

Navigating the Gig Economy: Impact on Traditional Commerce Models

Dr. Naincy Prajapati

Commerce, Jwala Devi Vidya Mandir P.G. College, Kanpur

Abstract -The gig economy represents a significant departure from traditional commerce models, transforming the way individuals work and businesses operate. This research paper explores the significance of both traditional commerce models and the gig economy, highlighting their distinct characteristics and implications for employment patterns and job security. Traditional commerce models have long relied on structured employment relationships, where individuals work for a single employer on a full-time or part-time basis. These models often prioritize stability, predictability, and benefits such as healthcare and retirement plans. However, they can also limit flexibility and autonomy for workers. In contrast, the gig economy is characterized by short-term, flexible work arrangements facilitated by digital platforms. Gig workers, often referred to as independent contractors, freelancers, or on-demand workers, have the freedom to choose when, where, and how much they work. This flexibility appeals to individuals seeking supplemental income, work-life balance, or alternative career paths. The paper found that the gig economy's rise has profoundly impacted employment patterns and job security. On one hand, it has created opportunities for individuals to access income streams outside of traditional employment channels, fostering entrepreneurship and innovation. On the other hand, it has raised concerns about the erosion of traditional employment protections, such as healthcare benefits, retirement plans, and labor rights. Moreover, the gig economy has contributed to shifts in employment dynamics, including the prevalence of part-time, temporary, and contingent work arrangements.

Keywords: Gig Economy, Traditional Commerce Models, Freelancers, Flexibility, Employment

INTRODUCTION

A former Editor of New York, Tina Brown had used the word “gig economy” for the very first time in 2009 which defined them as those who are blue collared, part-time workers who are engaged in different type of jobs at the same time and get the pay cheque for those

jobs. We used to call this type of working culture as the Freelance work. A freelancer, independent contractor, project-based workers, temporary or part-time work are the part of this market ecosystem. In the gig economy, ‘gig’ is known as a specific task, project or job and workers doing these tasks are known as ‘gig workers’ who often use digital platforms and applications through which they could connect the employers and their clients. Gigs encompasses the wide range of activities and it includes services also such as ride sharing, freelance writing, graphic design, food delivery, creative arts, consulting, teaching and tutoring, event organizing, cleaning services, makeover services etc. The important thing to note is that in the gig economy, the gig workers are given full flexibility to take on multiple tasks simultaneously and change their gig schedules according to their preferences. All this provides them opportunities for additional income and improves their ability to diversify their work experiences but with these benefits in hand, they lack job security and all those benefits which are associated with the permanent or full-time employment.

Workers who have permanent jobs and are engaged in fix task or the same type of task and perform it in the fixed working hours is the basic feature of traditional model of commerce. Traditional model of economy does not give any flexibility but it offers other incentive to the workers such as provident funds, insurance facility, allowances, fringe benefits etc. They are the established and conventional methods of managing business and commerce that have been used from the several past years. These models have advanced over the time and are featured by physical brick and mortar locations (having physical stores like supermarkets, departmental stores and boutiques etc.), interactions in person and focus are on the long-term stability and maintaining customer relationships. However, these models have been obviously influenced and, in some cases, disrupted by the advent

of e-commerce and digital technologies, as a result of which, many traditional businesses have adapted and incorporated online elements to remain competitive in this modern gig economy.

We are living in era of fourth industrial revolution. Computer, technology & artificial Intelligence are core of this time period. Evolution of technology and using computer and mobile in our daily life, discovers a new type of marketing ecosystem. This high-tech time is also called Gen X and Y (the youngsters who mainly involve in computers and mobile phones). Gen X and Y are not very fond of 9 to 6 working hours jobs. Both of these factors are responsible for the rise of a gig economy. As per the research of Niti Aayog “India’s Booming Gig and Platform Economy” (2020), said that 7.7 million workers were employed in gig economy. Report estimated that by 2029-30 about 23.5 million worker force will be engaged into it. In 2022 demand of gig worker was has grow about 3 times in compression 2021. Report further says that gig economy will play a significant role in achieving India’s desirable goal of 5 trillion economy. This is how, the gig economy has become a very significant part of the modern labor market which is reshaping the way people work and earn their livelihood.

Background of Gig Economy

- ❖ Historical Precursors: The concept of gig economy has its roots in the history when the labors were involved in the temporary kind of work such as seasonal and agricultural labors and also actors, musicians work on a freelance basis.
- ❖ Technological Advancements: The abundance of the digital technologies have played very important role in enhancing the gig economy as internet and applications have facilitated the matching the gig workers with their clients and it has also streamlined the process of payments. It has enhanced the ability to connects instantly around the globe expanding the opportunities for the gig workers.
- ❖ Economic factors: From the past few years, people are confronted with the difficulty of engaging in the full-time jobs because of its scarcity which has led to job security, shifts in employment patterns and prompted the individuals to explore the alternative income sources.

- ❖ Changes in Preferences of Workforce: Now, in this modern era, individuals, particularly in the younger generation, want flexibility, self-sufficiency and to maintain work- life balance, which is provided by the gig economy and it also provides them with the scope of diversifying their income streams and chase their entrepreneurial dreams.
- ❖ Advancement of Labor Market Dynamics: There has been advancement in the employer and employee relationship wherein the companies, most of the times, depend on provisional workers and contingent contractors to meet their labor needs. On the other hand, labors have also reshaped themselves on how to access business and utilize their skills.
- ❖ Growth of Digital Platforms: The platforms available in the gig economy have gained dominance over the traditional business models because they can intermediate between the gig worker and client which provides convenience to both of them and simultaneously, it is an efficient way to find, book and pay for any service rendered.

What is Gig?

When we talk of the Gig economy, there is a question which certainly comes to the mind that what is gig? A gig refers to a particular task, job or project for which any individual is being hired on a temporary basis. Gigs are basically short-term engagements with a pre-determined scope of work and the individuals who use to perform these tasks or jobs are known as ‘Gig Workers’. Gigs can comprise of wide range of activities and services which includes-

- Ride Sharing like Uber and Ola
- Freelance Writing like blog posts, content for websites and publications
- Graphic Design like designing logos, promotional elements.
- Food Delivery like Uber Eats, Zomato and Swiggy
- Task-Based Jobs like assembling furniture, gardening
- Online Freelancing like web development, web programming, digital marketing

- Creative Arts like musicians, photographers, artists
- Consulting like offering specialized expertise on areas like marketing, management, finance
- Teaching and Tutoring like Unacademy and Byju's
- Event Services like catering, wedding planners
- Cleaning Services like providing residential and commercial cleaning on periodic basis through urban clap.

This is how, Gigs are often coordinated and managed through the digital platforms like websites and mobile applications wherein gig worker and the client seeking specific services may connect with each other very easily and conveniently. Gigs offer various opportunities for additional income and also diversify the work experience of an individual.

REVIEW OF LITERATURE

- Reddy, M. Sateeshnatha, (2022) in his article "Challenges and Opportunities in the Development of GIG Economy in India" he said how Gig economy play a great role in the economy, cushioning unemployment, improving labor force participation, stimulating demand, and raising productivity. Consumers and organizations could benefit from the greater availability of services and improved matching that better fulfills their needs.
- S, Swathis (2023), "Rise of Gig Economy in India." In this research mainly discuss upon on origin of gig economy. And it's positive impact on economy of India & the World.
- Kasliwal, Ria (2020), "Gender and the Gig Economy: A Qualitative Study of Gig Platforms for Women Workers" in her research paper she mainly talked about hurdles faced by women in pursuing gig work. Her light on the kind of barriers that these platforms present to women's movement into gig work or how they put women at a disadvantage as compared to their male workers.
- Suryavanshi, Pushpa (2022) "INDIA'S BOOMING GIG ECONOMY" This research paper explores Gig Workers and contractual workers must be given protection through minimum wages, maternity benefits and other incentive plans just like other regular workers. For the same, appropriate labor laws must be formulated. And also highlighted on that in India there is no legal law for the gig platforms and digital marketplaces, so changing the current labor laws & provide the social benefits for gig workers.
- Mishra, Aditi & Dasttidar, Suyog Ghosh (2023), "Navigating the Challenges of the Gig Economy: A Legal Analysis of Protection to Gig Workers in India and Overseas". this research highlights some of the recent legal developments in India, such as the proposed social security code and the recognition of gig workers under the new labor codes.
- Pal, Baishali (2021), in her article "Rising Popularity in Gig Economy: A Case Study from India" highlighted the impact of gig economy in India through the step taken for the same by the Government of India, solutions through collaborations and putting questions to whether the gig workers can get legal protection. Her study found that the emergence of covid-19 had the positive impact on the gig economy.
- Kshatriya, Neelam & Kurien Daisy (2022), in their article named "Gig Workers in India: Emerging opportunities in the New Economy" tried to understand the gig economy and the gig workers, the issues and challenges faced by them and suggested their possible solutions. Their study tried to find the benefits it offers to the people working under it and its contribution to the economy of India and their research concluded that the potential of the gig economy is seen to be huge but its implementation is the area which is to be work upon.

RESEARCH OBJECTIVES

- To understand the concept of Gig Economy
- To understand how gig economy is different from traditional commerce models
- To know the significance of gig economy and traditional commerce models
- To know the impact of gig economy on changes in employment patterns and job security

RESEARCH METHODOLOGY

Secondary data refers to information that has been collected by someone else for a purpose other than the one at hand. This data is not gathered directly from primary sources but rather from existing sources such as books, journals, reports, websites, databases, etc. The sources of data used for this study is of secondary type. The data has been collected from various research journals, articles, websites etc.

Traditional Commerce Models

Traditional commerce models remain significant in the modern business landscape for several reasons, despite the rise of digital and e-commerce. These models have enduring importance and continue to play a vital role in various aspects of the economy.

Here are some of the key reasons why traditional commerce models are significant:

- **Local Presence** with physical storefronts provides a presence in communities, contributing to the overall economic and social fabric of the area. They often serve as gathering places, offer employment opportunities and support local economies.
- **Customer Experience** is offered in physical stores and in-person interactions. Shoppers can see, touch and try products before making any purchase which can be especially important for certain industries like fashion, cosmetics and furniture.
- **Trust and Credibility** is enjoyed and established in the minds of consumer because physical locations can signal permanence and reliability which can be reassuring to customers.
- **Service and Expertise** is provided in traditional businesses particularly in service sector like restaurants healthcare and professional service. They offer specialized knowledge that can be challenging to replicate in the digital realm. This expertise builds trust and loyalty among customers.
- **Supporting Employment** is created through the traditional commerce models for a wide range of workers from sales associates to managers, maintenance staff and many more. They

contribute to job stability and can provide career paths for employees.

- **Supply Chain Integration** is involved in traditional commerce models like extensive supply chains which can have a positive impact on various industries including manufacturing, logistics and distribution. These supply chains are integral to the functioning of the global economy.
- **Economic Stability** is maintained with the help of the traditional commerce models as they are less susceptible to rapid fluctuations compared to some digitally based business. They often provide a steady source of revenue and employment.
- **Existing Regulatory Framework** and legal structures are well suited to traditional commerce models. These frameworks help ensure consumer protection, fair competition and adherence to labor laws.

The Rise of Gig work and its Prevalence in Modern Society

It can be attributed to a confluence of factors that have reshaped the labor market and the way people work. Here are some key reasons behind the growth of gig work:

- **Technological Advancements:** The widespread availability of high-speed internet, smartphones and digital platforms has made it easier for the individuals to connect with potential clients or customers, advertise their services and perform work remotely. These technologies have enabled the gig economy to thrive.
- **Digital Platforms:** The emergence of online platforms and apps dedicated to gig work has played a pivotal role. Companies like Uber, TaskRabbit have created user-friendly platforms that connect gig workers with those in need of their services. These platforms provide a streamlined way to find and book gig work.
- **Flexibility:** Many individuals value flexibility in their work arrangements and gig work offers precisely that gig workers can choose when, where and how much they work. This flexibility appeals to a wide range of people including students, parents, retirees and those seeking supplemental income.
- **Diverse Opportunities:** The gig economy spans a broad spectrum of industries and services

including transportation, food delivery, freelance writing, graphic design, consulting and more. This diversity allows individuals with various skills and backgrounds to participate in gig work.

- **Economic Uncertainty:** Economic factors such as the global financial crisis of 2008 have led to job security and a desire for alternate income sources. Many people have turned to gig work as a way to weather economic fluctuations and diversify their income streams.
- **Entrepreneurial Spirit:** Some gig workers view themselves as entrepreneurs or small business owners. They leverage gig work as a means to start their own venture, build a client base and establish themselves in their chosen fields.
- **Globalization:** The gig economy has a global reach. Workers can collaborate with clients or customers from around the world expanding their

opportunities beyond local markets. Likewise, businesses can tap into a global pool of talent.

- **Cultural Shifts:** There has been a cultural shift in how work is perceived. Many people no longer view traditional, long-term employment as the only path to career success. Instead, they seek work arrangements that align with their values, interests, and lifestyle choices.
- **Employer Practices:** Some businesses have turned to gig workers to meet their labor needs, citing cost savings, workforce flexibility and scalability as advantages. The shift in employer practices has further fueled the gig economy's growth.
- **Demographic Trends:** Younger generations such as millennials and Gen Z have been at the forefront of gig work adoption. Their preferences for technology, flexibility, and work life balance have driven the gig economy's prevalence.

Major Differences Between Traditional Commerce Models and Gig Economy

S. No.	Basis Of Difference	Traditional Commerce	Gig Economy
1.	Nature of Work	It typically involves long- term, full-time employment with a focus on stable, ongoing work relationships.	Work is often short term, task based and project oriented. Gig workers are hired on per task basis and duration of their engagement can vary.
2.	Employment Relationships	It involves an employer employee relationship where the employer assumes responsibility for taxes, benefits and adherence to labor regulations.	Gig workers are often considered independent contractors rather than traditional employees. This classification means they are responsible for their own taxes, insurance and other benefits.
3.	Flexibility and Autonomy	While some traditional jobs offer flexibility, the level of autonomy is generally lower compared to gig work. Employees often adhere to a set schedule and work location.	Gig workers typically enjoy a high degree of flexibility and autonomy. They can choose when, where and how much they work. Flexibility is a defining feature of gig work.
4.	Organizational Structure	These businesses often have a more centralized and hierarchical organizational structure with physical offices or storefronts where employees work under the management of company.	The gig economy is characterized by a decentralized and often virtual organizational structure. Platforms and apps connect gig workers with clients or customers without the need for a traditional brick and mortar infrastructure.
5.	Digital Platforms and Technology	Although, traditional businesses have incorporated digital technologies, their operations may not be as reliant on digital platforms for core business functions.	The gig economy heavily relies on digital platforms and technology. Online marketplaces, mobile apps and digital communication tools play a central role in connecting gig workers with clients and facilitating transactions.
6.	Job Security and Benefits	Traditional employees typically have greater job security and access to a range of benefits provided by the	Gig workers often face less job security and typically do not receive traditional employment

		employer contributing to a more stable employment situation.	benefits such as health insurance, retirement plans or paid time off.
7.	Income Structure	Traditional employees typically receive a regular salary or hourly wage providing a more predictable and stable income.	Gig workers are often paid on a per task and their income may vary depending on the number of gigs they take on and the demand for their services.
8.	Skill Diversity	Traditional businesses encompass a wide range of industries and skill sets often requiring employees with a broader set of skills relevant to their specific roles.	The gig economy accommodates a diverse range of skills and services from creative work to manual labor. Gig workers may have specialized skills relevant to specific tasks or projects.

Impact of Gig Economy on Changes in Employment Patterns and Job Security

- **Increased Flexibility and Gig Work:** Gig work offers individuals greater flexibility in terms of when and where they work. As a result, some workers prefer gig jobs that fit their schedules and lifestyles leading to a rise in non-traditional, part-time and on-demand work.
- **Rise of Non-Standard Work Arrangements:** Traditional full-time, permanent employment is no longer the sole option for many workers. Non-standard work arrangements including freelance, contract and temporary positions have become more common.
- **Reduced Job Security:** Gig work often lacks the stability and security associated with traditional employment. Gig workers typically do not have access to benefits like health insurance, retirement plans or paid leaves and they are vulnerable to income fluctuations.
- **Increased Income Volatility:** Gig workers may experience irregular income patterns due to the project-based nature of their work. This volatility can lead to financial insecurity and challenges in budgeting and saving.
- **Shifts in Career Paths:** Some individuals view gig work as a way to transition between careers, acquire new skills, or pursue entrepreneurial endeavours. This can lead to a more fluid approach to career development.
- **Impact on Labour Markets:** The gig economy has introduced new dynamics into labour markets. While it can create job opportunities, it can also lead to the fragmentation of work, where workers hold multiple part-time or gig jobs rather than one full-time position.

- **Labour Market Polarization:** In some cases, the gig economy can contribute to labour market polarization, with highly skilled, well-compensated gig workers coexisting with low-wage, precarious workers who lack employment benefits and job security.
- **Challenges for Certain Industries:** Some industries heavily reliant on gig work, such as ride-sharing and food delivery, have faced criticism for low pay, lack of benefits, and working conditions that raise questions about job security.
- **Legal and Regulatory Debates:** The classification of gig workers as independent contractors rather than employees has been the subject of legal disputes. These debates influence job security, as employees typically have more legal protections and access to benefits.
- **Need for Social Safety Nets:** The gig economy has highlighted the need for innovative social safety nets and policies that can provide income security and benefits for gig workers who do not fit the traditional employment model.

It's important to note that the impact of the gig economy on employment patterns and job security is not universally negative. For some individuals, gig work provides opportunities for income diversification, skill development, and entrepreneurship. However, it does introduce challenges related to income stability and access to traditional job benefits. Policymakers, businesses, and labour advocates continue to grapple with how to address these challenges and provide a balance between flexibility and security for gig workers.

CONCLUSION

The gig economy and traditional commerce models represent distinct approaches to work, employment relationships, and organizational structures. The differences between these models stem from various factors, shaping the nature of work in the modern economy. The gig economy is characterized by its flexibility, project-based nature, and reliance on digital platforms, while traditional commerce models involve more stable, long-term employment with established organizational structures.

The gig economy's emphasis on independence and task-specific engagements has redefined how individuals approach work, allowing for greater flexibility and autonomy. However, it also raises concerns about job security, benefits, and the classification of workers as independent contractors. The digital platforms that facilitate gig work have transformed the way people connect with opportunities, contributing to a decentralized and virtual organizational structure.

On the other hand, traditional commerce models provide stability, job security, and a centralized organizational structure. Employees in traditional roles often benefit from consistent income, access to benefits, and a more predictable work environment. However, these models may face challenges adapting to the rapid changes introduced by the gig economy and digital technologies.

The coexistence of these models reflects the diverse preferences and needs of individuals and businesses in the evolving labour market. Workers may choose between the flexibility of gig work and the stability of traditional employment based on their priorities and circumstances. Businesses, in turn, navigate the changing landscape by incorporating elements of both models, leading to a dynamic and hybridized approach known as "brick-and-click" or "omnichannel" retail.

As the gig economy continues to grow and traditional commerce models adapt, policymakers, businesses, and labour advocates face the challenge of striking a balance between flexibility and security for workers. Addressing issues related to worker classification, benefits, and regulatory frameworks will be crucial in shaping the future of work and ensuring a fair and inclusive labour market. The coevolution of these models underscores the need for ongoing research, dialogue, and innovation to create a work landscape that accommodates the diverse needs of workers and businesses alike.

REFERENCE

- [1] Suryavanshi, Pushpa (2022), "India's Booming Gig Economy", Juni Khyat, ISSN: 2278-4632, Vol-12, Issue 11, pp 143-150.
- [2] Pal, Baishali (2021), "Rising Popularity of Gig Economy: A Case Study from India", International Journal of Religious and Cultural Studies, E-ISSN: 2656-694x, Vol-3, No- 2, pp 203-208.
- [3] Kshatriya, Neelam & Kurien Daisy (2022), "Gig Workers in India: Emerging opportunities in the New Economy", Liberal Studies, Vol- 7, Issue 1, pp 78-86.
- [4] Banwari, Vijeta (2018), "Gig Economy: Challenges and Opportunities in India", Journal of Emerging Technologies and Innovative Research, Volme 5, Issue 11, ISSN:2349-5162, pp 413-420
- [5] Kasliwal, Ria (2020), "Gender and the Gig Economy: A Qualitative Study of Gig Platforms for Women Workers", Observer Research Foundation, Issue 359, ISBN: 359-978-93-90159-03-1
- [6] Abraham, G. Katharine; Sandusky, Kristin (2018), "Measuring the Gig Economy: Current Knowledge and Open Issues", National Bureau of Economic research, Working Paper 24950
- [7] Ashford, J Susan; Caza, Barker Brianna; Reid, M Erin (2018), From Surviving to thriving in the gig Economy: A Research Agenda for Individuals in the New World of Work, Research in Organizational Behaviour, Volume 38, pp 23-41