

Government Initiatives:

Since 2014, the Government of India has announced various initiatives namely, **Digital India, Make in India, Start-up India, Stand up India, Skill India and innovation Fund**. The timely and effective implementation of such programs will likely support growth of e-commerce industry.



- In February 2019, the Government of India released the Draft e-commerce policy which encourages 100 percent FDI in the marketplace model of e-commerce, stimulating the participation of MSME's, start-ups and traders in the digital economy.
- In order to increase the participation of foreign players in e-commerce, Indian government hiked the limit of FDI in e-commerce up to 100 percent in B2B models.
- Improved infrastructure, lower selling price and reduced costs associated with marketing over a digital platform contribute to promoting online sales. These transaction costs adversely affect start-ups more than big corporations. Therefore, e-commerce policy proposes removal of application fee for claiming export benefits. This would reduce the related costs for start-ups.
- Under digital India movement, Government launched various initiatives like **PMGDISHA** (Pradhan Mantri Gramin Digital Saksharta Abhiyan)- This scheme has been initiated to empower at least one person per household with crucial digital literacy skills by 2020.
Udaan- This program is designed to encourage the corporate travel to J&K by providing exposure to the graduates and post-graduates to the best of corporate India.
Umang- It is unified mobile application for new-age governance enabling users to access e-government services from the Central government.
Start-up India portal- This initiative is intended to empower start-ups to develop through innovation. This portal becomes the largest online platform for entrepreneurship in India that allows start-ups to create network, access free tools and resources and participate in programs as conducted by government.

Favourable Investments and developments:



In coping with the demand, some of the major investments and developments by e-commerce firms and Government in levelling the market for new players to set up their base and taking e-commerce platform to the next level.

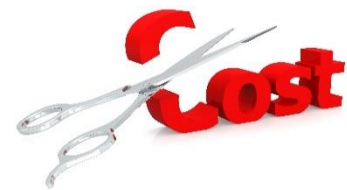
- In union budget 2020-21, Government has allocated Rs 8,000 crore to Bharat net project to provide broadband services to 150,000-gram panchayats.
- Heavy investment made by the Government in rolling out fiber network for 5G will help boost e-commerce in India.
- Government e-Marketplace signed a Memorandum of Understanding (MOU) with Union Bank of India to facilitate a cashless, paperless and transparent payment system for an array of services in October 2019.
- E-commerce and consumer internet companies in India received more than US\$ 4.32 billion from private and venture capital players in 2019.

- In April 2020, Reliance industries (RIL) started home deliveries of essentials in partnership with local kirana stores in Navi Mumbai, Thane and Kalyan.
- The new e-assessment scheme for faceless scrutiny is being touted by the government which is one of the first G2C (Government to citizens) initiative in the world as a landmark move to improve 'ease of compliance' for India's harried Income for taxpayers. It aims to facilitate faceless assessment of income tax returns through electronic communication under which taxpayers will receive notices on their registered e-mails as well as on registered accounts on the web portal www.incometaxindiaefiling.gov.in with real time alert by way of SMS on their registered mobile number, specifying the issues for which their cases have been selected for scrutiny.

Fundamental Benefits:

Low operational costs

This is the crucial one as online store do not come with location and save other overhead costs. They require very less capital outlay. There is a lot of additional savings made as unlike physical stores where staff is required to handle inventory, checkout, payment and delivery, e-commerce automates the entire operational process.



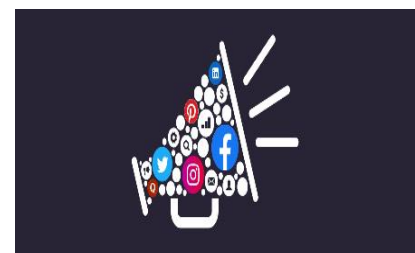
Global reach



It is difficult to have a global reach with physical stores. The websites can be made available to people all over the world with ease. As many shipping services are available at your fingertips, goods can be sent across the globe effectively.

Marketing and advertising

Due to increased use of social media marketing and advertising, one can reach your website by a simple click. Advertisements can be displayed on various platforms like Facebook, Instagram and the reach will be higher with less efforts and costs.



Passive earnings



If you can keep your shop open 24/7 and you are able to expand your offerings to a global audience, this means that you have potential to create a passive income stream- that is, your revenue doesn't necessarily rely on salespeople or opening hours. When the customers are no longer restricted by logistics such as location and time of day, there will be plenty of opportunities to boost revenue in new ways.

Conclusion

In general, its pretty easy, low-risk and low-cost to start an e-commerce business. So, as long as you select the appropriate business plan, there is plenty of opportunity for growth and high ROI over the long term. Never have entrepreneurs had such a clear, easy and relatively inexpensive opportunity to reach a global marketplace for so many products and services.

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Sources: www.ibef.org

www.startupindia.gov.in

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www.digitalindia.gov.in

Statistics sources: www.ibef.org