



## **e-commerce in India**

### Introduction

- ❑ E-commerce - business model that lets firms/ individuals buy/ sell things over the internet
- ❑ The Indian e-commerce market expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion in 2017
- ❑ Indian Industry on an upward growth trajectory
  - expected to surpass the US to become the second largest e-commerce market in the world by 2034

### Types of E-commerce

- ❑ Business to consumer (B2C) - eg: Amazon, flipkart, paytm, etc
- ❑ Business to Business (B2B) - eg: eSteel.com, etc
- ❑ Consumer to consumer (C2C) - eg: Ebay.com, etc
- ❑ Peer to Peer (P2P)
- ❑ M-commerce (Mobile Commerce)

### Advantages of Ecommerce

- ❑ Faster buying/selling procedure, as well as easy to find products
- ❑ Buying/selling 24/7
- ❑ More reach to customers, no theoretical geographic limitations
- ❑ Low operational costs with better quality of services
- ❑ No need of physical company set-ups
- ❑ Easy to start and manage a business
- ❑ Customers can easily select products from different providers without moving around physically

### Disadvantages of Ecommerce

- ❑ Any one, good or bad, can easily start a business. Bad sites are there which eat up customers' money
- ❑ No guarantee of product quality
- ❑ Mechanical failures can cause unpredictable effects on the total processes
- ❑ Minimum chances of direct customer- company interactions; customer loyalty always on a check
- ❑ E-commerce site, service, payment gateways - always prone to cyber attack

### Government Initiatives Regarding E-commerce in India

- ❑ A **draft National e-Commerce policy** prepared and placed in the public domain In Feb'19
- ❑ Think Tank on 'Framework for National Policy on e-Commerce' estd. by dept. of commerce
- ❑ **FDI guidelines for e-commerce by DIPP:** The limit of foreign direct investment (FDI) in the E-commerce marketplace model hiked for up to 100%(in B2B models)

### Way Ahead

- ❑ E-commerce straddles various issues - international trade, domestic trade, competition policy, consumer protection, information technology etc.
- ❑ Policymakers to be mindful of shaping a vibrant domestic industry
  - Comprehensive policy of utmost importance to reflect India's position in both domestic and international or multilateral forums

*For\_TIP*

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