

SHIV SHAKTI

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**Problems and Prospects of E-Commerce Sector: A Critical Review of Market System of
India**

Dr. Alka Sharma

Assistant Professor in Political Science

M.B. GOVT. P.G. College, Haldwani, Kumaun University

Email: alka8010@gmail.com

Abstract

E-Commerce is one of the fastest growing features of Indian economic and market system. India is amongst the largest market in the world. However, the digitally less linked demographic profile soon after independence had been acting like a major problem for transforming its market into a digitally connected one. The major and most progressive initiation of E-Commerce in India with the coming of 4G network has now been playing an important role in reducing the gap between Indian population and market. There is no doubt that India's huge population has offered a greater opportunity for E-Commerce but the comparatively less connected population of India with internet and uneducated mass is still a subject of consideration for the success of this sector. In the present research article, an effort is made to study the various opportunities behind the E-Commerce of Indian economy. In the end several hindrances coming in the way of the success of E-Commerce are also analyzed whose solutions are also given in the form of some suggestions.

Keywords: Market, E-Commerce, Digital, Opportunities, Hindrances.

INTRODUCTION

The term E-Commerce itself defined it as an application of Information and Communication technology in the field of business and transactions related to it so that a redefined and value based relationship between the market and the individual (customers) can be established. In simple words, it can be defined as the process of buying and selling of the market products on digital platforms such as markets that are electronically connected with people. It can also be considered as the shifting of traditional businesses into the field of internet so that a better connection between the customer and the business can be established and maintained. This transformation of market into a digital one can also be considered as the process of extension of the entire market system beyond the borders of a particular country. In this process of global expansion of E-Commerce system, the forces of Globalizations such as ICT and other modern technologies have also played an important role. The case of India is also quite similar as being the hub of IT sector and huge population; the forces of Globalization have offered enough of opportunities to transform its traditional business into a digital one.

PROSPECTS FOR E-COMMERCE IN INDIA

India is one of the rapidly growing economies of the world including 800 million mobile phone users. Among these mobile users, 430 million people have internet access which is expected to cross in the coming years. The bright future and opportunities for E-Commerce sector in India can be expected from the fact that the digital payment market of India is supposed to cross \$1 trillion by 2025. If the government of India will provide enough resources to the state governments for encouraging E-Commerce then it will create more dynamism and vitality in Indian economic system and the dream of India to attain the target of \$5 trillion economy will be achieved. So far as the chances of progress in digital market and economic system are concerned, there are number of opportunities for it in India which is discussed below.

CONSUMER AND MARKET-DIGITALLY LINKED

In India the recent development in telecommunication sector such as the arrival of 4G network has significantly improved the connection between Indian market and consumer. Before the

arrival of such high speed internet facilities in India, the connection between consumer and market has not attained significant heights. The recent increase in the process of online selling, buying, developing, marketing, delivering, servicing, and paying for products has depicted the bright future of digital connection between consumer and market. One shocking fact that must be taken into consideration in this paper is the number of male or female who shop online. It has been observed in the context of India that due to the lack of financial independence, women buy fewer products online as compared to their male counterparts. The people having age group between 18 years to 35 years constitute largest proportion of online shoppers. However, the people having age group above 60 years buy least products due to some reasons like financial dependence or illiteracy. Further, it is noted out that the people who have smart phones, particularly belonging to the age group of 18 to 60, constitute the largest part of online buyers of market products. It is a fact has to be accepted that India is a young country and the chances of expansion of E-Commerce sector are more due to growing access to internet services and smart phones.

THE INDIAN MARKET-DIFFERENT AND LESS ACCESSED

The success rate of E-Commerce in India is more bright in spite of cash burn and losses gained by E-Commerce agencies in the middle of a drying up funding milieu because of the reason that India is still an under penetrated market. For greater penetration, these players have to invest and increase capital inflow in talent, and physical supply chain. Things are not limited to this; Indian market has enough of space for E-Commerce to get spread as it is even ready to welcome the market access of E-Commerce giants like Alibaba and Amazon, provided the nature of their business should be more Indianise in nature rather than more European or American. India being a very different and under-penetrated market, the business types which are not able to access the masses of India on board and are only catering the needs of few important and significant classes will be brought out or have to close down as already depicted in the Indian market system since the last one year.

POSSIBILITIES FOR MANUFACTURER, RETAILER, AND SELLER

Benefits of Manufacturer: The manufacturer segment of Indian economy is significant contributor of economic growth. They not only benefit the Indian economy collectively but also

attained huge economic advantage for themselves by digitally linking up online. They can take benefit from E-commerce companies by providing information about their products.

Benefits of Retailers: Indian retailers can show their presence to the global chain of business by connecting with digital market facilities and therefore prove beneficial for the growth of E-Commerce in India. By going online, the Indian retailers can provide enough of information about their products to the consumers and buyers and also maintain communications with the customers. Therefore, E-Commerce sector can be successful in India.

Benefits of Sellers: In the field of E-Commerce, the survival of sellers and wholesalers is at greater threat due to the reason that producer can easily snub them and sell their products to the retailers. In such competitive and insecure environment, those sellers can avail the benefit of E-Commerce which is able enough of maintaining and strengthening contractors with famous producers and connecting their business digitally.

PROBLEMS FOR E-COMMERCE IN INDIA

Lack of Physical Presence:

If the behavioral pattern of Indian people regarding the online shopping is analyzed then it can be stated that it is quite complex. Even in contemporary times, they usually prefer to buy products by going to the market instead of picking up product online even if it is available at cheaper rate.

Alarmed by Fraud:

Most of the people in India, though are educated enough, are always have a cynical and incredulous attitude towards sharing their credit card and bank account details online due to the incidents like scams and data insecurity. This has greatly affected the attitude of the people towards buying things online and ultimately hindered the success and progress of E-Commerce.

Inaccessibility:

India is a large country with huge territorial diversity in which many locations are there which are still out of reach of these E-Commerce companies. Even these companies do not consider it better to invest in these areas due to the lack of infrastructure. It simply shows that the online

agencies and companies are not thinking about winning significant number of customers as these people are comprised of those segments of the society who are depend more on online services.

Poor Services:

This is the sphere which has always been considered as most sensitive part of business but this part has remained on the back seat of every business in India. People always have complained regarding the poor quality of services due to which people usually distanced themselves from buying anything online.

Illiterate Mass: Majority of population in India is still out of the range of buying or selling products online due to the reason that they are not literate. Most of them are residing in rural areas that constitute the majority of illiterate population in India.

SOME SUGGESTIONS

The chances of growth in E-Commerce sector are tremendous in India; however numerous hindrances are still obstructing its full growth due to which it is pertinent to mention in the last of this research article some suggestions:

- Local vendors and shop owners should be integrated with the E-Commerce sector so that local market will also get some benefit from it.
- Those Mobile applications which are dangerous for data security should be listed first then proper efforts must be made to remove them from mobile application store. In such a way, the chances of people's integration with E-Commerce will be increased.
- More and more digitally untouched places of India should be connected with fast internet services so that people can avail the benefits and profits of E-Commerce.
- Proper infrastructure, financial, and technical assistance should be given to the local market owners and shopkeepers so that they can contribute to the growth of E-Commerce in India.
- Some relaxation to E-Commerce companies should be given by the Central as well as State governments.
- Proper emphasis must be made to improve the services of E-Commerce companies so that their image can be upgraded.

- More than half of India's population is residing in rural areas which are not digitally connected. So, government of India should properly proliferate and execute Digital India campaign in these areas.

CONCLUSION

The above discussed article has revealed that despite having multiple hindrances in the growth of E-Commerce in India, its future is quite bright and optimistic. However, it is very difficult to predict its success rate in the rural areas as there are multiple hindering factors which are obstructing its progress. Above analysis pointed out that multiple factors such as location based services, financial and other legal relaxation to E-Commerce companies, quick and effective services will significantly boom and escalate the E-Commerce industry in India. Even number of opportunities are already available for these industries but if both, the government and these industries, collectively attempt to engage people with E-Commerce industry then the chances of its success and accomplishment will further increase.

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