

Enriching E-commerce business for Sustainable Economic Development- Indian Perspective

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Abstract:

Achieving sustainable development goals is a major responsibility of all countries. Today all countries are moving to a digital economy, with the core of e-commerce. The E-commerce business in India has seen exponential growth by giving a tricky competition to the normal trade and business. It is considered that the developing sector and in rural India e-commerce would dramatically and considerably grow in coming years. The study aims to spot the connections between e-commerce and economic prosperity and analyse challenges, prospects and measures required to attain sustainable development goals. The aim of the study is to analyze how the dimensions of sustainability will be integrated among the e-commerce sector to look at the way to have interaction in and take pleasure in the enlargement of e-commerce. As per the analysis knowledge, it reveals that the speed of growth of e-commerce in India is satisfactory, because it still faces some challenges. So the study additionally concentrate on the way to conquer these challenges by characteristic key policy areas to be self-addressed in national e-commerce sector as confidence building measures to effectively implement e-commerce for economic development process.

Key words: E-commerce, sustainable development, digital technology, government initiatives, innovations

I. Introduction:

The technology is providing scope to Indian business to access international markets in contrast to ever before. Digital technology has helped to make various international business opportunities to the emergence of the massive range of e-commerce start-ups. Physical Environment, economy and society measure the scope of prosperity in every community. Sustainability development is a development that meets wants of this while not compromising the flexibility of future generations to satisfy their own needs. Government is commencing to combat this challenge by an integrated approach to assess the sustainability of its development. One of the goals of sustainable development is to make sure the transition to sustainable consumption and production patterns. Sustainable consumption and production involve promoting the ability of resource and energy in constructing sustainable infrastructure, providing access to essential social services, guaranteeing green and fair jobs and a far better quality of life for all. So, the government of India aims to develop the digital economy that incorporates an important impact on all spheres of life. The term e-commerce was originally formed to explain the method of conducting business transactions electronically with the help of implementing technology from Electronic Knowledge Interchange (EKI) and Electronic Fund Transfer (EFD). The digital economy is changing into the premise for the implementation of sustainable consumption. One in every of the essential parts of the digital economy nowadays is e-commerce. Over the past few years, e-commerce has become an essential part of the worldwide retail system.

1.1 Objectives of the Study:

- 1) To study how e-commerce sector working with three dimensions of sustainability.
- 2) To identify the essential growth factors required for business through e-commerce in India.

- 3) To provide a comprehensive review of present scenario of e-commerce in India.
- 4) To highlight some government initiatives to remove the barriers in e-business.

II. Literature Review:

E-commerce market that started as a distinct segment trade a number of years ago has been gaining momentum & shows more than 25% growth. In keeping with NASSCOM, India's e-commerce market is forecasted to cross a humongous \$200 billion by 2030 due to multiplied analytics transactions and web penetration. E-commerce offers MSMEs with extremely valuable tools. E-commerce could also be an entryway to sustainable development for rural areas. E-commerce will have a positive impact on the socio economy of rural communities by stimulating industrial development. E-commerce presents business prospects like India with major domestic and foreign growth. The inspiration of the web helps distant and unbanked persons to achieve all aspects of the economy and interact effortlessly in them (Anjum, B., & Rajesh Tiwari, 2011). According to the IAMAI, India ranks second within the world in terms of web usage, with 451 million active users. This data point covers each a pair of metropolitan and rural regions. According to Bain & Company report, India's social commerce gross merchandise price (GMV) stood at -US\$ a pair of billion in 2020. By 2025, it's expected to achieve US\$ twenty billion, with a probably monumental jump to US\$ seventy billion by 2030, because of high mobile usage. Note: Conversion rate used for June 2021 is ₹. 1 = US\$ 0.01355 (References: Media Reports, Press releases, Business normal, Economic Times, LiveMint). Through "Problems and Prospects of E-Commerce", Raghunath & Panga (2013) indicate a comprehensive analysis of assorted barriers of e-commerce whereas accentuating that, in modern world each commercial activity will be performed within the digital scheme. It's enabled the creation and exploitation of latest business opportunities. Rapidly ever-changing technology is regularly delivery new product and services to the market in the midst of new ways to sell them. Therefore, it's going to additionally conclude that new moral problems can emerge. The data transferred by electronic suggests that culminates into a contract raises several legal problems that cannot be answered among the prevailing provisions of the contract act [Reference: E-commerce an Indian perspective- Farooq Ahmed 2001 - IT act, Contract act, challenges for the legal system).

III. Methodology:

The primary and foremost, my preparation section can involve a study through literature review. For the current study secondary information has been used as well as offered analysis articles, journals, books, websites, newspapers, reports etc.

IV. E-commerce and 3 dimensions of Sustainability:

An organization cannot improve only an individual part it's to require the complete chain under consideration, and everyone in all the 3 dimensions of sustainability. By involving the people and also the planet in an exceedingly rightful balance with the profits, an organization could produce an additional property outcome, which might enhance a firm's overall performance.

4.1 E-commerce and Environmental Sustainability: One action firms ought to take into thought is that the usage of other vehicles. By changing fleets of standard vans and trucks, to electrical and hybrid vehicles for home deliveries may contribute majorly to the reduction of carbonic acid gas emissions .There are some e-commerce firms that have taken these "green initiatives" so as to enhance their business among this space. A number of the larger players among the market typically distribute their product from over one provide purpose, whereas they generally giant orders from one single shopper into many packages, and therefore removing the attainable environmental advantage of increasing packages.

4.2 E-commerce and Economic Sustainability: The economic advantages and drivers for e-commerce area unit enticing and convincing for most likely all firms because it aims to scale back prices and increase profits. The e-commerce as an entire has shown positive results concerning economic factors on 3 levels; for enterprises, sectors and for countries. As a result of the

multiplied price extra to output that the e-commerce has enabled, it'll ultimately cause economic prosperity, growth in labour productivity, multiplied gain and positive impact on welfare of the customers.

4.3 E-commerce and Social Sustainability: The world reach of the advanced technology doesn't solely favour the buyer by broadening the offerings of product and services; it creates a link and integration between the developed and also the developing countries round the world and therefore creating necessary enhancements among the social dimension of property.

V. Essential Growth Factors

Considerable factors for the growth of the e-business include:

- **Ease of access:** Growing net usage at reasonable rates and rise of smartphones cause easier access. This access permits different services like booking train/hotel/cab/movie tickets; mobile and account payments, etc.
- **Connecting the monetary system:** Individuals currently use e-banking and different schemes. Soon, conversion of the financial set-up can become the norm.
- **Global reach of home adult companies:** Indian start-ups in e-commerce trade are utilizing international channels, thereby increasing their client base and broadening the scope of growth.
- **Attracting repeaters:** A robust specialise in client service is that the prime reason that pulls and retains consumers. Cash on delivery (COD), fair pricing, deals & discounts, quicker delivery turnarounds with zero costs, and reverse provision are a number of the drivers reworking the trade into a booming sector.
- **Leveraging technology for innovation:** Data sharing between all stakeholders within the supply chain is incredibly crucial. The combination between varied supply chain aspects can facilitate the e-commerce company to have a foothold over the competition. A number of the initiatives might embody the utilization of bar coding product logistics systems, visibility into the operations; trailing and tracing of the products at any given purpose.
- **Analytics:** Capturing period of timely information and understanding getting dynamics kind the crux of this trade. The shopping for preferences, tastes, and demographics of a client are self-addressed by gathering client information. The amount and complexness of information need analytics to derive client insights, optimize channels, and calculate ROI.



E-COMMERCE SEGMENTS TO WATCH IN 2021

→ Key Reasons For Growth



Online grocery

→ The entry of Reliance and Tata will spur competition



E-pharmacy

→ Consolidation in the sector and tailwinds from Covid-19



Social commerce

→ Increased VC investments and focus of giants such as Facebook



Direct-to-consumer

→ More brands investing in direct channels due to Covid-19 amid increased consumer interest



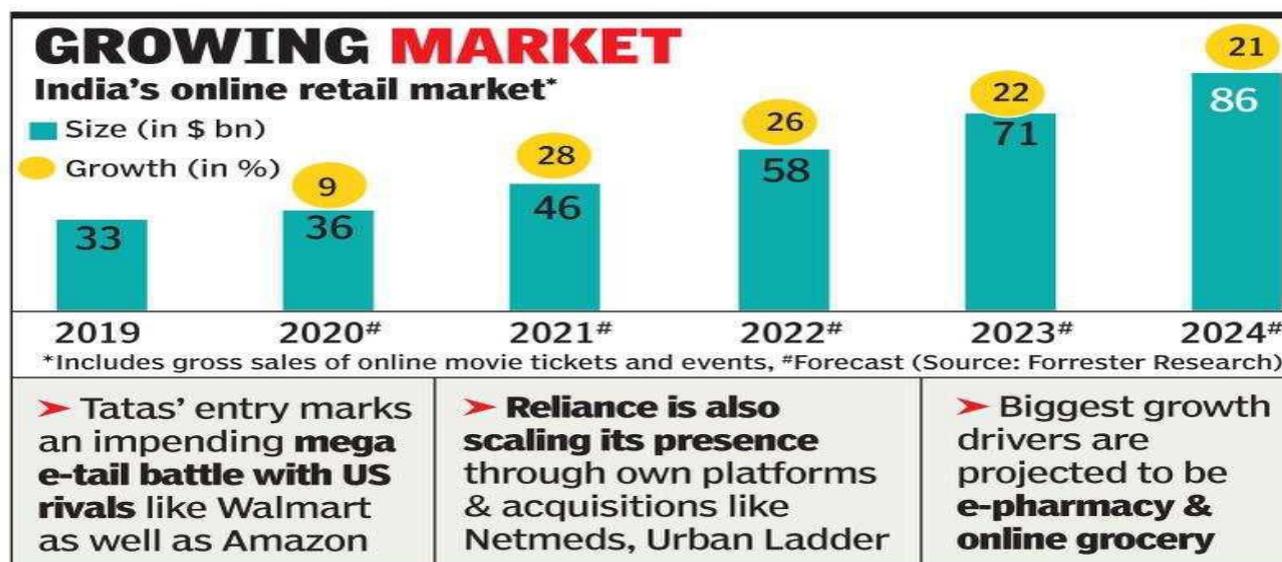
SUPER APPS → WHATSAPP'S INTRODUCTION OF PAYMENTS AND SHOPPING FEATURES WILL SUPERCHARGE THE INDUSTRY

Source: ET Research, Forrester Research, EY

VI. Present state of affairs of E-commerce in India:

The e-commerce sector in India is foretold to grow at a twenty seventh CAGR over 2019-24 and is anticipated to succeed in \$99 billion by 2024, consistent with a report discharged by EY-IVCA Trend Book 2021. Grocery and fashion/apparel are to be the key drivers of this growth. The report disclosed that India can have 220 million web shoppers by 2025. The penetration of retail is anticipated to be 10.7% by 2024, compared to 4.7% in 2019. It explicit that the government is going to build a trillion-dollar on-line economy by 2025 through its Digital India programme. India's growing B2C e-commerce state of affairs is attracting a great deal of attention and key investments from international corporations. The increase of technology adoption among tiny and medium businesses is additionally expected to drive the expansion for digitally native corporations. The increase in on-line users has been witnessed across varied segments coming back from Tier two and three cities. This might provide a good marketplace for native start-ups to faucet in. With tiny merchants, progressively implementing on-line payments and mobile channels they're additionally exploring collaborations with technology-driven start-ups. At constant time, there are varied initiatives from the government with the aim to digitalise the standard offline market and boost the e-commerce sector. Varied regulative reforms showcase the government's inclination towards building this sector more.

Some key investments within the B2C market in 2020: \$90 million investments in interior decorator marketplace LiveSpace and \$52 million investment in on-line grocery platform BigBasket. Key investors include Venturi Partners, Bessemer Venture Partners LP, Goldman Sachs, TPG Capital Inc., CDC Group Plc and Alibaba.com India. Indian shoppers are progressively adopting 5G smartphones even before roll out of the next-gen mobile broadband technology within the country. Smartphone shipments reached a hundred and fifty million units and 5G smartphone shipments crossed four million in 2020, driven by high shopper demand post-lockdown. Consistent with a report revealed by IAMA and Kantar analysis, India net users are expected to succeed in \$900 million by 2025 from \$622 million net users in 2020, increasing at a CAGR of forty fifth till 2025.



Source: Forrester Research

6.1 Key market developments

- Government regulations: Inflated digital payments and client confidence, Increase inflow of foreign investments, Regulation can guarantee truthful and clear practices within the e-commerce sector.
- Growth drivers: sociology, rising smartphone and net penetration, increasing government support, improved digital infrastructure.
- Challenges: Cash on delivery, uneven address and communicating codes, delayed deliveries, high returns
- Outlook: Auto, grocery, education and pharmacy markets are expected to witness a surge in demand. Focus is going to be on smaller cities, technological innovations, and improved on-line purchase ways.

VII. Government initiatives

Since 2014, the government of India has proclaimed numerous initiatives to support the expansion of E-commerce within the country. A number of the key initiatives taken by the government to push E-commerce in India area as follows:

1. Major flagship initiatives of the government are: the government has already launched many initiatives like Digital India, Skill India, Make in India and Start-up India. Timely and effective implementation of those initiatives would have a positive impact on the route of E-commerce trade

a. Digital India: The 3 key area units as that are known are to create digital infrastructure as a core utility, modify government subject services on demand and digital enrichment of citizens of the country.

b. Start-up India: This program intends to create a powerful eco-system for nurturing "innovation" and "exponential start-ups". the government of India has taken necessary steps like providing funding support through a "Fund of Funds" (with a corpus of government agency one hundred billion); (1.5 billion U.S. \$) 'Start-up India hub', one purpose contact for the start-up scheme, tax exemptions for the initial 3 years and quicker exit for start-ups.

c. Make in India: Goal towards India's industrial development, the key steps taken by the government of India to start up the business setting and enabling producing, and permitting FDI in key sectors.

- d. Skill India: To bridge the shortage of expert force, the government has set a target to coach four hundred million individuals beneath the new 'National Policy for talent Development by 2022.
2. In an exceedingly bid to systematize the on boarding method of shops on e-commerce platforms, the Department for Promotion of trade and Internal Trade (DPIIT) is reportedly reaching to apply the Open Network for Digital Commerce (ONDC) to line protocols for cataloguing, trafficker discovery and value discovery.
3. National Retail Policy: the government had recognised 5 areas in its projected national retail policy easy doing business, rationalisation of the licence method, conversion of retail, concentrate on reforms and an open network for digital commerce-stating that offline retail and e-commerce ought to be administered in an integral manner.
4. The Consumer Protection (e-commerce) Rules 2020 notified by the Consumer Affairs Ministry in July directed e-commerce firms to show the country of origin aboard the merchandise listings. Additionally, the businesses will need to reveal parameters that go behind decisive product listings on their platforms.
5. Government e-Marketplace signed a Memorandum of Understanding (MoU) with Union Bank of India to facilitate a cashless, paperless clear payment system for an array of services in 2019.
6. Beneath the Digital India movement, Government launched numerous initiatives like Umang, Start-up India Portal, Bharath Interface for cash (BHIM) etc. to spice up conversion.
7. In October 2020, amending the equalisation levy rules of 2016, the government mandated foreign firms in operation of e-commerce platforms in India to possess permanent account numbers (PAN).
8. So as to extend the participation of foreign players in E-commerce, Indian Government hiked the limit of FDI in e-commerce marketplace model to up to 100 per cent (in B2B models).
9. Huge investment created by the government in rolling out fibre network for 5G can facilitate boost E-commerce in India.
10. Introduction of Dedicated E-commerce Laws: India doesn't have a determined information Protection and Privacy Law'. It's thus necessary that dedicated laws for the expansion of E-commerce area unit publicised as well as the laws for Cyber security, information protection and Privacy laws to convey a lift to the expansion of E-commerce within the country and to avoid redundant litigations.
11. Increase net Penetration: Several elements of Indian rural area units are however to receive broadband association, whereas efforts are created during this direction, the government plans to facilitate internet network connectivity for over 200 thousand Gram Panchayats. Public Private Partnership (PPP) comes during this space ought to be enforced for enhancing the reach of internet facility to rural elements of India.
12. Seamless Integration between Government Departments and Agencies: An organised and coordinated approach is required between various government agencies like policy-makers, Income Tax, Sales Tax, VAT, Excise, and Registrar of firms to confirm quicker turnaround, potency and transparency for all stakeholders within the E-commerce scheme.
13. Regular Consultations with Stakeholders: An integrated approach with periodic interactions with all stakeholders, trade bodies and trade associations can facilitate in building a consistent and favourable e-commerce scheme. As per Information Technology Agreement (ITA-1), Indi has united to get rid of tariffs on hardware that went against its domestic physics producing trade.

14. Enfranchisement and Rating of E-commerce Entities: Within the interest of conveyance quality to E-commerce entities, a mechanism is planned to produce enfranchisement and/or rating by the govt. This shall encourage confidence building among users by conveyance in standardization of procedures, quality in service delivery and overall homogeneity in expectations across purchasers and sellers within the country.

VIII. Findings and Conclusion:

Today e-commerce in Indian society has become an integral part of everyday life. The covid-19 pandemic has disrupted the way people buy products and services. The existing norms of social distancing and limited mobility of individuals have tilted consumers towards e-commerce. The study highlighted certain trends and factors which shall contribute further growth in the e-commerce market in India. The country has taken rapid strides in advancing government policies to harness e-commerce. In this holistic approach, e-commerce will attain sustainability where by country will not only realise the economic gains, but will also make contribution to environmental and social aspects. As a result of the initiatives taken by the government of India will soon upgrade the e-business and subsequent growth in Gross Domestic Product (GDP) in future. It will pave the path to fulfil the aspirations of Indian producers and consumers which will definitely give scope for sustainable development

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