

E-commerce in India: its challenges, advantages and disadvantages

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Abstract:

In the country Large youth population, rising standard of living, changing lifestyle, fast growth in Information and communication technology, availability of broadband, 4G technologies, etc. are opportunities for growing up in e-commerce in India. But, the economic inconsistency, poor transport and telecommunication infrastructure, social and educational attitudes to e-commerce, lack of e-commerce legal framework, etc. E - Commerce allows customers to electronically trade goods and services with no barriers of time or distance. Electronic commerce has extended fast over the past five years and is predicted to go on with at this rate, or even go faster. In the closely future the borders between "conventional" and "electronic" commerce will become more and more blurred as more and more businesses move sections of their operations on top of the Internet. The e-commerce business in India is growing at an extraordinary pace due to high saturation of internet and difficult electronic devices. However, the recent growth rate of e-commerce in India is far cover behind than other developed countries. The compensation of e- commerce are convenience, Time saving, Options, Easy to compare, Easy to discover reviews, Coupons and deals, rising customer base, Rise in sales, 24/7, 365 days, develop business , Recurring payments made easy, second transactions. There are many large problems and challenged on the way of an online business. Factors like safety and security of online change transaction being the biggest problem along with others have small the smooth expansion of the online business in the country.

Key word:

E-commerce, challenges electronic commerce, advantages, E-business.

Introduction

Electronic commerce (e-commerce) refers to all business transactions of buying and selling products and services over electronic systems covering the range of stakeholder's viz., producer, marketers, government, service providers and consumers. It facilitates on-line purchase of producer and services. Almost everything such as groceries, electronic goods, laptops, computers, jewelries mobile sets, is able to be purchased online. Also products, people can avail of online services such as train / air ticket booking, insurance premium payment, etc. professional, businessmen, lawyers, retailers, manufacturers and service providers are using this every other

channel for offering their services to budding clients. This blog is to facilitate entrepreneurs launch their online selling production. But, as an online seller you should know the e-commerce challenges in India. In spite of tremendous growth of e-commerce, merchants have to work hard facing these challenges. Don't treat this article as a discouragement but as a guide to help you keep away from mistakes and to make strategies for setting up a successful business.

Growth of E-commerce

Technology bringing on at a fast pace in the business and services sector and increasing awareness among people to budding technology have resulted in growth of e-commerce in India some of which are decorated below.

- Banks provide a display of value added services such as credit cards, debit cards, internet banking, etc. Through internet banking customers can make online payments of their utility bills such as electricity bills, telephone payments, etc. It also facilitates payment of government taxes, donations, etc.
- Many companies, marketers, retail shops such as Big Bazaar, Shoppers Stop, Crossword, etc. have their hold web sites enable customers to make online purchases. More and more people in city areas are moving towards on line shopping.
- Travel industry is one of the more prepared divisions providing online booking of travel tickets and hotel room
- More and more people in India are resorting to online booking of air tickets and railway tickets owing to its expediency.

Objectives of the study

1. To identify the challenges and opportunities of e-commerce
2. To suggest plan for speeding up e-commerce.
3. E-commerce advantages and disadvantage in India.

Research Methodology

This research paper is examining in nature and is confined to study of e-commerce in India. Sources of data and information were drawing together from secondary published sources viz. Books, Journals, Newspapers, Websites, Research Studies, etc. Analysis of data and information collected from published sources were made keeping the objectives of the study in mind.

Most common ecommerce challenges in India

1. Lack of proper knowledge

Online sellers are likely to make costly inaccuracies when they launch their business unsuspecting as they are not equipped with adequate knowledge to be successful. Market research and learning should be an ongoing process. If you are selling on marketplaces, there are enormous seller training resources where

you are capable of learning the information and tricks. Any neat seller would make maximum use of this knowledge to be successful.

2. Choosing the right product

The first difficult step for every new online seller is to choose an perfect, hot selling product. You need to do plenty of research and brainstorming before choosing the destroyer products. There is huge competition in almost all the product group and profit margins are compress up.

3. Profitability

This problem is more with the bazaar wholesaler as they have to bear deductions like marketplace payment at an average of around 40% of the selling price. New sellers sometimes be unsuccessful to calculate costs like packaging, cataloging charges, handling and shipping etc. Moreover, dissimilar sellers in a bid to survive, diminish prices forcing their competitors to sell with marginal profit levels. Also, product returns make the things of inferior quality. Low profitability and sometimes selling at losses force many sellers to quit. The best strategy for sellers is to and behavior to procure exceptional products at best rates that have less competition.

4. Online security issues

E-commerce sites facade the highest risk of cyber attacks as there are monetary transactions and customer data is stored. So, you need to keep your site protected. That is why fully hosted SAAS policy is the preferred choice for e-trailers because of inherent security features. If you have a self-hosted online store, companies like Site lock and secure make available the most excellent services to keep your site secure. You have to keep your PC/ laptop secure as well by installing a rock solid anti-virus like Kaspersky. Always choose a remunerated anti-virus instead of a free one.

5. Lack of Internet connectivity

There are district where internet connectivity is low and people don't use smart phones. So, these customers are not intelligent to purchase online. This is something sellers can't complete anything about. Digital India proposal by the govt. with plans to make hi-speed 4G internet available to all Gram Panchayats in India will prove to be a blessing for ecommerce companies that hold a in reality brilliant future.

6. Changing marketplace trends

Market and fashion trends keep changing more rapidly. You need to be attentive of the latest trends to avoid falling in the wake of the growing competition. For example, more and more sellers are adopting the strategy to significance Chinese goods for reselling in India for more profits. Stay in lay a hand on, read related magazines and articles, then plan accordingly. Try to sell evergreen goods.

7. Cash on delivery

Indian online shoppers like better to place 'cash on delivery' orders as an alternative of making payment online. Though COD facility helps in generate more sales, it is also a dangerous option for sellers as some percentage of customers may decline to agree to goods at the time of delivery outstanding to

various reasons. Fake buyers too are a big irritation to sellers and make them put up with losses. Well, this is a part of the amusement and merchants can't do much to avoid that. They have to presuppose that some percentage of merchandise will be returned. Selling strategy should be planned as well as homecoming items have smaller amount chances of getting sold online due to mishandling at different phases.

8. Logistic Challenges

Sellers require delivering items faster for superior customer service but that largely depends on the service provided by dispatch rider partners. As there is also the danger of items getting damaged during transit, choosing a wrong shipping service provider can turn out to be unsuccessful for your business. Though courier companies are working hard to cover inaccessible locations and villages, shipping to such region is still one of the major e-commerce challenges in India. India Post has succeeded to a immense extent to help entailers overcome this challenge. So, sellers should use India Post as one of their shipping partners to supply to customers living in region that other courier companies and inaccessible.

9. Customer Acquisition services

Successful e-commerce dealings the markets should be making stronger. Issues Related to the lack of supply chain combination, the high expenditure of products, delivery delays and lack of competent courier services It also makes customers and unhappy areas The challenge faced by e-commerce. To get people to come on the e-commerce site incorporate a heavy price to make the purchase that advertising and marketing the major problem is that the early on phase of ecommerce introduce will face.

India's prospects in ecommerce

Ecommerce in India likely There are some essential factors that Will contribute significantly to the rapid India is the legal e-commerce industry, The need to produce bill of lading Online transactions, multiple payment Guarantee option of replacement, fast Service, product quality and dedicated 24/7 customer care center should be. E-commerce also provides various types of Opportunities for Retailers, Wholesalers distributors, manufacturers and People

- The services to manufacturers Producers can take benefit of ecommerce by linking with it, by providing better information about their Business Other relationships Product Is a chain, and brand character. Producers can sell their goods honestly to Consumers and retailers.
- Providers and the budding for easy communication is no longer competent to rely on the customer by being compulsory to work together with them send advertising material or advertisements. Services for the entire Distributer Wholesalers can take advantage of ecommerce which is competent of establishing with reputed manufacturers and contractors it connects with their business on-line. Ecommerce

Decreases the cost of creating Processing, distribution, storage and Retrieve data by digitizing Procedure

- Services for people can buy with a click of the mouse Button without moving out of their home or Office, online services such as banking, Airlines, Ticketing, including bus, rail, and hotel bookings have been terrific Benefit for consumers. E-Commerce allowing customers to communicate electronically communities and to exchange ideas and compare experiences.
- Services for Retailers the retailer can accumulate their existence connection their business with on-line Distribution.
- They can make available Additional information about the variety of Consumer goods, electronic Order and be in contact with customers all the time. Retailer to put information Such that their product on the web site Google.com, Yahoo.com such heavily visited by the user Etc. advertise their product when s seen by many people, more consumers and can thus be added attracted to the dealer Order.

E-commerce advantages

- ✓ **Convenience:** Each product is at the angle of your fingers on the internet, exactly. Type in the product you are looking for into your preferred search engine and all option will appear in a well-organized register in a matter of seconds.
- ✓ **Time economy:** With e-commerce there is no powerful in circles while looking and digging in anticipation of finding what you require. Stores online suggest their full procession as well as bring into play warehouse instead of stock up front—products are easy to position and can be transport to your entrance in now days.
- ✓ **Selection, Selection, and options:** Without driving from store to store the consumer can easily compare and contrast goods. See who propose the best pricing and have more options to prefer from. While a physical store has narrow space, the same store on the internet will have full stock.
- ✓ **Easy to match up to:** Side by side comparisons are with goods style available and easy to do. When products are located online, they come with all the specifics, and they *would like* you to compare them with others, know they have the best options and come back for extra!
- ✓ **Easy find and evaluation:** Because the competition is high, companies' online want you to look at additional consumer reviews. Good and appalling reviews are on every site, not only can you see if the product is liked, you preserve also see the reasons behind the thumbs up or downward.
- ✓ **Voucher and deals:** With every online trader wanting you, more and more coupons and contract can't be keeping away from, which are completely great for customers. With most important sites that act as department store, you may possibly find items up to 80% off. Take advantage of the competition and get the best price available.

- ✓ **Rising customer base:** The customer base is every business's major concern, online or off. When online, a business doesn't have to be concerned about getting the best property in urban, people from approximately the world have right to use to their products and can come back at any time.
- ✓ **Increase in sales:** By not running a storefront, any business will have more sales online through a higher profit margin. They can reallocate money to make the consumer shopping knowledge faster and more capable. While being offered to international markets, more products will sell.
- ✓ **24/7, 365 days:** If it's snowing and the transportation are closed, or it's moreover burning and humid to even step external in the summer, or a holiday that every accumulate in urban closes, your online business is open for consumers 24/7 every day of the year. The doors never close up and profits will keep increasing.
- ✓ **Expand business achieve:** A great implement on the internet is...translation! A business online does not have to make a place for every language. With the correctly marketing, every consumer approximately the globe can find the business site, goods and information without leaving home.
- ✓ **Recurring payments made easy:** With a little research, each business can set up returning payments. Find the supplier that paramount suits your needs and billing will be done in a dependable method; expenditure will be conventional in the same way.
- ✓ **Instant transactions:** With e-commerce there is no more in the making for the settle to clear or a 30-day stay for positive other types of recompense. Transactions are clean immediately or at the majority two to three days for the money to clear through the banking system.

E-commerce disadvantages

- ✓ **Security problem:** While businesses make huge efforts to keep themselves and the consumer protected, there are people absent there that will break every firewall possible to get the information they would like. We have all seen recently how the major and most renowned business can be hacked online.
- ✓ **Credit card problem:** Many credit card businesses will get the side of the consumer when there is difference of opinion about billing—they want to maintain their customers, too. This can guide to a loss for e-commerce business when producer have already been delivered and the payment is refunded back to the consumer.
- ✓ **Additional expense and expertise for e-commerce road and rail network:** To be sure an online business is management correctly; money will have to be spending. As an owner, you need to know dealings with being handled correctly and products are representing in the most truthful way. To make confident you get what you need, you will have to hire a specialized to bind up any loose trimmings.
- ✓ **Requirements for expanded reverse logistics:** The communications of an online business necessity is on point. This will be a different cost to the business because money will need to be invested to make certain proper handling of all phases of buying and selling, especially with discontented consumers that want more than money back.

- ✓ **Insufficient internet service:** Although it gives the impression that everyone is now on the internet all the time, there are at rest areas in which network bandwidth can reason issues. Before setting up an e-commerce business, be positive your region can handle the telecommunication bandwidth you will want to run successfully.
- ✓ **Constant maintenance:** When a business has happening as e-commerce, they must be standing by to make changes to continue friendly. While technology grows, the systems that support your business necessity be kept up to date or put back if needed. There may be additional overhead in arrange to keep data bases and application running.

Solutions' E-Commerce in India

'Build a business, not a website.' E-Commerce is not only a website. This is more than this. An e-commerce site is often as individual as the business copy it follows. For example, any of the following might also apply:

- ✓ Product relationships/proposal (up-selling)
- ✓ custom-made/modified products
- ✓ Ticketing and only one of its kind code generation
- ✓ Discounts, Coupons, and Gift Cards
- ✓ Tax calculations and exception
- ✓ Multiple currency and multilingual hold up
- ✓ Fulfillment and stock management
- ✓ Data Migration (from an offered store or database)
- ✓ incorporation with non-commerce services (e.g. promotion data collection, information sheet, sharing purchase information on a public network)

Conclusion

This paper, E-Commerce Wholesalers provide a variety of services which could take advantage of e-commerce and Able to establish with contractors supposed manufacturers and relations to their business with on-line. Providing retailers Electronic Order must be in touch E-commerce with customers all the time. Nowadays, E-Commerce With the widespread use of computer network Internet. In this paper, we review Different segments grow as the future of travel and tourism, electronic domestic device, hardware and apparel production. E-commerce offers benefits such as cost efficiency, rapid comparison shopping, customer Goods and service, data saving and knowledge of market developments. Today's businesses should for all time try hard to produce the next exceptional thing that customers will desire for the reason that customers continue to wish for their products and services etc. to constantly be improved, more rapidly and cheaper. In this era of new technology, commerce

involves accepting to the new types of consumer requirements and trends since it will establish to be fundamental to their business's success and staying power.

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