



Original Article

Digital Commerce and Globalization

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Abstract

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The research paper explores the rapid transformation of commerce from traditional to digital modes in India, emphasizing the growing impact of globalization and technology. It discusses how digital commerce enhances business efficiency by saving time, money, and energy while enabling global connectivity. The study identifies various e-commerce models such as B2B, B2C, C2B, C2C, B2A, and C2A, highlighting their roles in modern trade. It outlines the major advantages of digital commerce, including ease of business formation, cost reduction, and 24/7 accessibility, along with limitations like lack of personal touch, high operational cost, and cybersecurity risks. The paper concludes that digital commerce has revolutionized the global business landscape, contributing significantly to economic development, though effective implementation and digital literacy are essential for its sustainable growth.

Keywords

Digital Commerce, E-Commerce, Globalization, Online Transactions, Business Models, Technology, Internet, Economic Development, Digitalization, Cybersecurity

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Introduction

The Indian economy has shown rapid progress in recent 20 years. Agriculture, industry, manufacturing, trade and commerce, marketing, small scale industries, etc. are major sectors who boosted our economy. The use of internet and telecommunication services especially after early 90's has changed the entire scenario. In the field of commerce there is transition from traditional commerce to electronic commerce. It has improved the performance of every organization both internal and external ways. Digital commerce plays a vital role to save time, money and energy. Various business tasks like planning, rational decision making, co-ordinating and controlling can be adapted smoothly with the use of digitalization. Further that it helps to build new relations with suppliers, investors, government, society, customers, employees etc. Digital commerce is right platform to uplift our economy.

Objectives:

This research paper has following objectives –

1. To know the status of commerce from traditional mode to digital mode.
2. To focus on effective use of digitalization.
3. To analyze, implement different ideas and overcome difficulties in the field of e-business.
4. To know the updates in this field.

Hypothesis

H0 - Digital commerce has showed overall negative impact.

H1 – Digital commerce has showed positive impact in every field and ideal for better tomorrow.

Research Methodology

The data for this research paper collected is secondary data. It is collected from books, internet and websites.

Dating back to the evolution of commerce, it relates with barter system and then other forms of business



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organizations like sole trading concern, partnership business, Hindu undivided family business, co-operative societies and joint stock companies. These forms of business organizations showed steady progress in the field of trade and commerce while on the other hand service sector also has shown noteworthy progress. Share of service sector in the economy's total income has increased in nearly two decades. Banking, insurance, advertising, transport, warehousing and other sectors contributed well. Today the entire world is one market. Use of internet, intranet, extranets, other web base services has changed the picture of trade and commerce. The concept of digital commerce consist of trading through e-commerce, e-business, use of different payment platforms like debit cards, credit cards, UPI methods or by mobile banking applications. Now a days traditional wallets are replaced by digital wallets. This is really a revolutionary stage in the field of commerce. Digital commerce initially starts with e-commerce. E-commerce is any business transaction done via internet. It relates with selling and buying activities. Various websites provides facilities for it's buyers to complete their transactions. We can summarize different types of e-commerce as under –

- i) **B2B (Business to Business)** - This is a form of business dealing between two business firms. They deal with each other to supply goods and services. There is no role of individual customers.
- ii) **B2C (Business to Consumer)** – B2C form of business deals with business firms and consumers. Business firms provide their product and service details through websites. Product promotion, information, reviews, delivery rules, payment modes etc. also provided for customers. For example – www.amazon.com
- iii) **C2B (Consumer to Business)** – Consumer to business transactions involve service request from consumers to business firms. Buyers may quote their price for specific goods and services. Companies review the buyers requirements and provide these goods and services. e.g. food delivery, pest control services, taxi services, etc.
- iv) **C2C (Consumer to Consumer)** – Consumer to consumer transactions involves the electronically facilitated transactions between consumers through some third party. The sites are only act as intermediaries just to match the customers. Such form is found in vertical industries to buy different products from multiple suppliers.
- v) **B2A (Business to Administration)** - This form of business relates with business firms and public administration. e.g. payment of taxes, registration of companies, getting permits, etc.
- vi) **C2A (Consumer to Administration)** – The Consumer to administration model relates with all electronic mode transactions conducted between individual and public administration. e.g. getting Aadhar card, passport, licenses, etc.

Advantages of digital commerce

After knowing about these advanced modes of transactions we can summarize the advantages of digital commerce as follows –

- 1) **Easy formation** – Due to digital mode of transactions, it is beneficial to start the business unit with less paper work. It also reduces the waste of money and time.
- 2) **Low capital investment** – In traditional business there is huge investment required to acquire assets like building, furniture, machinery etc. but digital commerce makes it possible to reduce capital investment through virtual business.
- 3) **Availability of services 24 x 7** – Digital commerce facilitates round the clock services to our admired customers. Business is going on any time and in flexible manner.
- 4) **Global market** – The greatest and the most important advantage of digital commerce is that it enables a business firm or an individual to reach the global market. Now there is no restriction of geographical boundaries. Even small business firms can access the global market for selling and buying products and services.
- 5) **Quick information** – Customers can access any information about product, price, producer, availability, etc. just with single click of mouse. Also hunting for similar products or comparison between competitive brands is also possible. It provides better options for customers.
- 6) **Wide range of products and options** – Digital commerce offers a better option to tap with the original manufacturer to purchase a product. It is much cheaper than to purchase a product from local market.
- 7) **Cost Reduction** – Digital commerce cut down the cost of marketing, customer care, processing and inventory management. Data base management becomes more advanced to compare, analyze or predict the results.
- 8) **Cultural harmony** – While dealing between different companies across the globe there is good chance to maintain cultural harmony. Two different companies, etc.
- 9) **Foreign Exchange** –Commerce also provides an opportunity to earn higher revenue through trading activities. Developing national like India should follow the path of digital trading and get the support of technical know how from foreign countries.

Limitations of digital commerce

Digital commerce is beneficial to a certain extent but compared to traditional commerce has following limitations.

- i) **Lack of personal touch** – Digital commerce makes it possible to do finger-tip transactions, but it has lack of personal touch. Physical examination, feel and touch is not possible. Also there is fear of low quality products.
- ii) **High capital cost** – For smooth conduct of business there is basic requirement to acquire capital assets like computers, laptops, internet services, etc. All these requirements leads to high capital cost. Payment of licenses fees, renewal fees, etc. is charged at high cost.



iii) Lack of trust – Digital transactions provides a facility to maintain financial transparency, but due to increasing scams of cyber crime and hacking of mobile or internet applications it leads to losing public trust. Customers may suffer security and integrity issues. So most of the traditional customers prefer to deal through traditional commerce.

iv) High risk – Digital transactions are completed through virtual market but there is no direct contact between seller and buyer. An incidence of any fake online transaction may result in heavy loss.

v) Delay in services – It is easy to do the transactions through digital commerce but there may be a difference between expected date of delivery and actual date of delivery. Such time lag often discourage customers.

vi) Not suitable for perishable goods – Digital commerce is not suitable for perishable goods. There is normal tendency of customer to buy these products from the nearest shop, Physical examination of products as well as immediate possession makes customer happier. Sometimes returning the products and getting refund can be more troublesome and time consuming than purchasing.

vii) High operational cost – Even though digital commerce facilitates quick and transparent transactions, the cost of operation remains high. Frequent upgradation of software's, license fees, etc. increases operational operating cost of organization and not suitable for small organisations.

viii) Increasing scams – Today customers are suffering from security of personal information. Many hackers are also spreading misleading or fake sites to customers. A single mistake of customer may result in heavy financial loss. Such incidences reduces moral of customers and business units also get suffered.

ix) Government interference – Government interference cuts the flow of business through frequent monitoring. Government may collect various data through returns, reports, etc. It results in lack of secrecy of business.

Conclusion

There is revolutionary change in the field of commerce due to internet and web base services. Quick, convenient, transparent and authenticate transactions are possible today. It has overcome the problem of geographic boundaries. Business planning, administration, controlling is possible with new vision. There is saving of human energy, good relation building and earning adequate profit. Digital commerce connects the global market. It helps to improve cultural, political and social environment for business. Trade barriers can be removed through digital commerce. Proper planning, use of official platforms, digital literacy will overcome the difficulties of digital commerce for global promotions.

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