

FUTURE OF E-COMMERCE IN INDIA

M.FARHANA FATHIMA

MBA, PGDMM ,(M.PHIL), MANOMANIAM SUNDARANAR UNIVERSITY, TIRUNELVELI-627012

Abstract: E-commerce is said to bring about paradigm shift in the world for trading. Prediction e-commerce is showing tremendous business growth in our country. Backed by increased online user base & mobile phone presentation, Indian e-commerce has seen impressive growth in the last few years. Considering India's demographic dividend & rising internet accessibility, the sector is slated to scale greater heights. Although, India's overall retail opportunity is substantial, the sector is beset with some serious challenges. The present study has been undertaken to describe the present status & future growth of e-commerce in India. Analyze the present trends of e-commerce in India & examine the challenges & opportunities of e-commerce in India. E-commerce stands for electronic commerce. It means dealing in goods & services through the electronic media & internet. The rapid growth of e-commerce in India is being driven by greater customer choice & improved convenience with the help of internet the vendor or merchant who sells products or services directly to the customer from the portal using a shopping basket system or digital cart & allows payment through debit card, credit card or electronic fund transfer payments. In the present scenario e-commerce market & its space is increasing in demand as well as an impressive display or range of a particular type of services. E-commerce is already appearing in all areas of business, customer services, new product development & design. E-commerce business is growing in India because of wide range of product with minimum price wide range of suppliers & customers internet. In this modern era every business units want to join online business because increasing ratio of internet users in India. E-commerce in India is still in growing stage but it offers considerable opportunity.

Keywords: E-Commerce, trading.

1. INTRODUCTION

Definition

The buying & selling of products & services by businesses & customers through on electronic medium, without using any paper documents. E-commerce is widely considered the buying & selling of products over the internet, but any transaction that is completed solely through electronic measures can be considered e-commerce. E-commerce is subdivided into three- categories: business to business or B 2 B (Cisco), business to consumer or B 2 C (Amazon) & Consumer to consumer C 2 C (eBay)

Concepts and Definitions

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 direct physical contact." A more complete definition is: 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.

Different Type of E-Commerce

The major different types of e-commerce are

- Business to-Business (B2B);

- Business to-Consumer (B2C);
- Business-to-Government (B2G)
- Consumer-to-Consumer (C2C); and
- Mobile commerce (m-commerce).

2. E-COMMERCE IN INDIA

For developing countries like India, e-commerce offers considerable opportunity. e-commerce in India is still 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 popular nation.

The first e-commerce site in India was 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 search 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 commerce sites have popped up everywhere hawkings 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.

3. 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! To understand this scenario, we can divide E-commerce into three broad categories which include physical services, physical goods and virtual goods. Another category that is gradually making its mark is the local commerce (coupons, yellow pages, classifieds etc.) which offers significant overlaps with E-commerce. The 1st category of physical services is definitely the major contributor which includes travel ticketing, jobs, matrimonial and event management websites with travel sites accounting for 75% of all E-commerce industries! It provides attractive deals too. The 2nd category of physical goods is the one currently gaining considerable attention, thanks to the hype created by new startups/stores being launched daily. Leaders in this division are Flipkart, Infibeam, Homeshop18, Indiatimes, Naaptol, Letsbuy etc. each of which offers everything from mobile phones to pet food. The 3rd and final category of virtual goods and gift vouchers like online music, software's, movies, games, Taj Hotel gift vouchers, Reebok gift vouchers, PizzaHut gift vouchers etc. have been relatively lagging behind in India as compared to Europe and America, primarily due to piracy concerns and the social perspective of Indians. But the scenario is expected to change with the digital downloads segment expected to grow in the Indian E-commerce market due to the explosion of mobile devices and the services available over the Internet at special discounts.

Certain unique attributes of the E-commerce industry in India such as cash on delivery mode of payment and direct imports that lower costs considerably are probably going to bring about a speedy growth in this industry in years to come. According to the latest research by Forrester, a leading global research and advisory firm, the e-commerce market in India

is set to grow the fastest within the Asia-Pacific Region at a CAGR of over 57% between 2012-16. The report, titled “Asia Pacific Online Retail Forecast, 2011 To 2016,” has been issued by Forrester Research Inc. Analyst Zia Daniell Wigder, with Steven Noble, Vikram Sehgal and Lily Varon.

E-commerce in India to explode in 2012, Indian e-shoppers will have good time getting great deals and services online. A recent pan-India report released by Com Score Inc reveals that online shopping in India has touched a growth rate of 18 per cent and is only likely to International Journal of Computing & Business Research.

Proceedings of ‘I-Society 2012’ at GKU, Talwandi Sabo Bathinda (Punjab) grow further. The report found that nearly 60 per cent of Citizens in India visited a retail site in November 2011, with the number of online shoppers increasing by 18 per cent in the past year. E-commerce can become an integral part of sales strategy while it is one of the cheapest medium to reach out the new markets, if implemented successfully, it offers a smart way of expansion & doing e-commerce attribute to the successful implementation to carefully understanding the products & services, customers and the business process, easy-to-use system to extend the business on the web. A new report by the Boston Consulting Group says online retail in India could be a \$84-billion industry by 2016 — more than 10 times its worth in 2010 — and will account for 4.5 per cent of total retail. The e-commerce platforms maximize its reach to the potential customers and provide them with a convenient, satisfying & secure shopping experience. Segments that recorded growth Online channels are playing an important role of connecting with consumers of unexplored markets. The journey of online spending that started with an increasing number of buyers of travel and holiday plans in the last decade has now extended to an increase in spends on household appliances and luxury products. While segments like apparel and luxury products have registered unprecedented growth in 2011, jewellery, electronic appliances and hardware products have shown promising growth trends as well. “Indian consumers are showing greater appetite to transact online, fuelling the e-commerce boom,” said Anuj Kumar, CEO, Affle.

The report also found that coupon sites are rapidly gaining popularity, with 16.5 per cent of the Indian online population visiting the category in November 2011 — 27.2 million online users in India aged 15 and older accessed the retail category from a home or work computer, an increase of 18 per cent from the previous year, as consumers continue to turn to the web to shop for and purchase items and retailers continue to increase their online visibility through

active marketing campaigns. Increase in shoppers of the coupon sites indicate that pricing is playing the role of catalyst in bringing more and more shoppers online. Many of these shoppers have shown affinity towards affordable online goods, which was priced lesser than the market price. Some of the largest retail subcategories revealed that coupons category was the largest with 7.6 million visitors as consumers rapidly adopt daily deal sites. Consumer electronics ranked next with International Journal of Computing & Business Research.

4. 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 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 30 day 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 here.

5. EXPERTS VIEW ABOUT FUTURE GROWTH OF E-COMMERCE IN INDIA

Leading e-commerce portals in the country include Flipkart.com, Futurebazaar.com, Ebay.in, Homeshop18.com, Snapdeal.com, Indiaplaza.com, Starcj.com, Amazon.com, Fashionandyou.com, Rediffshopping.com., inkfruit.com, myntra.com, futurebazaar.com, yebhi.com, zoomin.com and hushbabies.com. Internet on mobile phones and e-commerce are set to lead the trend in the IT sector, Google India MD Rajan Anandan said on June 2012. Speaking at the 13th annual Confluence at the Indian Institute of Management, Ahmedabad (IIM-A) here, Anandan identified trends such as mobile internet, social networking, e-commerce and internet video as being the most important trends for any technology company to take advantage of. "We have seen 80-90 per cent growth in traffic month-on-month over the last three quarters. We have been gradually increasing the pace of hiring and over the next six months, we will add about 500 people," Snapdeal Chief Executive Director Kunal Behl said. "With the growing e-commerce industry in the country and major international players entering the market, the number of job offers would certainly look up," e-commerce firm Homeshop18.com CEO and founder Sundeep Malhotra said. International Journal of Computing & Business Research

The online retail segment is expected to report strong growth in the coming years owing to growing Internet consumer base thanks to increasing use of smartphones, laptops/PCs and availability of Internet in the remotest part of the country. "e-commerce space is a booming space as Internet audience are likely to double in the next two-three years and this industry will require talent from various sectors like technology, product, analytics, sourcing, general management talent, merchandising and marketing,"

online retailer Fashionandyou.com co-founder and CEO Pearl Uppal said. Another e-commerce player HomeShop18.com has grown by over 70 per cent in headcount terms in 2011 over the last year and is further poised to grow by a similar percentage this year, including an augmentation of the technology team.

Meanwhile, the e-commerce sector is fast hiring the best talent available in the country and this placement season saw e-commerce companies recruiting big numbers at premier institutions like the Indian Institutes of Management (IIMs) and Indian Institute of Technology (IITs).

According to a report by industry body Assocham, online retail segment is likely to be worth Rs 7,000 crore by 2015 due to rising broadband availability and increasing Internet penetration, from the Rs 2,000 crore at present. It is growing at an annual rate of 35 percent.

6. CONCLUSION

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. We found various types of opportunities for retailers, wholesalers/distributors, producers and also for people. Retailers meet electronic orders and should be in touch with the consumers all the time. Wholesalers can take advantage of E-Commerce who are capable of establishing contractors with reputed producers and linking their business with the on-line. Producers can also linking themselves with on-line, by giving better information about their products to the other links in the business chain and by having a brand identity. 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 International Journal of Computing & Business Research. People could found various opportunities of employment. On the behalf of above said reports and experts view showed that the future of e-commerce in India would be bright in the upcoming years if all essential factors would be implemented.

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