
Ecommerce Prospects in India

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Abstract: *Ecommerce in India has changed the way of business in India. It provides the attractive and convenient shopping options to the consumers. The Ecommerce industry provides innovative, sustainable, consistent and online shopping experience across all channels. It has helped online travel industry in many ways and added a new sales avenue through online retail industry in our country. According to research of Internet and Mobile Association of India the highest share in online trade is of the electronics commodity. India is developing rapidly and it has main role in it. The number of new entrants in this sphere is increasing everyday and it can be presumed that after some time period the customary retailers will switch to online business. In India, foreign direct investment within the business-to-consumer e-commerce is not allowed whereas foreign investment in business-to-business e-commerce is allowed. In India the ecommerce will have the tremendous business growth because of rising of internet accessibility to the public and the use of the smart phones.*

Keywords: *Ecommerce, online retail*

Introduction

Ecommerce stands for Electronic Commerce. It means dealing in goods and services through the electronic media and data. Ecommerce business is growing in India because of wide range of product with minimum price, wide range of suppliers. In this business era every business unit want to join online business because the users of the internet in India is increasing at a very fast rate.. It is the form of the business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact. It is the use of electronic communication and digital information processing technology in business transaction to create, transform and redefine relationships for value creation between organization and individual. Ecommerce involves carrying on business with the help of the internet and by using the information technology like Electronic Data Interchange (EDI). Ecommerce is the movement of the business onto the world wide web. Major Indian portal sites have also shifted towards ecommerce.

E-commerce in India

For developing countries like India e-commerce offers considerable opportunity. E-commerce in India is still in growing stage. The first e-commerce site in India was rediff.com. Major Indian portal sites have also shifted towards e-commerce. There

are many hosting companies working in India but most of them are not suitable for E-Commerce hosting purpose because they are providing much less secure and threat protected shared hosting. E-commerce demand highly secure, stable and protected hosting. India has got its own version of Cyber Monday known as great online shopping festival which started in December 2012. when Google India partnered with e-commerce companies including Flipkart, HomeShop18, Snapdeal, Indiatimes Shopping and Makemytrip.

Different types of E-commerce

The major different types of E-commerce are:

1. Business to Business (B2B)
2. Business to Consumer (B2C)
3. Business to Government (B2G)
4. Consumer to Consumer (C2C)
5. Mobile commerce (m-commerce)

Key drivers of Indian E-Commerce are:

E-Commerce has unleashed yet another revolution, which is changing the way businesses buy and sell products and services. India is showing the tremendous growth in E-Commerce. The low cost of PC and the growing use of Internet is one of the reasons for that. There is a growing awareness among the business community in India about the

opportunities offered by E-Commerce. The future does look very bright for E-Commerce in India. The following are the main key drivers of E-Commerce in India.

-) Large percentage of population subscribed to the broadband internet, burgeoning 3G internet users and the recent introduction of 4G across the country.
-) Explosive growth of smartphone users, soon to be the world's second largest smartphone user base.
-) Rising standard of living as a result of fast decline in poverty rate.
-) Availability of much wider product range.
-) Reduced inventory and real estate cost.
-) Increased usage of online classified sites with more consumers buying and selling second hand goods.
-) Evolution of million dollar startups like Jabong.com, Saavn, Makemytrip, Bookmyshow, Zomato, Flipkart, Snapdeal etc.

Indian retail market is estimated at \$ 470 billion in 2011 and is expected to grow \$850 billion by 2020 estimated CAGR of 10%. According to Forrester, the E-Commerce market is set to grow the fastest within the Asia-Pacific Region.

According to the research of Internet and Mobile Association of India the commodity distribution in e-tailing is 34% of electronics, 30% of apparels and accessories, 15% of books, 10% of beauty products, 10% of home furnishing, 3% of health care, and 2% of baby products.

Advantage of E-Commerce

To consumers : The following are the main advantage to the consumers.

- 1 Consumers have a much wider choice available on the online market.
- 2 They bear lower cost for the product because online competition among sellers.
- 3 Because of wide scale information the dissemination consumers can compare product, features, prices and even look for the review before buying the product.
- 4 They have the convenience of having their orders delivered right to the door step.

5 They enjoy the saving of time and money in shopping.

To sellers : The following are the main advantage to the sellers

- 1 It minimize the inventory cost because E-commerce venture need not to maintain huge inventories and expensive retail showrooms.
- 2 It improves the customer services. In E-commerce the focus is on the Customer Relationship Management (CRM)
- 3 It reduces the distribution costs. The Electronic Data Interchange (EDI) based on Organisation for Economic Co-operation and Development (OECD)
- 4 It globalize the business. It minimize the costs and enables the small companies also to make the information of its products available to all the customers spread over world wide.

Limitations of E-Commerce

Technical Limitations: The following are the technical limitations of E-Commerce.

-) Lack of Universally accepted standards for quality, security and reliability.
-) Insufficient telecommunications bandwidth.
-) Difficulties in integrating the internet and EC software with some existing applications and databases.
-) Need for special web servers in addition to the network servers.

Non-technical limitations: The following are the non-technical limitations

-) Lack of national and international government regulations and industry standards.
-) Customers resistance to changing from a real to virtual store. People do not yet sufficiently trust paperless, faceless transactions.
-) Perception that EC is expensive and unsecured.
-) An insufficient number of sellers and buyers exists for profitable EC operations.

India's Prospects in E-commerce

The real challenge to an average retailer in India is not from FDI, but from E-Commerce sites like flipkart.com, snapdeal.com, eazybuy.com,

menzkart.com. The various growth drivers for E-Commerce in India are busy lifestyles, increasing disposal income, lower prices available at online stores as they save on distribution and elimination of set up costs on physical entities. Another main factor encouraging E-Commerce is that the people are now comfortable using credit cards on the internet and mobile has come out to have multi functional benefits. Electronic flow of information has manifold. It provides the opportunities for the various parties. .

1. **Opportunity for retailers:** A retailer can save his existence by linking his business with the on-line distribution. In this way the retailer provide all the related information regarding the products to the consumers, meet electronic orders and in link with the consumers. Therefore E-Commerce is the good opportunity.

2. **Opportunity for Whole Salers/ Distrubutor:** The existence of the wholesalers is at the greatest risk in E-Commerce because the producer can sell their goods directly to the retailers and the consumers. Only those wholesalers can take the advantage of E-Commerce who link their business online and make contract with the reputed producers.

3. **Opportunity for Producers:** Producer can provide the information of the product supplied by them online to the consumers.

4. **Opportunity for people:** People can take the advantage of the online shopping through the internet. A large number of smart phone is being used by the people nowadays for the online shopping.

Facilitators of E-Commerce in India

A. Information Directories: Portals like <http://www.trade-india.com> and <http://trade.indiamart.com> maintain directories giving trade details. The products and services are listed with appropriate sub-headings to make it easy for a serious information seeker to search for the product details. Some other similar sites are <http://Indiagrid.com/> , <http://indiainfo.com/>, <http://indiatimes.com> etc.

B. Banks: Net banking/Phone Banking- this is the online Banking facility available for saving account holders as well as current account holders. Some of the special net banking services are Demat account

for the sale and purchase of shares and stock. Credit and Debit cards- Bank's facilitate E-Commerce by providing the most vital trade instrument namely the Credit and Debit card for ex. <http://www.hdfcbank.com/>, <http://www.icicibank.com/> etc.

Conclusion

E-commerce is changing the way of buying and selling of product and services in India. E-commerce is the future of the shopping. Due to this the gap has been reduced between the producer and the consumer. The future of E-Commerce is difficult to predict. There are various segments that will grow in future like travel and tourism, electric appliances, hardware products etc. Some essential factor that will significantly contribute to the boom of the E-Commerce industry in India i.e. replacement, guarantee, M-Commerce services, location based service, multiple payment option, shipment option, legal requirement of generating invoices for online transaction. The balance between the inventory and supply chain costs is therefore a dynamic decision to be taken, considering both cost and service level considerations. The future of E-Commerce in India would be bright in the upcoming years if all the essential factor would be implemented by establishing cyber café. The Government must have to play an effective role for the implementation of the this E-commerce.

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