

EMERGING TRENDS OF E - COMMERCE IN INDIA

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Abstract

E-commerce stands for Electronic commerce. It deals with buying and selling of goods and services through internet and computer networks. E-commerce is dealing business online and electronically. The E-commerce has entirely revolutionized the typical concept of business. This paper highlights emerging trends and different challenges faced by the E-commerce in India, understand the essential growth factors required for E-commerce, describes the success of E-Commerce in India and retail E-Commerce sales in India. This

study initiate that, in the world of E-commerce, the existence of the wholesalers is at the greatest risk because the producer can easily ignore them and sell their products to the retailers and the consumers. Wholesalers can take the advantage of E-commerce in establishing contracts with reputed producers and connecting their business with the online. This study found that, E-commerce provides the various types of opportunities to the producers, wholesalers, retailers, and the consumers.

Keywords: E-commerce, Network, Revolutionized, Challenges, On Line Shopping.

Introduction

The year 1991 noted a new chapter in the history of the online world where e-commerce became a hot choice amongst the commercial use of the internet. At that time nobody would have even thought that the buying and selling online or say the online trading will become a trend in the world and India will also share a good proportion of this success. Electronic commerce is a powerful concept and process that has fundamentally changed the current life of human life. E-Commerce stands for electronic commerce, consists of the buying and selling of products or services over electronic system. E-Commerce or E-business involves carrying on a business with the help of the internet and by using the information technology like Electronic Data Interchange (EDI). E Commerce allows payment through credit card, debit card or electronic fund transfer payments.

E-Commerce is the movement of business onto the World Wide Web (WWW). It can facilitate new types of information based business processes for reaching and interacting with customers. It can also reduce costs in managing orders and interacting with a wide range of suppliers and trading partners. For developing countries like India, Electronic commerce or E-Commerce refers to a wide range of online business activities for products and services. It also pertains to “any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact.” 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. Today E-commerce in Indian society has become an integral part of everyday life. Accessibility to E-commerce platforms is not a privilege but rather a necessity for most people, particularly in the urban areas. Today the number of internet users in the world is close to 3 billion, out of this; India has a total of 259.14 million internet and broadband subscribers. This penetration of internet coupled with the increasing confidence of the internet users to purchase on line. This leads to an enormous growth in the E-commerce space, with an

increasing number of customers registering on E-commerce websites and purchasing products through the use of mobile phones.

India is in a prime position for the growth and development of the E-commerce sector. As per the report, the compound annual growth rates in the mature E-commerce markets of Japan, South Korea and Australia will run 11% to 12% over the next few years. In the rapidly growing markets of China and India, these growth rates will be 25% and 57% respectively. The report also highlights the rapid growth of E-commerce markets in neighboring China where, the compound annual growth rates of over 20% will take the market to over \$ 350 billion. A report by the Internet and Mobile Association of India (IMAI) has revealed that India's E-commerce market expected to grow by 37% to reach U.S. Dollar 20 billion by 2015.

Meaning: Electronic Commerce means buying and selling of goods and services across the internet. Electronic commerce is about doing business on line. E-Commerce using the power of digital information to understand the needs and preferences of each customer and each partner to customize products and services for them, and service as quickly as possible.

Definition: According to Jakob Nielsen “e-commerce or electronic commerce is the conduct of financial transactions by electronic means. E-Commerce usually refers to shopping at online stores on the World Wide Web also known as e-commerce websites”.

Need of the Study: This study will help us to examine the emerging trends of e-commerce in India.

Objectives of the Study: The objectives of Present studies are, to study the concepts, benefits, importance, functions, types and facing various challenges, presents trends and emerging trends of e-commerce in India.

Research Methodology: This study focused on extensive study of Secondary data collected from various books, National & International Journals, Government Reports, Publications from various websites which the various aspects of emerging trends of e-commerce in India. The accessible secondary data is used only for this study.

Benefits of E-commerce:

The benefits of e-commerce from Customer's point of view:

1. Time saving - Customer can buy or sell any product at any time with the help of internet. Quick and continuous access to information - Customer will have easier to access information check on different websites at the click of a button.
2. Convenience - All the purchases and sales can be performed from the comfort sitting at home or working place or from the place a customer wants to.
4. Switch to others Companies - Customer can easily change the company at any time if the service of a company is not satisfactory.
5. Wider range - Customer can buy a product which is not available in the local or national market, which gives customer a wider range of access to product than before
6. Decision making - A customer can put review comments about a product and can see what others are buying or see the review comments of other customers before making a final buy.

The main benefits of e-commerce from seller's point of view is increasing revenue and reducing operation and maintenance costs through internet.

- Increases revenue
- Reduces operation and maintenance costs.
- Reduces purchase and procurement costs.
- Raises customer loyalty and retention.

- Reduces transportation costs.
- Develops customer and supplier relationships.
- Improves speed of the process of selling.
- Improves internal and external communication.
- Develops the company image and brand.

Importance of e-commerce

- Easy global reach: E-commerce enables a business organization to reach out to customers all over the world.
- Round-the-clock working: Website is open 24 hours, which allows order, delivery, and payment at any time.
- Production of customized products and services: Products can be developed and offered to suit the preferences of people residing anywhere in the world.
- Low cost of acquiring, serving and retaining customers: The cost of advertising, exchange of information and display is reduced.
- Knowledge of customer-behavior: The buying behavior of customer is recorded on real-time basis.
- Improving customer services: Quick response to customer and redressing of customer problems.
- Easy connections: Easy to establish networks with suppliers, distributors, and retailers.
- Simple and fast: E-commerce is essential for making a business process simple and fast.
- Offers online services: It provides a big platform to increase customers or clients by offering online products and services.
- Near the reach: E-commerce from a marketing perspective, brings the product or the service closer to the customers.
- Saves time and cost: E-commerce reduces delivery time and labor cost. Thus it saves the time of both the vendor and the consumer.
- Cost effective: E-commerce is one of the cheapest means of doing business. It is the e-commerce development that has made it possible to reduce the cost of promotion of products and services.
- No time barrier: E-commerce removes the time barrier in selling the products. One can log on to the internet even at midnight and can sell the products at a single click of a mouse.
- User convenient: E-commerce provides convenience to customers by providing them on-time alerts and informing them about new products.
- Helps in price reduction: E-commerce helps in price reduction by providing transparent information flows and dynamic price determination through online bidding and auctions.

Functions of e-Commerce

1. Communication function: Aimed at the delivery of information and/or documents to facilitate business transactions. Example: E-Mail. Process
2. Management function: Covers the automation and improvements of business processes. Example: networking two computers together.
3. Service management function: Application of technology to improve the quality of service. Example: Federal Express website to track shipments and schedule.

4. Transaction capabilities function: Provides the ability to buy/sell on the internet or some other online services. Example: Amazon.com.

Types of E Commerce

E-commerce is the process of buying and selling of various products and services by businesses through the Internet. It deals various kind of business concern, from retail site of the consumer, which includes auction. The main focus is to concentrate on business substitutes involving goods and services between various corporations.

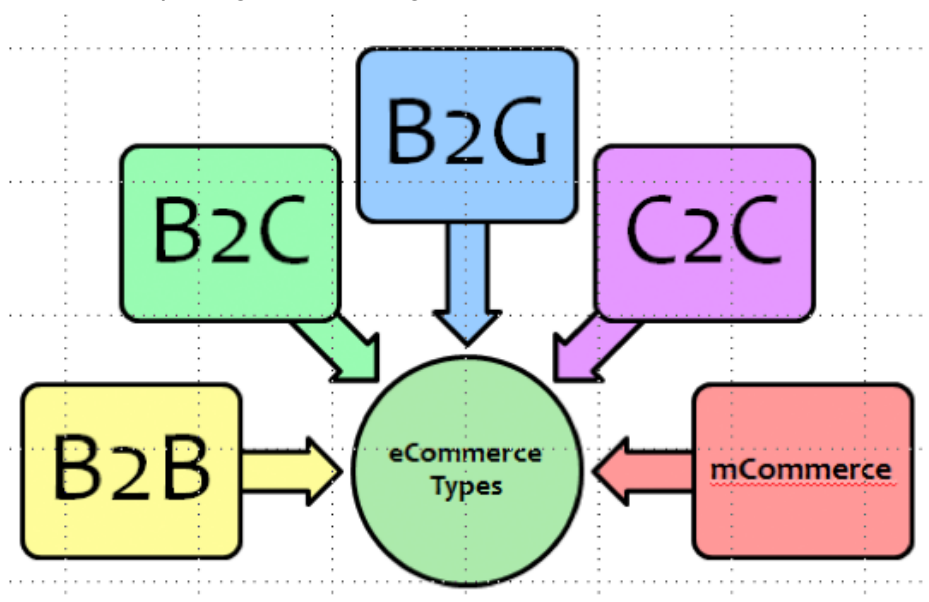
1. B2B stands for Business to Business. It consists of largest form of Ecommerce. This model defines that Buyer and seller are two different entities. It is similar to manufacturer issuing goods to the retailer or wholesaler. Dell deals computers and other associated accessories online but it is does not make up all those products. So, in govern to deal those products, first step is to purchases them from unlike businesses i.e. the producers of those products. “It is one of the cost effective way to sell out product throughout the world”

2. B2C stands for Business to Consumer as the name suggests, it is the model taking businesses and consumers interaction. Online business sells to individuals. The basic concept of this model is to sell the product online to the consumers.

3. B2G stands for **business-to-government e-commerce, a concept where government agencies and businesses can use the Internet to transact business.** A typical B2G e-commerce website offers an efficient system for business information exchange as well as facilitation of business transactions over the Internet.

4. C2C stands for Consumer to Consumer. It helps the online dealing of goods or services among people. Though there is no major parties needed but the parties will not fulfill the transactions without the program which is supplied by the online market dealer such as e pay.

5. M Commerce deals with conducting the transactions with the help of mobile. The mobile device consumers can interact each other and can lead the business. Mobile Commerce involves the change of ownership or rights to utilize goods and related services.



Factors affecting e-commerce in India:

- India is a large economy with a large absolute Gross Domestic Product (GDP). However, its huge population brings its GDP and wealth level per capita way below developed countries and in-line with many developing countries.
- Between 1900 and 2001, India's economy experienced rapid growth (7-8% on average) as did its telecommunications, information technology (IT) and Internet infrastructures (50%- 200% on average). Its large population brings the penetration rates of these infrastructures way below developed countries and a little higher than many developing countries.
- India's infrastructure is characterized by "disparities" among geographic areas, demographics, and firm size. Large cities and economically advanced provinces enjoy much better infrastructure and many more internet users than remote and economically poorer provinces. Large enterprises have bigger IT budgets and better-trained staffs than small and medium-sized enterprises. A younger population with higher education is more likely to adopt internet and e-commerce.
- The infrastructure disparity leads to e-commerce diffusion disparity. Current e-commerce activities are concentrated in large cities, coastal provinces, large enterprises, and among well-educated young people. The legal environment for e-commerce is better in large cities and environment for e-commerce is better in large cities and coastal provinces because they publish local laws regarding e-commerce and IT infrastructure.
- Barriers to e-commerce diffusion include poor technical infrastructure, lack of security, lack of a system to monitor and guarantee buyer and seller credibility, and an inefficient delivery system extends to both vendors and individual consumers.
- Taxation and privacy, which are vital to e-commerce diffusion in many other countries, do not appear to be serious concerns yet. However, content control is among the top concerns.

Challenges of e-Commerce

1. Internal challenges: Internal forces impact how E-commerce companies can organize to drive and sustain growth.

Emerging Trends of E-Commerce in India

1. Organization Scaling: E-commerce companies will have to make sure organization design keeps pace with the rapidly evolving business strategy, along with fluid governance, strong leadership and management development. From a growth perspective, identifying acquisition opportunities, fund raising and IPO readiness becomes necessary. From a technology perspective, it is important to transform IT as an innovation hub and address the lack of synergy between business, technology and operations functions of the enterprise.

2. Tax and Regulatory Structuring: Companies will need to address issues around sub optimal warehouse tax planning imbalance between FDI norms vis-à-vis adequate entity controls, inefficient holding IPR or entity structure and international tax inefficiencies. Future challenges include the new companies act, policy on related party transaction pricing and the uncertainty around GST roadmap.

3. Risk Fraud and Cyber Security: From a risk perspective E-commerce companies could face issues around brand risk, insider threats and website uptime. Issues around employee vendor nexus, bribery and corruption make companies vulnerable to fines. Cyber security also raises some concerns around website exploitation by external entities.

4. Compliance Framework: E-commerce companies have to comply with several laws, many of which are still evolving. Potential issues around cyber law compliance, inefficient anti corruption framework, legal exposure in agreements or arrangements, indirect and direct tax compliance framework and rules and regulations could pose problems. Uncertainty around VAT implications in different states due to peculiar business modes could cause issues.

II. External challenges: External forces impact how E-commerce companies plan their growth strategy and provide seamless customer experience onsite and post transaction

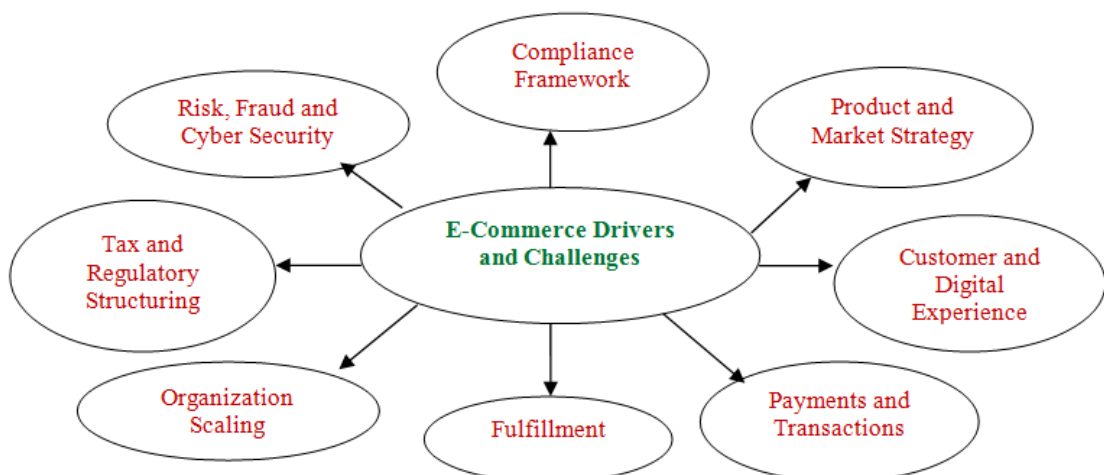
1. Product and Market Strategy: E-commerce companies have to address issues pertaining to rapidly evolving customer segments and product portfolios access information on market intelligence on growth, size and share manage multiple customer engagement platforms focus on expansion into new geographies, brands and products and simultaneously tackle a hypercompetitive pricing environment.

2. Customer and Digital Experience: Companies have to provide a rich, fresh and simple customer experience not geared towards discovery, manage inconsistent brand experience across platforms; manage proliferation of technologies; and handle time to market pressure for new applications. In the recent past, social media has become more influential than paid marketing.

3. Payments and Transactions: E-commerce companies may face issues around security and privacy breach and controlling fictitious transactions. Further, RBI restrictions for prepaid instruments or E-Wallets act as impediments. From a transactions perspective cross border tax and regulatory issues and backend service tax and withholding tax can have serious implications.

4. Fulfillment: Companies will need to check if the physical infrastructure gets affected by the internet speed. Also the lack of an integrated end to end logistics platform and innovation focused fulfillment option could cause delivery issues. Challenges around reverse logistics management and third party logistics interactions could also act as barriers to growth.

E-commerce drivers and challenges



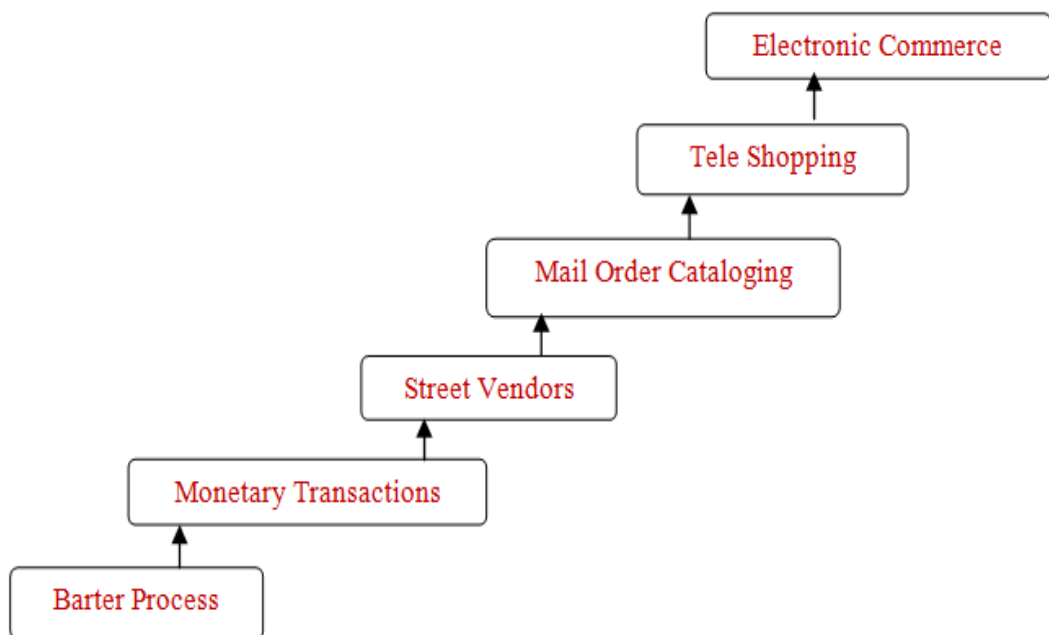
Top 19 E commerce Trends of 2018

Here are the top 19 e commerce trends and growth strategies recommended by Internet Retailer 1000 brands and the experts that advise them, in order of priority.

1. Localization, Personalization & CX.
2. Community Building, Customer Engagement & CRM.

3. New Content Types & SEO.
4. Mobile Optimization.
5. Social Media Advertising, Campaigns & Retargeting.
6. CRO & Data-Driven Optimizations.
7. Technology.
8. Email Marketing, Automation & AOV.
9. Influencer Marketing.
10. Omni-Channel Management.
11. Payment Solutions.
12. Branding.
13. International.
14. Customer Lifetime Value & Referral Programs.
15. Catalog Extension.
16. PR.
17. Shipping + Fulfillment Optimization.
18. Sales Tax Liability.
19. Pricing.

Evolution of e-commerce



Snapshot for e commerce in India

Table1: Indian Online Retail Revenues

Year	Forrester research online retail forecast
2012	US \$ 1.6 billion
2016	US \$ 8.8 billion

Source: Forrester Research

Table reveals that, according to the report provided by Forrester Research, shoppers in metropolitan cities in India are driving E-Commerce; these consumers primarily avail of E-commerce service in the areas of travel, consumer electronic and online books. According to a report provided by Forrester Research, E-Commerce revenues in India will increase by more than five times by 2016, jumping from U.S Dollar 1.6 billion in 2012 to U.S. Dollar 8.8 billion in 2016.

Table2: Internet Population in India

Year	Internet population (In Millions)
2012	137
2013	239
2014	286
2015	347

Table 2 reveals that, as per data released by Telecom regulatory authority of india (TRAI), India's total internet subscribers stood at 239 million as of 2013. Due to high internet penetration in India, the adaptability of online shopping and better shopping experiences offered by the E-commerce websites among India have increased rapidly.

Source: Telecom Regulatory Authority of India

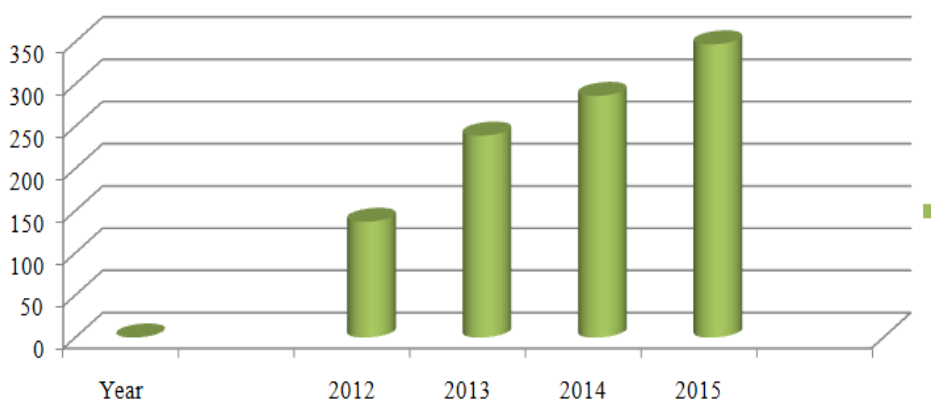
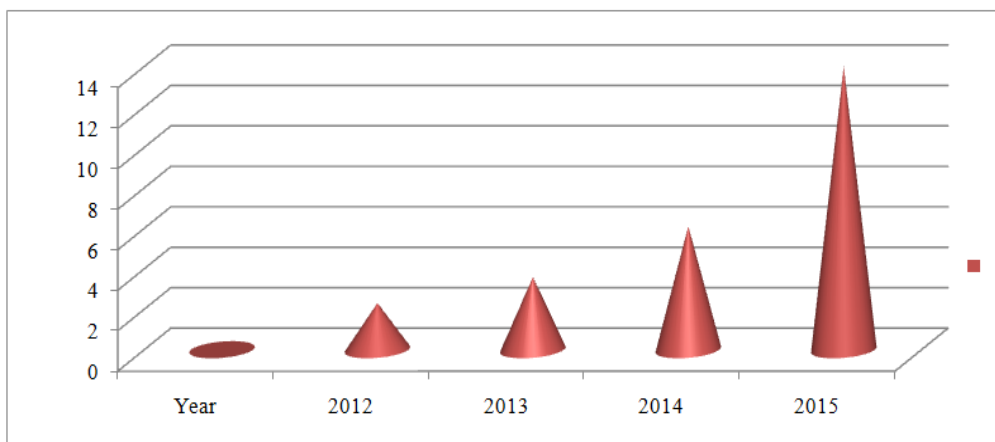


Table3: Retail E-Commerce Sales in India

Year	Retail E-Commerce sales in India (In Billion U.S. dollars)
2012	2.31
2013	3.59
2014	6.1
2015	14

Source: E-Market Statistics



Some of the e-commerce companies in India

- | | | | |
|------------------|----------------|----------------|----------------|
| 1) American Swan | 6) Health Kart | 11) Ola Cabs | 16) Carat lane |
| 2) Bata Shoes | 7) IRCTC | 12) Pay tm | 17) Tradus |
| 3) Bro4u | 8) Instamojo | 13) Snap deal | 18) Jabong |
| 4) Flipkart | 9) Myntra | 14) Shop Clues | 19) HomeShop |
| 5) Ebay India | 10) MobiKwik | 15) Zomato | 20) Naaptol |

Some of the e-Commerce Websites in India

- | | | | |
|------------------------------------|----------------------|-----------------------------|------------------------|
| 1) Flipkart.com | 13) Smartshoppers.in | 25) Themobilestore.in | 37) Egully.com |
| 2) Infibeam.com | 14) Homeshop18.com | 26) Adexmart.com | 38) Bitfang.com |
| 3) Ebay.in | 15) Yebhi.com | 27) Zoomin.com | 39) Bigcmobiles.in |
| 4) Theiwares.com | 16) Univercell.in | 28) Ratetag.com | 40) Seventymm.com |
| 5) Futurebazaar.com | 17) Mediahome.in | 29) Deltapage.com | 41) JJMehta.com/shop / |
| 6) Lynx-india.com | 18) Primeabgb.com | 30) Ezoneonline.in | 42) Indiaplaza.com |
| 7) Timtara.com | 19) Next.co.in | 31) Gadgets guru.com | 43) Theitdepot.com |
| 8) Shopping.rediff.com | 20) Royalimages.in | 32) Machpowertools.com | 44) Gadgets.in |
| 9) Edigiworld.com | 21) Cromaretail.com | 33) SMCinternational.in | 45) Bigadda.com |
| 10) Letsshop.in | 22) Rightshopping.in | 34) Smartshoppers.in | 46) Tradus.com |
| 11) Buytheprice.com | 23) Pristinenote.com | 35) Storeji.com | 47) Vijayasales.com |
| 12) Shopbychoice.com | 24) Theelectro.com | 36) Zapstore.com | 48) Buytheprice.com |
| 49) Computerwarehousepricelist.com | | 50) Shopping.indiatimes.com | |

Conclusion

Today E commerce has become an integral part of everyday life. It is an emerging trend in Indian economy in the post economic reforms era. The revolution in the IT sector in the recent past has been instrumental in development of e-commerce. E-commerce provides various services to wholesalers who can take advantage of E-commerce and capable of establishing contractors with reputed producers and linking their business with the on-line. These benefits are cost effectiveness, quick comparison shopping, better customer service, higher business margins resulting form economy in business operations, information saving and knowledge market development etc. At present there are several stumbling blocks in the development of e-commerce such as computer initial investment, technological issues, computer illiteracy, legal hassles, and adverse mindset of consumers, privacy and security issues. The growth of E-commerce volumes in India is attracting the attention of players around the globe. E-commerce creates new opportunities for business it also creates new opportunities for education and academics. It appears that there is tremendous potential for providing E-Commerce education.

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