

## STEAMING TRENDS OF E-COMMERCE IN INDIA

By

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### ABSTRACT

The E-Commerce market is thriving and poised for robust growth in Asia. Since 1991, after economic reforms explicitly took place in India as a result of opening-up of the economy with a view to integrate itself with the global economy, the need to facilitate international trade both through policy and procedure reforms has become the foundation stone of India's trade and fiscal policies. Electronic commerce (e-commerce) as part of the information technology revolution became widely used in the world trade in general and Indian economy in particular. With advancements in technology, there have been changes in the methodology for business transactions. India, being a rapid adaptor of technology is apace with the current scenario of electronic data exchanges and has taken to e-commerce. There are players who made a good beginning. Their success depends on their understanding of the market and offering various types of features. This paper deals the conceptual knowledge of search engine marketing (SEM) or e-commerce, literature review, current and future aspects of e-commerce in Indian context. This paper gives an overview of the future of E-Commerce in India and discusses the future growth segments in India's E-Commerce. Also find out various factors that would be essential for future growth of Indian E-commerce. And represent the various opportunities for retailers, wholesalers, producers and for people. In this paper we found that the Overall E-Commerce will increase exponentially in coming years in the emerging market of India. And discuss the types of e-commerce business, key characteristics of the firms engaged in e-commerce application, to examine the growth of e-commerce in both physical and financial terms, to evaluate the benefits obtained from e-business, to critically analyze the barriers and constraints involved in flourishing e-commerce businesses in India and finally to develop a framework for effective dissemination of e-commerce in India. The role of government should be to provide a legal framework for e-commerce so that while domestic and international trade are allowed to expand their horizons, basic rights such as privacy, intellectual property, and prevention of fraud, consumer protection etc are all taken care.

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### INTRODUCTION:

Electronic commerce is presently an indispensable ingredient of India's trade facilitation policy. Since 1991, after economic reforms explicitly took place in India as a result of opening of the economy with a view to integrate itself with the global economy, the need to facilitate international trade both through policy and procedure reforms has become the foundation stone of India's trade and fiscal policies. Resultantly, last few years have witnessed a technological revolution accompanied by the wide spread use of the Internet, web technologies and their applications. Electronic commerce (e-commerce) as part of the information technology revolution became widely used in the world trade in general and Indian economy in particular. As a symbol of globalization, e-commerce represents the cutting edge of success in this digital age and it has changed and is still changing the way business is conducted around the world. The

commercialization of the Internet has driven electronic commerce to become one of the most capable channels for inter-organizational business processes. Consequently, Internet growth has led to a host of new developments, such as decreased margins for companies as consumers turn more and more to the internet to buy goods and demand the best prices<sup>1</sup>. The internet augments the traditional businesses to be transformed because 'incumbents (in markets ) and large firms do not have the advantage 'just by virtue of being there first or by being of big'. The implication of perfectly competitive market as the world will observe is that market will produce an efficient allocation of resources. Internet has accurately been an effective instrument in changing the straightforward ways of doing business. In any market with no entry barriers – the 'Net' is biggest of them, the continuous arrival of competition will, routinely, drive down the prices. Such a case, in long term all firms could only earn normal profits. Electronic commerce (or e-commerce) encompasses all business conducted by means of computer networks. Advances in telecommunications and computer technologies in recent years have made computer networks an integral part of the economic infrastructure. More and more companies are facilitating transactions over web. There has been tremendous competition to target each and every computer owner who is connected to the Web.

Although business-to-business transactions play an important part in e-commerce market, a share of e-commerce revenues in rapidly developing countries like India is generated from business to consumer transactions. E-commerce provides multiple benefits to the consumers in form of availability of goods at lower cost, wider choice and saves time. People can buy goods with a click of mouse button without moving out of their house or office. Similarly online services such as banking, ticketing (including airlines, bus, railways), bill payments, hotel booking etc. have been of tremendous benefit for the customers. Online businesses like financial services, travel, entertainment, and groceries are all likely to grow. E-commerce evolved in various means of relationship within the business processes. It can be in the form of electronic advertising, electronic payment system, electronic marketing, electronic customer support service and electronic order and delivery. E-commerce stands for electronic commerce and pertains to trading in goods and services through the electronic medium, i.e. the Internet or phone. On the Internet, it pertains to a website, which sells products or services directly from the site using a shopping cart or shopping basket system and allows credit card payments. It involves conducting business with the help of the electronic media, making use of the information technology such as Electronic Data Interchange (EDI). In general connotation, Ecommerce involves paperless transactions and usage of EDI (Electronic Data Interchange), electronic mail, bulletin boards, fax transmissions, and electronic fund transfers. It refers to the process of trading goods and services through an electronic medium such as the internet. With advancements in technology, there have been changes in the methodology for business transactions. India, being a rapid adaptor of technology is apace with the current scenario of electronic data exchanges and has taken to E- Commerce. E-commerce is being used for purchase and sale of multiple products and there are multiple players using various portals and websites for this purpose. The information technology industry might observe it as an electronic business application aimed at commercial transactions. It can involve electronic funds transfer, supply chain management, e-marketing, online marketing, online transaction processing, electronic data interchange (EDI), automated inventory management systems, and automated data collection systems. It typically uses electronic communications technology such as the Internet, extranets, e-mail, e-books, databases, and mobile phones.

### **What is E-Commerce?**

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Electronic commerce or e-commerce refers to a wide range of online business activities for products and services. Though there exists no standard definition for the term e-commerce<sup>9</sup>,

- E-Commerce or Electronic Commerce means buying and selling of goods, product or services over the internet. E-commerce is also known as electronic commerce or internet commerce. These services provided online over the internet network. Transaction of money, funds, and data are also considered as E-commerce. These business transactions can be done in four ways: Business to Business (B2B), Business to Customer (B2C), Customer to Customer (C2C), and Customer to Business (C2B). The standard definition of E-commerce is a commercial transactions which is happened over the internet. Online stores like Amazon, Flipkart, Shopify, Myntra, Ebay, Quikr, Olx are examples of E-commerce websites. By 2020, global retail e-commerce can reach up to \$27 Trillion.
- E-commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform, and redefine relationships for value creation between or among organizations, and between organizations and individuals.
- The Asia Pacific Economic Co-operation ("APEC") has adopted a comprehensive definition of e-commerce to include *all business activity conducted using a combination of electronic communications and information processing technology*.
- The United Nations Economic and Social Commission for Asia and the Pacific ("UNESCAP") have also defined e-commerce as *'the process of using electronic methods and procedures to conduct all forms of business activity*.

#### **HISTORICAL DEVELOPMENT OF E-COMMERCE: A TIMELINE FOR THE DEVELOPMENT OF E-COMMERCE:**

- 1971 or 1972: The ARPANET is used to arrange cannabis sale between students at the Stanford Artificial Intelligence Laboratory and the Massachusetts Institute of Technology, later described as "the seminal act of ecommerce" in John Mark off's book *What the Dormouse Said*.
- 1979: Michael Aldrich demonstrates the first online shopping system. 1981: Thomson Holidays UK is first business-to-business online shopping system to be installed.
- 1982: Mintel was introduced nationwide in France by France Télécom and used for online ordering.
- 1983: California State Assembly holds first hearing on "electronic commerce" in Volcano, California. Testifying are CPUC, MCI Mail, Prodigy, CompuServe, Volcano Telephone, and Pacific Telesis. (Not permitted to testify is Quantum Technology, later to become AOL.)
- 1984: Gateshead SIS/Tesco is first B2C online shopping system and Mrs Snowball, 72, is the first online home shopper
- 1984: In April 1984, CompuServe launches the Electronic Mall in the USA and Canada. It is the first comprehensive electronic commerce service.
- 1990: Tim Berners-Lee writes the first web browser, World Wide Web, using a NeXT computer 1992: Book Stacks Unlimited in Cleveland opens commercial sales website ([www.books.com](http://www.books.com)) selling books online with credit card processing.

- 1993: Paget Press releases edition No. 3 of the first app store, The Electronic App Wrapper
- 1994: Netscape releases the Navigator browser in October under the code name Mozilla. Netscape 1.0 is introduced in late 1994 with SSL encryption that made transactions secure.
- 1994: Ip switch I Mail Server becomes the first software available online for sale and immediate download via a partnership between Ip switch, Inc. and Open Market. 1994: "Ten Summoner's Tales" by Sting becomes the first secure online purchase.
- 1995: The US National Science Foundation lifts its former strict prohibition of commercial enterprise on the Internet. 1995: Thursday 27 April 1995, the purchase of a book by Paul Stanfield, Product Manager for CompuServe UK, from W H Smith's shop within CompuServe's UK Shopping Centre is the UK's first national online shopping service secure transaction. The shopping service at launch featured W H Smith, Tesco, Virgin Megastores/Our Price, Great Universal Stores (GUS), Inter-flora, Dixons Retail, Past Times, PC World (retailer) and Innovations.
- 1995: Jeff Bezos launches Amazon.com and the first commercial-free 24-hour, internet-only radio stations, Radio HK and Net Radio start broadcasting. eBay is founded by computer programmer Pierre Omidyar as Auction Web.
- 1996: India MART B2B marketplace established in India. 1996: EC Plaza B2B marketplace established in Korea. 1998: Electronic postal stamps can be purchased and downloaded for printing from the Web. 1999: Alibaba Group is established in China. Business.com sold for US \$7.5 million to e Companies, which was purchased in 1997 for US \$149,000. The peer-to-peer file sharing launches. ATG Stores launches to sell decorative items for the home online. 2000: The dot-com bust 2001: Alibaba.com achieved profitability in December 2001. 2002: eBay acquires PayPal for \$1.5 billion. Niche retail companies Wayfair and Net Shops are founded with the concept of selling products through several targeted domains, rather than a central portal.
- 2003: Amazon.com posts first yearly profit. 2003: Bossgoo B2B marketplace established in China. 2004: DHgate.com, China's first online b2b transaction platform, is established, forcing other b2b sites to move away from the "yellow pages" model.
- 2007: Business.com acquired by R.H. Donnelley for \$345 million. 2009: Zappos.com acquired by Amazon.com for \$928 million. Retail Convergence, operator of private sale website RueLaLa.com, acquired by GSI Commerce for \$180 million, plus up to \$170 million in earn-out payments based on performance through 2012.
- 2010: Group on reportedly rejects a \$6 billion offer from Google. Instead, the group buying websites went ahead with an IPO on 4 November 2011. It was the largest IPO since Google.
- 2011: Quidsi.com, parent company of Diapers.com, acquired by Amazon.com for \$500 million in cash plus \$45 million in debt and other obligations. GSI Commerce, a company specializing in creating, developing and running online shopping sites for brick and mortar businesses, acquired by eBay for \$2.4 billion.
- 2014: Overstock.com processes over \$1 million in Bit coin sales. India's e-commerce industry is estimated to have grown more than 30% from 2012 to \$12.6 billion in 2013. US e-Commerce and Online Retail sales projected to reach \$294 billion, an increase of 12

percent over 2013 and 9% of all retail sales. Alibaba Group has the largest Initial public offering ever, worth \$25 billion.

- 2015: Amazon.com accounts for more than half of all ecommerce growth, selling almost 500 Million SKU's in the US.

#### OBJECTIVES:

1. To understand the present status and trends of E-Commerce.
2. To reveal the key variables influencing the increased usage of E-Commerce.
3. To find out the major threats in E-Commerce.
4. To find out the future challenges for ecommerce.
5. To evaluate the benefits obtained from e-business.

#### REVIEW OF LITERATURE ON E-COMMERCE:

**Elizabeth Goldsmith and Sue L.T. McGregor (2000)** analyzed the impact of e-commerce on consumers, public policy, business and education. A discussion of public policy initiatives, research questions and ideas for future research are given. Andrew D. Mitchell (2001) examined the key issues that electronic commerce poses for Global trade, using as a starting point the General Agreement on Trade in Services (GATS), the World Trade organization (WTO) agreement most relevant to e-commerce.

**Jackie Gilbert Bette Ann Stead (2001)** observed the incredible growth of electronic commerce (e-commerce) and presented ethical issues that have emerged. Security concerns, spamming, Web sites that do not carry an "advertising" label, cyber squatters, online marketing to children, conflicts of interest, manufacturers competing with intermediaries online, and "dinosaurs" were discussed.

**ASSOCHAM Study (2015)** found the highest growth rate in the apparel segment, almost 69.5 per cent over 2014, followed by electronic items, up 62 per cent, baby care products, up 53 per cent, beauty and personal care products at 52 per cent and home furnishings at 49 per cent. Rapid growth of digital commerce in India is mainly due to increased use of smartphones. Mobiles and mobile accessories have taken up the maximum share of the digital commerce market in India, noted the study. Moreover, almost 45 per cent online shoppers reportedly preferred cash on delivery over credit cards (16 per cent) and debit cards (21 per cent). Only 10 per cent opted for internet banking and a scanty 7 per cent preferred cash cards, mobile wallets, and other such modes of payment. The 18-25 years of age group has been the fastest growing age segment online with user growth being contributed by both male and female segments. The survey highlights that 38 per cent of regular shoppers are in 18-25 age group, 52 per cent in 26-35, 8 per cent in 36-45 and 2 per cent in the age group of 45-60. Nearly 65 per cent online shoppers are male and 35 per cent female.

**Mitra Abhijit (2013)** suggests E-Commerce has unleashed yet another revolution, which is changing the way businesses buy and sell products and services. New methodologies have evolved. The role of geographic distances in forming business relationships is reduced. E-Commerce is the future of shopping. With the deployment of 3G and 4G wireless communication technologies, the internet economy will continue to grow robustly. In the next 3 to 5 years, India will have 30 to 70 million internet users which will equal, if not surpass, many of the developed countries. Internet economy will then become more meaningful in India. With the rapid expansion of internet, E-commerce is set to play a very

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important role in the 21st century, the new opportunities that will be thrown open, will be accessible to both large corporations and small companies. The role of government is to provide a legal framework for E-Commerce so that while domestic and international trade are allowed to expand their horizons, basic rights such as privacy, intellectual property, prevention of fraud, consumer protection etc are all taken care of.

**Chanana Nisha and Goele Sangeeta (2012)** propose that the future of E-Commerce is difficult to predict. There are various segments that would grow in the future like: Travel and Tourism, electronic appliances, hardware products and apparel. There are also some essential factors which will significantly contribute to the boom of the E-Commerce industry in India i.e. replacement guarantee, M-Commerce services, location based services, multiple payment option right content, shipment option, legal requirement of generating invoices for online transactions, quick Service, T & C should be clear & realistic, the product quality should be same as shown on the portal, dedicated 24/7 customer care centre should be there.

**Awais Muhammad and Samin Tanzila (2012)** indicate that use of internet has made the world a global village. The use of Internet has reduced the distances and brought the people together. A nation's back bone is commerce and it will be strengthened if backed by electronic tools in which e-commerce plays a vital role. The important feature in ecommerce is privacy which not only increases competitive advantage but confidence level also. E-commerce brings sellers and potential buyers at the distance of one click and it saves time as it is cost effective, as E-commerce is becoming key to success Internet banking, one among the innovative and significant internet based services has experienced explosive growth and led to transformation of traditional banking practice. Online banking or net banking in today's dynamic age of banking has made things much easier for the people and saves a lot of time for its customers. The traditional way of standing in the queues and filling up all the forms are well solved and now it is no hassle for making any transaction with the banks by virtue of internet banking. The financial institutions which operated traditionally are now able to lower their operational costs and increase the consumer retention by virtue of technology. Internet banking as a latest and potential means for banking now holds a similar importance as that of ATM's, phone banking and traditional bank branches. The works by ABA, 2004; Fox, 2005 suggest that an internet banking strategy may be effective, with reports of more profitable, loyal and committed consumers compared with traditional banking consumers (D'silva et al., 2010). **Dutta and Dutta, (2009)** found tangibles have the highest impact on overall customer satisfaction. The largest discrepancy between the customer expectations and perceptions is in terms of empathy which includes Bank locations and ATM machines in convenient places and tele-banking and internet banking facility. The study regards this a major source of concern for Indian banking industry as a huge service quality gap exists for all the banks in this category.

**Devashish Pujari, (2004)** explored the issues relating to service recovery in case of SST failure and effects of favorable/ unfavorable SST encounters on business relationships. The key findings of the study show that key sources of satisfaction are different for B2B clients than for end consumers, as evidenced in previous studies by Meuter et al. (2000) and

Srijumpa et al. (2002). The study shows that in the event of SST failures, service recovery is very critical to clients. In a situation where service personnel are not involved in the service encounter, clients need a quick and complete recovery after reporting the failure. Clients may also expect that SST delivery should have the capability to transmit the failure to their service provider on a real time basis. The results of this study also echo that satisfying SST incidents will lead to future behaviors such as word of mouth and repurchase intentions.

customers can be satisfied when banks aim at 'customer delight' Rust and Chung, (2006) suggests to know not just what customers do in any particular e-commerce contact but also what they do (and how they perceive and feel) across multiple contacts. The work also suggests to investigate the kinds of online services that promote growth of the customer relationship, and the most effective ways to combine the online relationship with the offline relationship, with the idea that the full relationship with the customer is not complete without considering both online and offline, as well as how they interact

#### **Types of E-Commerce:**

Waghmare G.T. (2012) has defined the following types of e-commerce:

- (i) B2B E-Commerce: Companies doing business with each other such as manufacturers selling to distributors and wholesalers selling to retailers. Pricing is based on quantity of order and is often negotiable.
- (ii) B2C E-Commerce: Businesses selling to the general public typically through catalogues utilizing shopping cart software. By dollar volume, B2B takes the prize, however B2C is really what the average Joe has in mind with regards to e-commerce as a whole. for example [indiatimes.com](http://indiatimes.com).
- (iii) C2C E-Commerce: There are many sites offering free classifieds, auctions, and forums where individuals can buy and sell thanks to online payment systems like PayPal where people can send and receive money online with ease. eBay's auction service is a great example of where customer-to-customer transactions take place every day.
- (iv) Others: G2G (Government-to-Government), G2E (Government-to-Employee), G2B (Government-to-Business), B2G (Business-to-Government).

#### **E-COMMERCE IN INDIA:**

For developing countries like India, e-commerce offers considerable opportunity. E-commerce in India is still in growing stage, but even the most-pessimistic projections indicate a boom. It is believed that low cost of personal computers, a growing installed base for Internet use, and an increasingly competitive Internet Service Provider (ISP) market will help fuel e-commerce growth in Asia's second most populous nation. The first e-commerce site in India was [rediff.com](http://rediff.com). It was one of the most trafficked portals for both Indian and non-residents Indians. It provided a wealth of Indian-related business news a reach engine, e-commerce and web solution services. The past 2 years have seen a rise in the number of companies enabling e-commerce technologies and the internet in India. Major Indian portal sites have also shifted towards e-commerce instead of depending on advertising revenues.

The web communities built around these portal sites with content have been effectively targeted to sell everything from event and mouse tickets the grocery and computers. The major in this

services being Rediff.com and the net and India plaza with started a shopping section after In spite of RBI regulation low internet usage e-commerce sites have popped up everywhere hawking things like groceries, bakery items, gifts, books, audio and video cassettes, computer etc. none of the major players have been deterred by the low PC penetration and credit card.

### FUTURE OF E-COMMERCE IN INDIA:

India is developing rapidly and if development is to be measured, how can we ignore the role of e-commerce in it. The internet user base in India might still be a mere 100 million which is much less when compared to its penetration in the US or UK but it's surely expanding at an alarming rate. The number of new entrants in this sphere is escalating daily and with growth rate reaching its zenith it can be presumed that in years to come, customary retailers will feel the need to switch to online business. Insights into increasing demand for broadband services, rising standards of living, availability of wider product ranges, reduced prices and busy lifestyles reveal this fact more prominently thereby giving way to online deals on gift vouchers. Going by the statistics, the E-commerce market in India was worth about \$2.5 billion in 2009. It rose to \$8.5 billion by 2011 thus depicting a definite surge in the last two years. According to a statement released by the Internet and Mobile Association of India (IAMAI), these figures would reach up to \$12 billion by 2012!

E-commerce Company	Year of commencement	Website	Head Quarter	CEO	No. of Customers
Zomato	2008	Zomato.com	New Delhi	Deepindar Goyal	1.2 Million
Swiggy	2014	Swiggy.com	Bengaluru	Nandan Reddy, Rahul Jaimini	1.5 Million
Flipkart	2007	Flipkart.com	Bengaluru, Karnataka	Sachin Bansal Binny Bansal	108 Million
Amazon	1994	Amazon.com	Bengaluru, Hyderabad	Jeff Bezos	140 Million

### HIGHLIGHT OF THE E-COMMERC COMPANY

#### ✚ FLIPKART:

**Flipkart** is the largest online retailer in India, with a 31.9% market share in **2018**, followed by Amazon at 31.2%, according to Forrester. After adding the market share of its fashion specialty sites Myntra and Jabong, **Flipkart** controls a 38.3% market share.

#### ✚ AMAZON:

The website Amazon.in was launched in June 2013. The parent company, Amazon was launched in 1994 by Jeff Bezos in the United States. Over the years, Amazon has started operations at various locations across the globe such as India, China, Japan, Singapore, France, Germany, Italy, Netherlands, Spain, United Kingdom, Canada, Mexico, Australia and Brazil. Amazon India is led by Amit Agarwal, who is currently the company's Managing Director.

Amazon is an international e-commerce company offering online retail, computing services, consumer electronics, digital content, as well as other local services such as daily deals and groceries. Initially launched as an online marketplace for books in 1994, the Seattle-based company has since become a multinational conglomerate and one of the most valuable brands worldwide.



In a very short period of time, Amazon India has become a force to reckon with in the Indian e-commerce space. Amazon India currently offers millions of products on its platform and has millions of registered users. Amazon India currently offers products across various categories such as mobile phones, computers and accessories, men's and women's fashion, books, sports & fitness, electrical & electronic items, movies, music, cars, motorbike, baby products, toys, grocery items, etc. Amazon India also operates a Global Store, where customers can buy directly from sellers in the United States. Recently, Amazon Prime was launched in India, which provides users access to various services such as streaming video, music, e-books, the latest offers, etc. Amazon India currently delivers to most of the serviceable PIN codes in India. It has more than 20,000 Indian sellers and 41 fulfillment centers across 13 states.

#### ✚ **SWIGGY:**

**Nandan Reddy** (29) and **Sriharsha Majety** (31) both alumni of **Birla Institute of Technology and Science (BITS) Pilani** are second-time lucky entrepreneurs. Back in the year 2014, they worked together on their first start up venture, logistics aggregator that connected small and medium companies to courier service providers. The business started off fine. However, after almost a year into it, they realized their focus needed to change from the courier service field to the food industry.

In the year of working with like-minded people. Nandan and Sriharsha realized there was a strong need for an online hyperlocal logistics company in the restaurant industry. By 14 August, the duo made their dream into a reality by rolling out Swiggy, **the country's first online food ordering platform**. They roped in Rahul Janimini, an IIT Kharagpur alumni, to do coding work for the platform.

Back in **2014**, Swiggy was founded in an office space in **Koramangala, Bangalore**. One neighborhood, **six delivery executives** and **25 partner restaurants** are what Swiggy started off within the beginning, Growing at 25 percent month-on-month, Almost four years into the field, Swiggy now has a major presence in Delhi, Mumbai, Pune, Bangalore, Hyderabad, Chennai, and Kolkata. Not just that, they are partnered with 12,000 restaurants and over **13,000** delivery executives. According to the RoC data filed by the company, the net worth of the company is **Rs 3,86,34,590** with a turnover of **Rs 7,41,702**.

#### ✚ **ZOMATO:**

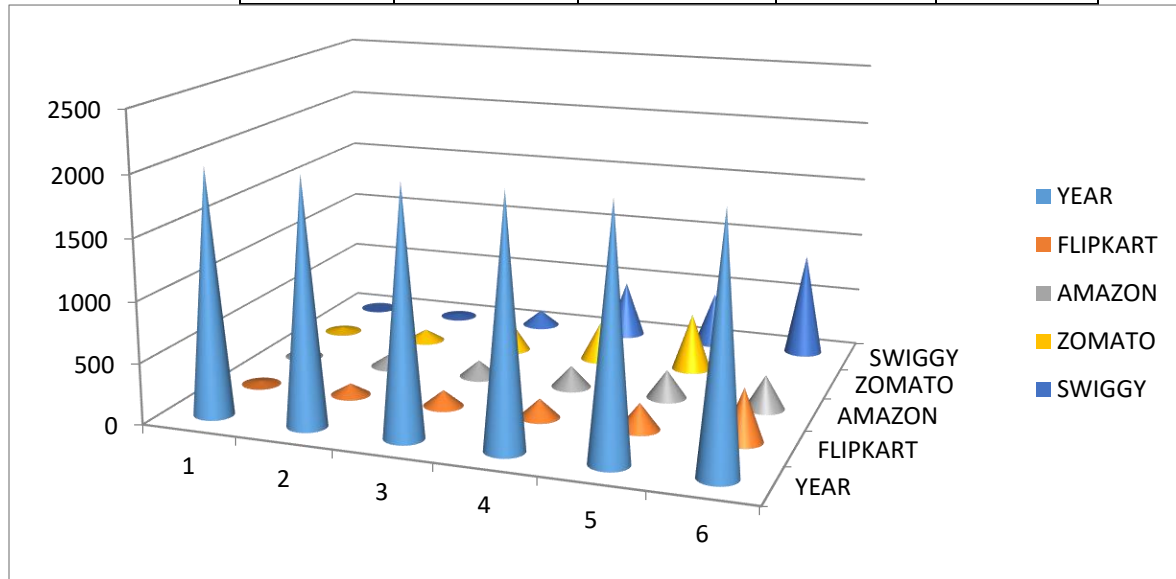
Zomato, which started as Foodie bay, was established in July 2008 by two IIT Delhi alumnus, Deepinder Goyal, and Pankaj Chaddah. The idea struck Deepinder when his colleagues consistently had a demand for paper menu leaflets of different restaurants, to order food. That's when he thought of converting these restaurant paper menus into a digital application that is far more accessible and easier to use.

The online food delivery space in India is dominated by two big players- Zomato and Swiggy. There are other players like Foodpanda, JustEat, TastyKhana and FoodMingo but the competition for the No 1 position is majorly confined between Zomato and Swiggy, backed by big global investors and a large user base.

While Swiggy leads the online delivery space with about 14 million monthly orders, Zomato currently clocks about 10.5 million monthly orders across India and UAE. Both Foodpanda and UberEats clock about 1.2 million and about 1 million monthly orders as per industry estimate.

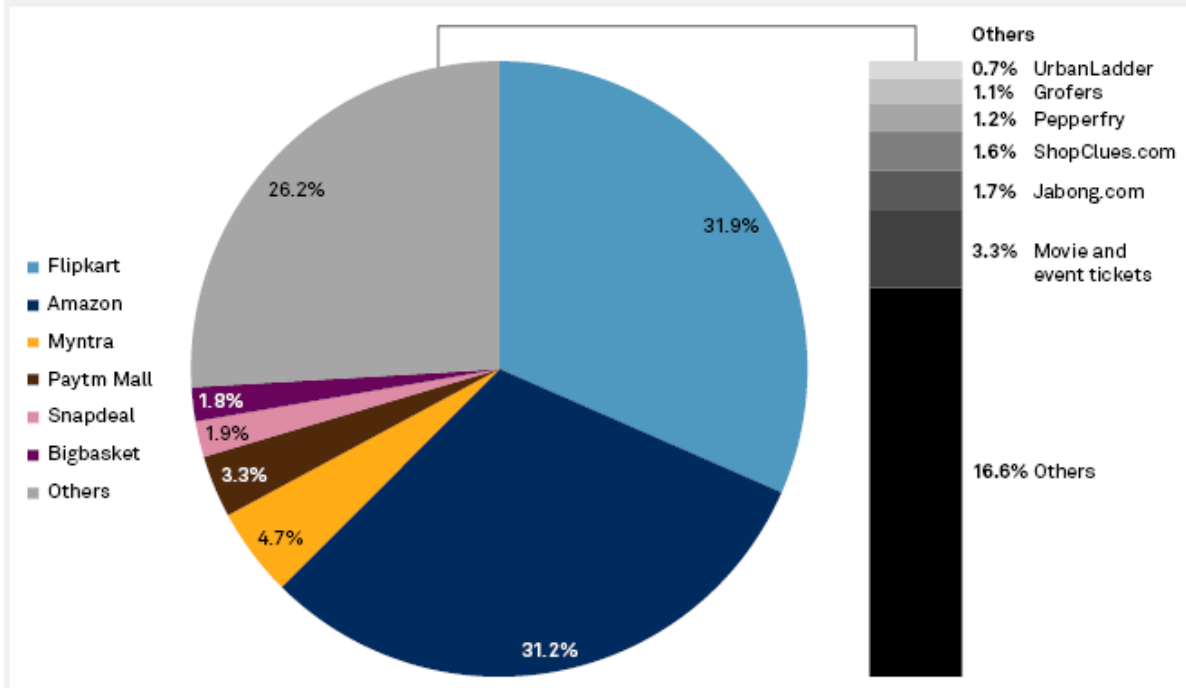
**Total Revenue of FLIPKART, AMAZON, ZOMATO AND SWIGGY**

YEAR	FLIPKART	AMAZON	ZOMATO	SWIGGY
2014	28.4	88.99	36	0
2015	95.3	107.01	95	23.6
2016	131.7	135.99	247	132
2017	155.6	177.87	318	468
2018	216.5	232.89	481	442
2019	436.15	280.52	1524	865



## Indian e-commerce market, 2018

Gross merchandise value



Data compiled Oct. 9, 2019.

Source: ForresterAnalytics: Online Retail Forecast, 2018 To 2023 (Asia Pacific)

## INDIA'S PROSPECTS IN E-COMMERCE:

- 1. OPPORTUNITY FOR RETAILERS:** A retailer can save his existence by linking his business with the on-line distribution. By doing so, they can make available much additional information about various things to the consumers, meet electronic orders and be in touch with the consumers all the time. Therefore, E-Commerce is a good opportunity.
- 2. OPPORTUNITY FOR WHOLE SALERS/DISTRIBUTER:** In the world of Ecommerce the existence of the wholesalers is at the greatest risk because the producer can easily ignore them and sell their goods to the retailers and the consumers. In such a situation those wholesalers can take advantage of E-Commerce who are capable of establishing contractors with reputed producers and linking their business with the on- line.
- 3. OPPORTUNITY FOR PRODUCERS:** Producers can take advantages of e-commerce by linking themselves with on-line, by giving better information about their products to the other links in the business chain and by a having a brand identity.
- 4. OPPORTUNITY FOR PEOPLE:** As more people are getting linked with E-commerce, the demand for centre providing internet facility or cyber cafe is also increasing. Hence, the people who wish to take advantage of it can establish cyber and have their benefits.

## ESSENTIAL FACTORS FOR GROWTH OF E-COMMERCE IN INDIA:

- **Customer convenience:** By providing Cash on delivery payment option service to customers.

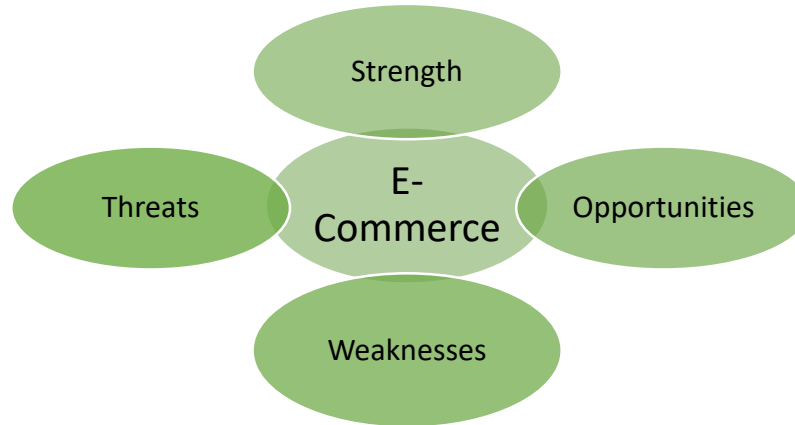
- Replacement guarantee: Should be Offers 30day replacement guarantee to their customers.
- Reach: Enabling mobile-capable sites and supporting M-Commerce services.
- Location based services: Since customers these days are always on the move, promoting the right product at the right time and location becomes an integral aspect
- Multiple payment option: standard credit cards, debit cards and bank payments option should be there.
- Right content: Getting the right content and targeting customers with crisp and relevant information is of utmost importance to users on the move.
- Price comparison: Providers offering instant price comparison are highly popular amongst the price conscious customers.
- Shipment option: Low cost shipment should be there. The convenience of collecting orders post work while returning home should be there.
- Logistical challenges: In India, the geographical spread throws logistical challenges. The kind of products being offered by providers should determine the logistics planning.
- Legal challenges: There should be legal requirement of generating invoices for online transactions.
- Quick Service: Timely service provided by the company.
- Terms and condition: T & C should be clear & realistic.
- Quality: The product quality should be same as shown on the portal.
- Customer care centre: A dedicated 24/7 customer care centre should be there.

#### **GROWTH AND PROSPECTS OF E-COMMERCE IN INDIA:**

Increasing internet and mobile penetration, growing acceptability of online payments and favorable demographics has provided the e-commerce sector in India the unique opportunity to companies connect with their customers, it said. There would be over a five to sevenfold increase in revenue generated through e-commerce as compared to last year with all branded apparel, accessories, jewelry, gifts, footwear are available at a cheaper rate and delivered at the doorstep, (as per industry body Assocham). It is noted that the buying trends during 2016 will witness a significant upward movement due to aggressive online discounts, rising fuel price and wider and abundant choice will hit the e-commerce industry in 2016. It observed mobile commerce (m-commerce) is growing rapidly as a stable and secure supplement to the e-commerce industry. Shopping online through smart phones is proving to be a game changer, and industry leaders believe that m-commerce could contribute up to 70 per cent of their total revenues. In India roughly 60-65 per cent of the total ecommerce sales are being generated by mobile devices and tablets, increased by 50 per cent than in year 2015 and also likely to continue upwards. It noted that the browsing trends, which have broadly shifted from the desktop to mobile devices in India, online shopping is also expected to follow suit, as one out of three customers currently makes transactions through mobiles in tier-1 and tier-2 cities. In 2015, 78 per cent of shopping queries were made through mobile devices, compared to 46 per cent in 2013. In 2015, the highest growth rate was seen in the apparel segment almost 69.5 per cent over last year, followed by electronic items by 62 percent, baby care products at 53 per cent, beauty and personal care products at 52 per cent and home furnishings at 49 per cent. It revealed that Mumbai ranks first in online shopping followed by Delhi, Ahmedabad, Bangalore and Kolkata. On the mode of payment, almost 45 per cent of online shoppers

reportedly preferred cash on delivery mode of payment over credit cards (16 per cent) and debit cards (21 per cent). Only 10 per cent opted for internet banking and a scanty 7 per cent preferred cash cards, mobile wallets, and other such modes of payment, it said. Among the above age segments, 18-25 years of age group has been the fastest growing age segment online with user growth being contributed by both male and female segments. The survey revealed that 38 per cent of regular shoppers are in 18-25 age group, 52 per cent in 26-35, 8 per cent in 36-45 and 2 per cent in the age group of 45-60.

SWOT ANALYSIS OF E-COMMERCE



Challenges of E-commerce in India

Strength	Weaknesses	Opportunities	Threats
Global market	Security	Changing trends	Competitors
Time saving	Fake websites	Increasing number of users	Changes in environment, law and regulations
No time constraints	Fraud	Regular Global expansion	Innovation
Price/Product comparison:	Fewer discounts and bargaining	High availability (24 hour and seven days a week)	Privacy concerns
Cost effective:	Long delivery timing	Wide business growth	No direct interaction
Flexible target market segmentation	Impossibility of physical examination	Advertising	Fraud
Faster buying procedure	Limitation of products		Risk
Niche Market	Lack of personal services		
	Limited exposure		
	Limited advertising:		
	Customer's satisfaction		

ADVANTAGES & DISADVANTAGES:

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Sr No.	Advantages	Disadvantages
1	Easy to return.	No Actual Face-To-Face
2	Faster and lower Cost	Start-up costs very high
3	24x7.	Risk of failure.
4	Compared product	Lack of personal touch (Jewellery).
5	Facility on payment mode	Security
6	Quick delivery of good	Problems with shipping, delivery
7	Quick Communication	
8	Global Rich	

### Conclusions and Recommendations:

From last few decades, organizations have conducted business electronically by employing a variety of electronic commerce solutions. In the conventional scenario, an organization enters the electronic market by establishing trading partner agreements with retailers or wholesalers of their choosing. Ecommerce encapsulates many of the dynamics of 21st century of India. The potential huge and wit and energy of the entrepreneurs in the sector are impressive. Online commerce in India is destined to grow both in revenue and geographic reach. The further research areas in ecommerce are; the quality of sponsored ad text, ad position, Search Engine Optimization (SEO), PageRank, yellow pages, and bid management etc. The Internet is a growing and a continually evolving creature that will live on in perpetuity. These agreements may include any items that cannot be acquiescent electronically, such as terms of transfer, payment mechanisms, or implementation conventions. After establishing the proper business relationships, an organization must choose the components of their electronic commerce system. This paper deals the conceptual knowledge of search engine marketing or e-commerce, literature review, current and future aspects of e-commerce in Indian context. This paper discussed about the top motivator factors of shopping online. The present development would be a valuable addition to researcher and academicians; and useful theory for practitioners, advertisers, and entrepreneurs. Some of the disadvantages of e-Marketing are dependability on technology, Security, privacy issues, Maintenance costs due to a constantly evolving environment, Higher transparency of pricing and increased price competition, and worldwide competition through globalization. While considering the aforesaid limitations; advertisers and end-users can effectively use this modern platform to make life easier and faster. In the next 3 to 5 years, India will have 30 to 70 million Internet users which will equal, if not surpass, many of the developed countries. Internet economy will then become more meaningful in India. With the rapid expansion of internet, Ecommerce, is set to play a very important role in the 21st century, the new opportunities that will be thrown open, will be accessible to both large corporations and International: small companies [Waghmare (2012)]. Karoor (2012) explained that Whatever is written and published online today will likely be there tomorrow and possibly be recoverable forever. Imagine the billions upon billions of text information in web pages, publications, and books that are and will be stored for a long time to come. There is even a site where you can go way back in time to check out archives of other websites and view pages that were created at the beginning of their infancy. Additionally, old videos, films, movies, and audio in various applications formats are also viewable. With text messaging, wireless web mail, picture uploading, video recordings, and even video conferencing

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from cell phones and other personal communication devices with built in microphones and cameras, the Internet will be affecting more lives than ever before. Security and privacy concerns, along with e-business regulatory issues will become more prevalent. It will become more difficult to figure out who you can trust online, which websites are safe to visit, along with all the unethical, illegal, Internet marketing schemes, search engine optimization, search engine marketing, and online advertising frauds and all types of e- business email scams to contend with.

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