THE IMPACT OF E-COMMERCE ON INDIAN ECONOMY

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ABSTRACT

E-commerce includes online trading, E-commerce imparts buying and selling of goods and services on internet. E-commerce is divided into two parts – e merchandise and e finance. In India many companies run their business by using the concept of E-commerce with the help of E-commerce the Indian economy is growing day by day. E-commerce is a growing sector in Indian economy just like we remember the 1990 for the growth of IT sector in India similarly 2010 is remembered for the growth of E-commerce in India. In present the contribution of E-commerce to the GDP will be around 0.2% which is expected to grow 15 times by 2030 around 2.5%

Keywords: E-commerce, GDP, E-Finance, E-Merchandise.

I. INTRODUCTION

The cutting edge of today's business is E-commerce. The main goal of E-commerce is to generate and exploit new business opportunities by providing various services to the people. E-commerce push the Indian economy. In 2019-20 India is the fastest growing market for the E-commerce sector it will growing at an annual rate of 51%, the highest in the world. Generally, E-commerce is often misunderstood with buying and selling goods over internet but it will defines the new form of doing business, recently companies have realized that advertising, marketing and customer support function is also a part of E-commerce.

E-COMMERCE

It refers to the paperless exchange of business information using electronic data interchange E-mails, electronic fund transfer and other network based technology with the help of this we are selling and buying the goods over internet.

Models of E-commerce

1. B2B (Business to Business) - B2B E-commerce implies that both the sellers and buyers are business corporations.
2. B2C (Business to Consumer) - It is a type of E-commerce that is conducted between business and consumers.
3. C2C (Consumer to Consumer) - C2C E-commerce is conducted between the consumers of the product for example eBay.com
4. G2G (Government to Government) - G2G E-commerce occurs between 2 government organisations. All G2G transactions are occurs without the knowledge of citizen.
5. G2C (Government to Citizen) - G2C e-commerce involves government and citizen in the transaction for example issuing of driving licence etc.

II. OBJECTIVE OF STUDY

1. To study the effect of E-commerce on Indian economy.
2. To study the growth and contribution of E-commerce to the Indian economy.

III. RESEARCH METHODOLOGY

This research is based on the secondary data which is collected from the various published sources like newspapers, magazine, Articles on Internet and from published journals.

IV. LITERATURE REVIEW

1. Background of e-commerce in India
   - E-commerce is expanded very quickly in India and is expected to reach $69 billion by 2021
   - Already 100% FDI is allowed in E-commerce by 2020
In the last 2 years, there is a tremendous increase in E-commerce market place competition with the entry of websites like AMAZON, SNAPDEAL, FLIPKART, eBay etc.

The E-commerce companies give huge offers and discounts that affected the sales of traditional companies.

Most of the traditional companies have eliminated out of business due to the heavy competition in E-commerce market place.

E-commerce players will have to shell out tax collected at source (TCS) at up to 2 percent under the goods and service tax (GST) from Oct 2018. Besides, the government has come up with the audit and reconciliation form for companies having a turnover of more than 20 million a year.

2. E-commerce Application services

- E-banking
- E-cash
- E-marketing
- E-governance

3. CHALLENGES OF E-COMMERCE IN INDIA

A. TECHNICAL CHALLENGES

- High speed bandwidth internet connection
- Lack of system security
- Difficult to integrate the internet and e-commerce software

B. NON TECHNICAL CHALLENGES

- Lack of proper knowledge
- Poor market research
- Choosing the right product
- Returns and cancellations
- Logistics challenges
- Packaging
- Cash on delivery
- Changing market trend
- Attracting repeat customers

V. E-COMMERCE AND INDIAN ECONOMY

The e-commerce has reshaped the way of business is done in India. The Indian e-commerce market is expected to extend to US$200 billion by 2026 from US$38.5 billion as of 2018. Much growth of the industry has been triggered by increasing the internet and smart phone penetration. The perpetual digital transformation in the country is expected to increase India’s total internet user’s base to 829 million by 2021 from 604.21 million as of December 2019. India’s internet economy is expected to binate from US$125 billion as of April 2018 to US$250 billion by 2021, majorly backed by e-commerce. India’s e-commerce gross sale is expected to increase from US $39 billion in 2018 to US $120 BILLION in 2021, increasing at an annual rate of 51%, the highest in the world.

GOVERNMENT INITIATIVES

Since 2014 the government of India has advertise various initiatives. The timely and effectively implementation of such programme will likely support the e-commerce growth in the country some of the major initiatives taken by the government to promote the e-commerce sector in India are as follows:

- Digital India
- Make in India
- Start up India
- Skill India and innovation fund

VI. CONCLUSION

Despite all the e-commerce challenges in India, online sellers can construct a big business by following the suggested steps to overcome these challenges as an opportunity to improve the overall performance as an e-commerce entrepreneur.
Following are the achievements of the government in the past 4 years

- Under the digital India movement government has influenced over 16 million women in India like UDAAN UMANG start up India portal etc.
- Under the project internet SAATHI the government has influenced over 16 million WOMEN in India and reached 166000 villages
- According to the UN’S e governance Index India has jumped 11 positions to 107 in 2016
- The government introduced Bharat interface for money(BHIM), a simple mobile based platform for digital payments

VII. REFERENCES