

Indian e - Commerce: A Study

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ABSTRACT

According to study done by Indian Institute of eCommerce. by 2021 India is expected to generate \$100 billion online retail revenue out of which \$35 billion will be through fashion e-commerce. Online apparel sales are set to grow four times in coming years. Internet is one component which has recently become the key ingredient of quick and rapid lifestyle. Be it for communication or explorations, connecting with people or for official purposes, 'internet' has become the central-hub for all. Internet is undoubtedly beneficial to e-consumers users and other users such as social network users; it has made it possible for any person to easily collect personal information about Internet users without their consent. Consumer concerns over the safety of personal information and the violation of an individual's privacy rights are described as being the single overwhelming barrier to rapid growth of e-commerce. Recent research findings also show that the level of public concern for privacy and personal information has increased. E-commerce is one of the fastest gains of information technology leads to fundamental changes in a way to make businesses effective and efficient. The growth of e-commerce provides and highlights the various advantages to companies and businesses. E-commerce is usually associated with buying and selling over the Internet or conducting any transaction involving the transfer of ownership or rights to use goods or services through a computer mediated network. In other words, it is the buying and selling, marketing and servicing, delivery and payment of products, services information over the Internet and other networks. E-commerce has changed the nature of the value propositions that companies now offer to their customers. The convergence of content sites and social networks has resulted in emerging e-commerce business models. The study aims to analyze the growth of e-commerce industry in India. This research explored the usage level of ecommerce technologies, benefits and barriers of e-commerce usage.

Key words: e commerce.

According to a study conducted by the Internet and Mobile Association of India, the e-commerce sector is estimated to reach Rs. 211,005 crore by December 2016. The study also stated that online travel accounts for 61% of the e-commerce market. A new sector in e-commerce is online medicine, selling complementary and alternative medicine or prescription medicine online. There are no dedicated online pharmacy laws in India and it is permissible to sell prescription medicine online with a legitimate license. Online sales of luxury products like jewellery also increased over the years. Most of the retail brands have also started entering into the market and they expect at least 20% sales through online in next 2-3 years.

E-commerce stands for electronic commerce. E-Commerce refers to the exchange of goods and services over the Internet. All major retail brands have an online presence, and many brands have no associated bricks and mortar presence. However, e-Commerce also applies to business to business transactions, for Example, between manufacturers and suppliers or distributors. E-Business probably began with electronic data interchange in the 1960s (Zwass, 1996). However, (Melao, 2008) suggests that it was only in the 1990s, primarily via the Internet, that e-Business has emerged as a core feature of many organizations. In his opinion, the hope was that e-Business would revolutionize the ways in which organizations interact with customers, employees, suppliers and partners. Some saw e- Business as part of a recipe to stay competitive in the global economy.

e-commerce Industry in India

- Indian E-commerce industry is in a position to sustain itself as a viable business opportunity not only for established names but even for start-ups.
- With the increase in awareness about the benefits of online trading, there has been a significant rise in investment in E-commerce business. Hand in hand with offline trading, many established businesses, e.g. Shoppers Stop or Lifestyle, have setup online transaction channels.
- E-commerce is increasingly attracting customers from Tier 2 and 3 cities, where people have limited access to brands but have high aspirations.
- Earlier food and grocery were never thought of as items for online trading. However, with the change of working habits, and consumers opting for adaptability and convenience, there are now innumerable small and large E-commerce companies selling provisions and food items.

Role of Government

Since 2014, the Government of India has announced various initiatives namely, Digital India, Make in India, Start-up India, Skill India and Innovation Fund. The timely and effective implementation of such programs will likely support the e-commerce growth in the country. Some of the major initiatives taken by the government to promote the e-commerce sector in India are as follows:

- Reserve Bank of India (RBI) has decided to allow "inter-operability" among Prepaid Payment Instruments (PPIs) such as digital wallets, prepaid cash coupons and prepaid telephone top-up cards.
- Finance Minister Mr Arun Jaitley has proposed various measures to quicken India's transition to a cashless economy, including a ban on cash transactions over Rs 300,000 (US\$ 4,655.1), tax incentives for creation of a cashless infrastructure, promoting greater usage of non-cash modes of payments, and making Aadhaar-based payments more widespread.

Benefits of e-Commerce

- a. The benefits of e-commerce also extend to the general welfare of society. Electronic payments of tax refunds, public retirement, and welfare support cost less to issue and arrive securely and quickly when transmitted via the Internet.
- b. Electronic payments can be easier to audit and monitor than payments made by check, which can help protect against fraud and theft losses.
- c. E-commerce allows people to carry out business without the barriers of times or distance. One can log on to the internet at any point of time and purchase or sell anything one desires at a single click of the mouse.
- d. The direct cost of sale for an order taken from a website is lower than traditional means. Also, electronic selling virtually eliminates processing errors as well as being faster and more convenient for the visitors.
- e. E-commerce can increase sales and decrease costs. A firm can use e-commerce to reach narrow market segments that are widely scattered geographically.
- f. Just as e-commerce increases sales opportunities for the seller, it increases purchasing opportunities for the buyer.
- g. Businesses can use e-commerce in their purchasing processes to identify new suppliers and business partners.
- h. Negotiating price and delivery terms is easier in e-commerce, because the web can provide competitive bid information very efficiently.
- i. E-Commerce increases the speed and accuracy with which businesses can exchange information, which reduces costs on both sides of transactions.
- j. E-commerce saves time of the business owners to perform within short time. One can literally log on the internet at any point and any time.
- k. E-Commerce provides buyers with a wider range of choices than traditional commerce, because they can consider many different products and services from a wider variety of sellers.

Indian E-commerce space percentage is getting higher as more and more online retailers enter the market. The greater adoption of Internet and smart phones is the biggest driver of ecommerce in India. Internet penetration is rapidly increasing with around 320 million users in 2017. The research reveals the significance of adoption of e-commerce India. The major finding of this research confirmed that growth of e-commerce shows acceptance with latest technologies. E-commerce has a significant impact on customer loyalty and acts as an intermediary for each part of the quality of the user interface and data quality, and customer satisfaction.

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