E –COMMERCE IN INDIA: CHALLENGES AND OPPORTUNITIES

*Libin K Sabu,** Guest Lecturer, Department of Commerce, St. Stephens College, Pathanapuram,
libinksabu121@gmail.com

ABSTRACT
The future of shopping is e-Commerce. E-commerce is also one of the industry alternatives that will need to be considered in the future. E-Commerce is rising in our country at a rapid rate. Backed by a rising base of internet users and favourable demographics, in recent years, the Indian e-commerce industry has reported impressive growth. In the future, there are still enormous prospects for growth in e-commerce. Yet there are certain problems that need to be properly tackled. An attempt has been made in the present paper to research the current state of e-commerce in India, analyse the e-commerce problems and explore the future of e-commerce in India

Keywords: E-Commerce, Growth, Online, India, Internet.

INTRODUCTION
E-Commerce stands for electronic commerce and provides for the exchange through the internet of goods, services and information. Electronic commerce is more than just online ordering and selling items. It requires the entire online process for goods and services to be created, advertised, distributed, delivered, served and paid for. It is doing online business. It involves any commercial activity which, through electronic communication and digital information processing technology, takes place directly between a company, its partners, or its customers. E-Commerce is a new business approach that meets the needs of enterprises, retailers and customers to minimise costs while enhancing the quality of goods and services and increasing the speed of delivery of services. In the e-commerce market, India showed tremendous growth. For small and large companies worldwide, e-commerce has become an important tool not just for selling to consumers, but also for engaging them. While, due to the lack of internet facilities and public awareness, the transition from conventional purchasing to online purchasing was initially very slow in the Indian market due to fewer internet users. But now the situation has changed and in our country, the e-commerce industry is rising rapidly.

REVIEW OF LITEREATURE
Madhukar Sarode (2015) in his article, he argued that e-commerce is the future of shopping, and due to e-commerce, the distance between producer and customer has been reduced. In India, there is vast scope for e-commerce, but individuals face challenges in India because of poor cyber law.
Saxena (2015) concluded in her paper that e-commerce plays a crucial role in Indian society. It plays an important role in the Indian economic system's upgrading and growth. It helps small and medium-sized companies to grow their businesses. E-commerce also faces some issues, such as the absence of cyber laws and the absence of computer education, etc.
Abhijit (2013) in his article, he argued that e-commerce has unleashed another revolution, transforming the way corporations purchase and sell goods and services. It has developed new methodologies. The function of geographic distances is reduced in the creation of business relationships. The internet economy will continue to expand robustly with the growth of 3G and 4G wireless networking technologies.
Raghunath & Panga (2013) It concluded that new internet users would initially be hesitant to conduct any kind of online business, citing safety reasons as their primary concern. The root of customer uncertainty, apprehension and danger needs to be identified, understood and elevated in order to increase consumer acceptance of e-services. E-Commerce provides tremendous opportunities in different areas but it requires careful application for consumer protection issues.

OBJECTIVES OF THE STUDY
- To research the current state of India's e-commerce.

- To investigate the e-commerce barrier in India
- To address the future of India's e-Commerce

RESEARCH METHODOLOGY

The methodology of research is the systematic and theoretical analysis of the techniques applied to a field of study. This involves the method used to gather data and information for decision-making purposes. A secondary source of information has been used in the current article. From papers, books and blogs, the data has been gathered.

CATEGORIES/MODELS OF E-COMMERCE

The different categories or Models of E-Commerce are as follows:

➢ **B2B (Business to Business)**

One business is sold to another business under the B2B model. Examples of the B2B e-commerce model are businesses doing business with each other, such as manufacturers selling to distributors and wholesalers selling to retailers. Under this model, pricing is based on order volume and is therefore negotiable. An example of a B2B model is the Chinese e-commerce giant Alibaba.

➢ **B2C (Business to Consumers)**

This is the usual thing about E-Commerce. In this model, companies market goods and services directly over the internet to customers. They view their goods or services on their websites or apps, and customers can place orders directly on their websites or apps for the product or service. An example of the B2C model is when a person buys a pair of shoes by placing an order on Flipkart.com.

➢ **C2B (Consumer to Business)**

The model of Market to Business E-Commerce includes customers selling business goods or services. Consumers in C2B produce value and that value is absorbed by business. For example, when a customer writes, reviews or offers a useful idea for new product creation to a customer, whether the company accepts the inputs, it generates value for the business. Consumers may sell goods and services to businesses in C2B and the company pays the customers. In blogs or internet forums in which the author provides a connection back to an online company, we can see the C2B model at work, thus encouraging the purchase of a product for which the author could earn affiliate income from a profitable sale.

➢ **C2C (Consumers to Consumers)**

C2C is a business model which facilitates the transaction between customers of products or services. C2C provides a creative way of helping clients to connect with each other. C2C includes electronically mediated transactions, through a third party, between consumers. An online auction, in which a customer posts an item for sale and other consumer agrees to buy

PRESENT SCENARIO OF E-COMMERCE IN INDIA

E-Commerce is still increasing in India, but it offers enormous opportunities for developing countries such as India. India's e-commerce market began operations among businesses for business users in the late nineties (B2B). In 1996, Business to Consumers (B2C) e-commerce began in the form of marriage portals. The cost and speed of the internet at that time was the limiting factor for their development. India's first e-commerce website was rediff.com, which was one of the most trafficked Indian and non-Indian portals. The number of companies enabling e-commerce technology and the internet in India has increased over the last five years. Instead of relying on advertising sales, big Indian portal sites have also turned towards e-commerce. E-Commerce has become an important part of our culture today. There are platforms selling any range of products and services. These websites are regarded as E-Commerce Sites for Multi Goods. Single product e-commerce sites are also open, dealing only with specific fields. The way of shopping is being changed by technology. Out of India's total internet users, 60% visit e-commerce pages. Favoured demographics and the rising base of internet users contributed to the rise. The growth shown by Indian players such as Flipkart, India

Times, Snap deal, etc. and the tremendous interest of investors around these businesses demonstrated the immense potential of the sector

FUTURE OF E-COMMERCE IN INDIA

In India, India's e-commerce market is rising rapidly. India's internet user base may still be only 400 million, which is much less than the world's developed nations, but it is expanding day by day. India's accelerating e-commerce growth is attributed to internet penetration and smart phones that are easily available. In addition, India's optimistic demographics and government digitalisation efforts are also driving the development of the e-commerce market. The retail sector is currently one of the biggest growing sectors in India and is expected to expand at a rising pace in the future.

BARRIERS OF E-COMMERCE IN INDIA

➤ Poor Internet Facilities

The foundation of e-commerce is known to be the Internet. But there is much less penetration of Internet facilities in India, especially in rural areas. Internet speed is also the main challenge in our country. We are heading towards 4G internet services, no doubt, but there is still a lot to be done.

➤ Feeling Unsecure

One of our nation's big and ongoing problems for e-commerce is feeling unsafe by consumers. Prior to making any purchase order online, consumers must be sure about the credibility of the e-dealers and the payment process. There are also hacking and cyber-crime threats. With identity theft and impersonation, privacy has also become a big concern for customers. Security challenges are not limited to customers only in e-commerce, as their vital information, documents and credibility are at risk, corporate businesses often face security challenges.

➤ Logistic and Supply Chain

The biggest obstacle for e-commerce businesses has been logistics and the supply chain. In India, much of the population lives in villages. It is a great challenge to reach the consumer in the village. In order to ensure that consumers obtain orders from the nearest suppliers, e-commerce companies need to spend more in setting up warehouses and signing up more suppliers around the world.

➤ Cash on Delivery (COD)

For e-commerce firms, cash on delivery is a big problem. Cash on delivery is also the most preferred payment form used by customers in the age of digital payments. For e-commerce businesses, this mode is very pricey. Sometimes, it takes 30-40 days for courier companies to return the cash collected from customers to dealers. If the customer return the product than it becomes very expensive for the company as the company pay two way courier charges.

➤ High Competition

In the e-commerce market, there is a cut throat rivalry between the participants. The profitability of companies decreases with intense competition as they use an aggressive pricing strategy and offer enormous discounts and commissions.

➤ Tax Structure

Compared to other developed countries such as the USA and the UK, the tax structure is another factor for less growth in India's e-commerce sector. There are various kinds of taxes in India, and these taxes generate accounting issues for online businesses. For e-commerce purchases, some states also charge different taxes. Government has implemented the GST Act, which is expected to solve this problem to great extent.

➤ Absence of Cyber Laws

Another e-commerce bottleneck in India is the absence of cyber laws to control online business transactions. The new technology in our country has created huge legal uncertainty. To update and widen the scope of the Act, the existing Consumer Protection Act 1986 needs to be amended.

➤ Physical Purchase

Most Indian customers are more comfortable physically purchasing a product. Before buying, they want to see and touch the product. So they do not prefer to buy product online.

CONCLUSION

E-Commerce has made the shopping easy. The E-Commerce Industry in India is growing rapidly despites many challenge. E-commerce industry is one of the largest growing industries in India at present. The sale of e-commerce industry is expected to grow by almost 4 times by 2021 than the sales of 2015. This exponential rise in e-commerce is attributed to an increase in smart phones and internet users, 3G/4G internet services, public awareness, digitalization drive by the government, advanced shipping and payment options, the entry of foreign e-business players, etc. In order to mitigate barriers to the growth of e-commerce, government should take measures to provide a proper legal structure.

REFERENCE

Dasgupta, Prithviraj. & Sengupta, Kasturi. (2002). E-Commerce in Indian Insurance Industry. *Electronic Commerce Research*, Vol. 2, 43-60.

Elizabeth, Goldsmith. & McGregor, L.T. (2000). E-commerce: consumer protection Issues and implications for research and education. *Journal of Consumer Studies and Home Economics*, Vol. 24, 124-127.

H.Ramchandani, Pooja. (2016). Growth of E-Commerce in India and its impact on Indian economy. *Abhinav International Monthly Referred Journal of Research in Management and Technology*, Vol. 5, 33-36.