

E-commerce in Emerging Global Market of India: An Analysis of Present Status, Challenges and Future Prospects

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Abstract : As we know that the e-commerce industry has been penetrating in almost all countries and also capturing the major chunk of the retail market share in those countries for the last decade. In India it is inclined to grow majorly as the country is well equipped with the advances in technology and it is one of the emerging global markets in the world. In this paper we have analyzed the studies and researches of various papers, articles, marketing agency reports, government websites, etc. to know about the factors contributing towards the growth of e-commerce industry in India and shaping it as a global market. Furthermore, in this paper we have attempted to examine the idea of e-commerce, retailing, global e-commerce markets, scenario, growth trends, challenges and future prospects of the e-commerce industry in India.

Index Terms – E-commerce, Global E-commerce Markets, Retailing, Idea of E-commerce, Scenario, Growth Trends, Challenges, Future Prospects.

I. INTRODUCTION

E-commerce is the technology which is predicted to become more and more popular in the coming future and which can enhance further business purposes. While the e-commerce is still being the maturing market, emerging economies are poised to become subsequent mega market because the rapid increase of internet users in these countries. This Emerging markets are the hotbeds for e-commerce that comes with the unique opportunities and challenges across the regions and which is extremely accurate and consistent with the South Asian region, as Indian e-commerce is that fastest growing industry. As, e-commerce achieves higher penetration rates in developing countries e.g. India, and it also enables to overcome obstacles to adopt the high-speed networks which are fast enough for Smartphone and shipping cost. The e-commerce industry has transformed the ways of business doings in India. Much growth of e-commerce industry has been triggered in India and thanks to the increasing internet and smartphone penetration. Every second three more Indians experience the web for the primary time in their life and it is being estimated that by 2030, there will be more than 1 billion of them which are going to be online. As India is the fastest growing market within the E-commerce sector and therefore the Indian e-commerce market is estimated to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion as in the year 2017. The on-going digital transformation within the country is estimated to extend India's total internet user base to 829 million by 2021 from 604.21 million as of December 2018 and which will further enhance the number of E-commerce companies to attach to the new users. The internet economy in India is estimated to get doubled from US\$125 billion in April 2017 to US\$ 250 billion by 2020, which is majorly backed by the e-commerce industry. India's E-commerce revenue is predicted to leap from US\$ 39 billion in 2017 to US\$ 120 billion in 2020, growing at an annual rate of 51 per cent, which is the highest in the world and highest among all the countries with the larger e-commerce base in the world. In India, cash on delivery which is the most preferred payment method, accumulating about 75% of the e-retail activities. In 2017, the most important e-commerce companies in India were Flipkart, Amazon, Myntra, Paytm, and Snapdeal. In 2018, Amazon beat Flipkart and was recorded as the most important event in the Indian e-commerce industry in terms of revenue.

II. LITERATURE REVIEW

Here we are going to the review some the research papers in the context of the e-commerce industry in the Indian perspective has changed the way of doing business in India. Here are some of the research papers including various aspects of e-commerce related to India.

1) Prateek Kalia, Navdeep Kaur & Tejinderpal Singh (2017)

E-COMMERCE IN INDIA: EVOLUTION AND REVOLUTION OF ONLINE RETAIL – This paper specifically presents the origin of e-commerce and the broad sector of online retail in India. Various aspects related to the origin of E-Commerce in India is also being discussed in detail. It describes the internet penetration all over India and as per study India is the third largest country in terms of internet users. It also shows India is the driving force for E-commerce in the Asia Pacific region after China. It shows the various aspects of the Global Retail E-Commerce Index & various prospects which hamper Indian rankings in the list. Different E-Commerce scenario related to India is being studied & it shows that online retail has fifty per cent share in the present E-Commerce industry in India. It gives an idea of online retail market size & growth which shows that the future prospects related to this industry are extremely positive.

2) Rhitabrata Kumar & Dr. Asha Nagendra (2018)

AN ANALYSIS OF THE RISE OF E-COMMERCE IN INDIA – The paper gives us an idea of how the e-commerce sector has taken a massive rise in the India market through the last decade moreover due to the digitization which has enhanced various opportunities for evolving the business models. The main purpose of this paper is to show how the e-commerce sector has managed the various consumer behaviour by providing them quality of service as well as benefits and thus attracting the consumers regularly. As consumer behaviour changes from time to time the ecommerce sector also fulfils the necessary requirements. In this paper there was a study on collection of data through various secondary sources and there was also a questionnaire circulated to various parts of India in which views and opinions were taken from 56 individuals. The study showed that there was a massive increase in the E-commerce sector in the last five years which was resulted due to the technology and digitization which has assisted its growth and some challenges are also there for this industry.

3) Dr. Naveen Kumar (2018)

E-Commerce in India: An Analysis of Present Status, Challenges and Opportunities – This paper shows that the E-commerce industry is the future of shopping and how this industry is one of the business options to be explored largely in the coming years. It also shows present scenario of E-Commerce in India which is growing at very good pace in the present case. The E-commerce is mainly backed due to the large internet user base and the increasing internet penetration across the country which has resulted in a massive growth and future prospects also seem to have tremendous growth in the coming years. The paper also depicts some challenges and concerns related to the E-commerce industry such as logistic and supply chain, tax structure, absence of cyber laws, insecurity in online payments, cash on delivery, etc. which are to be addressed properly, so that it increments the growth of E-commerce in India.

III. IDEA OF E-COMMERCE IN INDIA

A. Multi Product E-Commerce: There are some of the internet portals which provide almost all categories of goods and services in a single site as they are being targeting all consumers of products & services. As in India there are various portals which provide a variety of products or services such as accessories for men & women, health & beauty products, books & magazines, audio/video entertainment goods, consumer electronics, software, vehicles, household appliances, real estate & services, business & employment, travel tickets, matrimony, etc. Examples: www.sify.com, www.rediff.com, www.indiatimes.com, etc.

B. Single Product E-Commerce: There are many Indian portals/websites that deal with the specialized fields & some of the examples are as follows:

1) In Automobiles, there are portals like www.indiacar.com, www.carindia.in, etc. these websites provide buying & selling of two & four wheelers as well as other types of old vehicles. Some of the services they give are car research and reviews, online evaluation, technical specifications, vehicle insurance, vehicle finance, dealer locator, etc.

2) For stock and shares markets, there are a number of the sites which are www.equitymaster.com, www.moneycontrol.com, www.5paisa.com, etc. A number of the services are also offered to registered members such as online buying or dealing of stocks and share, analysis of market and research, company information, comparison of companies, equity and mutual funds research, market trends, etc.

3) For real estate sector, there are portals like www.99acres.com, www.magicbricks.com, www.nobroker.in, etc. This website facilitate online dealing in real estate sector, they provide outright purchase or lease of a property through their portal. They also provide information on new properties also as for resale and also a number of the allied services are housing finance, insurance companies' architects and interior designers, property adviser services, etc.

4) In travel and tourism industry a major government of India portal is www.tourismindia.com & there also other portals for tourism which are www.tourism.gov.in, www.iato.in, etc. The tourist destination sites are categorized according to the themes like eco-themes pertains to jungles, flora and fauna, beaches of India, architectural attractions, forts and places, hill resorts, adventure-trekking, mountain climbing etc. Other services offered are passport and visa, travel and accommodation information, weather information, festival and fair dates, shopping, tour operators etc. There are other sites like www.incredibleindia.org, it highlight the tourist destinations of a specific region in India, which covers North East India.

5) In gift items, there are specific Indian websites making the act of gifting quick and easy to suit one's lifestyle. One such site is www.indiangiftsportal.com & also there are some other portals such as www.giftcart.com, www.bigsmall.in, etc. The gifts are of various categories such as paintings, sculptures, toys, games, chocolates, flowers, wood craft and metal craft, there also luxury items such as leather goods, perfumes, jewellery boxes, etc.

6) In case of hobbies, the most popular hobbies from time immemorial are reading books, listing music and watching films. On the Indian website www.firstandsecond.com, one can buy more than 3,00,000 titles of books, cassettes, VCDs and DVDs. The books cover a wide range of topics such as business, art, cookery, engineering, children's stories, health, medicines etc. For music and videos, they are available in English and other Indian languages to cater to the needs of public and the topics range from devotional songs, old time favourites and pop, etc.

7) In case of matrimony, there are many marriage portals such as www.shaadi.com, www.jeevansathi.com, www.bharatmatrimony.com, etc. There is a proverb that says marriages are made in heaven, but within the world of E-commerce, they're made on marriage portals. On these websites one can look for an appropriate match by region of residence, religion or caste. Once registered with these portals, they have e-mail facility and chat rooms, so that the couple gets to know more about each other before making the decision of their lives. Other services for registered persons are astrological services, information on customs and rituals, legal issues, health and beauty, etc.

8) In case of employment, the two major portals are www.monsterindia.com and www.naukri.com are instrumental in providing job seekers with suitable employment facility. The job seekers get free services and for the employment purpose they charge a fee which is nominal. There are various jobs available online in the fields, ranging from secretarial to software development and from real estate to education.

IV. E-COMMERCE RETAILING IN INDIA

As the Indian retail industry has emerged together as one of the foremost, dynamic and fast-paced industries, which due to the entry of several new players and various agencies have high expectations about growth of Indian e-commerce market in the near future. E-Commerce has transformed the way of doing business in India in many ways. The dynamic pace of the Digital age in India has forced all major companies to take steps to cater to the consumer expectations, which is always a provocative step to achieve success in the E-commerce industry. The prerequisite to success in this e-commerce industry is to create innovative, sustainable, consistent and seamless shopping experience within all the aspects related to the consumers. The growth of the E-commerce industry has been triggered by the increasing number of internet and smartphone users in the country which has not only penetrated into the metro cities but also in tier two and tier three cities of India which has enabled the full-fledged growth of E-commerce in the country. Some of the data related to the increasing number of internet users is depicted in the figure.1, which shows how the users will be approximately doubled from 445.96 million in 2017 to 829.00 million in 2021.

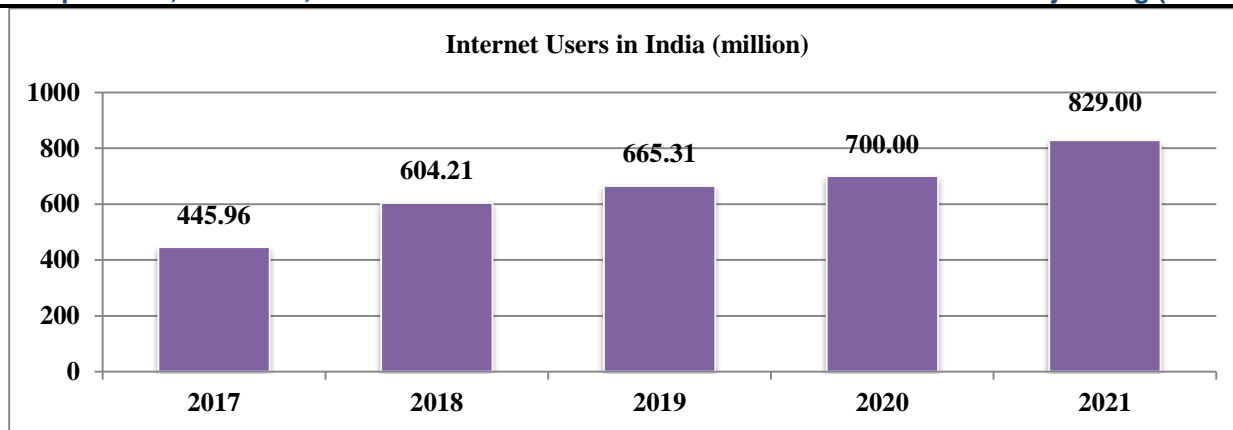


Figure. 1 - Increasing number of Internet users in India

The current online retail market in India has grown by leaps and bounds from its nascent state from the early 2000s to the current market which comprises of USD 19.5 billion worth transactions at a gross level before returns and rejections. There are strong government initiatives which have coupled with the reduced prices of smartphones and various data plans by telecom service providers which have led to an increase in adoption of internet amongst new users. Consumer behaviour has changed in timely manner which has led to the E-commerce companies to be innovative in their approach towards the consumer as the customer buys from online stores rather than visiting physical stores as various cash back offers to attract them has led to the revolution in the retail market. In a market, which has about 90-100 million online shoppers and is being growing at a very good pace while generating employment opportunities. There are also new shoppers who are among 560 million+ internet users in India which are predominantly coming from tier II and various below cities and towns in India.

Further there are various problems related to the customers as they are not aware of the technology usage and they mostly reside in remote regions, thus making logistics for a single order a challenge. The search for the solution to this issue, is resulting in the rise of the assisted E-commerce models, wherein the retailers at the local store order the products online through various internet enabled devices and then this products are being delivered to this retailers, which acts as dual role of cash collection point for the E-commerce platform and for the end customers for the pickup point. This model has been very successful for the customers living in the remote areas with less awareness and knowledge about the online platforms. This model will drive the business interests of many retailers and E-commerce platforms in connecting with these remote customers and help in the major growth of the retail industry.

There is a very intense rise in the competition among the players in the industry which has led to the acquisitions of the small rivals in the industry to increase to their market share, which is resulted due to the international investors many times. There are also mergers among the players to be in the competitions among other players and to maintain the hold onto their customers and also ensuring a larger outreach to reach to connect to new customers. Due to rise in the competitiveness among the players, it also many times leads to a stronger influence onto the customers in their future purchase decisions. In the present scenario, there are 1-1.2 million transactions per day in E-commerce retailing. As far as the sector composition is being considered, in the present E-commerce retail market by value, which is shown in figure.2, it shows almost half of the value is from the electronics sector and the other major sector is apparels which are approximately thirty per cent, both these sectors constitute about 80% approximately. There also some other sectors which fairly constitute about 20-22% per cent share in the E-commerce retail market which are home and furnishing; baby, beauty and personal care; books; and others.

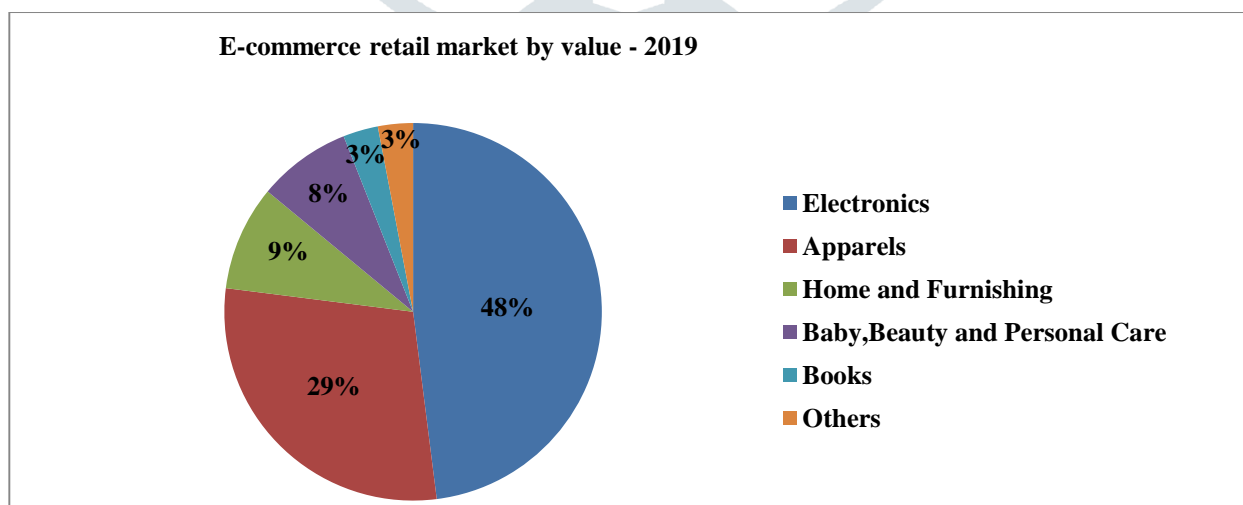


Figure. 2 - Present E-commerce retail market by value

V. SCENARIO OF E-COMMERCE IN INDIA

As far as the E-commerce industry is concerned the scenario has upward trend leading to a much healthier growth than the other counterparts of the world which has resulted in the retail industry which has experienced a healthy growth over last few years achieving a total market size of \$795 billion in 2017. As far as the projections are concerned the retail market in India is projected to reach \$1.375 trillion, while the Indian e-commerce industry is expected to cross 200 billion by 2026. The E-commerce market in India is also set to grow at

a CAGR (Compound Annual Growth Rate) of 30% for gross merchandise value to reach \$200 billion by 2026, and will have a market penetration of 12% compared to 2% currently. As India is largely an unorganized retail market, but it contributes 88% to the total retail sector in India. As far as the organized retail market is currently valued at \$60 billion, while the unorganized market holds the rest i.e. the major chunk is being held by the unorganized market. The share of the organized retail market is projected to increase to 22-25% by 2021, thereby reducing the unorganized retail market's share to 77%. This also advances the chances of the organized retail market which has the potential to reach approximately \$140-160 billion.

As the rankings are described India ranks among the best countries to invest in Retail space and has the best outcomes among the other global markets. The various factors that make India so attractive is the second largest population in the world, a middle class of 600 million people, with fast increase in urbanisation, rising household incomes, with increasingly connected rural consumers and increasing consumer spending. Retail sector in India is the largest industry, which currently accounts for over 10% of the country's GDP and 8% of total employment in the country. India ranked No.2 in Global Retail Development Index (GRDI) in 2019 which is due to the various policies and programmes undertaken by the government but it is down by 1 which it was in 2017, but the future of this industry looks secure as India to have more internet users (650 million) than the entire population of six G7 countries by the year 2021 and also India is to become third-largest consumer economy by 2025 (consumption expenditure to increase by a factor of 3 to reach \$ 4 trillion). The GRDI (Global Retail Development Index) data shows the total retail sales in India: \$1,202 billion and GDP per capita, PPP: \$7874 as per data.

The Major policy changes that have led to the E-commerce industry to grow in an appropriate manner and that have also brought a large amount of investment and employment in the country are GST & reforms in the FDI policy. The recent policy changes allow 100% FDI under the automatic route for single-brand retail trading. There has been \$1.9 billion FDI allowed in Retail Trading during April 2000 - June 2019 and also there is an estimation of \$3.3 Billion FDI inflows in Retail during November 2014–November 2017 (Invest India estimate). There are some of the new FDI facts which are listed below;

- 1) 100% FDI allowed in single brand product retail (online presence allowed) under automatic route.
- 2) 100% FDI allowed in e-commerce (B2B & marketplace for B2C) under automatic route.
- 3) 100% FDI allowed in Cash & Carry Wholesale Trading under automatic route.
- 4) 100% FDI allowed in duty-free shops under automatic route.
- 5) 100% FDI allowed in food product retail under automatic route.
- 6) 51% FDI allowed in multi-brand product retail (online presence not allowed) under government route.

Due to the favourable policy changes in India, there are many companies such as Apple which wants a sizable amount of its stores to be opened in the country as well as there are designers such as Alexander McQueen and Yves Saint Laurent who are wanting to open their shops in malls such as DLF Chanakya luxury brand mall in New Delhi. Tiffany & Co. has partnered with Reliance to debut stores in New Delhi in 2019 and Mumbai in 2020. There are moreover many international retailers which are now in the market, including IKEA, Under Armour, American Eagle Outfitters, Miniso, Ted Baker, Go Sport, Replay, and Hummel.

VI. PRESENT SCENARIO IN GLOBAL E-COMMERCE MARKETS

In the present scenario, the top global E-commerce market will be China as it tops the list of the global E-commerce market with \$1.935 trillion in E-commerce sales which is three times greater than the US (\$586.92 billion) which ranks 2 in the list. But, it is hard to believe that China only recently surpassed the US in 2013 in the E-commerce sales and now has widened the margin between both the countries to a large extent. As China represents 54.7% of the global E-commerce it is said that, wherever China goes, so goes the global E-commerce market. There are other countries in the top 10 list of global E-commerce market, which are UK (\$141.93 billion), Germany (\$81.85 billion) and France (\$69.43 billion) which are the top countries from the Western Europe. There is also Canada (\$49.80 billion) in the list at 8 which continues to see growth trends but it has lagged in recent times due to its logistical inefficiencies. The other Asian countries in the list other than China, which are Japan (\$115.40 billion), South Korea (\$103.48 billion) and then there is India which is the fastest growing E-commerce market in the list and will have a jump of 31.9% in the sales taking it to \$46.05 billion in 2019. Russia is at 10 with \$26.92 billion sales with a jump of 18.7% from 2018 to 2019. The table.1 shows the list of Retail E-commerce sales (in billions) of the top 10 countries in 2018 and 2019, with their per cent change from 2018 to 2019.

Countries	2018	2019	% Change
1. China	\$1,520.10	\$1,934.78	27.3%
2. US	\$514.84	\$586.92	14.0%
3. UK	\$127.98	\$141.93	10.9%
4. Japan	\$110.96	\$115.40	4.0%
5. South Korea	\$87.60	\$103.48	18.1%
6. Germany	\$75.93	\$81.85	7.8%
7. France	\$62.27	\$69.43	11.5%
8. Canada	\$41.12	\$49.80	21.1%

9. India	\$34.91	\$46.05	31.9%
10. Russia	\$22.68	\$26.92	18.7%

Table 1 - List of Retail E-commerce sales (in billions) of the top 10 countries in 2018 and 2019 with their per cent change

VII. TRENDS OF E-COMMERCE GROWTH IN INDIA

1. Internet penetration: Internet penetration is on rise in the country which is growing rapidly, crossing 525 million in 2019 and it is expected to hit 635 million users in 2022. The current internet penetration in India overall is about 42-44% including the urban as well as rural population which is expected to increase in the coming years. In India, the rural population accounts for about two-third of the Indian population and with the affordable prices of smart phones and data plans, the internet penetration in the rural India is expected to see a growth like never before. There are major improvements in the telecom infrastructure which has also led to the growth of E-commerce in India. There are also many leading e-Commerce companies which state that almost 70-75% of their online traffic comes from mobile phones and thus higher revenues are coming from mobile applications.

2. Mobile as the game changer: Mobile has been a means of communication but it is no longer a device which is only used for communication, it has now used for various purposes such as entertainment options, learning new topics, and shopping experiences, etc. Consumers are getting comfortable buying products and services through the various applications that are available on the mobile phone and it makes the mobile commerce as a viable business opportunity for retailers.

3. Language diversity: Many retailers in India are adopting the regional languages which has led to the regional customers to explore various E-commerce platforms and thus makes them shopping in a convenient manner. As per the latest study by Google states that 90% of the new internet users consume content in regional languages. As we know that, the retailers which invest in the regional language content will indeed benefit in increasing new customers to their website and the regional language content users are expected to account for nearly ~75% internet users by 2021.

4. Arrival of Social commerce: India is a multi-cultural society and through social commerce many community will be influenced by social interactions and user experiences which will lead to the concept of community buying and selling. As social commerce has the ability to offer a wide array of choices, coupled with shared user experiences and referrals, and through this the social commerce is expected to impact consumer decision making in buying or selling any product significantly.

5. Convergence of customers across various E-commerce businesses with the help of technology: As the smartphone users are increasing in India day by day, the time spent by the user on the internet will also increase and this will also drive growth for the E-commerce platforms. Now the E-commerce businesses have to prepare a flexible ecosystem that lets the users to move from various sections such entertainment to infotainment and infotainment to buying or other across various E-commerce websites and this will ultimately lead to online transactions.

6. Digital wallets: Digital wallets are seen as the future dominant mode of payment in the E-commerce sector in India, but Cash-on-Delivery (CoD) still remains the popular mode of payment for Indian e-Commerce transactions. But in the recent past, demonetisation has played a key role in enhancing new payment solutions and taking this into account various investments in digital channels across Indian languages are expected to rise in the near future. In the recent study by KPMG reveals that more than 75% of Indian language internet users prefer mobile wallets over websites and applications which are been promoted by banks. The Government of India has also taken in many initiatives in promoting digital transactions through digital wallets and various outreach programmes are being conducted by them for the adoption of digital wallets. In the recent times, the launch of Unified Payments Interface (UPI) by Reserve Bank of India is aimed to transform the mobile banking and it is seen as the government initiative for promoting the digital wallets.

7. Supportive sectors: As the customers are becoming habitual to the next-day delivery of products, so there are challenges in terms of handling huge volumes of delivery, return orders and higher standards of customer service. Due to this there are many supportive companies have come up and the E-commerce industry has seen rise of several third-party logistics companies (3PLs) who handle last-mile deliveries and reach many remote areas mainly in tier 2 and 3 cities and many other backward areas of the country. This increases the logistics costs associated with the order, but many E-commerce companies have come up with innovative and analytical driven models that helps in operational efficiencies of the company.

8. Government initiatives: There are many initiatives taken up by the Government of India to improve the retail industry in India. They are being depicted below in the following points;

- Government of India has made an automated route for 100% FDI in online retail of goods and services as well as they have provided clarity on the prevailing businesses of e-commerce companies operating in India.
- The Ministry of Urban Development has also taken an initiative under the plan of National Common Mobility Card (NCMC) model to enable seamless pass by in metros and other transport systems across the country as well as for the retail purchases.
- Implementation of GST is predicted to enable easier movement of products across the country, thus improving all retail operations for pan-India retailers.
- To motivate the investor's sentiments and give it a further push the government has allowed 100% FDI in single brand retail.
- There is also a proposal made by the government to scrap the distinctions among differing types of overseas investments by shifting to one composite limit, which suggests that the portfolio investment up to 49% won't require government approval nor will it need to suit the sectoral conditions, until there a need to transfer the ownership and/or control of Indian entities to foreigners.
- The latest step taken for the abolishment of Foreign Investment Promotion Board (FIPB) is a bold step taken by the Government to boost foreign investments into India.

VIII. CHALLENGES FOR THE E-COMMERCE SECTOR IN INDIA

With the E-commerce sector observing a rapid growth in the last decade, there are many challenges which are related to the proper growth of the E-commerce industry in India when compared to that of the western countries. These key challenges are being discussed one by one which arises particularly in a big country like India;

1. Absence of proper awareness: The number of people having the awareness about shopping online in India is far more less many other countries. It is due to the large amount of population living in India are from the rural areas and they are mostly unaware about the online shopping. Even in many urban areas there is lack of awareness about the online shopping and those who know are unaware about the functionality of it. This is one of the biggest challenges for the E-commerce sector to deal in India and by dealing with this problem they can expand their market share.

2. Plastic money holders are lesser in numbers: As many major E-commerce platforms provide various ways of payment options such as debit card, credit card, net banking and mobile wallets, but this are not viable for many users as they aren't plastic money holders. There are many users which are only dependent on the Cash on Delivery (CoD) option, but this option is not favourable for the E-commerce companies as it incurs losses for them in many ways. In the recent past, many banks have started to provide their account holders with the debit cards to increase its usage and thus helping the E-commerce sector. This is one of the biggest challenges faced by the E-commerce sector for a long time being in India.

3. Security issues of E-commerce companies: There are many E-commerce giants in India and which provide enhanced security software for its customers in transacting online as well as for their own operational units for various operations to be performed continuously. But in India, there are many small E-commerce companies which ignore having authentic security software and through this types of platforms transactions can be risky in compromising the customer's data to any third parties. To overcome this challenge, SSL certification must be mandatory for all the E-commerce platforms operating in India.

4. Lack of proper customer support: Many E-commerce companies India lack proper customer support which is a very vital aspect in the expansion of business, because customers many times visiting any E-commerce websites figure out that which company has the best customer support while purchasing any product online. Thus, many E-companies have been trying to be the best customer supportive companies through various ways such as FAQ's, emails, phone calls, live chats, etc.

5. Issues in payment method: There are issues related to the payment method in India related to the E-commerce industry as many customers are not comfortable with the online transactions and so this was in way for introducing the Cash on Delivery (CoD) where the customer can pay directly when the delivery of the product is being received by them. But this option has been resulting in losses for the E-commerce companies as many customers have refused to pay the money at the time of delivery. This challenge is also one of the biggest challenges for the E-commerce industry in India which has to be sorted out quickly.

6. Fear in online transactions: There have been so many initiatives taken by the E-commerce companies as well as the government to boost the online transactions, but there is still a type of insecurity among the masses in India to disclose their personal account details online due to the fear that it may be transcribed in any other formats and can be used. This is mainly a problem which is to be addressed at the earliest because it largely remains as one of the biggest challenges faced by the e-commerce industry in India.

IX. FUTURE PROSPECTS OF THE INDIAN E-COMMERCE INDUSTRY

As the India E-commerce industry has seen an upward swing for the last decade, it still remains one of the highly aspirational consumer markets and with a large amount of opportunities to offer to the E-commerce companies around the world. India is also expected to surpass US in the year 2034 and become the second largest E-commerce market of the world. There is a large amount of emerging middle class population in India which will largely contribute towards the E-commerce sector as well as there are about 65% population in India which are below aged 35 and many of them are well equipped with a smartphone and aware of online shopping. As India has the second largest Internet base in the world, with the numbers of users crossing 525 million in 2019, this will ultimately increase the market share of E-commerce sector in India.

The extent of future growth of E-commerce in India will also be dependent on government initiatives, investments and awareness among the different masses living in India. The innovations in providing various services to the consumers will also be a factor in determining the rate of growth of E-commerce in India. To cater the needs of the consumers, the E-commerce players also need to innovate across the value chain through various initiatives such as custom assortments, local language content, online over offline infrastructure and target marketing. We may observe that many users which are new to this platform are quite different in their approach as they are being much familiar about the latest technologies from the previous users and this in turn will help the E-commerce platform to grow at a faster rate. There are other initiatives towards providing adequate access by improving digital literacy, making people comfortable with digital payments, proper availability of Internet, improving trust and this will contribute towards increased number of Indian E-commerce users in future.

The projections for the Indian E-commerce market for the upcoming years is showing an upward trajectory in the growth of the E-commerce market and it is expected to reach US\$ 200 billion from US\$ 38.50 billion in 2017 as shown in the figure.3, and in 2022 is expected to be at US\$ 150 billion due to the rising incomes as well as surge in the internet users in India.

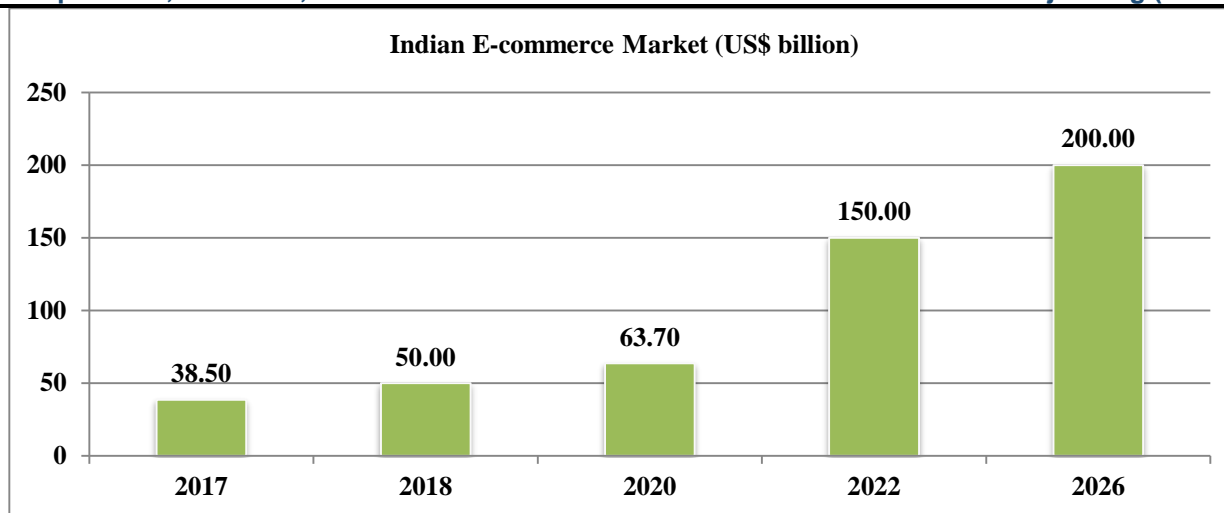


Figure. 3 - Projections of the Indian E-commerce market for the upcoming years

There are also many other factors which are being contributing towards the future growth of E-commerce industry in India, they are being listed below;

- 1. Expanding income:** There are about 3X rise in the average household income and it will reach \$18.4 million in 2020.
- 2. Rise in online spending:** Digital spending is being projected to increase more than tenfold to \$550 billion and will approximately account for 35% of all retail sales by 2025.
- 3. Increase in rural consumption:** The rural per capita consumption will grow 4.3 times by 2030.
- 4. Low Internet penetration:** Lower penetration means there is a space for future growth.
- 5. Households of young millennials:** India will be adding about 90 million new households headed by millennials and with the world's largest skilled manpower pool of 600 million+ by 2025.
- 6. Fewer players with focussed funding:** The investors are now only investing on the E-commerce companies which are showing a substantial growth and sustainability in the E-commerce market, to avoid future losses.
- 7. The next big online segment will be food and groceries:** For many years from now on the food and groceries segment will remain an important part in generating large amount of revenue for the E-commerce sector in India.

X. CONCLUSION

E-commerce in India has made shopping hectic free and has made it time saving task. In India E-commerce platforms have been a privilege for many people who cannot be physically present to buy a specific product and it has led to a change in many people's daily routine, as they do their transactions through any E-commerce platform of their choice. The E-commerce sector is having an upward trend in India as it has a lot of potential for the global E-commerce companies as well as the investors. One of the main reasons of the E-commerce sector to be flourishing in India is due to its large diversified population and also having the second largest internet user's base in the world. India also has large amount of emerging middle class population in the world and its 65% of the population is under 35 aged, which will further help in the penetration of E-commerce industry in the country. In the global perspective, India is among the top 10 countries of the global E-commerce markets. The Government of India has also taken many initiatives to boost the E-commerce sector through reforms in FDI rules, promoting the plastic money, incentives for digital transactions, etc. The future scenario of the E-commerce sector in the country shows a positive trend for the upcoming years as well as the E-commerce sector is increasingly contributing to India's GDP.

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