

A Study on the Impact of E-Commerce in India and Its Issues & Challenges

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Abstract – The business centre also rapidly becoming an e-commerce centre. Everything can be bought on the web from needle to ship. Old and new entrants are already in the process about thinking of innovative structures to sell their products and services to the existing players and contestants. Electronic Industry is nothing than a different way of supporting or improving traditional enterprises. Or maybe e-commerce has brought innovative market shifts. This is a problem-solving innovation that dramatically changes the traditional business system. Ecommerce paves the way for our nation's enormous business growth. The growth of the web customers expanded further. Ecommerce has led to the growth of the online travel industry through various approaches and included an additional corporate sector by our online shopping industry. The current study aims at historical development of e-commerce, e-commerce advantages, e-commerce opportunities, reasons for e-commerce growth, In India, e-commerce Are, Key Drivers In India, E-commerce growth and prospects E-commerce challenges, e-commerce issues.

Keywords – E-Commerce, India, E-Market, E-Finance, E-Merchandise, M- Commerce.

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INTRODUCTION

In the emerging international market world, India was an important actor. After the reforms in 1991, its unstoppable financial development has been the main target of foreign sector and management scholars. In order that you can understand the most influential papers, which have been the issues most focused, which are the key results or more that need to be done in terms of study, this article would analyse the effect e-commerce has on Indian Commerce reported in top market and management journals.

E-COMMERCE

E-commerce is a change in paradigm. The basic development of the modern way of doing business is a "disruptive" breakthrough.

Electronic commerce is an enterprise model that allows a company or entity to operate on the electronic network or a part of a broader business model. E-commerce means the purchasing and sale through an electronic network, in particular through Internet of products and services or the transfer of funds or documents. These transactions include corporate, business-to-consumer, consumer-to-commercial or consumer-to-commercial transactions. The expression *etail* is used in relation to online shopping purchase procedures. Electronic data

interchange, EDI, File Transfer Protocol and Web Servers are used to manage the e-commerce utilising a range of technologies such as e-mail, fax, online catalogues and shopping carts. It can be used by means of a catalogue as a more sophisticated method of postal purchase. E-commerce is the industry trend on the global web. In all industry fields, from customer support to new product creation, the implications of e-commerce are now evident. It has the ability to meet and communicate with consumers, such as internet ads, advertisement, ordering and online customer support in digital knowledge business processes.

Recent times have seen an increase in the number of e-commerce firms. In addition, leading Indian websites have moved to e-commerce rather than advertisement sales. Many websites also offer a variety of goods and services from roses, greeting cards and movie tickets to foodstuffs, mobile devices, etc.

HISTORICAL DEVELOPMENT OF E-COMMERCE

A timeline for the development of e-commerce:

- 2010: Group on allegedly opposes Google's \$6 billion offer. Instead, on 4 November 2011 the community purchased

websites was conducted via an IPO. It's become Google's biggest IPO.

- 2011: \$500 million in assets, including \$45 million in leverage and other bonds purchased by Amazon.com, parent corporation of Diapers.com. GSI Commerce specialises in the development, development, and operation of brick and mortar online retail places, which eBay purchased for \$2.4 billion.
- 2014: \$1 million in bit coin revenue were handled by Overstock.com. The e-commerce sector in India is expected to have expanded from 2012 to 12.6 billion dollars in 2013 by more than 30 percent. Sales expected to hit \$294 billion in eCommerce and online shopping, a growth of 12% compared with 2013 and 9% of the total retail sales. With a total value of \$25 billion, The Alibaba Group has the largest bid ever made to the public. 2015: Amazon, which sells almost 500 million SKUs in the US, accounted for more than half of all the increase in ecommerce.
- 1971 or 1972: The ARPANET is used for arranging the selling of cannabis between students of the Stanford Artificial Intelligence Laboratory and the Massachusetts Technological Institute, which was later defined in John Mark's book 'What Dormouse Said' as a 'seminal act of ecology'.
- 1990: Tim Berners-Lee uses a NeXT machine to write the first worldwide web browser.
- 1992: Cleveland Book Stacks Unlimited launches a distribution portal to distribute credit card-processing books digitally (www.books.com).
- 1993: The first app store version, The Electronic App Wrapper, released by Paget Press
- 1994: In October, under the Mozilla code name, Netscape launches the navigator browser. In late 1994 Netscape 1.0 was launched using SSL encryption, which secured transfers.
- 1994: In a collaboration with Ip Switch, Inc. and Open market Ipswitch IMail server is the first app accessible for sale and instant installation online.
- 1994: The first stable online purchasing by Sting is "Ten Summoner's Tales."
- 1995: The US National Science Foundation removes its previous tight ban on business on the Internet.
- 1995: The acquisition of a book from W H Smith's store in the UK Shopping Center is UK's first nationwide online shopping safe sale, by Pauls Stanfield, Product Manager for CompuServe UK, on Thursday, April 27, 1995. At the launch, W H Smith, Tesco, Virgin Megastores, Great Universal Shops (GUS), Inter Flora, Dixons Supermarket, Past Times, PC World (dealer) and Innovations were among the first shopping carts.

ADVANTAGES OF E-COMMERCE

In terms of the accessibility of goods, e-commerce offers consumers different benefits at reduced costs, provides more opportunities and often saves time. People may buy goods without leaving from their home or workplace by using a mouse click. Even internet applications such as money transfers, e-ticketing, hotel reservations, payments etc. have been of great benefit to customers. The Indian eGifts portals and shopping pages often have goods and a variety of groups including male and female apparel and accessories, home-use items, books and magazines, PCs and peripherals, vehicles.

OPPORTUNITIES FOR ECOMMERCE

Reports indicate that Internet growth has given rise to the electronic marketplace, already a seed for electronic trading in the 20th century [Choi & Suh, 2005], also recognised as e-market (e-commerce). An e-business is an artificial environment where merchants and customers compete as a conventional market. In e-market sites there are various forms of financial transfers, trades of products and services and documents. Centers for e-commerce have become an optional venue for commerce. Finally, an e-commerce centre will serve to provide buyers and sellers with knowledge about goods and the various market owners. [The Colonial Colonel, 2012]. These features shaped the economy by shaping the actions of buyers and traders. Online or conventional e-commerce influences the whole industry. It enables a much more organised collaborative collaboration between different sections of the value chain than ever before. Additionally, Opting eBusiness enables companies to lower expenses and improve customer response. Many recent technology results help organisations who update their corporate practise. E-commerce is a broad concept, ranging from putting orders on the internet to providing online payments, and money transfers, for instance, between bank accounts. Financial services are an area in which there are

good indicators of e-commerce. During broadband dissemination the online stock exchange sponsored growth.

REASONS BEHIND THE GROWTH OF E – COMMERCE

Busy Lifestyle:

The lives of people are so fast that they cannot travel to the swarmed retail markets every day. People just want to shop in a comfortable environment.

High Disposable Income:

With increased employment opportunities the income has become higher and thus giving more spending power to individuals. Thus they are energetically ready to pay for the items on internet.

Awareness of Products:

These days' people are much more of the new products, their specifications, costs etc through the assistance of media like TV, radio, news paper etc. So they shop online with confidence.

Rising Computer Educational Level:

Computer education is moving into new skylines because of the efforts of government and educational institutions in India. People have a greater understanding of programming tools and applications. Not only urban students, but also rural people and housewives as well as professionals are also drawn to e-commerce and e-business technologies. Consequently, there is an unbelievable demand in new products [Jain and Kapoor, 2012].

Increased Usage of Internet:

There are currently over 100 million internet subscribers. In reality, these fundamental Web consumers have begun to become Web clients in the last few years through sophisticated Internet travel operators, thereby increasing the domination of the ecommerce sector.

KEY DRIVERS IN INDIAN E-COMMERCE ARE

- The big percentage of subscribers populace to wireless Internet, 3G internet connections are on the rise and 4G has been recently launched across the whole world.
- Smartphone devices have explosive development and will eventually be the second biggest smartphone consumer base in the world.
- Because of a rapid decrease in poverty, the living conditions are rising.

- The availability in comparison with what is found in brick and mortar stores with a significantly broader commodity spectrum (including long tail and direct imports).
- Competitive price comparing disintermediation-driven brick and mortar store and lowered inventory and property costs.
- Increased use of online classified pages, with increased purchase and sale of products by consumers
- A Million-dollar start-up evolution, such as Jabong.com, Saavn, Makemytrip, Bookmy Show, Zomato Etc.

India's retail demand is expected to hit \$470 billion by 2011 and will grow by 2016 to \$675 trillion. The e-commerce industry in India, according to Forrester, will grow as quickly as possible in the Asia-Pacific region at a CAGR of more than 57 per cent between 2012 and 2016. India has a web presence of around 354 million as of June 2015. If China alone (650 million, 48 percent of the population) is the second biggest consumer base in the world, the penetration of e-commerce is poor relative to markets such as the United States (266 million, 84%) or France (54 million, 81%). The opinion in the sector is that development is at an intersection. The most common payment form in India is cash on arrival, which accounts for 75% of e-detail operations. As supplies from licenced and e-commerce distributors in the country increase, demand for foreign consumer goods (in particular long-day items) is even more rapid. Flipkart, Snapdeal, Amazon India and Paytm are India's largest e-commerce players.

GROWTH AND PROSPECTS OF E-COMMERCE IN INDIA

It said that increased Internet and mobile internet usage, increased online payment acceptability, and favourable demographics presented India's e-commerce industry with a unique opportunity to bind businesses to their consumers. In terms of eCommerce sales, all of the branded equipment, shoes, jewellery, gift items, sneakers are accessible at cheaper prices and shipped at doors, will rise five to seven times over last year (as per industry body Assocham). It is noted that in 2016 purchase patterns would see a substantial increase as the e-commerce market would experience aggression due to online discounts, increasing gasoline prices and more and more option in 2016.

Mobile trade (m-commerce) became a steady safe addition to the e-commerce market and was seen to develop rapidly. Internet shopping via smartphones is a transformer, although market

leaders agree that up to 70% of their overall income could be contributing to mcommerce. Mobile devices and tablets are generating around 60-65% of the overall ecommerce revenue in India, up 50% compared with 2015, and will also continue to rise. It noted that online shopping is likely to take place, as one out of three customers currently conducts smartphone purchases in level 1 and level 2 towns, due to browsing patterns that migrate from desktops to mobile devices in India. 78% of shopping requests came from mobile devices in 2015 vs 46% in 2013. Nigh 69.5% in 2015, backed up by electronic goods, 62%, infant products 53%, cosmetics and personal care products 52% and household furnishings 49% saw the fastest increase in the clothing market. The report showed that Mumbai is the world's largest online store, with Delhi, Ahmedabad, Bangalore and Kolkata being the first. With regard to payment methods, almost 45% of online shoppers officially favoured cash on credit card and debit card delivery (16%). (21 per cent).

Just 10% chose internet banking, and scanty 7% favoured payment methods such as Cash Cards, mobile wallets and other payment methods. The age groups 18-25 is the fastest rising online category of the old age, with both men and women contributing to consumer development. The survey found that 38% of ordinary shoppers in the 18-25 age group, 52% in 26-35, 8% in 36-45 and 2% in the 45-60 age group.

CHALLENGES FOR E- COMMERCE:

The growing volumes of e-commerce in India draw the world's interest. India is home to 1.2 billion inhabitants, the second most populated nation in the world. India is a vast area with an increasingly growing middle class, increasing Internet connectivity and a stunning cell phone penetration. Indian businesses, especially e-commerce companies that rely on multinational and scalable business models, are becoming more desirable. In developing Indian markets, there are five major hurdles e-commerce companies face.

1. Indian shoppers refund a large part of the goods they buy online. In India, ecommerce has several customers for the first time. So you haven't even spoken of what you should get from ecommerce pages. This often causes customers to be prone to rough selling. Yet they show regret and refund the items by the time they are shipped. While customer remorse is a global phenomenon, in a country such as India, where a large amount of growth comes from new consumers, it is all the more prevalent. Returns for ecommerce players are costly and reverse logistics pose special problems. In cross-border ecommerce, this becomes much more complicated.
2. The alternative method of payment is cash on arrival. Low penetration of credit cards and low confidence in online purchases have contributed to the favoured payment method in India becoming cash on arrival. Collecting manual currency, unlike electronic transfers, is difficult, dangerous, and costly.
3. High loss rates in gateways of payment. The Indian payment gates have an extraordinarily large failure rates according to global benchmarks as if the preference to receive cash was not poor enough. The company of ecommerce firms that use Indian payment gates is lost when many clients refuse to re-establish their payment.
4. Not uniform postal codes. 4. You would probably get a call from the logistics firm if you put an order online in India, to ask your exact address. Your address obviously isn't sufficient. This is how the way postal addresses are published is poorly standardised. Last century challenges contribute to the logistical problems in ecommerce.
5. In thousands of Indian cities, logistics is a challenge. The problem of logistics in India is not just the absence of standardisation of postal addresses. Given the country's population, it is not easy to reach thousands of cities. There is a very extensive logistics system in metropolitan cities and other large urban centres. The logistical problem is exacerbated by the fact that distribution in cash is India's preferential payment choice. The logistics issue is resolved valiantly by international logistics contractors, Indian private firms and government-owned postage operation. If anyone will transform the challenge into an advantage, we might soon learn of the Indian logistics industry's great success storey.

ISSUES IN E-COMMERCE

The reasons impeding the acceptance of e-commerce by companies and customers are significantly different. The reasons why trade between companies is slowly adopted are –

Impediments to Business-With-Business

► Organizational matters:

- aversion to some form of systemic transition

- overlapping business and management agendas
- challenging communications between management, management and staff who have specific professional knowledge
- nervousness over debt collection and continuity of distribution and performance of facilities

► **Inter-organizational matters:**

- Resistance to various incompatible conditions in so-called "hub and back" systems, enforced by large industry players, who eventually put a little stress on their mostly smaller "company partners" as well as mainly have their own protocols and charge less businesses exclusive to a specific partner, rather than exchanges between many parties, costly problems of achieving a
- Investment matters
- long cycles for re-investnt in organizational infrastructure
- limited apparent payback on the investment required
- Difficulties in establishing a compelling business case

► **Technological matters:**

- Insufficient facilities, technology or operation
- patented infrastructure, technology and/or facilities dependent on the opening criteria that threaten 'locking-in' the original providers in the future because of unnecessarily large conversion costs to alternate providers
- badly adapted to the requirements and activities of the enterprise and sector in which this provides operations
- Limited access to technological competences, unreliability, and costs.

CONCLUSION:

Indian e-commerce and online shopping together are an important tool for holistic growth and would certainly see more developments in the years to come. It has played a major role and gained prominence in the economy owing to the rapid growth in the field of IT. Become more and more easy to compete with the dynamic demand for quality

products, because of the growing internet population. However there are still protection and privacy issues among users, along with growth and improvements to e-commerce. Researchers in this area would then have to learn further about protection and important e-commerce topics.

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