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Issues And Challenges Of E-Commerce In India

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Abstract

E-commerce deals with the transferring the data electronically over the internet. E-Commerce is the future of shopping and one of the business options that one will have to explore in future. 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 has a great scope in the coming years. This sector also led to create of more job opportunities and entrepreneurship facilities small business ventures to showcase and sell their products. E- Commerce is more than simply one more approach to support or improve existing businesses. Or maybe e-commerce has brought revolutionary changes in the marketplace. It is a problematic invention that is drastically changing the conventional method of doing business. E-commerce is paving way for huge business development in our nation. Expanding web clients have further added to its development. E-commerce has made online travel industry grow through numerous methods and included another business boulevard through online retail industry in our nation. In this paper, we present and discuss these findings, and identify changes that will be required for broader acceptance and diffusion of e-commerce in India. In this research paper we will discuss about advanced analysis of E-commerce which will comprise of strengths, weaknesses, issues, opportunities and challenges faced by e-commerce in current scenario.

Keywords: E-commerce, E-commerce Challenges, E-commerce Issues, E-commerce Strength.

1.1Introduction

A popular site www.flipkart.com, explains E-commerce as literally "doing business electronically" and when the term was first coined, it was seen as buying and selling on electronic networks. The traditional view of doing business online includes purchasing products via online services and the Internet as well as electronic data interchange (EDI), in which one company’s computer queries and transmits purchase orders to another company's computer. E- Commerce today includes:

1. The buying and selling of information as well as products and services.

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2.The use of telecommunications networks to link organizations and/or individuals.

3. Sharing business information and maintaining business relationships.

4.Intra-company, inter-company, and company-to-consumer processes.

5. Doing business without paper.

6. Engage in a wide range of activities up and down the value-added chain, both within and outside the organization.

7.All computerized inter-company and intra-company functions (such as marketing, finance, selling, and negotiation)

8. The use of electronic mail, EDI, files transfer, fax, video conferencing, workflow, or interaction with a remote computer.

1.2Review of literature

Anupam(2011) states that the term commerce is viewed as transactions conducted between business partners. E-commerce is an emerging concept that describes the process of buying and selling or exchanging of products, services and information via computer networks including internet.

Hasan(2010) pointed outthat nowadays e-commerce industries have increasingly become a necessary component of business strategy and a strong catalyst for economic development.

Nanehkaran(2013) states that E-commerce is creating new opportunities to the global economy, for example in global travel and tourism industry. Transforming from traditional business method to electronic commerce method is hard and there were many different factors for companies to adapt them with electronic commerce factors.

Raghunath&Panga (2013) conducted a study, "Problem and Prospects of E-Commerce. They pointed out that E-commerce as anything that involves an online transaction. E-commerce provides multiple benefits to the consumers in form of availability of goods at lower cost, wider choice and saves time. The general category of e-commerce can be broken down into two parts: E-merchandise &E-finance. E-commerce involves conducting business using modern communication instruments: telephone, fax, e-payment, money transfer systems, e-data interchange and the Internet.

1.3OBJECTIVES OF THE PRESENT PAPER:

1. To study the reasons behind the growth of e-commerce.

2. To study the issues and challenges of e-commerce in India.

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1.4RESEARCH METHODOLOGY:

Research Methodology is the systematic and theoretical analysis of the methods applied to a field of study. It includes the process used to collect information and data for the purpose of making decisions. In the present paper, the secondary source of information has been used. The data has been collected from journals, books and websites.

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. Localisation of internet content
B. Growth in cities beyond metros
C. Growth of mobile commerce
D. Growing use of debit cards for cashless transaction
E. Awareness of products
F. Rising computer education level
G. Busy lifestyle

Issues in e-commerce

1) 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.

2) Authenticity of products

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

3) Price Competition

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

4) Less awareness

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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 e-commerce products.

5) 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 preference)

Challenges in e-commerce

1. Security: Security matter confuses customers, especially about the integrity of the payment process.

2. Fake websites: Fake websites can not only disgrace e-commerce, but bring bad name to e-commerce also.

3. Fraud: Concerns about misuse of financial and personal data is a great weakness in e-commerce.

4. Fewer discounts and bargaining: Hardly online businesses offer discounts and bargaining cannot be possible.

5. Long delivery timing: Delivery time can be in days or weeks, which one cannot wait for.

6. No idea about quality and physical condition **of the product:** Online products cannot be touched, wear or sit on the products.

7. Limitation of products: Limited number of products can be available.

8. Lack of personal services: Physical products can be available but lack of personal services which are intangible.

9. More shipping cost: Shipping cost increases if we order online.

10. Limited exposure: In developing areas where internet is not accessible will have no or little exposure to e-commerce.

1.5 Conclusion

In this paper we discuss, e-commerce is an emerging sector in Indian economy in now a 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 issues and challenges 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 will be removed, the e-commerce has bright

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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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