

A Study on the Challenges of E-Commerce in India

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ABSTRACT

E-Commerce is accepting one of the fundamental parts in business choices and facilitates to explore from now into the foreseeable future. E-commerce is concerning the change in perspective in the business world for exchanging. Forecast of E-commerce is showing extraordinary prospects in business development of Indian economy. The customer base of online shopping is augmented by using internet of things and mobile phone applications. Consequently the Indian e-commerce business has seen exciting development in since from few years. It pondering India's demographic payment systems and increasing internet accessibility, the E-commerce business is growing up to greater heights. However, India's overall retail opportunity is fundamental; the online business is plagued for certain essential challenges. Hence, in attending current review has been carried determined to depict the present condition and the future prospective of e-commerce business in India. It facilitates to analyze the present trends, explore the challenges and opportunities of e-commerce business in India.

Keywords:

E-commerce, Economy, customer, online, shopping

I. INTRODUCTION

E-commerce represents electronic commerce. It means dealing in goods & services through the electronic media and internet. The speedy development of e-commerce in India is being driven by greater customer choice and improved convenience with the help of internet the vendor or merchant who sells items or services directly to the customer from the gateway using a shopping basket system or computerized truck and permits payment through debit card, credit card or electronic asset transfer payments. In the present scenario e-commerce market and its space is increasing in demand as well as an impressive showcase or range of a specific type of services. E-commerce is already appearing in all areas of business, customer services, new item development and design. Ecommerce is business is filling in India because of wide range of item with least price wide range of suppliers and customers internet. In this modern era every business unit need to join online business because increasing extent of internet users in India. E-commerce in India is still in developing stage however it offers considerable open entryway. (Shruthi, 2016)

The e-Commerce industry in India is developing at a remarkable pace due to high penetration of internet and sophisticated electronic devices. However, the recent development rate of e-Commerce in India is far falling behind than other developed countries. There are numerous huge problems and challenges faced by an e-commerce industry. Factors like safety and security of online money exchange being the biggest problem alongside others, have control the smooth expansion of the online business in the country.

The key challenges to overcome here are a diverse cluster of languages, a newness to computerized systems, and preferences for an eclectic exhibit of items across miniature markets. This multitude of variables demand the implementation of an appropriate omni-channel strategy. By merging this with a hearty offline-to-online model, assisted sales and item curation, these new entrants to the ecommerce market can anticipate a smooth integration into the wider ecommerce ecosystem. Be that as it would, these figures are set to fundamentally change. (Devaraju, 2016)

Women are set to guarantee an equal share in the market, while the average age is expected to rise to 28 years. Also, as people become more accustomed to shopping online, the ordering of fundamental necessities will outpace discretionary purchases, leading to smaller overall ticket sizes. To keep up with these evolving demands, it is essential that the operations sector, currently disorganized and fragmented, be efficient.

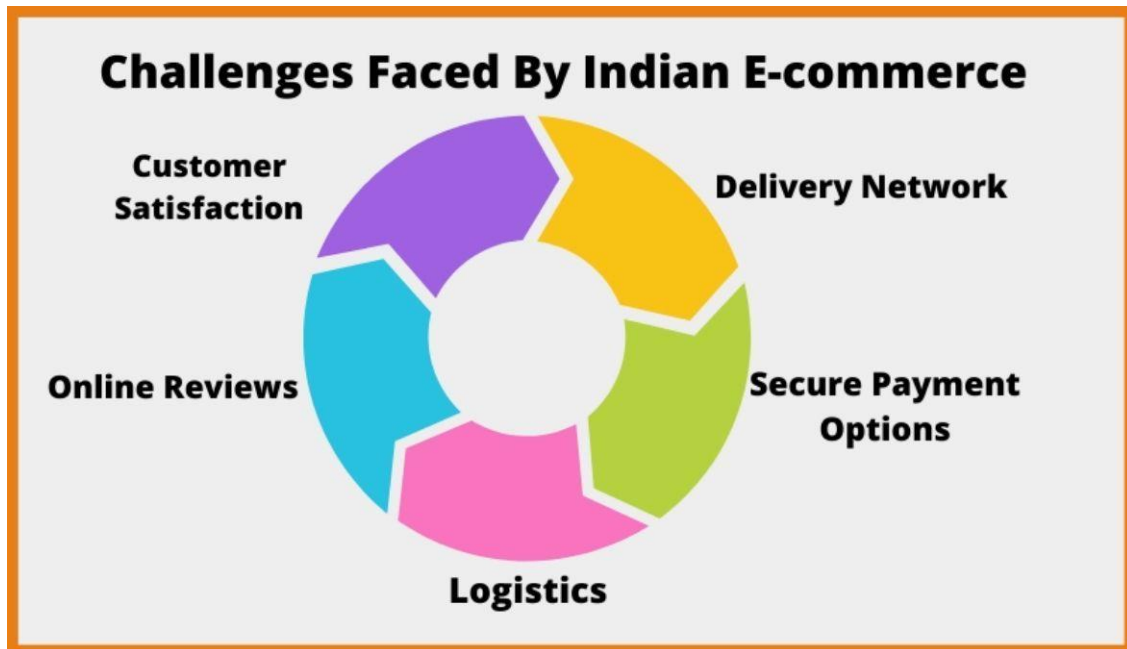


Fig: Challenges faced by e-commerce (Source: startuptalky.com)

A large piece of Indian E-commerce companies are offering COD as one of mode of payment for the buyers. 30%-half of buyers are likewise exploiting this mode of payment while making purchase of any item and service over internet. COD has been introduced to counter the payment security issues of online exchange, yet this mode has been ending up misfortune and expensive to the companies. It is seen that greater piece of the customers denied to make the payment at the time of delivery of the item. Hence, companies tend to lose the sale alongside item travel fees. To control the problem of COD, online companies should take some legal steps; otherwise fundamental rationale behind the e-Commerce business will be in danger. (Kaur, 2015)

At present, advanced illiteracy is one of the formidable problems e-commerce is completely searching in India. Yet again then, the consistent exodus of skilled computer engineers to other countries has denuded India of software engineers. This has posed a real threat to the Indian IT industry. Clearly, answer for this problem lies in controlling the computer mind - channel and uses the same in the country. The Indian consumer is likewise characterized by his unique psyche. Regularly, the Indian consumer does not go essential distances for having any benefit of his choice when a neighborhood store provides him whatever he needs. Hence the consumer does not browse the Net knowing the consequent hassles of connectivity and other botherations. Added to this is that building trust on the electronic media likewise takes long time more especially when the vendor is situated at a very far off place. (Sarker, 2016)

CHALLENGES OF E-COMMERCE IN INDIA

Numerous e-commerce services provides in India wish to become goliaths in e-commerce sector in India. In India these providers are defying some very extreme challenges that have risen due to parcel numerous elements, for example, unfortunate infrastructure, unclear expense structure, absence of access to internet to a greater piece of populace and absence of awareness about these companies. Even however such challenges exist numerous goliaths have emerged like Flipkart, Myantra, Jabong and numerous other little players. Numerous elements contribute to heavy misfortune making by these companies. Be that as it would, they are still in business in since the potential in this sector is great.

Banks are reluctant to lend to companies with untested business models, so essentially every last piece of it is being financed by fickle equity. Revenue models look temperamental. To secure repeat business, most entrances offer incredibly low prices, payment with money down and, nearly consistently, free transportation. Consumers love it however companies are searching for approaches to shedding the operational burden. Unexpectedly, the very things that have propelled e-commerce in India could lead to its defeat. E-commerce represents just 0.12% of all retail sales in India, compared with over 4% in China and America. Be that as it would, expect developing torments. Even Flipkart, seemingly the best online retailer, presently really can't make money.

Suppliers, merchants and courier service providers consider Assessment structure to be the second biggest challenge because in online exchanges the Expense is levied in the different manner (i.e. seller becomes irrelevant and income generated by the standard intermediaries is lost to govt). Even the Information

Technology Act 2000 is incredibly silent about charge collection from e-commerce companies. These companies sell variety of items which come under different expense structures hence developing reports and examining is a basic problem. Another issue is charge assessment is different for B2B and B2C sales. When association indulges in both it becomes hard to demarcate and identify which exchange belongs to which category.



Fig 2: E-Commerce Challenges (source: researchgate.in)

Customers consider online exchanges and security to be second biggest challenge faced by e-commerce companies in India. Ever increasing news about online extortion fake lottery sends and stunt of credit cards information being stolen has shaken customer confidence in this system. Hence, by far by far most of the customers in India prefer to purchase merchandise through money down choice. Need severe consumer protection regulations in case of online exchanges and diminished confidence in legal system people tend follow on the method of Money down model.

Self-owned delivery network is a huge investment and due the current stage of benefit in India that essentially selling item for more than whatever you're getting it for does not permit such investments to show results. However, having one's own delivery solves a lot of problems like payment for COD overheads for record maintenance, holding up days before money comes back etc. However self-delivery is the way forward because it permits companies to provide delightful customer experience like Amazon. Many can't manage the expense of it due to absence of investment and unclear future.

These days peoples of India are likely going to trade items and services over the electronic system, or in other words, we can say that now in Indian society, people are modernized using reliable and comfortable that using of e-commerce.

Uses of e-commerce directly connection to the customer with manufacturer, stakeholders, marketers, government, and service providers. That is called Electronic commerce. E-commerce in India is developing step by step, it's very delicate and reliable intersection for customer choice and convenient with the help of internet.

For the buyer, it is a new and friendly channel to trade items through online. However, an ecommerce entry having the most freedom, and as well as protection for customers to use the internet and do the window searching for items, make reconciliation of different models, evaluate their prices and customer acceptable comments examination. As well as in India most of the government alliance is using electronic correspondences

technologies to connect with the customer, to fulfill their need and for dealing with the raising problems step by step. These days in India different social e-commerce intersection available for the customer. In last we can say that e-commerce is the powerful equipment in our clamoring lives to fulfill every one of the needs through fastest way and serenely from the home or our working place.

The concept and sending off of e-commerce are not new. It has started its journey from few decades immediately after sending off information avenue i.e. internet. Both the customers and traders are currently using the benefit of ecommerce. It is getting well known step by step with increasing its trust to general people. It takes what's happening to people's psyche due to increasing the use of different interpersonal interaction sites. People can easily be aware of the item description, quality, and price by their mobile phone, PC or other devices. Then they can take purchase decision quickly due to its accessibility of information and convenience. Like other developed and developing countries, Indian e-commerce market is being well known step by step. It bears a positive trend of development which is adding to the public economy. It creates a great deal of open circumstance to educated jobseeker which helps to reduce unemployment rate.

Indian ecommerce players are making serious areas of strength for a to get comparative concepts as their international competitors. They are attempting to bring impending and imminent hardening, which is evident from the probable mergers of India.

Brand steadfastness Price has been the decision component in the Indian market and the customer isn't hesitant in changing brands frequently to benefit the lucrative offers presented by competing brands. There is a ton that e-commerce players in India would have to do to make their customers feel special to retain them, as the dedication erodes speedy when the shopper is confronted with advancements and deals. Understanding what your customers need and offering them appropriately could conceivably drive this, which is possible by using huge data techniques to predict consumer preference and behavior.

Brands have taken the mobile advertising route and are step by step getting. Online retailers have realized the potential increase of online shoppers through their mobile phones in future. Furthermore, as consumers develop more comfortable with including mobile devices for perusing and shopping, they are presently more open to getting messages from brands through their mobiles. Businesses are implementing strategies for integrating mobile into their marketing efforts and before they do that, they ought to make efforts to optimize legacy websites for mobile to improve customer experience. This is where the responsive design will come into play. Fixing the mobile snaps is imperative as an unresponsive design would lead to the customer disdaining the site in a few seconds causing a low conversion rate and unfortunate return on investments.

Another huge consideration is the social aspect and marketers have realized its importance very well. Item and service feedback through virtual entertainment channels have an impressionable effect on the personalities of the larger customer base.

II. DISCUSSION

Since e-commerce is based on internet, so it can reach easily to a mass customer inside brief time frame. Different long range relaxed correspondence is using for marketing of different items under e-commerce, as a result it acquires a new extent to increase its market. It helps business globalize E-commerce by restricting expenses enables companies' especially little ones to make information on its items and services available to every one of the potential customers spread over worldwide.

Customers consider online exchanges or turnover and safety to be the second biggest challenge faced by ecommerce companies in India. Present days news about online misrepresentation, precarious coupons, fake adds, spam e-mail and stunt of credit card information being stolen has dynamic customer confidence in this system. As per present scenario, a large piece of the customers in India prefer to buying stuff on money down premise.

Infrastructure is an essential piece of e-commerce business. Proceeding with the business without a decent infrastructure isn't possible. The Internet is an essential instrument for ecommerce infrastructure. Since e-commerce needs persistent uninterrupted internet, so it is necessary to promise it. Infrastructure isn't only essential for the trader yet moreover essential for the buyer. The huge e-commerce infrastructures are available computers, mobile and electronic devices of buyer and seller, available internet service providers and internet penetration rate, quality and speed of internet connectivity, internet security, and online payment gateway

Cyber security is an imperative device for keeping up with trust in the ecommerce business. The appropriate cyber regulation is necessary to keep up with the cyber security in the country. Along these lines, it isn't possible to channel e-commerce business easily without implementing timely and appropriate cyber regulation in India. Anyway, regulation doesn't currently have anything to do with mark in India, it needs reform and makes regulation according to the types of offense for its proper implementation. The cyber regulation should be standard so individual property freedoms, the security of data and content, data protection should be reserved with its commercial and criminal areas of regulation.

III. CONCLUSION

E-commerce companies are meeting challenges in the going with ways for unfortunate knowledge and awareness about the connection Google advancements, Person to person correspondence website, Television advertisements and Rely on verbal. For online Exchange, Check, Demand Draft, Money down. For Money down and Commitment Structure no measures are employed. For Online Security Use of authentic software to registering, Unique Antivirus software, Firewall protection, SSL certification. For Strategies and Shipment Services Self-owned delivery network is used. For fear of using secured payment gateways, Money back guarantee and Real time order endorsement and item following. Contact and Feel Variables Design the website to provide however much look and feel of the item as could be expected, Choice to preliminary and return as from the summary of measures employed above we can see that e-commerce companies have no measure or alternatives for Coordinated variables and shipment services, Money down and Commitment structure. From the results it has been observed that self-owned delivery network it to capital intensive and Money down on economically feasible yet. Therefore, it tends to be concluded that hypothesis has been proved somewhat and somewhat it comes up short.

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