

E-Commerce Future in India

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ABSTRACT: *The e-commerce market is booming and in a position to expand robustly in Asia. There are players who did a good start. Their success depends on their business awareness and having different types of features to sell. This paper offers an overview of the future of e-commerce in India, and addresses the potential growth segments of e-commerce in India. Find out also numerous factors that would be important for Indian e-commerce's future development. Which reflect the different chances for distributors, wholesalers, producers which people. The change from conventional shopping to online buying takes a long time in the Indian market. It is the use of modern information management and electronic communications technologies in business transactions. E commerce involves not just the buying and selling of goods over the Internet, but also different business processes within individual entities that support the objective. In this paper researcher found that the overall e-commerce in India's emerging market will increase exponentially in the coming years.*

KEYWORDS: *Business, Internet, Market, Service, Transaction.*

INTRODUCTION

From its early days the e-commerce industry in India has come a long way. The industry has evolved, with new entrants joining the industry room. In the current competitive scenario, the B2C space ecommerce industry is rising both in demand and in the variety of services[1], [2]. The change from conventional shopping to online buying takes a long time in the Indian market. E commerce involves not just the purchasing and selling of goods over the Internet, but also different business processes within individual entities that support the objective[3], [4]. E-business (electronic business) often has a variety of different meanings, as with ecommerce, and is used in a number of different ways.

1. Definition and Concept

Electronic commerce or e-commerce refers to a broad variety of electronic product and service market activities. This also includes 'any type of business transaction in which the parties communicate electronically rather than through physical exchanges or direct physical contact.' A more detailed concept is: e-commerce is the use of electronic communications and digital information processing technology in business transactions to establish, transform and redefine value-creating relationships with or through business transactions

2. Different Type of E-Commerce

The main different kinds of e-commerce are:

- business to- consumer (B2C)
- business-to-business (B2B)
- mobile commerce (m-commerce)
- consumer-to-consumer (C2C)
- business-to-government (B2G)

3. E-Commerce in India

E-commerce provides tremendous opportunities for developing countries, including India. Ecommerce in India continues to develop but even the gloomiest predictions suggest a boom. Low cost of personal computers, a rising user base for Internet usage and an increasingly competitive Internet Service Provider (ISP) market are believed to help drive the growth of e-commerce in Asia's second-most populous country[5], [6]. The India's first e-commerce site has been rediff.com. To Indians as well as non-residents it was one of the most trafficked portals. It offered a wealth of business-related Indian news including a reach engine, ecommerce and web solution services. In India, the last 2 years have seen an increase in the number of companies that require e-commerce technologies and the Internet. Large Indian web sites have moved to e-commerce rather than advertisement revenue based[7], [8]. The online communities built around these portal sites were effectively aimed at selling everything from event and mouse tickets to grocery stores and computers. In spite of RBI regulation low internet use e- sites have come up everywhere hawking stuff like grocery stores, bakery products, gifts, books, audio and video cassettes, computer etc. None of the major

players have been dissuaded by low PC penetration and credit card. 80 per cent of mobile Internet sessions in India. Since Internet penetration is recent and booming, Indians have bypassed the era of the desktop and are moving straight into the smartphone. And because long loading times and regular drops in link make it more difficult for a user to continue browsing on the device, apps have become the solution. It was in the mid-1990s that Internet companies started to expand in India but the bottlenecks were lack of knowledge, low internet penetration and undeveloped payment system. The key e-commerce portals at the time were online classified, matrimonial and work portals. Throughout the 2000s, the dot com began gaining popularity which gave India's e-commerce industry a drive. As well as the trends in the dot com market, India's retail industry has started to prosper. Retail stores have opened their virtual stores over time. Nonetheless, being software alone may be a mistake. Indeed, the app is more user-friendly and allows a better targeting of users. In 2015, a marketplace called Myntra agreed on an app-only strategy and shut down its websites – at the time, its software accounted for 90% of traffic and 70% of revenue. India is increasingly moving from physical stores or markets towards virtual shopping. Changing lifestyle, online banking facilities, debit and credit card plastic money, tech savvy generation, IT sector boom and increased disposable income are just a few of the reasons for India's e-commerce boom. In addition to technical requirements one of the considerations for this move is to reduce all forms of traffic and mental stress on the roads. One has to drive through jam-packed streets to get to the shopping location. With the number of smartphones growing, mobile shopping is a part of India's e-commerce boom.

4. E-Commerce Future in India

India is growing rapidly and how researcher can ignore the role of e-commerce within it if growth is to be calculated. The Internet user base in India might only be a mere 100 million, far less compared to its U.S. or UK penetration, but it is definitely rising at an alarming pace. The number of new entrants in this field is growing daily and with the pace of growth hitting its zenith it can be expected that customary retailers will feel the need to turn to online business in the years to come[9], [10]. Insights into growing demand for broadband services, rising living standards, broader product choices available, lower prices and busy lifestyles show this reality more prominently thus giving way to online gift voucher offers. According to the figures, India's E-commerce sector in 2009 was worth around \$2.5 billion. By 2011, it rose to \$8.5 billion, representing a significant rise over the past two years. According to a statement released by India's Internet and Mobile Association (IAMAI), by 2012 these estimates will cross \$12 billion! Researchers should classify e-commerce into three specific categories, including retail services, electronic products and virtual goods, to explain this scenario. Local trading (coupons, yellow pages, classifieds, etc.) is another category that is slowly making its mark, providing major overlaps with e-commerce. Table 1 shows growth of E-commerce.

Table.1: Growth of E-Commerce

Country	Sales in \$ Billion	
	2012	2016
India	1.6	8.8
Australia	23.2	35.4
Japan	63.9	97.6
China	169.4	356.1

The 1st group of physical resources is certainly the main contributor that includes travel tickets, work, marriage and event management websites with travel sites representing 75% of all e-commerce industries! It offers even enticing deals. The second category of physical products is the one which is currently gaining significant popularity, thanks to the buzz generated by the regular launch of new start-ups / stores. Flipkart, Infibeam, Homeshop18, India times, Naaptol, Lets buy etc. are the pioneers in this group, each of which sells everything from cell phones to pet food. In India, the 3rd and final category of virtual products and gift vouchers such as online music, apps, videos, games, Taj Hotel gift vouchers, Reebok gift vouchers, Pizza Hut gift vouchers etc. were comparatively lagging behind compared to Europe and America, mainly because of piracy issues and Indians 'social perspective. But the situation is expected to shift with the segment of

digital downloads expected to rise in the Indian Ecommerce market due to the proliferation of mobile devices and special discount services available over the Internet. Some specific attributes of India's e-commerce industry such as cash on payment delivery mode and direct imports that significantly lower costs are likely to bring about a rapid growth in this industry in the coming years. The e-commerce market in India is expected to expand the fastest within the Asia-Pacific region, at a CAGR of over 57 percent between 2012-16, according to the latest report by Forrester, a leading global report and advisory company. Forrester Research Inc. has released the survey, titled "Asia Pacific Online Retail Forecast, 2011 To 2016." Analyst Zia Daniell Wigder, with Steven Noble, Lily Varon and Vikram Sehgal. India's e-commerce to explode in 2012, Indian e-shoppers should have a good time having great online offers and services. A recent pan-India report released by Com Score Inc shows that India's online shopping has hit an 18 per cent growth rate and is only likely to continue to grow. The study found that in November 2011, nearly 60 per cent of Indian people visited a retail site, with the number of online shoppers rising 18 per cent in the past year. E-commerce can become an important part of the selling strategy as it is one of the cheapest ways of reaching out to the new markets, if effectively introduced, it provides a smart way to grow & do e-commerce attribute to effective implementation to carefully understand the goods & services, consumers and business processes, easy-to-use program to grow the company on the internet. Boston Consulting Group's latest study says online retail in India will be an \$84-billion market by 2016 — more than 10 times its size in 2010 — which would account for 4.5 per cent of total retail. The e-commerce platforms optimize their scope for potential customers and give them an easy, fulfilling and secure shopping experience.

5. Major Challenges Faced by E-Commerce

Underdeveloped logistics is a major hurdle in India's e-commerce growth. Multinational carriers such as DHL and Fed-Ex also operate in India but usually third party providers are hired in smaller cities for distribution. Last-mile deliveries are made several times by bicycle. Despite of this, some of the major sponsored companies like Flipkart have set up their own logistics departments to deliver the ordered goods digitally. But that needs a massive investment in logistics. While considered nice from the point of view of consumers especially for e-commerce firms, cash on delivery (COD) mode of payment is considered to be a disadvantage. COD delays payment to an e-commerce company as the customer must pay when the product is received. This will then go to the courier companies that offer the actual seller payment after 2-3 weeks. The e-commerce companies have to rebuild inventory in the meantime. Another major issue in this regard is also high rates of return. Often the address is not found or the customer does not like the product, so for restocking it has to submit back to the firm. It's also an obstacle to high demand leading to market war. E-commerce firms have a wide variety of payment options to sell including COD, credit and debit card, internet banking, and others. In India, 60-70% of payments are made using the COD option, because customers are afraid to share information online and do not trust the safe payment website. In addition, the percentage return on COD orders is much higher than online payments. To counter these concerns, e-tailers have started to have on-delivery facility to pay with Card. Amazon's delivery agent, for example, carries point-of-sale computer to accept payment at the client's premises. E-commerce companies operate beyond scope and have the potential to store more products than traditional stores as they are their main differentiators. The challenge of reliable supply chains and logistics networks, which in India are not comparable and established to global standards, comes with this benefit too. The courier companies do not have large distribution networks and do not therefore have the capabilities to handle products of commercial value.

6. Segments that Recorded Growth

Online networks play a crucial role in communicating with customers in unexplored markets. The journey of online shopping that started in the last decade with an increasing number of travel and holiday plan buyers has now expanded to an increase in spending on household appliances and luxury goods. The standard of Indians 'lifestyle is growing with more jobs being developed. According to a study published by Economic Intelligence Unit last year, India is leading among 32 countries in the race to riches. Each year a number of 'new wealth creators' are added to the list of rich Indians. Although segments such as apparel and luxury goods reported unprecedented growth in 2011, jewellery, electronic appliances and hardware goods also showed promising trends in growth. "Indian customers are displaying a greater appetite for online purchases, driving the e-commerce boom," the researcher said. The report also found that coupon sites are gaining rapid popularity, with 16.5% of the Indian online population visiting the category in November 2011 – 27.2 million internet users in India aged 15 and older accessed the retail category from a home or work device, an increase of 18% compared to the previous year, as customers continue to turn to the web to search for and purchase products. It's obvious that offline retail infrastructure won't expand as quickly as India's big customer thirst.

This will offer special importance to the online distribution channel. Researcher strongly believe that e-commerce in India will very quickly cross the '12-percent-of-total-retail' mark. Rising the discount sites shoppers show that pricing plays a catalyst role in bringing more and more shoppers online. Many of these shoppers displayed affinity to inexpensive online merchandise, which was sold below market level. Some of the largest retail subcategories reported that with 7.6 million users, the category of coupons was the biggest, as customers rapidly embraced regular deal pages. Consumer goods ranked second with 7.1 million visitors, a 12 percent increase over the previous year, while 5.8 million internet users visited comparison shopping sites, a 25 percent increase over the previous year. According to a recent research survey, every second India is adding three new Internet users. Internet penetration links participants, facilitates transactions and thus allows for decentralized retailing. Often, decentralized systems are the basis for a traditional Indian leap frogging (telecommunications, computers, and now probably solar power and online retail).

7. India's Prospects in E-Commerce

- *Opportunity for Retailers:*

A retailer can save his life by connecting the online distribution to his company. Through doing so, they will provide customers with a lot of additional knowledge on various issues, follow electronic demands and still be in contact with the customers. E-Commerce thus offers a successful opportunity.

- *Opportunity for Whole Sellers/Distributor:*

The presence of wholesalers in the ecommerce environment is at the highest risk as the producer can easily disregard them and market their products to distributors and customers. In such a case, such wholesalers should take advantage of e-commerce capable of setting up contractors with reputable suppliers and linking their company with the on-line market.

- *Opportunity for Producers:*

Producers can take advantage of e-commerce by connecting online, offering accurate knowledge about their goods to the other links in the business chain and a brand identity.

- *Opportunity for People:*

As more people communicate with e-commerce, there is also a growing demand for a centre offering internet facilities or cyber cafes. And people who want to take advantage of it can set up cyber and have their advantages.

8. Important Factors for E-Commerce Development in India

- Customer convenience: supplying consumers with cash on delivery choice payment service.
- Replacement guarantee: Offers to their clients will be a 30 day replacement guarantee.
- Achieving: Enabling mobile apps and promoting M-Commerce services.
- Products based on location: Because consumers are constantly on the move these days, providing the right product at the right time and place becomes an important aspect
- There should be several payment choices: regular credit cards, debit cards and bank transfer choices.
- Right content: having the right content and providing clients with clean and accurate information is of utmost importance for moving people.
- Price comparison: Instant price comparison service providers are highly common among price conscious customers.
- Distribution option: There should be low-cost shipping. There should be ease of gathering orders after the job when returning home
- Logistic challenges: Geographical distribution in India presents logistical challenges. The kind of goods that suppliers sell will decide the preparation of the logistics.
- Compliance challenges: producing invoices for electronic purchases would be a legal necessity.
- Fast Service: The organization offers timely service.
- Terms and Conditions: Simple & Practical T&C.
- Price: Price of the commodity should be the same as seen on the portal.
- Customer service centre: There should be a dedicated 24/7 customer support centre.

9. Experts Approach Future Development of India E-Commerce

Flipkart.com, Futurebazaar.com, Ebay.in, Homeshop18.com, Snapdeal.com, Indiaplaza.com, Starcj.com, Amazon.com, Fashionandyou.com, Rediffshopping.com, inkfruit.com, myntra.com, futurebazaar.com, yebhi.com, zoomin.com and hushbabies.com are the leading e-commerce portals in the country. According to Google India MD Rajan Anandan, Internet on mobile phones and e-commerce is expected to lead the trend in the IT market. Speaking here at the 13th annual Confluence at the Indian Institute of Management, Ahmedabad (IIM-A), Anandan described trends such as mobile internet, social networking, ecommerce and online video as the most important trends for any technology business to exploit. "Over the last three quarters, researchers have seen a rise of 80-90 percent over traffic month-to-month. Researchers have steadily raised hiring rates and, in the next six months, researcher will add around 500 employees," said Snapdeal Chief Executive Officer. "With the country's rising e-commerce industry and major foreign players joining the market, the number of job offers will definitely look up," said CEO and founder of e-commerce company Homeshop18.com Sundeep Malhotra. Owing to the increasing Internet user base, the online retail segment is expected to show strong growth in the coming years thanks to the increased usage of smartphones, laptops / PCs and Internet availability in the remotest part of the world. "e-commerce space is a booming space as Internet audience are likely to double in the next two-three years and this industry will require talent from various sectors like technology, product, analytics, sourcing, general management talent, merchandising and marketing," online retailer Fashionandyou.com co-founder and CEO Pearl Uppal said. Another e-commerce player HomeShop18.com has grown by over 70 per cent in headcount terms in 2011 over the last year and is further poised to grow by a similar percentage this year, including an augmentation of the technology team. Moreover, the e-commerce industry is increasingly hiring the best talent available in the country and e-commerce firms have been hiring significant numbers at leading institutions such as the Indian Management Institutes (IIMs) and the Indian Institute of Technology (IITs) during this placement season. According to a report from the ASSOCHAM industry body, online retail segment is estimated to be worth Rs 7,000 crore by 2015 due to rising broadband availability and internet penetration from the Rs 2,000 crore currently. This is rising at 35 per cent annually.

CONCLUSION

It is difficult to forecast the future of E-Commerce. There are many segments that will expand in the future, such as: travel and tourism, electronic devices, hardware and apparel products. There are also some key factors that will contribute significantly to the boom of the E-Commerce industry in India, i.e. replacement guarantee, M-Commerce services, location-based services, multiple payment options, appropriate content, shipping choice, legal requirement to produce invoices for online transactions, rapid service, T&C should be clear & practical, product quality should be clear. Researcher identified different forms of incentives for retailers, wholesalers / distributors, manufacturers and people as well. Retailers fulfil electronic requests, and should still be in touch with customers. Wholesalers should take advantage of E-Commerce, which is able to set up contractors with trustworthy suppliers and link their company with the on-line. Producers can also link up online, have more details on their goods to the other links in the business chain, and provide a brand name. When more people are connected to e-commerce, there is also growing demand for a centre offering internet facilities or cyber cafes. The people who want to take advantage of it can therefore create cyber and have their advantages. People will consider may job opportunities. These studies and expert views on behalf of the above showed that the future of e-commerce in India would be bright in the coming years if all necessary factors were to be implemented.

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