E COMMERCE IN INDIA - GROWTH AND PROSPECTS

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ABSTRACT

Internet and Information technology have made tremendous contributions for business transformation witnessed nowadays all over the world. This has given birth to E-commerce which encompasses several pre-purchase and post-purchase activities leading to exchange of products or service or information over electronic systems such as the internet and the other Telecommunication networks. Analyzing the competitive advantage of E-Commerce it is observed that E-Commerce enables simpler, faster and efficient business transactions. For developing countries like India, E-Commerce offer considerable opportunity for growth. This article analyzes signals from India and abroad affecting the growth of E-commerce in India.

The present study is an explorative study. It explores the environmental factors present in the country providing challenges and opportunities for E-commerce. The relevant data for this study has been gathered from secondary sources.

There has been an increase in the number of companies migrating to the web to join the E-commerce bandwagon in the recent past. Another positive signal comes from the increasing trend in mobile penetration and expansion in the internet penetration from metros and big cities to small towns of the country. Even though PC literacy is increasing Internet penetration is low when compared with other developing countries. The relatively low credit card penetration and behavioral issues such as buying habits, perceptions relating to transaction risks etc. affecting customer participation in online business deals pose some challenges that need to be addressed for rapid progress for e-commerce in India.

Expansion in inter-organizational integration is also required to enhance customer value in logistic and marketing functions in online business.
KEYWORDS: Compounded Annual Growth Rate (CAGR), E commerce.