



IMPACT OF E-COMMERCE ON INDIAN ECONOMY

Umesalma* Dr Sudheendra Rao LN** Venkatesh Prasad B.G***

**Manager in Nexthermal Mfg (I) Pvt. Ltd,India..*

***Director-MBA Department, SVM Institute of Management Studies,Sri Rani Chennamma University.*

****Faculty,Dayananda Sagar University,Bangalore.*

Abstract

The present study describes the present facilitators of E- Commerce in India, know the emerging trends of E-Commerce in India and examine the barriers of E-Commerce in India.E- Commerce is process of doing business through computer networks. Electronic commerce which was started in early 1990's has become very popular in the world of computers,The main advantage of E-commerce over traditional commerce is the user can browse online shops, compare prices and order commodities sitting at home. The research shows the importance of ecommerce online through E-commerce in developing countries for buying and selling.

India has witnessed a change in digitalization in the last decade. E-Commerce has lived up to expectations by not only providing quality service but through various other deals and offers sufficient to attract consumers. Consumer behavior changes from time to time and E-Commerce fulfilled the necessities.

Keywords: Ecommerce, Internet, Online Retail.

Introduction

E-Commerce stands for electronic commerce. It means buying and selling dealing in goods and services through the web.E- Commerce involves carrying on a business with the help of the online and by using the knowledge technology like Electronic Data Interchange (EDI). It facilities in reaching and interacting with customers like online advertising and marketing, online order taking and online customer service. It reduces ordering cost and interaction with suppliers and trading partners, areas that typically for developing countries like India, e-commerce offers considerable opportunity. Many Indian websites are now selling all range of products and services from flowers, greeting cards, and movie tickets to groceries, electronic gadgets, and computers, etc. through e commerce

Review of Literature

E-Commerce's massive growth in India

Maheshwari (2016) concluded that Indian ecommerce market to grow fastest globally over 3 years. The study informs us that India received \$6.6 billion in venture capital and private equity investment in 2015, a 50% increase from the previous year. This probably has contributed to a substantial growth for the E-commerce companies. The GMV of the country's top three ecommerce companies exceeded that of the top 10 offline retailers in 2015. Since the Indian market has huge potential, the opportunities got created. Per capita incomes are likely to double by 2025 and this should drive higher aspirations of the Indian consumer.

Browntape (2017) talks about What sells most in the Indian Ecommerce market?He says that according to a study by Google India, E-Commerce is growing in India at a massive rate. The number of online buyers in 2014 was 35 million as compared to the meagre 8 million in 2012.ECommerce is a sector that become a phenomenon in India and something no one could ignore.Electronics attracted maximum attraction online from the consumers while Apparel and Accessories topped the sales charts.

Das and Ara (2015) after conducting a study on Growth of E-Commerce in India mentioned about the growth of logistics industry and explained this was inter-connected with E-Commerce. Third party logistics companies benefit from increase in sales as these companies earn revenue with every delivery.Indian logistics companies need to reach out to places beyond major cities.

A lot of international companies operate with the help of their logistics department and this scenario is needed in India too. Biswas (2015) in his study Growth and Opportunities of E-Commerce in India highlighted that rural users of internet are increasing day by day because of the demographic profiles of the customers and increase in usage of smartphones.

Advantages of E-commerce

1. Buying/selling a variety of goods and services from businessUnits.
2. Anywhere, anytime transaction.
3. Can look for lowest cost for specific goods or service.
4. Businesses can reach out to worldwide clients can establish business partnerships.
5. Order processing cost reduced.
6. Electronic funds transfer faster.
7. Supply chain management is simpler, faster, and.
8. Cheaper using E-commerce can order from several.
9. Vendors and monitor supplies.
10. E-commerce is increasing revenue.
11. Operation and maintenance costs through internet.
12. Raises customer loyalty and retention.
13. Develops customer and supplier relationships.
14. Improves speed of the process of selling.
15. Improves internal and external communication.
16. Develops the company image and brand

Types of E-Commerce

Waghmare G.T. has defined the following types of E-commerce:

1. B2B E-Commerce:
2. B2C E-Commerce:
3. C2C E-Commerce:
4. Others: G2G (Government-to-Government), G2E (Government-to-Employee), G2B (Government-to-Business), B2G (Business-to-Government)

Challenges of E-Commerce

1. Due to more competition, e-commerce faces a problem of coming up with new product, new innovation etc.
2. Customers are not exposed to “touch-and-feel “experience.
3. In e-commerce there is no direct interaction of customer and the seller. No bargaining does not exist.
4. People are used for traditional marketing prefer to buy physically compared to online.
5. E-commerce companies may face security issues
6. Shortage of skilled manpower is also one of the great challenges for marketer.
7. Develop sound strategies to attract and generate repeat customers

Objectives of the Study

The objectives of present study are:

1. To describe facilitators of E-Commerce in India;
2. To analyze the emerging trends of E-Commerce in India
3. To analyze factors affecting growth of E Business
4. To examine the barriers of E-Commerce in India.
5. To know he challenges of E- commerce



1. Facilitators of E-Commerce in India

A. Information directories:

B. Banks:

- 1) Net banking/phone banking:
- 2) Credit/Debit Cards-

2. Emerging Trends of E-Commerce In India

1. Payment options and marketing offerings.
2. Mobile payment became easier
3. .Advanced website browsing on mobile/iPad/tablets:
4. Gaining Momentum of Government Initiatives.
5. Increase in the Internet Penetration.
6. Growth in Smartphone Adoption.
7. Evolution of New Payment Solutions.
8. GST to Enhance the Growth of e-Commerce.

3. Factors Affecting Growth of E Business

1. IT & Security factors.
2. Customer perceptions and attitudes.
3. Technological factors.
4. Internet factors.
5. Infrastructural factors.

4. Barriers of E-Commerce in India

Poor infrastructural facilities: This is major reason for slow growth of ecommerce in India.

Poor Internet Facilities: Internet is considered the backbone of the e-commerce. But the penetration of internet facilities in India especially in rural area is very less. Speed of Internet is also the major challenge in our country. No doubt we are moving towards 5G internet services but still a lot has to be done.

Cash on Delivery (COD): Cash on delivery is big problem for e-commerce companies. In the era of digital payments, cash on delivery is still the most favoured mode of payment used by the consumers. This mode is very expensive for e-commerce companies. Sometime courier companies take 30-40 days 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.

Payment Collection: When get paid by net banking even small company has to share of revenue (4% or more) even with a business of small margin.

Logistics: It is the duty of the seller to deliver the product, safe and secure, in the hands of the buyer in right time. Regular post and couriers have high charges and limited reach. Initially, sellers have to take insurance for high value shipped articles at high cost. Vendor Management & Taxation.

Conclusion

E-Commerce has made the shopping easy. The E-Commerce Industry in India is growing rapidly despite many challenges. E-commerce industry is one among the most important growing industries in India at the present. This unprecedented growth in E-Commerce is due to increase in smart phones and internet users, 4G/5G internet services, awareness in public, government initiative of digitalization, advanced shipping and payment options, entry of foreign e-business players etc. Government should take steps to provide a proper legal framework so that hurdles in the growth of e-commerce are reduced to minimum.



The Ecommerce revolution has fundamentally changed the business of transaction by giving new opportunities. In India, it has strongly impacted the traditional business system and changing the life of people by making it easier. While it gives benefits to customer and seller, Ecommerce gives challenges to traditional business for competitive position. Developing countries face many obstacles that affect the successful implementation of Ecommerce with the help of comparing with developed country. When the web cost are going to be low then the E-commerce will flourish easily and can make many of traditional business to run out of their business. Convenience is one among the advantages that customer gets from the E-commerce and thus increasing customer satisfaction. This is due to customer can place a purchase an order from anywhere with internet connection. Ecommerce business provider should give importance on every customer by giving smooth service and much of options for payment and have more functions available online. Other benefits are expanded product offerings and expanded geographic reach. But E-commerce business faces tons of challenges in flourishing their business.

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