

## **E-COMMERCE IN INDIA, GROWTH AND FUTURE PROSPECTS**

**Ms. BrijLally**

Master of Commerce

S.S. (PG) College, Shahjahanpur

(Affiliated to M J P Rohilkhand University, Bareilly) UP

**Dr. Anurag Agarwal**

Head, Department of Commerce

S.S. (PG), College, Shahjahanpur

(Affiliated to M J P Rohilkhand University Bareilly Uttar Pradesh)

### **Abstract**

E-commerce websites are online portals that facilitate online transactions of products and services through the transaction of information and money over the Internet. Global businesses have incorporated e-commerce into their operations for definite financial gain. Electronic commerce, or E-commerce, refers to purchasing and selling using digital means such the internet, mobile devices, tablets, etc. Pre- and post-sale activities are included in E-commerce in addition to network-based buying and selling. Selling methods are wholly responsible for the success of online commerce. This essay develops a future vision while providing an overview of India's potential for E-commerce in the future. Additionally, it discusses India's current issues and potential as well as how quickly the e-commerce industry is expanding.

E-commerce sales are growing by leaps and bounds at a rate of 20% to 25% annually, showing profound shifts in consumer buying patterns. For product reviews and up-to-date information about your search and needs, use the internet rather than a phone book or yellow pages. Customers are 15 times more likely to call a firm than they are to call one they look up in the phone book, thus a business owner can't only rely on an advertisement in the phone book.

Each business has a unique component, and each business is also unique in terms of style, promotion, and quantity, but all businesses require power to operate, and in the modern world, if you want to be competitive, you must keep up with changes in the online business sector. In the long run, a website's net operating costs become insignificant compared to the return on investment provided by advertising. Through this article, we will try to find answers too many questions, such as - what is e-commerce, what are its benefits, what are the challenges and what is the future prospects in it?

**Keywords:** E-Commerce, Payments, Consumers, Government, Business, Internet.

### **1.0 Introduction**

In the emerging global economy, e-commerce and e-business have increasingly become an essential component of business strategy and a strong catalyst for economic growth. The integration of information and communication technology (ICT) in business has

revolutionized relationships within organizations and between organizations and individuals.

Specifically, the use of ICTs in business has increased productivity, encouraged greater customer involvement, and enabled large-scale customization, in addition to reducing costs. With the development of Internet and Web-based technologies, the differences between traditional markets and global electronic markets-such as trading capital size, among others-are gradually narrowing.

Internet is one of the most important aspects for e-commerce in today's time. It presents many opportunities for infrastructure as well as consumer and business. Constraints like time and distance do not matter much for the consumers by using it. Here the question arises that in e-commerce how the process of relationship between consumer i.e. consumer and businessman is run smoothly? Let us tell you that many types of models work among them in a popular way, in which some are the main ones.

- The first of these is B2B i.e. business to business model. Under this, a company sells goods to another company or firm. Under this, those companies or firms come who buy goods for their own use or buy raw materials and prepare goods from them.
- The second type of model is B2C i.e. Business to Consumer. Under this, the consumer buys goods directly from a company.
- Similarly, the third type of model is C2C i.e. consumer to consumer. Under this, the consumer interacts directly with the consumer. Companies have no role in this.
- The fourth type of model is C2B i.e. consumer to business. In this the company directly interacts with the consumer.
- Similarly, in view of the increasing demand and supply of goods in the market, two types of models are now becoming more popular in the online shopping of e-commerce, the first is the market place model. In this model, online companies provide only one platform from where the consumer can buy the goods as per his requirement. Such as Amazon, Snapdeal, Flipkart etc. Other online companies have no role in this. Similarly, the second one is the Inventory Model. Under this, online companies sell goods through their company on this platform. In this, the name of Alibaba comes at the top.

## **2.0 Impact of E-commerce on business**

**2.1 Market Changes:** Nowadays, business can be done anywhere with Internet connectivity. With the help of intermediaries, businesses can market their goods and services. New goods and markets will be formed, traditional intermediate roles will be replaced, and new, remote interactions between businesses and customers will be established. The way work is organised will change as greater freedom is given to new avenues for the exchange of knowledge and workplace interaction.

**2.2 Rapid growth of business:** E-commerce will serve as a catalyst and disseminate the economic changes-such as regulatory reform, the development of electronic business linkages (EDI), globalisation, and consumer demand for economic activity-that are already

under way high-caliber employees. Similarly, one-to-one marketing, direct travel booking, and electronic banking are already driving a number of pectoral trends.

**2.3 Helpful in Globalization:** Inland trade was hampered by the lack of information sharing, but e-commerce now enables MNCs and international businesses to share current information with staff, stakeholders, and clients. Internet-based e-commerce improves economic interaction. These connections aid the corporate organization's efforts to grow.

**2.4 Electronic Commerce Development:** Electronic commerce on the Internet is now somewhat tiny but is expanding quickly. Currently, technology and market forces are still giving birth to electronic commerce, which is still taking on its first form. E-commerce is not popular. This is particularly true for the business-to-consumer market, where concerns include payment security, merchants who might commit fraud, the privacy of personal information, etc.

**2.5 New job opportunities:** There will be a change in the mix of skills needed for electronic commerce, which will increase demand for information technology specialists. A flexible, multi-skilled workforce is required because electronic commerce requires a combination of strong business applications abilities and IT experience. In addition to the emerging skills needed to enable electronic commerce transactions and applications, hardware and software professionals will be needed.

**2.6 New Business Opportunities:** Changing industry structures and electronic commerce systems allow new business models based on the widespread availability of information and direct delivery to customers. As we go on to the new ones, we also see that new business models are contemporary examples of information brokers or intermediaries. These days, such examples include directory services or search engines, auction sites like Yahoo and Lycos, eBay, online shopping, trading, consulting, etc. E-commerce is a technological activity that needs an infrastructure to facilitate the secure and reliable location, transfer, and integration of business information. Due to a lack of infrastructure, small towns and villages have very limited compatibility with e-commerce.

**2.7 New Sales Channel:** When viewing electronic commerce, particularly the World Wide Web, as sales channels for two sorts of items, the multidisciplinary approach to e-commerce has produced new sales channels via which businesses can directly reach stakeholders, suppliers, and customers. It makes obvious that tangible goods, like wine or computer hardware, which are occasionally sold in brick and mortar locations but also promoted and ordered online, can also be disseminated through an electronic commerce medium like information or software. Electronic commerce methods are most useful in marketplaces where information significantly enhances the value of the products being imported rather than in markets for commodities.

### **3.0 Key Challenges of E-Commerce**

It is worth noting that there is always a sense of doubt in the minds of consumers regarding online shopping whether the product they have bought will be right or not. This year, the government also received complaints against several e-commerce-related websites, in which consumers said that the goods they had booked were delivered to them in lieu of something else or that the goods were defective.

- Similarly, many times there are complaints of people that where they should now complain against it.
- On the one hand, where there is a lack of any concrete law regarding this, on the other hand, there is also a lack of awareness among the people.
- Due to lack of clear rules and regulations, some challenges may also arise in front of small and medium industries. They will not be able to face these big companies in this blind race of the market. In such a situation, there is also a possibility of increasing unemployment.
- In the case of online shopping, people have already expressed concern about the security. They believe that these companies are collecting their data, which is a matter of concern.
- Similarly, in online shopping, cloning people's credit or debit cards and withdrawing money from their bank balance or hacking of banking data by hackers is also a problem. Not only this, some big companies working in the field of online shopping are now making up their mind to deliver goods by drone, about which the lines of concern are clearly visible on the face of the government and the people.

#### **4.0 Future Prospects**

When buying goods and services online, customers can select the time and location of their purchase as well as research the vendor and other accessible possibilities. Online information access has completely changed the way people shop. Almost everything that can be bought at a store, including perishable goods like food, can be bought online. Additionally, clients from all over the world have benefited from these possibilities. The effects of e-commerce are being felt in every aspect of business, from customer support to new product development.

It offers new ways for businesses to interact and connect with customers, including online commerce, order fulfilment, and customer care. Additionally, it can lower the price of handling a large number of vendors and business partners, which frequently adds significant overheads to the price of goods and services. E-commerce provides developing nations like India with a wealth of prospects. Even the most pessimistic predictions for India's economy point to a boom, though it is still in its infancy. There has been an increase in the number of electronic commerce companies in recent years. Large Indian websites have gone into e-commerce instead of advertising sales.

The rise of E-Commerce in India has a very bright future, and smartphone adoption is only expected to increase. The e-commerce market is anticipated to grow and reach US\$ 188 billion in sales by 2025 as it gains more traction. Stalwarts' expansion is primarily responsible for the e-commerce sector's growth. However, a number of smaller competitors are also steadily establishing themselves in a market. New technologies are also adopted by the sector quickly. The rapid adoption of cutting-edge technology, as well as their affordability and ease of use, will also affect how well e-commerce does in the future.

Today, we'll discuss the levels of e-commerce development in India, the world's most populous democracy and the second-largest country in terms of land area. As more and

more online retailers enter the market, India and Commerce's share of the market is increasing. The difficulty is that most entrepreneurs lack the resources or funds to wait years before they can profit, even though this degree of entrance into the e-commerce market is positive in the long run.

### **5.0 Conclusion**

Today, the business related to the e-commerce sector in the country is worth about \$ 25 billion. It is estimated that in the next 10 years this business will be around \$ 200 billion. Now the question arises that what is the reason behind such rapid growth in this sector? Let us tell you that on the one hand, the population of the country is increasing rapidly, while on the other hand, smartphone and data tariffs are getting cheaper. Not only this, increase in network connectivity is also one of the reasons. Looking at all these reasons, experts believe that this is an opportunity for the country, but the problem is that till now there is no clear policy in the country regarding e-commerce. In view of the growing potential in this sector, the government needs to come out with a clear policy. The way companies in the e-commerce sector are collecting people's data has increased the concern of the people. Here the Justice Shrikrishna Committee constituted for data security has also submitted its report to the government. Overall, the time has come for the government to consider this. Similarly, the things mentioned in the draft prepared by the Task Force on E-commerce also need to be implemented.

India has a vast population and one of the fastest growing economies in the world, therefore it certainly has a lot of potential for e-Commerce business. Numerous local and international e-Commerce platforms are flourishing and are steadily growing their clientele in India. Due to the sizeable middle and upper middle class in India, e-Commerce prospects are very promising. Innovations in e-Commerce can also make it more appealing, customer-focused, affordable, and efficient. It is accurate to state that e-Commerce will determine how business will trade in the future.

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