



E-COMMERCE IN INDIA: CHALLENGES AND THEIR SOLUTIONS

Mr. Gajanan Dhumal,

Assistant Professor,

Department of Mathematics, B.K. Birla College, Kalyan (E)

Abstracts:

The term E-Commerce means the process of buying or selling products on the internet. In simplest language, E-Commerce refers to the meeting of buyers and sellers over the internet. E-Commerce involves many technologies such as online banking, mobile banking, electronic fund transfer, online transaction processing, online marketing etc. E-Commerce has become an integral part of everyone's life. Though it is not famous in rural areas because of internet issues, it has been growing slowly in many parts of the country. The main objective of the study is based on analyzing different challenges faced by E-Commerce and their solutions.

Keywords Conversion rate, Challenges, E-Commerce

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Introduction:

E-Commerce is nowadays growing very rapidly in India. During COVID period people mostly preferred online shopping rather than going outside. Nowadays it has become an integral part of life. People in India find it convenient to shop on the internet. E-commerce is offering more benefits than the traditional shop. There are many challenges faced by E-Commerce. Some challenges are easy to overcome but some are not. This is an attempt to study challenges faced by E-commerce and find solutions for the same so that the future of E-Commerce in India will be bright. For each of the issues and challenges, proposed solutions are presented.

Objectives of the study:

- To understand the challenges of E-Commerce
- To find the solutions of the challenges

Challenges faced by E-Commerce and their solutions

1. Customer Satisfaction

The most important challenge faced by E-Commerce is Customer Satisfaction. The price of the product needs to be reasonable and the quality of the product needs to be excellent. The product available on E-Commerce sites should be cheaper than the product available in shops. If the delivery of the product is free and on time then the customer becomes more satisfied.

**Solution:**

In order to make your customer satisfied, companies should sell those products which are excellent in quality. Customer feedback should be reviewed and accordingly their issues should be solved. Ensure that the company should have a good connection with its customers. It can be done by sending personalized email or text messages with product updates, new offers and notifications.

2. Delivery of the product

Most people prefer the fastest delivery of the product they buy. Whenever people search for any product on a different E-Commerce website, they first check delivery time of the product. If the delivery of the product is within one or two days, people immediately buy the product. Therefore delivery of the product is also a great challenge for E-Commerce.

Solution:

E Commerce business mainly rely on their delivery partners. Company should select the right delivery partner which will deliver the product on time. Delivery time of the products should not be too long. Company should fulfill the promise of delivery of the product on time. Update the delivery of the product with the customer on a regular basis till it reaches the customer. Use of a GPS system will help to track the product. This shows that you are dedicated to providing the best delivery service.

3. Selection of right product

If you want to sell any product online, you have to choose the right product. You have to do a lot of Market research for a good product. You also need to check demand of the market and accordingly you have to make the product available for the customers. So you have to work very hard to identify the right product which gives you profit.

Solution:

You should first know the customer demand to choose the product to sell online. You should start the research by investigating the daily routine of the customer. When customers search for any product on a website, check which product is searched frequently and accordingly try to make the same product available for the customer. First try to sell a few products. If the demand for the product is more, make the product available in large quantities.

4. Gaining Profit

It is not so easy to gain profit for every product which is sold. This is the major challenge for any E-Commerce. There are many charges levied for a product like packaging, handling, shipping etc. After calculating all these charges, the company has to sell products with marginal profit value in order to survive in the market.

Solution:

In any business profit depends on the product sold. In order to sell more products, keep a watch on market demands. Use of excellent product description, good photos of the product, review of the product will help sellers to sell more products. offering discounts on products will also help to sell more products. Some E-commerce companies like flipkart offer Plus Membership and Amazon offer prime memberships for their regular customers. The benefits of



plus membership is getting free shipping for some products, more discount on selected products and first live sale for the customers.

5. Product Stock in Warehouses

E- Commerce companies have to maintain enough stock of products in warehouses in order to fulfill the orders of customers. Whenever a customer searches for any product, it should not be out of stock. When customers see any product out of stock, they move to another seller. Therefore the seller should have enough stock in the warehouse.

Solution

Use an inventory management system such as Skedule to manage stock in the warehouse. You can forecast the sale of items by analyzing sales history, current quantity orders and hand-on quantities. Make good relation with your supplier to keep enough stocks in the warehouse.

6. Return and Refund Policy

This is the most frustrating thing for any E-Commerce Company. Some buyers deliberately buy products and return. There are some genuine returns but some are fake too. After the return of the product by the customer, the company has to arrange pickup of the product. There is no guarantee that the product will be in good condition.

Solution:

First check which product is being returned frequently. Increase the time to return the product which will allow customers to think whether to return or not to return the product. Check the quality of the product before it is shipped. Warranty and guarantee certificate should be sent with the product wherever it is necessary. It will give more credibility to the product. You can add clear product description and product images so that there will be less chance of the product to be returned. Also include product review in the description of the product.

7. Conversion Rate

Conversion is the act of purchasing for both your physical store and E-store.

Number of customers visit online shopping websites, but very few customers actually buy the product. Conversion rates are the number of people who purchase the product out of your total website visitors. This is one of the biggest challenges for the new retailer when they see the conversion rate is single digit.

Solution:

Conversion rate can be increased in a number of ways. You can give discounts on products. You can make delivery of the product free. Do not ask the customers to log in for the first visit. Increase the speed of the site. You can give some offers to the customers. Flipkart gives plus membership for their regular customers in which customers get many benefits like free shipping, discount etc.

8. Identity verification

In online shopping, generally frauds happen during their payment transaction. Online shopping can be done with fake mobile numbers, addresses and money transactions which will result in massive revenue loss.

Solution:

For identity verification, one can use two factor authentication in which customers need a code sent through mobile or email. Identity Verification software can be used for the identity verification process.



9. Cyber security

Cyber attacks infect your E-commerce website with viruses. Personal details of customers like mobile number, email ID can be made public which will damage the reputation of your company and will turn away customers forever. It is certainly one of the major nightmare for any E-commerce company.

Solution:

E-Commerce companies ensure that their customers create strong and unique passwords while registering on their platform. Customers ensure that their devices are protected with the latest anti-malware software against cyber attack.

Customers should disclose their password to anyone. They should not click on suspicious emails or links. Companies should ensure that their websites are always updated.

10. Advertisement

Digital advertisement has been a more affordable form of advertisement than the traditional advertisement. But in the recent year, digital advertisements have become more expensive. Rate of advertisement on social media has increased in the past few years. E-commerce has not yet reached people in the rural area. This is also one of the major concerns for E-commerce companies.

Solution:

Companies can advertise their product on social media such as facebook, whatsapp which is free of cost. For those customers who stay in rural areas and don't have internet access, companies can ask their regular customers to reach them and buy products on their behalf and in return, companies should offer them some discount. Companies can also choose offline advertisements to make people aware about their products.

Conclusion:

In order to grow E-Commerce in India, there should be substantial efforts made by the E-Commerce Companies. Every day E-Commerce is facing new challenges. E-Commerce companies should be ready to take on these challenges. Many customers have no knowledge about the use of the internet and websites for commercial purposes. If E-Commerce wants to grow then there should be a complete awareness program to be launched by the E-commerce Companies.

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