

Impact of E-commerce on MSME's (Micro Small and Medium Enterprises) in Mumbai

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Abstract: This paper aims to examine the impact of e-commerce on Micro, Small, and Medium Enterprises (MSMEs) in India, focusing on the opportunities and challenges it presents as the Indian Economy is majorly dependent on them. By conducting a systematic literature review, we analyzed a wide range of academic articles, reports, and case studies related to e-commerce and MSMEs in India. The findings indicate that e-commerce has opened up new avenues for MSMEs, offering increased market access, improved visibility, and reduced operational costs. The research also highlights certain challenges faced by MSMEs in embracing e-commerce. These challenges include limited digital skills, inadequate technological infrastructure, concerns regarding payment security, logistical hurdles, and competition from established e-commerce players.

Keywords: E-commerce, MSMEs, Indian Economy, Opportunities, Challenges, Market Access, Digital Skills, Infrastructure.

I. INTRODUCTION

E-commerce has gained significant momentum in recent years, and it has had a profound impact on various sectors, including Micro, Small, and Medium Enterprises (MSME's). This research aims to explore the impact of e-commerce on MSME's in Mumbai, considering factors such as market reach, sales growth, operational changes, and challenges faced by these businesses such as limited digital skills, inadequate technological infrastructure, concerns regarding payment security and logistical hurdles.

1.1 Objectives

- To understand the impact of E-Commerce on SME's (Small and Medium Enterprises).
- To find out the factors influencing small businesses to enter online market.
- To understand how E-Commerce helps them to expand their market.
- To find out whether E-Commerce helps them in Brand building or not.

II. METHODOLOGY

This study is conducted through a mixed-methods approach, combining quantitative data collection through surveys and qualitative data collection through interviews. The sample size comprises 150 MSME's in Mumbai, selected through a random sampling technique. The survey questionnaire includes questions on the adoption of e-commerce, changes in sales figures, and challenges faced, while interviews provide in-depth insights into the experiences of MSME's

Q.01: What type of market you prefer to sell your products?

E-Commerce Platforms
Retail Stores Both

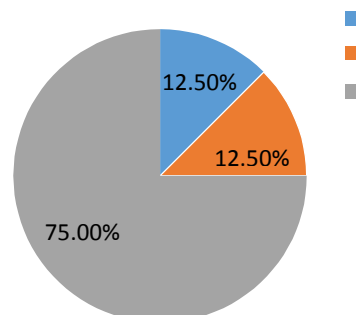


Fig. 01

Q.02: Do you agree that E-Commerce has its advantage over the traditional method in commercial transactions?

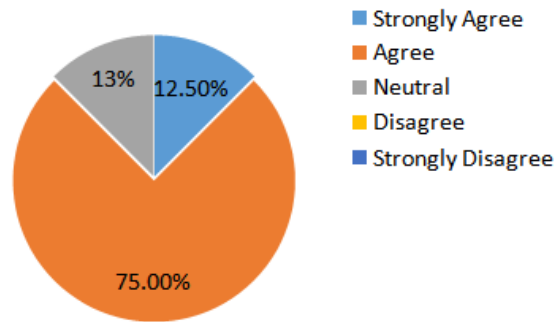
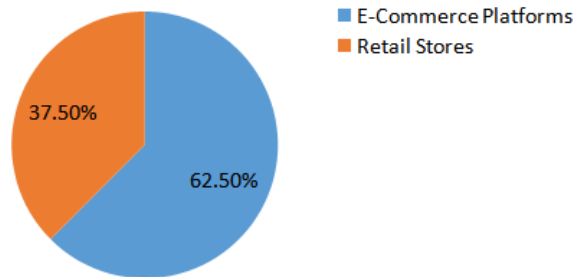


Fig. 02

Q.03: Which market gives you more revenue?



Q.04: Where you need less capital investment to start up your business?

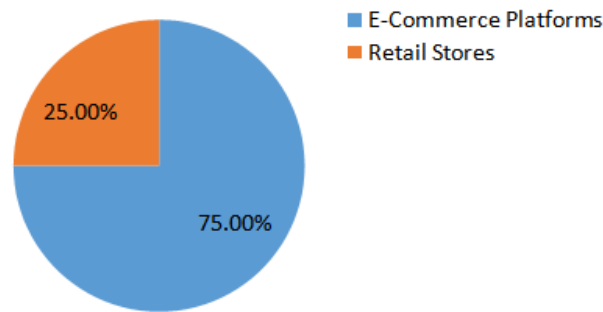


Fig. 04

Q.05: Where do you face a lot of paper work issues?

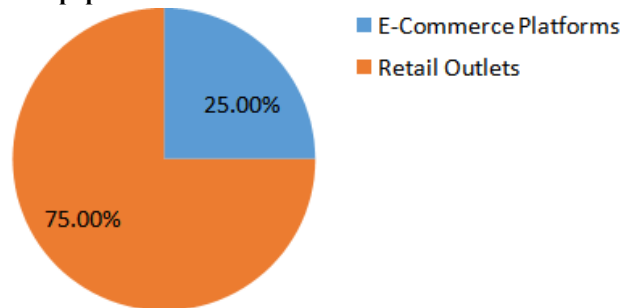
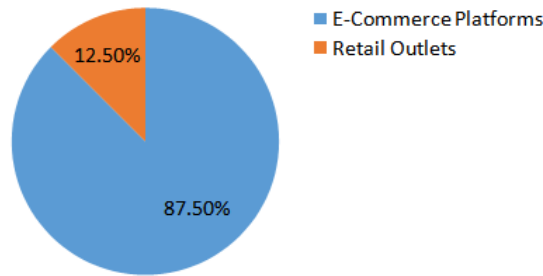


Fig. 05

Q.06: Where you have experienced less Operating Costs / Overheads while doing Business?



Q.07: Do you feel like online selling on E-Commerce Platforms has helped you in BrandBuilding?

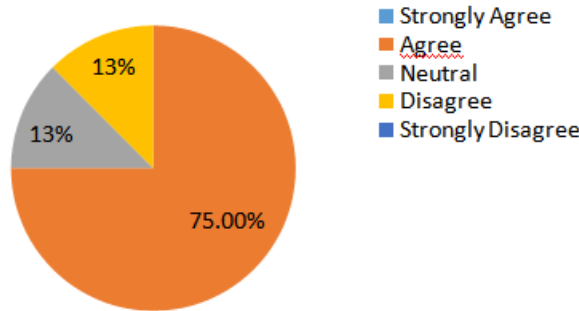


Fig. 07

Q.08: Do you enjoy flexibility while selling on E-Commerce Platforms?

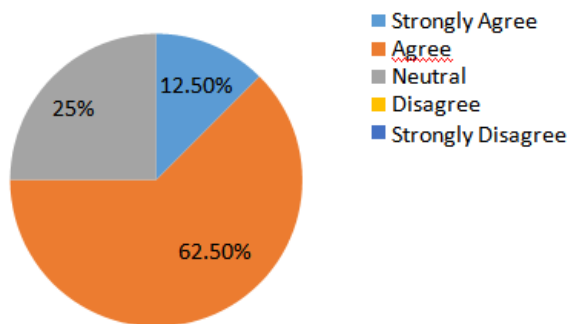
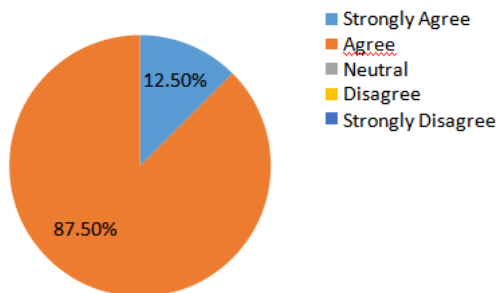


Fig. 08

Question 09: Does E-Commerce help you in measuring and analyzing your Sales?



Q.10: Did you experience any of the following problems when you first installed and started using the E-Commerce?

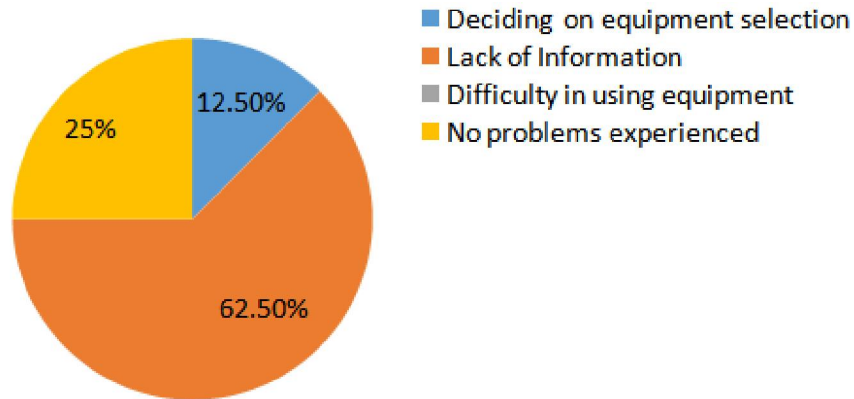


Fig. 10

Q.11: To what extent did you experience any of the following problems with the internet or E-Commerce since you started using it?

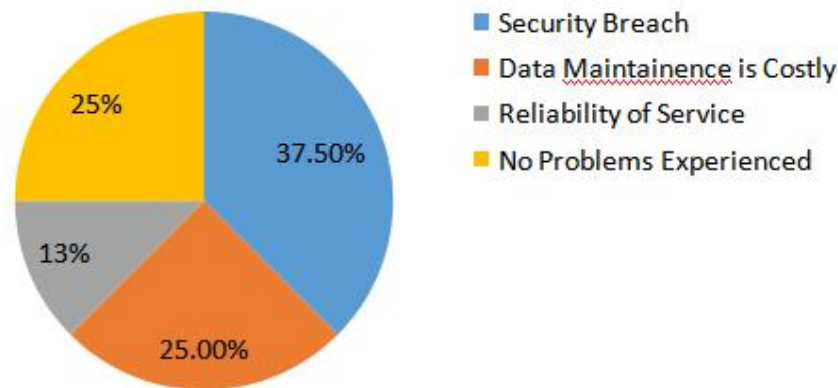
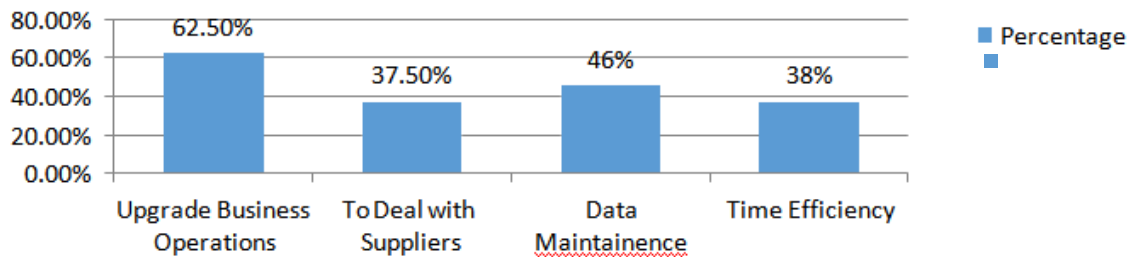


Fig. 11

Q.12: Which factors motivated you to adopt E-Commerce technology in your organisation?



III. RESULTS

Preliminary findings indicate that e-commerce has had a positive impact on MSME's in Mumbai. The majority of the surveyed businesses have experienced an increase in sales after adopting e-commerce platforms. Moreover, they have observed an expanded market reach and the ability to target customers beyond their physical location. However, there are challenges such as infrastructure limitations, digital literacy, and competition from larger players that MSME's face

in their e-commerce journey. By acknowledging and addressing the identified challenges, stakeholders can harness the potential of e-commerce to foster sustainable growth and development of MSMEs in India.

IV. CONCLUSION

The research concludes that e-commerce has significantly impacted MSME's in Mumbai by increasing their market reach and sales growth. However, challenges related to infrastructure and digital literacy need to be addressed to ensure the growth and sustainability of these businesses. To address these challenges, policymakers, industry associations, and e-commerce platforms need to undertake proactive measures. These can include providing digital literacy and training programs, improving infrastructure, fostering collaborations, and supporting MSMEs in complying with regulatory requirements. This research provides valuable insights into the impact of e-commerce on MSME's in Mumbai, contributing to the existing literature and informing policy decisions regarding MSME development.

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