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Analysis of Opportunities & Challenges for Growth of E-commerce in India

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I. INTRODUCTION

E-commerce is a trading or facilitation of trading in products or services using computer networks, such as Internet. E-Commerce is one of the biggest forms of doing E-business, that has happened to the Indian cashless economy in recent years. This has created a new flavor of doing business, which has a huge potential and is fundamentally changing the way businesses are done. This provides advantage for both buyers as well as sellers at the core of its phenomenal rise. The economic reforms of India that were amended in 1991, has resulted in opening of the economy with a view to integrate itself with the worldwide economy. As a result, in last few years we have witnessed a technological revolution accompanied by the widespread use of the Internet, web technologies and their applications. As a symbol of globalization, E-commerce represents the cutting edge of success in this digital age and it has changed and is still changing the way business is conducted around the world.

II. LITERATURE REVIEW

India has an online user base of one hundred fifty million as of June 2014. The access of E-commerce is low as compared to markets just like the USA and UK. However, this is growing at a way quicker rate with several new entrants. E-commerce in India continues to be in mushrooming stage; however, it offers intensive chance in developing countries like India which has ntense urban areas with terribly high skill rates, vast rural population with quick increasing skill rate, a speedily growing web user base, technology advancement and adoption.

Cash on delivery in an unique and distinctive payment mode introduced for Indian customers and may be a most popular payment technique. Moreover, reduction in price of personal computers, reduction in the internet prices, easy access to internet and lot of more competitive Internet Service supplier (ISP) has added fuel to the hearth in augmenting E-commerce growth in Asia's second most densely settled nation.

India's E-business trade is on the expansion curve and experiencing a surge in growth. the web Travel trade is that the biggest section in e business and is flourishing mostly thanks to the Internet-savvy urban population. An outline by the web and Mobile Association of India has exposed that India's E-commerce market is mounting at a median rate of 70% annually and has big over five hundred percent since 2007. This estimate of US $ 1.79 billion for year 2010 is much prior to the market size within the year 2007 at $1.75 billion. Apparently, additional on-line users in India area unit willing to form purchases through the web. Overall e-commerce trade is on the sting to expertise a high growth within the next few years. The E-commerce market in India was mostly dominated by the web travel trade with eightieth market share whereas electronic retail (E-Tailing) command second place with 1.48% market share. E-Tailing and digital downloads area unit expected to grow at a quicker rate, whereas on-line travel can still rule the main proportion of market share. Due to increased ecommerce initiatives and awareness by brands, e-Tailing has practiced tight growth. in keeping with the Indian Ecommerce Report discharged by web and Mobile Association of India (IAMAI) and IMRB International, "The total on-line transactions in India was Rs. 7000 crores (approx. $1.55 billion) within the year 2007-2008 and it absolutely was big by thirty third to the touch Rs. 9200 crores (approx. $2.10 billion) by the year 2007-2008. Overall E-commerce market is anticipated to succeed in Rs 17,800 crores (US$ 24 billion) by the year 2015 with each on-line travel and e-tailing platform equally.

III. ADVANTAGES OF E-COMMERCE TO INDIAN MARKET

E-commerce is one amongst the main forms within the electronic ways of doing business. Awareness among the companies in India regarding the opportunities offered by e-commerce has seen gradual increase year on year. Ease of doing business and web access square measure few of the numerous factors that has resulted in speedy adoption of E-commerce. Safe and secure payment modes have also contributed to create and popularize innovations like Mobile Commerce.

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E-commerce conjointly provides an alternative platform for connecting with customers and conducting transactions. Virtual stores operate throughout the year, all days in a very week, twenty-four hours giving customers to buy at their comfort successively providing ease of doing business for E-commerce merchants.

Indian E-commerce has big at a combined annual rate of 35% since FY10 and is predicted to be $20 billion chance by FY18. The web brings low search prices and high worth flexibility. E-commerce has proved to be extremely value effective for e-business considerations because it cuts down the value of promoting, processing, inventory management, client care etc. It conjointly reduces the load of infrastructure needed for conducting business. Customers are empowered to do transactions for the merchandise or enquiry regarding any product/services provided by an online website anytime, anyplace from any location.

1) *Greater Economic Potency:* We have achieved larger economic potency (lower cost) and additional speedy exchange (high speed, accelerated, or time period interaction) with the assistance of electronic business. Key drivers in Indian e-commerce are:

a) Increasing broadband web growing at 20% and 3G penetration.
b) Rising living standards and a growing, up mobile socio-economic class with high incomes.
c) Handiness of a lot of wider product compared to what's obtainable at conventional retailers.
d) Busy lifestyles, urban tie up and lack of your time for offline looking.
e) Lower costs compared to conventional retail driven by reduced inventory prices.
f) Accumulated usage of on-line classified sites, with additional shopper shopping for and merchandising product.
g) Evolution of the net marketplace model with sites like eBay, Flipkart, Snapdeal.

The evolution of E-commerce has come back a full circle with marketplace models taking centre stage once more.

IV. OPPORTUNITIES

India has prospect of market potential with E-Commerce business growth doubling each year. Morgan Stanley noted that market of E-Commerce can rise to $137 million by 2020. Asian country's annual house financial gain has accumulated in year 2015 of total 246 million in India. Statistics indicate that house financial gain is predicted to achieve $3823 in 2015 & become $6790 in 2020 which can conjointly contribute in growth of E-Commerce.

V. CHALLENGES

E-commerce companies got to address problems like-

Strengthen supplying infrastructure & service levels as storage demand can increase with increase in E-commerce activity in returning years.

Security, privacy breaches & fictitious dealing problems.

Rules & rules for taxation & evaluation of product for international & native corporations.

Customers square measure involved on security once it involves use of credit & debit cards, thus money on delivery is most well-liked mode of payment ought to be created obtainable.

VI. CONCLUSION

The e-commerce market in the country has see growth by thirty four percent in the last seven years, was regarding USD 600 million in 2011-12 and is predicted to the touch USD nine billion by 2016 and USD seventy billion by 2020.

Companies need to address all above among many or challenges to mitigate any prospective slowdown in growth.

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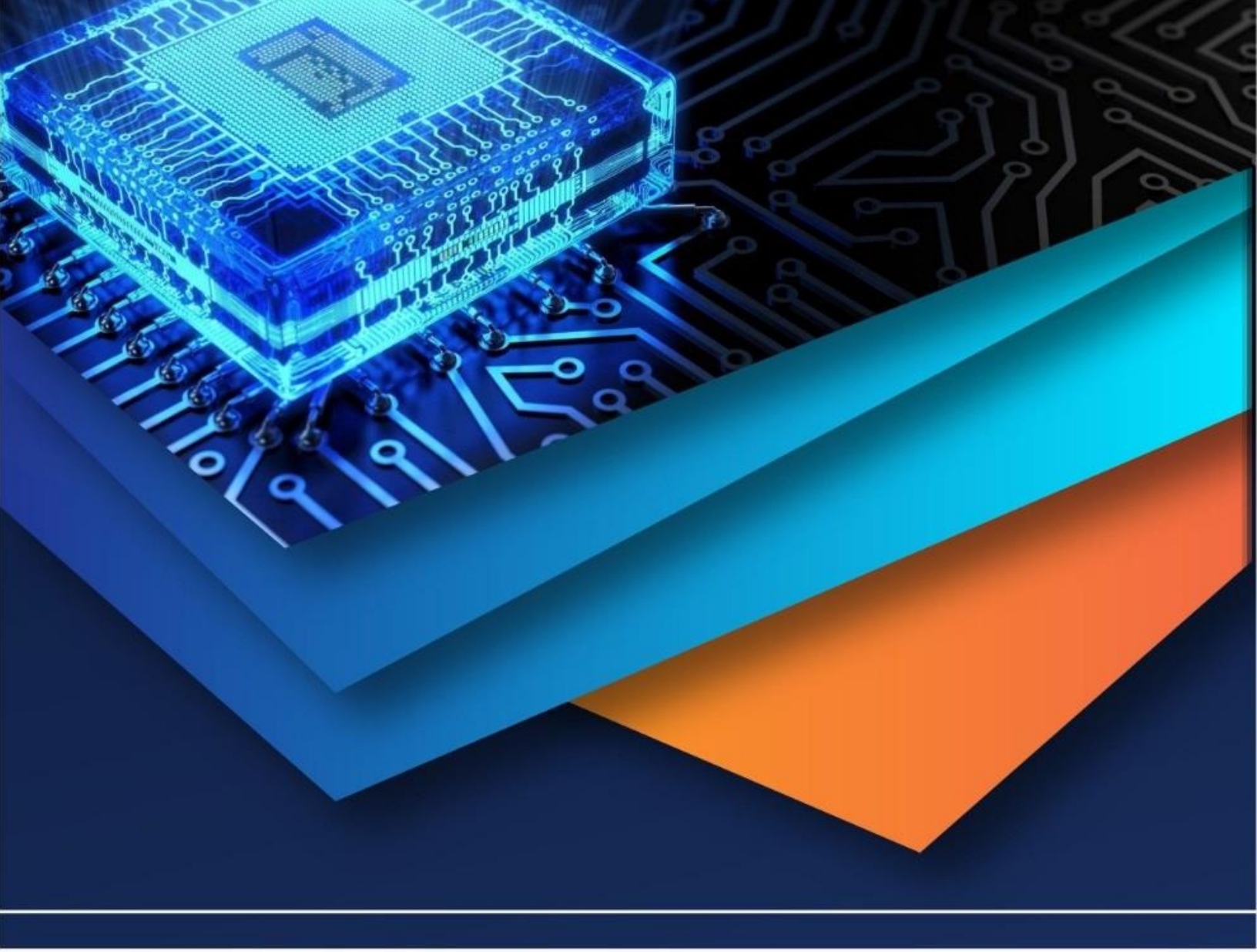

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