



E-BUSINESS: ISSUES & CHALLENGES IN INDIA

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ABSTRACT:

Today there is demand for a business which is flexible enough to respond to any fluctuations in the running of the business. What differentiates an on demand business from its competition is the fact that it is responsive in real time-as the events occur. This is possible only because all its business processes are thoroughly integrated, and the IT infrastructure exists in an on demand operating environment. Electronic Business is more than just buying and selling products online. It also includes the entire online process of developing, marketing, selling, delivering, servicing and paying for products and services. India is showing tremendous growth in the E-business. India has an internet user base of over 100 million users. This is a research paper which after briefly presenting the current E-Business situation in India, analyses the scope, performance and problems of Business in India.

KEYWORDS:

ONLINE, E-BUSINESS, E-COMMERCE.

INTRODUCTION:

E-commerce is anything that involves an online transaction. This can range from ordering online, through online delivery of paid content, to financial transactions such as movement of money between bank accounts. The e-business is one of the biggest things that have taken the Indian business by storm. It is creating an entire new economy, which has a huge potential and is fundamentally changing the way businesses are done. It has advantages for both buyers as well as sellers and this win-win situation is at the core of its phenomenal rise. Rising incomes and a greater variety of goods and services that can be bought over the internet is making buying online more attractive and convenient for consumers all over the country. Electronic commerce is presently an essential ingredient of India's trade facilitation policy. Since 1991, after economic reforms explicitly took place in India as a result of opening of the economy with a view to integrate itself with the worldwide 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. Resultantly, last few years have witnessed a technological revolution accompanied by the wide spread use of the Internet, web technologies and their applications. Electronic Business (e-commerce) as part of the information technology revolution became widely used in the world trade in general and Indian economy in particular.

LITERATURE REVIEW:

India has an internet user base of about 137 million as of June 2012. The access of e business is low as compared to markets like the United States and the United Kingdom but

is growing at a much faster rate with a large number of new entrants. Cash on delivery is a unique thing to India and is a preferred payment method. India has a vibrant cash economy as a result of which around 80% of Indian e-business tends to be Cash on Delivery. Apparently, more online users in India are willing to make purchases through the Internet. Overall e-commerce industry is on the edge to experience a high growth in the next couple of years. The e-commerce market in India was largely dominated by the online travel industry with 80% market share while electronic retail (E-Tailing) held second place with 6.48% market share.

India's e-commerce market was worth about \$2.5 billion in 2009, it went up to \$6.3 billion in 2011 and to \$14 billion in 2012. About 75% of this is travel related (airline tickets, railway tickets, hotel bookings, online mobile recharge etc.). Online Retailing comprises about 12.5% (\$300 Million as of 2009). India has close to 10 million online shoppers and is growing at an estimated 30% CAGR vis-à-vis a global growth rate of 8-10%. Electronics and Apparel are the biggest categories in terms of sales.

OBJECTIVES:

- To study the current position of E-business in India.
- To analyze the future of electronic Business in India.
- To study the challenges faced by E-Business players in India.

ADVANTAGES OF E-COMMERCE TO BUSINESSES IN INDIA:

There is a rising awareness among the businesses in India

about the opportunities offered by e-commerce. Ease of Internet access is the critical factor that will result in rapid adoption of Net commerce. Safe and secure payment modes are fundamental long with the need to invent and popularize innovations such as Mobile Commerce. E-commerce provides a new place 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 an association of companies.

GLOBAL TRADE:

E-business is one of the major factors in the globalization of business. Other factors include decreases in trade barriers, globalization of capital markets. Indian e-business has grown at a compounded annual growth rate of 30% since FY09, and is expected to be \$18 billion (around Rs 1, 11,600 crore) opportunity by FY15.

ROUND THE CLOCK:

Customers can do transactions for the product or enquiry about any product/services Provided by a company anytime, anywhere from any location.

GREATER ECONOMIC EFFICIENCY:

We have achieved greater economic efficiency (lower cost) and more rapid exchange (high speed, accelerated, or real-time interaction) with the help of electronic business.

KEY DRIVERS IN INDIAN E-COMMERCE ARE:

1. Increasing broadband Internet (growing at 20% Mom) and 3G penetration.
2. Rising living standards and a growing, upwardly mobile middle class with high disposable incomes.
3. Availability of much wider product range compared to what is available at brick and mortar retailers.
4. Busy lifestyles, urban traffic congestion and lack of time for offline shopping.
5. Lower prices compared to brick and mortar retail driven by disintermediation and reduced inventory and real estate costs.
6. Increased usage of online classified sites, with more consumer buying and selling second-hand goods.
7. Evolution of the online marketplace model with sites like eBay, Flipkart, Snapdeal, Infibeam, qnetindia.in and Tragus. The evolution of e-business has come a full circle with marketplace models taking center stage again.

CONCLUSION:

The e-commerce market in India has grown by 34 percent in the last seven years, was about USD 600 million in 2011-12 and is expected to touch USD 9 billion by 2016 and USD 70 billion by 2020. According to Forrester, the Indian e-commerce market is expected to grow at a CAGR of over 57 percent between 2012 and 2016, which is the fastest within Asia-Pacific region. The key factors that are driving this growth are the rise of Internet usage

(growing at 20 percent) & 3G penetration, and increasing Smartphone users with availability of Internet on mobile phones. It is estimated that currently there are 27 million mobile Internet users in India out of which 4 percent are buying products on mobile despite the advantages of e-business in India, there are certain challenges to be faced which are as follows

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