

E-Commerce Business in India: Issues and Challenges

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Abstract

Online business is one in everything about speediest developing fragments inside the Indian Economy. In spite of the fact that it set apart by high development rate, the Indian online business exchange has been behind its partners a few created and rising economies, principally in light of a similarly low web client base. Send off of 4G administrations and declining taxes of data plans and expenses of data cards/USB dongles have marked down the cost of ownership of good web network. Accessibility of low value cell phones and the developing broadband associations with the remotest corners can support the extension of the web client base. It successfully overcomes any barrier between potential on-line customers and real shoppers. The segment profit of the nation also seems to empower and incline toward the development of internet business. The endurance of the internet business organizations in an incredibly amazingly powerful climate turns into a troublesome undertaking .This review makes an endeavor to concentrate on the development of web based business in India and distinguishes shifted difficulties to also the variables liable for the since quite a while ago run development and improvement of online business.

Keywords: E-commerce, Skill India, Digital India

Introduction

Over the years, e-commerce has become an essential part of the world retail infrastructure. Like many other industries, the retail landscape has changed significantly since the advent of the web. Due to growing digitalisation all around the world, shoppers from almost every country currently capitalize on the benefits of online transactions.

As the web access and adoption rate continues to grow rapidly around the world, the number of digital users continues to grow every year. In 2020, more than 2 billion individuals purchased products or services online, and during the year e-retail sales worldwide exceeded 4.2 trillion US dollars. Within the year of the pandemic, world retail e-commerce sales increased by a considerable twenty-five percent, with Argentina coverage increased in the highest proportion.

Concept of Retail E-commerce

With sales of 3.5 trillion dollars in 2019, online shopping is one of the most popular online activities in the world. With the region's digital growth blossoming, it's no wonder that India is the fastest-growing online retail market, followed by Spain and China.

The development of digital retail in these countries is inextricably linked to the continuous improvement of online access, particularly in mobile-first online communities that have long struggled with traditional fixed broadband connections due to financial or infrastructure constraints but benefit from the low cost of mobile broadband connections.

The average order value of online shopping orders placed on smart phones and tablets is still lower than that of traditional online purchases placed on desktop computers, but worldwide e-retailers have been catching up on mobile e-commerce sales. In Asia, mobile shopping through smart phone is very popular. In Asia, smart phone shopping is quite popular. In the third quarter of 2018, Indonesia was the top digital market in terms of the percentage of the population who had purchased anything over the phone in the previous month, with nearly three quarters of the population doing so. China, Thailand, South Korea, and Vietnam completed the top of the ranking.

Review of Literature

Kumar and Shrivastava in their paper investigated the growth potential of e-business and their future in the Indian retail sector. The online business in India is gaining momentum due to increasing use of internet and other digital gadgets. The rate of development of e business in Delhi is rapidly growing as e-marketing has become very convenient for the people. The

benefits of e-business are easy to adopt, time saver, convenient, easy to find customers, instant payment options and offers etc.

Gunasekaran et al (2002) in their paper explained the concept of e-commerce and defined the major factors which create an organisational system. This paper also investigates the role of E-commerce in manufacturing, retail and services sector. This paper also proposed a model to explain e-commerce components and applications of these components in the working of the organisation.

Jyoti et al (2015) in this paper mentioned the role of Search Engine Marketing and role of E-commerce industry in India. The paper showed the present and future status of e-commerce business in India. The driving forces responsible for e business are discussed. The paper explained that E-commerce promotes economic development of an economy, provides business opportunities, increase competition and helps to earn profits. This industry can create opportunities for developing electronic infrastructure that will help in developing e market.

Rina (2016) in this paper explained the uses, challenges and future of e-commerce business in India and mentioned the limit to which this business is expanding in India.

Khosla and Kumar (2017) in their paper elaborated the development of e-commerce business in India. This study also investigated the challenges faced by E-commerce business in India. The study found that e-commerce industry has depicted tremendous growth in the past few years due to growing use of internet, customer digitalization, good network connectivity, low cost access of e-products.

After reviewing the literature, it has been observed that the growth and future of e-commerce business in India has been showing great opportunities for business as well as customers. The present paper is an attempt to study the present situation of e-commerce business in India.

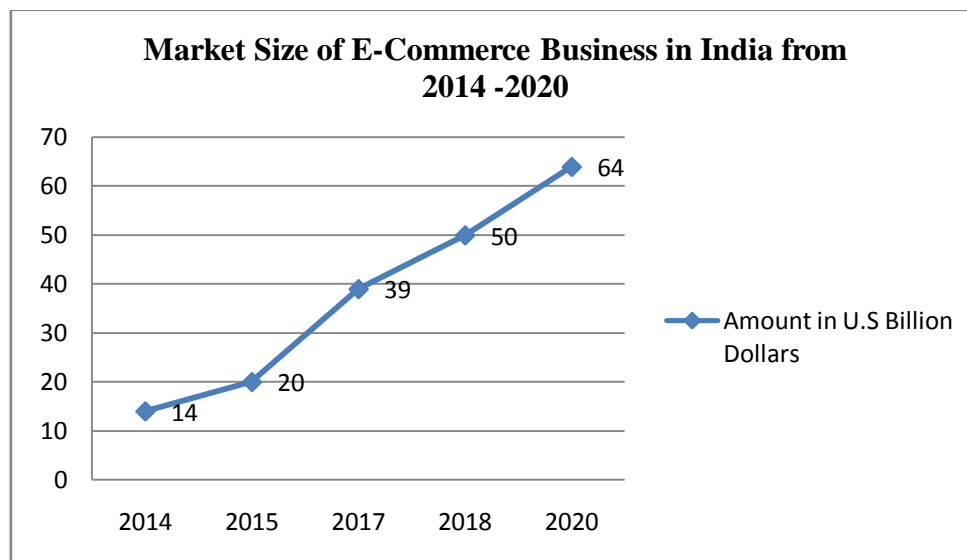
Research Methodology

The present study is conceptual and descriptive in nature. The data for the paper has been collected from the various websites related to e-commerce business in India. The data has been presented with the help of tables and graphs.

Recent Trends of E- Commerce Industry in India

India, with over 560 million internet users, is the world's second-largest online market, after only China. By 2023, it is expected that the country would have over 650 million internet users. Despite the enormous number of internet users, the country's internet penetration rate was estimated to be around 50% in 2020. In that year, over half of India's 1.37 billion people have access to the internet. When compared to only five years ago, when the internet penetration rate was about 27%, there has been a steady growth in online accessibility.

It is not surprising that India's e-commerce business has benefited from the country's rapid expansion in internet and online infrastructure. The robust basis for those e-commerce demands was built by growing rates of internet usage and an expanding share of the organised sector inside retail marketplaces. The government's policies have strengthened the market much more. Government policies that enable 100 percent foreign direct investment in B2B e-commerce fueled this trend. Structures for 2019 predict FDIs for e-commerce in the marketplace model and have provided a level playing field for all enterprises.



Source: www.statista.com

- **Steps Taken by Government to Promote E-business**

The Indian government has announced a number of programmes since 2014, including Digital India, Make in India, Start-up India, Skill India, and the Innovation Fund. E-

commerce growth in the country will most likely be aided by the timely and successful implementation of such schemes.

The government of India has been keen for a long time to convert the offline markets into online markets. Since 2014, various digital initiatives such as Digital India, Start-up India, Skill India plans have been initiated by the Indian government. The proper and timely implementation of these initiatives has been promoting e-business in India. For selling the agriculture produce online, government has put the facility of online marketing of mandis to help the farmers (Battase and Shankar, 2020). The following initiatives are taken by the government in the last decade to promote digital India mission.

❖ **Digital India**

Digital India is one of the programmes that are the result of steps taken by Indian government to promote ICT technology for making the India digital. This mission focuses on building digital infrastructure. It aims to bring all the public departments and citizens of India together and make India digitally empowered.

❖ **Start-up India**

The government launched this program to create employment and generation of wealth. This initiative was a good beginning to support start up through financial aid to channelize their ideas into reality. Indian youth can get great opportunity for start-ups. There are major sectors like textiles, media, health sector, event planners, tourism, automobiles etc. So, there are many opportunities where entrepreneurs can start their own startup (Rani, 2017).

❖ **Skill India:**

Skill India has been proved a remarkable step to help the people who want to become an entrepreneur. These people can use their innovative ideas and capabilities to make India progressive. The government of India helps them to help them to convert their ideas into reality. The progress of any economy will eventually make India a progressive economy. To fill the gap of trained manpower, Indian government has set an aim to provide training to 40.2 Crores person under National policy for Skill Development by 2022 (Patel,2019)

- **Challenges in Online Business**

- 1. Security**

For doing online business, an entrepreneur has to develop solid policies to create a good cyber security framework. During cyber attack, small business faces lots of problem due to lack of technical handling. For online business, a business should be highly skilled regarding cyber crime, so that data can be place safe.

- 2. Competition**

Nowadays many small entrepreneurs are entering in online business platform. This results lots of competition in the e market. So, to face this cut throat competition, a business has to keep up their price, products and services like competitors. Every business should focus on value creation to the buyers, in this way they can combat their competitors.

- 3. Customer expectations**

Every business should focus on how they can meet customers' expectations. A business who is doing online business and using website as a second means of business, should understand what to offer to customers. Price of a product and customers based business is most overlooked part. So, a business should fix its price and policies as per the customer expectations.

Conclusion

The significance of the internet and its usage in today's world is skyrocketing. The increasing usage of mobile devices has enabled customers to purchase anything from anywhere. Evidently, the future of commerce is headed online. As e-commerce is replacing other traditional commerce models to provide seamless services and consumer experience, there has been a significant reduction in operational costs. Cross-border purchasing is achievable through e-commerce if customers are ready to incur the shipping and other fees.

Users can utilise this platform to do a price comparison and purchase an item at the best accessible price. This not only raises consumer awareness and transparency, but it also gives them a sense of accomplishment when they save a penny. The process is further streamlined by the clarity of communication between portals and clients.

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