

# Research Paper Title: Understanding the Externalities of E-Commerce Management in India

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**Abstract:** Increased internet and cell phone use over the past 20 years has altered how people communicate and conduct business. E-commerce is a new idea and a game changer for businesses everywhere. The e-commerce industry is predicted to develop at a 41% CAGR in India, surpassing USD 103 billion by 2020. The key factors encouraging the expansion of the e-commerce business are the rising use of the internet and smartphones. Favourable demographics and a rising internet user population also contributed to this increase. According to analysis, India is adding three new internet users every second, and by 2020 it expects to have 320 million online buyers, up from approximately 50 million in 2015. It demonstrates how quickly young minds and blood in India are moving toward embracing new technologies. E-commerce expenditure made up 2% of all retail spending in 2015–16 and has grown to be a major force in the development of new markets. By 2020, it is projected to contribute to 4% of the GDP. Its growth is being accelerated by government programs like Make in India, Digital India, Skill India, Start-up India, and Cashless India. However, the rapid expansion of the e-commerce sector and the use of the internet came with several difficulties that needed to be addressed periodically. This paper tries to study the socioeconomic externalities of the e-commerce industry in India considering its current and projected trends. This paper will provide a policy prescription on how government support programs can help the e-commerce sector expand while raising the positive externalities and keeping negative externalities at bay.

**Keywords:** E-Commerce, Socio-economic externalities, Government Initiatives, Schemes, Digitization

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