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A Critical Analysis on the future of E-commerce: Recent Prospects in an Indian Economy

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Abstract

In Modern era demand for an imaginative and variation business is essentials needs. E-commerce business boom growth in the Asia and whole globe. Its success depends on their understanding of market timing, market strategy, changing trend and various factors. Present paper deal with brief idea about current E-Business situation, issues and challenges of E-Business. E-commerce is not only buying and selling products online but it's also consisted online process of developing, marketing, selling, delivering, servicing and paying for products and services after sale. E-commerce shows tremendous growth in the economy. Large number of internets uses present in India however penetration of e-business is low compared to developed markets but is upward at a much faster rate with a huge number of new beginners. This paper examines the key

trends, challenges, and opportunities that are likely to shape the future of e-commerce.

Key Words

E-commerce, Issues, Challenges.

Introduction

The E-commerce is one of the prime things that have taken the Indian industry by Storm. It is force to change whole economy, which has an enormous prospective and is basically varying the way industries are done. E-commerce means anything that involves an online transaction. It's beneficial to both parties' buyers and sellers. Availability of large scale of goods and services is making buying online more attractive and convenient for consumers over the globe. Ever since 1991, after economic reforms explicitly took place in India as a consequence of opening of the economy with a view to integrate itself with the whole economy of the world. The must to assist international trade both through policy and procedure reforms has become the foundation stone of India's traffic and fiscal policies. As a result, last decade have witnesses a technological revolution attended by the expansion of the internet, web technologies and their applications. E-commerce as element of the information technology revolution spread widely in India as well as globe. Utilize of internet in business has driven electronic commerce to become one of the main competent channels for inter organization commerce procedure.

Meaning of E-commerce

The full abbreviation of E-Commerce is electronic commerce. E-Commerce means buying and selling of goods and service or else the transmitting of funds or data using electronic network be fond of internet. Initially, when business started using electronic data interchange to split business documents with other companies. In E-Commerce business transaction take place with business to business, business to consumers, consumers to business and consumer to consumers. The expressions ECommerce and E-Business are frequently used interchangeably. E-Commerce using various modes such as email, online catalog, search engine optimization, file transfer protocol and web service. Its provided benefits covered wide range of availability of goods and services, the speed of Access and international reach etc. the e-commerce market continues growing.

Types of E-commerce

There are 4 types of E-commerce:

1. **Business-To-Business E-commerce:** B2B E-commerce is simply defined as e-commerce between companies. This is the type of ecommerce that deals with relationships between and among businesses. About 80% of ecommerce is of this type, and most experts predict that B2B e-commerce will continue to grow faster.
2. **Consumer To Business E-commerce:** Business-to-consumer commerce, or commerce between companies and consumers, involves customers gathering information; purchasing physical goods (i.e., tangibles such as books or consumer products) or information goods (such as software, or e-books); and for information goods, receiving products over an electronic network. It is the second largest and the earliest form of e-commerce.
3. **Consumer To Consumer E-commerce:** Consumer-to-consumer electronic commerce involves the electronically facilitated transactions between some third party. It perhaps has the greatest potential for developing the new markets. C2C websites form a perfect platform for buyers and sellers who wish to buy and sell products of similar interest.
4. **Business To Government E-commerce:** Business-to-Government E-commerce or B2G is generally defined as commerce between companies and the public sector. It consists of a marketing products and services to various government levels.

Advantages of E-commerce

To Consumers

The distinct advantages e-commerce can offer to the consumers include but are not confined to the following only:

- Consumers have a much wider choice available on the cyber market.
- They bear lower costs for products due to increased on-line competition among sellers.
- Because of wide-scale information dissemination, consumers can compare products, features, prices and even look up reviews before they select what they want.
- They enjoy wider access to assistance and to advice from experts and peers.
- They enjoy saving in shopping time and money.
- Consumers also avail of fast services and delivery of products and services.
- They also have the convenience of having their orders delivered right to the door step.
- Finally, consumers are driven to e-shopping in hordes as even branded goods cost less on the Net.

To Suppliers

The major advantages that e-commerce can bring to the companies/suppliers are:

- It minimizes inventory cost E-commerce venture need not maintain huge inventories or expensive retail showrooms. Their marketing and sales force is a fraction of that of traditional mortar-based businesses. Ecommerce can minimize inventory costs by adopting just-in-time (JIT) system enhancing the firm's ability to forecast demand more accurately.
- It can improve customer services It has been found that providing both customer and after-sale services account for up to 10 per cent of the operating costs. By putting these services on- line under e-commerce, these costs get reduced, on the one hand, and simultaneously the quality of services also gets improved, on the other.

Review of Literature

Chanana & Geole (2012) Researcher studied the future of Ecommerce in India. Some crucial aspect which will extensively contribute to the boom of the E-Commerce industry in India such as replacement guarantee, M-Commerce services, place-based services, numerous payment option, right content, delivery alternative, legal obligation of generating invoices for online transactions, immediate Service, clear & realistic term and conditions, the product feature should be same as shown on the portal and availability of 24/7 customer care Centre should be there. www.ijcrt.org © 2020 IJCRT | Volume 8, Issue 12 December 2020 | ISSN: 2320-2882 IJCRT2012154 International Journal of Creative Research Thoughts (IJCRT) www.ijcrt.org 1284

Raghunath & panga (2013) it carried out research paper on problem and prospect in ecommerce. Latest technology consisting positives and negatives associated with its apply and Adoption. Consequently, it arising need of crating new ethical issues related to business will emerge. Novel ethical problem should be recognized and urgent steps and actions should be taken. To expansion of E-commerce and adoption by customers' needs avail the sources of consumer confusion, apprehension and risk need to be identified, understood and alleviated. E-commerce endows with fabulous occasion in different areas but it entails wary application for consumer security issues. its enlargement depends to a great extent on efficient IT security systems for which necessary hi-tech and legal provisions need to be put in place and toughen persistently.

Malhotra (2014) this paper focuses on E-business issues and challenges in Indian prospective. It was concluded that Indian customers return much of the commodities they purchase online, Cash on delivery is the preferred payment mode, Payment gateways have a high failure rate, Internet penetration is low and Feature phones still rule the roost.

Harjor and darjor kour (April 2015) present paper discussed about benefits of ecommerce to customers, retailers, producers and distributors. Its various segments that would grow in the future like: Travel and Tourism, electronic appliances, hardware product and apparel. Electronic commerce grant merits such as cost effectiveness, easy and quick comparison shopping, improved customer service, after sale service, information saving and knowledge market development.

Abdul gaffer khan (2016) presented paper based on benefits and challenging emerging in ecommerce. The e-commerce revolution has fundamentally changed the business of transaction by providing new opportunities and breaking borders quality. In Bangladesh, it has muscularly impacted the conventional commerce system and varying the life of inhabitants by making it easier. It avails benefits to customer and seller; e-commerce gives challenges to traditional business for competitive position. Developing nation's appearance many barriers that affect the victorious execution of e-commerce with the help of contrast with developed country.

Mahipal, D., (2018) discussions diverse phases of internet from year 1995 to existing era. Additionally, the study concludes that there will be marvelous progress in upcoming years provided there is security in legal context and e-commerce so that domestic and international trade could enlarge.

Seth, A., Wadhawan, N., (2016) mentions that retailers are essential to go away from their borders orderly to get well-matched with new digital business era. Digitalization is not any more a decision now; rather it has become a need for all retailers. This could incorporate change of plans of action, consolidating innovative speculations, getting well informed with new headways.

Dasgupta and Sengupta paper titled “E-commerce in Indian insurance industry” compares the features of e-insurance with the traditional offline insurance services. According to the study, e-insurance offers benefits like cost reduction and price comparison for customers. It also states that insurance companies going online are also benefitted because they have the opportunity to have niche market, first mover advantage and product bundling. It Further discusses that availability of insurance agent is very less in rural markets as compared to urban markets, hence the status of e-insurance in India is still at a very nascent stage.

Objectives of the Study

- To acknowledge the concept of E-commerce.
- To show the recent issues and challenges faced by the E-commerce business.
- To examine the barriers of E-commerce in India.
- To study the India’s prospects in E-commerce.
- To study the various challenges faced by E-commerce in India.
- To study the various trends in E-commerce.

Research Methodology

The methodology of present paper is theoretical. Methodology consists only secondary data like as publication research, journals and online sources This has been applied in present study the conceptual framework, definition, present trends and some of the challenges and opportunities of e-commerce in India. This has been used to study the conceptual framework, definition, recent trends and some of the challenges and opportunities of E-commerce in India. All the data included is the secondary base and proper references have been given wherever necessary.

Limitation of the Study

The study has been conducted only by collecting the secondary data.

Research Gap

Businesses urge to expand into e-commerce and become wish makers who offer solutions to customers across the globe, creating happiness and creating an economic surplus. Notably nowadays e-commerce is widely used in food, transportation and accommodation. Having said that, there are gaps that still need to be filled, mainly in the area of business-to-business transactions, such as industrial and service supplies.

Findings

The study indicates that e-commerce sector has huge growth potential in India. The growth of mobile internet is encouraging. There are some obstacles responsible for slow growth of e-commerce in India Because of Globalization and Liberalization, the status of online shopping in India has become changed the use of internet has become a hot topic amongst the commercial use of Internet. At that period, nobody has even thought that trading online or say the online shopping will become a trend in the world and India will also contribute a good portion of this success. And now it has been perceiving that online shopping has become very popular in India and the reason behind is good amount of discount, offers, guarantee of return of goods within 30days, delivery time of 7 days and good quality of products etc. A new division in an e-commerce is online medicine, online food service including fruits and vegetable and to increase the sale of products now Baba Ramdev-led Patanjali Ayurved declared its partnership with the eight e-commerce companies. Because of this all the scale of Patanjali products are now easily available in online. For e-commerce business, it has

abundance of benefits. It saves cost on infrastructure and administration Professionals such as Business Analysts, Operations Manager, IT Managers, etc. these are some who are connected with the business as well as IT domains in e-commerce. Brand Management and Public relations are one of the powerful aspects of successful business. For ecommerce surrounded by high competition, a strong communications programme can work wonders. B2B and B2C bloom on delivering the right information to its audience, and with the change in channel of communication, there is a shift in brand marketing and PR strategy follows. Delivery of suitable content and structuring of brand status is done mainly by Brand Managers and Public Relation experts. Career building for creative individuals who have a good amount of understanding of ecommerce market, they can sense easily about consumer wants and providing quality service have excellent prospect in this area. Therefore, in the trends in Indian ecommerce industry there is a requirement of proper skills, education and innovative to reap benefits of opportunities which are presented across several dimensions.

Conclusion and Recommendations

E-commerce is changing the way of buying & selling of product & services in India. Ecommerce is future of shopping. Due to E-commerce the gap has been reduced between manufacturer & consumer. E-commerce has an impact on three major stakeholders, namely society, organizations and customers (or consumers). There are a number of advantages, which include cost savings, increased efficiency, customization and global marketplaces. There are also limitations arising from e-commerce which apply to each of the stakeholders. These include information overload, reliability and security issues, cost of access, social divisions and difficulties in policing the Internet. Successful e-commerce involves understanding the limitations and minimizing the negative impact while at the same time maximizing the benefits E-commerce provides tremendous opportunities in different areas but it requires careful application for consumer protection issues. Growth of e-commerce would also depend to a great extent on effective IT security systems for which necessary technological and legal provisions need to be put in place and strengthened constantly. t. So, the new opportunities will be open for small and big corporations.

Based on the findings of the study on the future of e-commerce in India, the following recommendations are suggested for e-commerce businesses, policymakers, and industry stakeholders:

1. Enhance logistics and infrastructure: Invest in robust logistics networks and improve last-mile delivery. Policymakers should focus on infrastructure modernization and cost reduction.
2. Simplify payment systems: Offer multiple safe and user-friendly payment options. Policymakers should encourage standardized and interoperable payment ecosystems.
3. Foster trust and consumer protection: Prioritize customer trust through data security, transparent pricing, and ethical practices. Policymakers should enact consumer protection laws and accessible dispute resolution mechanisms.
4. Embrace emerging technologies: Integrate AI, augmented reality, and voice commerce. Policymakers should support innovation through financial incentives.
5. Promote digital literacy and inclusion: Conduct training and awareness programs, especially in remote areas. Policymakers should prioritize affordable internet access and digital education.

The Future of E-commerce

- A. **Technological Advancements and Innovations:** This section outlines the potential technological advancements and innovations that will shape the future of e-commerce. It discusses emerging technologies such as artificial intelligence, augmented reality, blockchain, and the Internet of things, and their implications for e-commerce businesses.

- B. **Enhanced Customer Experiences:** The paper emphasizes the importance of enhancing customer experiences in the future of e-commerce. It explores strategies such as hyper-personalization, immersive shopping experiences, social commerce integration, and seamless payment processes to cater to evolving consumer expectations.
- C. **Sustainable E-commerce Practices:** This subsection discusses the growing significance of sustainability in the e-commerce industry. It explores the opportunities for businesses to adopt eco-friendly packaging, reduce carbon emissions, and promote ethical sourcing and production practices to align with consumer values and contribute to a greener future.
- D. **Market Consolidation and Competition:** Here, the paper analyzes the potential for market consolidation and increased competition in the e-commerce industry. It discusses the emergence of dominant players, the impact of mergers and acquisitions, and the challenges faced by smaller businesses. The section also explores strategies for maintaining competitiveness in a rapidly evolving market.

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