

# Growth of E - Commerce in India

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## ABSTRACT

Ecommerce one of the highest growing business, with India having great market potential for investments. There has been enormous surge in investment since last year and more is probable in coming years. The speedy growth in use of mobile and internet users has facilitated ecommerce business in both urban and rural cities. The topics enclosed be occupied of the terms study of commerce, key drivers of growth, market growth potential, investment, retail market, logistics infrastructure, internet regulations, key challenges and future of ecommerce.

**Key words** — Ecommerce, Retail, Sales, Investment, Logistics, Internet Regulations

## INTRODUCTION

The term Electronic commerce (or e-Commerce) refers to the use of an electronic standard to carry out commercial business. Most of the time, it refers to the sale of products via Internet, but the term ecommerce also covers purchasing mechanisms via Internet (for B-To-B). In certain cases, electronic commerce makes it possible to highly make to order products, in particular when the electronic commerce site is linked with the production system of the enterprise (e.g. business cards, modified items such as T-shirts, cups, caps, etc.) Finally, insofar as electronic services and products are concerned (MP3 files, software programs, e-books, etc.), electronic commerce makes it possible to receive the purchase in a very petite time, if not immediately.

## SIGNIFICANCE OF E-COMMERCE

The electronic market place participants are not imperfect only to digital product companies e.g. publishing, software and information industries. The digital age and the digital upheaval concern all by desirable quality of their development innovations:⊖Web-TV and digital television is going to affect TV news and activity programmers.⊖Changes in telecommunication will involve the way the in rank is received, product announcements, orders etc.⊖Phones, Fax machines, Copiers, PCs and Printers have become essential ingredients in doing business, so are E-mail, websites and integrated digital communication

## CHALLENGES BEFORE E-COMMERCE

preliminary investments and scientific issues -To start a web shop requires personal computer, modem and a payment to a Value Added Network (VAN). It also requires updating of current technology and networks. These are inexpensive affairs.⌘Costly consumer search-Search for absolute database on a web incurs some amount of cost to consumer. Time obligatory for search is more and it is costly too. Many sellers do not provide all necessary or required information.⌘More computer illiteracy-In India only 60 million (or 5.2%) of total 120 billion person population at this time have access to the internet. Corresponding proportion in China is 29%.⌘Legal hassles-While marketing on web, some legal hassles arises such as validity of an electronic signature, non-reputability of some shops on the web, legal aspect of electronic contract. Mindsets of consumers-Majority of customers do not know how to use internet so they prefer traditional draw near of buying and selling.⌘Privacy and security problems-60% of the users do not trust the web as a payment channel. Web contract takes place with credit card, but credit card itself is not safe. someone who transfers the data of the credit card on the web is not sure about the salesman identity. shopper is also not sure that his credit card is not used for some malicious purposes.

## FUTURE PROSPECTS OF E-COMMERCE

The report of the United Nations Conference on Trade and Development (UNCTAD) on E-Commerce and Development makes the point that although world financially viable growth has slowed, and inspire of the difficulties in which the information technology and telecommunications sectors are mired, the express growth of internet use and electronic commerce continues. Estimates show that internet use is increasing by around 30 per cent annually, and although the rate of growth of dealings through the internet is much slower, e-commerce could correspond to upto 18 per cent of worldwide business-to-business (B2B) and retail transactions in 2006.

## CONCLUSION

The paper provides impending into the development of e-commerce in India, while considerate the nitty gritty of its different aspects, with special emphasis on B2C e-commerce: which has shown incredible growth in the recent years due to increased consumer awareness, investor trust and technological proliferation. The purpose was to review the literature available on e-commerce, so as to trace its development in the Indian Economy while isolating its relevant advantages and boundaries. The study has also produced certain trends and factors which shall propel further augmentation in the e-commerce market in India. A sustainable business practice would be to promote e-commerce and m-commerce as complements rather than substitutes to traditional business. The synergies between offline and online businesses will augment efficiency and result in a more stable existence. The future also entails a scenario which shall witness a rise in niche businesses, as well as, mergers and acquisitions to enable firms to grow

inorganically. Firms need to commit themselves to the provision of services and application of internet marketing, to produce and retain larger audience. Through mobile penetration, opportunities are emerging in the rural markets which, cannot be tapped unless followed by a network proliferation, better mobile app infrastructure, content development in local languages and last mile Connectivity. Also, in the consequences of demonetization, the share of digital payments is expected to rise, to sustain which, firms need to develop more protected payments infrastructure.

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