ONLINE BUSINESS ISSUES & STRATEGIES TO OVERCOME IT – INDIAN PERCEPTIVE

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Abstract

The post pandemic scenario have bought in an massive overnight change in the consumer shopping behavior from want need buying consumers they have moved to bulk buying ones, from on-site retail buying consumers to online shopping prosumers, thus accelerating the growth of e-commerce and online shopping. The retailers across the country are trying to have their presence felt on online platform to enhance their business to the nook and corner of the country as well as across the globe. E-commerce was making it presence felt from way back 1960s and business houses used it has tool to exchange the data earlier, by 1979 they started sharing documents via tis tool and finally by 1990s the online markets surged and started gaining momentum. Keeping the same trend India is also transforming the way of doing business, as greater population of India falls under young demographic profile withkeenness to use internet, aiding in growth of ecommerce and promoting online shopping. There are various reasons for flourishing e commerce business worldwide like massive developments in the internet usages among the masses, major advancements in information technology sector, vast progression at logistics and deliveries fronts,time saving mode of shopping, buying variety of product, even groceries at a click of a button, the list continues the major chunk added to all these isease of doing business at global level. With the tremendous growth of e- commerce sector in India, it has come with numerous challenges. Thus this paper addresses the challenges and solutions towards e-commerce business in the Indian perspective both from the point of view of the customers as well as the business owners.

Key Words : E-Commerce, Challenges, Solutions, Business owners & Consumers

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1. Introduction

Electronic Commerce usually refereed as e-commerce is a web based dealing for trading of products and services through the electronic media and web. It includes process like electronic funds transfer, internet marketing, online transaction processing, electronic data interchange, web services and so on. India's retail opportunity is sustainably huge with rich young demographic population, rising standards of living, propelled by large number smart phone users with internet connection along with massive digital transformation it is paving a way to e- commerce and online shopping and prominently it is here to stay. India is also transforming the way of doing business and the Indian e-commerce market in the year 2017 was mere US $ 38.5 billion, with the expected market growth at US $200 billion by 2026, all this is attributed due to increase of smart phone users with internet connections of 483 million users and 760 million users with an estimated projected growth in another five years, the Indian e-retail industry would have more than 300-350 million online shoppers (IBEF Report 2020). Due to the strong e-commerce transmission the consumers are gaining advantage of lower prices, wide access to worldwide products and many benefits to count on thus paving a way to become the virtual main street of the world. E- commerce is started to be a way of life, with umpteen advantages, it is also filled with many challenges and strategies needs to be evolved by corporate to overcome it, thus this paper examines the challenges and opportunities faced by marketers and consumer and strategies to overcome it.

2. Objective of the Study

E- Commerce and online business in India is getting a tremendous response due to high internet access of smart phone, changing life style added to ease of shopping especially during Covid-19 crisis. But all these benefits come with set of challenges and the business owners and consumers must use best of strategies to overcome it. Based on this the objectives of study are stated as follows:

➢ To get a full acquaintance of the E-commerce
➢ To highlight the challenges of marketers and consumers in the process of E-Commerce.
➢ To study the various strategies of marketers and consumers in the process of E-Commerce.

3. Research Methodology

This study adopts conceptual framework and is qualitative in nature. The researcher has used secondary data from various sources like journals, research papers, internet sources and official statistical documents.

4. Review of Literature

The influence of the internet has transformed considerably the innumerable methods in which businesses interact with their clients. One of the key reforms is the move from traditional buying to virtual buying via e-commerce websites. E- commerce is a segment of larger business model, which enables an organization to carry out their business over an electronic platform with the market segments of business to business, business to consumer, consumer to consumer and consumer to business. (Abbas et al., 2021) asserts e-commerce have opened doors to business entities by delivering them with innumerable prospects by additionally improving advance dominant market position by providing them with economical and enriched operational distribution sequence for their products or services. (Vadapalli A. &Ramamurthy K., 1998)quoted e-commerce is the platform to share information, maintaining relationship and conducting of business using telecommunication networks.Jamsheer (2019) defined e-commerce has the convention of telecommunication nets to systematize occupational relations and workflow. There are various advantages of ecommerce as stated by, Harridge-March (2004), e-commerce has conducting of business electronically so as to reduce the cost for the consumer by directly providing the goods from the provider unlike the conventional method. But few authors have stressed on consequences of ecommerce like(Niranjanamurthy&Chahar, 2013) affirmed customers lose confidence in e-commerce system when their sensitive and personal details at the breach, thus posing any challenge. Though there is huge potential for online sales but still customers are reluctant to shop due to security and privacy issues. (Wani& Malik, 2013).The influence of the internet has changed drastically the various ways in which businesses interact with their customers. One of these major changes is the shift from traditional buying to virtual buying via e-commerce websites. Though there are pros and cons of doing online business, based on the reports from (Statista Research Department, 2020) it

states 1.92 billion online shoppers are there worldwide with cumulative sales of $3.5 trillion and also with expected growth of $4.8 billion by 2022. Apart from pros and cons stated above, we can many types of ecommerce models which pave way for online shopping, few are elaborated below.

4.1. Types of E-Commerce Models

According (Clarke, 1999) e-commerce can be categorized into four types

a. Business to Business (B2B): This process takes place as companies buy and sells product/service to another company through online, these transactions have longer cycle, higher order and recurring purchase. Just like a producer to wholesaler. It automates and streamline the business, instance to support a supplier would request on corporate entity website and the requirement details would finalize. Cisco is one of the example of this approach.


Source: Koss Software

b. Business to Customers (B2C): This process takes place by selling products/services directly from business houses to consumers or the end users. Here the consumer orders amenities directly from the web and orders it to the company and the process ends when the company delivers the product to the consumer. The household name for B2C in this space is dominated by Amazon.


Source: Msrblog

c. Customer to Customer(C2C): This process takes place when a consumer sells product/service to another consumer using a third party business app to enable operation. The pioneer in this field is ebay. Usually these websites generates revenue to operate their business by charging small fees to its customers.
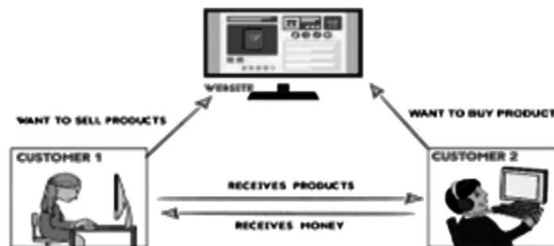
Source:Ecomsay

d. Business-to-Administration (B2A): This processrefers to trade between business entities and government agencies through electronic medium. The business houses are suppliers and government agencies are purchasers. It'sa gateway platform to bid on government prospects like auctions, tenders, etc. The example of this process is Accela.com
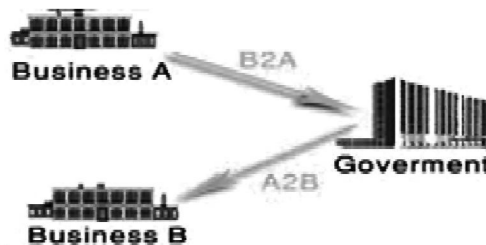
Source: ebusiness

5.1. Issues Faced by theMarketers/ Business Owners

Even though e-commerce has conquered the market place, online services and bought in various benefits it has its own drawbacks. There are various challenges faced by business owners in the developing country like India to reap the ever escalatingincome and trade flows from e-commerce and enable online shopping. Few of the challenges are listed below.

a. Cash on delivery (COD): Many of the E- Companies are still offering COD as one of the mode of payment. Consumers in India still have issues, trusting the security of online transactions and are also taking the benefit of using this mode of payment. But COD is proving quite expensive to the companies, as consumers are denying the product and not making payment at the time of delivery. Thus companies lose their sale along with product transit fees.

b. Personalization: There is a concrete competition for e- commerce companies from retail stores. People in still India still prefer to go to retail stores, where they can have personal touch and feel the product before they take the decision of buying it which is the lacuna in online selling. In India the share of digital shoppers is only 11% percent of the population though 41% of population is using internet

c. Challenges of logistic and shipping: The E- Commerce companies can design good website and also good number of customer can hit them, but still logistic and shipping remains a major apprehension. Due to issues related to supply chain management, courier delivery problem particularly in the rural areas of India.

d. Price battle in marketplaces: E- Commerce companies offer hefty discounts and cash backs in festive times on various items starting from basic groceries to high end electronics to fascinate the typical Indian shopper lulling him with discounts to influence their purchasing decision. This leads to price battles among the companies.

e. Less of smart phone users: Even though mobile phone users are very high in India, still many of them use the feature phone then the smart phones. Only 26% of the population in India use the smart phone in 2018 and will be 36% in 2022 (Statista 2020).As a consequence this customer group is unable to make e-business purchases on the move.

f. Technical challenges: E-commerce companies' faces a lot of technical challenges like the bandwidth is insufficient. Software's are still evolving, along with difficulty in integrating the software. Special web servers and good internet accessibility is lacking.

5.2 Issues Faced by the Consumers

In developing country like India, there are a numerous challenges faced by the customers in dealing with E- commerce business few are listed as follows.

a. Poor knowledge and awareness: India does have large internet users compared to developing counties and this holds well, especially with the rural population, who is unaware of its uses. Though the urban population is using internet but even they have less of knowledge of online shopping. They still think online business is filled with corruption and fraud only, but unaware of online security solutions.

b. Impersonal: In online shopping everything happens through the virtual world, there is no physical meeting between the buyer and the seller building relationship and bond lacks, which can be seen in the offline stores.

c. Privacy and security concerns: One of the universal concerns is privacy and security issues involved in e- commerce as the internet offers largely unregulated cyberspace for data breach and privacy issues.

d. Refund issues: The major hurdle to e-commerce in India is refund, when product specification does not match or a damaged or faulty product is delivered, consumer asks for refund. The companies take a lot of time to refund the amount or sometimes they keep in their valet to buy another product, this way the customer is compiled to buy some other product by default.

e. Lack of trust: The consumer in India buy the product or service from the retailer whom he trusts. But this assurance he cannot feel when buying a product online. As he is not sure of the person due to digital signature, the quality of the product, the norms of guarantee or refund, along with the issues of data breach.

6. Strategies to Overcome the said Issues

Few of the strategies are listed below to overcome the challenges of e-commerce.

a. The transaction must be secured: The consumer in India have issues while buying products online. To gain the trust of consumers the website must be secured and the companies should use encrypted link between server and a browser to prevent and protect customer information this implies especially with the small marketers.

b. To provide proper security measured website: There should be no room for security breach in e-commerce website and they should be designed with total encryption, virus protection and so on.

c. The website content should be easy to understand: The content and design of the website should be easy to understand and preferably the language which majority of the masses understands and room for translation when and where possible.

d. Search ability of the website: This is one of the crucial issue for e-commerce to be successful, as stated by (Narayana&Ramanathan., 2012), a consumer usually searches only first five pages and ignores others, so the companies should web pages with this feature of engine optimization.

e. Customers should take online orders: Once the customer orders a product, he is responsible for accepting it, as it is totally his choice to order the product. Only in the faculty products he can return and ask for refund.

7. Limitations of the study

The study has few limitations as the study isusing only the secondary data, primary data could be used to understand the perception of online shoppers, the study focuses only on Indian market, and this could be taken at global level.

8. Conclusion

To conclude the study, e-commerce has tremendous growth at present and accelerate to maximum in days to come. The companies are slowly shifting from conventional ways of doing business to electronic ways. The study also throws light on various advantages both business houses and consumers being benefiting like for, reducing financial costs, wider markers, larger reach, better price, 24/7 access to web store, etc. The later part of the paper focused on few limitations like technical glitches, security issues, people trust were mainly focused on. Finally the paper suggested few strategies to overcome in the path of successful implementation of ecommerce. Considering the whole paper, one can expect that the e-commerce sector is here to stay long with growing and improving in years to come. The development ecommerce will definitely results in adding more advantages and eliminating the limitations. Thus, e-commerce and online shopping collectively plays a major role in driving the economy and this is attributed due to its popularity and fast phase development in information technology with many smart phone users and young demographic profile. However India has vast and untapped market with huge opportunities and challenges to make its presence at global levels and lure the shoppers for online shopping.

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