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Challenges Faced by E-Commerce In India

Abstract

With the increasing use of mobile devices, increased Internet penetration and reliable external payment systems, e-commerce in India is witnessing rapid growth. E-commerce is beneficial for consumers as well as for goods and services manufacturers. E-commerce offers a variety of products at a low cost to cater to its unique needs. Even though the ecommerce industry is rapidly evolving, the ecommerce industry has to overcome some challenges. This is discussed in detail in this research paper.

Keywords : ecommerce, challenges,

Introduction

While most people consider ecommerce as a business-to-consumer (B2C), there are many other types of e-commerce. These include online auction sites, Internet banking, online tickets and reservations, and business-to-business (B2B) transactions. Recently, the growth of ecommerce has expanded by the use of mobile devices, commonly known as 'm-commerce' and is only a subset of e-commerce. As the Internet gets entangled in our daily lives, acceptance of e-commerce continues to grow, and businesses are taking advantage of it. In the early 2000s, many people were sceptical about handing over the details of their cards to an online retailer. Reliable external payment systems have helped improve people's confidence in e-commerce. But nowadays reliable external payment systems have helped improve people's confidence in e-commerce.



Meaning of e-commerce Commerce is concerned with the exchange of goods and services between businesses, groups and individuals. It includes all those deeds, which directly or indirectly facilitate that exchange. It is part of business activity. It deals with distribution of goods and services produced by the business. It transfers the goods and services smoothly to the customers. If all these activities run with the help of the internet, it becomes electronic commerce or e-commerce. Electronic commerce or e-commerce is the buying, selling and exchanging of products, services, and information over the internet. E-commerce is not just related to buying or selling but also it is providing services to the customers. Here products mean physical products and service which provided through the internet e.g. online education, online insurance policy and legal consultancy etc. Main activities in e-commerce are buying and selling products, shipping the products and make ease in payment transfer.

Benefits of e-commerce

1. Significantly, the goods are received directly by the consumer through e-commerce. This eliminates the role of middlemen, also makes the goods cheaper. It also keeps the competition in the market and allows the customer to compare the goods available in the market, which enables the customers to get high quality goods.
2. On the one hand, online shopping makes it easier for the customers to reach the national and international market, while on the other hand, the time saves the customers.
3. Through e-commerce, small and medium enterprises can easily find a platform where they can sell their goods. Also, through this, customers can easily find any specific product.
4. E-commerce has also increased facilities in the field of transportation, such as the convenience of Ola and Uber. Apart from this, facilities like medical, retail, banking, education, entertainment and home service have increased the convenience of the people. So e-commerce is becoming very important from a business perspective.
5. The advent of e-commerce has also seen a decrease in the cost of advertising. It also



reduces the prices of goods.

6. Similarly, where the costs of showroom and warehouses are reduced, on the other hand, the prospects of a new market are also increased. At the same time it intensifies the supply of goods and services and takes into account customer satisfaction.

Challenges of e-commerce industry in India

1. Lack of awareness Some people in India are still unaware of the use of the Internet. Most smart phone users are not aware of online fraud and scams when dealing online. This is a major challenge facing the e-commerce industry.
2. Insufficient plastic money Dealing with e-commerce requires debit card, credit card, net banking and mobile wallet; the vast majority of people in India do not have plastic money. This is also a major challenge in the growth of e-commerce industry in India.
3. Preference to Cash on delivery

Cash-on-delivery (COD) is also an option for online transactions. In which the buyer places an order online and can choose to pay at the time of delivery. It was initially a boon for e-commerce platforms as well as users. The most of Indian customers prefers the cash on delivery option of payment. But if customers refuse to pay at the time of delivery, there is a huge loss and ultimately sales and revenue are lost.
4. Safety of online transactions E-commerce players need to have security software when dealing online, which provides enhanced security to the customer, but many small e-commerce businesses ignore the importance of security software. Such transactions can be extremely risky and can lead to financial loss to the user.



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5. Pre-purchase experience India shoppers want to experience the product, ensure its quality. However, online booking and ticketing business has grown in India as they did not suffer from these problems, but sellers of apparel, jewelry, cosmetics and other goods are still facing this problem.
6. Low Internet Penetration India has less internet access than developed countries. Moreover, the quality of internet connectivity in rural areas is low. However, both of these problems seem to be mitigating to some extent. In the coming years, it is expected that these problems will disappear from India.
7. Return of products Sellers in ecommerce in India often do not meet buyer expectations. At such time the goods purchased are returned by the buyer. Customers' dissatisfaction and return of products are also major problems.

Conclusion

Although the ecommerce industry is rapidly evolving, the ecommerce industry has some challenges as discussed above. Ecommerce industry is facing some problems due to external environment, purchasing behaviour of Indian consumers and available infrastructure. In the coming days, overcoming these challenges, ecommerce in India will develop even faster.

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