

## AN ANALYSIS OF PRESENT STATUS, CHALLENGES AND OPPORTUNITIES OF E-COMMERCE IN INDIA

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### ABSTRACT

*Electronic commerce is the future of shopping. E-commerce is also one of the trade options that should be explored in the future. E-Commerce is growing at a rapid pace in our country. Supported by the increase in the Internet user base and favourable demographics, the Indian e-commerce industry registered impressive growth in the last few years. Electronic commerce also has a lot of room for expansion in the future. However, several issues must be addressed properly. This article aims to highlight the current state of E-Commerce in India, explore E-obstacles, Commerce's and discuss E-future Commerce's in India.*

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**Keywords:** E-commerce, Internet, Trends, Industry, Demographics.

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### Introduction

Electronic commerce, often known as E-commerce, is the marketing, allocation, sale, purchase, and service of goods and services using electronic systems such as the Internet and other computer networks. Electronic commerce, in general, refers to conducting business using one of numerous electronic technologies, most commonly involving the internet, computers, or both. E-Commerce is not just about technology; it's also about conducting business with it. Corporate purchasing, value chain integration, supply chain management, e-marketing, online transaction processing, electronic fund transfer, and other aspects of e-commerce are all covered. Ecommerce opens up new avenues for profit generation through online activities. It facilitates simple cooperation between exchanging information, different groups, and businesses in order to promote good customer connections, more personalization, better customer service, and the development of new products or services, among other things. The way we do business has changed dramatically with the advent of information technology. It transitioned from traditional to electronic commerce, from paper checks or cash to electronic payment systems, and from paper or postal invoices to electronic invoices, among other things.

### Objectives

- To bring attention to the current state of E-Commerce.
- To investigate the difficulties of e-commerce.
- To talk about India's e-commerce future.

### Review of Literature

**Mahipal, D., (2018)** state that different stages of the internet technology from year 1995 to existing time. Additionally, the author concludes that there will be marvelous advances in up and coming a long time given there's security in lawful setting and e-commerce so that household and universal exchange seem to broaden.

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**Kumar, N., (2018)** in this paper author comments approximately exceptional development in e-commerce is unsurprising to rise 4 times by the year 2021 in comparison to 2015. Most vital donors to this development are getting to be web clients and smartphones, increment in mindfulness among common open, prevalent web administrations, digitalization of most extreme of the activities with the back by the government, passage of commerce players and remote financial specialists, advanced payment choices accessible to buyers, in any case, Government basic to require steps to provide an appropriate lawful system and minimize issues in improvement.

According to the author **Seth, A., Wadhawan, N., (2016)** retailers must leave their borders in order to be well-matched with the new digital business environment, . Digitalization is no longer a choice; it is now a must for all retailers. This could include altering plans of action, solidifying novel guesses, and keeping up with current developments..

According to **Shahjee, R., (2016)**, the internet has provided a platform for businesses to showcase their various products and making it simple for customers to quickly get results of their premium, which was previously difficult to do through traditional advertising. However, in reality, internet company is facing a number of issues related to infrastructure capabilities and a lack of PC and web information among customers, particularly country shoppers.

**Shettar, M., (2016)** stated that legitimate knowledge and understanding of the legal system, as well as potential issues and risks, are required for companies today. The growing web-based industry in India has attracted the attention of international firms as well. As the number of SMEs, FDI, and MNCs grows, customers are given additional labour opportunities, boosting their purchasing power..

#### **Present Status of E-Commerce in India**

India's e-commerce is on the rise, with projected to outpace the United States as the world's second-largest e-commerce business by future. India's e-commerce advertising is expected to reach a compound annual growth rate (CAGR) of 19.24%, from \$ 46.20 billion in 2020 to \$ 11.14 billion in 2025. In line with According to Forrester Investigate, Indian e-commerce transactions are projected to grow by 7-8% in 2020.

India's key online business is projected to grow at a growth rate of 57% annually, from \$ 1.9 billion in 2019 to \$ 18.2 billion in 2024. According to Thornton, India's e-commerce advertising could be valued at \$ 188 billion by 2025, and despite the COVID 19 issue and turmoil, India's e-commerce trade will grow 5% in 2021. , The value of the store is reported to be \$ 56.6 billion.

According to a Payoneer survey, India's e-commerce sector ranks ninth in the world in terms of cross-border development. By 2025, Indian e-commerce is expected to grow from 4% of grocery and basic supply, mold and buyer hardware retailers to 8% by 2020. In the fourth quarter of 2020, India's e-commerce order volume increased by 36%, with personal care, splendor and wellness (PCB & W) advertising benefiting most. India's e-commerce business is expected to grow 78% in 2020, compared to 20% in China and the United States. E-commerce advertising is expected to reach \$ 84 billion in 2021 due to strong development.

Indian e-commerce storefronts have evolved as more and more Indians start shopping online instead of leaving home. From October 15th to November 15th, 2020, India's e-commerce happy deal season net transaction value was Rs 58,000 (\$ 8.3 billion), 65% higher than last year's Rs 35,000 (\$ 5 billion). According to a Bain& Company report, India's social commerce net equity valuation (GMV) will reach \$ 2 billion in 2020. As applications evolve, it is estimated to be US \$ 20 billion by 2025 and will grow significantly to US \$ 70 billion by 2030.

Due to the evolution of applications, it is projected to reach \$ 20 billion by 2025 and is expected to surge to \$ 70 billion by 2030. Personalized care, size and wellness (PCB & W) drive the benefits of priority. India's Livestreaming sector is estimated to reach \$ 45 billion in net inventory of 4404 (GMV) by 2025, leveraging excellence and personalized care (BPC). In the e-commerce industry, a lot of effort has been put into it by global players such as Facebook, which contributes to Dependence Jio. Google also reported that it began with speculation at Jio Stages, which was valued at \$ 4.5 billion. This was taken over by Dependence Retail's securing of future gathers, expanding the Ambani Group's solid foundation in the e-commerce industry.

Expanded web and smartphone options have driven much of the industry's expansion. The "Digital India" program aims to increase the number of web associations in India to 767.45 million by September 2020. 61% of all web associations are in metropolitan areas and 97% of these connections are remote. Online retail penetration is projected to reach 10.7% by 2024 from 4.7% in 2019. In addition,

the number of online purchasers in India is estimated to be 220 million by 2025. According to a survey distributed by IAMA and Kantar Investigate, Indian web customers will increase from 622 million to 900 million by 2025.

In the first 3 months of 2021, smartphone consignments in India improved 23% year-on-year to 38 million units, followed by Samsung (20%). The Government of India's Digital India Plan is to build a \$ 1 trillion online economy by 2025. He formed the Hyundai Director to oversee the creation of an e-commerce platform for government. Commerce Service has established a state-of-the-art committee to oversee the technology of the Open Arrange for Advanced Commerce (ONDC), an e-commerce phase that the government is helping to improve. ONDC provides the ultimate shop framework that can be linked to Flipkart and Amazon.

### **Challenges In e-Commerce**

The following are the key obstacles that sellers and buyers experience while doing commercial transactions through the internet.

- The private and public sectors are not working together to expand the e-commerce industry. To grow the e-commerce industry, private and public collaboration is required. Joint endeavors instill trust in people, which is essential for the e-commerce industry to thrive.
- System security, dependability, standardisation, and several communication protocols are lacking. If an e-commerce site's website gets hacked, customers lose money. The most common issue with e-commerce websites is a lack of cyber protection.
- Financial institutions and intermediaries: In developing nations, financial institutions and banks have been reticent to take an active role in promoting e-commerce. Merchants, on the other hand, require the assistance of banks to expand the reach and attractiveness of e-commerce and to aid in the prevention of fraud and potential losses due to credit card fraud. However, banks and other financial service intermediaries face a problem in developing alternative modalities for secure and reliable online transactions in contexts where credit cards are not widely accepted (Anupam-2011).
- There is a culture in developing countries of buying a product by haggling over the price with the vendor, which is difficult to do in the case of e-commerce in developing countries due to a lack of infrastructure.
- Reducing the cost of internet access is one of the most difficult tasks. Authorities are attempting to maintain the cost of bandwidth as low as possible. However, the high cost of establishing networks and operating expenses make it difficult to keep internet pricing low.
- The most critical component in using electronic settlements is trust. Traditional paperwork based on laws and regulations may raise questions about the legitimacy and legality of e-commerce transactions. In the industrialised world, trust is built on the adoption of modern rules and the implementation of impartiality in electronic transactions. E-commerce-based transactions suffer from a lack of security, whether actual or perceived, in areas where legal and judicial institutions are underdeveloped. Even today, cash on delivery is the most widely accepted payment method in many underdeveloped nations; cheques and credit cards are not widely accepted (Roni Bhowmik-2012).
- Legal definition, recognition, and authorization will be required for new transaction methods, instruments, and service providers. It will be necessary, for example, to define an electronic signature and grant it the same legal standing as a handwritten signature. Existing legal definitions and licenses will also need to be reconsidered, such as the legal definition of a bank and the concept of a national boundary (chavan-2013).

Besides the above challenges, the emerging economy like India also faced the following challenges:

- Lack of education
- Cultural tradition
- Poor concept of online marketing
- Less marketing or promote
- Political problem
- High cost of products/services comparing traditional market

- Internet coverage arena is limited
- Communication is haphazard over the country
- Lack of trustable business and enterprise and
- Lack of experience of meeting directly with merchant and customer.

### **Future of e-Commerce in India**

Customers find it convenient to do shopping even when they are on the move. The future of e-commerce in India is enormous, and the ever-increasing penetration of smartphones will only add impetus to the growth. As the e-commerce industry sees increased traction, it is expected to increase to reach a market size of US\$ 188 billion by 2025.

The growth of the e-commerce industry is mainly due to the growth of stalwarts. However, several smaller players are gradually carving out a niche for themselves too. The industry is quick to adapt to new technologies too. The prospect of e-commerce moreover depends upon the fast uptake of the latest technologies, their convenience in usage and cost. In this article, we will discuss the technologies that can help in e-commerce growth.

### **Reason for Booming of e-Commerce Industry**

The e-commerce industry is bound to see remarkable development over a long time. The development is bound to be driven by the industry stalwarts like Flipkart and Amazon. Expanding industry ventures, M & As, and governance arrangements are other reasons for the improvement of this industry. The current COVID-19 widespread circumstance has to drive an impulse for the industry.

Most of the development will be seen in excellence and wellness, nourishment and basic supply, hardware exchange, and attire divisions. The industry has to see momentous ventures by Facebook, Google, and Dependence Retail. Let us talk about the reasons why the e-commerce industry is anticipated to develop within the country.

### **Improved User Experience**

Guests to the site would see forward to an extraordinary client encounter. They would favour ideal workflows that would offer assistance to them within the buying preparation. The industry has been centring on UX plan, promoting, client overhauling, coordinations, etc. and has been ably aided through next-generation technologies. Technology includes a noteworthy part to play and has too expanded the belief figure among clients. In expansion, it has made a difference in ensuring improved client involvement for clients. The tech-savvy gathering of people is continuously seeking out more current highlights, and the utilize of innovation makes a difference to reach out to this gathering of people easily.

### **More Outreach**

The officeholder players have come to out more to the littler town. The entrance of high-speed web administrations has helped it. The rise in wage in Level 2 and Level 3 towns has moreover ended up a basic figure for long term of the e-Commerce industry. The industry's expanded recurrence of freebies has moreover permitted this section of customers to be snared onto online shopping. The utilize of innovation has moreover made a difference this showcase adjust to the unused mode of shopping. E-commerce stages too discover it simple to keep them snared onto the stage through focused on products.

### **Increased Use of Digital Payments**

The end of the e-Commerce industry lies within the development of versatile commerce. Agreeing to ponder, 73% of e-Commerce sales globally will happen on a versatile gadget. Online instalments are seeing gigantic growth in India that improves long-term of the e-Commerce commerce in India. Clients are finding it helpful to form instalments whereas on the move.

The computerized instalment stages are secure as well, and the willingness to utilize these stages is seeing an increase. The division has seen huge development that has made businesses prefer portable optimization of their websites. Numerous companies have chosen to go for a portable app. You'll be able to utilize location-based campaign procedures that permit you to send customized messages based on the customer's area.

### **Additional Investment in Logistics**

The e-Commerce industry has been expanding its reach forcefully. They have expanded get to to stick codes massively over the a long time. As they expect a significant increment in deals, the e-commerce companies are moreover developing their stockroom space. As the occupant players increment their reach over the littler towns, they too contribute in their coordinations channels to keep pace with this growth.

### Growth of Multiple Sectors

The e-commerce industry is seeing multi-pronged development. Whereas the industry has been ruled by attire, gadgets products, books, etc., other segments like foodstuffs, FMCG and nourishment conveyance moreover anticipate colossal development. The industry's development is additionally pulling in conventional retailers, which includes the development story.

### Major Developments in India's e-Commerce

- After Wal-Mart acquired Flipkart for \$ 16 billion, the company may open additional offline retail stores in India to develop its private label design and gadgets. Flipkart acquired Israel-based analytics startup Upstream Commerce in September 2018. This allows you to support the company's costs and promote your items more effectively.
- The Paytm Installment Bank was propelled. Paytm Bank is India's begin bank to charge no expenses for online exchanges, has no least adjusted prerequisite, and offers a free virtual charge card.
- In 2017, India's e-commerce advertise saw 21 private value and wander capital bargains for \$2.1 billion, and 40 bargains worth \$1129 million within the to begin with half of 2018.
- With Google Shopping, Google joins the Indian e-Commerce showcase. Google and Tata Trust have joined together for the 'Internet Saathi' extend, which points to extend web get to among country ladies in India.

### Conclusion

A lot of new things are going on in the world of ecommerce. Individuals and innovation are continuously changing, and because everything is connected through ecommerce, we'll always be anticipating what's next. Because of e-commerce, shopping has become more convenient. Despite several challenges, India's e-commerce sector is rapidly growing. The e-commerce industry is one of India's most rapidly growing sectors. Sales in the ecommerce industry are expected to more than quadruple by 2022 compared to 2015. An surge in smart phone and internet users, 3G/4G internet connections, public awareness, government digitalization programmes, sophisticated shipping and payment options, and the entry of foreign e-business operators, among other things, are all contributing to this remarkable boom in E-Commerce. The government should take steps to build an appropriate legislative framework to reduce the number of hurdles to e-commerce growth.

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