

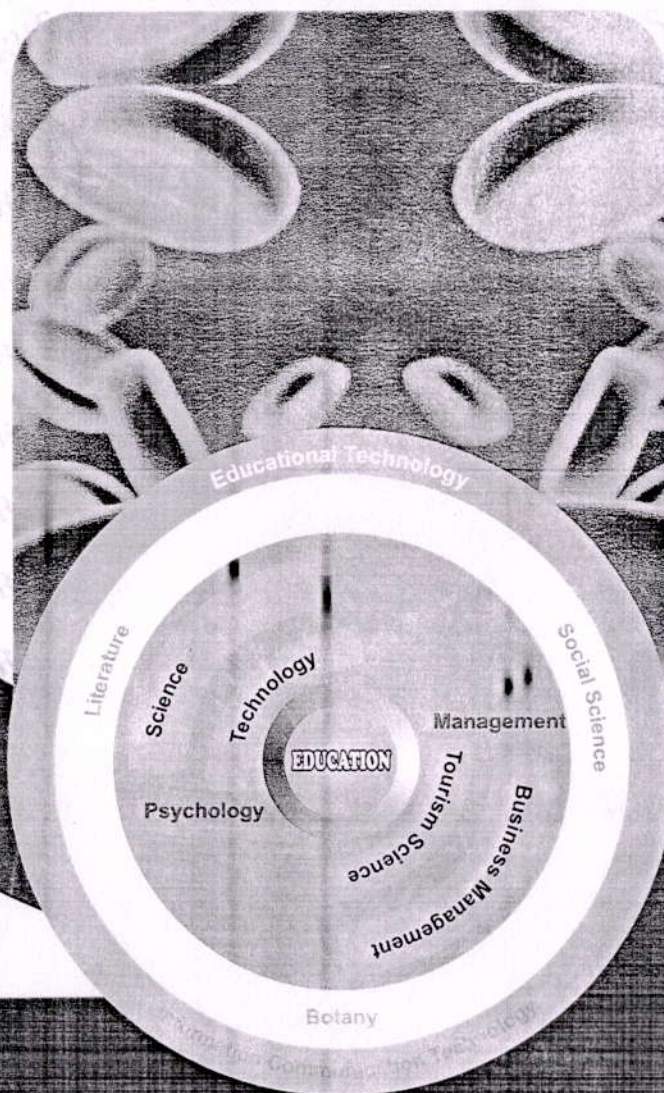
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E-COMMERCE IN INDIA: CHALLENGES AND FUTURE**Mrs. Tejasweeta Sunil Mundhe***K.V. N. Naik College, Nashik***Introduction:**

E-commerce is anything that involves an online transaction. E-commerce makes consumers to get the goods at lower cost, wider choice and saves time. The benefits of e-commerce include its around-the clock availability, the speed of access, the wide availability of goods and services for consumers, easy accessibility, and international reach. E-commerce is widely considered the buying and selling of products over the internet, but any transaction that is completed solely through electronic measures can be considered e-commerce. Growth of e-commerce is affected by economic factors, political factors, cultural factors and supranational institutions. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. E-Commerce industry is growing at an astounding rate in India and is expected to account for 1.61% of the global GDP by 2018. By 2020, India is expected to generate \$100 billion online retail revenue out of which \$35 billion will be through fashion e-commerce. Online apparel sales are set to grow four times in coming years. Indian e-commerce has seen impressive growth in the last few years. The customer's base of online shopping is augmented by using internet of things (IOT) and mobile phone applications. Consequently the Indian e-commerce business has seen exciting growth in since from few years. Considering India's demographic payment system and increasing internet accessibility, the E-commerce business is growing up to greater heights. Rapidly increasing 3G/4G internet users, explosive growth of Smartphone users, rising standards of living as result of fast decline in poverty rate, availability of much wider products and services range, competitive prices, increased usage of online classified sites, are some reasons for growth of E-Commerce. Still, there are some challenges faced by E-Commerce in India such as security problems, lack of skills, less infrastructure, shipping challenges, high cost etc. People do not yet sufficiently trust paperless, faceless transactions.

Objectives of the Study:

1. To study the concept of E-Commerce
2. To study challenges before E-Commerce in India
3. To study future prospect of E-Commerce in India
4. To study initiatives of the Government in growth of E-Commerce

Research Methodology: The researcher has used only secondary data that has been collected from various articles, journals, books, websites etc.

Challenges faced by E-Commerce in India: 1. Mode of payment:

1. In India still most of the people prefer to pay cash on delivery due to the low credit card diffusion and low trust in online transactions. Manual cash collection is quite perilous, expensive and laborious. The COD is unsustainable as it pushes up the cost of transaction by Rs 30-60 per transaction. On top of this the problem is that of high returns as the consumers often change their mind by the time the goods arrive. The returns are as high as 40-45% of all the COD shipments. COD also poses scalability issues for the E-Commerce sites in the long term as the logistics companies would find it hard to scale to the required levels.

2. **Lack of Infrastructure:** Internet is the backbone of e-commerce. Internet penetration in India is still very low (34.8%) compared to other countries. The quality of connectivity is poor in several regions specially in sub-urban and rural areas. Both these are real threats for the growth e-commerce market in India. Still many people don't have personal computers or smart phones or internet connections which are essential for E-Commerce.

3. **Incorrect postal address:** When customer places an online order, gets a call from the company, asking about their exact location. Many times the given address is not enough because there is always a little standardization while writing postal addresses. Due to incomplete or incorrect postal address courier company's representative could not find the customer's location and return the product to the seller. This is also one of the biggest challenges that faced by e-commerce in India.

4. **Absence of Cyber Laws:** Other big challenge is associated with e-commerce market is the near absence of cyber laws to regulate transactions on the Net. WTO is expected to enact cyber laws soon. The India's Information Technology (IT) Bill passed by the Indian Parliament on May 17, 2000 intends to tackle legislatively the growing areas in e-commerce. As it stand today, the Bill deals with only commercial and criminal areas of law. However, it

does not take care of issues such as individual property rights, content regulation to privacy and data protection specific legislation.

5. Privacy and Security Issues: In case of start up and small business, Business owners fail to take the initial steps to secure and protect their online business through installation of authentic protection services like antivirus and firewall protection, which indeed a crucial step for successful online business players. Usage of unauthorized software's will not protect the customer. Many cases of cyber crime take place always. The risk is high towards online banking transactions.

6. Touch and Feel factors: Indian customers mostly prefer buying products physically. They tend to choose the product by touching the product directly and feel it. Thereby, Indian buyers are more inclined to do ticketing and booking online in travel sectors, books and electronics. Companies dealing with products like apparel, handicrafts, jewelry have to face challenges to sell their products as the buyers want to see and touch before they buy these stuffs.

7. Shipping Challenges: Issues related to lack of supply chain integration, high delivery charges for products, delay in delivery and lack of proper courier services in some areas, especially in semi-urban and rural areas also make customers frustrated. Many times customer could not get the delivery of product within expected period of time and sometimes return it to the seller.

8. Product Return or Refund Issues: Product which is unsatisfactory for the customers or product which is not as shown online tends to get replaced or returned. This is another major issue which leads into overall loss in revenue, time, energy, loss of shipment costs and more than all these loss of reputation of the marketer. If payment had made at the time of booking refund issue also arise which increases accounting work.

9. Customer Services: E- Marketers focus on the website performance ignoring customer relationship and in-personal assistance. Seller's guidance to customers for choosing right product could not be get while shopping online which is important and which can be get while shopping physically. Most of the online sellers don't provide after sales services such as installation, repairs and maintenance of the product which value a lot from the point of customers. Hence many customers prefer to buy products from shops nearby them to get these services.

Future of E-Commerce in India:

1. Increasing Internet User Base: It is believed that low cost of personal computers, a growing installed base for Internet use, and an increasingly competitive Internet Service Provider (ISP) market will help fuel e-commerce growth in Asia's second most populous nation. Large percentage of population subscribed to broadband Internet, increasing 3G internet users, recent introduction of 4G across the country, explosive growth of Smartphone users are key drivers for growth of e-commerce in India.

Table showing internet penetration in different countries in 2016:

Country	Internet Users Penetration	(% of Population)
China	721,434,547	52.20 %
India	462,124,989	34.80 %
U.S.	286,942,362	88.50 %
Brazil	139,111,185	66.40 %
Japan	115,111,595	91.10 %
Russia	102,258,256	71.30 %
Nigeria	86,219,965	46.10 %
Germany	71,016,605	88.00 %
U.K.	60,273,38	92.60 %
Mexico	58,016,997	45.10 %

The above table reveals that e-commerce industry is fast rising; changes can be seen over year. A significantly low (34.8%) but fast-growing internet population is an indicator of the sector's huge growth potential in India. For developing countries like India, e-commerce offers considerable opportunity. The table shows that, e-commerce in India is still in growing stage. The potential of E-commerce consumers in India by 2024-2025 is likely to touch around 594.8 million individuals or 297.4 million households. By 2024-2025, 58 million rural households will be part of the e-commerce consumers.

2. Wider range of Products and Services: Consumers have a much wider choice available on the cyber market. They bear lower costs for products due to increased online competition among sellers. Because of wide-scale information dissemination, consumers can compare products, features, prices and even look up reviews before they select what they want. They enjoy wider access to assistance and to advice from experts and peers. They enjoy

saving in shopping time and money. Consumers also avail of fast services and delivery of products and services. They also have the convenience of having their orders delivered right to the door step. Finally, consumers are driven to e-shopping in hordes as even branded goods are available at low cost on the Net.

3. Customer Relationship Management: High quality customer relationship called "customization" is crucial for retaining customers in the e-commerce environment. That is the reason why Customer Relationship Management (CRM) has become the buzzword which everybody is talking of now. E-commerce provides ample opportunity for Customer Relationship Management solution and, in turn, in establishing better relationship with the customers. It becomes absolutely necessary for the company to enhance customer loyalty. Otherwise the customer, who is full of choices, can jump from one website to another. If company is to stay in business then it will have to deliver the products or services to customers as they want, when they want, and how they want.

4. New Opportunities of Business: E-commerce creates new opportunities for business; it also creates new opportunities for education and academics. It appears that there is tremendous potential for providing e-business education. Any product or services can be sale or purchase through E-Commerce. The range is increasing day by day. Fashion Accessories, Apparels, Jewelry, Vehicles, Home Appliances, furniture, E-Gadgets are becoming more popular on E-Commerce. With more than 100 million Internet users, the country is beginning to achieve a critical mass of users who are becoming more familiar with web services like E-Finance, E-Banking, E-Wallet, Pay-TM, Debit Cards, Credit Cards, Smart Cards, Insurance, Travelling, Telephone and Internet Banking etc. Along with this the usage of online classified sites, with more consumers buying and selling second-hand goods has been increased.

5. Popularity of Social Media: Social Media is becoming most popular media among young generation of India. Marketers have realized its importance very well. Product and service feedback via social media channels have an impressionable effect on the minds of the larger customer base. Social Media is being used effectively for introduction of new products and sales promotion by the marketers.

6. Customer Databases: With the increasing adoption and use of Smartphone's, businesses are able to collect large amount of data on consumers, which can be further utilized to do target based marketing and advertising. Mobile Application Brands have taken the mobile advertising route and are gradually picking up. Online retailers have realized the potential increase of online shoppers through their mobile phones in future. And as consumers grow more comfortable with using mobile devices for browsing and shopping, they are now more open to getting messages from brands via their mobiles. Businesses are implementing strategies for integrating mobile into their marketing campaigns

7. Government Initiatives: In India due to Digital India and Cashless Economy campaign of the Government, number of bank account holders increased tremendously and large percentage of population subscribed to broadband Internet. As a part of Cashless Economy Policy and Digital India Campaign, Government of India has banned currency notes of Rupees 1000 and 500 on 8 November 2017 which was resulted in shortage of cash in the hands of people and motivated them to transact online.

Conclusion: The study indicates that e-commerce sector has huge growth potential in India. E-commerce is continuously progressing and is becoming more and more important to businesses as technology continues to advance and is something that should be taken advantage of and implemented.

There are some obstacles responsible for slow growth of e-commerce in India. But the issues can be resolved or avoided by good decision-making and business practices. If the correct methods and practices are followed, a business will prosper in an e-commerce setting with much success and profitability. Digital India and Cashless Economy policies of the Government of India are proving favorable for growth of E-Commerce.

In India, E-commerce is playing vital role in business options and facilitates to explore in the future. Ecommerce is concerning the paradigm shift in the business world for marketing of all type of products and services. Forecast of E-commerce is showing extraordinary prospects in business growth of Indian Economy. Backed by increased online user base and smart phone penetration, Indian e-commerce has seen impressive growth in the last few years. Considering India's demographic dividend and rising internet accessibility, the sector is slated to scale greater heights.

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