

## **E-COMMERCE :- PRESENT SCENARIO AND FUTURE PROSPECTS**

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### **Abstract :-**

*E-Commerce involves buying and selling of goods and services or the transactions of funds or data, over an electronic network, like internet. In the last few years we can see that e-commerce sector is growing day by day and with rising internet accessibility this sector receive more opportunities. E-commerce change the way of doing business, now we do business transactions from at any place and at any time without physically meeting. E-commerce also receive good platform in India and this sector also growing in India. The present study has been undertaken to describe the present scenario and future prospects of e-commerce. Analyze the present trends of e-commerce in India & examine the challenges and opportunities of e-commerce in India.*

**Keywords :-** E-commerce, Internet, Business

### **Introduction :-**

E-commerce means for electronic commerce. E-commerce means dealing in goods & services through electronic network like internet. With the new concept of e-commerce investment in business is reduced which we need to develop a physical store. So it will change the way of doing business in which customer and businessmen interact with each other without actually meet. E-commerce is a modern business methodology that addresses the needs of the organisations, merchants and consumers to cut cost while improving the quality of goods & services and increasing the speed of service delivery. Although the transition from traditional purchasing to online purchasing was very slow initially in Indian market because of less number of internet users due to lack of internet facility & awareness in public. But now the situation has changed & e-commerce industry is growing rapidly in our country. In the present scenario demand of e-commerce is rising in almost all type of business transactions. E-commerce is already appearing in all areas business, customer services, new product development & design. E-commerce in India is still in growing stage but it has considerable opportunity in near future.

### **Types of E-Commerce:-**

There are six basic types of e-commerce :-

**1) Business – to – Business (B 2B) :-**

2) Business – to – Business (B2B) e-commerce means all electronic transactions of goods & services conducted between companies. For example : Alibaba group

**3) Business – to – Consumer (B 2C) :-**

4) Business – to – Consumer (B2C) e-commerce means conducted business transactions between companies and consumers. For example – Amazon.

**5) Consumer– to – Consumer (C 2 C) :-**

6) Consumer – to – Consumer (C 2 C) e-commerce encompasses all electronic transaction of business conducted between consumers. For example – ebay.

**7) Consumer – to – Business (C 2B) :-**

8) Consumer – to – Business (C 2 B) is very crowd sourcing based projects. C 2 B is exchange of goods and services, where a large no. of individuals make their goods available for consumption of companies. For example :- zonzoo.

**9) Business – to – Administration (B 2 A) :-**

10) Business – to – Administration (B2 A) e-commerce includes all online transactions between public administration & Business. B 2 A have increased with increase in investment in e-government.

**11) Consumer – to – Administration (C 2 A) :-**

12) The consumer – to – Administration model includes all electronic transactions between consumers and public administration. For example – Agenda tributaria.

### **Objectives of the Study :-**

1) To study the present status of E-commerce in India.

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- 2) To examine the barriers of E-Commerce in India.
- 3) To discuss the future prospects of E-Commerce in India.

**Research Methodology :-**

Research Methodology is the systematic and theoretical analysis of the methods applied to a field of study. It includes the process used to collect information and data for the purpose of making decisions. In the present paper the secondary source of information has been used. The data has been collected from journals, books and websites.

**Review of Literature :-**

(H. Ramchandani, 2016) in her paper concluded that retail e-commerce sales in 2015 as a percentage of total retail sales in India accounted for approximately 0.9% of all retail sales in India. However this figure is expected to grow in near future and it estimated to reach 1.4% in 2018. International e-retailers are giving a strong competition to domestic ones. However physical retailers still have a very good standing in the Indian market as Indian consumers generally like to inspect the goods before making any purchase.

(MadhukarSarole, 2015) in his paper concluded that e-commerce is future of shopping and gap has been reduced between manufacture and consumer due to e-commerce. There is vast scope for e-commerce in Indian but due to weak cyber law, people are facing challenges in India.

(Raghunath&Panga, 2013) concluded that initially, new internet users would be reluctant to conduct any type of business online, citing security reasons as their main concern. In order to increase consumer adoption of e-services, source of consumer confusion, apprehension and risk need to be identified, understood and elevated. E-commerce provides tremendous opportunities in different areas but it require careful application for consumer protection issues.

(Elizabeth & MC uregor, 2000) in their paper analysed the impact of e-commerce on consumers, public policy, business and education. A discussion of public policy initiatives, research questions and ideas for future research was given.

**Prersent Scenario of E-commerce in India :-**

The e-commerce sector in India started their operations late nineties among business to business (B 2 B) users. Business to consumer (B 2 C) e-commerce started in 1996. The first E-commerce website in India was rediff.com which was one of the most trafficked portals for both Indians & non-resident Indians present scenario of Ecommerce in India:-

- Today E-Commerce has become an integral part of our society. There are websites providing any number of goods & services.
- India is a developing country although it show commendable increase in the industry of e-commerce in last few years.
- Today most of the e-commerce transactions happened on mobile devices.
- Internet users in India crossed 100mn but even in rural areas we find people who not even heard about internet.
- E-commerce companies provides many facilities like discount, home delivery, return on delivery, coupons etc. which increase popularity of e-commerce.
- Various social sites have now become a medium for online sale and purchase.
- A fast growing market in India is online grocery store because it provides convenience in shopping to customers.
- With the implementation of GST, operational efficiency of e-commerce is increased because GST simplified the system of taxation and also eliminate double taxation.
- E-commerce sector also growing because of increasing smartphone users.
- E-commerce companies provides facility of comparing prices over entire network so that customer can get product at best available price.
- Most of the customers in India prefer cash on delivery mode.

E-commerce websites in India :-

Flipkart.com, Ebay.in, Shoppin rediff.com, Futurebazaar.com, Homeshop 18.com.

### **Barriers of E-commerce in India :-**

#### **1. Lack of Security :-**

Feeling insecure by customer is one of the major and continuing challenges for e-commerce in our country. Risk of hacking and cyber crime are also there. Customer have to be confident about the integrity of e-dealers and payment process before making any purchase order online. Security challenges are not restricted to consumers only in e-commerce, corporate firms also face security challenge as their vital information, records and reputation is at stake.

#### **Poor Internet Facility :-**

Penetration of internet facilities in India especially in rural area is very less. Speed of internet is also the major challenge in our country. No doubt we are moving towards 4G internet services but still a lot has to be done.

#### **Logistic and Supply chain :-**

Most of the population in India lives in villages. To reach the consumer in the village is a big challenge. The e-commerce companies needs to invest more on setting up warehouse and signing up more suppliers across the country to ensure customer get order delivered by nearest supplier.

#### **Infrastructure Problem :-**

Internet is considered as back bone of e-commerce. Internet penetration in rural areas is a big limiting factor. It is extremely difficult for e-commerce to reach to 1,000 million population spread over 37 million households. E-retailers are putting up investments in building large fulfillment centres, warehouse and sorting centers with modern technology and practices.

#### **Taxation :-**

Tax structure is another factor for lesser growth of e-commerce sector in India in comparison to other developed countries like USA and UK. In India there are different types of taxes and these taxes create accounting problems to online business. Some states are ven charging separate tax on e-commerce transactions. Government has implemented the GST Act, which is expected to solve this problem to great extent.

#### **Cash on delivery :-**

In the era of digital payments, cash on delivery is still the most favoured mode of payment used by the consumers. This mode is very expensive for e-commerce companies. Sometimes courier companies take 30-40 days to return the cash collected from customers to dealers. If customer return the product than it becomes very expensive for the company as the company pay two way courier charges.

#### **Absence of cyber laws :-**

Absence of cyber laws to regulate the online business transactions is another bottleneck to e-commerce in India. The new technology has created huge legal uncertainty in our country. The existing consumer protection Act 1986 needs to be amended to update and widen the scope of the Act.

#### **Future prospects of E-commerce in India :-**

The e-commerce sector in India is growing rapidly. The internet user's base in India is much less as compared to developed nations of the world, but it is expanding day by day. The accelerating growth of e-commerce in India is due to internet penetration & easily available smart phones. Further more favourable demographics & government efforts of digitalisation is also pushing the growth of e-commerce sector in India.

Internet companies in India has been increasing in last few years. Banks also adapt the electronic data interchange technology for doing transactions for convenience in doing transactions. So e-commerce is popular day by day in every sector in India. Stock market also uses it for providing various information like portfolio of equity. We can see the increasing scope of e-commerce because of more internet penetration and customer awareness. So we can say that the future of e-commerce is brilliant in India. So keep in mind the glorious future of e-commerce, future trends of e-commerce are:-

- Personalization plays a vital role in successful marketing. It is very pleasant for a consumer to get a message that includes your name and what you like. According to Digital Trends report, 73% of consumers prefer to do business with brands that personalize their shopping.

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- Companies have been working their way around to innovate the delivery process. To shorten human effort as well as time. The answer to these problems is delivery by drones. DGCA is now fast tracking the process of issuing guidelines for the use of drone for civil purposes in India. If everything goes as per the plan the India might become the first country in the world to allow the use of drone for civil purposes.
- Social media provides a base for taking various online decisions.
- Innovative use of technology like artificial intelligence is also developing by companies.
- Companies are now shift to alternate mode of payment so that cost on cash on delivery is reduced.
- Buyer misuse the policies of companies so companies make changes in policies like ti change in return policy buyer should be automatically blockedwhi has history of return rate more than 70%.
- Strategies are also built to reduce vernacular content.
- Majority of online buying decisions are made on social media. Social network like facebook, Twitter, Google+, Pinterest etc have become a medium for easy long-in and purchase. Moreover, the clients can stay updated via the post published on this media.

**Conclusion :-**

E-commerce has changed the way products were shopped in older days. It involves buying & selling of goods & services or transactions of funds or data over electronic network. E-commerce Industry is one of the largest growing industries in India at present. Sale of e-commerce industry is expected to grow in near future due to increase in smart phones internet users, 3G/4G internet services, awareness in public, government initiative of digitalisation, advance shipping & payment options etc. But cyber security laws in India is weak that is why Indian people are facing challenges towards e-commerce. Government should take steps to provide a proper legal framework so that hurdles in growth of e-commerce are reduced to minimum.

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