

## E-Commerce Business in India: Issues and Challenges

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### Abstract

Web based 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, essentially in light of a similarly low web client base. Send off of 4G administrations and declining levies of data plans and expenses of data cards/USB dongles have marked down the cost of ownership of good web availability. 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 adequately overcomes any barrier between potential on-line shoppers and genuine buyers. The segment profit of the nation moreover seems to empower and incline toward the development of online business. The endurance of the online business organizations in a really amazingly powerful environment turns into a troublesome undertaking .This review makes an endeavor to concentrate on the development of web based business in India and distinguishes fluctuated difficulties to moreover the elements responsible for the since quite a while ago run development and advancement of web based business.

**Keywords:** E-commerce, Skill India, Digital India

## Introduction

Throughout the long term, internet business has turned into a fundamental area of the planet retail framework. In the same way as other different businesses, the retail scene has changed fundamentally since the approach of the web. Because of developing digitalisation from one side of the planet to the other, customers from pretty much every nation at present exploit the advantages of online exchanges.

As the web access and reception rate keeps on developing quickly all over the planet, the quantity of computerized clients keeps on developing each year. In 2020, multiple billion people bought items or administrations on the web, and during the year e-retail deals overall surpassed 4.2 trillion US dollars. Inside the extended period of the pandemic, world retail web based business deals expanded by a significant 25 percent, with Argentina inclusion expanded in the most elevated extent.

## Concept of Retail E-commerce

With deals of 3.5 trillion dollars in 2019, web based shopping is one of the most famous web-based exercises on the planet. With the district's computerized development blooming, it's no big surprise that India is the quickest developing web-based retail market, trailed by Spain and China.

The advancement of computerized retail in these nations is inseparably connected to the nonstop improvement of online access, especially in versatile first web-based networks that have since quite a while ago battled with conventional fixed broadband associations due to monetary or foundation imperatives yet benefit from the minimal expense of portable broadband associations.

The normal request worth of web based shopping orders set on PDAs and tablets is still lower than that of customary web-based buys set on personal computers, yet overall e-retailers have been making up for lost time with portable web based business deals. In Asia, versatile shopping through PDA is extremely well known. In Asia, advanced mobile phone shopping is very well known. In the second from last quarter of 2018, Indonesia was the top computerized market as far as the level of the populace who had bought anything via

telephone in the earlier month, with almost 3/4 of the populace doing as such. China, Thailand, South Korea, and Vietnam finished the highest point of the positioning.

## 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 finds 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 completion 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 in 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 customers. The present paper is an attempt to study the present situation of e-commerce business in India.

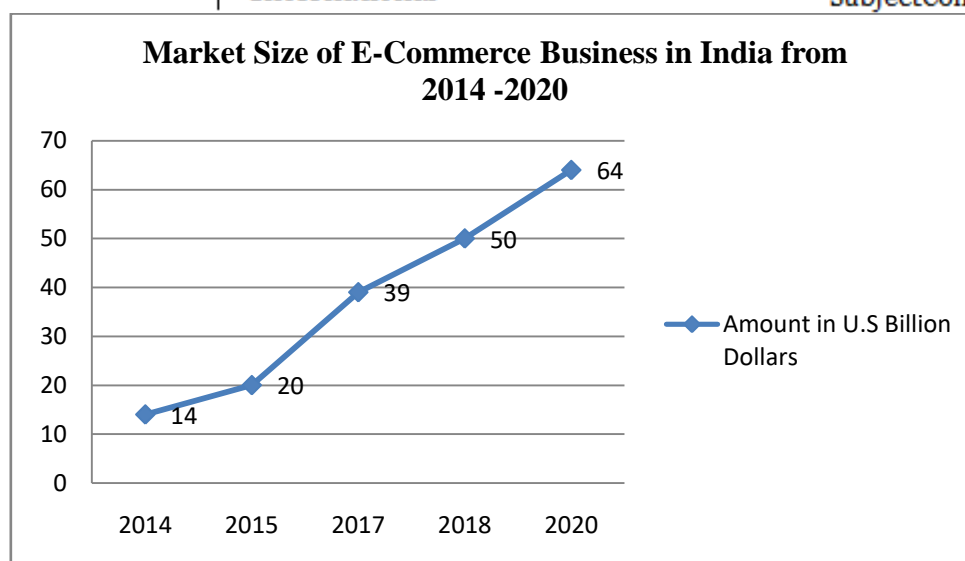
## **Research Methodology**

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](http://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 starts up ( 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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