

# Advantages and Challenges of E-Commerce Customers and Businesses: In Indian Perspective

OPEN ACCESS

Volume: 6

Special Issue: 1

Month: October

Year: 2018

ISSN: 2321-4643

Impact Factor: 3.122

Citation:

Aswini, K. &, and S. Bama. "Advantages and Challenges of E-Commerce Customers and Businesses: In Indian Perspective." *Shanlax International Journal of Management*, vol. 6, no. S1, 2018, pp. 173–176

DOI:

<https://doi.org/10.5281/zenodo.1461343>

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## Abstract

*The massive Indian market is changing fast. Internet access is a mainstreaming among professionals and the use of mobile is intensifying. This change is increasing at a rapid speed with the digital channels growing in larger volumes. Day-by-day the Internet users in India or on increasing trend. People spend more time on online.E - Commerce allows customers to electronically replace goods and services with no barrier of time or distance. Electronic commerce has expanded rapidly over the past five years and is predicted to continue at this rate, or even pick up the pace. In the near future, the restrictions between "conventional" and "electronic" commerce will become increasingly blurred as more and more businesses move sections of their operations onto the Internet. The e-commerce industry in India is growing at a remarkable pace due to high penetration of internet and sophisticated electronic devices. However, the recent growth rate of e-commerce in India is far lagging at the rear than other developed countries.*

**Keywords:** e-commerce, electronic commerce, advantages, challenges.

## Introduction

Electronic commerce or e-commerce is a term for any type of business, or commercial transaction, which involves the transfer of information diagonally the Internet. It covers a range of different types of businesses, from consumer based retail sites, through auction or music sites, to business exchanges trading goods and services between corporations. It is currently one of the most important aspects of the Internet to emerge. Carrying out these transactions electronically provides vast competitive advantages over time-honored methods. Electronic transactions have been around for quite some time in the form of Electronic Data Interchange or EDI. EDI requires each supplier and customer to set up a dedicated data link (between them), where e-commerce provides a cost-effective method for companies to set up multiple, ad-hoc links. Electronic commerce has also led to the development of electronic marketplaces where suppliers and potential customers are brought together to conduct mutually beneficial trade. The telecom sector is also playing a vital

role in this digitalization process. The launch of Reliance Jio which has free unlimited access to Internet and other companies like Airtel, Idea, Vodafone & BSNL play a major role in E-commerce.

### **e-commerce Advantages for Customers**

**Convenience:** With the invent of internet literacy, the whole world is the finger tip. But just typing the product in the search engine you can look for product that opts for you in various size, shape and design in just a matter of seconds.

**Time-saving:** With e-commerce, there is lot of savings in time as we need not step out of our home for any purchase. Many big stores have started online shopping with full line as well use warehouse that are easy to locate and delivered in just a few days.

**Options, options, and options:** Choosing from a variety of products online is a difficult task since online shopping offers more options to choose from. While a physical store has limited space, the same store on the internet will have full stock.

**Easy to compare:** Side by side comparisons are readily available and easy to do. When products are placed online, they come with all the specifics, and they want you to compare them with others, know they have the best options and come back for more!

**Easy to find reviews:** Because the competition is high, companies’ online want you to look at other consumer reviews. Good and bad reviews are on every site, not only can you see if the product is liked, but you can also see the reasons behind the thumbs up or down.

**Coupons and deals:** With every online business wanting you, more and more coupons and deals can’t be avoided, which are great for customers. With major sites that act as department store, you may find items up to 80% off. Take advantage of the competition and find the best price available.

### **e-commerce Advantages for Businesses**

**Increasing customer base:** Customer satisfaction is the ultimate goal in every organization whether it is online or off line. Purchase of the products can be made from any corner of the world.

**Rise in sales:** Since the purchase and sales are made worldwide, they is a chance in increasing the sales to a large extent which in turn would increase the profit of the organization.

**They can redistribute money to make the consumer shopping experience faster and more efficient.** While being available to international markets, more products will sell.

**24/7, 365 days:** If it’s snowing and the roads are closed, or it’s too hot and humid to even step outside in the summer, or a holiday that every store in town closes, your online business is open for consumers 24/7 every day of the year. The doors never close and profits will keep rising.

**Expand business reach:** Expansion of the business is possible throughout the world as it does not require any specific language to be read or understood. I need to require any site for every language. With the right marketing, every consumer around the globe can find the business site, products and information without leaving home.

**Recurring payments made easy:** With a little research, every business can set up recurring payments. Find the provider that best suits your needs and billing will be done in a consistent manner; payments will be received in the same way.

**Instant transactions:** With e-commerce, there is no more waiting for the check to clear or a 30-day wait for certain other types of payment. Transactions are cleared immediately or at most two to three days for the money to clear through the banking system.

### **e-commerce Disadvantages for Customers**

**Privacy and security:** The major disadvantages in the online transactions will be of the security and privacy of the customer. So it would always be better to check for the security certificates.

Convenient shopping should not end up in personal information to be stolen.

While many sites are reputable, always do your research for those with less than sufficient security.

**Quality:** While e-commerce makes everything easily accessible, a consumer cannot touch products until they are delivered to the door. It is important to view the return policy before buying. Always make sure returning goods is an option.

**Hidden costs:** When making purchases, the consumer is aware of the product cost, shipping, handling and possible taxes. Be advised: there may be hidden fees that won't show up on your purchasing bill but will show up on your form of payment. Extra handling fees may occur, especially with international purchases.

**Delay in receiving goods:** Although delivery of products is often quicker than expected, be prepared for delays. A snow storm in one place may throw off the shipping system across the board. There is also a chance that your product may be lost or delivered to the wrong address.

**Need access to internet:** Internet access is not free, and if you are using free wifi, there is the chance of information theft over an unsecure site. If you are wearing your public library, or cannot afford the internet or computer at home, it may be best to shop locally.

**Lack of personal interaction:** While the rules and regulations of each e-commerce business is laid out for you to read, there is a lot to read and it may be confusing when it comes to the legalities. With large or important orders, there is no one you can talk to face to face when you have questions and concerns.

### **e-commerce Disadvantages for Businesses**

**Security issues:** While businesses make great efforts to keep themselves and the consumer safe, there are people out there that will break every firewall possible to get the information they want. We have all seen recently how the biggest and most renowned business can be hacked online.

**Credit card issues:** Many credit card businesses will take the side of the consumer when there is dispute about billing—they want to keep their clients, too. This can lead to a loss for e-commerce business when goods have already been delivered and the payment is refunded back to the consumer.

**Extra expense and expertise for e-commerce infrastructure:** To be sure an online business is running correctly, money will have to be invested. As an owner, you need to know transactions are being handled properly and products are represented in the most truthful way. To make sure you get what you need, you will have to hire a professional to tie up any loose ends.

**Needs for expanded reverse logistics:** The infrastructure of an online business must be on point. This will be another cost to the business because money will need to be invested to ensure proper handling of all aspects of buying and selling, especially with disgruntled consumers that want more than a refund.

**Sufficient internet service:** Although it seems that everyone is now on the internet all the time, there are still areas in which network bandwidth can cause issues. Before setting up an e-commerce business, be sure your area can handle the telecommunication bandwidth you will need to run effectively.

**Constant upkeep:** When a business has started as e-commerce, they must be ready to make changes to stay compatible. While technology grows, the systems that support your business must be kept up to date or replaced if needed. There may be additional overhead in order to keep data bases and applications running.

## Conclusion

E-marketing also offers businesses the opportunity to garner the data about their customer base to an extent that has till now been very difficult to achieve via traditional marketing methods. The development of internet marketing and social media advertising has led to examples of business in recent years that appear to little more than categories and filter information relating to products and services on the Internet, taking a small cut from any transaction that may occur as result. In the next few years, online marketing in India will strengthen even further. However, long-standing sustainability directly depends on factors like changes in the market, innovations and interactivity by market places. Owing to increased penetration of credit cards and easy access of computing witnessed a promising growth. Moreover, bargain-hunting consumers are latching on this trend as Internet retailers are known to offer products at special discounted prices compared to store-based retailers. Consumers in the country can now truly expect a well streamlined, efficient and world-class shopping experience supported by the best technology.

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