CHALLENGES AND OPPORTUNITIES OF E-COMMERCE IN INDIA

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ABSTRACT:

Electronic Commerce commonly written as e-commerce is the trading or facilitation of trading in products or services using computer network such as the internet. E-commerce is growing with swift pace in our country. Electronic commerce draws on technologies such as mobile commerce, electronic fund transfer, supply chain management, internet marketing, online transaction processing, electronic data interchange, inventory management system, and automated data collection system.

KEYWORDS:

E-COMMERCE, GROWTH, ONLINE, INDIA, INTERNET.

INTRODUCTION:

Introduction to the industry. The term e-commerce was coined back in the 1960's with the rise of electronic commerce- the buying and selling of goods through the transmission of the data. Which was made possible by the introduction of the electronic data interchange. E-commerce has become important tool for small and large business worldwide, not only to sell to customer but also to engage them. Although the transition from traditional purchasing to online purchasing was very slow initially in Indian market because of less number of internet users due to lake of internet facility and awareness in public. But now the situation has changed and the e-commerce industry is growing rapidly in our country.

REVIEW OF LITERATURE:

(Madhukar sarode,2015) in his paper conclude that e-commerce is future of shopping and gap has been reduced between manufacturer and consumer due to e-commerce. There is vast scope for e-commerce in India but due to weak cyber law, people are facing challenge in India.

(H.Ramchandani,2016)in her paper conclude that the retail e-commerce sales in 2015 as a percentage of total retail sales in India accounted for approximately 0.9% of retail sales in India. However this figure is expected to grow in near future and is estimated to reach 1.4% in2018. E-commerce has greatly impacted the business of physical retailer's especially small retailers. International e-retailer are giving a strong competition to domestic ones. However physical retailers still have a very good standing in the Indian market as Indian consumer generally like to inspect the goods before making any purchase.

OBJECTIVE OF THE PRESENT PAPER:

- To study the present status of E-commerce in India
- To examine the barrier of E-commerce in India
- To discuss the future of E-commerce in India

RESEARCH METHODOLOGY:

Research methodology is the systematic and theoretical analysis of the methods applied to field of study. It includes the process used to collect information and data for the purpose of making decision. In the present paper, the secondary source information has been used. The data has been collected from journals, books and websites.

CATEGORIES/METHODS OF E-COMMERCE:

The different categories or Models of E-commerce are as follows:

B2B (BUSINESS TO BUSINESS):

B2B commerce describes the electronic commerce between business at the level of manufacturers wholesaler and retailers as opposed to between business companies and the general public or Government. E-commerce transactions in manufacturing shipments have also grown to embody almost half of the value of all manufacturing shipments.

B2C (BUSINESS TO CONSUMER):

This is the usual from of e-commerce. In the model business sells products and services directly to consumers over the internet. They display their products or services on the websites or apps and the consumers can order the product or service directly on their websites or apps.

C2B (CONSUMER TO BUSINESS):

Consumer to business e-commerce model involves consumer selling products or services to business. In C2B

consumer create value and business consume that value.

C2C (CONSUMERS TO CONSUMERS):

C2C is a business model that facilitates the transaction of products or services between customers. C2C provide an innovative way to allow customers to interact with each other. C2C involves the electronically facilitated transaction between consumers through some third party.

PRESENT SCENARIO OF E-COMMERCE IN INDIA:

E-commerce in India is still in a growing stage but it offer tremendous opportunities for developing countries like India. The e-commerce sector in India started their operations late nineties among business to business users (B2B). Business to consumers (B2C)e-commerce started in 1996 in the firm of matrimonial portals. The cost and the speed of internet was the limiting factor for their growth at that time. The first e-commerce website in India was rediff.com, which was one of the most trafficked portals for both Indians and non-residents Indians. There are also single product e-commerce sites, which deal in specialized field only. Technology is changing the way of shopping. Out of the total internet user in India, 60% visit e-commerce sites.

FUTURE OF E-COMMERCE IN INDIA:

The e-commerce sector in India is growing rapidly in India. The internet user' base in India might still be mere 400millionswhich is much less as compared to developed nations of the world, but it is expanding day by day. Retail sector is one of the largest growing sectors in India at present, which is expected to grow in future with an increasing rate.

BARRIERS OF E-COMMERCE IN INDIA:

POOR INTERNET FACILITIES:

Internet is considered the backbone of the e-commerce. But the penetration of internet facilities in India especially in rural area is very less. Speed of internet is also the major challenge in our country. No doubt we are moving towards 4G internet service but still a lot has to be done.

FEELING UNSECURE:

Feeling unsecure by customer is one of the major and continuing challenges for e-commerce in our country. Customer must be confident about the integrity of the e-dealers and payment process before making any purchase order online. Risk of hacking and cyber crimes are also there.

LOGISTIC AND SUPPLY CHAIN:

Logistic and supply chain has been the major challenge to the e-commerce companies. The e-commerce companies need to invest more on setting up warehouse and signing up more suppliers across the country to ensure customers get order delivered by nearest suppliers.

CASH ON DELIVERY (COD):

Cash on delivery is big problem for e-commerce companies. In the era of digital payments, cash on delivery is still the most favored mode of payment used by the consumer. Sometime courier companies take 30-40 days to return the cash collected from customer to dealers.

HIGH COMPETITION:

There is a cut throat competition among the player in the e-commerce market. With intense competition, the profitability of the companies decreases as they use aggressive pricing strategy and offer huge discounts and commissions.

TAX STRUCTURE:

Tax structure is another factor for lesser growth of e-commerce sector in India in comparison to other developed countries like USA and UK. In India there are different types of taxes and these taxes create accounting problems to online business. Some states are even charging separate tax on e-commerce transactions. Government has implemented the GST Act, which is expected to solve problem to great extent.

ABSENCE OF CYBER LAWS:

Absence of cyber laws to regulate the online business transaction is another bottleneck to e-commerce in India. The new technology has created huge legal uncertainty in our country. The existing consumer protection Act 1986 needs to be amended to update and widen the scope of the Act.

PHYSICAL PURCHASE:

Most of Indian customers are more comfortable in buying product physically. They want to see and touch the product before buying. So they do not prefer to buy product online.

CONCLUSION:

E-commerce is one of the largest growing industries in India at present. This unprecedented growth in E-commerce is due to increase in smart phones and internet users, 3G/4G internet services, awareness in public, government initiative digitalization, advanced shipping and payment options, entry of foreign e-business players etc. Government should take steps to provide a proper legal frame work so that hurdles in the growth of e-commerce are reduced to minimum.

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