

E-Commerce in India: Future prospective

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Abstract

The fast development of Information and Communication Technology (ICT) in the past few decades has changed consumer purchasing process. Consumers are often moving to e-commerce or electronic commerce, namely the buying and selling of products and services exclusively through electronic channels. E-Commerce is the process of trading of goods and services or the transmitting of funds or data, over an electronic network, primarily internet. In recent days, E-Commerce popularly known as online shopping, also known as business to consumer e-commerce (B2C), where customers can order various products which they then receive by courier or postal mail. The purpose of this paper is that, study the retail sales in e-commerce in India and analysis its growth and what are the factors affecting e-commerce business so that the necessary steps can be taken to improvement in their service.

Keywords: Consumers, E-Commerce, Information and Communication Technology, Internet

Introduction

E-Commerce plays significant role in the field of commerce. E-commerce was first introduced in the 1960s via an electronic data interchange (EDI) on value-added networks (VANs). The medium grew with the increased availability of Internet access and the advent of popular online sellers in the 1990s and early 2000s. Amazon began operating as a book-shipping business in Jeff Bezos' garage in 1995. EBay, which enables consumers to sell to each other online, introduced online auctions in 1995 and exploded with the 1997 Beanie Babies frenzy. E-Commerce is the process of trading of goods and services or the transmitting of funds or data, over an electronic network, primarily internet. E-Commerce business transaction occurs either as business-to-business, business-to-consumer, consumer-to-consumer or consumer-to-business. E-Commerce enables to increase the sales at lowest cost. E-Commerce is new innovative world which eventually saves lot of money and time and also renders attractive features by the online market. It refers to wide range of online business activities for products and services. E-Commerce also facilitate cashless payment mode such as debit card, credit card, digital wallet, internet banking, mobile banking, etc

Objectives

- To know importance of E-Commerce in India
- To rival the favourable data for enhance in the development of E-Commerce
- To study the modes of E-Commerce
- To study about the advantages of instrument of cashless society

Methodology

Nature of study

The study is mainly descriptive in nature. Secondary data are used for the purpose of the study

Secondary data

Secondary data was collected from websites, various articles and journals

Limitation of the study

- Lack of primary data
- Time consuming
- As the research mainly depends on secondary data, it may not be hundred percent accurate.
- The study is restricted to India only

Modes of E-Commerce

There are mainly four modes of E-Commerce namely

B2B (Business-to-Business)

In a B2B E-Commerce environment, companies trade their goods or service to other companies. Companies trade their transaction to other companies without being engaged in sales to customers. As an example, a wholesaler places an order from a company's website and after receiving the consignment, sells the end product to final customer who comes to buy the product at wholesaler's retail outlet.

B2C (Business-to-Consumer)

In a Business-to-Consumer, companies trade their goods or service to consumers who are the end users of their products or service. This is open access for any visitor and user because a customer can view products or services shown on the website. Here customer can choose any of product or service and order the same. After this, confirmation will be done by company.

C2B (Consumer-to-Business)

In a Consumer-to-Business, consumers offer their products or service by online and companies post their bids. The consumer reviews the bids and selects the company that will complete the project. Examples of such practices are the sites

where designers present several proposals for a company logo and where only one of them is selected and effectively purchased.

C2C (Consumer-to-Consumer)

In a Consumer-to-Consumer, transaction of goods and/or service conducted between consumers. Generally, these transactions are conducted through a third party, which provides the online platform where the transactions are actually carried out. C2C is also known as Peer-to-Peer. One of the most well-known examples of C2C E-Commerce environment is eBay. Here consumers sell their goods to other consumers.

Advantages of E-Commerce

- Faster trading procedure, as well as easy to find products.
- Round the clock available.
- Low operational costs
- Better quality of services.
- Physical company set-ups is not required
- Easy to start and manage a e-commerce business.
- Customers can access or select required products easily from different providers without moving around physically.

Retail E-Commerce Sales in India

Table 1: Retail E-Commerce sales in India from 2015 to 2021 (in billion U.S Dollars)

Year	Sales in billion U.S Dollars	Increase or decrease in Retail E-Commerce sales with preceding year (%)
2015	12.91	Base Year
2016	16.08	↑ 25
2017	20.01	↑ 24
2018	24.94	↑ 25
2019	31.19	↑ 25
2020	38.09	↑ 22
2021	45.17	↑ 19

Source: www.statistia .com

Note: ↑ Denotes increasing order

The above table reveals that, the sales in Retail E-Commerce in India are increasing at all the year.



Fig 1: The following diagram which is extracted from above table

The above diagram reveals that, the retail e-commerce sales in India increasing at increasing rate, sometimes at decreasing rate. In India, the users are growing at double digits and moving to e-commerce website to purchase the products or services. In India, Consumer are price sensitiveness, the keen observe at various websites where products or services available at lowest cost. In India, Consumers thought that the price of products or services is affordable at E-Commerce website. As a result of it the sales are growing year by year.

Factors affecting E-Commerce Business

Pricing of the products

Price is second element in Marketing Mix. Customers always compare the price of products and/or service you offer with competitors. Price must be affordable and should provide discount to it. Various incentives should provide to the customer so that customer retention is possible.

Quality of the products

The quality of the product must be good. In recent days, the review of customer at E-Commerce websites finds that, the product quality is not good. In order to overcome, the E-Commerce must provide good quality of product so that the customer can be happy and plan for further trading.

Transaction Security

Security is an essential part of any transaction that takes place over the internet. Customer will lose his/her faith in e-business if its security is compromised. The essential requirements for safe e-payments or transactions like confidential, Integrity, Availability, Authenticity, Non-reputability and so on

Instant Customer Support

Customer support is a range of customer services to help customers in making cost effective and correct use of a product. It includes rendering services in planning, installation, training, troubleshooting, maintenance, upgrading, and disposal of a product.

User experience and Reviews

With the help of internet access, customers can find the product quickly. The customer post-purchase experience shared as feedback and this will be valuable feedback about the services and products they purchased from E-Commerce websites. This feedback must be properly visible to buyer so that they can learn from the existing customers to make their best purchase decision.

Recent Trends in E-Commerce

E-commerce is expected to grow in Asia Pacific in the coming years. The number of digital buyers in Asia Pacific is projected to pass the one billion mark for the first time in 2018, which will account for 60 percent of all internet users in the region. Moreover, the share of total retail sales in Asia Pacific is forecast to double between 2015 and 2019. In line with the regional growth, India, a fast-growing emerging Asian market, shows optimistic projections for the e-commerce industry. Close to 240 million people are forecast to buy goods and services online in India by 2019. This means that about 70.7 percent of internet users in India will have purchased products online by then. The majority of digital shoppers in India are male. This growth in volume

of digital buyers has a reflection on revenue as well. Retail e-commerce sales in India are forecast to grow tremendously, with projections to jump from around 16 billion U.S. dollars in 2016 to just over 45 billion U.S. dollars in 2021.

Conclusion

E-commerce is changing the ways of buying and selling of products and/or services. The users of internet in India have been increasing in recent years so technology has been as friendly to buy product and/or services to meet their needs. The future of e-commerce in India would be bright in upcoming years. With spread of education, technology has been as friendly. Future of e-commerce is not easily predictable but as per the estimation shows that, the retails e-commerce sales increases at double digits year by year.

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