

Status of E-commerce In India- A Review

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ABSTRACT

In India it is still in nascent stage, but even the most-pessimistic projections indicate a boom. There has been a rise in the number of companies' taking up e-commerce in the recent past. Major Indian portal sites have also shifted towards e-commerce instead of depending on advertising revenue. Many sites are now selling a diverse range of products and services from flowers, greeting cards, and movie tickets to groceries, electronic gadgets, and computers, etc. With stock exchanges coming online the time for true e-commerce in India has finally arrived.

INTRODUCTION

Since 1991, after economic reforms explicitly took place in India as a result of opening-up of the economy with a view to integrate itself with the global economy, the need to facilitate international trade both through policy and procedure reforms has become the foundation stone of India's trade and fiscal policies. E-commerce means sale or purchase of goods and services conducted over network of computers or TV channels by methods specifically designed for the purpose. Even though goods and services are ordered electronically, payments or delivery of goods and services need not be conducted online. In view of this, this article tries to present a snapshot of the evolution of e-commerce business indicating the chronological order, category of e-commerce business, description of organizations involved in e-businesses in India, key characteristics of the firms engaged in e-commerce application, to examine the growth of e-commerce in both physical and financial terms, to evaluate the benefits obtained from e-business, to critically analyze the barriers and constraints involved in flourishing e-commerce businesses in India and finally to develop a frame work for effective dissemination of e-commerce in India (Ray.S.,2011). The role of government should be to provide a legal framework for e-commerce so that while domestic and international trade are allowed to expand their horizons, basic rights such as privacy, intellectual property, prevention of fraud, consumer protection etc are all taken care of.

The objectives of this article are to:

- Our objective was to explore e-commerce associated concepts, infrastructure and

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socioeconomic, as they relate to india as a developing country with a government that has taken a special interest in technological capabilities of its population.

- Therefore, we focused on the societal issues and specifically wanted to identify and explore the influence of culture on acceptance and use e-commerce in this developing country.
- To examine the growth of e-commerce in both physical and financial terms. To evaluate the benefits obtained from e-business.
- To critically analyse the barriers and constraints involved in flourishing e-commerce businesses in India and finally to develop a framework for effective dissemination of e-commerce in India.

Lecturer:

Information technology and the growth of e-commerce in the 1990s have brought about significant changes in the retail brokerage industry (Konana et al., 2000). The Internet in particular, led to the rapid growth of online brokerages that offered just trade execution to retail investors, resulting in an explosion of online trading by "self-directed investors" who primarily valued trade execution. Unlike traditional brokerages, online brokerage firms typically have no stock brokers or branch offices, and the entire process is automated (Chen and Hitt, 2002). Adams and Yellen (1976) compare component-pricing, pure-bundling and mixed bundling pricing strategies and show that the package-selling strategy generally increases a seller's profit and extracts consumer surplus. Varian (1995) identifies the basic factors affecting the economics of bundling for information goods and finds that commodity bundling can increase seller profits by reducing the heterogeneity of the consumers' willingness to pay.

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Today e-commerce is a byword in Indian society and it has become an integral part of our daily life. There are websites providing any number of goods and services. Then there are those, which provide a specific product along with its allied services. India is developing rapidly and if development is to be measured, how can we ignore the role of ecommerce in it. The internet user base in India might still be a mere 100 million which is much less when compared to its penetration in the US or UK but it's surely expanding at an alarming rate. The number of new entrants in this sphere is escalating daily and with growth rate reaching its zenith; it can be resumed that in years to come, customary retailers will feel the need to switch to online business.

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The online travel industry includes sale of domestic air travel, international travel, hotel bookings, railway tickets, bus tickets, tour packages and travel insurance etc. India is developing rapidly and if development is to be measured, how can we ignore the role of ecommerce in it. The internet user base in India might still be a mere 100 million which is much less when compared to its penetration in the US or UK but it's surely expanding at an alarming rate (Mitra. A., 2013). The number of new entrants in this sphere is escalating daily and with growth rate reaching its zenith; it can be presumed that in years to come, customary retailers will feel the need to switch to online business. Insights into increasing demand for broadband services, rising standards of living, availability of wider product ranges, reduced prices and busy lifestyles reveal this fact more prominently thereby giving way to online deals on gift vouchers. Going by the statistics, According to a statement released by the Internet and Mobile Association of India (IAMAI), the e-commerce market was expected to touch Rs 46520 crore turnover marks in 2011.

Barriers to e-commerce in India:

- Payment Collection this effectively means one parting away with almost half of profits. Fraudulent charges, charge backs etc. all become merchant's responsibility and hence to be accounted for in the business model.
- Businesses Logistics have to deliver the product, safe and secure, in the hands of the right guy in right time frame. Regular post doesn't offer an acceptable service level; couriers have high charges and limited reach. Initially, one might had to take insurance for high value shipped articles increasing the cost.
- Vendor Management advanced system may be, vendor will have to come down and deal in an inefficient system for inventory management. This will slow down drastically. Most of them won't carry any digital data for their products. No nice looking photographs, no digital data sheet, no mechanism to check for daily prices, availability to keep your site updated.
- Taxation: Octroi, entry tax, VAT and lots of state specific forms which accompany them. This can be confusing at times with lots of exceptions and special rules.
- Limited internet access among customers and SMEs.
- Poor telecom and infrastructure for reliable connectivity.
- Multiple gaps in the current legal and regulatory framework.

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- Multiple issues of trust and lack of payment gateways: privacy of personal and business data connected over the internet not assured; security and confidentiality of data not in place.

E-commerce in emerging economies:

India has the Consumer Protection Act 1986. However, nothing in the Act refers explicitly to e-commerce consumers. It provides for regulation of trade practices, creation of national and state level Consumer Protection Councils, consumer disputes redressal forums at the National, State and District level to redress disputes, class actions and for recognized consumer associations to act on behalf of the consumers. The Act provides a detailed list of unfair trade practices, but it is not exhaustive.

- Developing countries feature prominently in the Index. Developing countries hold 10 of the 30 spots, including first-placed China. These markets have been able to shortcut the traditional online retail maturity curve as online retail grows at the same time that physical retail becomes more organized. Consumers in these markets are fast adopting behaviors similar to those in more developed countries.
- Several "small gems" are making an impact. The rankings include 10 countries with populations of less than 10 million, including Singapore, Hong Kong, Slovakia, New Zealand, Finland, United Arab Emirates, Norway, Ireland, Denmark, and Switzerland. These countries have active online consumers and sufficient infrastructure to support online retail.
- India is not ranked. India, the world's second most populous country at 1.2 billion, does not make the Top 30, because of low internet penetration (11 percent) and poor financial and logistical infrastructure compared to other countries.

Conclusions

Even though there have been earlier studies that have tried to understand and address issues related to e-commerce, there have been very few that have focused on the impact of culture and non-infrastructure related issues. There is a rising awareness among the business community in

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India about the opportunities offered by e-commerce. Ease of Internet access and navigation are the critical factors that will result in rapid adoption of Net commerce. Safe and secure payment modes are crucial also along with the need to invent and popularize innovations such as Mobile Commerce. India Reports provides accurate and easy to understand India specific reports that capture trends, map business landscapes and custom-made reports for specific needs. The other reports available on India Reports are on retail, outsourcing, tourism, food and other emerging sectors in India. E-commerce provides a new venue for connecting with consumers and conducting transactions. Virtual stores operate 24 hours a day, 7 days a week. Many virtual retailers represent a single company while others, such as Top Online Shopping (toponlineshopping.com), represent a consortium of companies. Therefore, we would like to encourage other researchers to focus on different cultural environments (countries or regions, if there is homogeneity of culture) and, by understanding and dealing with these characteristics, enable a broader globalization and acceptance of e-commerce.

***Lecturer EAFM (Commerce)**

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