



ISSN Print: 2394-7500  
ISSN Online: 2394-5869  
Impact Factor: 8.4  
IJAR 2022; 8(2): 95-98  
[www.allresearchjournal.com](http://www.allresearchjournal.com)  
Received: 05-12-2021  
Accepted: 12-01-2022

**Dr. A Karthika**  
Assistant Professor,  
Department of B.Com (e-Com  
& SF), PSGR Krishnammal  
College for Women,  
Coimbatore, Tamil Nadu,  
India

## Digitalization: A scenario of new normal

**Dr. A Karthika**

**DOI:** <https://doi.org/10.22271/allresearch.2022.v8.i2b.9395>

### Abstract

The digital economy consists of numerous economic activities that use digital technology as a core factor for economical and other financial activities. The digital technologies drive innovation and fuel job opportunities and economic growth as its contribution. The digital economy also pervades all aspects of society, influences the way people interact and bringing about broad sociological changes. The e-commerce transactions of Asia occupy 25% of the business to consumer market in the world, lead by the People's Republic of China. A significant transformation of the technology is needed for business enterprises across all industries are to survive and thrive in the new normal scenario. Although digitalization positively affects the productivity across sectors, its impact on employment and limited resource also persist. The new business environment will be dominated by digital ecosystems that enable multiple producers and business-to-business (B2B) customers to connect. In order compete and sustain in the future, the manufacturers must digitize all their processes and the customers should be prepared to access and satisfy their requirements digitally. To examine the various aspects of digitalization and its impact in Indian economy are the objectives of the study.

**Keywords:** Digitalization, Indian economy, new normal

### Introduction

#### Digital transformation

Digitalization is a multi-faceted structure that depends on Internet which is an imperative medium through which our everyday life passes. It influences all our day to day life that fastens any approach and its processing. The new normal brings new challenges for both individual and the companies need to react immediately to challenges and threats by transforming themselves. The digital economy has the potential to radically change the social environment and economic activities of India. It is experiencing better growth, improved innovation, and application of IT in various economic sectors, also supplies skilled IT labour force to the world. However, despite the vast opportunities presented by the digital economy, the country has not yet fully realized the potential of harness digital technology for its own sustainable development, due to poor ICT infrastructure, inadequate skills development, and socioeconomic barriers that prevent much of population from engaging in the digital economy.

Digital transformation is not just about a nation's technological modernization and advancement. It is also about how these technological innovations are adopted by a society and the business enterprises for their productive advancement. Its role in contributing to the new normal lifestyle phenomenon is immeasurable. Digital life will continue to be immortal and exist with a gradual transmutation. For a better tomorrow, mankind must make responsible decisions in their partnership with technology. Internet is used for umpteen daily individual and business activities like Earning, learning, banking, investing, financing, spending, communicating, entertaining, governing, researching, counseling, trading etc. All digital carrying out encompass its own pros and cons.

#### E-Learning

The evolution of information technology has enabled digital learning by students anytime anywhere worldwide. The new digitized normal breaks down maximum drawbacks in teaching and learning. E-learning does not need a physical platform and contact among the student and the instructor.

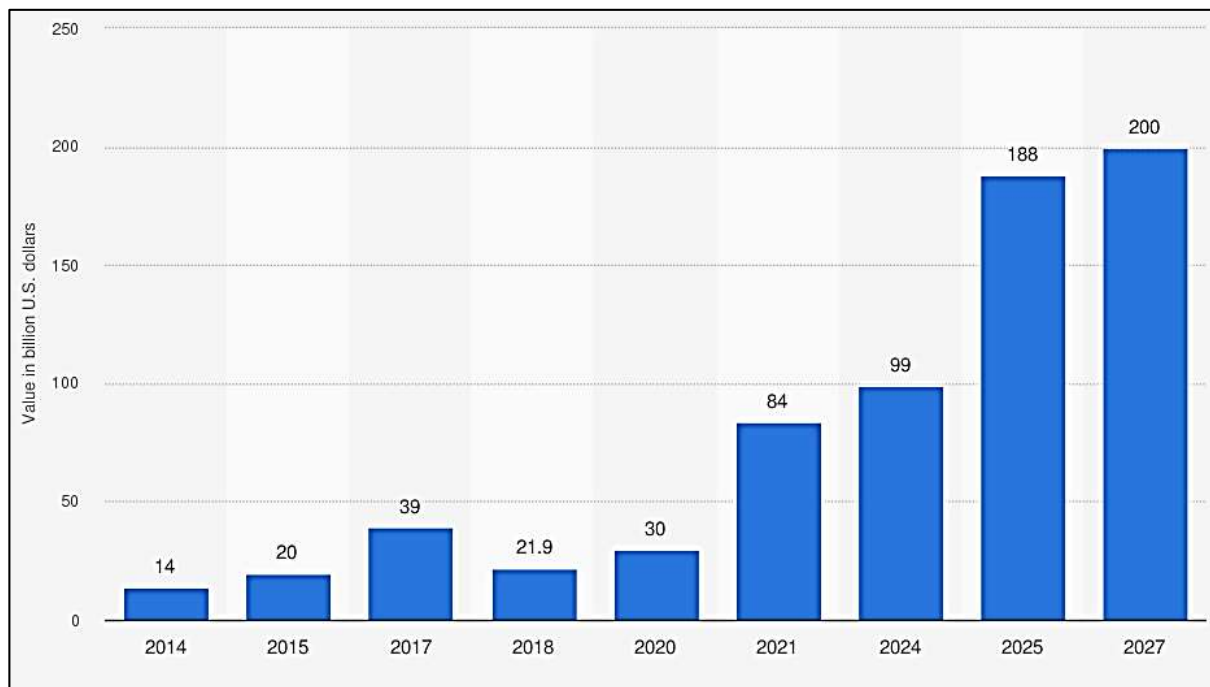
**Corresponding Author:**  
**Dr. A Karthika**  
Assistant Professor,  
Department of B.Com (e-Com  
& SF), PSGR Krishnammal  
College for Women,  
Coimbatore, Tamil Nadu,  
India

It assists the instructor with a wide range of up to date resources to learn, to upload material at any convenient time and can teach using simulation techniques that makes the class more lively and interactive than a blackboard. The students can listen to the class from any nook and corner of the world using a smart device. They can even store the material and can retrieve at ease without making physical records. The software and hardware for many digital teaching platforms have been developed, various digital teaching materials are prepared and schools have actively implemented distinct digital platforms for instruction, conduct online exams expecting to promote students' learning outcome (Ming-Hung Lin *et al.* 2017) <sup>[3]</sup>.

The integration of the vast-scale opportunities of the worldwide web, the introduction of the mobile and cellular digital devices such as smartphones or tablets as well as establishing immense online educational platforms trigger both students as well as adults will, to a great extent, turn to these online platforms, will utilize self-directed learning using their own smart and mobile devices (Andrea Tick 2018) <sup>[1]</sup>. During periods of pandemic this new normal would serve as more advantageous however, e-learning and online examinations may spoil the total education system, which could increase unskilled workforce and increase unemployment worldwide.

## E- Business and employment

E- Business applies internet in all its business activities like buying and selling goods and services, placing orders, servicing customers, processing payments, managing production control, collaborating with business partners, sharing information, running automated employee services, recruiting and even CSR activities. The new normal calls to work online from homes, provides various job opportunities at the end of labour force, suitable jobs at convenient time & hours, exposure to jobs in foreign countries reaping high salaries. For an employer it supplies potential work force worldwide at cheaper costs spending less on their maintenance and at nominal remuneration. Nearly three-fourths (74%) of Indian employees are enthusiastic on the flexible remote work options, according to Microsoft India's country-specific findings of its first annual Work Trend Index. This fundamental shift in India expands economic opportunity for individuals and enables organizations to build their high-performing, diverse teams from a near-limitless talent pool for a new reinforcement. The market value of the e-commerce sector in India was approximately 46.20 billion U.S dollars in 2020 and expected to reach 111.40 billion U.S. dollars by 2025 had contributed to the worldwide growth rate of 29% in 2020.



Source: Reports of Statista 2022 & India Brand Equity Foundation

Fig 1: Market size of e-commerce industry across India from 2014 to 2021, with forecasts until 2027 (in billion U.S. dollars)

## E-Financing

E-Financial system includes providing digital financial services and the operation of financial markets. E-finance enables the businesses by reducing handling cost; accelerate the process of documenting online and immediate access to information. The new normal improves efficiency of internal business operations such as budgeting, marketing, product extension, labour management, store keeping, demand forecasting and billing procedures. An investor can analyse all aspects of any organisation through online by analyzing in financial statement, strengths, weaknesses and available opportunities before planning his portfolio. E-Finance has the potential to bring about remarkable short term efficiencies, but its true significance lies in the fact that

it allows finance to move away from its traditional control oriented role to being more of a strategic business partner that helps conceive, design and realize the systems and processes in the new world of e-Business (Manuchehr Shahrokhi 2008) <sup>[4]</sup>.

E-banking facilitates the utilization of banking operations through electronic devices and enables uncomplicated independent access 24/7. It includes traditional banking services such as accounts checking, fund transfer, loan inquiry, customer grievance redressing and wider range of financial services too. At times of pandemic online financial activities helps in avoiding physical contact of service providers and the public. Since illiteracy and need of financial inclusion is more in developing countries like

India, the new normal of doing every financial activity online may discourage rural public and people below poverty line, in purchasing, saving and investment. This may lead to a freeze or collapse of Indian financial system and the whole economy as their contribution to India's contribution is essential.

### **E-Governing**

The advancement of digital technology is adopted by the governments to provide and facilitate government services to all citizens, business concerns and state governments in a convenient, efficient and transparent manner. E-governance strategy is applied for exchange of information, communication transactions and integration of various standalone systems and services. E-Governance is an initiative to use technology in establishing a framework for Government-Citizen interaction and communication. It is a simplified communication system between government, citizen and other related bodies (Trilok Kumar Jain 2018) [6]. The unregulated digital segment has caused dangerous disruptions across society hacking business enterprises, spoiling digital records and infecting young minds too. With world moving towards new normal of digitalization, it has become necessary for government to adopt modern methods of governance to tackle new threats of modern time like cyber fraud, fake news etc. In India, e-governance services include Digital India initiative, National Portal of India, Prime Minister of India portal, Aadhaar, filing and payment of taxes online, digital land management systems, Common Entrance Test etc.

### **E-Shopping**

Online shopping support consumers to buy goods or services from a seller across national borders over the Internet using a web browser or a mobile app. A consumer identifies a product of interest by visiting the website of the product manufacturer or an online multi-store dealer by searching among alternative vendors using a shopping search engine. They can compare the same product's quality, features and prices at different e-retailers. E-Shopping holds its default benefits of easy comparison of price, sellers and payment options. Even the reviews of previous buyers provide additional information about the products' quality and usage. Fake online stores and fake reviews, longer waiting time also upset online buyers; some people consider it as taking unnecessary risk to purchase online.

In the new normal scenario People are changing what they purchase, where, and how, from conventional buying to online shopping. It increased the shopping through websites and mobile apps from pin to apartments. Due to increasing risk of pandemic, people are avoiding public places which increases customers' attraction towards online shopping. In order to capture new markets, E-Commerce Companies have to make better strategies to satisfy the changing taste and preferences of shoppers (Bharti Aggarwal, Deepa Kapoor 2020) [2].

### **E-Entertainment**

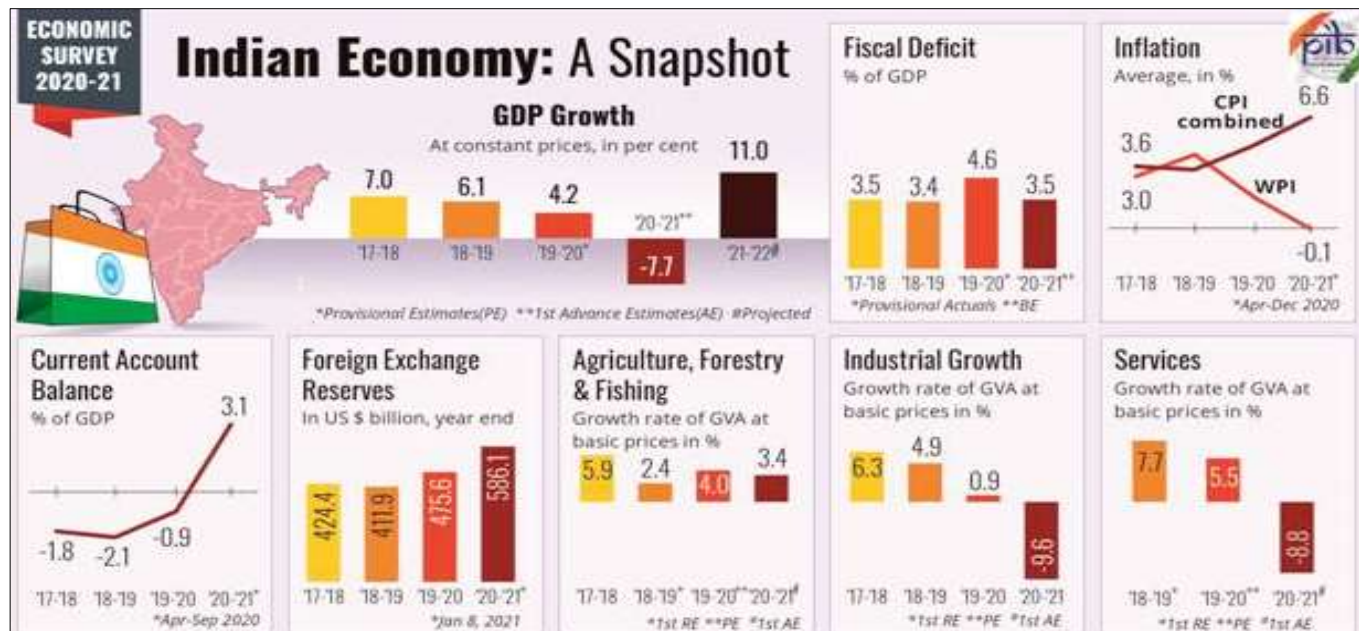
Internet is a popular medium of entertainment. Ample range of amusements including video games, music, movies, chat room, news and others can be accessed through the Internet. Good series with pure fun, play, and knowledge kindle through various media keep us in good moods, healthy thoughts and entertained. Many online games teach children the rules to be followed while playing it actually and the ways to defend us from the opponent. Mobile applications are also available for android users that assist playing games, listen to music or movie that breaks the limitation of going to theatres or using some other device to relax ourselves.

Movies are available in OTTP platform that delivers new movies to the audience, early return on investment seems to be profitable for all people involved in its making with lesser risk during a pandemic phenomenon. With the Indian market being massive and far from achieving saturation, growth in the user base and digital advertisement promises well for all the players in the entertainment sector (Quresh Moochhala 2018) [5]. The online entertainment market size was valued at \$183.1 billion in 2019, \$1.7 trillion in 2020 and would reach \$652.5 billion by 2027, with a CAGR of 20.82% from 2021 to 2027. Most of the popular giant online entertainment companies such as Netflix and Spotify have built their platforms as successful pillars by leveraging the growth potential of subscription.

### **Impact on Indian economy**

Digitalization of an economy enhances its productivity, generates new jobs, supports globalization and improves the quality of living of the society at large. The era of unregulated internet will find its exit. Government norms and regulations on regulating the application of technology leaders have to move ahead at protecting the public good. Digital transactions make us follow a legal path which is helpful to flourish the economy. The usage of digital money gives freedom as well as security to citizens of the country because it works on technical basis that ensure quick transactions. Digital payments will be supportive to the whole world. Since cash is the primary mode of transactions in money laundering and terrorism funding, a digital society would discourage such laundering and terrorism (Uma Devi 2018) [7].

The e-commerce sector of India is anticipated to grow from 4% of the total food and grocery, apparel and consumer electronics retail trade in 2020 to 8% by 2025. India's e-commerce orders volume increased by 36% in the last quarter of 2020, with the personal care, beauty and wellness (PCB&W) segment being the largest beneficiary. E-commerce sales in India were estimated to increase by only 7-8% in 2020, compared with 20% in China and the US that suggests the government to digital infrastructure as a fundamental transformational area and give it the same importance it gives to physical infrastructure, where 80% of its investment goes. The e-commerce market is expected to touch the US\$ 84-billion mark in 2021 on the back of healthy growth in the Indian organized retail sector.



Source: Survey 2021 Drishti, The Vision Foundation, India

Fig 2: Economic Survey of India 2021

By October 2021, the Government e-Marketplace (GeM) portal accredited 7.78 million orders worth Rs. 145,583 crore (US\$ 19.29 billion) to 54,962 buyers from 2.92 million sellers and service providers. With one of its successful Digital India campaign, the Government of India is aiming to create a trillion-dollar worth online economy by 2025. It has shaped a new technical steering committee to promote and support the expansion of a government-based e-commerce platform. The benefits of the digital had contributed significant competitiveness and productivity-boosting opportunities related to access to digital products and services that help optimize processes and production, reduce transaction costs, and transform supply chains.

**Conclusion**

The digital age is transforming everything, and at a relatively low cost, the relationship between the digital economy and economic development is proved to be beneficial. Of course the new normal had digitized many of our activities, made us busy online, made us purchase online, save money online, invest online, learn online, communicate and even entertain online. However it is a need of the hour in a pandemic to turn the total existence of the economy from traditional to digital. The transformation in a pandemic had made every financial transaction to complete in few seconds; every product reaches the customers without stepping into a store, made people to learn arts with a good teacher directly through a smart phone, a bachelor to cook by himself by looking at a YouTube video, a homemaker to earn by uploading videos of her every best household tactics, made many e-investments profitable and share emotions even love too. It is also a need of the hour to inquire whether every individual had benefited because of the new normal in a developing country like India. Almost no would be the answer, since a street vendor or an uneducated farmer could not cope up with the abrupt transformation, they have become much financially backward. They may appear to be the least tax payer but they are the half of the population and if their worries are not sorted out, the poor will become

poorest whereas the corporate will become the law makers and breakers. Today, India is one of the most digitally forward countries globally, having adopted digitization in almost every living aspect which should also be attempted to reach every citizen to strengthen the whole nation.

**References**

1. Andrea Tick. "Research on the Digital Learning and E-learning Behaviour and Habits of the Early Z Generation", INES 2018 • 22<sup>nd</sup> IEEE International Conference on Intelligent Engineering Systems • June 21-23, 2018 • Las Palmas de Gran Canaria, Spain, 2018.
2. Bharti Aggarwal, Deepa Kapoor. "A Study on Influence of COVID-19 pandemic on customer's online buying behavior", MDIM Business Review. 2020 Dec;(II):41-47.
3. Ming-Hung Lin, Huang-Cheng Chen, Kuang-Sheng Liu. A Study of the Effects of Digital Learning on Learning Motivation and Learning Outcome", Eurasia Journal of Mathematics Science and Technology Education ISSN: 1305-8223 (online) 1305-8215 (print). 2017;13(7):3553-3564.
4. Manuchehr Shahrokhi. "E-Finance: Status, Innovations, Resources and Future Challenges", 2008. <https://www.researchgate.net/publication/235285086>
5. Quresh Mochhala. "The Future of Online OTT Entertainment Services in India, 2018. [https://actionesque.com/research-papers\\_pdf/QM-OTT-future-2018.pdf](https://actionesque.com/research-papers_pdf/QM-OTT-future-2018.pdf)
6. Trilok Kumar Jain. "E-Governance for Smart Governance – Case Studies on Transformational Leadership", 2018. SSRN: <https://ssrn.com/abstract=2970521> or <http://dx.doi.org/10.2139/ssrn.2970521>
7. Uma Devi. "Importance and Impact of Digitalization on Indian Economy", International Journal of Scientific Research and Review. 2018;7(10).