

# E-commerce- Issues & Challenges faced by India in successful implementation of E-Commerce

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## ABSTRACT

An estimated \$600 billion is spent on India's retail industry. Currently, only 5% of all transactions take place online. There is obviously still a lot of space for growth when you contrast that with the 15% market share that E-commerce now holds in the US. The majority of India's population has yet to go online, despite initiatives like "Digital India" and the low cost of cellphones and data plans. From 665 million in 2015 to 829 million in 2021, India's total internet user base is expected to increase. It follows that the market has unquestionable intrinsic potential. Despite this, there are still a very small number of internet shoppers—only 50 million—of whom make purchases on a regular basis. India needs to deal with this issue if it hopes to maintain its position as a major player in international e-commerce. The business sector must collaborate with the GoI on this to make sure that transfers proceed smoothly and with little disruption. To do this, a comprehensive ecommerce framework that incorporates best governance principles and satisfies the unique needs of this significant new consumer base must be developed. A robust physical and digital infrastructure that can manage the massive daily load must be put in place. The E-Commerce industry in India is growing at a remarkable rate as a result of the country's broad internet usage and cutting-edge technology. However, compared to other wealthy nations, India's current E-Commerce growth rate has lagged considerably behind. The e-commerce business is faced with numerous significant issues and difficulties. The smooth growth of the nation's online business has been constrained by factors, the biggest of which is the safety and security of online money transactions.

**Keywords:** E-commerce, India, Special Economic Zones, Unified Payments Interface, digital economy

## 1. INTRODUCTION

E-commerce is the term for online shopping. It refers to conducting business on the internet and through electronic media. E-commerce refers to the trading of goods or services directly to the client from a vendor's website on the Internet. No doubt there are numerous advantages of E-commerce but still has to face various issues and challenges for successful implementation of E-Commerce. It is essential that the currently disorganized and fragmented logistics sector is effective in order to meet these shifting demands. The majority of Indian e-commerce businesses allow customers use COD as one of their payment options. When purchasing any good or service via the internet, 30 to 50 percent of customers use this method of payment. In order to address the payment security concerns associated with online transactions, COD was established; nevertheless, businesses have found this method to be costly and loss-making. The majority of clients were found to have declined to pay for the merchandise when it was delivered. As a result, businesses frequently lose both the sale and the goods transit costs. Online businesses should take legal action to address the COD

issue; else, the foundation of the E-Commerce industry will be in jeopardy. This research paper highlights various issues and challenges faced by India.

## OBJECTIVES OF THE ANALYSIS

- I. To understand the concept of E-Commerce.
- II. To explain various issues and challenges faced by Indian E-Commerce industry.
- III. To show the effect of changes in the E-Commerce policy affecting the retailers.

**RESEARCH METHODOLOGY** This paper is fundamentally descriptive and scientific in nature. The examination is exploratory and auxiliary in nature; it focus around News Papers, Journals, sites, books and the other dependable sources.

**E-COMMERCE-** E-Commerce is the process of buying and selling of goods and services or the transmitting of funds or data, over an electronic network, primarily the internet. through internet. E-commerce is powered by the internet. Customers access an online store to browse through and place orders for products or services via their own devices.

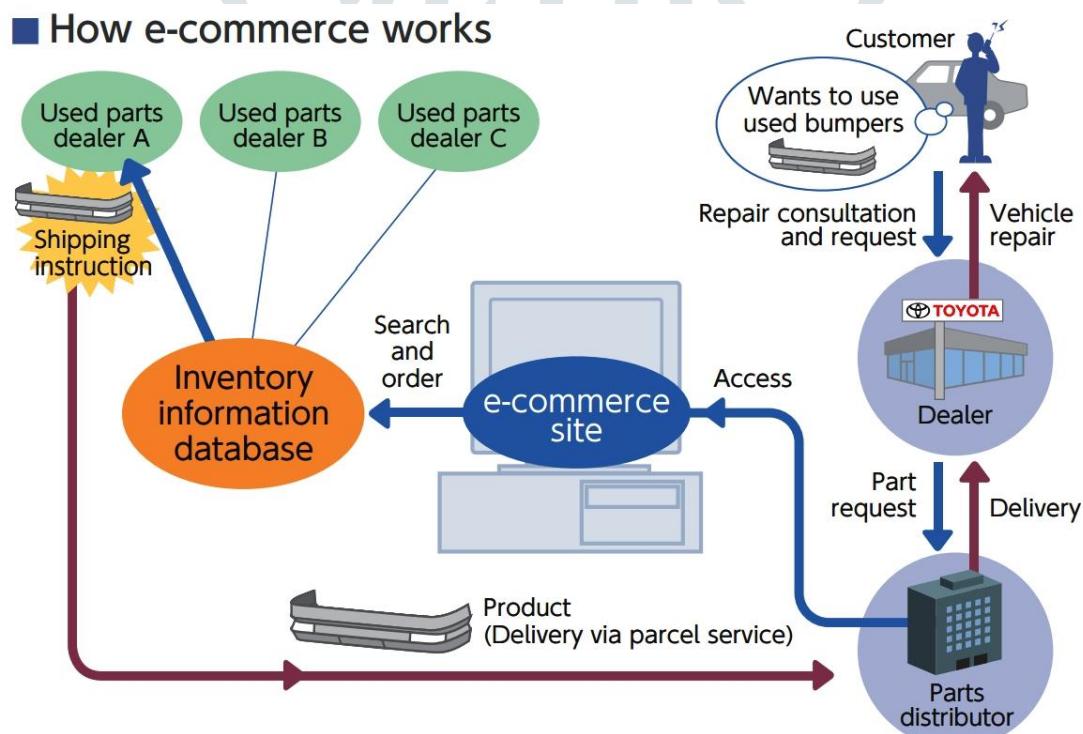


Fig.1:(CORPORATION., T. (2013)).

**Issues and Challenges of E-Commerce-** No doubt, there are various advantages of E-commerce but India is facing lots of issues and challenges in successful implementation of E-commerce. These challenges are explained as below-

- I. **Issues with e-commerce and modern technologies-** These problems can be resolved by the introduction of new-age logistics partners and the development of technologies like artificial intelligence (AI) and machine learning (ML), which enable ecommerce businesses to lower RTO rates and confidently serve clients across the nation. Despite the opportunities, fanfare, and buzz around e-commerce, there are disadvantages associated with it as well. Therefore, we list the main issues that small businesses are having with e-commerce and also propose solutions to these issues. Infrastructure

issues- E-commerce depends heavily on the internet. Unfortunately, India currently has a pathetic 0.5% of the population using the internet, compared to 50% in Singapore. Similar to China and the US, only 3.5 per thousand Indians own a personal computer (PC), compared to 6 per thousand in China and 500 per thousand in the US. With the aid of telephone lines, PCs may still access the Internet. commerce is still out of reach for the average person given that just 2.1 percent of the population has access to a telephone. Reaching the 1,000 million people living in 37 million households over 6,000 odd villages and 5,000 towns and cities is challenging for e-commerce. Moreover, the price of computers and internet.

- II. **The lack of cyberlaws-** Another significant issue with the e-commerce business is the almost complete lack of cyber regulations to control online transactions. Soon, the WTO is anticipated to pass cyber regulations. The Indian Information Technology (IT) Bill, which was approved by the Indian Parliament on May 17, 2000, aims to address the expanding fields of e-commerce through legislation.
- III. **Security and Privacy Concern-** Privacy and security concerns relating to e-commerce are now relatively vulnerable. As of now, neither websites nor outside watchdogs provide protection against risks brought on by privacy exploitation.
- IV. **Tax and Payment-Related Issues-** Tax and payment-related problems are another another issue that e-traders frequently encounter. Electronic payments are done using credit cards or plastic money, but they haven't taken off in India yet for two main reasons. First, relatively little people in India use credit cards (2 per cent of the population).
- V. **Identity Verification Online-** How would the retailer know if a customer is who they claim to be when they visit an E-Commerce site? Are the details entered by the customer accurate? Does the customer really want the E-Commerce goods? How do you proceed if you lack the precise information or details? Yes, it does become complicated. Investing in online identification verification would be the answer.
- VI. **Choosing the Right Client-** Nowadays, there are plenty of options available to shoppers. Before making a decision, people conduct an extensive study if they want to get a handbag. How can you ensure that customers choose you if they have multiple options? How do you go about identifying the ideal consumer who needs your product, will pay your price, and will ship to the locations you can?
- VII. **Customer Experience-** Customer experience or user experience is key to a successful E-Commerce website. Shoppers expect a similar if not same experience as one they would get in a brick and mortar store. The flow of the website, the segmentation of the website and the retail personalization of products based on the shopper's preferences are imperative.
- VIII. **Making Purchasers into Paying Clients-** Converting website visitors into paying clients is one of the toughest issues in e-commerce. Even if an E-Commerce website receives a lot of traffic, clicks, and impressions, they may not be making the number of sales they had hoped for. How could they increase sales?
- IX. **Policies for Product Returns & Refunds-** More than 60% of online buyers report that they research a retailer's return policy before making a purchase, according to Com Score. A customer becomes uneasy and is less inclined to trust the company when an E-Commerce site states that there are "no returns or

refunds." Customers desire the freedom to make mistakes while shopping online that won't cost them money.

X. **Customer Service-** Customer support has been enhanced with chatbots to enable faster processing and response to tickets as a result of the eCommerce industry's explosive growth and the increased number of customers experiencing common problems with E-Commerce services. However, many customers report feeling uneasy or unsatisfied with chat bot automatic responses.

XI. **Marketing Expenses-** More firms are focusing their advertising budgets on digital and social media as digital marketing becomes standard practise for the majority of E-Commerce businesses. The cost rises along with the demand for clicks and online advertising space. Small and medium-sized shops may find this to be exceedingly expensive; in fact, this is one of their major E-Commerce issues.

**CONCLUSION -** In summary, in the years to come, the industry of electronic commerce will be a one of the leading sector in the field of electronic business. and satisfies the unique needs of this significant new consumer base must be developed. A robust physical and digital infrastructure that can manage the massive daily load must be put in place. The E-Commerce industry in India is growing at a remarkable rate as a result of the country's broad internet usage and cutting-edge technology. However, compared to other wealthy nations, India's current E-Commerce growth rate has lagged considerably behind. The e-commerce business is faced with numerous significant issues and difficulties.

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