



Issues and challenges of e-commerce sector in India

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Abstract

E-commerce is trading of products and services through the internet. In present scenario, the e-commerce is the highest growing business of market. The rapid growth of the mobile phones and internet is a big boost for the e-commerce. Owing to vast population of India, e-commerce have a great scope in the coming years. A keeping view of increased number of smartphones and internet user's big scope in side of profits for e-commerce sector. This sector also led to create of more job opportunities and entrepreneurship facilities small business ventures to showcase and sell their products. The paper presents the scenario of issues and challenges of e-commerce sector and obstructions in India.

Keywords: e-commerce, internet, mobile

Introduction

E-commerce has less growth for the last year. It is expected the e-commerce sector will become \$20 million by the end of year 2018. E-commerce stands for electronic commerce. The move of Government of demonetization is well planned to pull back the black money from economy. But second side of this step demonetization put Indian economy on cashless or digital driven economy. The digital economy plays a vital role on growth of e-commerce sector. The digital economy a campaign helps the e-commerce sector. The government steps in direction for promotion of cashless economy by providing rural areas internet facility a major push for e commerce. The easy access to debt, credit cards, and wallets full filled the needs of customers. Owing to vast population of India, e-commerce have a great scope in the coming years. A keeping view of increased number of smartphones and internet user's big scope in side of profits for e-commerce sector. This sector also led to create of more job opportunities and entrepreneurship facilities small business ventures to showcase and sell their products. The paper presents the scenario of issues and challenges of e-commerce sector and obstructions in India.

E-commerce business Models

E-commerce can be classified according to the transactions such as business to consumer (B2C), business to business (B2B), business to government (B2G), consumer to consumer (C2C) and consumer to business (C2B).

Reasons behind the Growth of E-commerce

a) Increased use of Internet

With the availability of internet in our daily life and easy access to the various facilities fast speed of internet available in these days. Due to this the accessibility of various products and services provided by the sellers. The purchase of things easy from e-commerce websites. There are 100 millions of

users now.

b) Awareness of products

There are lot of consumer products are available in the market. The educated clients and customers now they know about the various categories of products through radio, newspapers, and print media extra.

c) Advertisement

The advertisement plays a vital role in setting of products. The various TV Channels advertise the products frequently. In this way they made a great effect on the mind of consumer.

d) Educational level

The present day consumer is aware of all the terms of computer. The growth of educational level of students through the various professional and technical courses rise. In these the young students are aware of various educational concepts. This helps a lot in development of level of students and helped a lot.

e) Increased interest of consumers

The present day consumer is aware of various products and service offered by the companies. The present day consumer ready to buy more branded and good quality of goods from different sources.

f) Cheap source

The offers and discounts offered by various e commerce websites are huge in amount. In the festival days the companies offers huge discount on various products through cashback, credit cards, wallets and EMI options. There is option for the consumer to compare the price of product at different websites and choose the best option to buy it.

Challenges for E-commerce

1) Privacy

In these days it highly concerned issue for the e-commerce websites to maintain the privacy concerns of the buyers,

2) Security concerns

The day to day transactions between the consumers and sellers are using credit cards, debit cards, wallets main security concern for the e-commerce websites. There are too many frauds and hawkers attempt have been done these days to transfer the money of consumers.

3) Delivery of Products/ exchange of goods

The delivery of various products and services through the courier services offered by the various companies sure that proper and timely delivery of products. The exchange of goods, timely pick up the goods from consumers is also a serious issue for e-commerce websites.

4) Authenticity of products

The delivery of genuine and authenticity of branded and non-branded products by the various sellers to consumers are required.

5) Price Competition

The prices of the goods offered through the various e-commerce websites are compared by the buyers during the purchase. So it is challenge for the sellers to maintain and update the price of product on websites for more sales.

6) Less awareness

There is need of awareness regarding various products available in the online e commerce market. In most of the areas there is less awareness of online ecommerce products.

7) Product target

The variety of products available in online market must be too large. This can only done though the sellers must have to update their self-regarding the demand of the products (taste and preferences).

Barriers of e-commerce India

a) Complex System

The payment is transferred online though the internet to third party. The third gets collection of payment through the venders. It is the responsibility of the vender to cashback of payment to the buyers. It is complex system in which there is less information is provided to the consumer regarding digital transitions.

b) Taxation policy

The taxation policy have great effect on the e-commerce. E-commerce sector is worried what are polices of government in near future for e-commerce. E-commerce sellers did not know about the taxation structure.

Advantages of e-commerce

1) Improved service to your clients.

It results in the better service to provided customers so that the clients are more satisfied with the products.

2) Global reach

With the help of e-commerce websites, the products are

delivered to the customers international. The various products must be delivered globally.

3) Lower cost

The e-commerce sector helps to acquire new customers over the internet. The cost of acquiring, serving and retaining the customers is lower with help of minimal investments.

4) Knowledge of customer behavior

The availability of e-commerce websites helps the sellers to know about the behavior of customers. The online feedback system, review of new launching products and services a chance for the buyers to better understanding of the behavior of customers.

5) No need of physical Set-up

In e-commerce selling customers no need to set up their sales units in market. They just need to advertisement and selling their products to the customers.

Conclusion

In this paper we discuss, e-commerce is an emerging sector in Indian economy in present days. The reason behind the development of e-commerce business is revolution in the information technology sector in the recent era. At present there are several hurdles in the development of e-commerce business in India such as technological issues, security concerns, authenticity of products, computer illiteracy and negative aptitude of consumers, privacy and security issues. However, if these barriers to e-commerce will be removed, the e-commerce has bright prospects in India near future. In coming 5- 7 years, India will have around 70 million net users which will be at record with many of the developed nations in the world.

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