



## E-MARKETS IN EMERGING ECONOMY: AN INDIAN EXPERIENCE

Miss Bansude R. V.

Assistant Professor, Head Department  
Commerce, A.R.Burla Mahila mahavidhyalaya,  
Solapur.

### ABSTRACT

**M**etalJunction.com is a joint venture of TISCO (Tata Iron & Steel Company) and SAIL (Steel Authority of India), the steel creators contributing over 60% to the India's aggregate steel generation. The case shows how an organization(s) can utilize data innovation to turn off key procedures, for example, obtainment and offering. Since its first year of operations, MetalJunction.com delivered liberal speculation reserves for TISCO and SAIL. The case moreover supports the dispute that the business setting in rising economies is through and through not the same as made economies; hence, setting up a successful B2B marketplace may require the creation of basic services that are taken for granted in developed economies. These days Indian dot.com companies are having a tough time because of the dot.com burst, the 9/11 terrorist

attack.

**KEYWORDS:** *business-to-business; electronic commerce; emerging economy; e-marketplace; India.*

### INTRODUCTION

"What a great monsoon! it seems to be," thought Viresh Oberoi, MD and CEO of MetalJunction.com. A couple of days back Mumbai stock trade's file dropped by 200 focuses when Indian metallurgical division anticipated a poor rainstorm, and when it arrived late on south drift, the record additionally enrolled a drop of 50 focuses. A decent storm is fundamental for the great soundness of Indian economy, including the steel part. With a decent storm ahead, alongside socio-political soundness in the area, the Indian economy is giving every positive proposal for an incredible year ahead. However the innovation firms are as yet battling for survival. The website burst, September 11 fear based oppressor assault and drowsy American economy made survival of unadulterated play organizations to a great degree troublesome. Be that as it may, Viresh has enough motivations to commend the storm. His firm survived the website bloodbath as well as created significant benefit in the principal year of operations.

### SOCIO-POLITICAL GOVERNANCE

Emerging markets tend to have enormous influence of sociopolitical institutions. These include religion, govern- ment, business groups, nongovernmental organizations(NGOs), and local community. Markets are more governed by



these institutions and less by competition. It is not unusual to have numerous government-owned and –operated enterprises serving the markets with monopoly powers. For example, until recently, most communist markets were served only by government enterprises as monopolies with limited or no choice. Even today, it is important to understand the rise of these enterprises as global competitors.

### UNBRANDED COMPETITION

As much as 60% of consumption in emerging markets so far has been for unbranded products and services, for at least two reasons. First, many branded products and services are still not available in rural markets for a variety of reasons, including lack of access, poor infrastructure, and higher cost of doing business. A second, and more important, reason is that a household is not just a consumption unit but also a production unit. There is an enormous value-add through labor on making consumable products from raw materials for all basic necessities; for example, households cooking, cleaning, building their own homes, and sewing their own clothes is still prevalent in most subsistence markets and also among the urban poor consumers, such as the slum dwellers.

### CHRONIC SHORTAGE OF RESOURCES

Developing markets have a tendency to have an interminable lack of assets underway, trade, and utilization. For instance, endless deficiency of energy (power), spotty supply of crude materials, and absence of aptitude based work tend to make creation sporadic, conflicting, and non replicable. Thusly, it brings about diseconomies of scale. Similarly, trade has high exchange costs because of absence of scale and insufficient budgetary, physical, and other support systems. Finally, consumption also tends to be

### POLICY-BASED COMPARATIVE ADVANTAGE

Without economic reforms and strong industrial policy, emerging markets would have remained stagnant, as evidenced by remarkable transformation through economic reforms in Eastern Europe, Russia, Central Asia, Latin America, and, of course, China and India. Therefore, a fundamental research question in marketing is, What is the role of government policy in organizing markets? How does it differ from the free market forces or the Darwinian theory of population ecology?

### IMPLICATIONS FOR PRACTICE :-

Probably the greatest impact of emerging markets will be on marketing practice, as discussed previously. I suggest three areas. First, and probably the most important, will be the redefinition of the role and the responsibility of the chief marketing officer. The current mind-set and competencies are likely to become liabilities as emerging markets become core to a company's business. The traditional colonial mind-set of perceived superiority of the marketing

### CONCLUSION:-

The rise of emerging markets is not only inevitable, it will have a disruptive impact on marketing practice and theory as we know it today. The sheer size of consumer markets in countries such as China and India, combined with their aspirations and entrepreneurship, will shift emerging markets from the periphery to the core of global competition, with home-field advantages going to multinationals from these emerging markets. It is already happening across diverse industries, such as beer, steel, appliances, and cellphone services. It will also happen in consumer electronics, automobiles, personal computers.

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