

eCommerce: An Emerging Platform to Boost Global Economy

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ABSTRACT

One of the Indian economy's fastest-growing sectors is e-commerce. E-commerce is a paradigm change that offers consumers several benefits, including reduced prices, more options, and time savings. Global e-commerce is expanding quickly. Electronic commerce encompasses the entire online process of designing, promoting, selling, delivering, servicing, and paying for goods and services in addition to just purchasing and selling goods and services online. E-commerce is growing and offering benefits not just in rich nations, but also in underdeveloped nations. E-commerce is crucial to the expansion of the Indian economy on a worldwide scale. E-Commerce is amazing platform to Promote and comprehend economic and social progress in Indian economy." Globalization, liberalisation, and the easing of restrictions on imports and exports between countries will lead to higher knowledge and information technology growth in all economies. E-commerce is having a significant impact on the Indian economy by raising income and creating more jobs in the information technology industry in a developing country. With a compound annual growth rate (CAGR) of 52%, e-commerce is India's fastest-evolving business and is expected to reach USD 36.7 billion by 2020.

From US\$ 38.5 billion in 2017, the Indian e-commerce sector is anticipated to reach US\$ 200 billion by 2026. Throughout the next five years, it is anticipated to reach \$100 billion, adding more than 4% to India's GDP. The effect of e-commerce on the Indian economy is discussed in this study. The retail industry in India is thought to be worth \$600 billion. Just 5% of all transactions are made online nowadays. There is clearly space for development when compared to the 15% market share that ecommerce now holds in the US. Despite initiatives like "Digital India," the accessibility of smartphones, and the low cost of data plans, large portions of India's population have not yet joined the internet. By 2021, there will be 829 million internet users in India, up from 665 million in 2015. So, the market's intrinsic potential is apparent. And yet, with just 50 million online buyers, only 20 million of whom make purchases on a regular basis, ecommerce remains remarkably underdeveloped. If India wants to continue playing a key role in global ecommerce, it must address a problem like this one. To ensure that transitions go smoothly and with little disturbance, the business sector must work with the GoI on this. In order to do this, a comprehensive ecommerce framework must be created, one that integrates best governance principles while meeting the special requirements of this enormous new customer base.

Keywords: eCommerce, B2B, B2C, B2G and economy.

INTRODUCTION

The term "e-commerce," which stands for "electronic commerce," describes the exchange of products and services through the internet. Since more and more people buy online for convenience, lower costs, and a greater variety of goods, e-commerce has grown in popularity throughout time. E-commerce may take many different forms, such as digital downloads of music and books, online stores like Shopify, and online marketplaces like Amazon and eBay. Consumers may explore and buy things from the convenience of their homes, and retailers can now reach more people than before. New business models including dropshipping, subscription services, and online auctions have all been made possible by e-commerce. E-commerce platforms give retailers the resources they need to handle their online storefronts, handle payments, and process orders. E-commerce, however, also comes with its own set of problems, including fraud, security issues, and managing client expectations. Businesses must adapt as the e-commerce industry changes in order to remain competitive and give their consumers a good purchasing experience. The emerging "digital economy" and globalisation are both having a significant effect on the world economy. National markets across the world—including those in emerging nations—have been impacted by changes in the global economic environment, and these developments will continue to have an impact on businesses and people everywhere. E-commerce now has a significant influence on developing nations mostly in the area of international trade. Research show that the import and export sectors have expanded dramatically over the past several years, therefore e-commerce would have a big influence. The services industry, which is now developing at the quickest rate and has the most potential to offer digitised services and transactions, will also be significantly impacted by e-commerce. This is especially important for some nations because the bulk of their workforces are employed in the services sector.

Definition of E-Commerce

E-commerce, also known as electronic commerce or internet commerce, describes the exchange of money and data necessary to carry out online transactions for the purchase and sale of products and services. Ecommerce can apply to any type of economic transaction that is made possible via the internet, although it is most frequently used to refer to the online sale of tangible goods.

TYPES OF E-COMMERCE

BUISNESS – TO-BUISNESS (B2B): This is very important in the world of e-commerce. It consists of all business-to-business electronic transactions for the exchange of commodities or services. This may improve an organization's ability to manage transactions with partners and distributors.

BUISNESS TO CUSTOMER (B2C): This deal was carried out with private purchasers. This works with consumers rather than businesspeople.

CUSTOMER TO CUSTOMER (C2C): This type of electronic commerce focuses on transactions between individuals rather than businesspeople. Products are sold directly to customers.

CUSTOMER TO BUISNESS (C2B): In this kind of electronic commerce, individual customers sell their goods to businesses. Also, it determines how much money they are able to spend on particular goods and services.

BUISNESS TO GOVERNMENT (B2G): In this kind of government-developed E-Commerce, a website is created that acts as a medium of communication between the government and its citizens.

HISTORICAL DEVELOPMENT OF E-COMMERCE A TIMELINE FOR THE DEVELOPMENT OF E-COMMERCE:

1971 or 1972: The ARPANET is used to arrange a cannabis sale between students at the Stanford Artificial Intelligence Laboratory and the Massachusetts Institute of Technology, later described as "the seminal act of ecommerce" in John Markoff's book *What the Dormouse Said*.

1979: Michael Aldrich demonstrates the first online shopping system.

1981: Thomson Holidays UK is first business-to-business online shopping system to be installed.

1982: Minitel was introduced nationwide in France by France Télécom and used for online ordering.

1983: California State Assembly holds first hearing on "electronic commerce" in Volcano, California. Testifying are CPUC, MCI Mail, Prodigy, CompuServe, Volcano Telephone, and Pacific Telesis. (Not permitted to testify is Quantum Technology, later to become AOL.)

1984: Gateshead SIS/Tesco is first B2C online shopping system and Mrs Snowball, 72, is the first online home shopper

1984: In April 1984, CompuServe launches the Electronic Mall in the USA and Canada. It is the first comprehensive electronic commerce service.

1990: Tim Berners-Lee writes the first web browser, World Wide Web, using a NeXT computer.

1992: Book Stacks Unlimited in Cleveland opens a commercial sales website (www.books.com) selling books online with credit card processing.

1993: Paget Press releases edition No. 3 of the first app store, The Electronic AppWrapper

1994: Netscape releases the Navigator browser in October under the code name Mozilla. Netscape 1.0 is introduced in late 1994 with SSL encryption that made transactions secure.

1994: Ipswitch IMail Server becomes the first software available online for sale and immediate download via a partnership between Ipswitch, Inc. and OpenMarket.

1994: "Ten Summoner's Tales" by Sting becomes the first secure online purchase.

1995: The US National Science Foundation lifts its former strict prohibition of commercial enterprise on the Internet.

1995: Thursday 27 April 1995, the purchase of a book by Paul Stanfield, Product Manager for CompuServe UK, from W H Smith's shop within CompuServe's UK Shopping Centre is the UK's first national online shopping service secure transaction. The shopping service at launch featured W H Smith, Tesco, Virgin Megastores/Our Price, Great Universal Stores (GUS), Interflora, Dixons Retail, Past Times, PC World (retailer) and Innovations.

1995: Jeff Bezos launches Amazon.com and the first commercial-free 24-hour, internet-only radio stations, Radio HK and NetRadio start broadcasting. eBay is founded by computer programmer Pierre Omidyar as AuctionWeb.

1996: IndiaMART B2B marketplace established in India.

1996: ECPlaza B2B marketplace established in Korea.

1998: Electronic postal stamps can be purchased and downloaded for printing from the Web.

1999: Alibaba Group is established in China. Business.com sold for US \$7.5 million to eCompanies, which was purchased in 1997 for US \$149,000. The peer-to-peer filesharing software Napster launches. ATG Stores launches to sell decorative items for the home online.

2000: The dot-com bust.

2001: Alibaba.com achieved profitability in December 2001.

2002: eBay acquires PayPal for \$1.5 billion. Niche retail companies Wayfair and NetShops are founded with the concept of selling products through several targeted domains, rather than a central portal.

2003: Amazon.com posts first yearly profit.

2003: Bossgoo B2B marketplace established in China. **2004:** DHgate.com, China's first online b2b transaction platform, is established, forcing other b2b sites to move away from the "yellow pages" model.

2007: Business.com acquired by R.H. Donnelley for \$345 million.

2009: Zappos.com acquired by Amazon.com for \$928 million. Retail Convergence, operator of private sale website RueLaLa.com, acquired by GSI Commerce for \$180 million, plus up to \$170 million in earn-out payments based on performance through 2012.

2010: Groupon reportedly rejects a \$6 billion offer from Google. Instead, the group buying websites went ahead with an IPO on 4 November 2011. It was the largest IPO since Google.

2011: Quidsi.com, parent company of Diapers.com, acquired by Amazon.com for \$500 million in cash plus \$45 million in debt and other obligations. GSI Commerce, a company specializing in creating, developing and running online shopping sites for brick and mortar businesses, acquired by eBay for \$2.4 billion.

2014: Overstock.com processes over \$1 million in Bitcoin sales. India's e-commerce industry is estimated to have grown more than 30% from 2012 to \$12.6 billion in 2013. US e-Commerce and Online Retail sales projected to reach \$294 billion, an increase of 12 percent over 2013 and 9% of all retail sales. Alibaba Group has the largest Initial public offering ever, worth \$25 billion.

REVENUE GENERATED BY E-COMMERCE IN INDIA

According to a Goldman Sachs analysis from September 2021, India's e-commerce revenue was expected to expand quickly to \$120 billion by 2025. Many people in India are now flocking to internet purchasing for convenience and safety as a result of the COVID-19 outbreak. In the Indian e-commerce sector, some of the major firms include Amazon India, Flipkart, Snapdeal, Paytm Mall, and Myntra. These businesses provide an extensive selection of goods, such as electronics, clothing, food, and more, and they have been extending their reach through alliances and acquisitions. It's important to note that businesses continually innovate and adapt to match the shifting requirements and tastes of consumers in India's highly competitive e-commerce sector. As a consequence, it is expected that e-commerce would continue to create more money in India in the years to come.

KEY DRIVERS OF E-COMMERCE

S.No	Key drivers	Measurement criteria
1.	Technological factors	<ul style="list-style-type: none"> • Telecommunication infrastructure. Backbone players and competition, Pricing, Internet service providers, Range of service available (e.g. ADSL, ISDN), Ownership (private or public sector). • Access to new technology developments. • Bandwidth. • Speed of development and implementation of new technology by industry sector.

2.	Political factors	<ul style="list-style-type: none"> • Number and type of government incentives and programmes to support the use and development of new technology. • Legislation-number and type of supportive or restrictive laws and policies that govern electronic data, contacts and financial transactions. For example, laws that recognise and enforce the validity of electronics documentation, contracts and transactions in a court of law: the validation of digital signatures; the legal usage of electronic security measures such as encryption. • Public policies-whether government supports the growth of electronic transactions and processes. For example, filing tax returns to the inland Revenue electronically, the national education curriculum and training.
3.	Social factors	<ul style="list-style-type: none"> • Skills of workforce • Number of users on-line • Penetration rate of PCs • Level of education; computer literacy and IT skills • Culture of technophilia –a willingness and ability to adopt new technology and the speed at which technology achieves critical mass as in Japan
4.	Economic Factors	<ul style="list-style-type: none"> • Economic growth –GDP • Average income • Cost of technology (hardware and software) • Cost of access to telecommunications infrastructure –pricing structures and rates. • Commercial infrastructure- advancement of banking sector; payment systems • Innovative business models

Source: Bajwa, (2022)

KEY DRIVERS IN INDIAN E-COMMERCE ARE

- A high percentage of people have broadband Internet subscriptions, and the number of 3G and 4G users is growing across the nation. Rapid smartphone adoption will soon make it the second-largest smartphone user population in the world.
- A rise in living standards as a result of the rapid drop in the poverty rate.
- A considerably greater selection of products is accessible than at brick and mortar stores, including long tail and direct imports.
- A rise in the number of people using online classified services to purchase and sell used products.
- The development of multi-million dollar startups like Jabong.com, Saavn, Makemytrip, Bookmyshow, Zomato, Amazon, Flipcart, etc.

FAMOUS E-COMMERCE BRANDS IN INDIA

There are several popular e-commerce platforms in India, including:

1. Amazon India:

Amazon is one of the largest e-commerce platforms in the world and has a significant presence in India. It offers a wide range of products, including electronics, fashion, and groceries.

2. Flipkart:

Flipkart is an Indian e-commerce company that was acquired by Walmart in 2018. It offers products across categories such as electronics, fashion, home appliances, and groceries.

3. Snapdeal:

Snapdeal is another popular e-commerce platform in India that offers a wide range of products, including electronics, fashion, and home appliances.

4. Myntra:

Myntra is a fashion e-commerce platform that offers a range of clothing, footwear, and accessories for men, women, and children.

5. Jabong:

Jabong is another fashion e-commerce platform that offers a wide range of clothing, footwear, and accessories.

6. Paytm Mall:

Paytm Mall is a relatively new entrant in the Indian e-commerce market but has quickly gained popularity. It offers products across categories such as electronics, fashion, and home appliances.

7. Shopclues:

Shopclues is an online marketplace that offers products across categories such as fashion, electronics, home appliances, and beauty products.

8. Tata Cliq:

Tata Cliq is an online marketplace that offers products across categories such as electronics, fashion, and home appliances.

9. Nykaa:

Nykaa is an online beauty and wellness platform that offers a range of products across categories such as makeup, skincare, haircare, and fragrances.

10. BigBasket:

BigBasket is an online grocery platform that offers a range of grocery products, including fresh fruits and vegetables, dairy, and bakery products.

11. IndiaMART :

For Indian enterprises, IndiaMART is a well known B2B (Business to Business) and B2C (Business to Consumer) platform. It makes it easier for customers and producers to communicate. Customers can reach manufacturers, suppliers, and exporters directly by phone or email by listing their items on IndiaMART's website. It currently controls 60% of the market for online B2B classifieds in India.

12. FirstCry:

With over 400 physical sites nationwide, including Mumbai, Bangalore, Hyderabad, Chennai, Kolkata, and other major cities, FirstCry is Asia's most well known eCommerce portal for products for infants, kids, and young children. As of 2023, they have over 200,000 goods from 5000+ manufacturers listed on their website.

13. BookMyShow:

The most well-known media and entertainment company in India is BookMyShow.

India's one stop shop for movie, event, theatre, sports, activity, and monument tickets as well as for the purchase of fan gear is BookMyShow.com. BookMyShow has established subsidiaries in Indonesia, the UAE, Sri Lanka, and the West Indies as a result of its popularity.

14. eBay:

eBay is a global eCommerce corporation with headquarters in California that currently serves 179 nations, including India. C2C and B2C sales are predominantly conducted on its website. The website is now free to use for buyers, but after a predetermined number of free listings, sellers will be charged both a listing fee and a sale price for further products. Among the well known eCommerce platforms are PayPal, StubHub, Skype, Craigslist, and qoo10.jpg.

15. AJIO:

As a part of Reliance Retail's digital/eCommerce initiative, AJIO is a one stop shop for fashion, home goods, and lifestyle products from India and around the world.

Customers' loyalty and confidence have been earned by this online store, which competes with Myntara. The eCommerce portal not only offers unique foreign labels but also its own private label, AJIO OWN.

16. JioMart:

JioMart is an Indian ecommerce business with its headquarters in Navi Mumbai, Maharashtra, India. Jio Platforms and Reliance Retail first collaborated on the project. The business started off concentrating on online grocery sales before branching out into other product categories like fashion, household staples, and leisure goods.

IMPORTANCE OF E-COMMERCE

The term "e-commerce," often known as "electronic commerce," describes the exchange of products and services through the internet. The following are some of the main explanations for why e-commerce has grown in significance in the current business environment:

1. **Convenience:** One of the key benefits of online shopping is how convenient it is for customers. Through e-commerce, customers can make purchases of goods and services without going to a physical store, from the convenience of their homes or while on the go.
2. **Global Reach:** E-commerce enables companies to connect with clients on a global scale, growing their clientele beyond their local market. This can aid companies in boosting sales and brand awareness.
3. **Cost-Effective:** For businesses, e-commerce may be less expensive than traditional brick-and-mortar storefronts. It removes the need for actual shop space, lowers the cost of hiring employees, and can facilitate business operations.
4. **Improved Sales:** By offering clients a greater range of goods and services and by making targeted suggestions based on their browsing and purchasing patterns, e-commerce may assist businesses in growing their sales.
5. **Better Customer Relationships:** By giving individualised customer care, establishing loyalty programmes, and gathering comments and reviews, e-commerce may assist firms in developing closer ties with their consumers.
6. **Data Insights:** Businesses may use data insights from e-commerce platforms to better understand consumer behaviour, preferences, and purchasing trends. This information can be used to guide company choices and marketing tactics.

Overall, e-commerce has grown to be a significant part of the contemporary business environment and offers both consumers and enterprises a number of advantages.

IMPACT OF E-COMMERCE IN INDIA

According to the report, the e-commerce industry in India offers a unique chance to help businesses interact with their consumers due to rising internet and smartphone penetration, rising acceptance of online payments, and favourable demographics. Compared to last year, there would be a five to seven-fold rise in the amount of money made through online sales, with all branded clothing, accessories, jewellery, presents, and shoes being sold at lower prices and delivered right to customers' doorsteps (as per industry body ASSOCHAM). It is stated that competitive online discounts, rising gasoline prices, and a bigger and more plentiful variety will impact the e-commerce market in 2016, causing a considerable upward shift in the buying habits. It was noted that E-commerce, which stands for mobile commerce, is expanding quickly as a reliable and secure complement to the e-commerce sector. Industry executives predict that e-commerce might account for up to 70% of their overall revenues in the future as smart phone shopping changes the game. Mobile and tablet sales now account for between 60 and 65 percent of all e-commerce sales in India; this percentage is up 50% from 2015 and is expected to keep growing. It was reported that one out of every three consumers today conducts purchases via mobile in tier-1 and tier-2 cities, reflecting the general shift in browsing behaviour in India from desktop to mobile devices. Mobile devices were used to conduct 78% of shopping queries in 2015, up from 46% in 2013. The clothes market saw the largest growth rate in 2015, up about 69.5% from the previous year. Electronics came in second at 62 percent, followed by infant care goods at 53%, beauty and personal care products at 52%, and home furnishings at 49%. Mumbai tops the list of internet shopping cities, followed by Delhi, Ahmedabad, Bangalore, and Kolkata. About 45% of internet buyers indicated favoured cash on delivery as their preferred payment method over credit cards (16%) and debit cards (21 per cent). Just 10% chose online banking, and only 7% preferred cash cards, mobile wallets, and other similar payment methods, it claimed. The age range of 18 to 25 has had the fastest increase online among the aforementioned age groups, with both the male and female user bases contributing to this rise. According to the poll, 38% of frequent customers are between the ages of 18 and 25, 52% are between the ages of 26 and 35, 8% are between the ages of 36 and 45, and 2% are between the ages of 45 and 60 (Sachin, 2020).

CHALLENGES IN E-COMMERCE

The following are the main difficulties that buyers and sellers have while conducting business via the internet.

- Public and private corporations are not working together to expand the e-commerce industry. To grow the e-commerce industry, private and governmental cooperation is required. Collaboration builds trust among individuals, which is essential for the success of e-commerce.
- System security, dependability, standardisation, and some communication protocols are lacking. If an e-commerce website is hacked, the customers lose their money. Lack of sufficient cyber security is the most prevalent issue with e-commerce websites.
- Financial intermediaries and institutions: Banks and financial institutions in developing nations have so far been reluctant to actively promote e-commerce. To increase the scope and attractiveness of e-commerce, however, as well as to aid in preventing fraud and possible losses linked to credit card

fraud, merchants must work with banks. Yet, banks and other financial service intermediaries face a difficulty in creating substitute modalities for secure and trustworthy online transactions in settings where credit cards are not widely used. (Abdul 2016).

- There is a tradition in underdeveloped nations to haggle over price when purchasing goods, but this is difficult to do while doing business online due to a lack of infrastructure. The reduction of internet costs is one of the main obstacles. The cost of bandwidth is being kept as low as possible by the authorities. Yet, it is difficult to keep internet prices low due to the high cost of establishing new networks and running costs.
- The most crucial element in using electronic settlements is trust. The authenticity and legality of e-commerce transactions may be questioned due to traditional paper-based norms and regulations. In the industrialised world, trust is built on the implementation of impartiality in electronic transactions and the adoption of modern regulations. Ecommerce-based transactions suffer in regions with underdeveloped legal and judicial systems due to a lack of security, whether actual or perceived. Even now, in many developing nations, cash on delivery is the most common payment method; even checks and credit cards are not often accepted (Roni Bhowmik-2012).
- New transactional techniques, tools, and service providers will need to be defined, acknowledged, and approved by the law. It will be crucial, for instance, to define an electronic signature and grant it the same legal standing as a handwritten one. It will also be necessary to reconsider current legal definitions and licences, such as the idea of a national border and the legal definition of a bank (Chavan, 2013).

DIFFERENCE BETWEEN E-COMMERCE & TRADITIONAL COMMERCE

S.No	Point of Difference	E-commerce	Traditional Commerce
1.	Cost Effective	E-commerce is cost effective. The cost incurred on middlemen is eliminated as there is direct link between the business and the customers. The total overhead cost required to run e-business is comparatively less. Running an e-business require only a head office. Overhead cost can be eliminated by hosting a website	Cost has to be incurred for the role of middlemen to sell the company’s products. The total overhead cost is more. Running a traditional business require a head office with several branches to cater to the needs of customers situated in different places.
2.	Time	A lot of valuable time for both the consumers and business is saved. A product can be ordered and the transaction can be completed in few minutes through internet.	It takes a lot of time to complete a transaction.

3.	Convenience	It provides convenience to both customers and business. It provides better connectivity for its prospective and potential customers as the website can be accessed virtually from anywhere, anytime through internet. It is not necessary to move away from their work place or home to locate and purchase a desired product.	It is not so convenient method as that of E-commerce. Customers have to move away from their home or work place to locate and purchase a desired product.
4.	Accessibility	It is easy to expand the size of the market from regional to international level. By hosting a website, a business can penetrate into global market. It is quite easy to attract customers from global markets at a marginal cost.	It may not be easy to expand the size of the market from regional to national level. Business organizations have to incur a lot of expenses to enter international market.
5.	Introduction of new product	It is easy to introduce a product on the website and get the immediate feedback of the customers. Based on the response, the products can be redefined and modified for a successful launch	It takes a lot of time and money to introduce a new product and analyse the response of the customers. Initially, cost has to be incurred to carry out pilot surveys to understand the taste of the customers.
6.	Profit	It helps the organization to enjoy greater profits by increasing sales, cutting cost and streamlining operating processes	The cost incurred on the middlemen, overhead, inventory and limited sales pulls down the profit in traditional commerce.
7.	Physical Inspection	It does not allow physical inspection of goods.	It is possible to physically inspect goods before the purchase.
8.	Product suitability	It not suitable for perishable goods and high value items such as jewellery and antiques. It is mostly suitable for purchasing tickets, books, music and software	It is suitable for perishables and ‘touch and feel’ items.
9.	Human resources	It requires technically qualified staff with an aptitude to update themselves in the ever changing world. It has difficulty in recruiting and retaining talented people.	It does not have such problems associated with human resources
10.	Customer interaction	The interaction between the business and the customer is screen-to-face.	The interaction between the business and the consumer is a face-to-face.

11.	Fraud	Lot of cyber frauds take place in ecommerce transaction. People generally fear to give credit card information. Lack of physical presence in markets and unclear legal issues give loopholes for frauds to take place in e-business transactions.	Fraud in traditional commerce is comparatively less as there is personal interaction between the buyer and the seller.
12.	Method of Communication	Communication can be done in asynchronous way. Electronics system automatically handles when to pass communication to required person or do the transactions.	Communication is done in synchronous way. Manual intervention is required for each communication or transaction.

IMPACT OF E-COMMERCE ON INDIA’S ECONOMY

E-commerce in India is expanding not simply because more people are using the internet, but also because of the favourable market ecology that has been created. E-commerce and electronic automation applications have greatly accelerated India's economic development. E-commerce connects rural India for business and helps villages improve their economies. It was plainly mentioned in the *National Report of E-Commerce Development in India* that there has been a significant growth in internet penetration in India. In 2017, there were 429.23 million internet users, and that number is projected to rise sharply to 829 million by 2021, considerably boosting India's online economy. It was therefore necessary to link between the growth and influence of e-commerce in the context of the Indian situation due to the increase in digital penetration and increase in internet penetration in India. It was obvious that as there were more digital consumers, there would eventually be a rise in internet penetration as well. Also, as we have already shown in a previous article, m-commerce has seen a large increase as well, which has contributed to the expansion of m-commerce. However, it was abundantly evident that internet penetration was critically needed to have a more substantial influence on the Indian market, especially given the improvement of technology and growth in the number of smartphones and internet providers. Thus, the government has included US\$1.55 billion for the Bharat Net initiative in the Union Budget for 2017–18; e-commerce significantly boosts company growth in the Indian economy. From US\$ 38.5 billion in 2017, the Indian e-commerce sector is anticipated to reach US\$ 200 billion by 2026. The prevalence of the internet and smartphones accounts for the majority of increase. India's e-commerce revenue is anticipated to increase from US\$ 39 billion in 2017 to US\$ 120 billion in 2020, rising at the fastest annual pace worldwide of 51% (Pawar and Ausekar, 2022).

UNDERLYING FACTORS IN E-COMMERCE:

According to the ASSOCHAM Survey (2015), the fastest-growing industry was clothes, which expanded by approximately 69.5 percent over 2014. Electronics increased by 62%, baby care devices increased by 53%, personal care and cosmetics items increased by 52%, and home furnishings increased by 49%. The increased use of smartphones is mostly to blame for the quick expansion of internet commerce in India. The survey claims that the Indian internet commerce market has been dominated by smartphones and

mobile accessories. Moreover, almost 46% of online consumers indicated preferred paying with cash upon arrival to credit cards (16%) and debit cards (21 per cent). Just 7% of people utilised electronic wallets, cash cards, or other comparable payment methods, while only 10% of people used internet banking. Online, the age range 18 to 25 has had the fastest rate of growth, with both male and female groups contributing to user growth. According to the survey, 38% of daily consumers are between the ages of 18 and 25. 52% are between the ages of 26 and 35. 8% are between the ages of 36 and 45. Men make up over 65% of internet shoppers, while women make up 35%. E-Commerce, in the opinion of Mitra (2013), has brought in yet another revolution that is changing how businesses buy and sell goods and services. Novel operational strategies have been developed. Geographical distances are less important in the development of business partnerships. The future of retail is in e-commerce. With the introduction of 3G and 4G wireless networking technologies, the internet economy will start to grow quickly. India will have 30 to 70 million internet users in three to five years, matching or perhaps outnumbering several emerging nations. The Indian Internet economy would then become more significant. E-commerce is poised to play a crucial role in the twenty-first century thanks to the internet's exponential expansion, with new markets opening up for both small firms and giant corporations. It is the responsibility of the government to create an E-Commerce regulatory framework that will allow domestic and international trade to grow while upholding fundamental rights including consumer welfare, privacy, and intellectual property.

LIMITATIONS OF E-COMMERCE TO ORGANISATIONS

Inadequate standards, security, and communication protocols in the system. There are numerous allegations of software security flaws as well as hacking into databases and websites. For instance, Microsoft has regularly sent security alerts and software "patches" over the years. There have been security lapses on a number of commercial and financial websites, including Barclays Bank and Powergen, where 'a technological oversight' or 'a flaw in its systems' allowed for the public release of private client data. Technology is always expanding and changing, so there is a sense of wanting to "keep up" and avoid falling behind. Pressure to innovate and create business models to take advantage of new opportunities can occasionally result in tactics that are bad for the firm. This pressure grows as a result of how easily online company concepts may be imitated and replicated, which reduces long-term competitive advantage. Increased rivalry from both domestic and foreign rivals frequently causes price wars and ensuing unaffordable losses for the company. Issues with interoperability between "newer" and "older" technologies. Older business systems have communication issues with web-based and Internet infrastructures, which causes some firms to run essentially two separate systems where data cannot be exchanged. This frequently results in needing to spend money on brand-new systems or infrastructure that connects several systems. In both situations, this is expensive financially and interferes with how well companies operate.

LIMITATIONS OF E-COMMERCE TO CONSUMERS

To participate in the new "digital" economy, one must own computing equipment, which entails a one-time capital expense for consumers. Both the use of computing devices and navigating the Internet and World Wide Web require some basic technical expertise. Cost of Internet connectivity, including dial-up and broadband rates. Expense of the computer hardware. Making sure that technology is continuously updated to remain compliant with the shifting requirements of the Internet, websites, and apps is just as important as the original expense of purchasing equipment. Loss of control over data obtained over the

internet or the Online, including lack of security and privacy for personal information. As there are numerous nations with varied data protection regulations, some may or may not apply to websites hosted in those countries. Relationships and physical interaction are supplanted by technological procedures. Online shoppers are unable to examine products in person, hear human voices, or sense body language. A lack of trust due to their interactions with computer avatars.

LIMITATION OF E-COMMERCE TO SOCIETY

Breakdown in human connection, as individuals get accustomed to engaging electronically, there may be a decline in social and personal skills that may ultimately be harmful to the society in which we live, where people are more at ease interacting with a screen than with one another. Social division, there is a possible risk that the gap between those who possess technical skills and those who do not widen, making it difficult for those without such abilities to obtain better-paying employment and maybe creating an underclass that might be detrimental to social stability. Dependence on superior telecommunications infrastructure, electricity, and IT expertise, which in poor nations cancels out the advantages when these resources are absent, scarce, or undeveloped.

ADVANTAGES OF E-COMMERCE

The exchange of products and services through the internet is known as electronic commerce, or e-commerce. Here are some of the key advantages of online shopping:

1. **More convenience:** E-commerce allows customers to purchase whenever they want, from anywhere, without having to go to a physical store.
2. **Broader audience:** Compared to conventional brick-and-mortar establishments, e-commerce enables firms to access a broader audience. Customers in various cities, states, and even foreign nations may simply purchase things from businesses.
3. **Reduced costs:** As e-commerce does not require a physical storefront, it may save money on overhead expenses like rent, utilities, and employees.
4. **Enhanced productivity:** Businesses may use e-commerce to automate many of their procedures, including order fulfilment, inventory management, and customer support.
5. **Improved customer experience:** E-commerce systems offer a smooth shopping experience that lets customers locate what they're searching for quickly and simply, make purchases, and get help if necessary.
6. **Data access:** E-commerce gives companies access to useful information about consumer behaviour that they can use to enhance their product offerings and marketing plans.
7. **Environmental advantages:** By minimising the need for physical transportation and infrastructure, e-commerce may help lower the carbon impact of buying.

DISADVANTAGES OF E-COMMERCE

One of the most widely used forms of trade in recent years is e-commerce. While it does provide a lot of advantages for both buyers and sellers, it also has certain drawbacks. The majority of e-commerce's are caused by the underlying technologies' youth and rate of development. The following list includes some of its main drawbacks:

1. **Security:** Security is one of the biggest drawbacks of online shopping. Despite the presence of sophisticated data encryption security technologies, most individuals are reluctant to provide their

personal and financial information. However, there are certain websites that lack the tools and functionality needed to verify transactions. As a result, there have been cases of fraud. The expansion of e-commerce is hampered by people's anxiety about sharing financial information like credit card numbers.

2. **Lack of Privacy:** The privacy of a consumer is jeopardised in e-commerce to some level. You must give the vendor your contact information, including your name, address, and phone number. Several websites still lack the cutting-edge technologies necessary to safeguard sensitive data. Moreover, there are websites that unlawfully and impermissibly gather customer statistics. This is one of the factors that makes consumers wary about online shopping.
3. **Tax Issue:** Sales tax becomes a problem when multiple geographic regions are involved. Sellers have frequently run into issues while calculating sales tax. Also, traditional establishments run the danger of losing customers if online transactions are not subject to taxes.
4. **Fear:** Despite its growth, internet purchasing is still viewed with some scepticism by the general public. This is due to the customer's inability to physically inspect the goods and uncertainty over its features and characteristics. This explains why many individuals like purchasing goods in actual businesses.
5. **Product Suitability:** People cannot personally evaluate the thing through e-commerce, as was already established. The actual product might not always match the description or specs on the e-commerce website. This lack of "touch and feel" has a demoralising result.
6. **Cultural Obstacles:** E-commerce involves clients from all over the world, thus the customs, traditions, and cultures vary. Language barriers might also exist, and all of these things could cause problems between the vendor and the customer.
7. **High Labour Cost:** A trained staff is needed to complete the entire E-commerce and delivery procedure correctly. Companies need to spend a lot of money and hire a competent workforce to get all of these in shape.
8. **Legal Issues:** An e-commerce corporation must adhere to several regulatory requirements and cyber regulations. Countries may have different rules for this. These and other factors discourage companies from adopting electronic.
9. **Technical Limitations:** For e-commerce to work better, modern technological platforms are needed. The flawless operation of an e-commerce site can be hampered by a number of restrictions, including a lack of a suitable domain, network and software problems, and others.
10. **Huge Technological Cost:** Last but not least, it costs a lot of money to build the technological foundation required to run an e-commerce operation. Also, they must be updated in order to stay up with the ever evolving technology.
11. **Delivery Guarantee:** Several folks worry that their order might not arrive or that the website might be a scam. Companies must try to increase the value of their websites by fostering client trust through reviews, testimonials, etc.
12. **Limited face-to-face interaction with customers:** The fact that company owners have more restricted interactions with their customers is one of the biggest drawbacks of e-commerce. Building genuine relationships, which are vital to many company owners and consumers, might be more challenging when one's clients are primarily on the other side of a computer.
13. **Limited bandwidth:** It might be difficult to target or operate in a certain region if bandwidth and dependability differ from one nation to the next.

FUTURE PRESPECTIVE OF E-COMMERCE

In India, e-commerce has been expanding quickly, and the future seems promising. Here are a few explanations:

1. A rise in internet usage: India is one of the countries with the fastest internet usage growth. As the internet becomes more widely used, more and more individuals are going online, which is fueling an increase in e-commerce purchases.
 2. Expanding middle class: The demand for consumer goods and services is being driven by India's middle class, which is expanding quickly. E-commerce sales are increasing as more individuals enter the middle class and get more accustomed to purchasing online.
 3. Mobile penetration: One of the greatest mobile phone user populations in the world is found in India. More individuals are adopting mobile devices to browse the internet and make transactions online as smartphones gain in popularity.
 4. Government support: To encourage e-commerce in India, the government has taken a number of actions. This involves actions like relaxing FDI regulations, offering tax breaks, and pushing electronic payments.
 5. Market competition: Major businesses like Amazon, Flipkart, and Reliance JioMart compete for market share in India's e-commerce sector, which is very competitive. It is anticipated that additional expansion will be fuelled by the innovation and investment being spurred by this competitiveness in the industry.
- The future of e-commerce in India is bright overall. The industry is positioned for continuing growth in the years to come thanks to rising middle class, expanding internet and mobile penetration, government assistance, and a competitive environment.

CONCLUSION

India needed to make significant improvements to its logistics and courier services. While a strong and effective logistics service is one of the main factors in any online company's success, India is trailing behind in this area since the majority of towns and small villages are still not included in many courier and logistic firms' serviceable areas. Due of the restricted services provided by courier service firms, e-commerce is severely hindered. Another reason for India's market's lower development rate for e-commerce than other industrialised nations like the US and UK is its taxation regime. In such nations, the tax rate is the same for all sectors, however in India, the tax structure varies depending on the industry. For Indian internet businesses, this element causes accounting issues. When asked what the most interesting trends in Indian e-commerce are right now, Mehta points to the growth of "phygital" commerce: "Today's consumer has no preference for channels and wants linked experiences and connected journeys whenever they want them Several Indian stores are now adopting "phygital" to solve this (a combination of digital and classic retail). Nowadays, brands that are active in the fashion and lifestyle market are mostly driving this. The distinction between online and offline is becoming more hazy as players become aware that combining the finest aspects of each might result in a 360-degree buying experience. Indian clients generally have psychological resistance to making online payments. Certain percentages of clients have forgotten this anxiety as a result of the widespread understanding of online transactions and their dependability and are now bravely partaking in online purchasing. Nonetheless, most consumers are still unaware of internet transactions and their security. People frequently avoided purchasing online because they were hesitant to provide their bank and credit card information. Indian clients feel more at ease making in-person purchases. People frequently pick a thing by simply touching it. Indian consumers are therefore more likely to purchase tickets and make reservations online for travel, literature, and electronics.

Businesses selling goods like clothing, handicrafts, and jewellery confront difficulties in selling their wares since consumers like to touch and view objects before purchasing them.

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