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ANALYSIS ON GROWTH AND RECOGNITION OF E-COMMERCE IN INDIA

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Abstract

India has undergone a digital transformation over the past decade, leading to new business opportunities through further development of business models. E-commerce has met expectations not only by providing quality service, but also through a variety of other stores and offers that are sufficient to attract consumers. Consumer behaviour is ever-changing, and e-commerce meets that need. Consumer behaviour changed once they started shopping on e-commerce Websites instead of visiting traditional retail stores, primarily for convenience. Due to courier service. Another factor to consider is quality. E-commerce is expected to continue to grow, create jobs and contribute to the future of India's GDP. Information management is the appropriation or allocation of specific data resources of a foundation or association, or education that requires the material evaluation or usefulness claimed by a person or organization.

Index Terms: E-Commerce, Consumer Behaviour, Online Shopping

INTRODUCTION

The rise of the Indian economy has not brought technology privilege to millions of Indians not only that, but we have also enabled you to use the internet for a better shopping experience. The world seems to want to know how India is fast becoming a major e-commerce player. There is everything in this industry, but many brands need a little effort guidance. E-commerce has changed people's lives and their growth around the world. India shows no signs of slowing down. In 1991, the history of the online world in which electronic commerce has become a preferred choice for commercial use of the Internet. India introduced online e-commerce for the first time through IRCTC. The Indian government has tried out this online strategy to make it easier for the general public to book train tickets. The large-scale acceptance of e-commerce by the people of India has inspired other business players to try this technique in e-commerce with high profits. E-commerce has become almost essential for Indian consumers. It is expected to have an even greater impact in the future. The Indian E-commerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second largest E-commerce market in the world by 2034. The E-commerce market is expected to reach US\$ 200 billion by 2026 from US\$ 38.5 billion in 2017. India's e-commerce market has the potential to grow more than four folds to US\$ 150 billion by 2022 supported by rising incomes and surge in internet users. With growing internet penetration, internet users in India are expected to increase from 445.96 million in 2017 to 829 million by 2021. As of June 2019, internet subscribers in India stood at 665.31 million. Each month, India is adding approximately 10 million daily active internet users to the internet community supporting the e-commerce industry which is the highest rate in the world. Online shoppers in India are expected to reach 220 million by 2025. India's internet economy is expected to double from US\$125 billion as of April 2017 to US\$ 250 billion by 2020, majorly backed by E-commerce. Digital transactions are expected to reach US\$ 100 billion by 2020. Through its 'Digital India' campaign the Government of India is aiming to create a trillion-dollar online economy by 2025.

OBJECTIVES:

- I. To highlight the growth of E-Commerce in India.
- II. To study the impact of E-Commerce on Indian consumers and the Indian Economy.

LIMITATIONS:

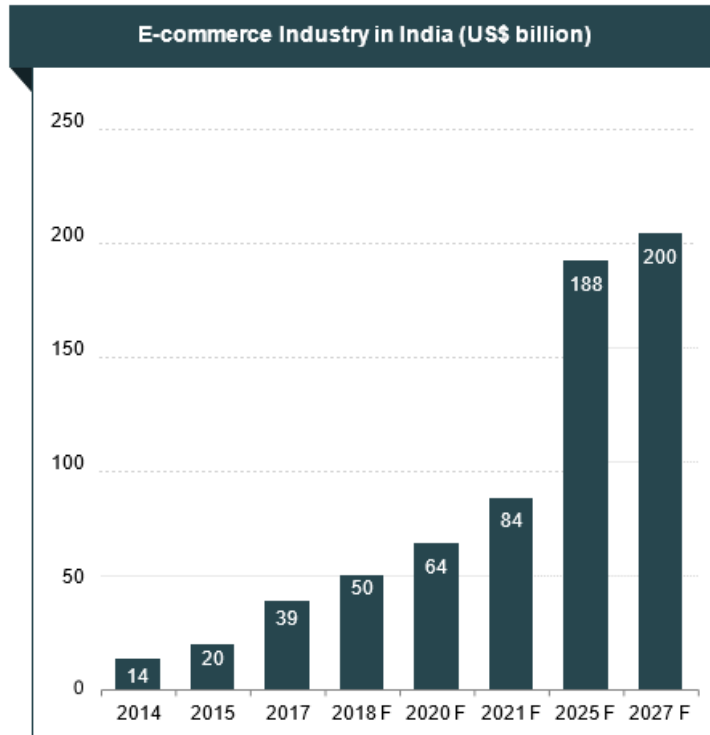
- I. Research has been restricted to Indian consumers and Indian economy

REVIEW OF LITERATURE

Hernandez (2014) analyses India's Market Goes Online and highlights how E-commerce has grown in importance over the previous ten years as an industry. As they capitalize on the rising number of internet users, the online retail sector in India is driving the rise of e-commerce. India has 243 million Internet users, more than the US but fewer than China, according to the most recent data. An

increase in Indian internet users is one of the main drivers of growth. Due to the banks' launch of applications and digital platforms, even financial transactions have gotten easier. Due to better pay and working conditions, e-commerce is also drawing a lot of talent. E-commerce businesses are investing more money in their employees since they are the ones who contribute to innovation, which attracts more funding. Other businesses would do well to employ this formula. According to Maheshwari (2016), during the next three years the Indian e-commerce market would expand the quickest internationally. India raised \$6.6 billion in venture capital and private equity; study shows Investment in 2015 increased by 50% year-on-year. This may have contributed to the significant growth of the e-commerce business. An opportunity has arisen as the Indian market has great potential. Per capita income is expected to double by 2025, raising expectations among Indian consumers. Brown tape (2017) talks about what's selling best in the Indian e-commerce market. According to a Google India study, e-commerce is growing significantly in India. In 2014, he had 35 million online shoppers, compared to just 8 million in 2012. E-commerce is a phenomenon sector in India and no one can ignore it. Electronics attracted the most consumer interest online, with apparel and accessories topping the sales charts. Das and Ara (2015) noted after conducting research on the growth of e-commerce in India. He explained that the growth of the logistics industry is closely related to e-commerce. Third-party logistics companies benefit from increased sales as they generate revenue for each delivery. Indian logistics companies need to reach locations outside of the big cities. Many international companies are working with the help of the logistics sector and this scenario is also required in India. In his study of e-commerce growth and opportunities in India, Biswas (2015) highlighted that the number of internet users in the country is increasing day by day due to the increasing customer demographic profile and smartphone usage. According to data analysis, e-commerce contribution to India's GDP will be 4% by 2020. A NASSCOM report states that the ITBPO sector contributes 10% to India's GDP, while the telecom sector accounts for 15%. First-time entrepreneurs contribute 63% because they face no obstacles. Das (2012) describes the growing trend of e-commerce and its role in consumer buying behavior through his research. He found that e-commerce can help reduce costs, improve quality, and deliver goods faster. Time is a valuable commodity for every customer, so when there are lucrative offers, online shopping is undoubtedly not only time-saving, but also money-saving. Khosla (2017) explains why e-commerce is booming in India: Why Online Shopping Stays Here. The growing popularity of online shopping is impacting offline retailers as online businesses offer better prices and have attractive promotional strategies, according to a study conducted in the Indian retail market. It's also easier to reach consumers online. Online channels provide consumers with the opportunity to shop anytime and anywhere with the help of the Internet, which motivates chain stores to enter online business. ET Retail (2015) predicted that e-commerce will help empower women. The article states that e-commerce not only helps increase employment, but also empowers women. E-commerce has become an integral part of people's lives, so it is important to reduce social inequalities. Bansal (2012) provides his take on e-commerce in India – present and future. Proving that e-commerce has made a difference with the introduction of cash on delivery. It has been observed that the majority of Indians do not rely on credit cards, so cash on delivery payments have emerged as a convenient option. As a result, businesses have gained a lot of trust. It is also said that the cultural affinity of cash on delivery will be an important part of payment mechanisms for at least the next four to five years. Kamath (2017) says that the Goods and Services Tax (GST) will benefit e-commerce the most, as he believes that it eliminates key supply chain issues from an e-commerce perspective. Fewer paperwork to ship and return products. Supply chain efficiency is key to fast delivery and GST is expected to play a role. Companies will also be able to implement more efficient supply chain strategies with warehouse management based on strategy rather than control requirements (such as Octroi). More importantly, it can properly calculate commodity prices and margins. Nayyar (2015) called for attention to India's e-commerce bubble. An analysis of the Indian economy suggests uncertainty about the government's foreign direct investment in e-commerce. There is no clear tax regime for e-commerce, and some of these companies may welcome scrutiny given their high ratings. Infrastructure can also affect growth. Rajasekar and Agarwal (2016) present a study on the impact of Indian e-commerce on Indian trade. Their research found that the growth of e-commerce. Most of the effective IT security systems that require technical and legal requirements. Provisions must be introduced and constantly strengthened. While many companies As Indian organizations and communities are beginning to realize the potential of e-commerce, there remain significant challenges that need to be addressed before e-commerce can bring benefits to the general public. Mitra (2013) conducted a study on e-commerce in India. The study considers logistics to be an obstacle to E-Commerce's prospects. The companies will have the responsibility of delivering the products to the right person at the right time and failure may have implications. The service of the post/courier services is not satisfactory. Vendor will have to come down and deal in an inefficient system for inventory management. This will slow down drastically. Most of them won't carry any digital data for their products. No nice looking photographs, no digital data sheet, no mechanism to check for daily prices, availability to keep your site updated. Shettar (2016) conducted an empirical study on emerging trends in e-commerce in India, revealing potential threats facing Indian wholesalers. Manufacturers may no longer need to rely on wholesalers as a distribution channel, as e-commerce allows manufacturers to introduce their products directly to consumers. Retailers, on the other hand, can make a living by linking to online sales. Retailers can provide consumers with additional information, accept electronic orders, and engage with consumers. Sunil Khatri(2022) conducted study on E-commerce industry in India. Online penetration of retail will increase; it is expected to reach 10.7% by 2024, from 4.7% in 2019. India's digital sector is expected to increase multi-fold and reach to the expected mark of US\$ 800 billion by 2030.

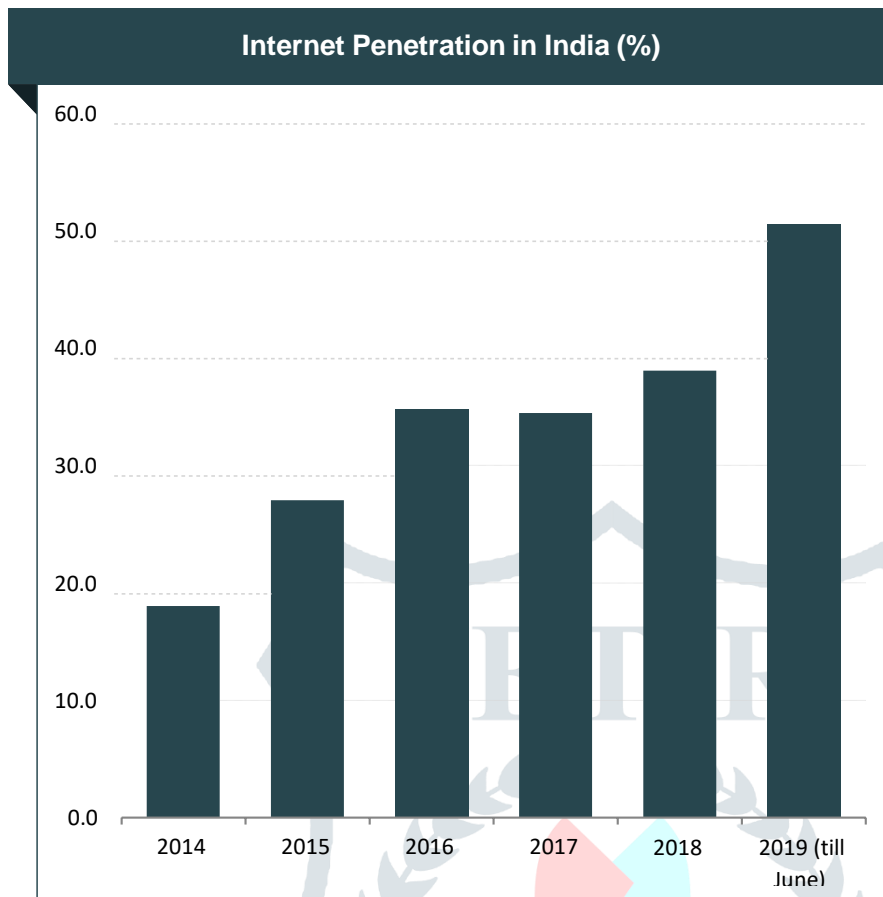
GROWTH OF E-COMMERCE IN INDIA



Remarks: *Estimated, F – Forecasted, **Source:** Media sources, BCG – The \$250 billion Digital Volcano, BCG – Digital Consumer Spending in India, Bain & Company – Unlocking Digital for Bharat, Morgan Stanley

- Propelled by rising smartphone penetration, the launch of 4G networks and increasing consumer wealth, the Indian E-commerce market is expected to grow to US\$ 200 billion by 2027 from US\$ 38.5 billion in 2017.
- E-commerce is increasingly attracting customers from Tier 2 and 3 cities, where people have limited access to brands but have high aspirations.
- Average online retail spending in India was US\$ 224 per user in 2017.
- The Government e-marketplace (GeM), three years after its inauguration saw a cumulative procurement by the central and state governments of Rs 24,183 crore (US\$ 3.46 billion) in FY19 and has a target of Rs 50,000 (US\$ 7.15 billion) crore in FY20.
- By 2022, smartphone users are expected to reach 476 million and E-commerce sector expected to grow 1,200 per cent by 2026.
- Government e-Marketplace (GeM) signed a Memorandum of Understanding (MoU) with Union Bank of India to facilitate a cashless, paperless and transparent payment system for an array of services in October 2019.

INCREASING INTERNET PENETRATION IN INDIA



Remarks: Internet penetration - number of internet subscribers per 100 population

Source: Economic Times, Live Mint, Department of Telecommunications, Bain & Company – Unlocking Digital for Bharat

- Internet penetration in India grew from just 4 per cent in 2007 to 50.52 per cent in 2019, registering a CAGR of 24 per cent between 2007 and 2017.
- Urban India with an estimated population of 444 million as per 2011 census. Urban internet subscriber base stood at 427.05 million and its penetration was 101.63 per cent in FY20.
- Rural India, with an estimated population of 906 million as per 2011 census. Rural internet subscriber base stood at 238.26 million and rural India penetration was 26.57 per cent in FY20.
- Internet penetration in rural India is expected to grow as high as 45 per cent by 2021 compared to the current rate of 21.76 per cent .
- Number of active internet users in the country is the second highest globally and data usage of 8 GB/subscriber/month is comparable to developed countries.
- India is also one of the largest data consumers globally. It has highest data usage per smartphone at an average of 9.8 GB per month.

CONCLUSION AND RECOMMENDATIONS

The advent of technology has benefited economies around the world and brought about new economies. Ideas for reaching consumers were implemented. India is no exception businesses and organizations are thriving today. E-commerce is transforming the consumer, impacting growth and employment. While the success of e-commerce almost ten years ago was unimaginable, the impact e-commerce has had over the past decade has not been easily measurable. This study examines how e-commerce as an industry has grown, evolved, and benefited consumers over the years. The study also highlights the importance of e-commerce to the Indian economy and speaks to its future growth. We studied consumer behavior and understood how it changed. A survey was conducted to determine the level of consumer perception and e-commerce adoption. The biggest reaction turned out to be positive. Over the years, following the success, new players entered the market. Competition has led to an increase in the quality of services offered by various brands. It also improved consumer satisfaction. E-commerce is also a platform for launching various new products, as various companies seek to attract attention in the form of special offers to increase brand awareness as well as increase sales. The study also found that e-commerce scored highly for convenience and reliability, as it made shopping much easier, backed

by impressive customer service. As a result of this revolution, consumers are no longer dependent on traditional retail outlets. Businesses are always looking for innovation to attract customers and lack of innovation can hinder the survival of any business organization. An industry will never thrive if it does not address consumer needs. Businesses are always looking for innovation to attract customers and lack of innovation can hinder the survival of any business organization. An industry will never thrive if it does not address consumer needs. E-commerce has grown exponentially over the past five years, and with more companies to come, its continued growth is imminent. Consumers also need to be aware, as not all brands can deliver high quality. A service that more companies enter. Not all companies are successful, competition is expected to remain massive, and some big-name brands already have huge customer bases and are expected to survive, so that's guaranteed. Businesses should adopt their own survival strategies.

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