfying clients will soon fail. Identifying prospective clients for a business is one of the main tasks of marketing. Marketing research and promotion that gets the attention and interest of new prospects include the activities needed to attract customers. Some types of incentives to encourage clients to make their first purchase and subsequent activities that guarantee customer satisfaction are also important. It is necessary to identify and resolve any concerns that the client has about the item. Companies that have clearly identified their potential customers can zero in on those prospects with their marketing resources (7).

**Advantages of e-Commerce in Increasing Transparency in the Market**

For most individuals, the use of the Internet is currently not new, yet rather a necessary aptitude. Critically, the modern lifestyle of society is alert, and individuals have less time available to travel to the actual premises of companies. Online transactions are therefore preferred because they provide the occasion to compare prices and choose the lowest price (8).

E-commerce is essentially the fastest trade ever running as fast as could reasonably be expected and in real time. This market encompasses the whole world through online services and the Internet, and is accessible anytime and anywhere. The key factor in production has become information and knowledge, and new technologies determine the efficiency company's share in increasing profitability (9).

Originally, telephony (and in the primary instance, telegraphy) allowed businesses and individual consumers to access important information in real time about the evolution of prices on the planet's major markets, facilitating communication between business partners. The Internet, however, was the one that paved the way for one of the highest levels of transparency known so far to humanity.

Practical benefits and traditional trade patterns are created by electronic commerce, in addition to the flexibility offered by information technology. This was due to the development of the traditional characteristics of welfare. E-commerce is therefore the holder of nearly unlimited" possibilities. For companies, it is possible to achieve all kinds of advantages: cost reduction, higher efficiency, higher profits, mainly through item innovations and global market access, etc. Subsequently in this century, electronic commerce is one of the areas with great potential for development and this is due to the opportunities and benefits offered by the new knowledge-based type of trade.

Market transparency is achieved primarily through the facilitation of cooperation and communication between electronic commerce gatherings. These gatherings can be located both within the organization e.g. departments of companies communicating with each other and sharing information to accomplish a number of activities or projects) and outside the organization (gatherings of companies cooperating and communicating with clients in the creation of items or services) (10).

In addition, the Internet allows individuals to postpone (or hasten) the time of purchase, in this manner facilitating price formation. This results in the reduction of the cycle of commercial activity for the company (the period between the time of order placement and the time of delivery of the great or service provision). For example, the price information varies from manufacturer to manufacturer in physical space, as they circulate harder. This translates into more complete information for a consumer about the different price levels for an item on the market, and it is possible to choose the lowest price for the same quality level. It was more hard for consumers to move into physical space in a relatively small amount of time to obtain a wide range of prices for a specific item. Presently this is partially removed, the time spent is significantly less than that which would require physical space displacement.

The Internet assumes a large role in combating market obscurity. Therefore by changing its vision and promoting values, for example, openness, supporting new technologies, promoting individual effort and creativity, a company, regardless of size, can enter or exit) no sweat in any market and even become global. This monopolistic behavior is restricted and it isn't possible for only a few companies to control the electronic environment. Customers can access the business website without the barrier of physical movement, regardless of where they are. Theoretically, a company has immediate access to the global market, irrespective of size. In these circumstances, firm size decreases in importance. Organizations can presently don't identify with physical premises, however with a certain image that is often "wearing the style and personality of the leader" promoted by the Web page (11). Physical location is sometimes reduced to a minimum in the management of the organization, which can be managed from anywhere.

To lay it out plainly, e-commerce has the effect of increasing market transparency at the macro level and higher profitability at the miniature level. Digital solutions that take the place of traditional applications offer companies and individual consumers many opportunities. Services are targeted at consumers, merchandise are traded more rapidly and the number of mistakes is reduced. Up until now, electronic commerce, in addition to the terms offered on the securities exchange, is the closest market to the model of perfect competition.

However, with all the advantages and innovations in the field of trade, it should be noted that there are a number of barriers and vulnerabilities to the Internet (the default in the electronic environment wherein the transaction takes place). This explains why, to its maximum capacity, e-commerce isn't used. These vulnerabilities can be primarily attributed to technical problems, organizational problems, lack of

confidence (including lack of information and security chances) and legal obstacles (12). However they have recently seen a decline in the degree to which people are becoming more informed, using electronic commerce with greater trust, and the Internet, the relevant regulations and safety standards are becoming more effective.

**Research Methodology**

The paper has been written on the basis of secondary data. Secondary information from published books, diaries, research papers, magazines, day by day newspapers, the internet and official measurable documents were collected. The study is qualitative in nature.

**Result and Discussion**

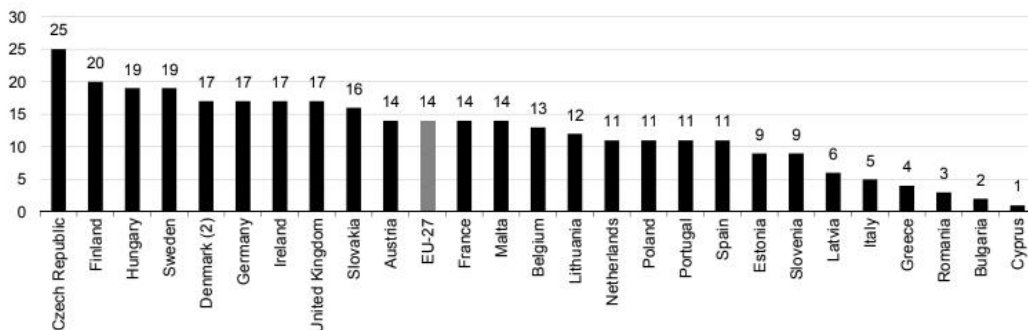
• **E-commerce (Electronic Commerce) as a Growing Field**

The market is the cornerstone of the two kinds of trade, yet the e-commerce market is a computerized one based on information technology. Therefore for e-commerce to take place, it needs its own infrastructure, which is the help on which new services and items are constructed. The main role of any business is to gain profit by meeting the needs of the market. They make it possible to create new markets beyond national borders, in which people and organizations from everywhere the world interact. The technology component, capital, media and public approach are among the main elements underpinning eCommerce. The Internet, alongside the computer network through which information and information are transmitted and received, is most firmly represented with regard to technological infrastructure.



**Figure 1: Penetration of Global Internet by Region in 2012 [13]**

According to We Are Social Statistics, approximately 30 percent of the worldwide populace currently (2012) approaches the Internet, with over 2 billion users worldwide (2,076 users out of a populace of 6809) (2012). Of these, 52% live in metropolitan areas, with the remaining 48% living in rustic areas. As can be seen in Figure 1, North America is at the top in terms of free to the Internet, with a 77 per cent penetration rate, followed immediately by Western Europe (70 percent). Africa (11 per cent) and Asia have the lowest rates (24 percent).



**Figure 2: Enterprise e-commerce turnover in the countries of the European Union in 2010(1) isn't available as a percentage of total turnover (1) in Luxembourg. 2009 [14] (2)**

Advanced commerce is both an innovation in the field and simultaneously an extension of the conventional one. As a result businesses often resort to the two versions, making their absolute separation troublesome. However, as can be seen in Figure 2, the turnover of the undertakings acquired from electronic commerce at EU level in 2010 amounted to 14 per cent (15). The Czech Republic (25 percent) recorded the highest turnover, followed by Finland (20) and Hungary and Sweden (20 percent) (both 19 percent). Paradoxically, e-commerce companies had the lowest recorded turnover in Cyprus (1 percent), Bulgaria (2 percent) and Romania (3 percent).

There are the following main entertainers in the new economy, the computerized one, for example, standard economies, network producers, traders and consumers, the main difference being that merchandise and businesses are traded electronically, relying essentially on the internet.

Electronic commerce has developed exponentially since its beginnings in the 1960s, specifically in 1968 (16), when companies used a device that allowed them to change each of the standard documents (electronic information interchange EDI). According to Statistics Brain (2011), worldwide online sales reached the threshold of USD 763.2 billion in 2011 compared to 2010, when they stayed at USD 680.6 billion in 2011. [17].

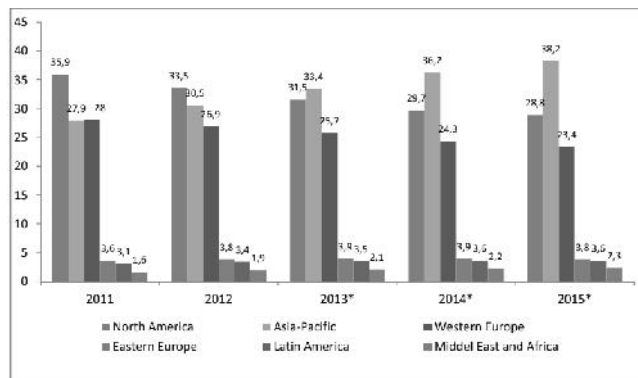


Figure 3: B2C Electronic commerce sales share by region, 2011-2015 (% of total) [14]

North America had the highest share of B2C e-commerce in 2011 with 35.9 percent, according to eMarketer, followed by Western Europe with 28 percent and Asia-Pacific in the regional division with 27.9 percent, as can be seen from Figure 3 (2013). There was a 3.6 percent share in Eastern Europe and the aggregate value is 31.6 percent on the off chance that we take the entire European continent into account. At present (2012), we can see that North America in the Asia-Pacific has a fundamentally equal percentage of the European continent, despite the manner in which it failed to take over (30.5 percent versus 30.7 percent). Middle East and Africa, with 1.6 percent towards the end of the ranking (9). However, Asia Pacific is anticipated to develop exponentially over time and will outperform North America. For example, in 2015, the Asia-Pacific region is expected to have a 38.2% rate, followed by North America with 28.8%, Western Europe with 23.4% and Eastern Europe with 36% (the European continent would cumulate 27.2 percent).

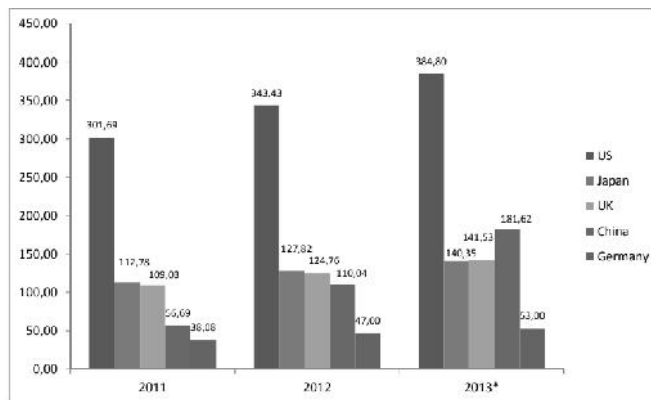


Figure 4: Top 5 countries in terms of sales of B2C e-commerce in 2011-2013 (USD billion)[14]

E-commerce, however is an evolving field that continues to develop quickly, especially in countries on the move. As can be seen from Figure 4, the United States of America is currently the world leader in the e-commerce market (343.43 billion USD) (2012). Japan (\$127.82 billion), which is basically comparable to the United Kingdom (\$124.76 billion), follows China and Germany. Experts for 2013 state that if the U.S. maintains its supremacy from one perspective, China will be second, overtaking Britain and Japan thusly. The capacity to differentiate traders who use e-commerce from those who use standard trade decreases with the development of e-commerce, as the latter more often use electronic techniques. In numerous instances, e-commerce activities in hierarchical records are not recognized separately from conventional ones.

### Conclusions

This century is one of the speed and data of a society called "knowledge applied knowledge" by Drucker, a society wherein the Internet plays a crucial role. It is undoubtedly the digital age of electronic media, which is applied to all levels of society, particularly in the field of trade, since society is one of consumption. In the event that it is "broken" from traditional trade, mass e-commerce cannot be valued and understood at its true size and value. In fact, many of its structures are extensions of traditional trade, of classic business methods in a new environment - the digital one. The physical environment has been replaced by an electronic environment in which access to information can take place almost instantly, removing barriers to space and time. The new type of trade opened up opportunities that seemed unimaginable, both in terms of increasing firm profitability and in terms of increasing market transparency. This is useful both for the end consumer and for the entire market mechanism.

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