

Impact of E-Commerce in Bhutan: Issues & Challenges

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OPEN ACCESS

Volume: 12

Special Issue: 1

Month: February

Year: 2024

E-ISSN: 2582-6190

Received: 01.1.2024

Accepted: 07.2.2024

Published: 12.2.2024

Citation:

David Antony Christopher, M., and D. Vinoth Kumar. "Impact of E-Commerce in Bhutan: Issues & Challenges." *ComFin Research*, vol. 12, no. S1, 2024, pp. 83–86.

DOI:

<https://doi.org/10.34293/commerce.v12iS1-Feb.7363>

Abstract

Electronic commerce is more than simply one more approach to support or to develop running businesses. E-commerce has brought revolutionary changes across the globe. It is a complex invention that is instantly changing the conventional method of running a business. E-commerce is paving the way for huge business improvement in Bhutan. Expanding web clients have further added to its improvement. E-commerce has made the online travel industry grow through numerous methods and included another business boulevard through the online retail industry in Bhutan. The current study has been attempted to portray the present scenario and facilitators of E-Commerce in Bhutan, dissect the present patterns of E-Commerce and look at the obstructions of E-Commerce in Bhutan.

Keywords: E-commerce, Bhutan, E-market.

Introduction

E-Commerce means electronic commerce, which implies that there is a large variety of online business exercises for multiple products and services. It includes managing the product and services by means of the web and the electronic media. It helps the site of the seller on the web, who offers products or services directly to the customer from the gateway with the help of a digital shopping cart or digital shopping basket system and permits payment through E-banking or debit/credit cards. E-Commerce includes carrying on a business with the help of the web and by utilizing involves information technology means. Basically, E-Commerce is the development of business on the internet.

The Growth of E – Commerce

Current Lifestyle

The life of individuals is so much fast movement to the point that nowadays, they don't want to go to the market each time to buy and people also want to buy the product in a relaxed environment.

Highly Disposable Income

With increased employment opportunities and their income level has become higher and thus giving more spending power to individuals. That is why they are immediately ready to pay for the product online.

Increasing Computer Educational Level

Because of the endeavors of the government and educational institutions in Bhutan, particularly, computer education is developing to new skylines. Individuals have more knowledge of the tools and applications of computers. Not just students of urban zones and semi-rural, in fact, students of rural zones, house wives and professionals and lamas are likewise attracted to the developments like Electronic commerce and Electronic business. As a result, there is an incredible interest in purchasing and utilizing new products in the market [Jain and Kapoor, 2012].

Increased use of Internet level

The count of internet users is being increased now. Moreover, in the course of recent years, sophisticated online travel operators began transforming these underlying Web users into Web clients, thus boosting the dominance of e- commerce.

Opportunities for E- Commerce

Reports stated that the internet development in the 20th century [Choi & Suh,2005] gave birth to the electronic marketplace, which is now the seed of electronic Commerce. An e- market place is an artificial space where buyers and sellers make exchanges with each other frequently like traditional market place. E-commerce centers have turned into an optional place for trading. Finally, an e-commerce center can act as an information specialist that furnishes purchasers and traders with information on items and different members in the business sector. [Hariharaputhiran,2012]. These characteristics have been giving new shape the economy by influencing the conduct of purchasers and merchants. E-businesses influence the whole business whether online or offline. It empowers a considerably more coordinated level of joint effort between the various parts of a value chain than ever before. Opting e- Business additionally permits organizations to lessen costs and enhance client reaction.

Challenges for E Commerce

Although a Web-based e-business has numerous advantages, it has also posted threats on account of its being what is prominently called faceless and borderless. A few cases of moral issues have risen as a consequence of electronic business. Stead and Gilbert reported the accompanying ethical issues identified with e-commerce [Stead and Gilbert, 2001].

Privacy

Protection has been a critical issue for both present and forthcoming electronic commerce users. The following issues in this regard are generally striking:

- Not being meddled with, having the ability to prohibit; singular Privacy is an ethical right of every individual.
- Privacy is “an alluring state regarding ownership of data by different people about them/herself on the perception/seeing of him/herself by different people”

Security Concerns

Notwithstanding privacy issues, another ethical issue concerned with e-commerce is security. The Internet offers an uncommon simple entry to an unfathomable exhibit of various products and services. The quickly growing field of “click and mortar” and, to a great extent, unregulated cyberspace have, however, incited worries about both privacy and information security.

Other Ethical Issues

Manufacturers competing with Intermediaries Online have given rise to a new practice that is “Disinter mediation”. It is a way of wiping out the mediator. Disinter mediation incorporates

- Music being downloaded straightforwardly from producers’ websites.

Barriers of E-Commerce in Bhutan

Various infrastructural barriers create obstructions in the development of e-commerce in India. Some of them are listed below:

Payment Collection

At the point when you get paid by net managing an account, one needs to wind up giving a critical offer of income (4% or not more) even with a business having low profit. Frauds, cash backs and so forth all turn into a trader’s obligation and consequently, are represented in the business model.

Logistics

You need to deliver the item safely to the hands of the right person in an opportune time period. Customary post doesn’t offer a satisfactory service, whereas couriers charge work and have a restricted span of work. First, you may need to insure-for high value delivered articles, expanding the expense even further.

Vendor Management

However the framework might be, the seller will need to descend and bargain in an inefficient framework for stock management. This will back off radically. A large portion of them won’t convey any computerized information about their items. No decent looking photos, no advanced information sheet, no component to check on-day costs, accessibility to keep your site overhauled.

Taxation

Sales tax, customs and excise and loads of Dzongkha specific tax structures go on with them, which can create chaos.

Facilitators of E-Commerce in Bhutan

Information Directories

Websites like [https://www.volza.com/global-trade-data/bhutan-import-trade-data/buyers update directories](https://www.volza.com/global-trade-data/bhutan-import-trade-data/buyers-update-directories) which provide details of trade of every type.

Banks

Net Banking: Online banking facility is provided by all banks to their savings account as well as current account holders Namely Bank of Bhutan, Bhutan National Bank Limited, Druk PNB bank, T-Bank, Bhutan Development Bank. The central Bank of Bhutan is Royal Monetary Authority of Bhutan(RMA).

Conclusion

Electronic commerce opens new doors for business in Bhutan. The total population is around seven lakhs, out of which the internet users are 85.6%. Nowadays, in Bhutan, it additionally creates new avenues in the field of education. It gives the idea that there is enormous potential for giving e-commerce training. At first, new Internet clients would be hesitant to direct any sort of business on the web, referring to security reasons as their fundamental concerns. With a specific goal to

build customer appropriation of e-commerce services, the purchaser's perplexity, worry and hazard should be distinguished, comprehended and mitigated. E-business gives huge benefits in various ranges. However, it requires watchful attention for protection of consumer rights at the same time. Development of e-commerce would likewise depend, all things considered, on successful IT security frameworks for which vital technological and legitimate arrangements should be set up and always reinforced. E-Commerce is the eventual fate of shopping. With the introduction of 3G and 4G networks, the web economy will keep on growing vigorously. In the coming 3- 4 years, Bhutan will have around 90%Net users, which will be at par with many of the developing nations in the world.

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