

Analyzing The Growth, Barriers, And Impact Of E-Commerce: A Comprehensive Study On Usage And Functionality

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Citation: Prof (Dr). Sanjeev Kumar,et.al (2023), Analyzing The Growth, Barriers, And Impact Of E-Commerce: A Comprehensive Study On Usage And Functionality ,Educational Administration: Theory and Practice, 29(3), 925-927, Doi: 10.53555/kuey.v29i3.7497

ARTICLE INFO

ABSTRACT

Now a days E Commerce market grow with a very significant rate, Specially in India, The main objective of this paper is to find out the actual growth of E Commerce in India & the factor which hamper the growth of E – Commerce in India and also find out the factor which are responsible for the Significant growth of E commerce in India, after identify a lots of factors it clearly indicated that in near future India became the hub of E commerce, because of advancement of technology in India and large Number of Adult consumers in India . Now a days E-Commerce became a new reality of the globalized world. It not only involve the buying and selling of goods and service through online mode but also include the E- Retailing (business to consumer) and also include the business to business transactions, It also include Online education, Online Stock exchange, but privacy, online fraud, safety issues of buyers and sellers are the main barrier in the growth of E Commerce in India. But the way E- Commerce convert physical market into online market is very commendable.

Key Words:- E – Commerce , Business to Consumer, Online Education, Privacy

Introduction

E – Commerce was firstly introduced in India after the introduction of Internet in India in 1995. At very beginning E commerce was started in the form of B2B (Business to Business) client services here B2B mean electronic business relationship where dealing done between the two companies, a direct link were established but at the end of 90s it was shifted towards B2C (Business to Consumer), Business to Consumer mean where business directly sell its product to the end consumer in a very short time. Because of the Introduction of 5G in India and upgradation of Internet network, consumer growth and newer financial products the E commerce market is set to grow and in few next years India became the hub of the E Commerce Industry. If India want to achieve the target of 7 Trilliion Economy, then E commerce definitely played a very important role. Indian government are also set a good platform by introducing Digital India concept and Skill India toward shaping India to Digital Economy, which is very essential for the growth of E Commerce Industry in India.

1. Objectives of the Study

The main Objectives of this study is to find out the growth of E Commerce in India.

- (1) To find out the factors that are responsible for the growth of E Commerce Industry in India.
- (2) To find out the factors that are barrier in the growth of E Commerce in India.
- (3) To find out the usage and functions of E– Commerce.
- (4) To find out the impact of the E – Commerce on the society.

Research Methodology

Sahila. C (2024): The study revealed that India were became the most rapidly growing economy in E-Commerce because of the numerous opportunities available in the Indian Market. Entry of the foreign players,

increased in use of the smart phone, increased in the percentage of digital literacy and easy payment process, all these were played a very important role in remarkable growth of the E Commerce market in India.

Kaur. R & Sarao. K.J., (2024): The study stated that despite of a remarkable growth of E Commerce in India , E Commerce industry were still faced challenges in rural areas because of the uncertainty in the Digital Services and less Digital Literacy in India . The study provide the problems , difficulties and measure to increase the growth of E commerce in india.

Mahipal. D., (2018): The Study concluded that from the year 1995 to present, the way upgradation of internet technology were done and the upgradation of security features in E Commerce process were done. It truly become will bring boom in that market.

Kumar, N., (2018): The study revealed that In compare to 2015, 4 time more growth were recorded in 2021, the main reason for such type of growth were smart phones, Internet and level of digital awareness among peoples, government supports and easy payment procedure but government must have to take some necessary actions to implements strong laws for future growth of E Commerce in India .

Maheshwari, P., & Soni. P., (2017): The Study concluded that Future of E Commerce is very promising in India, because of the growth of the mobile users, and the way society respond toward the e- commerce were also very good , all these happened because of the affordable data price but there were still some challenges and risks, which need to be converted into the opportunities

Research Gap

After analyzed review of literature, it concluded that no doubt E- Commerce market definitely has a bright future in India, but benefits of E Commerce is only restricted to the Tier – 1 and Tier – II cities , Tier – III were still do not able to take the benefit of E Commerce so , Indian Government will have to focus more on Digital Literacy, Internet Services in Rural areas and also promote rural peoples to take avail more and more benefit of E – Commerce.

Research Limitation

Basically, secondary data has been used in the research paper, data were collected from research papers, books, magazines, and newspapers, internet.

2. Factors that are responsible for the growth of E Commerce in India

- (1) **Government Initiatives:** Now a days government of India takes several important decisions to achieve the target of **7 Trillion** till 2030.
- (2) **Digital India:** Indian government introduced the campaign of Digital Indian on 1st July 2015, under the guidance and take care of Ministry of Electronic and Information Technology, Finance Ministry, Under this camping Government tried to provide the high speed internet network to all rural areas in the country. Digital India campaign was basically focuses on (1) Broadband Highways (2) Universal Access to Mobile Connectivity (3) Public Internet Access Programme (4)
- (3) **FDI in E Commerce:** 100% FDI in India basically promote the growth of Amazon and Flipkart in India and also encourage all other E Commerce industries to do business in India and expand their growth.
- (4) **Government e – Market place (GeM):** Government e market place is basically a digital platform that was developed by the Government of India to promote the procurement of Goods and Services in various government departments, organization and also in the public sector unit in India. Under this MSMEs, startups and even large company sell their product directly to the government without the role of the intermediaries
- (5) **E - Transaction:** Due to growth of smart phone usage and Internet usage, E – Transaction record with a significant number in India and in this Digital Literacy and Digital Infrastructure played a very important role, inspite of that BHIM (Bharat Interface for Money) a UPI based payment app and PMJDY – A financial inclusion programme by the Government of India played a very important role.
- (6) **Logistics and Infrastructure:** Introduction of new technology in Logistics and Infrastructure in India like Faster Speed, Reliable service, increased supply of goods to remote areas, establishing of warehouse in rural areas, last – mile delivery solutions, 3PL (Third party Logistics), 4PL (Fourth Party Logistics) all these factors played a very important role in then growth of Logistics and Infrastructure in India.

(3). Factors which are hamper in the growth of Ecommerce in India

- (1) **Last Mile Delivery Issues:** Due to poor road connectivity and lack of address and logistical inefficiencies, sometime product were not delivered properly to the end users.
- (2) **Payment Issues:** Some time Poor Network in India and Error of serve from Bank End, Payments gets failure and problems were occurs in online transactions.

- (3) **Return and Refund Policy:** Some E Commerce companies have basically complex return and refund policy and all these creates a very negative impression on the mind of the consumer.
- (4) **Complex GST framework:** Due to complicate GST Tax structure some time consumers were not full aware about that how much tax that they were have to pay and in near by market same thing is available in very less rate, which also create a negative impact on the mind of consumer.

E – Commerce vs Traditional Commerce

Internet not only changed the nature of competition but also its structure. Earlier due to the limitation of geographical areas, business activity would be restricted up to a limit and all companies within the same geographical area compete with each other but after the introduction of Internet, E- business customer can purchase cheaper products, anytime from anywhere in the world.

Earlier traditional business have large storing, overhead & distribution cost and the concept of the middle man, increased the cost and supply period of the product. Which is the main weak point of the traditional business. But in E commerce both customer and businesses can easily communicate with each other and consumer can easily registered its feedback directly to the businesses, Although E – Commerce is a very fast developing sector in the Indian Economy and as the Internet progress world wide audience definitely will be ready to work in a more energetic way.

Opportunities for E – Commerce in India

In India the future of E-Commerce is very promising, with an annual growth rate of 18% through 2025. Till 2030, India became the third largest consumer market in world. India has a very suitable environment for the growth of the E Commerce in India. Due to the growth of the smartphones, reasonable data price and introduction of 5G in India and rising affluence India became very favorable market for the growth of the E Commerce in India.

Conclusion

In India E Commerce sector is growing at a very fast rate in a very small period of time. But in Tier – 2 and Tier – 3 cities, there were definitely some needs to do more work on E Commerce. The way the Indian Economy react is a very good sign for the growth of E Commerce in India . But there are also some challenges in the growth of the E Commerce last mile delivery Issues, Payment Issues , return and refund policy , complex GST framework restricted some percentage of growth of E Commerce in India, but increased in the number of smart phone users, public awareness, various digitalization programme launched by Government of India, entry of the foreign players, records a sustainable and sufficient growth in E Commerce sector in India.

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