

An overview and insight on modern trends, challenges and opportunities of e commerce in Indian context

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Abstract: E-commerce stands for electronic commerce. E-commerce is performing business online and electronically. Over last few years the popularity of e-commerce has rigorously developed due to its quick and convenient way of exchanging goods and regional and global services. India will be booming platform for e-commerce business models; in 2023, the Indian ecommerce market is predicted to increase by 23.5%, reaching US\$ 74.8 billion. India's e-commerce market is expected to reach US\$ 350 billion by 2030. On the basis of secondary data, the paper focuses on conceptual research that is exploratory and/or descriptive in nature. This essay explains the idea of electronic commerce, business models for it, the distinctions between it and traditional commerce, as well as its benefits and drawbacks. It also highlights various trends and challenges of e-commerce and also with the essential opportunity and growth factors required for e-commerce in India.

Keywords: E-Commerce, Challenges, Opportunity, Trends, Online, Growth Factor

Introduction:

E-Commerce is simply known as in the form of buying and selling of product and services for the businesses and by the customer over the internet. Online sale are rapidly increasing through which consumers are taking advantage of low price product offered by the wholesaler or the manufacturer in the online mode. E-Commerce is the utilization of electronic communication and digital information processed through technology in business transaction to develop, transform and redefine bonding for value creation between the organization and the consumer. It also provides a common platform by which wholesalers or the retailers sales and advertise their products and share information in on-line mode by using information technology. This trend is said to develop the website address, consumer security and privacy concern. Since last few decades, the E-Commerce has rapidly geared its popularity due to quick and convenient way of exchanging goods and services both regionally and globally. Today E-Commerce is the backbone in Indian society and it has become a part of our social life. India has seen a boom in the use of smartphones and the internet in recent years. Due in large part to the "Digital India" effort, there were 830 million internet connections worldwide in 2021. 55% of all connections to the internet were in metropolitan areas, and 97% of those connections were wireless. The number of smartphones has also greatly grown, and by 2026, that number is anticipated to be 1 billion. India's digital economy has benefited from this, and by 2030, it is predicted to be worth US\$1 trillion. The rapid growth of India's e-commerce industry has been aided by the country's increasing affluence, quick increase in internet users, and smartphone penetration. The e-commerce industry in India has changed how business is conducted there and opened up a variety of market niches, including business-to-business (B2B), direct-to-consumer (D2C), consumer-to-consumer (C2C), and consumer-to-business (C2B) (C2B). Significant markets like D2C and B2B have grown tremendously in recent years. By FY27, the D2C market in India is anticipated to grow to \$60 billion. The global e-commerce market is anticipated to increase by 21.5% in 2022 to reach US\$ 74.8 billion, and is projected to reach US\$ 350 billion by 2030.

Objectives of the Study:

The major objectives of the present research paper are as follows:

- i. To explain the concept of E-Commerce.
- ii. To study the India's prospect in E-Commerce.
- iii. To study the merits and limitations of E-Commerce.
- iv. To study various challenges faced by E-Commerce in India.
- v. To study essential factors for growth of E-Commerce in India.

Methodology of the Study:

In addition to being descriptive, the current study is conceptual and exploratory. It is built on the study of secondary data. To gather the secondary data, a variety of periodicals, magazines, research articles, and e-books are used.

India's Prospects in E-Commerce:

The growth of India's e-commerce industry will be significantly aided by a few key factors. For online transactions, there should be, among other things, a dedicated 24/7 customer service center, a variety of payment options, replacements, guarantees, quick service, and the capacity to legally generate invoices. Additionally, it gives producers, wholesalers/distributors, retailers, and people a variety of options. The growth of India's e-commerce industry will be significantly aided by a few key factors. For online transactions, there should be, among other things, a dedicated 24/7 customer service center, a variety of payment options, replacements, guarantees, quick service, and the capacity to legally generate invoices. Additionally, it gives producers, wholesalers/distributors, retailers, and people a variety of options.

- **Service for distributor:** Wholesalers can benefit from e-commerce, which can connect their company to the internet and help them build networks with reputable manufacturers. E-commerce aids in lowering overall business processing costs.
- **Service for producers:**Producers can benefit from e-commerce by connecting online and connecting with their customers and sub dealers to effectively inform them and educate them about their products. They can reach consumers and retailers directly by doing this. Producers are provided with a powerful platform where they can communicate with their customers by sharing information without sending any flyers and do so with complete faith and confidence.
- **Service for people:** Without leaving their home or place of business, customers can purchase the products of their choice with the click of a mouse. They can also take advantage of a number of services, such as online banking and the ability to book hotels and trains. Consumers can interact in online communities and exchange ideas and thoughts thanks to e-commerce.
- **Service for retailers:**By integrating their operations with online distribution, retailers can maintain their visibility. Additionally, they can provide consumers with a wealth of additional information on a variety of topics. They can use the platforms of online web media to promote and advertise their brands of different products.

Business Models for E-Commerce:

The following are the most typical e-commerce business models.

- a) **Business-to-Business E-commerce (B2B):**B2B refers to online transactions involving the exchange of goods and services between two businesses, such as those that occur between a manufacturer and a wholesaler.
- b) **Business-to-Customer E-commerce (B2C):**B2C refers to the electronic exchange of goods and services in which customers purchase products from businesses.
- c) **Customer-to-Business E-commerce (C2B):**C2B refers to a business that makes online purchases of goods from its clients. As an illustration, authors may provide a link back to Amazon.com, where they can sell their books and receive a commission.
- d) **Customer-to-Customer E-commerce (C2C):**Customers selling to customers through electronic channels like online auctions is known as C2C e-commerce. Its main advantage is that no company is required, which lowers the cost compared to other models.

Difference between Traditional Commerce and E Commerce:

S. No.	Traditional Commerce	E-Commerce
1.	Scope is local or regional	Scope is Global
2.	Time required for business transaction is in terms of week.	Time required for business transaction is in terms of minutes and seconds.
3.	Product attributes are selected by seller	Product attributes are selected by buyer.
4.	Prices are listed by taking over view of local market.	Prices are listed by taking over view of global market.
5.	Service is available in between 9 a.m. to 5 p.m.in weekdays.	24 hours service is available for all 7 days.
6.	Marketing focus is related to product position.	Marketing focus is related to customer relation.
7.	Asset for traditional business is location of shop.	Asset to e-commerce is customer database.
8.	Value proposition is related to product	Value proposition is related to product,

		information and service.
9.	Mode of payment is physically transfer of money i.e. DD, Cash, Cheque etc.	Mode of payment is electronically i.e. electronic transfer of money using credit cards, digital cash etc.
10.	Transactions are taken place with help of paper.	Transactions are taken place without help of paper.

Merits of E-Commerce:

The merits of E-Commerce are as follows:

- **Lower Cost:** Small businesses don't have to worry about logistical issues while competing with industry giants like Amazon.com, Flipkart.com, or General Motors thanks to e-commerce. In commercial bank processes, where the cost difference between a manual transaction and an online transaction is between Re. 0.50 and Re.0.01, it also demonstrates its usefulness by lowering costs.
- **Economy:** Because physical storage and manual transactions are not required, e-commerce is a particularly economical way to do business. Only a web portal and a unique, original product that is offered to the client at an accessible price point in line with societal needs may make it viable.
- **Higher Margins:** Businesses that engage in e-commerce are required to keep their profit margins higher. For example, the handling cost for an airplane ticket might be anywhere about 5 Indian Rupees. Because the same ticket can be processed for Re.1 and come with a higher margin, the company can make more money with the assistance of e-commerce while also controlling and saving time when manual transactions are carried out through an electronic medium. This is because e-commerce allows the company to carry out manual transactions through an electronic medium.
- **Better Customer Care Service:** Customers might expect improved and more timely service from businesses that use e-commerce. Customers report feeling better as a result of efficient internet service. They give each customer their very own personal account, in which they may select the services they want according to their preferences, which helps customers save both time and money. These days, the products and services offered by a great number of businesses are more web-based and quantified, and their primary focus is on efficiently meeting the needs of their clients at any given moment. As an illustration, companies like Homeshop.18, Flipkart, Ola cabs, Flortis medical apps, and many others place a significant emphasis on providing excellent customer service.
- **Quick Shopping Comparison:** E-commerce gives buyers a centralized location from which they can research and evaluate multiple options before making a purchase. Customers are able to compare products before making a purchase on online retail platforms such as Flipkart and Amazon, for instance. This not only boosts their level of self-assurance and trust in the product, but it also creates a delighted customer psychology with regard to the company, its services, and the product itself.
- **Team Work:** When it comes to e-commerce, the electronic mailing process is one of the most useful and efficient examples of how people may communicate with one another by exchanging a variety of information and finding solutions to problems that arise at their places of employment. It also establishes a common platform where suppliers, vendors, business partners, and customers can become connected with one other for the purpose of sharing ideas, information, and values for the purpose of producing better results in the future.
- **Knowledge Market:** E-commerce also gives new businesses the chance to exhibit their innovative concepts with the support of their seed capital, which is helpful for the growth of future businesses and the entrepreneurial spirit in general within society. For instance, the Aditya Birla Group operates a number of web portals that concentrate on different areas of the retail industry. These portals offer opportunities to new businesses by allowing them to showcase their products on the Aditya Birla Group's website, all while keeping margins to a minimum and generating knowledge-based market segmentation.



Above image showing Indian E-commerce Market Analysis

Limitations of E-Commerce:

The limitations of E-Commerce are as follows:

- **Web-based Security:** Online businesses are up against one of the most significant challenges of our day in terms of internet security. When making a purchase, customers need to have complete faith in the honesty and veracity of the online dealer as well as the payment method. This has a negative effect on the consumer's mindset because there is a greater chance of hacking and other forms of cybercrime in today's world.
- **System and Data Integrity:** Protecting the data and maintaining the system's integrity while it processes the data should be your first priority. In the modern world of computers, there are a significant number of new viruses that are found every single day. Viruses can result in an unwanted delay, storage difficulty, risk of data protection or file backup, and a great number of other challenges that are very comparable. It's possible that the hackers will access personal information and accounts and then corrupt them, which will make the job more difficult.
- **System Scalability:** A development in a company's business practices is the establishment of an interactive contact with its clients via the use of websites. This can be determined through an examination of the statistical proportion of the site's visitors who are either one-time or repeat customers; however, when there is a huge pressure that exceeds six million visits, the performance of the website begins to slow down and experience degradation, which may result in a loss of customers. To put an end to this issue, the website in question has to undergo consistent updates.
- **E-Commerce is not free:** To this far, the e-commerce success stories have centered on huge companies that have access to sufficient finance. On the other hand, tiny retailers that are trying to compete with the E-commerce giants are fighting a losing struggle among each other. Their goal is to compete with the larger companies. They are unable to compete on pricing or product offering, just as they are unable to do so in the traditional brick and mortar context. There is a connection between this problem and the notion that online businesses should place less emphasis on brand loyalty. It is required of brands to reduce search costs while also establishing trust and communicating quality. Even when, for instance, a search engine may provide the best bargains on music, customers still prefer to shop at establishments they know and trust, like HMV.
- **Consumer Search is not efficient or Cost Effective:** On the surface, the electronic marketplace may appear to be the ideal market since it allows consumers and sellers from all over the world to interact directly without the need for middlemen. On the other hand, a closer inspection reveals that several kinds of intermediaries are necessary for conducting business online. These include online shopping malls that validate the authenticity of monetary transactions. The expenses of transactions are increased by all of these intermediaries.

- **Customer Relation Problems:** The fact that repeat clients are essential to the success of any business, whether traditional or online, is something that only a minority of companies really appreciate. E-commerce does not have human face. This is a very impersonal approach to taking care of the people. When they go to the market, customers also have access to a diverse selection of options. So, it is a challenging challenge to keep the customers' devotion to the brand throughout time. When compared to the cost of keeping an existing customer, the cost of acquiring new customers is almost always more expensive. As a result, the online firm needs to figure up tactics for retaining the loyalty of its customers.
- **High Risk of Internet Startup:** In recent years, there have been a lot of stories that have come out of accomplished executives in established companies quitting their jobs to work for Internet start-ups, only to find out that their hope of getting rich with a dot-com was nothing more than a fantasy.
- **Proximity of Traditional Dealers:** The majority of India's population resides in its metropolises, cities, towns, and approximately 60,000 villages, all of which have a high population density. They do not reside in deeps like the people in western countries, where they have to travel a great distance to get to the malls where they do their shopping. The vast majority of the commodities and services they require are located within walking distance of their homes. As a consequence, they do not consider it necessary to acquire them on the internet.

Challenges in E-Commerce:

The slow growth of e-commerce in India can be attributed, in part, to the presence of certain barriers. It suggests that several obstacles prevent people from adopting e-commerce, such as concerns about safety, a lack of necessary skills, high costs, etc. There has been some pushback from customers regarding the transition from actual to virtual stores. Consumers do not trust faceless and paperless transactions to the same extent as they do traditional ones. In order for there to be expansion in e-commerce in India, the country needs to concentrate on developing itself along the lines of e-commerce.

- ✓ **Issues of Security:** A ubiquitous psychological component among Indian clients is apprehension regarding the process of completing an online payment. Sixty percent of people do not have faith in the internet as a payment method. Credit cards are used for transactions on the web, however using credit cards in and of them is not a risk-free activity. Credit card information can be transferred over the internet by anyone; therefore the identity of the salesperson cannot be verified. The fact that the buyer cannot be certain that their credit card will not be fraudulently used is another factor that contributes to the difficulty that e-commerce and banking face.
- ✓ **Customer Acquisition Forces:** For e-commerce to be truly successful, interaction between marketplaces needs to be robust. Customers can become upset due to a number of factors, including a lack of supply chain integration, excessive prices for products, delays in delivery, and an absence of adequate courier services in certain regions. This is one of the challenges that e-commerce must overcome. In the early stages of an e-commerce business, the most significant challenge will be figuring out how to attract customers to the website and convince them to make a purchase despite the high costs associated with advertising and promotion.
- ✓ **Product Target:** Because a rising number of companies are flooding the market with new products, target marketing is becoming an increasingly crucial strategy for distinguishing one product from another. The customers would typically exchange or return a product if it does not meet their expectations and fulfill their needs. When it comes to certain products, the time it takes to transport them to clients' homes can be quite lengthy. The amount of time it takes to deliver a product might range anywhere from a few days to a month. This is a big issue that results in a loss of overall revenue, loss of reputation, and loss of costs associated with shipment. The typical Indian consumer creates significant trust barriers for online shopping and business transactions.
- ✓ **Less Awareness:** Customers in India are more at ease when it comes to making purchases. People typically select the goods by physically feeling it in order to make their decision. The vast majority of people living in rural areas of India are not familiar with the internet or its applications. The situation is not a very admirable one when it comes to the ratio of people who use the internet. Due to the fact that so few people are aware of the corruption and fraud that occurs online, there is still some darkness. According to a reputable survey, fifty percent of Internet users in India are clueless on how to improve their online safety.
- ✓ **Cash on Delivery:** Companies that engage in e-commerce increasingly provide customers with the option to pay for their purchases using cash on delivery. It was observed that the vast majority of clients refused to make the payment at the time that the product was being delivered. 30% to 50% of purchasers, depending on the type of good or service being purchased, are also making use of this feature. Over

internet. COD has been introduced to counter the payment security issues of online transaction but this mode has been proving expensive to companies.

Essential Factors for Growth of E-Commerce in India:

There are a few online shopping and travel behemoths like flipkart.com, snapdeal.com, and makemytrip.com that have overcome obstacles and epitomize the ideal e-commerce growth trends in India. The e-commerce industry is developing, and it will need expertise from a variety of fields, including technology, product, analytics, and sourcing, general management talent, merchandising, and marketing. Internet audiences are predicted to quadruple in the next two to three years.

- **Customer Convenience:** There should be a replacement guarantee that gives buyers a 30-day replacement guarantee. It should be convenient to pick up orders after work and then return. Low-cost shipping ought to be available.
- **Adoption of Multi-Channel Investments:** An environment where a company can sell through two or more online channels is known as multi-channel e-commerce. Cross-channel expenditures are aggressively enhancing both offline and online purchasing techniques.
- **Unique or Transparent:** Demand is constantly increased by building a reputation and brand for high-quality goods. Due to the rising prevalence of online credit card theft, online customers only want to do business with trusted, secure shops. Your business must be open and honest with you. Providing them with information about you and your company can help you gain their trust and project an authentic image.
- **Location based Services:** Users that are on the go place the utmost significance on getting the proper content and providing their target audience with clear and pertinent information. There should be a devoted 24-hour customer service center there. Nowadays, because consumers are constantly on the go, it is essential to promote the right product at the appropriate time and place.
- **Multiple Payment Option:** There should be alternatives for standard credit cards, debit cards, and bank payments. Due to limited credit card availability and low consumer confidence in online transactions, e-commerce now primarily accepts cash on delivery as a form of payment. Consumer mindset: The bulk of consumers prefer conventional methods of buying and selling because they are not computer literate.

Conclusion:

In this research article we learnt about how e-commerce is a new trend in the post-reform Indian economy. The current change in the IT industry has been crucial to the growth of e-commerce. Wholesalers that can benefit from e-commerce and are able to develop partnerships with reputable manufacturers and connect their businesses with the online are provided with a variety of services. Also, retailers should always be in contact with customers while dealing with electronic orders. Currently, a large portion of computer networks and the internet are used for e-commerce. Cost-effectiveness, speedy comparison shopping, improved customer service, increased business margins as a result of efficiency in business operations, information saving, knowledge market expansion, etc. are some of these advantages. The expansion of e-commerce is now hampered by a number of obstacles, including the initial cost of computers, technological problems, low computer literacy, administrative difficulties, consumers' negative attitudes, and privacy and security concerns. Yet, these obstacles to e-commerce will be removed in due course, therefore e-commerce in India has promising futures. In order to embrace e-commerce and gain from it, we must modernize.

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