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E-COMMERCE: THE CHANGING FACE OF RETAIL TRADE IN INDIA

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Abstract: *In order to give your parents or friends a birthday or holiday present, what do you do? They go online and order one of the many websites that sell gift things like books, clothing or perfume and have it delivered to the recipient's address. It's as easy as clicking a button and just takes a few minutes at most! No one takes the time to go down to a boutique in heavy traffic, browse everything there, hop from one to the next until they find a gift they like, then head over to the courier business to package it up and send it. The rise of e-commerce has made many people's life easier. It's not just gifts that may be purchased online, but also ordinary necessities like groceries and notebooks and pens. Travel tickets and hotel reservations are among the most frequently purchased commodities on the internet. An e-commerce transaction is one that takes place through the internet. E-commerce is booming in India, and this paper outlines the reasons that are driving this rise. My research is based on secondary sources including articles, journals, reports, papers, blogs, and proceedings from conferences and other similar events. E-commerce is one of the fastest-growing industries, and India is a promising market for investors. Since last year, there has been a massive increase in investment, and more is predicted in the future. In both urban and rural areas, ecommerce has been assisted by the rapid development of mobile and internet users. Study of commerce, growth potential, investment in retail, logistics infrastructure and internet legislation are just a few of the subjects covered in this report.*

Key Words: Ecommerce, Retail, Sales, Investment, Logistics, Internet Regulation.

India's emergence as a global Internet powerhouse began in the mid-1990s. Many of India's initial Internet businesses offered classified ads, matrimonial services, and job listings. Indian internet companies were reluctant to participate in e-commerce because of a lack of internet penetration, a lack of knowledge, and a lack of development and confidence in online payment systems. After the .com bubble broke in the mid-2000s, the e-commerce industry in India really took off. Travel-related e-commerce services were the first to emerge. As low-cost carriers proliferated, so did the availability of tickets on the internet. Travel booking websites still account for the majority of e-commerce sales in India.

Retailers are increasingly moving away from brick-and-mortar locations in favour of click-only or click/brick hybrid models, and this trend is expected to continue. Even though Facebook has one of the largest populations, e-commerce is still struggling to get traction on social media platforms like Twitter and Facebook, which have the potential to be hugely beneficial.

B2B, B2C, and C2C services are available in the Indian e-commerce market, with the majority of businesses operating in the B2C segment. From 2005 to 2006, the e-commerce market in India grew at an exponential rate. The rapid increase in revenues and the number of e-commerce businesses based in India is largely due to the emergence of a young, tech-savvy workforce in IT firms, an increase in disposable income, a shift in lifestyles, and easier access to banking and the internet.

OBJECTIVES:

1. To learn more about the Indian population's access to the e-commerce ecosystem.
2. To enumerate the e-comm/e-retail benefits

POSSIBLE REASONS FOR INDIA'S E-COMMERCE GROWTH

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Online shopping in India is anticipated to climb by more than five-fold by 2016, even though the country now has one of the smallest online shopping bases in the world.

- i. A 2.5-fold increase in annual household disposable income by 2015 explains some of this potential growth. Between 2005 and 2025, it is predicted to expand at a CAGR of 5.1%
- ii. From a level of 52 percent in 2005, consumer discretionary spending is predicted to climb to 61 percent in 2015.
- iii. PC, tablet, and smartphone sales are on the rise as prices come down.
- iv. An increase in the amount of time an Indian spends online. In 2011, the average Indian spent 17.4 hours per month on the internet. By 2015, this is predicted to rise to 21 hours per month.
- v. The number of available payment methods. Over the next three years, the number of online transactions is predicted to rise to 38 million, up from the 2011 figure of 11. In 2014, the total number of people who use a debit or credit card is predicted to reach 350.4 million and 73.7 million, respectively.
- vi. Internet costs are steadily declining.

INDIAN E-COMMERCE MARKET DEMOGRAPHICS- Contrary to popular belief, men outnumber women when it comes to online shopping, according to a recent Google survey. Men account for 63% of all shoppers, compared to 37% of all female shoppers. This could be because a substantial proportion of Indian women lack financial independence and easy access to banking services like credit/debit cards.

Most internet purchases are made by people between the ages of 18 and 35, who have access to their own financial resources. Most individuals use the internet from their homes or places of employment, but the number of people using mobile devices to do so is steadily increasing. 30 percent of internet buying enquiries are currently made using mobile devices.

Nearly half of all online purchases originate outside the top four metro areas, according to a Google survey, with clothes and accessories being the most popular. E-Tailers might take heart from the fact that many of their clients come from lower-tier cities.

It was found that 30% of online shoppers were lured to the Internet because of discounts, 37% favoured being able to shop from the comfort of their own home, and 29% liked the wide range of products available online as opposed to those found in traditional retail establishments.

E-commerce companies in India According to indiaranker.com, these are India's top ten e-commerce websites as of April 2013:

1. eBay.in
2. Flipkart.com
3. SnapDeal.com
4. HomeShop18.com
5. Infibeam.com
6. Shopping.IndiaTimes.com
7. Myntra.com
8. Tradus.in
9. Zovi.com
10. Jabong.com

It's difficult to get a clear image of e-market commerce's share because most of them operate in specialised markets like books, consumer electronics, apparel, and special discounts. As the leading Indian e-commerce website, Flipkart pioneered the Cash on Delivery (COD) payment option. Since internet infrastructure in India is still underdeveloped and online card transactions are more common, this alternative has been quite popular. As a result of the risks and scams involved, Flipkart has recently decided to ban this service in certain regions of India. Many Tier 2 and Tier 3 cities are also experiencing logistical difficulties.

Snapdeal is one of India's most popular deal sites for group purchases and offers. For the first time in India,



television channel dedicated solely to home shopping was launched: HomeShop18. One of the fastest-growing internet retailers is Jabong.

Amazon.in's entry into this market will raise competition and the push to provide better and faster service to customers. Amazon's e-commerce website amazon.in has ushered in a new era in the Indian e-commerce market. Amazon has devised a novel business model to reach this emerging market in India, where direct FDI is still prohibited. It has brought together a variety of internet retailers into one place. As Indian markets mature, this method might be used by even the largest Indian companies. The e-commerce industry is projected to undergo a consolidation as the market matures. A huge number of smaller firms may be absorbed by the larger players or be forced to shut down because of their smaller volume and sales turnover. Many of the smaller companies in this industry may be acquired by the larger ones due to the tight profit margins.

E-commerce and Big Data- There is a great deal of data generated by online merchants, much like brick and mortar stores, that may be used to get insights into client preferences and buying habits. Big data analysis has the potential to expand the e-commerce business and to better understand consumer preferences. This will aid in the formulation of personalised and targeted advertising and promotional campaigns. In order to expand their market share, e-commerce enterprises are expected to outsource projects to gather data on visitors, logs, and purchases.

Social Business- In the context of e-commerce, social commerce refers to the usage of social networks. Using social media, online media that facilitates social interaction, and user contributions to help with online product and service buying and selling constitutes a subset of electronic commerce known as "social commerce." Customer reviews, user suggestions, social shopping tools, augmented reality, forums and communities, social media optimization, social applications, and social advertising are all part of the mix, as are a variety of other elements. E-commerce companies have had to get involved in social media in order to respond to customer concerns, promote new products, and communicate with customers in order to acquire their trust and loyalty. As a result, social media will play a significant role in the growth strategy of an ecommerce company.

Mobile Commerce (m-Commerce)- Consumers increasingly access the internet and conduct online transactions via mobile devices such as smartphones, tablets, and laptops. This is known as m-commerce. Online retailers must therefore adapt their sites' functionality and aesthetics in line with the emergence of new e-commerce gadgets. As the number of people using smartphones and tablets grows, so does the need for mobile apps that make transactions easier.

The Biggest Issues

1. Businesses in the e-commerce industry face a wide range of challenges.
2. With an expected rise in ecommerce activity in the future years, logistics infrastructure and service levels will need to be strengthened to keep up with demand for warehousing space. Problems with reverse logistics arise in cross-border ecommerce.
3. It is important to keep an eye on security and privacy breaches when ecommerce moves to mobile platforms.
4. International and local enterprises must follow the same set of tax and pricing restrictions. The government and other competent ecommerce enterprises should have ongoing discussions about the intricacies of tax evasion, FDI, and loopholes in commerce.
5. Customers are wary of online transactions because they are concerned about the security of their credit and debit cards, which makes them reluctant to use them. Since cash and delivery is more expensive and dangerous, it is the preferred method of payment.
6. The shift from laptop to mobile technologies necessitates that companies adapt. They should offer multi-



channel sales, rapid browsing, and after-sale support and service. In order to enhance the mobile experience, online reviews, videos, returns, and product comparisons should also be supplied.

Effect of COVID-19 on Indian E-commerce- As the COVID-19 pandemic spreads over the world, people's purchasing habits and views on e-commerce have changed. The country's consistent lockout rules, as well as the growing dislike of customers to venturing outside to purchase for essential goods, have pushed the country toward e-commerce. Customers are shifting from brick-and-mortar establishments like restaurants, supermarkets, and shopping malls to online retailers for anything from basic necessities to name-brand merchandise. As the social distance norm is imposed for nearly the full year of 2020, online commerce and internet enterprises are projected to expand their reach. People are becoming more comfortable with online shopping, as evidenced by the rise in FTUs (First Time Users) on e-commerce sites. COVID-19 has been unlike anything we've ever seen before. Many people believe that e-commerce rescued the day when it all came to a halt and allowed them to sit at home and have what they wanted delivered right to their door for millions of people. Consumer behaviour shifted as a result of the COVID-19 epidemic. Grocery stores began to gain traction, despite the fact that electronics and cell phones were the most popular items purchased by customers. The primary cause of this was the emergency lockdown. Amazon and Flipkart have broadened their grocery offerings to fulfil the demands of a more diverse customer base. Large conglomerates like Reliance Industries, which wants to establish its ecommerce portal JioMart in May 2020, reflect the current demand. It's estimated that the epidemic will enhance India's e-commerce industry by roughly threefold to about \$85 billion by 2024, despite the fact that other industries will be severely harmed. E-commerce companies such as Grofers, BigBasket, and Lenskart are all expected to witness substantial development in a variety of services. 80 percent of the order volume has grown since last year.

In the future of e-commerce: The e-commerce market is becoming increasingly mobile-friendly. Forester research estimates that mobile transactions are worth Rs36,000 crore, a figure that continues to rise year after year. Google India's managing director claims that the country is adding five million new mobile internet users each month. Recently, Myntra made the decision to discontinue its website in favour of a mobile-only platform. Co-competition, according to Gartner, is a form of digital business in which organisations collaborate with each other, but only to a limited extent. They work together to reach a worldwide audience by competing in the same market. The digital commerce sector is projected to see more high-profile mergers and acquisitions in the future years. There is a bright future for ecommerce because more and more organisations are investing in small businesses. It is projected that greater investment would be made in E-commerce in India in the future years. Merchants can now openly advertise and promote their products on social media platforms such as Facebook and Twitter. New frontiers in e-commerce will be opened up as a result of the expansion of mobile networks and social media in commerce.

CLOSING COMMENTS: E-commerce over the internet is Those that wish to gain from a fast-growing industry in India need to get on board as soon as possible. There has been tremendous development in this market due to changes in the demographics and economic status of consumers, as well as new payment methods like e-wallets and online banking. Challenges such as a lack of adequate IT infrastructure and credit card users, as well as logistical obstacles and a paucity of government incentives, limit the growth of this industry. India's e-commerce industry, despite its difficulties, has immense promise because of the country's large potential market and growing discretionary spending of its citizens. In order to grow their business, companies must invest in marketing, branding, distribution, reverse logistics, and customer service. Requires in-depth knowledge about security standards such as data confidentiality and privacy A company's website and customer service must be top-notch in order to keep customers coming back for more. In order to attract a broader demographic, businesses should construct websites in their native language. With both domestic and international investment in the Indian ecommerce business,



ecommerce will continue to flourish. Growing numbers of internet users and technological advances will provide problems for the ecommerce industry as it develops. More companies will be entering the commerce business in the future, thus companies will have to work harder to give superior customer service.

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