THINK INDIA (Quarterly Journal)

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

Business Strategies in Indian Scenario-with special reference to It Industry

Dr. Venkatramaraju .D
Professor MBA, Department of Business Administration
Bharath Institute of Higher Education and Research
Selaiyur, Chennai, Tamil Nadu 600 073

ABSTRACT

The Indian business structure has definitely undergone a fundamental change over the years. The present day environment is so dynamic and fast changing thus making it very difficult for any modern business enterprise to operate. Because of uncertainties, threats and constraints, the business corporations are undergoing great pressure and are trying to figure out ways and means for their healthy survival. Under such circumstances the only resort is to make the best use of strategic management which can help the business to explore the possible opportunities. Companies require strategic thinking and only by evolving good corporate strategies can they become strategically competitive. The goals of business strategies are challenging not only for large firms but also for small retail outlets. The wide varieties of Indian business definitely offer immense opportunities for the upcoming and the growing sectors. A large number of reasons could be attributed to these changes in the Indian market scenario. One of the reasons in these changes in the Indian scenario is the globalization and the subsequent and resulting explosive growth of information Technology (IT Companies)

1. INTRODUCTION

IT is typically used in the context of enterprise operations asan synonym for computers and computers networks but it also encompasses other information distribution technologies such as television and telephones.Humans have been storing, retrieving, manipulating and communicating information technology from a very long period dating back to 3000BC but IT in modern sense was defined by authors Harold J Leavitt and Thomas L Whislter as, "The new technology does not yet have a single established name. We shall call it Information Technology (IT)". As the IT industry evolved from the mid-20th century, it encompassedtransistors and integrated circuits -- computing capability advanced while device cost and energy consumption fell lower, a cycle that continues today when new technologies emerge.Several industries are associated with information technology, including, physical equipment(computer hardware), virtualization and management or automation tools, operating systems and applications (software), electronics, engineering, healthcare, e-commerce, user devices, peripherals, recording equipment and so on.

IT can also refer to the architectures which have evolved to include virtualization and cloud computing. IT also includes methodologies and regulations governing the use and storage of data(any kind of technology) that holds information as Data , like File data, Web data, Multimedia telephony data etc. Further Business applications include databases like SQL server, transactional systems such as real-time order entry, email servers like Exchange, Web services like Apache,

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

customer relationship management and enterprise resource planning systems. These applications execute programmed instructions to manipulate, consolidate, disperse or otherwise affect data for a business purpose. Computer servers run theses business applications. Servers interact with client users and other servers across one or more business network.

2. OBJECTIVES

1. To study Business trend of IT companies in India.
2. To understand the Importance of IT in developing the business strategies.

3. METHODOLOGY

A compilation study based on the available information on internet by leading research and development companies.

BACKGROUND OF THE STUDY

Organizations are facing exciting and dynamic challenges in the 21st century. Companies have to adapt to the new innovations in the technology in order to remain put in the market. There are various trends in the information technology according to various reports by business analysts and the R&D in the IT field.

TRENDS IN THE INFORMATION TECHNOLOGY

CLOUD COMPUTING

Cloud computing has started to obtain mass appeal in corporate data centers as it enables the data center to operate like the Internet through the process of enabling computing resources to be accessed and shared as virtual resources in a secure and scalable manner.For a small and medium size business (SMB), the benefits of cloud computing is currently driving adoption. In the SMB sector there is often a lack of time and financial resources to purchase, deploy and maintain an infrastructure (e.g. the software, server and storage). In cloud computing, small businesses can access these resources and expand or shrink services as business needs change. The common pay-as-you-go subscription model is designed to let SMBs easily add or remove services and you typically will only pay for what you do use.Although it is still in initial stages in India and other emerging markets, Cloud adoption is increasing, and large organizations and SBM's invest in high quality data centers and innovative cloud infrastructures.

4. SOCIAL MEDIA AND COMPUTING

Social media is playing a pivatol role in India with the enterprise using it for customer support and customer using it to offer opinion and in Indian politics with the Government and Political parties increasingly using it to connect with citizens. India has been one of the major consumers when it comes to social media, brands in India today are much aware of the potential and value that social

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

media can deliver them as compared to other channels. Indians are very active on different social networks and 88% of users share content on their social profiles and as well are increasingly spending time on various social networking sites , like Facebook, WhatsApp, Facebook messenger, Linkedin, Instagram, We chat, Skype, Google plus.This statistic presents the social network penetration in India. As of the fourth quarter of 2015, ten percent of the population had an account with any social network. The most popular social network was Facebook with a 13 percent penetration rate.

DEVELOPING THE INTERNET OF ALL THINGS

New technologies are leading to what's known as "quantified self" movement allowing people to become highly involved with their health care by using that monitor blood pressure and activity- even sleep patterns .leading-edge ingestible sensors take this approach further, relaying information via smart phones to physicians, thereby providing new opportunities to manage health and diseases.

E-COMMERCE

Internet user base in India according to Wikipedia, as of June 2015 is 354 million only next to china 650 million, 48% of population.

- In 2009 e-commerce was about 3.9 billion(Wikipedia)
- In 2011 e-commerce was about 6.3 billion(Karan Arora)
- In 2013 it went upto US $ 12.6 billion, the e-retail segment was worth US $ 2.3 billion(Wikipedia)
- In 2015 e-commerce in India was expected to reach 24 billion.

Sector in E-commerce like e-retail shops such as flipkart, Myntraetc are gaining emphasis. 35% online shoppers in India in 2014 Q1 and is expected to cross 100 millions mark by end of 2016 according to Google India.

New sector in E-commerce is Online Medicine. While companies like Health Kart, ReckwingIndia, and Buyonkart are selling alternate and complementary medicines, Net Med has already started selling prescriptions, medicines online.

ONLINE- RETAILING

Online- Retailing is the fastest growing channel globally as confirmed by Planet Retails retail panel data. The B2C e-commerce market in India has exhibited rapid growth and has attracted large investment. In 2008, Online retail was 3.5%, increased to 6.5% in 2013 and is expected to go upto 10.1% in 2018(Deloitte India Pvt. Ltd.). According to the Internet and mobile Association of India (IAMAI), the number of Internet users in India is more than 121 million out of which 17 million are online-shoppers (Vijay Shekhar Sharma). This has led to the evolution of Million Dollars start- up like Jabaong .com ,Saavn, make my Trip, Book my Show, Zomato etc. In India, cash on delivery is the most preferred method of payment accumulating 75% of E-retail activities

MOBILES/TABLETS/MOBILITY SOLUTIONS

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

Mobiles/ Tablets are driving growth of IT sectors. There has been a search in Mobile usage. With the emergence of the smartphones Generation, more and more people access Internet and social media from their mobile phones." Mobility most lightly will be the trend to look forward to the next year. Mobile commerce would be huge as more and more people access Internet through tablets and smartphones. Most companies are looking at enhancing their mobile presence", according to Mr. SundeepMalhotra, Founder and CEO, Homeshop18.com. Due to the explosive growth in smartphones, the mobile penetration of active Internet users is 220 million.

There are over total 92 + million active social media users via their mobile which is almost 41 % of the total mobile internet users(blog. digitalinsights.in).Another big segment in E-commerce is mobile /DTH recharge with nearly 1 million transactions daily by operator websites.

DIGITAL MEDIA IN INDIA

Digital Media has changed the meaning of traditional means of advertising and selling. India's share of overall entertainment and Media's spending across Asia- Pacific will rise from 4.9% in 2013 top 6.5% in 2018. India is projected to outpace the Global growth rate in every segment of entertainment and media over the 5 years to 2018.While internet advertising globally will be only slightly behind TV advertising by 2018.TV advertising in India will still be almost the size of India's advertising revenues in 2018.

The market for video games in India will leap from US $ 450 in 2013 to US $ 972 mn in 2018- a CAGR OF 16.7 % , well above the 6.2 % projected for video games revenues globally. Mobile games revenues by 2018 having overtaken physical console games in 2013 will reach US $ 426 mn, accounting for India's total video games markets. Digital newspaper revenues in India are set for rapid growth with digital circulation revenues leaping by 87.1% compounded annually during the 5 years forecast period. (PWC's Global Entertainment and Media Outlook 2014 to 2018 (Outlook))

BIG DATA AND ADVANCED ANALYTICS

Companies with abundant data from multiple touch points and new analytic tools are getting better and better at customizing products and services through the creation of ever finer consumer micro segments. Many advanced marketing organizations are assembling data from real-time monitoring of blogs, news reports and Tweets to detect subtle shifts in sentiment that can affect product and pricing strategy. Advanced analytic software allows machines to identify patterns hidden in massive data flows or documents. And as companies collect more data from operations, they may gain additional new revenue streams by selling sanitized information to third parties ranging from economic forecasters to health care companies.

MACHINE TO MACHINE MARKET

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

The M2m market in India is at a nascent stage but growing rapidly. Increasing demand for connected devices, rising awareness, penetration of smart devices are some of the factors driving the growth of M2M market in India. According to the India M2M market (2015-2021) report, New Government initiatives such as 100 smart cities project coupled with increasing country's IT spending is further expected to fuel the M2M market in India. The country is also exhibiting installing of 14 smart grids and 130 million smart meters in coming years, which would spur the M2M, market in utility application.The early adopters of M2M market are utilities, Automotive, financial services and transport with other like healthcare manufacturing following closely.

COLLABORATION TECHNOLOGIES

Collaborative technologies are technologies which help people communicate and achieve their goals more effectively. It broadly includes, electronic meetings, electronic calendar's, wiki, text chat, bookmarking, electronic white boarding, file sharing, video conferencing, online proofing, and workflow system so on. It also includes social software's like online dating services and social networking sites like Twitter and Facebook.

5. CONCLUSION AND SUGGESTIONS

Though the e-commerce penetration of India is low compared to China,United states or France it is still growing at a unprecedented rate, adding around 6 million entrants every month. The Indian retail online market faces significant challenges which is expected to drive consolidation in the market, however if the right regulatory enablers are provided with favourable economic conditions, the online market opportunity could be substantially higher.
As Smartphone and tablets continue to rapidly increase, companies will need to adopt multi-channel commerce strategy. Due to explosive growth of Smartphone users, India is soon to be world's largest Smartphone user base, according to the sources.
Form companies trying to keep pace, developing a big data plan is becoming a critical new priority. Also in future, India will see cloud computing increasing significantly as applications interconnect to control multiple devices and networks of devices to operate.
Going by the importance of information technology for the development of industries, the Indian Government has taken initiative and approved the National IT policy as well as the National Electronics policy which aims to increase revenues of IT and ITes industry and make the country a manufacturing hub for electronic goods. The policy aims to promote to promote innovation and R&D in emerging technologies and development of applications and solutions in areas like localization, location based services, mobile value added services, Cloud Computing, Social Media and Utility models.

6. REFERENCES

[1] Gartner IT Infrastructure Operations And Data Centre Summit, Press release 2014.
[2] Jacques Bughin and MichealChul, McKinsey Quarterly, Big Data and advanced Analytics, www.McKinsey.com

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

[3] Vijay Shekhar Sharma, 10 Trends for India's comsumer Internet Business, 2015.
[4] Social Media in India, blog.digitalinsights.in
[5] www.wikipedia.org
[6] Online pharmacy, Netmeds scheduled to go live by next week- "The Economic Times" Retrieved 2015 10 -03
[7] "Online –shopping touched new heights in India in 2012" Hindustan Times 31 Dec 2012- Retrieved 31-12-2012