

# Emerging Trends of E-Commerce: Challenges and Opportunities

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## Abstract

Electronic commerce (E-Commerce) means purchasing & selling of goods & services by the traders through electronic channels. Customers take benefits of low prices of products offer by the traders & companies. At present due to the popularity of e-business there is a remarkable growth in buying & selling of products & services worldly. The purpose of this paper is to discover the present situation of Electronic Commerce in Indian economy. It also studies the challenges and opportunities of e-commerce. This paper explains that the potential of growth of electronic commerce in Indian economy is satisfactory. Indian economy adopted various information & communication technologies & other e-commerce channels but still confronts many challenges such as poor digital infrastructure, cyber-crimes, digital illiteracy & not proper knowledge towards e-commerce. This paper suggests that an appropriate action should be taken by the Indian government & private organizations to create awareness about e-commerce channels & developing proper digital infrastructures.

**Keywords:** E-commerce, Challenges, opportunities

## Introduction

E-Commerce is a significant part of the dynamic scenario of the information technology sector, which is usually used for global business. Electronic commerce (E-Commerce) means purchasing & selling of goods & services by the traders through electronic channels. E-commerce initiated several technologies like digital funds transfer, Inventory Management System, M-Commerce, Digital Marketing and E-Data Interchange. In India e-commerce is raising due to access of internet facility is increasing, varying standard of living, high literacy, availability of many transaction alternates and positive environment developed towards it. E-commerce is an ideal transformation impacting both traders & the customers. It is directing an entire transform in conventional method of doing trade. This important transform in trade model is proving a remarkable progress around the world. Purchasing products through E-commerce enables customers the freedom to select where to buy & the chance to study the goods, the vendor & other existing alternate.

Currently there is a remarkable increasing rate of responsiveness amongst traders regarding different options proposed by e-commerce channels. E-commerce business provides customers various facilities like easy payment option, attractive discount offer, quick delivery process, cash-back option etc. are promoting customers buying products through online channels. E-commerce also connects rural people

for trade & this helps in growth of rural economy also. Through speedily increasing internet access e-commerce offers best opportunities for the traders to develop and expand their business worldly.

### Objectives

- To study the concept of E-Commerce
- To study the opportunities of E-Commerce in India
- To find out the challenges of E-Commerce in India
- To suggest the fruitful suggestions for the growth of E-Commerce in India

### Research Methodology

The study was founded by secondary data collection from several books, national and international publication and private or public journals obtaining on numerous website and libraries concentrating features on electronic commerce.

### Opportunities of E-Commerce

- **Any time services-**E-commerce offers any time services even in midnight. Therefore the consumers do not need going to market physically if they require any product during the midnight. E-commerce is the main suitable alternate for the citizens who is generally busy with their hectic workloads. So it provides services 24\*7 to the customers.
- **Product details-** E-commerce allows buyers to search about product details, compare rates of product and warranty details etc. so they can finally examine whether product is actually useful or not. Customers can also revise their buying orders through online shopping.
- **Convenience-** with e-commerce customers enjoys variety of options & services. Customers are free to choose any products showed online. Buying orders can be done through online & products are reached at the home of buyers.
- **Products Reviews-** it is very convenient to get about the product reviews or feedback through the digital shopping. E-commerce has created it easier to know the details & reviews of the product so the consumers can buy the products after receiving such information & feedbacks.
- **Reduce Cost-** various vendors have to pay huge amount to manage their physical shop. Usually they may require paying additional expenses such as shop design, freight, sales equipment and maintenance etc. E-commerce business is less expensive and affordable in comparison with a physical shop. E-commerce business does not need these things. It requires less capital for investment, which creates digital sales a big opportunity for sellers especially for small scale vendors. It is also a great alternate for small vendors who desire to get profit but do not have the sufficient capital for start-up.
- **New Markets-** E-commerce has the aptitude to enhance income by exploring new marketplaces for the present products & beginning new supply channels to better perform and negotiate with clients.
- **Less staff requirement-** less require for staff is also an advantage of e-commerce that saves money for sellers. Sellers can sell their products individually.
- E-commerce performs a significant part in advancing & developing the economic system of India. It gives assistance to small businesses to grow their business.

### Challenges of E-Commerce

- **Economic challenges** -E-Commerce merchants face a number of financial difficulties, including the expenses of starting an online store, the quantity of rival retailers, infrastructure upgrade problems and the availability of qualified employees.
- **E-Transaction-** In India, most of people don't hold credit cards, debit cards & not use net banking for transactions, which is the major barrier for the progress of E-Commerce. However, many banks have started to provide debit card facility to every account holders. This is definitely helpful for the growth of online businesses.
- **Lack of Cyber Laws-** The challenge related with electronic commerce is the lack of proper cyber laws to control business deals online.
- **Delivery Services-** Delivery service is the most important factor for the growth of E-Commerce in India. Most of the cities and rural areas are not yet benefitted by the service of shipping or delivery companies. So e-commerce is in a weak position to getting services offered by the shipping & courier service companies.
- **Touch Factor-** People are much satisfies in purchasing goods directly & physically. Many companies like clothing, jewelers have to confront problems to sell their goods because the customer likes to touch & check while buying these items.
- **Tax System-** Tax structure of Indian Economy is an additional barrier for lower progress of E-Commerce. In India, tax rates are differing for all sectors. Thus tax system makes accounting difficulties for the E-Business companies.
- **Connectivity Issue-** As compared to many countries such as France, United States of America (USA) internet access is very low in India.
- **Fear of Online Transactions-** Fear of online transactions is a bigger challenge of E-Commerce. Most of people are not familiar of online payment mode & its safety. People often not interested to reveal their debit card or bank account information. Hence they avoid online shopping.
- **Lack of skill-** Lack of skill & training for doing e-commerce dealings is a major obstacle for the moving towards digital platforms.
- **Cash on Delivery-** Many companies in India are providing cash on delivery method as payment option for the customers. Many customers are getting benefits of this payment option during buy of any goods & services online. But this payment mode becomes costly for companies many times. It is observed that most of consumers refused to give the payment at the point of delivery of the good. Thus, the companies lose the product sale along with its product transportation cost.

### Suggestions for the growth of E-Commerce in India

- ❖ **Security-** All consumers desires for security in buying products online. If the online transaction is safe then consumers will like to buy more products through online.
- ❖ **Internet Connectivity-** Internet connectivity in India is not up to the mark. Many areas especially rural area are still facing poor connectivity issue. Government and private sector jointly make an effort for enhancing the access of internet connectivity in rural areas.
- ❖ **Language-** E-commerce business website should be in easy & clear language.
- ❖ **Rating Records-** An advisory method with involvement from all participants in the e-commerce business should be enhanced to come up with rating records of buyers and vendors. Vendors should

ascertain main rating scales based on earlier buying behavior of customers. Also rating can be allotted to vendors based on their attributes or quality of products provided.

- ❖ **Timely Delivery-** The timely delivery services of the goods is an essential factor to make the e-commerce business more efficient.
- ❖ **Suitable Laws-** India don't have suitable law for data safety & cyber security. So it is require that proper laws formulated for the growth of e-commerce & avoid needless legal proceedings.
- ❖ **Create Awareness-** An appropriate action should be taken by the Indian government & private organizations to create awareness about e-commerce channels & developing proper digital infrastructures.
- ❖ Cash on delivery (COD) option can boost the use of e-commerce.

### Conclusion

E-commerce is rising as a significant means to verify exploding rise of economy of India. Through speedily rising internet access e-commerce offers various alternate for the trader to develop their business. E-commerce is also proving a remarkable progress in advancing of international trade removing the hurdles of limitations among countries. Through e-commerce Imports of product and services are increasing which will assist & benefit different segments of society in reference of ability, knowledge, technical development & better approaches of selling, digital marketing & employment. E-commerce in India acts a key factor in creating overall development & will surely proves dynamic transforms in the future. Due to the rising internet users, it has comfortable and convenient in dealing with the tough market competition for best deals on goods & services.

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