

Emerging Trend of E-Commerce in India: Some Crucial Issues, Prospects and Challenges

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Abstract

Since 1991, when India's economy was opened up in order to integrate with the global economy, the necessity to promote foreign commerce through policy and procedure reforms has become a cornerstone of the country's trade and fiscal policies. As part of the information technology revolution, electronic commerce (e-commerce) became widely used in the United States. The global economy in general and the Indian economy specifically there have been technological developments that have resulted in. There have been modifications to the business transaction technique. India is a quick adopter of technology. In line with the current state of electronic data exchanges, the company has embraced e-commerce. Because of this, The purpose of this article is to provide a glimpse of the evolution.

INTRODUCTION

India's trade facilitation program now includes electronic commerce as a necessary component. Since 1991, when India's economy was opened to the world as a result of economic reforms, the country has been in a state of flux. To fully integrate into the global economy, it is necessary to facilitate international trade through both policy and legislation. Procedure changes have become a cornerstone of India's economic and budgetary policies. As a result, the last few. Years have seen a technological transformation accompanied by widespread Internet and web usage. Technology and its applications Electronic commerce (e-commerce) is a type of information technology. In general, and in the Indian economy in particular, the technology revolution has become widely utilized-commerce, as a symbol of globalization, represents the cutting edge of digital prosperity.

GROWTH & PROSPECTS OF E-COMMERCE IN INDIA

E-commerce in India is still in its infancy, but it has enormous potential in developing countries such as India. High-density urban areas with high literacy rates, a large rural population with rapid growth. An expanding literacy rate, a quickly developing internet user base, technological innovation and acceptance, and other factors are all contributing to this trend. India is a dream place for e-commerce players due to a number of other variables. Furthermore, the high expense of personalization computers, a growing installed base for Internet use, and a growing number of Internet Service Providers

The Internet Service Provider (ISP) market has fueled e-commerce growth in Asia's second most populous country. The e-commerce business in India is on the rise and enjoying a spike in expansion. The online travel industry is the largest part of e-commerce, and it is thriving. In India, it appears that more people are willing to buy things online. In the next couple of years, the e-commerce industry as a whole is expected to grow rapidly. The year-on-year growth of 70% is likely to continue, with India's e-commerce market expected to reach \$US10 billion by the end of 2011. The online travel business dominated the e-commerce market in India, accounting for 80 percent of the market, while electronic retail (E-Tailing) came in second with 6.48 percent. E-commerce and digital downloads are predicted to increase more quickly, while online travel will continue to dominate the sector. E-commerce has grown in popularity as a result of greater e-commerce initiatives and brand recognition.

ADVANTAGES OF E-COMMERCE TO BUSINESS IN INDIA

The Indian business community is becoming more aware of the prospects afforded by e-commerce. The ease with which people can access and navigate the Internet is one of the most important elements in the rapid acceptance of

Internet commerce. Safe and secure payment methods are also essential, as is the necessity to innovate and popularise new technologies like Mobile Commerce. India Reports provides accurate and easy-to-understand India-specific reports that capture trends, map business landscapes, and provide custom-made reports for specific requirements. Retail, outsourcing, tourism, food, and other developing sectors in India are among the various reports available on India Reports. E-commerce gives businesses a new way to engage with customers and conduct business. Virtual storefronts are open seven days a week, 24 hours a day.

Global Trade:

E-commerce is one of the most important aspects of corporate globalization. Reduced trade barriers, globalization of capital markets, the march toward International Financial Reporting Standards (IFRS), and Internet financial reporting are among the other drivers. Financial reporting over the internet has proven very beneficial to e-commerce businesses (Hunter and Smith 2008). The International Financial Reporting Standards (IFRS) is a global standard for accounting and financial reporting (Smith 2008).

The annual growth rate of e-commerce has been projected to be as high as 28% globally, with substantially higher growth rates in some individual nations. For example, in India, which has a younger market than the rest of the world, the e-commerce growth rate is expected to be as high as 51%.

Virtual Businesses:

Business enterprises today have the possibility to become virtual businesses as a result of e-commerce. A virtual business is a modular structure that connects several independent company organizations using online computer technologies. Individual enterprises that make up the virtual business are linked together, allowing for the exchange of skills, costs, and market access. Only the fundamental competencies of a company firm are contributed. The advantages of a virtual company is that it has the flexibility to take advantage of new opportunities and compete in a competitive market.

Lower search costs:

Low search costs and significant price transparency are predicted to result from the Internet. It is conceivable to develop search engines that will monitor pricing across several websites when competitors simply disclose their prices on the Internet, and this will be aided by the proliferation of standards such as XML. Price transparency may make collaboration easier. Due to greater communication and transparency in the market, as well as the potential for more frequent market contacts, Internet technology may provide an ideal micro-climate for collusion. Concerns about collusion may develop in both online marketplaces and collaborative Internet sales operations, particularly with regard to market design and control.

Increased power of downstream players:

The expansion of e-commerce may help downstream purchasers gain a competitive advantage over suppliers. Lower search and switching costs, for starters, will boost the credibility of customers' threats to transfer suppliers, so increasing their bargaining power. Second, purchasing clubs and proper market design may help them increase their purchasing power. Finally, the expansion of geographic retail marketplaces may make it easier for global merchants to grow. Traditional local or national retailers will have significantly less bargaining leverage with suppliers than these.

Conclusion:

Following the bursting of the dotcom boom, countless businesses have realised that doing business on the Internet is not as simple as it appears. Without a question, the Internet's ability to reach any area of the globe has tremendous promise for strengthening international trade and boosting the global economy. However, just as every coin has two sides, doing business on the Internet has been seen to come with its own set of risks and legal concerns. The legal system has often struggled to keep up with the rapid rate of e-commerce development, leaving it gasping for air. Nonetheless, with the rapid growth of the internet, e-commerce is poised to play a critical role in the twenty-first century, with new options available to both large and small businesses. The government's job should be to provide a legal framework for e-commerce so that core rights like privacy, intellectual property, fraud prevention, and consumer protection are all protected while domestic and international trade expands.

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