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GROWTH AND EMERGING TREND OF E-COMMERCE IN INDIA

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Abstract: India is one of the developing countries & E-Commerce is facing a rapid growth in the recent year. The growth was driven by rapid technology adoption led by the increasing use of devices such as Smartphone's, computers and access to the internet through wired and wireless networks, which led to an increased online consumer base. Meeting the demand of the buyers, creating proper trust in the buyer, providing various other facilities etc. are creating the path for a mature growth of E-Commerce companies. This paper gives an overview on the growth of E-Commerce in India and also discusses about the future growth segment in the country, analyze the present trends on E-Commerce in India and examine the barriers of E-Commerce.

Keywords – E-Commerce, Online shopping.

I INTRODUCTION

E-commerce or Electronic commerce means buying and selling of products and services by businesses or consumers through an electronic mode or portal. E-commerce is widely considered the buying and selling of products over the internet, but any transaction done through electronic measures can be considered as e-commerce. E-commerce is subdivided into three B2B (Trade India), B2C (Amazon, Flipkart) and consumer to consumer or C2C (eBay)

E-Commerce in India has a long way since its early days. The market reaching its maturity and new giants are entering in the market space. In the present dynamic situation E-Commerce market in the B2C space is growing its demand, trust and services day by day. A considerable shift from traditional/physical market to e-market can be seen easily.

India is gaining its internet user base, currently about 462 million users are there i.e. about 35 % of population of the country is using internet. Even after being 2nd largest internet user base India is behind from the giants like USA, France, but its growing rapidly on an average around 6.5 million user increasing every month. India ranks top in the most developing E-Commerce market in the world.

Most of sites are providing every category of goods and services and targeting mass audience through various offers and advertisement. At present companies like flipkart, paytm, amazon are the leading E-Commerce giants. They are

enjoying the huge increase in performance as compare to previous years. In upcoming months global E-Commerce giant alibaba is entering in the Indian market and it was expected to a greater expansion in the E-Commerce market. By the announcement only existing companies like amazon and flipkart are started doing additional investment in the market. A research says within a year amazon and alibaba to rule the E-Commerce market in India.

1.1 Growth Of E-Commerce In India:

The first E-Commerce site in India was www.rediff.com which started in 1996. But due to lack of internet users the growth was very slow. After 2011 the growth face a boost as there are increasing internet users, mobile user. Sites like flipkart, snapdeal, ebay had already entered in the market and growing focus on the consumers. In the year 2013 amazon also enter the market and shown a rapid increase. Internet users in 2010 were less than 50 million but now it's increased to about 10 times.

The changing consumer lifestyles and preferences, supported by the youth population of the country, had driven the e-commerce business. More than 50% of the total 1.252 billion population of India falls under the 'below 25 years of age'. Also, 67.0 per cent of India's population, represent the working age group of 15 to 64 years, would contribute the further growth of e-commerce, driven by their rising disposable income. The growing inclination towards purchasing online is reflected in a trend for higher value

online transactions. Shoppers are ready to shop for values exceeding INR 25000, which earlier hovered in the range of INR3000-10000.

India's E-commerce revenue jumped from \$3.9 billion in 2009 to about \$16.8 billion in 2015 it was expected that the revenue will cross \$70 billion by 2020. While in terms of internet base, India is marginally lower than China and other giants like Japan, but rate of growth is way far better from others. As India's annual growth stand at 51%, China's e-commerce is growing at 18%, Japan 11% and South Korea 10%, according to a joint study.

It has been derived that Indian consumers have matured over the periods and increased their acceptance for various payment methods such as net banking and prepaid wallets. Cash on delivery is one of the most preferred methods of payment in the country. Out of the total credit and debit card holders, just about 20% people transact online, indicating a huge untapped market. A study showed that there are many users willing to shop online.

1.2 Segment Wise Growth of E-Commerce In India:

The segment which is growing faster than the wind is fashion and electronic sector. Many people are switching to online purchase mode of electronic devices and fashion accessories. Even many mobile companies are launching their product exclusively on various E-Commerce sites like flipkart, amazon etc. Offers like cash back, extra discount, various banks offer etc are encouraging consumer to purchase things online.

1.2.1 Tickets And Tourism Sector

Apart from various other E-Commerce sites this sector is growing at lightning speed. IRCTC is the main contributor in this sector in the recent year in 2015 IRCTC earns more than 20000 crores. Various companies like make my trip, go ibibo, yatra.com etc is generating huge profit as they are facing large number of visitors in ticket and hotel booking services. This sector record huge growth in the year of 2007 it stands at 6250 crores but in the year 2015 it stands at 54800 crores.

1.2.2 Electronic Sector

Peoples prefer online shopping of various electronics devices like mobile, LED TV, tablets, laptops etc. Electronic sector is the biggest sector in e-tailing. Now a days companies are launching their products in online first and then in retail store. Recent example is Mi3s, Motorola g4 etc. Before users does not prefer to buy expensive products due to lack of trust but now 3D secure payment, cash on delivery option make them comfort to expand big amount too.

1.2.3 Fashion Sector

Fashion sector is the second biggest sector in e-tail market. Consumer prefers purchasing fashion accessories online. Even product genuine guarantee and easy replacement

of product is increasing this sector smoothly. Availability of large number of products, brand options, exclusive product etc is making buying option bigger and better.

II REVIEW OF LITERATURE

1. (Manshady, 2012), they focus on the relationship between globalization and the adoption of a particular set of ICTs, namely the Internet and electronic commerce, at the firm level. They concluded that ecommerce will reinforce existing international competitive advantages rather than leveling the playing field and enabling local firms to compete with global firms in international markets. Doing business across national borders involves more than simply setting up a web site and offering products or services to the world. The virtual world of commerce must be supported with physical, financial and information processes that global firms are more likely to already have in place, and which local firms cannot duplicate easily or cheaply.
2. (Ningombam, 2007), they focused upon the emerging trend and issues in the ecommerce sector in the wake of new knowledge economy. They determined that the overall impact of ecommerce will be positive for Indian market if it opens new opportunities properly in all sectors such as small, medium and large and to remove all IT hurdles and making it work smooth and fast. In order to compete globally, entrepreneurs will have to make use of ecommerce to the maximum extent.
3. (Malhotr), has thrown light on the role of Information Technology in making the Indian economy globalized and analyzing the emerging trends and issues in IT particularly ecommerce sector in India in the wake of globalized economy, she concluded that ecommerce market has provided abundant options for buyers as well as for sellers to exchange goods and services. There has been a tremendous growth in ecommerce industry in India, but the ecommerce companies will have to adapt their strategies in accordance with the challenges emerging out of the market such as security issues, payments, supply chain, delivery experiences, govt. rules and regulation etc.

III OBJECTIVES

The objective of this study is:

1. To examine the growth of E-Commerce in India
2. To examine the barriers of E-Commerce in India
3. To determine the future aspect of E-Commerce in India

IV METHODOLOGY

This study is descriptive and analytical in nature and based on secondary data collected from various websites and published journals and magazines. Simple statistical tools are used for the analysis of data.

V ANALYSIS AND INTERPRETATIONS

Table-1: Internet users in India

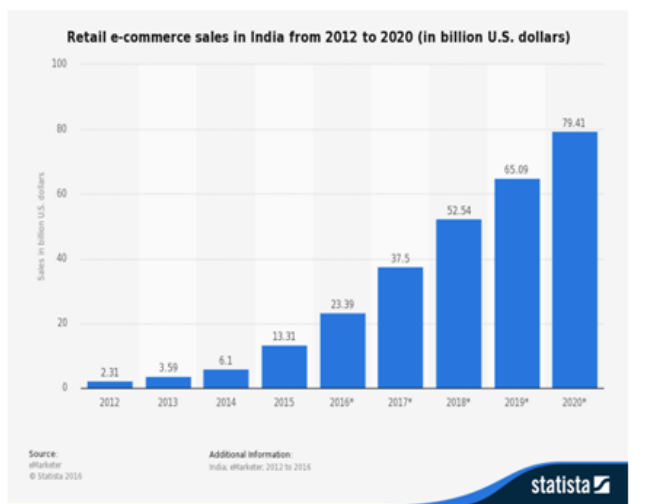
Year	Internet Users**	Penetration (% of Pop)	Total Population	Non-Users (Internetless)	1Y User Change	1Y User Change	Population Change
2016*	462,124,989	34.8 %	1,326,801,576	864,676,587	30.5 %	108,010,242	1.2 %
2015*	354,114,747	27 %	1,311,050,527	956,935,780	51.9 %	120,962,270	1.22 %
2014	233,152,478	18 %	1,295,291,543	1,062,139,065	20.7 %	39,948,148	1.23 %
2013	193,204,330	15.1 %	1,279,498,874	1,086,294,544	21.5 %	34,243,984	1.26 %
2012	158,960,346	12.6 %	1,263,589,639	1,104,629,293	26.5 %	33,342,533	1.29 %
2011	125,617,813	10.1 %	1,247,446,011	1,121,828,198	36.1 %	33,293,976	1.34 %
2010	92,323,838	7.5 %	1,230,984,504	1,138,660,666	48.5 %	30,157,710	1.38 %

Internet live

From the given table we can easily derive that there is a positive growth in the number of internet user in recent years. As compare to 2010 there is record 400.54% growth in number internet users.

In the years 2010-2014 a constant rate of increase was recorded but in year 2015 a huge number of user which is about 202.79% more than the last year growth. As compare to population only 7.5% people use internet out of total population in the year 2010 which is shifted to 34.8% in 2016.

Table-2: Market size of E-commerce in India



A regular growth can be easily observed from the given table. Retail sector ecommerce sales are increasing in a rapid rate. As compare to 2012 the sales was 2.31 billion USD and at present in 2016 it's expected to be at 23.39 billion USD, a growth of 1012.55% had been seen in this 4 years. We can easily say that the boom period of E-tail in

going on at present. The market is expected to cross 79.41 billion USD figure by 2020.

VI FACTORS RESISTING THE GROWTH OF E-COMMERCE IN INDIA.

Indian E-Commerce market IS ALREADY GROWING AT A FAST PACE. Table 2 has already explained the present scenario of e-commerce growth in India, but there are some barriers that can resist the future growth of the market. Some of them are listed as follows:

- (a) Fake product selling :
There are many seller register in the e-tail sites some of them offer branded product at cheap price, the fact behind them is they offer duplicate products instead of original branded product. This leads to destroy trust between the buyers.
- (b) Payment mode :
Most of people are still worried about paying a huge amount online they have fear of fraud that's why cash on delivery option is growing rapidly throughout the country.
- (c) Complaint resolving board :
There is no particular board or committee setup by the government which help in resolve the complaints of online buyers. The complaint is register in sites own complaint cell. Which take a bit of time to resolve it.
- (d) Other factors :
Various other barriers like low speed internet, availability of delivery option in particular area, lack of faith, lack of knowledge etc.

VII CONCLUSION

India is shifting towards the digitalization which is leading by growth of e-commerce segment in the country. Increase in active internet users and increase in the volume of sales shows the growth respectively.

The future of E-Commerce is very difficult to predict. There are various segments that going face rapid growth in future like travel and tourism, electronic, fashion sector etc. There are many essential factors which will significantly contribute for the growth of the sectors like replacement guarantee , customer convenience , reach of e-commerce , right content , multiple payment option , logistical factors , customer care services , legal requirement of generating invoices for online transaction , quick services , T&C should be clear and realistic , the product must be same as shown in the portal etc. Barriers must be taken into consideration and must be remove firmly. There are good opportunities for retailers, wholesalers, producers and peoples. Retailers can meet demand of customers and be in touch to see the future demand , wholesalers can take advantage of E-tail who are capable of establishing contracts with reputed producers and linking their business ideas online , and same producers can do by listing online and preparing a proper chain for their product. As people are getting linked with E-Commerce the demand of high speed internet is also increasing. A good opportunities is also there for employment people can sell their product online even through operating from home, growth in logistic sectors, cyber sector etc will provide more employment opportunities to peoples. On the behalf of above reports and data it shows that the future of E-Commerce in India would be very bright in upcoming years if all essential factors would be implemented.

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