



A Study on Perspective of Global E-commerce in Emerging Market

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ABSTRACT

The importance of the internet and its use in today's modern world has increased dramatically. Customers may now buy anything from anywhere due to the growing popularity of mobile devices. Clearly, online commerce is the way of the future. To deliver quality service and a positive user experience, e-commerce is eliminating other traditional commerce models. The process is further streamlined by the clarity of communication between portals and clients. The objectives of this paper to explore the benefits and prospects of global electronic commerce in emerging market and spot the challenges that are facing by global e-commerce. The methodology of this paper is based on secondary sources and the majority of data is collected from websites, journals, books and conference proceedings. In the emerging global economy, global e-commerce has been one of the most significant segments and a powerful accelerator for economic progress.

Key Words: Global E-commerce, Market, Benefits, Challenges.

INTRODUCTION

The COVID-19 pandemic has resulted in a considerable increase in the number of people purchasing online all around the world. This, however, is only the start. There seems to be a lot of untapped e-commerce demand in emerging nations. Data from around the world reveals that as earnings rise, so does internet business. "The procedure of completing financial activity and business transactions has changed as a result of technology advancements" (Ray, 2017). "Business models nowadays are increasingly reliant on internet-based transaction and trading platforms, as well as web portals and mobile applications" (Aktymbayeva, A. et al., 2018). The accessibility of 24-hour online purchasing and home delivery, and even a significantly wider selection of products, are likely to be valued by people all around the world. Firms can communicate to a bigger number of customers through online sales, both nationally and globally. New jobs are also created by related companies such as IT companies, payment processors, financial intermediaries, and logistics organizations. Startup companies are in a great position to take advantage of the E-commerce opportunity. The e-commerce giants may be uninterested in a still-shallow national

online market. It can, however, nonetheless allow for the growth of moderate local businesses. To compete, new firms provide a more personalized service that is tailored to the needs of their domestic market. They begin with fewer familiar brands and a more limited product selection than multinationals, and they compete by offering a service that is most similar to the conditions in their home market.

Global expansion is pricey, not just in terms of money, but also in terms of managers' time. As a result of the uncertain profits, the giants concentrate on the biggest economies. This is where you can get the most return on investment. "Although Amazon only has distribution centers in 9% of nations, these countries account for 74% of world GDP. The remaining 91 percent of countries account for \$22 trillion in world GDP, making them similar to the U.S., 7.7 times India or 1.5 times China" (Christoph Ungerer, March, 2021). "The e-commerce business has seen massive investments from global players, like as Facebook, which is investing in Reliance Jio" (Indian e-commerce industry report September, 2021). "In 2021, the worldwide ecommerce market is anticipated to reach \$4.89 trillion. Over the next few years, this figure is projected to grow" (Shopify, May 2021). "During the projection period of 2020 to 2027, the e-commerce Market is estimated to grow at a CAGR of 22.9 percent, reaching USD 16,215.6 billion" (Report, MRICT-10410, Apr 2021). In the expanding global economy, e-commerce has been one of the most significant segments and a strong facilitator for economic development and growth.

REVIEW OF LITERATURE

(Shanabaga, V. et al., 2011), This article contains an e-commerce term study, major growth drivers, market development potential, investment, retail market, logistics, infrastructure, internet regulation, key obstacle, and future of E-commerce. E-commerce in spite of opportunities is also possess certain challenges like infrastructural issues, branding and marketing, declining margin, Logistic and supply chain, tax related issues etc. Social media, drone delivery, app online approach, Google buy now button and artificial intelligence could have a significant impact on the future of e-commerce.

(Makame et al., 2014), The elements that affect e-commerce inclination in Tanzania are examined in this research. The findings reveal that national proposals & policy have a considerable impact on perceived usefulness and convenience of usage. It also has an impact on E-commerce transaction technological infrastructure and online trust. When it comes to deciding whether or not to engage in an E-commerce transaction, trust is crucial. E-commerce is still in its infancy in developing countries.

(Sergi et al., 2019), This review paper titled "Literature Review of Emerging Trend and future Directions of E-commerce in Global business Landscape" analyzed that Infrastructure (Technology, education, financial, electrical, logistics, and warehousing), government laws and regulations, customers (aesthetics, affordability, accessibility, availability and awareness), organizational and cognitive issues are highlighted by e-commerce-related research articles. The majority of these issues are related to undeveloped and developing economies, particularly in tier II and tier III cities and towns.

(Adam et al., 2020), This study “What drives global B2C E-commerce? An analysis of the effect of ICT access, human resource development and regulatory environment” revealed, when it comes to promoting B2C e-commerce adoption globally, the importance of ICT access and development of human capital in the nation, in addition to the regulatory and political environment, is crucial. In order to increase access to ICTs, authorities must take into account infrastructure development that can close the digital gap between people, as this can lead to larger economic growth and e-commerce adoption.

(Babenko et al., 2019), This article identified many challenges such as Numerous technical issues are still present and are undoubtedly considered to be important obstacles to the expansion of international e-commerce. This category of issues also included issues with infrastructure development, organizational issues with outdated systems, standard issues, issues with Internet capabilities, security issues, etc.

(Gizem Saydam & Emre Civelek, 2022), The study looked at cross-border electronic commerce in general and identified global issues such as marketing, logistics, taxation, and customs as well as issues with payment, support, and incentives.

(Lee et al., 2022), According to the study's conclusions, website design, dependability, perceived simplicity, and perceived usefulness are crucial factors for achieving consumer satisfaction in e-commerce, however responsiveness of electronic commerce platforms is not essential. The findings showed that e-commerce platforms, website design, user satisfaction, and perceived usefulness all positively influence purchase intention in Uzbekistan.

(Alsaad & Taamneh, 2019), The results showed that the goal of corporate efficiency makes B2B e-commerce more likely to spread in countries with complicated markets.

(Bingi et al., 2000), This study revealed that global e-commerce facing challenges in 4 dimensions. Researcher identified economic barriers (cost, telecom, accessibility, lack of skill, infrastructure), technical barrier (reliability, protocols, security, connectivity), social barriers (privacy, diversity, trust, lack of feel) and legal barriers (IPR, transactions validity under law, tax issues and policies).

OBJECTIVES

- To know about the prospects and benefits of Global e-commerce in emerging market.
- To explore the challenges of Global e-commerce.

METHODOLOGY

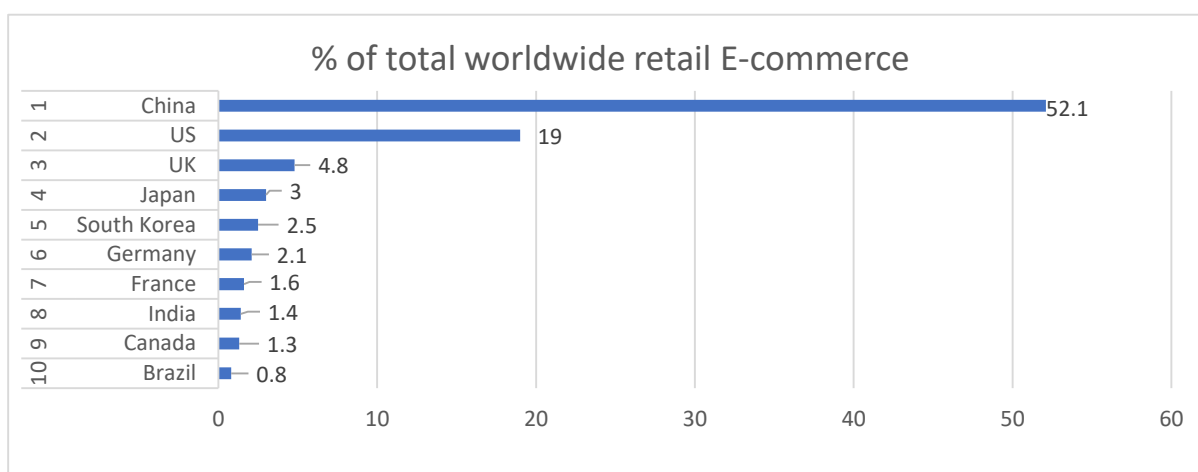
The current research is descriptive in nature, with the majority of data coming from secondary sources such as book chapters, research journals, government publications, newspapers, articles, and reports. Because the research topic is broad and the data sources are scattered across many locations, the study used this technique. Result and discussion have been made on reviewing the published articles. Seeking answers to the study questions through the evaluation and analysis of current data would be a helpful and positive outcome in order to arrive at a conclusive image.

RESULT AND DISCUSSIONS

Global E-Commerce and It's Benefits

Global ecommerce is defined as the sale of goods or services across territorial barriers from a company's country of origin, generally known as its originating or incorporating area. Online marketing is used to sell goods or services to non-native markets. "Over the most recent recorded period, data predicts a 27.6% growth in global ecommerce sales" (Shopify, May 2021). The Harvard Business Review stated "Corporate leaders are struggling to adapt to a world few dreamed imaginable only a year ago, the illusion of a world without borders has been debunked. The United States and the United Kingdom, two traditional strongholds of open markets, are stumbling, and China is portraying itself as globalization's stalwart champion. Chart (1)

Chart 1: Top10 Countries, Ranked by Retail E-commerce sales Share, 2021

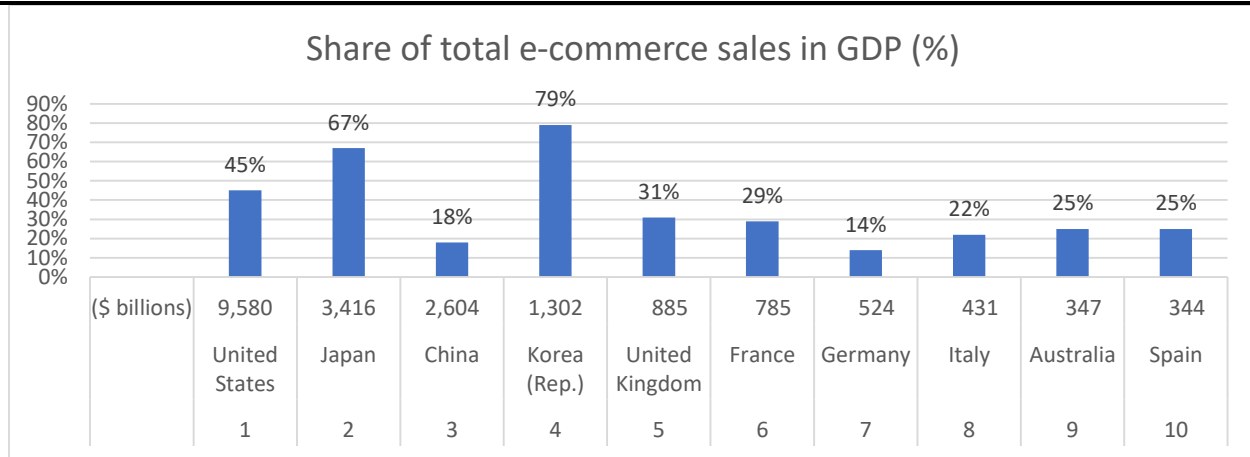


Source: eMarketer, May 2021 | <https://www.emarketer.com>

Chart shows that, China has the highest retail ecommerce marketplace, contributing for 52.1 percent of total global sales. The United States is the second-highest market, but its share is much lower than China's, at 19.0 percent. The remaining of the world's electronic commerce marketplaces account for less than 5percent of global revenues.

Total E-commerce sales worldwide in 2019 was revealed by the UNCTAD, based on National resources. The US continued to lead the global e-commerce marketplace with total 9,580\$ billions e-commerce sales whereas Korea contribute highest share in country's GDP with 79percent, followed by Japan and China. Chart (2)

Chart 2: Total E-commerce sales: Top 10 countries, 2019



Source: UNCTAD, based on national sources | <https://unctad.org>

For today's B2B firms, global e-commerce seems to have become a requirement. The advantages are extensive, and they present significant chances for expansion — even for small medium enterprises. The following are some of the advantages of a worldwide e-commerce platform. Benefits of Global E-commerce are:

- Expansion into foreign markets is made easier by Global E-commerce.
- Merchandise fit that is easier to find
- Global E-commerce made B2B sales cycles faster and shorter.
- Faster expansion of worldwide presence
- Low entry barriers in to Global market.
- In comparison to normal stores, e-commerce stores are open 24/7 a day.
- Global E-commerce helped expansion and broaden your business & products worldwide.
- It provided better marketing opportunities.
- A wide range of products.
- Communication between producer and consumer.

Global retail sales will keep rising, capturing a larger share of the retail sector and the influence of global E-commerce cannot be ignored.

Challenges Faced by Global E-Commerce

Global ecommerce has a notoriety for being tough. Diverse culture, the necessity to offer in a variety of currencies and languages, payment habits, tax rules, and regulatory issues, government policies all pose challenges that are difficult to tackle. Basic challenges of Global e-commerce in emerging market are follows-

Localization and Language: The demand for consistent customer experiences grows with international ecommerce. When a candidate is from China or Germany, they may not understand English nuances. Even when you're not a native speaker, the premise that you just have to master one language means you cannot focus on global e-market.

Preconceptions of Content and Culture: The cultural standards and customs of various people groups differ. What is amusing or easygoing in one culture may seem absurd or even disrespectful to those from other cultures.

Speed and Technological Infrastructural facilities: Most developed countries' infrastructure is quite consistent. Things drastically change when you relocate to another country. You'll quickly find that certain locations have substantially poor access if you use the same servers as a one tier uniformed solution. As a result, conversion rates are bound to fall.

Consumer Service and Support: you may have to give static instructions as well as live service in multiple languages when you are selling electronic goods. Analyzing whether your FAQ pages function with clients in various languages can reveal a lot about the types of support that various locations require. selling electronic items or anything else that involves assembly, you may need to offer help in different languages.

Payment habit & preference and Currency: The true issue is providing payment options. Though credit cards have become a widely accepted payment method, in other countries, other, more famous payment methods may be more recognizable to users and hence more trustworthy. Make an attempt to determine if this is the case and to correct it.

CONCLUSION

If the aforementioned facts, reports, and trends tell anything, it's really that globalized ecommerce is not even an option; it is indeed a requirement. It could mean that growth of your company and survival is directly correlate to global e-commerce. the study found that global e-commerce played a crucial role in globalization and connecting countries to each other. Global e-commerce has turned the entire world into a market, allowing anyone from any country or region to buy anything from anywhere else in the world by comparing costs, variety, and brand names in a single click. It has also created several prospects for e-commerce businesses. They have the ability to sell their product all over the world and perceive the entire world as a market. It signifies that the market is no longer limited to a particular place, region, or a country, it has crossed geographical boundaries and turned the entire world into a market. Customers, producers, and e-commerce companies benefited in many ways, including better marketing opportunities, expansion into foreign markets, worldwide presence, expansion and broadening your business, 24/7 service, more product variation for consumers, and anytime communication between the business and its consumers. Study found some challenges such as payment preference, localization, political rules & laws and language & cultural barriers. These issues can be tackled by doing and analyzing market research, which will allow you to learn about your consumers' interest in your products and services, their payment habits, and your existing competitors in the market. Optimize a product or service for a new language and culture to localize your plan. Make certain to research the local laws that apply to your new market. With the advent of global e-commerce, both traditional and online businesses can reach new customers. There are numerous advantages to having an integrated e-commerce solution.

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