

Recent Trend of E-Commerce and Online Shopping in India

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ABSTRACT

Over the past few years, the popularity of e-commerce has been increasing because of its quick and convenient way of exchanging goods and services. It refers to buying and selling of goods and services over the internet. It has made our lives much easier. India is becoming the fastest growing country in e-commerce. In the recent decade, India has witnessed a dramatic increase in the number of users and transactions of e-commerce. In this

paper we will discuss about the recent trend of e-commerce in india and top 10 online shopping sites which are found to be trustworthy by Indians. This paper also aims to understand the concept of e-commerce, its categories and challenges faced by e-commerce sector in India. From the study, it is found that there is a vast scope of e-commerce in India and without e-commerce a nation can not grow and develop and increasing growth of our country reveals itself its stand.

Keywords: Challenges, E-commerce, internet, online shopping, recent trends.

I. INTRODUCTION

Over the past few years, the Internet has changed our life. Now we can do all our transactions like buying and selling goods, booking railway tickets, paying electricity bills etc. when you're at home We don't have to go to the store to purchase or sell anything. We don't have to wait in lines to pay our utility bills or reserve train tickets, for example. E-Commerce has made our lives much easier. India is becoming the fastest growing country in e-commerce. In the recent decade, India has witnessed a dramatic increase in the number of users and transactions of e-commerce, especially in later half of last decade. According to a report by the internet and

mobile association of India (IAMAI), “the number of internet users in India was estimated to be 432 million in December 2016 and are expected to cross 450 million by June 2017.” [1]

II. WHAT IS E-COMMERCE

Electronic commerce is referred to as E-Commerce. It refers to buying and selling of goods and services over the internet. It means to make all the transactions on internet rather than by direct physical contact. E-mail, shopping carts, online catalogues, websites, and other apps can be used to conduct online transactions. It provides multiple benefits to consumers like availability of goods at low cost, wider choice and saves time and also provide multiple benefits to producers. "While some individuals confuse the terms e-commerce and e-business, they are two separate ideas." Information and communications technology (ICT) is utilised in inter-business or inter-organizational transactions in e-commerce, and business-to-consumer (interactions between firms/organizations and individuals) transactions are also common. [2].

"The use of electronic communications and digital information processing technologies in commercial transactions to build, change, and redefine connections for value creation between or among companies, and between organisations and individuals," according to the definition of e-commerce. [3]

"E-Commerce deals with the buying and selling of information, products and services through computer networks." [4]

"E-Commerce can also be defined as a new way of conducting managing and executing business transactions using computer and telecommunication

networks." [4 p.2]

III. OBJECTIVE OF STUDY

- To know the concept of E-commerce.
- To study the recent trends of e-commerce in India.
- To identify the Top 10 online shopping sites in India.
- To study the challenges faced by e-commerce sector in India.

IV. RESEARCH METHODOLOGY

The research has used only secondary data that has been collected from multiple sources of evidence in addition to books, journals, websites and newspapers.

V. CATEGORIES OF E-COMMERCE

E-Commerce can be divided into following four categories:

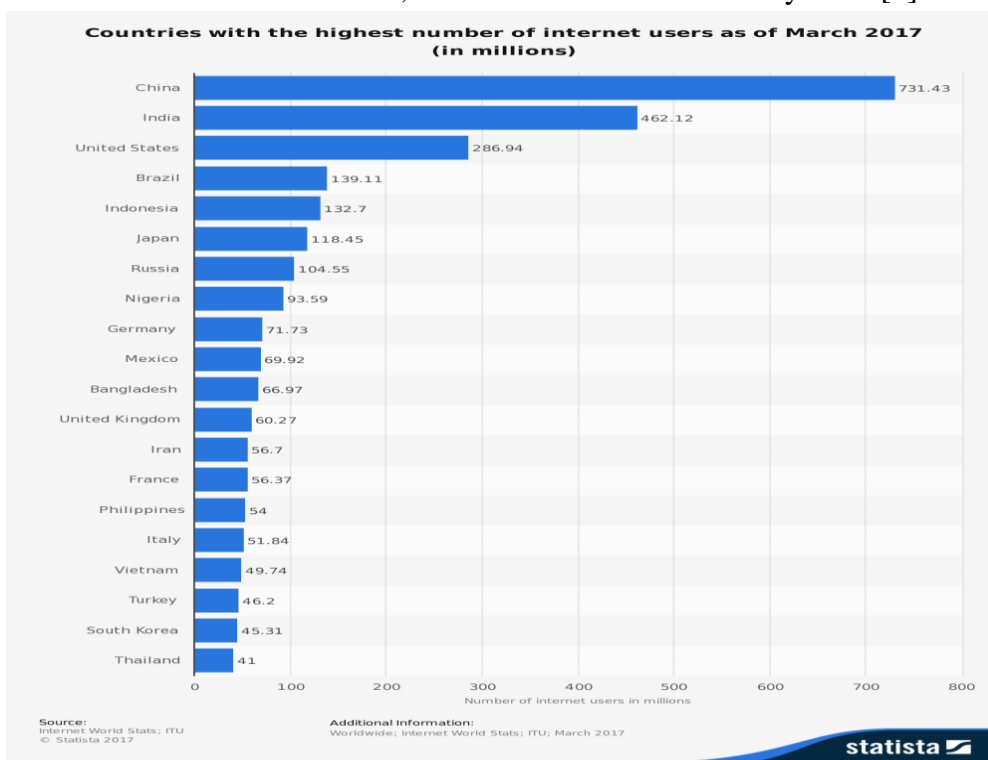
- **Business to Business E-Commerce(B2B E-commerce):** In this type of e-commerce, both participants are business. Business sells goods and services directly to other business over the internet. Here, pricing depends upon the quantity of order.
- **Business to Consumer E-commerce(B2C E-commerce):** In this type of e-commerce, business sells goods and services directly to consumers over the internet. For Example: Flipkart, Amazon, Snapdeal etc.
- **Consumer to Business E-commerce(C2B E-commerce):** In this type of e-commerce, consumers offer their goods and services online and companies post their bids. Consumer reviews the bids of all the companies and then choose the company which offers high price.
- **Consumer to consumer E-commerce(C2C E-commerce):** In this type of e-commerce, consumers sell products to

another consumers over the internet. One of the most popular example of it is e-bay.

VI. TREND OF E-COMMERCE IN INDIA

Over the past few years, the popularity of e-commerce has been increasing because of its quick and convenient way of exchanging goods and services. Our current Government has emphasised a lot over this issue. DIGITAL INDIA, the dream project of our prime minister Narendra Modi can't be practically initiated without e-commerce. Less dependency and usage of hard currency also contributes towards the promotion of e-commerce. Lesser dependency on hard cash has its own benefits. After demonetisation, the

e-commerce users have increased bi-foldly. The major platform at which e-commerce is used are online shopping, banking, other services like health and insurance etc. Government and financial institutions have also contributed a lot toward promotion of e-commerce. They have actively participated in and giving knowledge to the consumers. The Asia-pacific region is currently the largest e-commerce market in the world, outperforming Europe. India has an internet user base of about 462 millions as of March 2017. The trend of e-commerce in India is low as compared to China but it is growing at a faster rate and is expected to account for 1.61% of worldwide GDP by 2018.[5]



According to a report by the internet and mobile association of India (IAMAI), the internet penetration in India is around 31%. In India, there is an estimated population of 444 million in urban areas and out of it 269 million (60%) using the Internet. As per

census 2011, in Rural areas with an estimated population of 906 million, out of it only 163 million (17%) Internet users. Thus, there are potential approximately 750 million users still in rural areas who are yet to become Internet users. In urban India, the Internet user base

increases by 7% to 263 million for year-on-year period ended October 2016, which is expected to be 275-285 million by June 2017. In rural India's Internet user base increases by 22% to 157 million for the same annual period ended and is forecast to reach 170-180 million by June 2017 [6]. The report bring up that 77% of urban users and 92% of rural users consider mobile phones as the primary device for accessing the internet.

According to the report by Forrester [7], India is set to become the fastest growing market in the Asia Pacific region with an expected growth rate of over 57% between 2012-2016. The report found that:

- **Men in India shop 3 times more than women**

This is very surprising fact in India because most of the times women dominate the shop market. But from the report it was found that men in India do online shopping more than women.

- **Cash-on-delivery remains the most favoured online payment method**

We Indians love the Cash-On-Delivery option because we don't need to pay amount until the product is not in our hands.

- **60% of online purchases happen during business hours. (9am- 5pm)**

Most of the people in India do online shopping during business hours. Advertisers can utilize this reality to plan their advancements crosswise over promoting channels appropriately.

VI. TOP 10 ONLINE SHOPPING SITES IN INDIA

Here is the list of top 10 online shopping sites which are found to be trustworthy by Indians. These sites are ranked according to their

services, products, ranges, warranty and quality of products [8].

- Flipkart :-** It was one of the leading and reputed online e-commerce company in India. Flipkart was founded by Sachin Bansal and Viney Bansal in 2007. It sells everything from gift vouchers to electronics and home appliances. The service of flipkart was found to be good and trustworthy.
- Amazon :-** it is an American electronic commerce company that was founded in 1994. Amazon started its journey from books online but now it assures to offer everything. Amazon is investing a good amount of money to lure Indians. The exciting offers and variety of goods and services at lower prices help Amazon to attract more and more customers.
- Myntra :-** It was started in 2009. It is a leading fashion e-commerce website which is extremely popular among youngsters and brand conscious generation. All types of dresses of any brand are available from Myntra.
- Jabong :-** it was launched in 2012. It is a popular online market place for branded fashion wear and accessories. All type of branded dresses, shoes etc. can be bought at best rates from jabong.
- Snapdeal :-** In 2010, Kunal Bahl and Rohit Bansal started online deal site and now it has become the India's largest online marketplace. In comparison to others its growth rate is amazing. This website has been pioneer in spreading the craze of online shopping in India. It is very popular among customers because of its best offers and good delivery service.
- Ebay.in :-** It is a multinational e-commerce company from USA which operates in India as ebay. It provides online marketplace for sale of goods and services and

online bidding to buyer and seller all over the world. It is popular for its best online auction capability. It sells each and every type of product from old to new one.

- vii. **Alibaba.com** :- It is a Chinese e-commerce site which is known as one of the biggest in e-commerce sector. This site is new in Indian market but it has made a strong impact on our Indian customers because of its fine quality of products and services. Alibaba has seen a lot of popularity in recent years.
- viii. **Homeshop18** :- This company was launched in 2008 to own India's first 24-hour home shopping TV channel where anchors demonstrate the product live. This website and TV channel is extremely popular among housewives and it offers all products from homeware to clothing, footwear, jewellery etc.
- ix. **Shopclues** :- It was founded by Sandeep Aggarwal in 2011. It is popular in India for its good product and lower rates. It is very famous among youth and this site is good for gadgets shopping.
- x. **Yebhi.com** :- Yebhi.com started its journey from bigshoebazaar.com but later changed to yebhi.com. This site is also popular for its lifestyle products including clothing, footwear, gifts, home appliances etc.

VIII. CHALLENGES FACED BY E-COMMERCE SECTOR IN INDIA

- i. **E- Infrastructural problems** :- Internet is the backbone of E-commerce. Unfortunately, in India, very few people are using the internet because most of the people are poor and they don't have smartphones to carry out e-commerce transactions. In fact, in some regions internet connectivity is very poor and it is the biggest challenge faced by e-commerce in India.

- ii. **Taxation Issues** :- It is another biggest challenge faced by e-commerce sector because in India taxation structure varies from sector to sector. It is not uniform like other developed countries such as U.S.A. and U.K. It creates various accounting problems to e-commerce companies.
- iii. **Lack of feel of product** :- Indian customers are more satisfied with buying product physically. They want to buy the product after touching it physically but that facility lacks during online shopping.
- iv. **Lack of Digital literacy** :- It is one of the biggest challenges e-commerce is facing in India. Because in India, most of the population is poor and lives in rural areas. They are not familiar with the benefits of online shopping.
- v. **Security/ Privacy issues** :- These are still two major concerns that are hindering free growth of e-commerce. Although advanced technology provides security to the transactions kept cropping on internet, it is still difficult to ensure security of online transactions because of many unauthorized softwares.
- vi. **Product return and refund problems** :- When consumers are unsatisfied with the product, they return it but it is an expensive task for companies to carry out reverse transactions. It results in heavy losses to companies.
- vii. **Cash on delivery is the most preferred payment mode in India** :- Indian customers are quite afraid of doing online payment because of low trust in online shopping. So they prefer cash on delivery but collecting cash manually is expensive, risky and laborious.[9]

XI. CONCLUSION

E-commerce is the future of shopping in India. India is showing tremendous growth in e-

commerce. It is changing the way of buying and selling goods and services. Because of it, the gap has been reduced between producers and consumers. It ultimately gives benefits to consumers such as low cost, wider choice, easy availability of product and services. But there are some serious challenges that are to be faced by e-commerce industry. Above study of recent trend shows that there is a vast scope of e-commerce in India. It is used in every field from online shopping to banking, financial, health and insurance services etc. To conclude, we can say that without e-commerce a nation can not grow and develop and increasing growth of our country reveals itself its stand.

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