



PROSPECTS OF E-COMMERCE IN INDIA

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Abstract:

E-commerce stands for electronic commerce where business transactions are carried out using telecommunication means, mainly by using internet. E-commerce is not only a way to support existing business operations, but it has brought a paradigm shift in the world for trading. Growing penetration of technology and acceptance of idea of virtual shopping has led to derive e-commerce eco-system. With the deployment of internet connection, 3G and 4G telecommunication services, broadband, laptop, smart phones, tablets acceptance of e-commerce is increasing. The e-commerce story will surely witness a new world of digitalization. The objective of this study is to highlight the growth of e-commerce in India, issues in e-commerce, major players in Indian e-commerce market, analysis the present trends of e-commerce and examines the future of e-commerce in India in terms of challenges and opportunities. In this paper study the categories of e-commerce, India's Prospects in E-Commerce and challenges of E-Commerce in India.

Keywords: E-commerce, Internet, technology, security

Introduction

The E-Commerce market is thriving and poised for robust growth in Asia. There are players who made a good beginning. Their success depends on their understanding of the market and offering various types of features. This paper gives an overview of the future of E-Commerce in India and discusses the future growth segments in India's E-Commerce. Also find out various factors that would be essential for future growth of Indian E-commerce. And represent the various opportunities for retailers, wholesalers, producers and for people.

E-Commerce: Meaning

E-Commerce or Electronics Commerce is a methodology of modern business which addresses the need of business organizations, vendors and customers to reduce cost and improve the quality of goods and services while increasing the speed of delivery. E-commerce refers to paperless exchange of business information using following ways.

1. Electronic Data Exchange (EDI)
2. Electronic Mail (e-mail)
3. Electronic Bulletin Boards
4. Electronic Fund Transfer (EFT)
5. Other Network-based technologies

The concept of e-commerce is all about using the internet to do business better and faster.

E-commerce is the process of buying and selling over the Internet, or conducting any transaction involving the transfer of ownership or rights to use goods or services through a computer-mediated network without using any paper document.

Objectives

The objectives of present study are:

- 1) To study the categories of e-commerce.
- 2) To study the India's Prospects in E-Commerce.
- 3) To study the Challenges of E-Commerce in India.

Research Methodology

For the present study secondary data has been used including available research articles, journals, books, websites, newspaper, reports etc.

Categories of E-Commerce**1. B2B E-Commerce:**

This is business to business ecommerce, in which organizations do business with each other such as manufacturers selling to distributors and wholesalers selling to retailers. Pricing is based on quantity of order. Among other activities, B2B ecommerce includes purchasing and procurement, supplier management,

inventory management, channel management, sales activities, payment management, and service and support.

2. B2C E-Commerce:

This is Business-to-Consumer e-commerce. It refers to exchanges between businesses and consumers such as by selling to the general public typically through catalogues utilizing shopping cart software. For example Amazon.com, Yahoo.com.

3. C2C E-Commerce:

This is consumer to consumer e-commerce. It refers to the exchanges involve transactions between and among consumers. There are many sites offering free classifieds, auctions, and forums where individuals can buy and sell thanks to online payment systems like PayPal where people can send and receive money online with ease. eBay's auction service is a great example of where customer-to-customer transactions take place every day. G2G (Government-to-Government), G2E (Government-to-Employee), G2B (Government-to-Business), B2G (Business-to-Government), G2C (Government-to-Citizen), C2G (Citizen-to-Government) this all are forms of ecommerce that involve transactions with the government—from procurement to filing taxes to business registrations to renewing licenses.

4. C2B E-Commerce:

This is consumer to business e-commerce. Consumers can band together to form and present themselves as a buyer group to businesses in a consumer-to-business relationship. These groups may be economically motivated as with the demand aggregator, Mercata.com, or socially oriented as with cause-related advocacy at voxcap.com.

Functions of E-Commerce

- 1. Communication:** It means delivery of information. For example email.
- 2. Process Management:** It covers the automation and improvements to the business process.
- 3. Service Management:** It is used to improve the quality of services.
- 4. Transaction Capabilities:** It provides the facility to buy or sell on the internet. For example amazon.com.

India's Prospects in E-Commerce:**1. Opportunity for Retailers:**

A retailer can save his existence by linking his business with the on-line distribution. By doing so, they can make available much additional information about various things to the consumers, meet electronic orders and be in touch with the consumers all the time. Therefore, E-Commerce is a good opportunity.

2. Opportunity for Whole Sealers/Distributer:

In the world of Ecommerce the existence of the wholesalers is at the greatest risk because the producer can easily ignore them and sell their goods to the retailers and the consumers. In such a situation those wholesalers can take advantage of E-Commerce who are capable of establishing contractors with reputed producers and linking their business with the on- line.

3. Opportunity for Producers:

Producers can take advantages of e-commerce by linking themselves with on-line, by giving better information about their products to the other links in the business chain and by a having a brand identity.

4. Opportunity for People:

As more people are getting linked with E-commerce, the demand for centre providing internet facility or cyber cafe is also increasing. Hence, the people who wish to take advantage of it can establish cyber and have their benefits.

Challenges of E-Commerce in India

India has less credit card population, lack of fast postal services in rural India. Accessing the Internet is currently hindered down by slow transmission speeds, frequent disconnects, cost of Wireless connection and wireless communication standards over which data is transmitted. High-speed-bandwidth Internet connection not available to most citizens of the nation at an affordable rate. In India, mostly people are not aware about the English language or not so good in English language. So that for the transaction over internet through electronic devices, language becomes one of the major factors to purchases, hire and sell a particular product or services. Multiple issues of trust in e-commerce technology and lack of widely accepted standards, lack of payment gateways, privacy of

personal and business data connected over the Internet not assured security and confidentiality of data not in place to deploy ubiquitous IT Infrastructure and its maintenance.

Advantages of E-Commerce:

1. Convenience:

e-Business can take place round the clock i.e. 24/7. Consumers can access e-commerce and e-businesses at any time of the day or night, from their workplace or in their pajamas.

2. Selection:

e-stores offer a wider array of products online. Consumers can search through countless products and services using online databases. Prices are quickly compared online to find the business that offers the best products at the best prices.

3. Targeted marketing:

Consumers are quickly exposed to e-business because it uses more targeted marketing and offers more in-depth education compared to traditional businesses.

4. Product at lower price:

It offers the product to the country at a price lower than that available through physical delivery.

Disadvantages of E-Commerce:

1. Limited customer service:

There is no personal touch in this business. If you want to buy a computer and you're shopping online, there is no employee you can talk to about which computer would best meet your needs.

2. No instant gratification:

When you buy something online you have to wait for it to be shipped to your home or office.

3. No ability to touch and see a product:

Online images don't always tell the whole and exact story about an item/product. E-transactions sometimes can be dissatisfying when the consumer receives the product is different than ordered.

Conclusion

Growth of e-commerce depend to a great extent on effective IT security systems for which necessary technological and legal provisions need to be put in place and strengthened constantly. While many companies, organizations, and communities in India are beginning to take advantage of the potential of e-commerce, critical challenges remain to be overcome before e-commerce would become an asset for common people. With the explosion of internet connectivity through mobile devices like Smartphone and tablets, millions of consumers are making decisions online and in this way enterprises can build the brand digitally and enhance productivity but government policies must ensure the cost effective methods/solutions. E- Commerce in India is destined to grow both in revenue and geographic reach. The challenge of establishing consumer trust in e-commerce poses problems and issues that need further research.

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