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Research Paper

Assessing the Future of Government E – Marketplace (Gem): Opportunities and Challenges in Expanding Its Scope and Reach

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ARTICLE DETAILS

ABSTRACT

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Scope and reach,
Opportunities and
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The digitization of government procurement processes has created the need for GeM to be an important integrative channel for improving transparency, efficiency, and cost effectiveness in procurement processes. The research seeks to tackle the research problem of how the scope of service delivery by GeM can be extended to include more government sectors, more products and services, and more suppliers. At the same time, it recognizes the possible challenges which could be encountered during the process including the technological challenges, the regulatory challenges, and the challenge of securing a competitive supplier environment. The researchers will utilize a multidisciplinary strategy, integrating concepts from public administration, e-commerce, technology management and policy analysis. Discussing the development strategy of GeM, the research seeks to fill the gap left out by some policymakers, administrators and other parties involved in building the government e-marketplace direction. This research receives a model and direction through analysis of the current solutions and prospects by which GeM can be broadly extended in a beneficial manner

1.1 Introduction

Digital technology is changing the way of public procurement. It prompted the creation of the Government E-Marketplace (GeM). GeM is an online portal for the procurement of goods and services by government agencies that simplify the purchasing process, with equal participation and consistency in efficiency and transparency. As GeM further develops, the time has come to explore the future opportunities and challenges that may be in the path while trying to expand its scope and reach. This research uses both qualitative and quantitative methods. Interviews and structured questionnaires from key stakeholders, which would mainly be officials from the different sectors of government, procurement experts, and entrepreneurs, would form the main data gathering methods. Secondary data would also be gathered from literature relevant to the research topic and from the GeM portal and related online sources. The study commences with an appraisal of the current situation regarding GeM and its analysis of the changes it has brought about to government processes in the procurement aspect. It will discuss then the potential extension of the scope and outreach of GeM in terms of geographical coverage, range of products, and small and medium-scale enterprises. The research will also explore some challenges that seem to counter the widespread adoption and efficiency of GeM. Such challenges include problems on technology infrastructure, legal framework, security of data, and user acceptance. The study's findings will add to the existing knowledge base about GeM and are useful for government officials and researchers interested in the digital platform for public procurement, B2G, and the E marketplace. Key recommendations from the research would be taken to design strategies that not only increase the GEM scope and outreach but also provide better value for public money spent, enhance the pace of

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economic growth through it, make in India, and a fair and transparent E-marketplace. Government e-Marketplace or GeM is the innovative and transformative online platform, which aims at revolutionizing the face of Government Procurement in India. Launched in 2016, GeM is an initiative by the Government of India to create a transparent, efficient, and user-friendly marketplace for all procurement needs of various government departments and public sector organizations.

1.2 Review Of Literature

C. Standing et al., (2009) The paper "IT non-conformity in institutional environments: E-marketplace adoption in the government sector" by Standing, Sims, and Love explores the influence of institutional authority on IT adoption in organizations. It proposes patterns of conformity and non-conformity, highlighting changes in compliance over time. The authors conducted interviews with senior managers and operational managers, analyzing data in six stages.

Sethi et al., (2013), Impact of Government-E-Marketplace (GeM) on procurement compared to conventional methods in a public hospital in India: Timely procurement of goods and services is essential, especially in the health sector. However, the researcher finds that Internal Lead Time (ILT) using conventional methods (quotations and tenders) was higher than GeM (Bidding). GeM uses the inherent mechanism of processing the cases to reduce ILT. The procurement process for public entities should ensure efficiency, transparency, and accountability in the system. Both procurement platforms, i.e., conventional methods and GeM, have their own unique set of Advantages and disadvantages, so the researcher suggests that both procurement processes should be improved to satisfy the stakeholders.

Pandey, (2019) "Digital vs. physical procurement: role of GeM in transforming B2G procurement in India" The author discusses the challenges faced by the public procurement system in India and how the Government e-Marketplace (GeM) has been established to address these challenges. GeM is a business-to-government (B2G) platform that has eliminated multiple levels of manual, sequential verification, and decision-making, leading to dramatic reductions in lead-time in government procurement. The paper concludes that GeM has created transparency in public procurement and brought down delivery times too. It has also helped promote entrepreneurship and create new jobs. However, due to some institutional bottlenecks and the traditional mindset of procurement authorities, GeM has not become as popular as expected.

Alryalat et al., (2023), "Perceived Barriers to Business-to-Government (B2G) E commerce Adoption": The Case of Government E- Marketplace (GeM) Portal in India": The authors describe B2G e-commerce adoption and various influencing factors and barriers to its adoption. They have analyzed the case of the government e-marketplace, the public procurement portal. The authors applied a unique-criteria decision-making technique called the DEMATEL approach to understand the nature of the barriers and collected data from eight experts having experience in B2G procurement in the public sector and government organizations. And finds the main five barriers, such as lack of expertise and technical skills, perceived information security risk, Lack of IT infrastructure, lack of awareness of government issues and legal policies, and lack of top management support, are influencing barriers for B2G e commerce adoption.

Jha& Singh, (2023) Study of issues identified & possible solutions in Public Procurement System (including e-procurement portals & Govt. e-Marketplace) in India using Focused Group Methodology: The research paper analyzes the public procurement system in India using the Focused Group Methodology, highlighting its complexity and diversity. The absence of comprehensive legislation has made the system more inconsistent. The paper discusses legislative frameworks and guidelines that guide the public procurement system in India. The methodology involves observing and interviewing a focused group, with a moderator guiding the methodology. Challenges identified include lack of transparency, inadequate IT infrastructure, and poor customer support. The paper suggests that the government should expedite reforms and adopt technology-based solutions like e-procurement portals and the Government e-Marketplace. The study also presents possible solutions to the issues related to the e-procurement system and Government e-Procurement (GeM) in India.

3. Research Methodology

This research article uses primary and secondary data sources to gather information on government procurement. Primary sources include structured questionnaires and interviews with key stakeholders. Secondary sources include government e Marketplace portals, journals, and websites. Qualitative and quantitative research methods are used to analyze data. In qualitative research, findings are concluded by using charts and graphs. Under the quantitative method, the data is measured using statistical tools such as Chi square and factorial analysis to identify the factors.

3.1 Objectives

- To Identify the awareness of Government e Marketplace (GeM) Portal among the Government employees.
- To Identify the impact of key influencing factors on the frequency of purchases on the GeM platform

3.2 Research Gap

The Government E-Marketplace (GeM) has shown significant improvements in accelerating government procurement procedures, but there is a research gap in investigating its future expansion. Most existing research has focused on the initial establishment and functioning of GeM, with little critical evaluation of its growth prospects. This is crucial for policymakers and administrators to make informed decisions about GeM's future. There is also a lack of understanding of the viewpoints of decision-makers involved in GeM expansion, such as legislators, vendors, technological experts, and government officials. Most GeM research has focused on public procurement processes and barriers, with little focus on assessing the future of GeM.

3.3 Limitations

- The research only focuses on the buyer’s perspective, i.e., only Government sectors.
- The data depends on the respondent’s point of view.

3.4 Sample Frame

The sampling method used in this study is purposive sampling, or judgmental sampling. Purposive sampling allows us to focus on a particular subgroup of the population that is most relevant to our research objectives. In this study, I have focused mainly on one group, i.e., government employees. The responses are collected from 70 samples.

4. Results

4.1 Demographic analysis

The variables, viz., gender, age group, education qualification and work experience, are used to assess the sample respondents' profiles.

Table1 shows the respondents gender and age cross tabulation.

		Age Cross tabulation				Total
		20-30	31-40	41-50	51 and above	
Gender	Male	7	10	12	11	40
	Female	5	6	13	6	30
Total		12	16	25	17	70

Source: Primary data.

Above table 1.1 indicates the gender of respondents and their distribution across different age groups. As can be seen, the total number of respondents is 70. Out of those, there are 40 males and 30 females. The age groups in the research were 20 – 30 years, 31 -40 years, 41-50 years, and 51 years and above. This crosstabulation outlines the distribution of males and females as well as age of the 70 individuals with a slight dominance of the males in the population.

Ho: There is no significant association between the educational qualification and how respondents got awareness about GeM.

Table 2 shows the cross tabulation of educational qualifications and how respondents got awareness about GeM.

Educational qualification * How did you get to know about GeM Cross tabulation						
		How did you get to know about GeM				Total
		Government Circulars	Seminars and Conferences	News articles	Social media	
Educational qualification	Bachelor's degree	8	1	1	4	14
	Master's degree or above	7	4	13	12	36
Total		15	5	14	16	50

Table 2 shows the cross tabulation of respondent’s education qualification and their source of awareness about the GeM portal. Majority of respondents have got awareness about the GeM portal through social media, Government circulars and News articles compared to seminars and conferences.

Table 3 Shows the Chi- Square tests result.

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	8.026 ^a	3	.045
Likelihood Ratio	8.364	3	.039
Linear-by-Linear Association	3.886	1	.049
N of Valid Cases	50		

a. 5 cells (62.5%) have expected count less than 5. The minimum expected count is 1.40.

Interpretation: The chi-square tests presented in the table 1.3 indicate a statistically significant association between two categorical variables. The Pearson Chi-Square test yielded a value of 8.026 with 3 degrees of freedom and a two-sided significance level of.045, while the Likelihood Ratio test produced a value of 8.364 with the same degrees of freedom and a slightly lower significance level of.039. Additionally, the linear-by linear association test showed a value of 3.886 with 1 degree of freedom and a significance level of.049. These results collectively suggest that there is a significant association between the variables being examined; since the sig. value is 0.45 which is less than 0.05 hence alternative hypotheses is accepted.

Table 4 Shows the KMO and Bartlett's Test of Factorial Analysis.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.618
Bartlett's Test of Sphericity	Approx. Chi-Square
	df
	Sig.
	47.455
	15
	0.000

a. Based on correlations

The above table 4 indicates the results of the factorial analysis. KMO and Bartlett's test of factorial analysis is used to check the samples adequacy and variable suitability. In this study, the Kaiser-Meyer-Olkin Measure of Sampling Adequacy is 0.618, which is greater than 0.50; this says that the sample is adequate for the analysis, and the significant value is 0.000, which is less than 0.05. This states that the variables are suitable for factorial analysis.

Table 5 shows the factorial analysis of communalities.

	Raw		Rescaled	
	Initial	Extraction	Initial	Extraction
Government mandate	1.439	.992	1.000	.690
Cost reduction	.877	.412	1.000	.470
Transparency	1.391	.966	1.000	.694
Wide range of suppliers	1.360	1.068	1.000	.785
Time saving	1.059	.813	1.000	.767
User friendly	1.585	1.349	1.000	.851

Lack of technical skills	1.261	.963	1.000	.764
Lack of top management support	1.328	1.079	1.000	.813
Unwillingness to adopt B2G e Commerce Services	1.443	1.057	1.000	.733
Information security risk	.996	.692	1.000	.694
Lack of confidence on supplier's	.992	.236	1.000	.238

Extraction Method: Principal Component Analysis.

The above table 5 shows the factorial analysis of communalities, it appears that factors like "user friendly," "wide range of suppliers," "time saving," and "lack of top management support" have the most significant influence on the purchasing process at GeM, as they have higher "extraction" values. These factors likely play crucial roles in shaping the decision-making process when it comes to making purchases on the government e-marketplace. It's important to note that these findings are based on the data and the PCA method used, and the actual influence of these factors may vary in different contexts or with different datasets.

Table 6 shows the Regression Anova

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31.878	11	2.898	3.205	.033 ^b
	Residual	9.948	11	.904		
	Total	41.826	22			

a. Dependent Variable: How often do you purchase in GeM

b. Predictors: (Constant), Lack of confidence on supplier's, Wide range of suppliers, Time saving, Government mandate, Unwillingness to adopt B2G e-Commerce Services, Lack of technical skills, Cost reduction, Transparency, Information security risk, Lack of top management support, User friendly

The above table 6 represents the results of a statistical analysis, likely a regression analysis, used to understand the relationship between the dependent variable, "How often do you purchase in GeM," and a set of independent variables. In this analysis, the regression Sum of Square value is 31.878, indicating that the independent variables collectively explain some of the variability in how often they make purchases on GeM. In this regression model, there are 11 degrees of freedom, which correspond to the 11 independent variables being considered. The mean square is the variance explained by the model (regression SS) divided by its degrees of freedom. The mean square for the regression is 2.898. A higher F-value indicates a stronger relationship. In this case, the F-value is 3.205. In this analysis, the p-value (Sig.) is .033, which is less than the conventional significance level of .05. Hence alternative hypothesis is accepted. This suggests that there is evidence to conclude that the independent variables, collectively, have a statistically significant impact on how often purchases are made on GeM.

Table 7 shows the correlation result for hypothesis.

		Wide range of suppliers	Transparency
Spearman's rho	Wide range of suppliers	Correlation Coefficient	1.000
		Sig. (2- tailed)	.534**
		N	23
Transparency		Correlation Coefficient	.534**
		Sig. (2- tailed)	1.000
		N	23

N	23	23
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** . Correlation is significant at the 0.01 level (2-tailed).

Ho: There is no significant relationship between wide range of suppliers and transparency.

The above table 1.7 display spearman's rank correlation coefficient between "Wide range of suppliers" and "Transparency" is 0.534, which is statistically significant at the 0.01 level (2-tailed), indicating a moderately positive relationship between these two variables. This suggests that as the presence of a wide range of suppliers increases, there is a tendency for transparency within the organization to also increase. In other words, when a company engages with a diverse set of suppliers, it is more likely to have greater transparency in its operations. This information could be valuable for businesses looking to enhance transparency and supplier diversity as part of their strategic goals. Since the correlation coefficient is .534, which is near to + 1 hence there is a positive correlation between the variables.

5. Findings

The study's sample size was 70, with male respondents comprising 56.1% and female respondents at 42.9%, indicating a slightly higher male representation. The age group is divided into four categories, with the 41–50 age group having the highest number of individuals, followed by 31–40, 51+, and 20–30. The study's chi-square test revealed a significant association between educational qualifications and respondents' awareness of GeM.

The study highlights the association between educational attainment and GeM awareness, suggesting higher qualifications lead to greater knowledge and digital literacy and suggesting tailored outreach strategies. Out of 50 respondents with GeM awareness, 46% have actively purchased products and services through the GeM portal, while 54% have not, indicating a significant portion of the population has not yet utilized the platform for procurement. Understanding and addressing factors influencing purchasing behavior can improve GeM's effectiveness and promote wider adoption among aware individuals. The analysis reveals that factors like user friendliness, supplier variety, timesaving, and a lack of top management support significantly influence the purchasing process at GeM, affecting decision-making in the government e-marketplace. The regression statistical test indicates that key influencing factors significantly influence the frequency of purchases on the GeM platform.

6. Conclusion

The Government e-Marketplace (GeM) has emerged as a pivotal tool in transforming public procurement in India. This study embarked on a comprehensive journey to assess the future of GeM, investigating the opportunities and challenges of expanding its scope and reach. Through an extensive review of literature, primary data collection, and analysis, this study has shed light on critical facets of GeM's evolution and its potential trajectory. Opportunities include targeted marketing campaigns, educational initiatives, product and service expansion, digital literacy programs, transparency enhancement, mandatory usage, open market access, top management support, customer support, user-friendliness, market research, regional language support, supplier verification, and also include developing targeted marketing campaigns considering educational qualifications and age groups, collaborating with educational institutions to conduct seminars and conferences, expanding the range of products and services, investing in digital literacy programs for older individuals, improving transparency, making GeM mandatory for government employees and contractors, opening the platform to every citizen of India, addressing top management support concerns, improving customer support services, improving user-friendliness, conducting regular market research, offering regional language support, and rigorously verifying supplier profiles to address supplier credibility concerns. Challenges include an awareness gap, limited user engagement, perceived technical barriers, and user confidence. Bridging this awareness-action gap is essential to motivating wider participation in the purchasing process. Training programs can help alleviate these challenges, while building user confidence in the platform, particularly in supplier credibility, is necessary to encourage more transactions. The study concludes that GeM has the potential to revolutionize government procurement but also emphasizes the need for targeted strategies to overcome existing challenges. By capitalizing on opportunities and addressing these challenges, GeM can expand its scope and reach, making it a more effective and inclusive platform for government procurement in India.

7. Suggestions

The government should mandate the purchase of products and services on the GeM platform among all government sectors and contractors in all Indian sectors. GeM initiatives should aim to establish an open market for Indian citizens to purchase and sell products and services on the GeM platform, allowing access to a diverse buyer base. Top management support is a crucial factor in decision-making in both public and private sectors and should be addressed in the government e-marketplace to improve purchasing experiences. Should enhance effective customer support services to assist users who may face challenges during the procurement process. The GeM platform should be prioritized for its user-friendliness, as it positively

correlates with timesaving and caters to the preferences of individuals who value ease of use. Regular market research is crucial for identifying emerging trends among government buyers and suppliers, assessing the effectiveness of GeM expansion efforts, and adapting strategies accordingly.

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