An Overview of E-Commerce in India

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ABSTRACT

The e-commerce scenario in India has been evolving by large over the past few years and it is significantly changing how people here. Rising internet users and usage of mobile phones have definitely contributed to the upside. It has impacted the way we communicate and companies do business at large.

Keywords: E-commerce, internet, mobile phones, technology, online shopping.

INTRODUCTION

E-commerce (electronic commerce or EC) is the procurement and marketing of merchandises and services, or the transferring of money or information, over an electronic network, principally the Internet. These commercial dealings transpire business-to-business, business-to-consumer, consumer-to-consumer or consumer-tobusiness. The terms e-commerce and e-business are frequently used interchangeably. The word e-tail is also occasionally used in context to transactional procedures around online trade.

E-commerce is carried out exhausting a diversity of applications, such as email, fax, online catalogues and shop carts, EDI, FTP and Web services. Maximum utilization of this is business-to-business, with some businesses endeavouring to use e-mail and fax for unwanted commercials (generally observed as spam) to customers and other commercial prospects, as well as to direct out e-newsletters to subscribers.

The advantages of e-commerce comprise of around-the-clock accessibility, the speed of access, a broader collection of merchandises and services, convenience, and international grasp. It is supposed disadvantages comprise occasional-limited customer service, not being able to comprehend or touch a merchandise former to acquisition, and the demanded wait time for product shipping.

The Internet got popular in the 1980s when Microsoft and IBM came out with the private computers. The age of online shopping completely altered the computer in techniques limited would have thought in the early 1980s. The first bank was opened in 1994 and in the same year a Pizza Hut website also went online. In the late 1990s and early 2000s online shopping turns out to be more reachable for a lot of individuals and its attractiveness pitched the customers. In present society, individuals are performing all types of their monetary related operations stretching from purchasing

holiday gifts to purchasing cars and compensating their bills over the net.

REVIEW OF LITERATURE

Shahir Bhatta (2015) in his research work titled `A Study on Factors Influencing Online shopping', has found ease attractiveness of website, service quality of the website and website security are the three dominant factors which influence consumer perceptions regarding their online purchasing experience. Hence, Businesses that focus on these three factors could attract more clicks. Also, the paper has proved that these factors are related to the various type of consumers classified as a trial, occasional, frequent and regular based on their frequency of purchase. The authors have found that regular buyers are most influenced by ease/ attractiveness of website and service quality of the website while occasional buyers value websites securities are more than other categories of consumers.

Khedkar and Phule (2015) study entitled `Analysis of Customer Satisfaction during Online Purchase', examines the aspects that lead towards consumer satisfaction and to establish and validate that affect customer satisfaction. One hundred and fifty questionnaires were circulated at random to the student and working professional. The study is based on primary data, which was collected through questionnaires. This study reveals that most of the respondents choose the key issues that would affect primarily drive customer satisfaction and the factors such as website design payment security, Ease of shopping accurate product information price and delivery service has optimistic in the pack on purchase satisfaction.

Ahitha and Malarviahi (2016) study entitled, `Customer Satisfaction on Online Shopping a Study with Special Reference to Pollachi Taluk', examines the socio-economic profile of the customer influence in online shopping, factors affecting the customer while shopping the products through online. The required data was collected through questionnaires. This study discloses that most of the respondents influence to choose two section namely demographic information and customer satisfaction.

Sivanesan (2017) study entitled research, `A Study on Problems Faced by Customers in Online Shopping with Special Reference to Kanyakumari District', found that the massive Indian market is changing fast. Internet access is mainstreaming among professionals, and the use of mobile is intensifying. The pace of change continues to be rapid with digital channels constantly growing in volume and strength. More people spend more time online in India every year, and the digital tools and sites they play an ever-growing role in their lives. Smart marketers keep on top of the scale of change, ensure their marketing strategies, and touch point's mirror where the consumer is spending their time.

The purpose of **Paulo Duarte et al. (2018)** article was to identify which dimensions of online convenience affect consumers' intention of using online shopping and explore a conceptual model to measuring consumer perceptions of online shopping convenience in order to surpass the shortcomings of previous studies that did not examine the consequences of convenience shopping experience. A sample of 250 Portuguese young individuals participated in the empirical study.

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Confirmatory Factor Analysis (CFA) and a covariance-based Structural Equation Model (CB-SEM) were used to validate the measurement model and to test the relationships in the model. The results reveal that Possession, Transaction, and Evaluation are the dimensions with more influence in online shopping convenience. The outcomes of this study extend previous works on online convenience and help to understand which factors drive online satisfaction and enhance behavioral intentions and e-WOM. Contributions to the body of knowledge and the implications for e-commerce retailers are presented. In face of the findings, retailers should be conscious that customer expectations of online convenience have increased as a natural response to the service innovations introduced by website managers and marketers. Therefore, frequent monitoring of consumers' perceptions and expectations about online convenience is a prerequisite for achieving continuous improvement in rendering highly convenient online service.

Astrid Müller, Maithilee Joshi and Tobias A. Thomas (2020) conducted a study and observed that with the growth of e-commerce, many consumers have made a shift from in-store to online shopping, and some are at risk for developing online compulsive buying-shopping disorder (CBSD), which can be understood as the virtual equivalent of in-store CBSD or as a disorder due to addictive behaviors under the umbrella of problematic internet usage. Empirical data specifically concerning online CBSD are sparse. There exists some evidence for specific predisposing factors for online CBSD and certain motives to use shopping websites as a first-choice internet application. Experimental studies using subjective ratings and computerized behavioral tasks provide preliminary support for cue reactivity and craving responses and their interference with cognitive processes. Future research on online CBSD should focus on the underlying affective and cognitive mechanisms, and address the assessment, epidemiology, associations with other forms of problematic internet use, public health concerns and tailored treatment concepts.

OBJECTIVES OF STUDY

The present study is based on following objectives:

- To know about e-commerce evolution in India.
- To know about e-commerce development in India.
- To know about e-commerce growth in India.
- To know about key drivers of e-commerce.
- To know about future of e-commerce in India.

EVOLUTION AND DEVELOPMENT OF E -COMMERCE

Electronic Commerce (EC) renders the way in which interactions occur over systems, for the record part over the Internet. It is the process of by electronic means acquiring and proposing merchandises, supervisions and information. Many EC applications, for instance, acquiring and offering stocks and airline tickets on the web, are exceeding non-Internet exchanges.

EC is not just about acquiring and selling, it as well is about electronically communicating,

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cooperating, and ascertaining. It is about e-learning, e-government, casual groups, and expressively more. EC has prompted an enormous bit of the globe, persuading establishments as well as individuals.

Expansion of EC applications took place in the early 1970s with electronic funds transfer (EFT), which denotes the computer-based structures used to accomplish monetary trades by electronic means. Though, the use of these applications was restricted to monetary establishments, enormous companies, and some courageous businesses.

Electronic data interchange (EDI) was then advanced in the late 1970s to mend the constraint of EFT. EDI inflated the group of participating corporation from producers, merchants, services, and others. Such structures were entitled Inter-organizational System (IOS).

An Inter-organizational System (IOS) permits the movement of data to be computerized amongst establishments to influence an anticipated supply-chain management system, which permits the enlargement of competitive establishments.

From the 1990s straight on, electronic commerce also encompassed enterprise resource planning systems (ERP), data mining and data warehousing.

The term 'electronic commerce' was devised in the initial 1990s as soon as Internet turned out to be commercialized and users originated gathering to play a part in the World Wide Web. EC applications were then rapidly expanded.

Probably EC is hosted from the Telephone Exchange Office. The initial specimen of many-to-many EC in tangible merchandises was the Boston Computer Exchange, a market for second-hand computers initiated in 1982. The principal online data market, comprising online consulting, was possibly the American Information Exchange, one more pre-Internet online system started in 1991.

Ever since 1995, many ground-breaking applications, stretching from direct online sales to e-learning experiences had been established.

- In 1999, the importance of e-commerce moved from B2C to B2B.
- In 2001, from B2B to B2E, e-government, e-learning, and m-commerce.
- In 2005, social websites in full swing started to rise and so did l-commerce and wireless applications.
- E-commerce will unquestionably carry on modifying and updating in the forthcoming years.

In this regard, it should be noted that over 560 million of the gigantic population in India now has access to the internet, ranked second in the world.

KEY DRIVERS OF E-COMMERCE

It is crucial to differentiate the fundamental drivers of e-commerce to create a relationship amongst

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various countries. These key drivers can be evaluated by numerous standards that can focus on the stages of development of e-commerce in each of the specific countries. The standards that can encompass the level of advancement of e-business can be well-organized as below:

1. **Technological variables** – The level of advancement of the IT foundation which provides access to the fresh revolution for commerce and consumers.

2. **Political elements** – comprising the portion of government in constructing government presentation, undertakings and endowing to lift the employment and enhancement of ecommerce & IT.

3. **Social elements** – fusing the level and advancement in IT training & understanding, empowering & vesting both prospective buyers and the workforce to grasp and employ the new technology.

4. **Economic components** – together with the general riches and commercial trustworthiness of the nation and the mechanisms those enhance it.

TYPES OF E-COMMERCE

The principal mechanism which originates to our cognizance, when we converse about E- Commerce is that, it is an online commercial or sales operation which takes place amongst the merchant and the purchaser. While the notion of the model is right, there are more definite aspects involved that classify E- Commerce into six key categories. Each of these categories has diverse features and characteristics.

1. **Business to business** is one in which a business transacts with another business for trade and trading of merchandises, products, services. Some of the illustrations of b2b e-commerce sites are a company's official site, brokering sites etc.

2. **Business to customer** is one where the business vends its merchandises to the shopper or trades with the consumers. This is electronic retailing and termed as etailing in general. Few of illustrations are amazon.com, flipkart.com, paytm.com, etc.

3. **Business to Employee** states to the commandeering of provisions by workforces for usage in their occupation, but this really has developed to incorporate much more. For instance, B2E makes it very easy for an employee to get a new toner cartridge and printer paper - the directive is completely electronic, and supervisors are asked to approve the request in the event that the entire order exceeds predetermined restrictions for that specific employee.

4. **Consumer to business** is when a customer is working for a certain company for business and the enterprise purchases it, here the consumer has to charge the exchange. For instance, there is such are site called makemytrip.com, trivago.com, etc.

5. **Consumer to consumer** is more like auctioning, bartending, etc. Where a consumer tenders while, other purchases it. Here the websites acts an intermediary for the trade. Illustration for

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such sites is Olx.com, Quikr.com, ebay.com.

6. **M-commerce (mobile commerce)** is the purchasing and vending of merchandises and services with the help of wireless technology i.e., handheld gadgets such as mobile phones and Tablets. China is perceived as a worldwide forerunner in mcommerce.

REASONS FOR HIGH TRAFFIC FOR E-COMMERCE SITES

1. Convenience

It is the foremost motivation. There are various items that are not obtainable in the native marketplace of the cities however, still there is a demand for such merchandises and such demands can only be fulfilled by the help of online shopping as merchandises of diverse sorts are obtainable to the individuals as per their necessity and they do not have to step out of their house to procure it.

2. Literacy Rate and Internet Savvy Population

Maximum cities in India have a greater literacy proportion as matched to the national average of 64.8 percentages. In fact Mumbai has peak literacy even between the cities (86%). Delhi too has an extraordinary literate populace (81.2%). Bangalore has a greater literacy rate compared to Delhi, at 83 per cent. Kolkata also boasts a literacy rate (80.8%) and so does Chennai (80.1%.) If one equates these rates to literacy rates of places like Patna (62.9%), Jaipur (67%), Indore (72%) or Warangal (73%) it's understandable why there is an enormous upsurge in online shopping over the period of time.

3. Home delivery concept

Every Indian is aware with the notion of home delivery and it lucrative deal for them as it tempts them. The shopping mall enthusiasm is taking place only now. Previously it was a selection amongst dripping it out in small congested marketplaces, or asking a approachable neighbourhood kirana (grocer) to supply provisions at their doorsteps and this arrangement is still successful.

4. Increase in the Internet users

Far reaching and easy saturation of Internet connectivity and PCs has directed to an upsurge in the Internet users throughout India. The demographic divisions that have perceived supreme development encompass university going apprentices and young individuals. These sectors are the users of innovative applications and equipment online and are most probable to be substantial Ecommerce users.

5. Increase in the number of buyers and sellers

The triumph of a market is governed by on the existence of a huge volume of purchasers and a huge volume of vendors. In addition to online purchasers, many offline businesses have initiated to vend their merchandises in the online market. The bigger the volume of vendors and shoppers, the quicker the market develops.

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TRENDS TO WATCH

1. In the coming years, it is expected that e-commerce will grow significantly on the back of the evolution of the logistics landscape and the growing demand of the general crowd.

2. Technology has already started shaping the e-commerce scenario.

3. Companies need to keep a few factors in mind such as downstream parcel and large fulfilment centers and warehouses, adoption of state of the art technology, etc.

4. The number of companies choosing the virtual world for doing their businesses has climbed to a huge extent in recent years. Even the major portals are making a shift because of obvious. The pandemic has been a great contributor to the growth of players in the e-commerce industry.

All these factors poise the Indian ecommerce industry well for long-term growth with room for biggies as well as newbies to make a mark in the mark

CONCLUSION

India is a fastest growing e-commerce market. China ranks first in the number of internet users among the countries of the world and India is right behind it and soon India will overtake China in the number of internet user and become 1st in the list. Hence it can be confirmed that India is a really potential market and there is a wide opportunity for companies to focus on the Indian buyers. Indian consumers are very rigid in terms of trusting online companies for purchasing items but slowly and gradually the consumers are shifting towards online shopping and putting their trust on the online stores and products.

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