

Digitalization of Payment System in Indian Banks

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Abstract— The Financial System of a country is an important tool for economic development of country. In recent years Indian financial system have been undergoing from modernization phase and implementing many innovation ideas in the system. This study is focused on only payment and settlement system and it is based on secondary data sources. Data consist in it has been analyzed by the simple statistical tools. This study consists ICT based payment system and services provided by RBI and banking institutions in India as well level of transaction volume, value as well as include threats of e-payment system as suggest applicable measures to enhance payment system.

Keywords – ICT, MICR, Card Based Clearing, ECS, EFT, NEFT, RTGS

JEL. Classification – G21, D80, G28, L89, O33

Introduction:

The financial system of any country consists of banking and non banking financial institutes, these institutes are providing various types of financial services to the customers'. In the financial services, financial clearing and fund transfer service is most important service than other services. Payment systems improve financial intelligibility, stimulating business growth and consumption .The success of the financial system has depends upon the efficient and quality of clearing system of the industry. If we overlook the worldwide this system has changing drastically with technological advancements. Last few years evident that, Information and Communication Technology (ICT) have become a mean for improvement of financial system worldwide. In India, most of banks and financial institutions are offering ICT based financial products and services to improve their business efficiency and speed of services e.g. called e-banking, internet banking, electronic fund transfer, electronic clearing etc.

Review of Indian Financial System:

In Indian financial system 19 nationalized commercial banks, SBI group of 08 banks including State Bank of India, 15 old and 09 new private sector banks and 31 foreign banks are dealing banking business. The mechanization and computerization of banking were started from 1985 by the first phased plan of bank automation in India. Now in India, 97 percent of public sector bank branches, cent percent private and foreign banks are computerized. These banks are offering lots of ICT based banking service to bank customers and using modern technology to internal business operations. After financial reform period 1991, various foreign and new private sector banks are entering in Indian banking industry with their high-tech banking services. It leads to competition of ICT based banking services in Indian financial system and creates efficiency. For the further developments the Reserve Bank of India (RBI), Institute for Banking Research and Development of Technological has continuously trying to enhance the system by required facilities to banking and financial institutes in India.

Traditional Payment System in India:

Payment instruments and mechanisms have a very long history in India. The earliest payment instruments known to have been used in India were coins, which were either in gold, silver and copper. In the Mughal period, Indian has starting use of bills of exchange in the commercial centres. In the Muslim period traders' were use Pay orders it was issued from the Royal Treasury on one of the District or Provincial treasuries. They were called *Barattes* and were akin to present day drafts or cheques. In the in the twelfth century one of the most important financial instrument were evolved that is *Hundi* it has continued till today. Till 1835 there were variety of currency systems and coinage in India, but in 1835, the East India Company introduced the

Company's Rupee to bring about uniformity of coinage over British India. A paper currency system were implemented in 18th century, earliest issues of paper currency were issued by Bank of Hindustan, then after issued by the General Bank in Bengal and Bihar, the Bengal Bank and three Presidency Banks. The Paper Currency Act of 1861 conferred the monopoly of the Government of India and presidency banks working in India. After the establishment of the RBI all rights of currency system has given to the RBI in India.

Modern Payment System in India:

The Reserve Bank of India (RBI) has played a significant role in developing the payment and settlement systems in the nation from its establishment. The emergence of e-commerce has created new financial requirements that in many cases cannot be effectively fulfilled by the traditional payment systems. To recognizing these needs the RBI has implemented bank computerization project in India and providing ICT based networking facilities to the banks and financial institutions in India. Since 1991 the RBI has started '*BANKNET*' it is network for banking institutes other than *BANKNET* The '*INFINET*' - Indian Financial Network is a satellite based wide area network using VSAT (Very Small Aperture Terminal) technology set up in June 1999. The Centralized Funds Management System (CFMS) facilitates centralized balance viewing of and funds transfer between own accounts of a member bank maintained with the Bank at different locations. In Indian banking system ATM also providing better alternative to traditional payment system it can be used for payment of utility bills, funds transfer between accounts, deposit of cheques and cash into accounts, balance enquiry and several other banking transactions. Apart from these facilities RBI has enhancing the payment system by introducing MICR technology, ECS, EFT, NEFT, Card Based Clearing and RTGS etc. Payment Systems in India - Vision 2005-08 is implemented to enhance payment system in India, the four broad tenets of the mission relate to the Safety, Security, Soundness and Efficiency. It is called the '*Triple-S + E*' principle in short, each of the

principles support to customer satisfaction and enhancement of payment system. In the Vision document 2009-2012 two more principles are added as *accessibility and authorization* in payment system.

MICR Clearing:

Traditional cheque clearing process is time consuming and lengthy it affects value of transaction of settlement. To enhance speed of cheque clearing the RBI has started MICR cheque and MICR clearing system. Magnetic Ink Character Recognition (MICR) is a character recognition technology adopted mainly by the banking industry to facilitate the faster processing of cheque. It is called MICR clearing system. There are 64 MICR clearing centres are operated in India in 15 divisions in India. MICR technology transformed cheque processing systems by enabling the introduction of automated clearing houses. The system is well stabilized in India with the overall reject rates of around 1% while international reject rates are around 2%. Cheque clearing accounts for over 95% of the retail payment and more than 70% of cheque clearing is based on MICR technology (M V Nair). According to the available data volume of MICR based clearing has been growing rate of 13.83 percent and value is increased 0.33 percent in 2009-10 to 2016-17. Amount of MICR based clearing rose from Rs. 1, 09, 47,391 Crore to 1, 04, 00,308.7 crore in same period. See the table no. 1

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Year	Total		Total MICR* Centres		Total Non-MICR Centres	
	Number	Amount	Number	Amount	Number	Amount
2009-10	9,015.0	1,25,75,254.0	5,377.0	1,09,47,391.0	3,638.0	16,27,863.0
2010-11	10,139.0	1,34,24,313.0	5,980.0	1,09,78,762.0	4,159.0	24,45,551.0
2011-12	10,228.0	1,15,95,960.0	6,241.0	91,78,751.0	3,987.0	24,17,209.0
2012-13	11,668.5	1,04,58,894.9	9,414.6	93,56,252.2	2,253.9	11,02,642.7
2013-14	12,867.6	1,13,29,133.5	10,318.4	94,74,370.8	2,549.2	18,54,762.8
2014-15	13,672.8	1,20,42,425.7	11,441.0	1,04,35,436.1	2,231.8	16,06,989.5
2015-16	14,605.6	1,33,96,065.9	12,229.6	1,15,28,690.2	2,376.0	18,67,375.7
2016-17 (P)	13,959.1	1,24,61,201.7	11,623.4	1,04,00,308.7	2,335.7	20,60,892.9
CGR	7.21	0.14	13.83	0.33	-8.56	-0.47

Source: Statistical Tables Relating to Banks in India 2009 to 2017

Electronic Clearing System:

Electronic Clearing System (ECS) is a retail payment system which facilitates bulk payments, that facilitate payments from one-to-many and receipts that are from many-to-one. ECS Scheme operated by the RBI since 1996-97, helps to make payment from a single account at a bank branch to any number of accounts maintained with the branches of the same or other banks. ECS (Credit) facilitates the bulk payments whereby the account of the institution remitting the payment is debited and the payments remitted to beneficiaries' accounts. This facility is now available at 67 major centres in the country. ECS (Debit) facilitates the collection of payments by utility companies. In this system the account of the customers of the utility company, in different banks are debited and the amounts are transferred to the account of the company. Amount of ECS based credit is increased from Rs.10, 228 crore to Rs.7, 82,222.30 crore in 2011-12 to 2015-16 and ECS based Debit transaction has been increased from Rs. 2,253 crore to Rs.66, 975.89 crore in 2011-12 to 2015-16. See the table no. - 2

Year	ECS (Credit)		ECS (Debit)	
	Volume	Amount	Volume	Amount
	(in Lakh)	(Rs. Crore)	(in Lakh)	(Rs. Crore)
2011-12	203.00	10,228.00	79.00	2,253.58
2012-13	400.51	20,179.81	153.00	2,921.24
2013-14	442.16	32,324.35	359.58	12,986.50
2014-15	690.19	83,273.09	752.02	25,440.79
2015-16	783.65	7,82,222.30	1,271.20	48,937.20
2016-17 (P)	883.94	97,486.58	1,600.55	66,975.89
CGR	32.36	93.98	88.20	110.71

Source: RBI Annual Reports 2009 to 2017

Electronic Fund Transfer (EFT) & NEFT :

EFT System hosted and operated by the RBI, permits transfer of funds, upto Rs. 5 lakh from any account at any branch of any member bank in any city to any other account at any branch of any member bank in any other city. This system utilizes the Service Branches of the member banks and the nodal offices of RBI. The Reserve Bank of India acts as the service provider as well as regulator. The NEFT was introduced in 2005. Since its inception the coverage of NEFT has increased. It is called Special Electronic Fund Transfer SEFT also. It is covering about 3000 branches in 500 cities. This has facilitated same day transfer of funds across accounts of constituents at all these branches. Overall EFT and NEFT based clearing grow from Rs. 17,124.81 crore to Rs. 2,51,956.38 crore at 60.27 CGR in 2011-12 to 2016-17. See the table no -3

Year	Volume	Amount
	(In Lakh)	(Rs. Crore)
2011-12	8.19	17,124.81
2012-13	25.49	54,601.38
2013-14	30.67	61,288.22
2014-15	47.76	77,446.31
2015-16	133.15	1,40,326.48
2016-17 (P)	321.61	2,51,956.38
CGR	97.13	60.27

Source: RBI Annual Reports 2009 to 2017

Card Based Clearing (CBC):

Credit and Debit cards have been in use in the country for many years now. In India card fashion increasing day by day due to its convenience and utility. Many banks have providing customized credit and debit cards to increase their business in India. However the card base as well as the usage has picked up during the last five years drastically. In the year 2011 to 2017 credit card based transaction are increased from Rs. 17,662.72 crore to Rs. 65,355.80 crore and debit card based transactions are increased from Rs. 4,873.67 crore to Rs. 18,547.14 crore. See the table no. 4-

Year	Credit			Debit*		
	Number of Outstanding Cards**	Volume (in Lakh)	Amount (Rs. Crore)	Number of Outstanding Cards**	Volume (in Lakh)	Amount (Rs. Crore)
2011-12	-	1,001.79	17,662.72	—	377.57	4,873.67
2012-13		1,294.72	25,686.36		415.32	5,361.04
2013-14	173.27	1,560.86	33,886.47	497.63	456.86	5,897.14
2014-15	231.23	1,695.36	41,361.31	749.76	601.77	8,171.63
2015-16	275.47	2,282.03	57,984.73	1,024.37	883.06	12,521.22
2016-17 (P)	246.99	2,595.61	65,355.80	1,374.31	1,276.54	18,547.14

*: Debit Cards figures for 2011-12 and 2012-13 are estimated based on 2013-14 figures.
**: Cards issued by banks (excluding those withdrawn/blocked).

Source: Statistical Tables Relating to Banks in India 2009 to 2017

Real Time Gross Settlement System (RTGS):

RTGS is system for large value clearing operated since 2011; the minimum amount to be remitted through RTGS is Rs.1 lakh. There is no upper ceiling for RTGS transactions. It provides facilitates to settlement of transactions on a gross basis. This system ensures settlement of payments with no credit risk involved. It is therefore, essentially a system for settlement of large value and time critical payments. The system facilitates Inter-bank as well a customer payments. In India all bank branches are not RTGS enabled because only core banking (CBS) enabled bank branches can extend this facility. As on January 31st, 2009 more than 57000 bank branches were enabled for RTGS system. In year 2012-13 to 2016-17 transactions related customers remittances have raised from Rs. 2,49,662 crore to Rs. 2,00,04,107 crore. In 2011-12 to 2016-17 amount of inter-bank remittances raised Rs. 1,965 crore to Rs. 1,22,75,773 crore, and total amount of transaction has been raised from Rs. 1,965 crore to Rs. 6,11,39,912 crore. It shows that increasing popularity of RTGS in Indian banking system. See the table no. 5-

Year / Period	Real Time Gross Settlement System				
	Customer Remittance	Inter-Bank Remittance	Inter-bank Clearing Settlement**	Total Inter-bank	Total
2011-12	0.00	1,965.49	-	1,965.49	1,965.49
2012-13	2,49,662.00	38,16,522.00	—	38,16,522.00	40,66,184.00
2013-14	25,70,212.29	89,70,623.96	—	89,70,623.96	1,15,40,836.25
2014-15	71,67,807.91	1,13,13,346.69	61,38,025.39	1,74,51,372.08	2,46,19,179.99
2015-16	1,61,00,172.88	1,12,18,157.41	2,09,76,228.68	3,21,94,386.10	4,82,94,558.97
2016-17 (P)	2,00,04,107.80	1,22,75,773.49	2,88,60,031.15	4,11,35,804.65	6,11,39,912.44

* : Inter-Bank Clearing Settlement pertains to the MNSB batches. MNSB settlement in RTGS started from 12 August, 2006.
** : The MNSB Settlement relates to the settlement of ECS, EFT, NEFT, REPO, Outright, FOREX, CBLO and Cheque Clearing at Mumbai.

Source: Statistical Tables Relating to Banks in India 2009 to 2017

Results and Discussion:

In Indian banking system we have evident that, the payment and settlement system has changing according to market need. ICT revolution has availed new means to financial transaction and settlement process than traditional payment system.

MICR technology has providing faster cheque collection and clearing facilities to customers in India, but there are only 64 MICR clearing centres working in India than 1103 Non-MICR clearing centres. Till now transaction of Rs. 20,60,892 crore has been managed by Non-MICR clearing centre, these centres are clearing cheques only once in per week. Hence there is essence need to increase MICR clearing houses and modify the Non-MICR clearing centres in MICR clearing centres to enhance payment system.

ECS has available only mostly city and semi urban area in India it is not available in rural branches. So, the RBI should provide such facilities in rural branches to provide facilities to rural peoples.

EFT and NEFT is network based service now it covers only urban areas so; there is an urgent need to ramp up technology based delivery channels particularly in the rural areas. It should extend the benefit of the financial system even to remote areas. All NEFT centres are working in Indian office hours but they should provide 24 hours services to provide more facility the bankers and customers'.

Credit and Debit cards are being extensively

used in the nation as they provide a convenient form of making payments for goods and services without the use of cheques and cash. Issue of credit cards is exhibiting a phenomenal growth in recent years. Card based transactions are increasing continuously in India but is ahs not to assured service according to Indian customers experiences. Because there are so many complaints are registered in RBI's banking ombudsman offices. It clears that, it is not so good and secure facility in India. Hence, RBI should enhance the quality and security of card based transactions.

In Indian banking system, there are competition of provide modern banking facilities to their customers, but some banks are ignoring security in transaction and convenience of the customers.

In India all branches of commercial banks have not under core banking solution hence they have not extending RTGS facilities , therefore remaining banks should adopt core banking to use the RTGS and other efficient services. RBI has installed capacity of 150000 transactions per day but their server has only processes 38000 transactions per day, the speed should enhance to more transactions will take place.

The electronic clearing and settlement system is useful to bankers and customers but there is need of controlling non-secure transaction, EFT fraud, mistakes in settlement etc.

Other than 6 principles (Safety, Security, Soundness, Efficiency, Authorization and Accessibility) used to develop payment system of the vision document 2009-2012 there is need of international standard, transference, user-friendly techniques, assurance and convenience also.

In the financial transaction having transactional risk it affects assurance about the services. For this reason there is need to minimize the transactional risks in the electronic payment system.

Conclusion:

Now Indian financial system has undergone a

significant transformation over time in terms of diversity and innovation. The developments in information and communication technology resulted in numerous innovations in the payment system of India. There are a variety of electronic clearing options are available in banking system. But these options are to limited than demand of bank customers in India. In the sense of rural India these facilities are not provided sufficient level by the banking institutions due to lack of ICT connectivity and other infrastructural facilities.

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E-Marketing and online Consumer Behavior

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Abstract

In 1999 four academics – Christopher Locke Rick Levine Doc Sear's, and David Weinberger – published. The Clue train Manifesto. A Short Book with a huge message aiming to change the way companies thinks about consumers and about marketing to them. The author's see the Internet as producing a profound humanistic change in the relation between businesses and consumers. The book presents 95 theses , starting with “markets are and markets consist of human beings , not demographics sectors “ The Internet is enabling conversations among human beings that were simply not possible in the era of mass media “. As a result , markets are getting smarter , more informed .more organized “ “people in networked markets have figured out that they get far better information and support from each other than from vendors “And whether the news is good or bad .

(Keywords: Making, Maker culture, Electronics, Crafting, Tools, Diversity, Terminality, Design.)

Introduction

They tell everyone Companies that speak in the language of the pitch, the dog - and -pony show , are no longer speaking to anyone People Will not settle for the 4 color brochure for web sites... with eye candy but lacking any substance “ If you want us to talk to you , tell us something. Make it something interesting for a change. We want you to drop your trip come out of your neurotic self- involvement, Join the party

The clue train Manifesto Charges that companies are too bureaucratic, too artificial, too

manipulative, too given to one way rhetoric.

Companies which do not recognize that today's markets are conversations are destined to founder.

Online consumers tend to be younger, more affluent, and better educated than the general population. But as more people find their way onto the Internet, the cyberspace population is becoming more main stream and diverse. Younger users are more likely to use the Internet for entertainment and socializing. Yet 45 percent of users are 40 Years of age or older, and use the Internet for investment and more serious matters.

Objectives of the study

Marketing researchers may use the Internet to meet three different types of research objectives:

1. They can study how the Internet is used as a marketing tool:
2. They can use the Internet as an alternative medium for traditional questionnaire surveys.
3. They can use the Internet to study Internet consumer behaviors.

Data Collection methods

The third dimension of our typology of Internet marketing survey designs is related to the data collection methods. Three different methods may be used;

1. Direct observation;
2. A questionnaire; or
3. An experiment.

Internet domains: B2B (Business to Business)

Although the popular press has

given the most attention to business to consumers (B2C) Web Sites, Even more activity is being conducted on business to business (B2B) Sites. The B2B sites are changing the supplier – customer relationship in profound ways Forrester and Gartner, major research firms on online commerce, estimate that B2B commerce is 10 to 15 times greater than B2C commerce. Gartner estimates that by 2005 more than 500,000 enterprises will participate in e-markets as buyers, sellers or both. These firms are using B2B auction sites, Spot exchanges, online product catalogues, barter sites, and other online resources to obtain better prices . Many major enterprises, including Chevron, Ford Motor Company, GE, And Merck, have invested millions in web procurement systems.

E-Bay:-

E-Bay is a person-to-person online trading community with more than 23 million registered users. The company's Web site hosts more than two million auctions each month for items in more than 1,000 categories, from jewelry to stamps, and from antiques to electronics. eBay also maintains auction sites in several foreign . Countries, including Japan, the United Kingdom, and Germany.

WebMD:-

This online health network provides a wealth of B2B and B2C Service linking patients, doctors, and healthcare industry companies. Aside from these services, an important aspect of its consumer-health homepage is a network connecting consumers who have interests in similar health issues. WebMD hosts a variety of daily chats on topics such as prostate cancer and nutrition, offers health journal forums, and finds "diet buddies" for weight-conscious consumers.

Internet domains C2B (consumer to business)

Consumers are also finding it easier to communicate with companies. Companies often encourage communication by inviting prospects and customers to send in questions, suggestions, and even complaints via 'e-mail. Some sites even include a call-me button-the customer clicks on it and his or her phone rings with a customer representative ready answer a question. Customer service representatives can in principle respond quickly To these messages. Yet many online merchants are guilty of considerably slow responses to consumer mail. Smart online marketers will answer quickly, by sending out newsletters special product or promotion offers based on purchase histories, reminders of service requirements or warranty renewals, or announcements of special events.

How marketing practices are changing: Setting up web sites

Clearly all companies need to move into e-marketing and e-purchasing. In deciding to set up ' and operate their own Web sites, they face many questions, Many of these questions will be answered throughout the book. Here we address only three: Designing an attractive Web site; placing ads and promotion online; and building a revenue and profit model.

Designing an attractive web site

A key challenge is designing a site that is attractive on first viewing and interesting enough to encourage repeat visits. Early text-based Web sites have increasingly been replaced by sophisticated sites that provide text, sound, and animation

Context: Layout and design.

Content: Text, pictures, sound, and video the site contains.

Community: How the site enables user-to-

user communication.

Customization: - Site's ability to tailor it self to different users or to allow users to personalize the site.

Communication : - How the site enables site to user, user to site, or two way communication

Connection :- Degree that the site is linked to other sites

Commerce: Site 's capabilities to enable commercial transactions.

To encourage repeat visits, companies need to pay attention to context and content factors.

Attracting and Keeping Visitors

How can we get more prospects to know and visit our site?

How can we use marketing to spread word-of-mouth?

How can we convert visitors into repeaters?

How do we make our site more experiential and real?

How can we build a **Strong** relationship without customers?

How can we build a customer community?

How can we capture and exploit customer, data for up-selling and cross-selling?

Transaction commission and fees: Dot-coms charge commission fees on transactions between other parties. For example, eBay puts buyers in touch with sellers and takes from 1.25 to 5 percent commission on each transaction.

Market research/information: Companies can charge for special market information or intelligence. NewsLibrary charges a dollar or two to download copies of archived news: stories. LifeQuote provides price comparisons from approximately 50 different life insurance companies and gets a commission of 50 percent of the first year's premium from the company chosen by the consumer.

Referral income: Companies can collect revenue by referring customers to others. Edmund's receives a

finder's fee every time a customer fills out an Auto-By-Tel form at Edmund's Web site, regardless of whether a deal is consummated. Marketplace.com charges a fee for the names of corporate customers who want to sell or buy a business.

How marketing practices are changing: customer relationship marketing

In addition to e-marketing, companies are becoming more skillful in customer relationship marketing and database marketing. Customer relationship marketing (CRM) enables companies to provide excellent real-time customer service by developing a relationship with each valued customer through the effective use of individual account information, based on what they know about each customer, companies can customize market offerings, services, programs, messages, and media.

Reducing the rate of customer defection.

Increasing the longevity of the customer relationship.

Enhancing the growth potential of each customer through "share-of-wallet," cross selling, and up selling.

Making low-profit customers more profitable or terminating them.

Focus on disproportionate effort on high value customers

Mass Marketing	One-to-one Marketing
Average customer	Individual customer
Customer anonymity	Customer profile
Standard product	Customized Market Offering
Mass Production	Customized production
Mass Distribution	Individualized message
Mass Advertising	Individualized Distribution

Mass promotion	Individualized incentives
One way message	Two way messages
Economies of scale	Economies of scope
Share of Market	Share of Customers
All customers	Profitable customers
Customer attraction	Customer retention

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E-Service Marketing in E-Commerce

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Abstract

We offer fundamental Internet marketing and SEO services that we explain here, and we offer individualized services and personal coaching for social media marketing. Our business blogging services site goes into considerable detail about this important part of social media marketing.

From our offices in the Denver, Colorado, metro area, we search engine optimization services and Internet marketing to small and mid-sized businesses in Colorado – including Aurora, Boulder, Broomfield, Centennial, Denver, Englewood, Greenwood Village, Lakewood, Littleton, Northglenn, Parker, Thornton, Westminster, and Wheat ridge – and across the country.

(Keywords: - Internet, Market research, Surveys, Sampling E-Commerce)

Introduction

Our goal is always the long-term success of your website – a gradual increase in the number of referrals your site gets from the search engines. Your long-term success depends on your sustained commitment to making the content of your site better than the content of your competitors' sites. You can buy paid ads on the search engine results pages, of course, but your real goal is to be listed towards the top of the “generic” or “organic” listings. Some reports about how people ignore the paid ads on the top and to the left of the generic listings are sobering, by the way. At rate, pay-per-click should ordinarily be a temporary strategy. We

will be happy to discuss our basic services as well as long-term Internet marketing strategy with you.

When Allied Internet markets your Web site, you get the benefit of our years of experience with Web design, content development, programming, Internet marketing, and search engine optimization – as well as our experience working with tech support and account management personnel on behalf of our clients, including those at IT companies, Web hosting companies, and at advertising and marketing agencies. We have a seven-part Web site marketing process that focuses on fundamental search engine optimization. The first four parts are essential and should be done right away, and the other parts should be done on a regular schedule after the basics are in place.

Objectives of the study

Marketing researchers may use the Internet to meet three different types of research objectives:

1. They can study how the Internet is used as a marketing tool:
2. They can use the Internet as an alternative medium for traditional questionnaire surveys.
3. They can use the Internet to study Internet consumer behaviors.

Data Collection methods

The third dimension of our typology of Internet marketing survey designs is related to the data collection methods. Three different methods

may be used;

1. Direct observation;
2. A questionnaire; or
3. An experiment.

The direct observation of the content of a Web site or page could either be done by the researchers or a sample of users. This method may be used to collect objective data such as the number of advertisement on a page or the existence of frames or the number of links inside a particular page; or to collect subjective data such as the satisfaction of users or their reaction to the content or design of a Web page.

Scope of the Research:

If your Web site offers more than a few products and services, it's ordinarily best to begin marketing just the most important keywords but needs vary and we're adaptable. We begin by asking you to tell us which of your products and services you want to emphasize; this will often be because of their profit potential.

We then research how often people search on keywords associated with your most important products and services. Our goal is to identify the best keywords to target for search engine optimization.

We will email you a written report on our findings, and then talk with you on the phone after you've had a chance to look at the report. During this conversation we will discuss the principal search terms we should use for competition research.

Competition Research and Analysis:

Careful competition research will allow us to market your site intelligently. We limit this part of our research to Google and Yahoo because they represent the two principal kinds of search engine requirements, and because have no close competitors at this time. Our goal is to identify your online competitors who are doing well on search

engine results pages.

We especially want to know why they are doing well. Because we've been dealing with Web sites professionally since 1994, we know how to evaluate what we're seeing and make expert recommendations to you. Our analysis of your competition can guide your marketing efforts for months to come.

We also analyze the content, the graphic design, and the text design of your own Web site, and evaluate it based on what we've learned about your competition.

A Web site with movie reviews may try to affiliate with a merchant who sells movies, and a Web site devoted to gold may align itself with a Web site that sells sporting goods or athletic apparel. It's in a Web site owner's best interests to identify merchants with compatible products because it will increase the likelihood of making lots of sales. You could sign up travel agencies to your affiliate programmes and invite them to create links from their Web sites to yours. You would then pay the travel agencies a commission on any book sales and/or leads you get from their customers.

On-line retailers with affiliate programmer compensate customers in different ways. Some merchants pay affiliates strictly for sales, while other merchants compensate affiliates simply for sending a potential customer their way. Other programmes may compensate affiliates if a person clicks on an advertisement, regardless of whether that person turns into a lead or ends up a product. This is called pay-per-click programmes. Affiliate programmers can be extremely powerful because they allow you to increase your revenues by having your brand name displayed on dozens if not hundreds of complementary Web sites. There are literally thousands of affiliate programmes on the

Web. Web sites that sign up can earn a percentage of every sale for referring customers to Staples.com.

Modification of Your Web Site:

A discussion of our recommendations with a client often results in further edits to the suggested text and metatarsi. We will the work with your Web designer to implement any recommendations you accept.

If you prefer to have Allied Internet make the changes to your Web site, we will give you an estimate of the cost of modifying the site.

Search Engine and Directory Submission:

After your Web site has been modified on the basis of our recommendations, we will generate a “sitemap.xml” file configured to Google specifications, put it online with your other Web site files, and notify Google that it's there. We also generate a file called “urllist.txt” for Yahoo and some of the other engines. We then submit your site to the most important search engine databases including Google, Yahoo, Microsoft Live Search, and DMOZ.

Link Development:

The development of appropriate incoming links to your site is still important, although the emphasis is now on the quality of the links, not on the quantity.

Google has downgraded reciprocal links as a measure of a site's popularity. Reciprocal links – “you link to us and we'll link to you” - are artificial. They are not real indicators of a site's value, and we therefore avoid link exchange sites, systems, and schemes.

Once a customer entered his/her e-mail address, a new page appeared inviting the customer required to join the mailing list. Once customers joined the Payless mailing list, they were

automatically entered into the vacation contest. Keep in mind that if you are going to set up a mailing list for your customers, you should clearly tell your potential customers how they can leave the list, and about any other conditions that might apply to the list.

Many online shoppers use a search engine or a Web directory when they are trying to find something on the Internet. A Web directory, on the other hand, organizes Web sites by category so that they can be easily browsed by Internet users. Unlike search engines, directories are usually compiled by human beings. Making sure that your Web site is registered with all of these sites is one of the most important things you can do to draw traffic to your store. Why all of them? Your customers won't all be using the same search engine or Web directory. Some people use Excite, some use Alta Vista, some use Lycos, etc. By registering with all the major search engines and Web directories, you have the best chance of being found by online shoppers regardless of what search engine or Web directory they are using.

Before you submit your site to any search engine or Web directory, you need to understand how their databases are developed. A search engine database is significantly different from a directory database. Automated computer programs called spiders develop search engine databases. These databases are intended to help you find instances of words or phrases on Web sites. The link may be a great source of direct traffic, leads, etc., but for rankings, it's likely to have no value at all.”

Ward recommends that “sites that are already engaged in artificial linking activities” should “either remove those links or accept that your site's ranking is on borrowed time.”

Our focus is on building strong one-way

incoming links, and we carefully evaluate a site's suitability before asking for a link to yours. If links are going to help your standing with the search engines, a site that links to yours must be relevant to your site. For our own Web sites, (a) we write news releases about what we're doing, (b) we write articles for submission to other sites, (c) we get our sites listed in reputable directories, (d) we develop relationships with businesses in related fields who do not directly compete with us, and (e) we read and add comments to blogs that are relevant to our services. We always include a link to one of our sites.

Allied Internet can do all of these same things for your site. There is no quick way to accomplish any of this, but it's a strategy for long-term success, and as experienced writers, editors, and researchers, we're prepared to make it happen for you. Even if you already have an account with Google Analytics or one of the other Web site traffic logging services, for ninety days we will add your site to our own account at Hits Link, the premier Web site traffic tracking and analysis program, and give you access to your statistics. If you already have Hits Link tracking your site, we'll ask your permission to access your account so that we can monitor the progress of traffic on your site. Our analysis of the traffic on your Website enables us to review our suggestions about content and about metatarsi and to make new recommendations to you if there is a reason to do so. Every couple of months we will have a phone discussion with you while you're looking at your statistics on Hit slink. We'll look at many indicators, including exactly which search engines are sending visitors to your site, and which search terms visitors are typing into search engines to find your site.

Conclusion

We'll also discuss the weekly and monthly traffic totals, and we'll take a look at the geographic distribution of visitors to your sit. The single most important factor in important factor in improving your standings with the search engines is the regular addition of genuinely useful content to your site. Google wants you to "create a useful, information-rich site," and Yahoo looks for "original and unique content of genuine value. "We can help you do this, or we can do it for you. Because we are experienced writers, editors, and researchers, many of our clients ask us to share the responsibility for developing fresh Web site content several times each month. We can serve as your creative coaches and support team to whatever extent you request. See The Internet Examiner, our company blog, for samples of our writing.

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Digital Economy Boosting Economy

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Abstract

Consumers and business people no longer need to be near a computer to send and receive information. All they need is a cellular phone or personal digital assistant. While they are on the move, they can connect with the Internet to check stock prices, the weather, sports scores, or send and receive email messages. They can place online orders by simply using a phone or a PDA. A whole field called telemetric involves placing wireless Internet-connected computers in the dashboards of cars and trucks, and making more home appliances wireless so that they can be used anywhere in or near the home. Many see a big future in what is now called m-commerce. Consider the fast growth of Internet-connected phones.

(Keywords- “Marketing for the new Economy: M-Commerce Opens Up New Opportunities for Marketers.”)

Introduction

A survey by Jupiter Communications found that most Americans wouldn't use or way for m-commerce because they didn't see a “killer application,” because the mobile Internet is slow, and because the appliance screens are too small. In contrast, Europe and Japan have and are using better wireless service. M-commerce entrepreneurs need in focus on converting specific groups to m-commerce; they will make faster inroads by marketing separate service packages for, teenagers, mothers, investors, and executives than by trying to

attract the mass market.

The new technological capabilities have led thousands of entrepreneurs to launch a dot-coms in the hope of striking gold. The amazing success of early online dot-cams such as Amazon, Yahoo, eBay, E-trade, and dozens of others struck terror in the hearts of many established manufacturers and retailers. For example, Compaq had its hands tied because it sold its computers through retailers, whereas Dell Computer grew faster by trying to sell online.

Established store-based retailers-notably bookstores, music stores, agents, stockbrokers, and car dealers-began to doubt their future as more business went into direct online marketing. They feared, and rightly so, being disinter mediated the new e-trailers. But disintermediation was only half the story. Although some established middlemen lost their businesses, new middlemen sprang up to supply Internet services to both businesses and consumers. Reinter mediation took place on a grand scale. New online middlemen appeared such as mySimon.com, Evenbetter.com, Buy.com, ShopBest.com, Bestbook.com, Smartshop.com, and StreetPrices.com.

Scope of the study:

The present paper is related to the study Digital Economy. It is also related to the study E-commerce.

Methodology:

Secondary data has been used for the study. The secondary data is collected from the internet,

books and national conference proceeding.

Objectives of the Study

The paper is aimed to cover the following objectives:

1. To know the concept of Digital Economy in E-Commerce .
2. To identify the importance and need of Digital Economy in E-Commerce .
3. To study the challenges and prospects Digital Economy in E-Commerce .

Customization and Customization

The old economy revolved around manufacturing companies whose main drive was to standardize production, products, and business processes. They invested large sums in brand building to tout the advantages of their standard market offering. Through standardization and branding, managing their assets was to establish a command-and-control system that would run the business like a machine.

In contrast, the new economy is supported by information businesses. Information has the advantages of being easy to differentiate, customize, personalize, and dispatch over networks at incredible speed. As companies grew proficient gathering information about individual customers and business partners (suppliers, distributors, retailers,) and as their factories were designed more flexibly, they increased their ability to individualize their market offerings, messages, and media. For example, Dell Computer invites customers to specify exactly what they want in a computer and delivers a custom-built one in a few days. P&G, on its Reflect. Com site, allows a person to specify needs for a shampoo by answering a set of questions, and then P&G, on its Reflect.com site, allows a person to specify needs for a shampoo by answering

a set of question, and then P&G formulates a unique shampoo for the person. Levi's is now able to produce customized jeans based on a person's measurements. That new opportunities lie at the intersection of two or more industries. Capitalizing on these opportunities can be challenging, however, as firms have to learn about new markets and competitors as well as how to achieve maximum synergy across the different parts of their business.

How business practices are changing

The changes in technology and economy are eliciting a new set of beliefs and practices on the part of business firms. Let's look at the major business beliefs in the old economy and how these beliefs are shifting

From organizing by product units to organizing by customer Segments

A company making two or more products normally assigns product managers or product divisions to manage them. GE's Appliance Division would assign different people or business units to manage their washing machines, dryers, refrigerators, and stoves. This makes sense, but it also makes sense, to add marketing groups that address the needs of different customer groups, such as households and building contractors, who buy differently. This would mean a switch from being product-centered to being customer-segment centered.

From focusing on profitable transactions to focusing on customers

Companies normally focus on individual transactions with the aim of making a profit on each transaction. New economy companies add a focus on estimating individual customer lifetime value and designing their market offerings and prices to make a profit over the customer's lifetime. The

company will sometimes under price to gain new customers and will be generous in its pricing and services to existing customers with an eye toward retaining them for the long run.

From fusing on just the financial scorecard to focusing also on the marketing score card

Most senior managers will judge the company's performance by financial results as reflected on the profit and loss statement and the balance sheet. Top management in new economy companies will also examine the marketing scorecard to interpret what is happening to market share (not just sales revenue), customer loss rate, customer satisfaction, product quality relative to competitors, and other measures. They recognize that changes in marketing indicators predict changes in financial results.

How marketing practices are changing: e-business

E-business describes the use of electronic means and platforms to conduct a company's business. The advent of the ability of companies to conduct their business faster, more accurately, over a wider range of time and space, at reduced cost, and with the ability to customize and personalize customer offerings. Countless companies have set up Web sites to inform and promote their products and services. They have created Intranets to facilitate employees communicating with one another and to facilitate downloading and uploading information to and from the company's computers. Companies have also set up Extranets with major suppliers and distributors to facilitate information exchange, orders, transactions, and payments. Bill Gates of Microsoft claims that Microsoft is almost entirely run electronically; there is hardly any paper flowing through the company because everything is on the computer screen.

E-commerce is more specific than e-business; it means that in addition to providing information to visitors about the company, its history, policies, products, and job opportunities, the company or site offers to transact or facilitate the selling of products and services online. Most company sites are still just providing information, not doing e-commerce. Amazon. Com, CDNow, eToys, e-Steel, and e-Plasticsnet are examples of e-commerce.

E-commerce has given rise in turn to e-purchasing and e-marketing. E-purchasing means companies decide to purchase goods, services, and information from various online suppliers. Smart e-purchasing has already saved companies millions of dollars. E-marketing describes company efforts to inform, communicate, promote, and sell its products and services over the Internet. The term is also used in terms such as e-finance, e-learning, and e-service. But as someone observed, the will eventually be dropped when most business practice is online.

E-business and e-commerce take place over four major Internet domains: B2C (business to consumer), B2B (business), C2C (consumers to consumers), and C2B (consumers to businesses.) (We will omit government relations like G2C, G2B, B2G, and C2G.)

Data warehouses and data mining

Survey companies are capturing information every time a customer comes into contact with any of its departments. The touch points include a customer purchase, a customer requested service call, an online query, or a mail-in rebate card. These data are collected by the company's contact center and organized into a data warehouse. Company personnel can capture, query, and analyze the data. Inferences can be drawn about an individual customer's needs and responses.

Telemarketers can respond to customer inquiries based on a total picture of the customer relationship.

Through data mining, marketing statisticians can extract useful information about individuals, trends, and segments from the mass of data. Data mining involves the use of sophisticated statistical and mathematical techniques such as cluster analysis, automatic interaction detection, predictive modeling, and neural networking. A company that wants to learn the most from its database needs to engage the services of a person or company skilled in data mining.

USING THE DATABASE

In general, companies can use their databases in five ways:

1. To identify prospects. Many companies generate sales leads by advertising their product or service. The ads generally contain a response feature, such as a business reply card or toll-free phone number. The database is built from these responses. The company sorts through the database to identify the best prospects, then contacts them by mail, phone, or personal call in an attempt to convert them into customers.
2. To decide which should receive a particular offer. Companies are interested in selling, up selling, and cross-selling their products and services. Companies set up criteria describing the ideal target.
3. Customer for a particular offer. Then they search their customer databases for those who most closely resemble the ideal type.

Conclusion

1. New technological advances and new market forces are creating a new economy.

Companies and marketers need to add new tools and practices if they hope to be successful.

2. Four specific drivers of the new economy are digitalization and connectivity, disintermediation and reinter mediation, customization and customerization, and industry convergence. Digitalization in particular has introduced exciting new capabilities for consumers and for businesses.
3. The new economy is shifting several old economy business practices toward organizing by customer segments (instead of only by products), focusing on customer lifetime value (instead of only transactions), focusing on stakeholders (and not only shareholders), getting everyone to do the marketing, building brands through behavior (not just advertising), focusing on
4. Customer retention (as much as customer acquisition), measuring customer satisfaction, and under promising and over delivering.
5. Companies face many questions in adopting e-marketing. Three of them know how to design an attractive Web site, knowing how to advertise on the Web, and knowing how to build a sound revenue and profit model for their dot-com business.
6. Companies are also becoming skilled in Customer Relationship Management (CRM), which focuses on meeting the individual needs of valued customers. The skill requires building a customer database and doing detaining to detect trends, segments, and individual needs.

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E-Marketing and E-commerce

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Abstract

Internet Marketing Online defines the online marketing strategies taken for promotion of your business. If you feel that internet marketing methods employed by you are not yielding desired results as per your expectations for your business. Team believes that your business is our business and success of your business definitely spells our success of our online internet marketing strategies. Internet marketing is the component of marketing that deal with the planning, pricing, promotion, and distribution of your products and services online. Good Internet marketing strategies clearly communicate a firm's unique selling proposition, or the unique collection of benefits that creates value for its customers. Everything you do to promote your business online is Internet marketing.

Marketing your product or service online offers the opportunity for increased communication with your target market through techniques such as interactive websites, email newsletters, online surveys and forms, blogs, and discussion groups. The Internet allows you to collect immediate feedback from your client base with little out-of-pocket expense.

(Keywords: Making, Maker culture, Electronics, Crafting, Tools, Diversity, teriality, Design.)

Introduction

Finding success online is no different from

finding if offline. Choosing the right product or service and designing offline. Choosing the right product or service and designing an appropriate online and off-line marketing mix are key to successful Internet marketing.

No matter what your business, Internet marketing should form part of your marketing mix-how large a part will depend on your particular needs and budget. The tools you use to develop your online presence and drive traffic to your website will also depend on your particular business and target market demographics. Internet marketing is a fast-changing industry that readily adapts to improvements in technology. Therefore, there are always new marketing tools available to small businesses.

Designing and building a website is only one aspect of bringing your business online. With billions of websites on the Internet, it's just as important that you ensure people can find your website. And, since most website traffic still comes from search engines and directories-98% of Internet users claim they use search engines regularly-you may want to focus your initial web marketing efforts on search engine optimization. Search engines such as Google and Yahoo index billions of web pages and rank them according to complex algorithms that assess a page's accessibility, its relevance based on specific search terms or keywords, an importance indicated by the number of sites that link to it. Search engine optimization refers to the work that is

done to a website to ensure it gets noticed and ranked highly by search engines. Ideally, you want to strive for a top ten ranking, because studies have shown that most search engine users don't scroll past the first page of results.

Building a website using “search engine friendly” coding techniques that minimize the use of Flash and frames. Researching appropriate search terms-called “keywords” or “keyword phrases” –that fit the target market. Incorporating keyword-rich content into a website's domain name, meta tags, title tags, alt tags, headings and overall content, and ensuring that content is updated regularly. Submitting the website address to search engine. Developing reciprocal linking strategy with other websites to grow quality inbound links to the site.

Target Markets:

The groups of customers and potential customers most likely to want what you offer. Segments you can serve most profitably. Approaches that will deliver higher margins. Ways you can outmaneuver your competitors.

Marketing Objectives:

The specific behavior changes that will produce the business results you're looking for. With numbers attached, because we believe you get what you measure.

Positioning:

The best way to position your company that clearly defines your differences-and helps people understand why those differences matter to them.

Communications Strategies:

Messages that will compel your target audiences to re-think your product or service and change their behavior.

Contact Strategies :

The most effective and cost-effective ways to convey your messages to the most productive

audiences.

Marketing Plan :

Continue to get relevant sites to link to yours. Social media marketing involves a long-term commitment to establishing and nurturing mutually-beneficial reciprocal online relationships that will help you improve your products and services, strengthen your reputation, and drive traffic to your site that you may otherwise have to concede to your competitors.

It's already become clear that social media marketing will be one of the most important factors in the success of 21st century small businesses. If you're determined to excel in your online competitive environment, you will make a long-term commitment of time and creative energy to social media marketing. For small businesses and organizations, this commitment doesn't need to involve significant financial outlay.

After the fundamentals are in place and your new business website has been launched, you have to make your website come alive. There are now ways to get much more traffic on your site than you could ever expect if your only concern is search engine optimization:

Collaborating with customers? Establishing communities? Nurturing relationships? What's next, holding hands, singing, and swaying back and forth? Small-business owners and managers who are just trying to make a living in this economy may think they don't have time for this kind of thing.

Internet Marketing :

Internet surfers use search engines to find information online. Nearly 60 percent of adult Web surfers have shopped for travel-related services on the Internet in the last six months. Competition for these consumers is fierce. Are your Internet Marketing efforts bringing you any of this business?

- Let us perform a web site analysis for you.
- You will receive our suggestions without any commitment on your behalf and we will not share the information with anyone outside our business. You can use our we advice any way you prefer, do it yourself, or get estimate from us, built on your specific requirements.

Don't rely on automated submissions or generic package offers. More likely than not they will not fulfill your specific requirements. Submission by itself will not do much for your business. Some companies will offer you submission to 1000's of search engines.

Internet Marketing Approach :

1. We always start with a web site analysis. Without understanding what you have and are trying to accomplish we can't do a good job for you. After we analyze your web site we will give you suggestion
2. on content, features and general effectiveness of the site and what needs to be done to improve your web site traffic. If you don't have a site we will not attempt to start designing one until we understand what you are trying to accomplish and help you formalize you Internet marketing strategy.
3. Keyword Research, finding the most popular and appropriate keyword search phrases used by the public on the Search Engines for your products or services.
4. Optimize the site for search engines to improve web site ranking on the search engines and online directories.
5. Submission of the site to all major search engines and directories.
6. Linkage Research and Interactive Advertising management. Negotiate the

most effective online partnership and advertising online to create a greater online presence and higher traffic.

7. E-Newsletter. The E-newsletter allows you to build and maintain awareness while communicating news of special deals. will design, develop, distribute and track the response rate, plus automate the maintenance: subscriptions of your mailing list.
8. Email marketing is one of the simplest and most cost effective ways to communicate to your users. Whether you send one e-postcard or develop an entire yearlong campaign, we can design, distribute
9. and track to response rate and ROI of your e-postcard mailings, and even help you manage your email marketing database.
10. Online press release can be used as effective promotion, to reach trade media and the public.

Internet Marketing Analysis:

At NDDW we take care of all these. Our internet marketing services also extends from the range of search engine optimization to viral marketing and quite a few steps in between. Some of our services are geared for average websites and some are strictly internet marketing services that only enterprise level accounts can conceive. Our aim is give you the best internet marketing services to do successful online business.

We look at your objectives and goals and make an analysis of the person you are trying to reach with your efforts. Once a complete analysis of your buying public has been established we evaluate exactly what type of internet marketing services will be most appropriate for the desired end result. We then utilize these services to give you the best

internet marketing services.

Conclusion

Our wide range of services includes RSS feeds, blogging, article submission, participation in forum discussion to popularize your site and much more. Search engine marketing covers a great deal of disciplines and rituals which we shake up and for this we need to search the newest of the new trends on the market. We will do what is required for your website according to the latest trends.

Many companies and products look the same in its first look. Having the distinct identity is very important for your site and this is one us to do the rest for you. To differentiate your site from the rest of the crowd we use the suite of internet marketing services.

Do you have any idea about how your site is performing in the web. If no idea about this, then you have come to just the right place. We keep track of how your business is doing and what plans are required to what you exactly want to do for your business.

Once you get the proper view of how your business is doing then we can assist you in doing what you need to do to get your site to the top.

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Digital Payment System in India: Challenges and Opportunities

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Abstract — Digital payment system is not only helped the fast transactions but at the same time it has saved lot of time and money in the country. It's also helpful for the people to make them digitally literate like they know what are internet, apps and websites. Digital payment is a way of payment which is made through digital modes. In digital payments, payer and payee both use digital modes to send and receive money. It is also called electronic payment. No hard cash is involved in the digital payments. All the transactions in digital payments are completed online. It is an instant and convenient way to make payments.

It has a great potential to serve the society and an economy in a much better way catering almost all the needs of the modern global economy without giving chance to let grow the socially disapproved practices, malpractices, anti-social activities, etc. Thus cashless society is need of the hour taking almost all the prevailing issues and challenges before the society into the proper consideration. Cashless society stands for an economy where each and every person of the society does transactions digitally or electronically i.e. transactions route via debit cards, credit cards, smart cards, prepaid cards, electronic wallet, digital currency, different apps, etc.

Keywords — Digital payment, cashless, economy & digital currency.

Introduction

Digital India is the beginning of digital revolution. It is a dream which is created by the Government of India to ensure that government services are made available to citizen electronically, even in remote areas, by improving online infrastructure and by increasing Internet connectivity. E-payment is a method in which a person can make Online Payment for his purchase of goods and services without physical transfer of cash

and cheques, irrespective of time and location. Digital payments grew 55% by volume and 24.2% by value in 2016-17 over the previous year. Reserve Bank of India (RBI) data on Electronic Payment System (EPS) shows that number of digital transaction in FY 17 (figures till January 2017) was 1569.3 crore. This figure was 1512.6 crore for FY 16. Demonetization did increase the growth of digital transitions. Between November 2016 and January 2017, 545 crore digital transactions happened in India which is 38% higher than the number of transitions in the same period a year ago. These figures should not be taken as normal growth as liquidity shortage caused many people to switch to digital methods. Growth in digital transactions has been coming down with cash coming back in the economy.

Objectives of Study

The digital payment system is very useful for saving time and cost and it have great future. So study of digital payment system is very essential to know the merits and demerits of it. The following are objectives of the study:

1. To know the concept of digital payment.
2. To view the various methods of digital payment system.
3. To study the advantages and disadvantages of digital payment systems.
4. To criticize the challenges for formation of digital payment system.

What is Digital Payment?

Digital payment is a way of payment which is made through digital modes. In digital payments, payer and payee both use digital modes to send and receive money. It is also called electronic payment. No hard cash is involved in the digital payments. All the transactions in digital payments are

completed online. It is an instant and convenient way to make payments.

If we talk about cash payments, one can have to first withdraw cash from his account. Then he uses this cash to pay at shops. Shopkeeper goes to the bank to deposit the cash which he got from him. This process is time-consuming for him and also for the shopkeeper. But in digital payments, the money transfers from his account to the shopkeeper's account immediately. This process is automatic and neither we nor the shopkeeper is required to visit the bank. Digital payments save us from long queues of ATMs and banks. Because, if we pay digitally, we won't need to withdraw cash from our account. It also lots of time and a little bit money as well.

Modes of Cashless Transactions

1. Cheque:

The cheque is one of the oldest methods of cashless payment. It is a known method to everyone. In this method, you issue a cheque for the specific amount to someone else. The cheque gets deposited in the respective bank. The bank processes a payment through a clearing house.

The entire transaction done payments get dishonored due to signature mismatch or insufficient fund. In order to avoid such issue, we can use other cashless payment options.

2. Demand Draft:

Demand draft is another rudimentary way of cashless transaction. It is safest option to receive payment from anyone. Demand draft (DD) never gets defaulted as it is signed by the banker. The disadvantage of DD and cheque is you need to visit a bank in order to deposit cheque and demand draft. The clearance of cheque and DD takes additional time.

3. Online Transfer – NEFT or RTGS:

The third simplest method for the cashless transaction is online transfer using NEFT or RTGS. In order to do online money transfer, you need internet banking facility. Online transfer using NEFT or RTGS is comparatively faster than cheque or DD. Online transfer can be done from anywhere using internet facility.

4. Credit Card or Debit Card:

Credit card or debit card is another cashless payment method. The usage of credit card and debit card was limited in India. However, usage of credit card and debit card is increasing now because of demonetization. The limitation of this payment method is an availability of swipe card facility (PoS) at merchant end.

5. E-Wallets:

E-Wallet is next cashless payment option. E-Wallet can be used to purchase products starting from grocery to airline tickets. In order to use E-Wallet customer and merchant, both require and smart phone with active internet connection. The most popular example of E-Wallet is PayPal. After registering for E-Wallet you need to link your credit card or debit card with your E-Wallet id. You can use E-Wallet for fund transfer or online shopping. It is simplest cashless method.

6. Mobile Wallets:

The next cashless payment method is a mobile wallet. You do not need a debit card, credit card or internet banking password for making payment using a mobile wallet. Just load money in your wallet via IMPS and use it on the move. You can download mobile wallet app from play store. Few examples of mobile wallets are Paytm, PayUmoney, MobiKwik, etc.

7. UPI Apps:

UPI is a mobile payment system which allows you to do various financial transactions on your smart phone. UPI allows you to send or receive money using virtual payment address without entering bank information. Merchant can enroll with bank to accept payments using UPI. Like in the case of a PoS machine the merchant would require a current account with a bank to accept UPI

payments. The examples of few UPI Apps are SBI Pay, Union Bank UPI App, Phonepe, etc.

8. Gift Card:

The next cashless payment method is a gift card. Gift card is a readymade card and can be purchased from a merchant or from the bank. The gift card is loaded with a fix cash amount you can purchase any item from the specific vendor by using a gift card.

9. Aadhaar Enabled Payment System:

Aadhaar Enabled Payment System (AEPS) is one of the best cashless payment methods. AEPS is like Micro ATM it use smart phone and a fingerprint scanner for the transaction. In order to use this facility, it is mandatory to link your Aadhaar card to your bank account. You can use AEPS in order to perform transaction like Aadhar to Aadhaar fun transfer, Cash withdrawn, Cash deposit, etc.

10. Unstructured Supplementary service Data:

You can use USSD cashless option if you don't have a smart phone or internet connection. Unstructured Supplementary Service Data is mobile banking service. From any mobile, you can dial *99# and use this service. You can do all these things which are available to a person with smart phone and internet connection. Almost including SBI, ICICI, BOB, Axis Bank and PNB supports USSD payment option.

Advantages of Digital Payment System

The Digital India programme is a flagship programme of the Government of India with a vision to transform India into a digitally empowered society and knowledge economy. As part of promoting cashless transactions and converting India into less cash society, various modes of digital payments are available. There are so many benefits that are related directly or indirectly to the India's economy with the use of digital payment system for making various transactions in the market. The benefits include:-

1) Printing money and coins reduced:

Printing money is the direct cost that affects the bank. In the digital payment system maximum transactions are made without use of hard cash so there is no there is no requirement of printing the money. So the cost of printing money of government is reduces. Data from a Right to Information answer by the RBI in 2012 shows that it costs Rs. 2.50 to print each Rs. 500 denomination note, and Rs. 3.17 to print a Rs.1,000 note. From April 1994 to June 2016, currency has shown a yearly growth rate of 17%, while the share of bank currency has remained around 5%. Production of coins and paper currency is indeed an expensive endeavor and the life span of most of the paper

currencies is about 6 years. So, by going digital payment system the cost of production gets reduced.

2) Maintenance Cost:

There is another important aspect is the maintenance in the form of storage of notes, transportation of the notes to the distant places, security of the notes and devices for the detection of counterfeit notes. The other major aspect of the maintenance is that the distribution of money through ATM machines at the different locations. It is reported that all this maintenance cost the government about 5% of the GDP of India. By the Digital payment system we can save somewhere around 500 crores by this mean only.

3) Eradication of the corruption:

Going Digital payment system is going to eradicate the corruption to some extent. The direct transactions of the money cannot take place easily. These transactions will be simple easy and transparent which in turn will show in the accounts of the senders and the receivers. This Digital payment system is going to hit the corruption in a much planned way from the government offices.

4) Decreased Crimes:

It is a well known fact that the criminal underworld usually requires huge volumes of cash to carry out their nefarious operations, such as Armed Robbery, Kidnapping Terrorist Activities and Money Laundering. Therefore, Digital payment system placed control on all the transactions and set a limit on the amount of cash

flowing in the system, will curtail such activities as armed robbery, kidnapping, drug and gun running and money laundering. In an environment of extensive and predominate use of cheques and e-payments, criminal transactions can be easily traceable and tracked.

5) Wipe away the black money:

It has been observed that many businessman start evading the real money. Most of them never show that actual business on paper. This habit of evading sales has caused a lot of impact on the tax of the country. Small shopkeepers and big industrialists do this to save tax. This practice has created a very big problem of loss of tax to the exchequer. The loss of huge money has lead to the

parallel economy in the state that has created a big loss not only to the government but towards the development of the common people's goal. The presence of Digital payment system will definitely lead to the development of the country by means of collecting surplus taxes and also to spend these taxes for the benefit of the scheme.

6) Stop Leakages:

Digital payment system is the best and one of the few ways in the system to stop leakages of the money by the officials of the government while distribution money to the beneficiary. The present policy of the linkage of AADHAR or UID NO. by the government has resolved this issue to the great extent. The direct benefit transfer policy of the government has helped the identification of the beneficiary on the basis of biometric identity and helps the people to get their dues directly in their bank account.

7) Saves Money and Time:

In case of Companies and governments will get efficient and they can reduce costs as they no longer need the manual accounting work to be done if all transactions are through Digital payment system. The costs associated with accounting and handling cash is very high. Business and individual can also avoid other costs as well. Theft often leaves a big hole in one's pocket. The risk of theft will continue until people carry cash and by going Digital payment system the same can be reduced.

Disadvantages of Digital Payment System

1. Cash is Still the King:

It is the habit of transacting in cash and trusting it to be the most viable option which needs to be changed. However, this dependency on cash does hold merit. Most of the developing countries are struggling with basic infrastructure for online transactions like a mobile phone or handheld device, internet connectivity; in some even electricity is a far-fetched dream. Thus performing critical activities like online transactions is not even heard of. Also with the growing cyber-attacks and frauds, banking is still susceptible and the need of the hour is stricter cyber laws and a focused approach to developing safer systems.

2. Security – Cyber Attack, Fraud and Power

Outages:

Digital payment system can be a nightmare when it comes to security. All our transactions will be done digitally. We will be prone to cyber attacks like hacking. Hackers can hack our sensitive information like password, credit card number etc and leave our account with no money. Even our personal computer is compromised. We can save our self from fraud but it is very difficult to save from a cyber attack.

3. Have to Trust Government or Third party:

There is no money in our hand in digital payment system. All the money is digital so either they are in control of banks or government or any other third party. We have to trust government or bank blindly because everything is under their possession. This is could be scary because if tomorrow something happens we will be left with no hard cash.

4. Reduced Liquidity means Bad for Certain Sectors:

There are certain sectors which depend upon high level of transactions. Sectors like Real Estate, jewelry, retail industry, restaurants and eating joints, cement and other SME will be affected badly because of digital payment system. It means a lot

people who are employed by these sectors are also going to be affected.

5. Really bad for poor:

In our country so many people are not even using simple mobile so they are not interested to go for digital payment system. The structure of digital payment system is not suitable for our country where so many people are below poverty line.

6. Internet speed and cost for internet:

For going through digital payment system one can need fast internet connection which cost high. Means for making any payment or transactions digitally we can also cost more for data use.

7. Problem facing after unsuccessful transaction:

While making any payment by digital payment system there are so many parties, like payment receiver, bank merchant and our bank. If we make any payment and if it is not successful then we want to call any one of these three parties and

give the details of payment made like reference numbers etc. In such case if we lost such reference number then the process of refund is not done properly.

Challenges in Establishing Digital Payment System

It is very important to see the facts that most of the situations and circumstances have posed as big challenge to the government. The above written are some of the findings that are based on the observations and the secondary data used in the paper. The major challenges that are there to establish the digital payment system are.

1. Financial Inclusion:

If we see the present situation of the people, in India having bank accounts, we can see that only sixty percent of the country's population has bank accounts. Still large number of people is not having the bank accounts. Government's decision on opening the massive bank accounts under Pradhan Mantri Jan Dhan Yojna has perpetuated this cause of giving every citizen of the country with the account. More than 228 million accounts were opened under PMJDY scheme till July 2016. Most of these accounts were zero balanced accounts and out of these many accounts are lying dormant in the bank. People without knowledge of operating accounts are in no way efficient enough to operate the account. These peoples are not aware about digital payment system having bank account.

2. Lack of Infrastructure:

In India there are many areas where bank is still a distant dream. The remote areas are still not having the banks at their door step. People have to move to distant places to have their money transactions in the banks. There are no ATM facilities in the remote areas. Even the ATM is not fully backup with the electricity and other IT related facilities. It is the chief concern of the government and the bank to come up with the basic and secure infrastructure for the banking services.

3. Lack of education:

People living in the remote villages and areas of the country are still not educated enough and are not able to operate the banking services effectively. Illiterate people with bank accounts in

the country are not even good enough to fill in the bank forms to deposit and withdrawal money. They have to take help of the people in the banks to fill in the forms and get their work done. It has become the prime responsibility of the government to start a campaign in the form of mission to enable the people to discharge their duty by themselves. Lack of education and the poor syllabus done in the schools are the main reasons that they are not able to operate their bank accounts.

4. Access of technology:

Technology is the backbone to this banking revolution. Technology must be available in all the areas of the country; it means all the banks at the branch level even in the remote area should have the access to the technology. The technology must have all the aspects that can help the individuals to do the things better and effectively. The second major aspect of the technology is that it should be easily handled and used by the people. It is one of the major aspects of the banking that the consumer must be aware of the technology and should be able to use it effectively for the purpose. The people are not aware of the technology and are not so involved in the use of it.

5. Large number of people to be covered:

There are large numbers of people that are to be covered by digital payment system. Although many accounts are opened during Pradhan Mantri Jan Dhan Yojna, but many of them are lying dormant. Still forty percent of the India's population are not having access to the bank and banking services. It needs a proper penetration into the market to give the services of banking to the people. It is one of the major challenges for the government to include large number of people in the mainstream.

6. Uneven profile of the participants:

The banks who are participating in this mission are having uneven status. The national banks and privatized banks have different priorities and their services are to the some extent are uneven in this context. As maximum cards are issued by nationalized banks they have different level of motives. The service missions missing in private bank and hence it creates the affair costly.

7. Customer awareness is missing:

Consumers are not aware about the different

aspects of digital payment system. Service tax, transaction fee, security of the account all matters should be stressed upon so that consumer gets awareness and become an effective party to the mission.

Opportunities of Digital Payment System

After the induction of digital payment system or modes of digital payment there is end number of opportunities available for Indian economy to create cashless society. the opportunities are available for digital payment system are as follows:

Financial Literacy: Promotion of digital payment system motivates the people to learn about varied banking apps or various modes available for online banking transaction. This motivation creates awareness about banking services and

products, due this people of india become literate to perform banking transaction through digital mode.

Stopping of Corruption: Use of hard cash leads to corruption, but use of digital payment system helps to reduce corruption because every transaction done through digital mode.

Tax Collection: Digital payment system promotes legal financial transaction and every legal transaction leads to collection of tax.

Revenue Generation: After the use of digital payment modes, every business transaction has been recorded and every business maintains books of accounts in fair manner i.e. without malpractice. The result of that tax calculation and filling return will be done in time, therefore digital payment system helps to generate revenue in the economy.

Employment: Digital payment system, leads to legal financial transaction in India and helps to reduce the theft of tax, result of this revenue will generate and this revenue will invest or use to create employability.

Develop accounting culture: Digital payment system leads to develop accounting culture in business class because of every business financial transaction done electronically and record of all transactions easily available from bank records and result of that, it helps to every businessman to record business transaction.

Conclusion

It has a great potential to serve the society and an economy in a much better way catering almost all the needs of the modern global economy without giving chance to let grow the socially disapproved practices, malpractices, anti-social activities, etc. Thus cashless society is need of the hour taking almost all the prevailing issues and

challenges before the society into the proper consideration. Cashless society stands for an economy where each and every person of the society does transactions digitally or electronically i.e. transactions route via debit cards, credit cards, smart cards, prepaid cards, electronic wallet, digital currency, different apps, etc. cashless transaction system has its enormous advantages that could benefit the whole economy in different ways provided it is used with full security measures and proper care.

In conclusion, the digital payment system is changing both online and offline at a brisk pace. Digital payments will likely continue to be a catalyst for digital innovation in the coming years and may have a significant impact in how the retail industry as a whole evolves over the next decade. It is very useful and more beneficial for electronically literate people only. But in case of illiterate peoples it fall measurably. And before installation of digital payment system we firstly improve our infrastructure and cyber security.

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Goods and Services Tax (GST)

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ABSTRACT

Goods and Services Tax (GST) is a comprehensive tax levy on manufacture, sale and consumption of goods and services at a national level. One of the biggest taxation reforms in India the (GST) is all set to integrate State economies and boost overall growth. Currently, companies and businesses pay lot of indirect taxes such as VAT, service tax, sales tax, entertainment tax, octroi and luxury tax. Once GST is implemented, all these taxes would cease to exist. There would be only one tax, that too at the national level, monitored by the central government. GST is also different in the way it is levied — at the final point of consumption and not at the manufacturing stage. At present, separate tax rates are applied to goods and services. Under GST, there would be only one tax rate for both goods and services. The goods and services Tax will indeed be a further significant improvement towards a comprehensive indirect tax reforms in the country. Integration of goods and services taxation would give India a world class tax system and improve tax collections. It would end distortions of differential treatments of manufacturing and service sector. GST is expected to create a business friendly environment, as price levels and hence inflation rates would come down overtime as a uniform tax rate is applied. It will also improve government's fiscal health as the tax collection system would become more transparent, making tax evasion difficult. An attempt is made in this paper to study the concept of goods and service tax and its impact on Indian economy. The study also aims to know the advantages and challenges of GST in Indian scenario.

Key Words: *goods n services tax, economic development, Indian economy and value added tax.*

INTRODUCTION

Taxes are the only means for financing the public goods because they cannot be priced appropriately in the market. They can only be provided by governments, funded by taxes .It is important the tax regime is designed in such a way that it does not become a source of distortion in the market or result in market failures. The tax laws should be such that they raise a given amount of revenue in an

efficient, effective and equitable manner. Tax policies play an important role on the economy through their impact on both efficiency and equity. A good tax system should keep in view issues of income distribution and, at the same time, also endeavour to generate tax revenues to support government expenditure on public services and infrastructure development. GST stands for Goods and Services Tax. It is a domestic trade tax that will be levied in the form of a value added tax on all goods and services -in practice with some exemptions. A value added tax exempts all inputs including capital goods. Hence, it becomes a general tax on domestic consumption. It is a convenient and economically efficient way of taxing consumption. If it is levied at a single rate and there are only very few exemptions, it becomes a proportional tax on consumption. In order to ensure that the tax burden is distributed according to the consumption of different individuals, it must be levied on the basis of the principle of destination, that is to say that the tax on a good should go to the state in which the concerned consumer lives. This automatically takes place if the tax is levied at only the central level, or if the state is a unitary one with only one level of taxation. In a federation, there are special problems to be solved if GST is to be levied at the level of the states as well as the federal government.

LITERATURE REVIEW

1. According to **Suresh (March 2, 2015)** the key point discussed includes centre to educate motivate and convince the state on being GST. This discuss was all about GST would cut down on their own revenue. The discussed pointed out that some sectors like construction, cigarettes, liquor were not in GST. EX: WHILE MAHARASHTRA wanted to keep Octroi with itself where as Telangana wanted the revenue from the stamps and registrations.

2. **BipinSapara (Feb 28, 2015)** in this article, analasized the expectations and curiosity whether implement of GST in India. However the finance minister set a positive aspect on enforce of GST and also he mentioned that o=it will play a transformative in India economy and also develop a common Indian market. There is a time limit of availing credit on input and input service and also being increased from 6 months to 1 year. There is lot benefits are expected in GST in Indian economy and the

most important one it would provide seamless flow of credit across the supply chain for business.

3. **Seth and Dhasmana (august 18, 2015)** according to this articles, we have taken all the stops to implement GST. If this bill passes quickly. We would be able to roll out from the scheduled deadline. Only if there is a co-operation between central and state. If GST is implemented the consuming state will benefit from the first year itself. Whereas manufacturing states might initially faces losses first 2years. The advantage of GST is that we get India as one single unified market.

4. According to **S Krishnamurthy**, adjunct faculty in the finance and control area at IIM Bangalore. GST is a proposed tax reforms that centre around efficient and harmonized consumption tax system in the country. The introduction of goods and services tax will lead to the abolition of taxes such as octroi, central sales tax, state level sales tax. Entry tax, turnover tax, tax on consumption or sales of electricity, taxes on transportation of goods and services and eliminate the cascading effects of multiple layers of taxation.

5. **NDTV (December 18, 2014)** articles state that GST will enable the creation of a unified market for facilitating seamless movement of goods across states. There is expectation that if we implement GST is might reduce the transaction cost of business. Some of the companies like page industry GST will increase the tax burden. Secondly PVR cinema: implementation of GST might lead to lower entertainment taxes.

RESEARCH PROBLEM

The concept of Goods and Services Tax (GST) is the biggest tax reform in decades throughout the world, but India has been taking baby steps to meet its target of rolling out goods & services tax (GST) on April 1, 2016. The research intends to focus on understanding concept of goods and service tax and its impact on Indian economy.

OBJECTIVES OF THE STUDY

1. To understand how GST will work in India.
2. To study the concept of Goods and Services Tax (GST) and its impact on Indian Economy

RESEARCH METHODOLOGY

The research paper is an attempt of exploratory research, based on the secondary data sourced from journals, magazines, articles and media reports. Looking into requirements of the objectives of the study the research design employed for the study is of descriptive type. Keeping in view of the set objectives, this research design was adopted to have greater accuracy and in depth analysis of the research study.

CONCEPT OF GOODS AND SERVICE TAX

Goods and Service Tax (GST) is a comprehensive tax levy on manufacture, sale and consumption of goods and service at a national level. In simple terms, GST may be defined as a tax on goods and services, which is liveable at each point of sale or provision of service, in which at the time of sale of goods or providing the services the seller or service provider may claim the input credit of tax which he has paid while purchasing the goods or procuring the service. It is basically a tax on final consumption.

Under the GST regime, both the Centre and the State would have the powers to tax the supply of goods and services right from their primary stage to final consumption. At the centre's level, introduction of the GST will mean that it takes the place of central excise duty, service tax and additional customs duties. At the state level, the GST will take the place of State VAT.

GOODS AND SERVICES TAX IN INDIA

The introduction of GST in India is not an entirely new initiative, but it is to rectify certain basic implementation shortcomings of VAT. So, this is an attempt to improve the existing VAT system further and also the tax system of India. VAT was introduced in the Indian taxation system from April 1, 2005 in an effort to address the with the earlier Sales Tax. The States have switched over from a multiple point Sales tax to a Value Added Tax (VAT) covering all transactions of sale of goods within the State The essence of GST is to correct certain shortcomings of VAT like, the way it taxes inputs and outputs, bringing services under tax net, which is not possible under the VAT system. Hence, GST has been modelled as an extension of the current VAT that would make the tax system more comprehensive and smoother in its functioning

CHALLENGES FOR GST IMPLEMENTATION

Some expected hurdles to be adequately overcome could be as under:

One time coverage: Share of revenue from such commodities, which would be kept outside the GST structure, e.g., petroleum products, tobacco, liquor, etc. However, Central Govt. can charge excise duty on tobacco products over and above GST.

Numbers of taxes to be subsumed in the GST, for example stamp duty, property tax, toll tax, etc. are kept outside the GST structure.

Uniformity of 4 rates across most products: All efforts should be made to keep the GST rate as low as possible.

Protecting present/future revenues of States- Compensation to the Under the GST structure, the tax would be collected by the States where the goods or services are consumed, and hence losses could be heavy for the producer States and the Centre would be required to compensate them for loss of revenue. The Centre had earlier come out with a similar scheme to compensate States for loss of revenue following implementation of value added tax (VAT), which came into effect from April 1, 2005. The compensation structure was 100% in the first year, 75% in the second year and 50% in the third year. Compensation was also provided to the States for loss of revenue due reduction in CST rate from 4% to 2%

Safeguarding interest of less developed states with low revenue – Due to switch over from origin based to destination based levy model could lead to safeguard the interest of less developed states, which are not major producers but major consumers. The consuming states to get more revenues.

Seamless credit system – restriction baggage. Presently, no cross credits are available across these taxes and the sales tax paid (on input) or payable (on output). Introduction of GST should thus rationalize tax content in product price, enhance the ability of companies to compete globally, and possibly trickle down to benefit the ultimate consumer. However, it is learnt that under the proposed GST regime, the Centre will give input tax credit (set off) only for Central GST and the States will give input tax credit only for State GST. Cross-utilization of credit between Central GST and State GST will not be allowed. Nevertheless, the dealers could claim set-off within the respective heads.

Transition from origin based to destination based: The only exception could be B2C end consumer supplies which could continue to be taxed in the state of origin of the supply.

Standardization of systems and procedures all over India- This includes items such as the taxpayer registration system, taxpayer identification numbers, tax forms, tax reporting periods and procedures, invoice requirements, cross-border trade information systems and IT systems.

Unfair dispute resolution with equal powers. A common dispute resolution mechanism [state+ centre] as well as a mechanism for giving advance

rulings would further facilitate trade and industry.

Training/ Equipping Tax administration: Since the dual GST is considerably different from the present indirect tax regime, a massive training initiative would be required at both federal and State levels to familiarize the respective administrations with the concepts and procedures of the dual GST. However, the task is not limited to technical training but also extends to a similar effort to reorient the attitude and approach of the tax administration in order to achieve a fundamental change in mindset.

Adoption of huge capacity IT to improve efficiency and credit states for input credit utilized as taxes collected would be on account of destination state.

Impact of GST on Various Sectors

Consumers: Generally the purchase price would reduce as tax content of most products would come down. However if a product has evaded tax completely then it may find increase. Further those items which are now taxable where tax rate earlier was zero may be more expensive as exemption and zero rated list may come down in the GST regime.

The tax paid would be transparent in the invoice given to the customer. No hidden taxes would have been paid. The difficult choice of paying more if bill demanded and less if without bill would over a period of time disappear as this is a self policing system.

The free flow of trade (over a period of time) between states and throughout the country would provide more choice to the consumer.

Traders: The impact of tax on the wholesaler or retailer would be limited to the value addition. The tax paid at earlier stages (except SGST of other states) would be available as set off for payment of GST on supplies. Therefore traders would prefer to buy/ receive supplies with invoice. The tax payable as a percentage of the supply value would be small whereby the compliance would be more cost effective than evasion. Cost of products and services would reduce due to the cascading effect of tax being reduced. Traders in GST regime can concentrate on growth into large entities instead of remaining small and fragmented.

Manufacturers: There would be a saving in taxes absorbed at various stages of manufactures

thereby reducing the cost of goods sold. This would make them more competitive both in domestic and international markets. The exports would be cheaper as taxes paid at earlier stages could be refunded. The difference between large manufactures and small would reduce. The indignity of harassments and bribe for honest manufacturers would substantially reduce over a period of time.

Service Providers: The present rate of tax on services is 14% (w.e.f 01.06.2015) which would be doubled in GST. This may seriously impact all the service providers especially who have long periods of realization. Those working on low margins may become unviable. The net tax payment may be substantial as most advisory services the manpower costs is the maximum. Hardly any set off would be available. The goods used in providing the services would be eligible for credit. Hopefully the service exporters would see refunds coming promptly without a direct transaction cost. Present destination based to consumption based levy: Presently, service tax is levied at origin and is a destination based levy, the burden of which is borne by the end customer. Under GST, they would be taxed at the place of consumption.

Service tax-SGST levied by States: Under GST law, the service tax would be levied not just by Centre but also by the States who would be empowered to levy SGST by amendment to the Constitution of India. Taxes received by consuming State- If services are rendered from one State to another, then tax would ultimately go to the consuming State.

Government-Centre: The collection of Income tax would increase with increase disclosure. The country would as a whole reduce corruption and move up ethical chain gradually. The compensation of loss to the states on account of implementation of GST would be an outgo.

Government-State: The trading sector, manufacturing and service sector in the parallel economy would also get into the mainstream and pay taxes. This would lead to buoyant revenues over a period of time. The tax administration would be easier and cost of collection would be reduced.

perspective, this change is going to have substantial impact on the business as well cost to consumers depending upon the structure of the business and location of business and consumer. Therefore it becomes essential to restructure the business and location depending upon the assessment of implication of GST on each type of transactions. The impact analysis and planning for restructuring can be done only after the draft law is released. However as per the analysis of paper writer, the rate for goods would be lower than it is now in average by 3-4 %. Depending of components of cost, in case of most of the services, the cost to final consumer is going to go up by about 10%.

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Conclusion

More important, from the businessman and consumer

FACTORS INFLUENCING ONLINE SHOPPING BEHAVIOR: THE MEDIATING ROLE OF PURCHASE INTENTION

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1. Introduction

Since its transition into a global interconnection network for sharing and delivering information, internet has emerged as a useful marketing tool to serve as a platform for domestic and international transaction. According to **A.T. Kearney (2015)¹**, retail e-commerce has grown nearly to US\$840 billions in 2014 surpassing the sales of US\$695 billions in year 2013 and it was estimated to increase to US\$1506 billions in 2018. The continuous sales increment indicated that e-commerce has enormous market potential. The operation and success of powerhouses such as Alibaba, Tencent, Amazon and Groupon etc have set as an example for corporates to shift the model of their business from brick-and-mortar to brick-and-click. Regardless of the flourishing e-commerce on a global scale, Malaysia had dropped out from the 30th position in Top 30th Global Retail E-Commerce ranking in 2015 (**A.T.Kearney, 2013**)².

Huge investment to grasp virtual consumers has induced the online sellers to go no further towards the understanding of consumer behavior. Although both government and private sectors have put in much effort to prosper the virtual shopping platform, traditional store remains as the instinctive choice for majority of consumers. (**Ramayah & Ignatius, 2005**)³. A related study by IPSOS Open Thinking Exchange (2012) found that 56 percent of the respondents from 24 countries prefer to shop in a traditional store rather than an online store (**Marketing Charts, 2012**)⁴. Even in developed countries such as United States, out of 63 percent of the consumers would make a survey on the internet before proceed to purchase traditional consumer electronics online, but only half of the consumers will truly purchase online (**NPD Group, 2011**)⁵.

The internet is being developed rapidly since last two decades, and with relevant digital economy that is driven by information technology also being

developed worldwide. After a long term development of internet, which rapidly increased webusers and highly speed internet connection, and some new technology also have been developed and used for web developing, those lead to firms can promote and enhance images of product and services through web site. Therefore, detailed product information and improved service attracts more and more people changed their consumer behavior from the traditional mode to more rely on the internet shopping. On the other hand, more companies have realized that the consumer behavior transformation is unavoidable trend, and thus change their marketing strategy. As the recent researches have indicated that, the internet shopping particularly in business to consumer (B2C) has risen and online shopping become more popular too many people. There are many reasons for such a rapid developing of internet shopping, which mainly due to the benefits that internet provides. First of all, the internet offers different kind of convenience to consumers. Obviously, consumers do not need go out looking for product information as the internet can help them to search from online sites, and it also helps evaluate between each sites to get the cheapest price for purchase. Furthermore, the internet can enhance consumer use product more efficiently and effectively than other channels to satisfy their needs. Through the different search engines, consumers save time to access to the consumption related information, and which information with mixture of images, sound, and very detailed text description to help consumer learning and choosing the most suitable product (**Moon, 2004**)⁶. However, internet shopping has potential risks for the customers, such as payment safety, and after service. Due to the internet technology

developed, internet payment recently becomes prevalent way for purchasing goods from the internet. Internet payment increase consumptive efficiency, at the same time, as its virtual property reduced internet security.

Even the internet shopping has been rapidly developed, especially in consumer goods industry, but there still have a big difference between traditional and online consumer shopping. Referred to sales in the Indian consumer goods industry, the online sales occupied at a very low percentage rate. That could be caused by many reasons, but the most importance is the advantages exist in both traditional shops and online market; both of them have specific characteristics. For example, the traditional seller can provide convenience in parking and shopping, it allows customers come to read and check the quality of goods before they purchase, and the after service is more directly to customers. However, the traditional store has limited number of goods, and the selling cost is higher than online store. By comparison, we can find out the limitations of traditional store are more likely as the advantages of online store, in contrast, the weakness of online store is also seems as the advantages of traditional store. It is clear from the overview of internet and internet shopping development that e-commerce is being used in many corporations due to the dramatic development of technology and competitive advantages of web selling. Moreover, the expansions of the usage by individuals also become main contributors to the development of internet shopping. Relatively few studies have investigated in the internet shopping and impact on consumer behavior. The previous studies are more focus on the marketer's point of view, such as how to establish a more efficient marketing channel online rather than the traditional offline channel. Therefore, this research will combine with previous studies from literature reviews, and focus on the impact of the internet shopping on consumer behaviors to find out a comprehensive analytical framework which showing the essential ingredient of marketing and business to satisfying the consumer's needs, and a deeply understanding of online consumer behavior as a reference for any e-commerce company to make marketing strategies.

Impact of Internet on Consumer Behavior

The influences on consumer behavior are often made between external and internal factors. External factors are come from the environmental conditions, and internal factors are usually from the consumer's mind. There are many factors could influence consumer's behaviors. According to Warner, the external influences could divide into five sectors: Demographics, socio-economics, technology and public policy; culture; sub-culture; reference groups; and marketing. The internal influences are variety of psychological processes, which include attitudes,

learning, perception, motivation, self-image, and semiotics (Malcolm). In addition to these, **Sheth (1983)**⁷ also suggested that the consumers have two types of motives while shopping, which are functional and non-functional. The functional motives are mostly about the time, shopping place and consumer's needs, which could be like one-stop shopping to save time, the environmental of shopping place such as free parking place, lower cost of products and available to choose from widely range of products. The non-functional motives are more related with culture or social values, such as the brand name of the store. The traditional shopping is simply about the customer to purchase their needs. This behavior will be influenced by the seller's advertising and promotion which attracts customers goes there and purchase goods, afterwards a part of new products will be taken home and be used.

2. Objectives

1. To find out how frequently the respondents access the internet for online shopping.
2. To find out the impact of online shopping on consumer behavior.
3. To compare the consumer behavior related to online shopping based on gender.

3. Research Methodology

Study population-The students of Graduation College were selected randomly from the available students on the interview day.

Selection of Sample Size - The sample size for the study was 210 respondents from among online consumers.

Sampling Technique-The random sampling technique was adopted in the study.

Structure of questionnaire-The questionnaire was taken from previous literature on Internet shopping and its impact on consumer behavior (**Zheng 2006**)⁸.

Statistical analysis-The data obtained from the questionnaire was analyzed by using percentages, frequency, analysis of variance and Chi Square Test.

4. Results and Discussion:



Table 1: Frequency of accessing the internet by

respondents to support work

Frequency of using Internet	Male		Female	
	Frequency	Percentage (%)	Frequency	Percentage (%)
At least Daily	152	69	76	76
At least Weekly	28	25	96	16
At least Monthly	6	6	8	8

The above table shows that majority of the respondents i.e. around 69 percent male and 76 percent female respondents reported that they used the internet to support their work on a daily basis. **Monami and Banerjee (2012)**⁹ also found in their study that the consumers use internet every day, and spent around 1-2 hours per internet session.

Table 2: Distribution of respondents according to types of purchases made from online market.

Particulars	Details	Male		Female	
		Frequency	Percentage (%)	Frequency	Percentage (%)
Goods purchase from online.	Books*	72	65.4	56	56
	CD/video *	34	31	8	8
	Software *	46	42	22	22
	Toys & gift*	40	36	34	34
	Tickets /Hotel/Travel bookings*	72	65.4	60	60
	Consumer electronics*	58	53	26	26
	Apparels & accessories*	64	58	82	82
	House ware *	18	16.3	6	6

From the above table no.2, from the wide variety of goods and services on offer on the internet, the survey shows that Apparel/ Accessories formed the major chunk of online purchases for female respondents as 82 per cent of the female respondents reported making online purchases of this item. In the case of male respondents, books emerged as the first choice for online purchases as around 65 percent of the male respondents reported making online purchases of this item. Tickets/ Hotels/Travel bookings emerged second in the preferences of both the male (65.4 percent) and

female (60 percent) respondents.

Table 3: Distribution of respondents according to mode of payments used when shopping online

Particulars	Details	Male		Female	
		Frequency	Percentage (%)	Frequency	Percentage (%)
Mode of payment when shopping online	Credit card	14	13	12	12
	Third party	6	6	2	2
	Net Banking	6	5	4	4
	Personal Cheque	4	4	0	0
	Cash on delivery	80	73	82	82

from the table no.3 that 73 percent of male and 82 percent of female respondents preferred to pay on delivery by cash. **Upadhyay and Kaur (2007)**¹⁰ also found in their study that Payment on delivery through cash is the safest choice of payment.

Conclusion:

Based on finding it is concluded that the participants accessed the internet to support their work but accessed the internet for online shopping occasionally. The participants prefer online shopping to physical shopping due to benefit such as saves time, comfortable/ relaxed shopping, detailed product information and facility of easy price comparison impacting consumer behavior towards online shopping.

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Future Digital Gold Mine: Save the world

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World Busy in printed currency or physical currency, a lot of environment factors effect negatively with the use of physical currency, every country have their own currency and different value and physically transfer of huge transections not possible in bank or individual transection. Much more money lot of raw material use for physical currency, A numerous machinery, workers,etc. use in this program. Need to innovative idea for change physical currency.

In Second World War for secure communication cryptography born, this is the sci. and art. Cryptography word from Greek word kryptos and graphein which mean hidden and writing.

Hieroglyph, 4000 years ago Egyptians used for communication by written message on behalf of the kings

Steganography: example, Invisible water marketing
Evolution of cryptography

- After 19th century ad hoc for encryption approaches for security purpose
- In the early 20th century invention of mechanical and electronical machine, like Engima rotor machine for coding.
- Period of World War II cryptography

With the use of Internet cryptography application use in Government organizations, military units and corporate houses.

Crypto currency:

The famous encryption algorithm RSA, American cryptographer David Chaum invented the first form of internet money as DigiCash in the Netherlands. The innovative technology and its interesting product eCash focus tremendous media attention.

Satoshi Nakamoto man living in Japan, born on 5 April 1975 published a paper on the cryptography mailing list at metzdowd.com describing the bitcoin digital currency In October 2008, paper titled "Bitcoin: A Peer-to-Peer Electronic Cash System". In January 2009, Satoshi Nakamoto launch the first bitcoin software that launched the network and the first units of the bitcoin cryptocurrency, called *bitcoins*. Satoshi Nakamoto launched the Version 0.1 of bitcoin software on 9 January 2009.

Objective of the study:

1. To study the Crypto currency as aParallel economy for the world.

Research Methodology:

Data Collection:

Secondary Data used for this research

Sampling: Out of Top 100 select top 10 companies doing business in digital coin
10 companies

Top 10 world Digital Coin companies

1. Bitcoin

2. Ethereum
3. Bitcoin Cash
4. Ripple
5. Litecoin
6. Dash
7. NEO
8. IOTA
9. Monero
10. NEM

18th Dec 2017 Approximate price per coin.

Sr.No.	Name of the Company	Price per Coin in \$
1	Bitcoin	7692
2	Ethereum	10.54
3	Bitcoin Cash	1303
4	Ripple	0.006409
5	Litecoin	3.84
6	Dash	15.36
7	NEO	0.12265
8	IOTA	0.7667
9	Monero	129.22
10	NEM	0.1936

Source: <https://atozforex.com/news/top-10-cryptocurrency-2017/>
Top Countries where Bitcoin is legal

Top Countries where Bitcoin is illegal

Sr. No.	Country	Status
1	US	Partially Legal
2	Canada	Legal (Anti Money Laundering)
3	Australia	Non harmful (taxation law)
4	Europe	Indifferent or issuing warning
5	Singapore	Green list
6	Japan	Self-regulated
7	Israel	Introduction on tax

Source: <https://atozforex.com/news/top-countries-where-bitcoin-is-illegal/>

This is risky business for 100% replacement of any country currency into crypto currency, existing currency effected and adverse effect on poor in any country, its adverse effect on existing economy its use as parallel currency in any country subject to purchase selling conditions only. Future is not as per dream but its run on reality. Farming is the backbone of every country and it's not run on Digitalization. We are limited resources for electricity all over the world, save electricity power generation, save the world.

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