"A Study of the Opportunities and Challenges of Online Shopping in India"

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Abstract: *Online shopping is the process of buying the product and services online using digital platform like computer, internet or any device by which online shopping can be facilitated. Due to busy schedule and unavailability of time the customer is not bound to purchase the goods and services from a particular market. He can now days can access the market from anywhere and at any time and buy whatever he want on digital platform. The Increasing use of internet and smart phones by Indian people enable the big platform for online shopping in the country. The study is based on secondary data and the objective of this study is to find out the opportunity and challenges of online shopping in Indian market. This paper is an effort to appraise and draw attention to the potential of online retaliating in Indian perspective.*

Key Words: *Online shopping, e-retailing, opportunities, challenges.*

1. INTRODUCTION:

Online shopping comprises of buying the goods and services over the internet by using web browser or mobile apps. It is a form of e-commerce. IBM's online transaction processing (OLTP) which was developed in the 1960 was the earliest forms of trade conducted online. It allowed the financial transactions processing in real-time.

The trends of shopping through internet is growing world-wide and it is seen that it took place of traditional shopping where customer are going to buy the product from a particular market place speedily as it is more convenient because of its 24x7 accessibility. In present time in India the customer can buy most of the product online because of the accessibility. ICT play very important role in the growth of e-retailing. 4G services and It infrastructure speedup the online

India is a big populated Country. It will become the largest populated country in the world in coming years. In the queue of largest economy in the world, India is securing the 6th position. Hence it can be said that in India the future of online retailing is very bright and there are many challenges also faced by e-retailers in India. Amazon, Flipkart, e-Bay, Snap deal, Reliance digital ect are some of the major e-retailers in India

2. OBJECTIVES OF THE STUDY :

- To know the present status of online shopping in India.
- To identify the issues in online shopping in India.
- To investigate the opportunities and challenges for online shopping in India.

3. RESEARCH METHODOLOGY:

- The research is based on secondary source of data and is taken from different websites, news papers, journals etc.
- The study look into the matter of future of online shopping in India and its challenges in India.

4. LITERATURE REVIEW:

Jayakrishnan S. (2015) stated in their research that increasing numbers of internet users and online buyers, smart phones evolution and mobile internet, increasing transaction by debit card, credit card and net banking, rapid urbanization and rising in disposable income are the indicators of good opportunity of e-retailing in India whereas ineffective logistics, customer trust and loyalty, complex tax regime etc are the major challenges in the way of online retailing.

Dr. Ram Chand Garg and Ravinder Kumar (2018) stated in their study that lack of changes in buying behavior of customers, lack of seriousness, inability of online retailers, security and privacy in online payment, delay in delivery,

waiting for best offers by customers are the key challenges for online trading. They also stated that in India rapidly increasing the internet users and mobile phones user, increasing payment security, developing ICT infrastructure, credit cards and net banking use and e-retailing growth etc. are the sign of good opportunity for e-trading in India.

Nitin Kumar et al. (2018) found in their study that low inventory cost, better customer services, reducing distribution cost, globalizing business, quick marketing of product, integration of e-commerce are some factors which are indicating the better growth and opportunity of online shopping in India where as lack of privacy and security, the confidence of customers for payments and tax related issues, poor infrastructure, lack of proper cyber laws, lack of digital literacy, virus problems and unrealistic competitions are the major challenges of ecommerce in India.

Status of online shopping in India
E-commerce market value

Year	2014	2015	2017	2018	2020	2021	2024	2025	2030
Value in billion US $	14	20	39	21.9	30	84	99	188	350

Source: statista.com

As per the report published on statista.com the e-commerce sale was approx 22 billion US $ which was increased by approx 35 and reached 30 billion US$ in 2020. In 2021 it found very high growth and reached 84 billion US $ and expected to reach 99 billion in 2024 and 188 billion in 2025 and it is estimated that total market value of e-commerce reached upto 350 billion US $ till 2030.

There are many reasons behind the growth in the e-commerce sector. Digitalization of economy and providing cheaper internet services to the people are a few of them that boosted the growth of digital sales in India.

As per the India Brand Equity Foundation Report the numbers of internet connections in 2021 increased considerably to 830 million, which is driven by the 'Digital India' program.' 55% of connections were found in urban areas out of total connection and in 55% connections, 97% of connections were wireless. The base of smart phone has also increased extensively and it is likely to reach 1 billion by 2026. This has helped the digital sector of India and it is anticipated to reach 1 trillion US $ by 2030.

The increasing internet penetration and smart phones users with increasing income have assist the bright future of online shopping in India.

5. OPPORTUNITIES FOR ONLINE SHOPPING IN INDIA:
Following are some key indicators which shows that in India there is great opportunity for online shopping.
1. E-commerce growth rate- As per statista.com the exponential growth rate of e-retailing in India from 2018 is approx 25% which shows the potential of online shopping in India. E-commerce sales will be 350 billion US $ in 2030 estimated by statista.com which is 84 billion US $ in 2021.
2. Increasing use of internet and smart phones: In India the smart phones users and internet users increases rapidly. This results in high growth in the online sale of product and services. The base of smart phone has also increased extensively and it is likely to reach 1 billion by 2026. This has helped the digital sector of India and it is anticipated to reach 1 trillion US $ by 2030.
3. Availability of time: In today's scenario the customer has lack of time to visit the traditional market place and buy the product. Whenever he want to buy the product or service he visit the e-retailers website and orders the same. This is also an indicator of good future of online shopping.
4. Accessibility: A customer can buy anything from anywhere at any time by online shoppers over internet. Online market is accessible 24x7 so we can say that this is also a factor for the growth of online shopping in India.
5. Better Customer Service: In online shopping cash on delivery, easy replacement policy, fast delivery, product comparison, complete information about the product, easy access to website etc. provide customer satisfied and a satisfied customer become a loyal customer. Online shopping creates customer loyalty and hence it increase customer base and increasing sale.
From the above we can say that online shopping has bright future in india

6. CHALLENGES OF ONLINE SHOPPING IN INDIA:
Following are the challenges faced by online shoppers in India. It is necessary to resolve these challenges to secure the future of online trading.
1. Privacy and security: In digital age the security of data and privacy is very important. There are threats of online fraud and data hacks in online shopping. It is biggest issue and challenge in the way of online shopping. although

government takes many steps to protect the privacy and security, but online hacking and online fraud has increases, and for this the customer want to avoided the online transaction.

2. Delay in delivery: Customers want the delivery of product on the spot, but it is possible only in case of traditional shopping. Although in online shopping there is on the spot delivery like online ticketing, online fund transfer but in case of some product there will be delay in delivery in online shopping because of its structure. So it creates challenge to online retailers.

3. No physical touch: In India the customer has emotion with the product they buy. They want to see and touch the product to know is it good of not. But in online shopping it is not possible and hence customers hesitate to buy online.

4. Lack of infrastructure: In India the ICT infrastructure is not enough. The internet speed of 4g mobile comes in kbps. It is needed to improve it. Although internet users increase rapidly but slow internet speed creates problems in transaction processing.

5. Low digital literacy: Digital literacy rate in India is very poor and approx 65% population lives in villages where digital literacy is too much poor which creates problems in the way of online shopping.

7. CONCLUSION:

In India the opportunity for online shopping is very high because of increasing numbers of internet users and online buyers, smart phones evolution and mobile internet, increasing transaction by debit card, credit card, net banking and UPI, rapid urbanization and rising in disposable income, increasing payment security, developing ICT infrastructure, e-retailing growth low inventory cost, better customer services, reducing distribution cost, globalizing business, quick marketing of product, integration of e-commerce etc. In the same way there are many challenges are also there in the way of online shopping like low digital literacy rate, cyber crime, lack of digital infrastructure, emotion of buyers, delay in delivery etc.

At last it can be said that if the challenges will reduced the future of online shopping will be brighter and there will be huge opportunity in online retail sector to boom their business online.

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