

Challenges and Prospects of E-Commerce in India.

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ABSTRACT

E-commerce simply means electronic commerce which deals with selling & buying of services & products exclusively through electronic channels. Online shopping is increasing rapidly as consumers take benefit of lower prices offer by retailing their products. These days E-commerce has become the essential main street of the world. They also create new opportunities for business as well as for education and academics line. The fame of E-commerce is tremendously increased both internationally & regionally due to the fast & suitable way of exchanging goods & services in the last few years. Until now India is eyewitness a step forward E-commerce success tale, particularly in online retail. Nowadays E-commerce has developed in an enormous industry. The main motive of this paper is to describe different opportunities & services offered by E-commerce to distributors, customers & producers. This paper understands the essential growth factors required for E-commerce & in India, they also want to highlight the different challenges faced by E-commerce.

Keywords: Online, Challenges, E-Commerce, Services.

Date of Submission: 24-09-2017

Date of acceptance: 06-10-2017

I INTRODUCTION

E-commerce also called electronic commerce is the buying & selling of goods & services by consumers & businesses through electronic channels without using any paper document. It is the type of segment of a larger business model, that enables an individual to conduct business over electronic channels typically the internet. In its simplest form e-commerce is the buying and selling of products and services by businesses and consumers over the Internet. Online shopping is rising quickly as consumers take benefit of lower prices offer by wholesalers retailing their products. The popularity of E-commerce is tremendously improved both globally & regionally due to the quick & suitable way of exchanging goods & services in the last decades. E-commerce represents a totally new way of doing business over an average that changes the very system of doing business. E-commerce is the buying & selling of goods & services or the transmitting of funds or data, over an electronic network, primarily the internet.

E-commerce plays an important role in selling products & services directly to the customer from internet using the digital shopping cart, for instance, E-mail is the best option on how people communicate on the internet to exchange information & find solutions to problems.

In order to create a transaction, transform & redefine relationships for value creation between organizations & individuals, the role of electronic

communication & digital information processing technology becomes even more vital.

In order to attract more & more customers, E-commerce provides source or medium by which retailers sales & advertise their products & share information regarding their respective products & brands & publish information on the internet (source) using I.T technologies like EDI (electronic data interchange).

Today E-commerce plays a vital role in Indian society & has become an integral part of our social life. Rediffmail.com is the first E-commerce site in India. It allows different payment modes like debit cards, credit cards of EFT (electric fund transfer). It provides multiple benefits for users like it is time-consuming, have multiple choice & low cost.

II CHALLENGES IN E-COMMERCE

In India, there are some hurdles/obstacles which are responsible for the slow expansion of e-commerce. In 2002 Hamilton point out some obstacles in via to e-commerce including lack of skills problems of security, cost etc. Customer confrontation to shifting from real to the virtual store. Until now people do not satisfactorily trust unknown & paperless transactions. In order to make the country in the line of business, it needs a focus for the growth of e-commerce in India.

(a) Security issues.

Online payment is a widespread emotional factor for customers in India because they having fear while making such payments. About 60% of the users do not believe the net as a proper payment channel. Credit card itself is not secure while using a credit card for online transactions. They are also not secure when giving the details of the credit card on online because they are not sure about the salesman identity. Shopper is also not confident that card is not used for a malevolent purpose which also the cause of big confronts of e-commerce in banking also.

(b) Customer Acquisition Forces.

There should be a strong successful e-commerce interaction between the markets .One of the big challenge faced by e-commerce are issues related to lack in delivery ,lack of supply chain, integration, lack of proper courier high charges for products in some areas also make customers frustrated. The problem that early stage of e-commerce start up will face is to get people to come on e-commerce site & make purchase involves high costs due to marketing & advertisement.

(c) Product Target.

New companies downpour the marketplace with latest products. Target marketing becomes one of the most important tools of differentiation. The product which is not satisfactory for the customer tends to be returned or replaced. Most of the products take much more time in delivery to reach customers home .time delivery of products may vary from day to month. This is one of the main issues which lead to an overall loss in revenue, reputation, transportation costs. Mainly the Indian customers possess great belief problems in e-commerce business transactions.

(d) Less Awareness.

The customers of India are more comfortable in buying / purchasing products while choosing the product they directly touching the product. About 70% of rural Indians are unaware of the internet & its uses .it is not admirable one when it comes to an average of internet users. Only some are aware of the net corruption fraud & this gloom will still exist .At least 50% of the Indian internet users are unaware of a solution for online security.

(e) Cash on delivery.

COD is one of the best ways of payment for the buyers provide by e-commerce companies. Most of the users denied making the payment at the delivery time of the product. It is assumed 30-

50% of buyers are also taking the benefit of this while buying any product and service on the internet. It has been introduced that Cod counter the payment security problems of net transactions but this way has been proving costly to companies.

II. OBJECTIVES OF THE STUDY.

1. To study the challenges faced by E-commerce in India.
2. To know the recent trends in E-commerce.
3. To study the India's prospects in e-commerce.

III. RESEARCH METHODOLOGY

The study is based on the secondary data. For this study data and information has been collected with the help of books, magazines, journals, articles, research papers, newspapers etc.

III. CONCLUSION

This paper discusses the advantages of E-commerce.it discusses the capabilities of wholesalers to establish contracts with reputed producers and creating links online. Also, retailers meet electronic orders and maintain connectivity through interactions with customers and consumers online. This paper highlights certain sectors that tend to grow in near future with regard to E-commerce like, hardware industry, electronics, tour, and travels. E-commerce puts forth many benefits to its users such as effective customer relationships, effective shopping decisions, effective cost analysis and acts as a source of information nowadays.

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International Journal of Engineering Research and Applications (IJERA) is **UGC approved** Journal with Sl. No. 4525, Journal no. 47088. Indexed in Cross Ref, Index Copernicus (ICV 80.82), NASA, Ads, Researcher Id Thomson Reuters, DOAJ.

Dr. Javed Iqbal. “Challenges and Prospects of E-Commerce in India.” International Journal of Engineering Research and Applications (IJERA) , vol. 7, no. 10, 2017, pp. 14–16.