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## EMERGENCE OF E-COMMERCE IN INDIA

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### ABSTRACT

The purpose of this study is to present the current state of E-Commerce and to examine the current developments in E-Commerce. The study goes on to look at the important factors that influence the success of E-commerce business models. Objective: The study's goals are to: 1. comprehend the current state and developments of e-commerce; and 2. identify the important factors affecting the rising use of e-commerce. In today's commercial world, e-commerce is booming. Electronic commerce is referred to as e-commerce. E-commerce (Electronic commerce) entails the purchase and sale of goods and services, as well as the transmission of payments and data, over an electronic network, most commonly the Internet. Electronic commerce (E-commerce) is a paradigm change that affects both marketers and customers.

E-commerce, on the other hand, is more than just another technique to improve existing company operations. It is pioneering a complete transformation of the traditional business model. This huge shift in business paradigm is gaining traction all across the world, and India is no exception. environmental consequences Although the concept is widely employed in today's commercial environment, it has yet to be fully explored. undertaken to define the E-Commerce scenario and study the E-Commerce trends The study goes on to look at the important factors that influence the success of E-commerce business models and its growth in India over the years.

### KEYWORDS

Ecommerce, Indian Market, Growth in India, Internet, E-commerce in India

### INTRODUCTION

The definition of e-commerce is the electronic process by which individuals or organizations engage in a transaction, such as buying, selling, transferring and exchanging products, services and/or information (Turban), McLean and Weatherbe 2000). In a nutshell, e-commerce effectively removes the need to invest or spend huge amounts in physical infrastructure to develop a global presence, which has led to a revolution in the way business is done. conducted globally. ECommerce stands for e-commerce. This means trading in goods and services through electrical means and the Internet without the use of paper documents. A type of business model, or segment of a larger business model, that allows a business or individual to conduct business

over an electronic network, usually the Internet. E-commerce operates in four main market segments: business-to-business, business-to-consumer, consumer-to-consumer, and consumer-to-business. This can be considered as a more advanced form of shopping through the mail through the catalog. Almost any product or service can be offered through e-commerce, from books and music to financial services and airline tickets.



## 1.1 Evolution of Commerce

Trade has evolved over the centuries. Before the development of money, it was a simple "barter process" where anything could be exchanged, such as milk for cereal. The development of money brought with it the concept of the "market". In the market, trading is a function of the

## 1.2 E-Commerce in India

According to NASSCOM, despite the challenges/disruptions of COVID19, the Indian e-commerce market continues to grow 5%, with revenue expected to reach 56, US\$6 billion in 2021... in India is expected to grow 31% to \$32.70 billion in 2018, led by Flipkart, Amazon India and Paytm Mall.

### 1.2.1 Multi-Product E-Commerce

An e-commerce website is a platform that allows consumers to exchange goods and services online without limitations of time and distance. Unlimited merchandise, this e-commerce site offers product selection, product reviews based on images, descriptions, color options, size options, and easy payment gateway payments. easy. It is designed to provide personalized functionality. Customizable details for offers, contracts, and product prices make it the best B2B online store. It is designed to support website search by image and automated features. It contains easily accessible tools for feature comparison.

### 1.2.2 Single-Product E-Commerce

Several business India portals/websites business in a specific sector, eg

The items can be studied by different regions of India as each region has its own style of crafting.

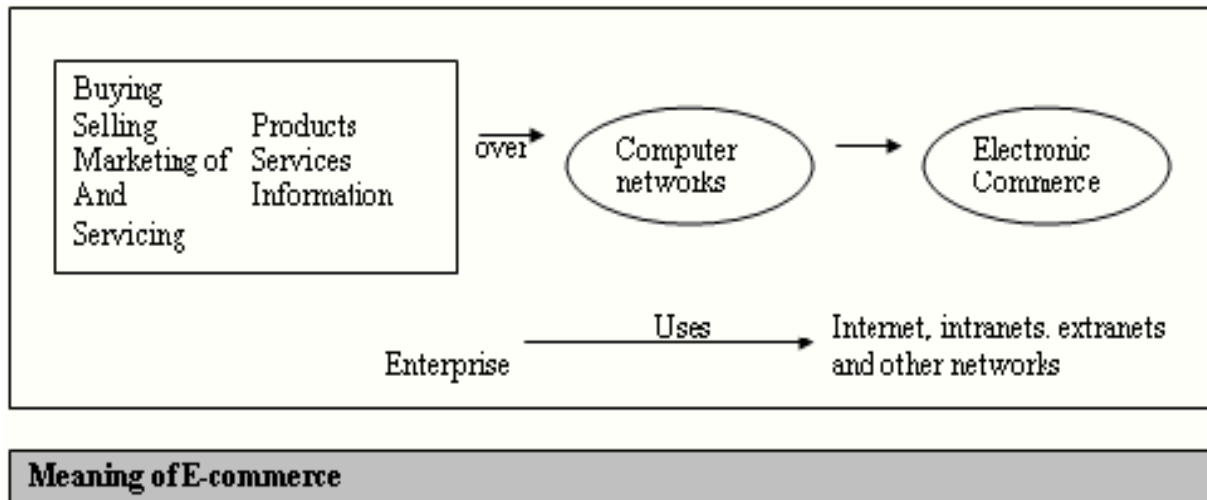
## 1.3 Needs

E-commerce is a huge part of the economy and is vital to businesses that sell their products or services online:

- It's covered in a large market
- Fast Response to consumer trends and market demand
- More opportunities to sell

## LITERATURE REVIEW

Digital trade or e-commerce consists typically of the distributing, buying, promoting, advertising and marketing, and servicing of services or products over digital systems inclusive of the internet and other pc networks. The facts technology industry might see it as an electronic commercial enterprise utility aimed toward industrial transactions. It is able to involve digital funds switch, supply chain control, e-advertising and marketing, online marketing, online transaction processing, electronic facts interchange (EDI), automated inventory management structures, and automatic statistics series systems. It generally makes use of electronic communications technology consisting of the internet, extranets, electronic mail, e-books, databases, and mobile telephones.



### Meaning of E-commerce

Fig 2.1: Meaning of E-Commerce

### 2.1 Functions of Electronic Commerce

The four functions of e-commerce are:

- Communication
- Process management
- Service management

- Transaction capabilities

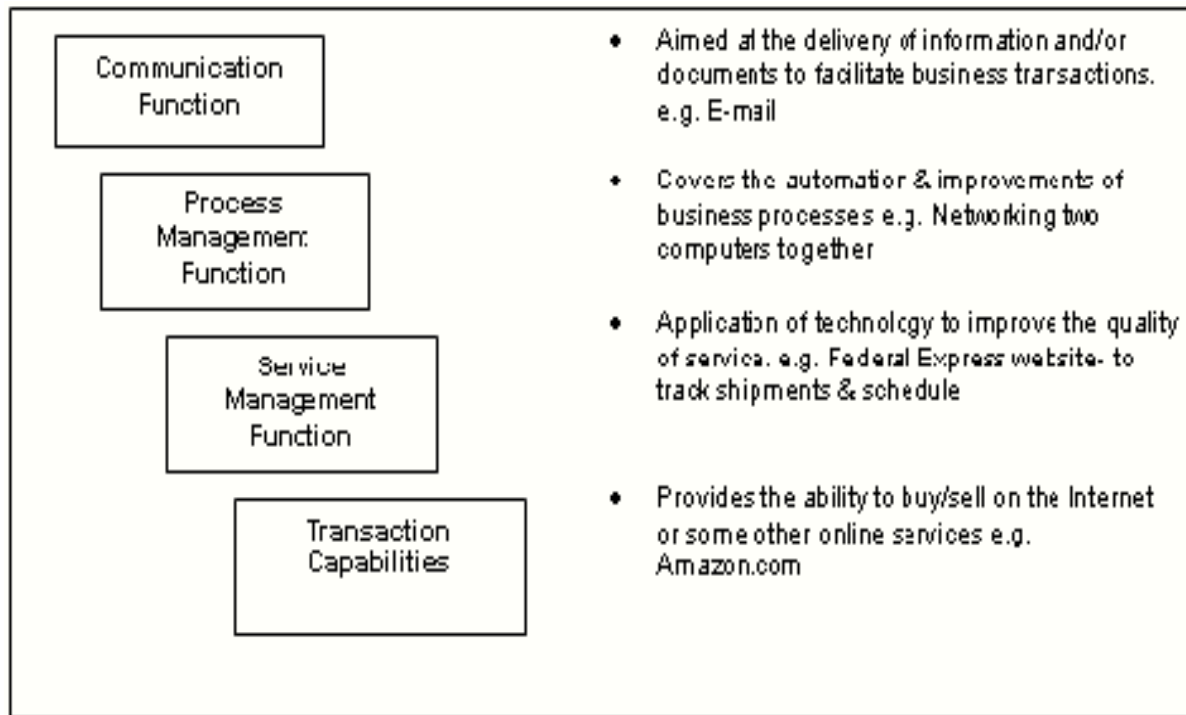


Fig 2.2: Functions of Electronic Commerce

		Business originating from.....	
		Business	Consumers
And selling to...	Business	B2B	C2B
	Consumer's	B2C	C2C

### 2.2 Distinct Categories of E-Commerce

Four distinct categories of electronic commerce can be identified as follows:

**Business-to-business (B2B):** Commercial enterprise-to-business refers to the whole spectrum of e-trade that may arise among two businesses. Among other activities, b2b e-commerce consists of purchasing and procurement, supplier management, inventory control, channel control, sales activities, charge control, and carrier and aid. At the same time as we may be familiar with some b2b pioneers- e.g., chemdex (www.Chemdex.Com), speedy parts (www.Fastparts.Com), and lose markets (www.Freemarkets.Com) - a few different exciting new consortia are rising.

**Business-to-Consumer (B2C):** Business-to-Consumer e-commerce refers to exchanges between businesses and consumers, e.g., Amazon.com, Yahoo.com, and Schwab.com. Similar transactions that occur in business-to-business e-commerce also take place in the business-to-consumer context. For instance, as with smaller

business-to-business, transactions that relate to the back office of the customer (i.e., inventory management at the home) are often not tracked electronically. However, all customer-facing or front office activities are typically tracked. These include sales activities, consumer search, frequently asked questions, and service and support.

**Consumer-to-Consumer (C2C):** Consumer-to-Consumer exchanges involve transactions between and amongst purchasers. These exchanges might also or won't encompass third-[arty involvement as within the case of the auction alternate eBay. Other sports include advertisements (e.g., www.Numberoneclassifieds.Com), games (www.Warmth.Net) jobs (www.Monster.Com), and internet-based totally communication (www.Icq.Com), and private offerings (e.g., Yahoo! Personals, webpersonals.com).

**Consumer-to-Business (C2B):** Consumers can band together to form and gift themselves as a customer group to businesses in a purchaser-to-enterprise court. Those corporations can be economically encouraged as with the call for aggregator, mercata.com, or socially orientated as with cause-related advocacy at voxcap.Com.

## RESEARCH METHODOLOGY

### 3.1 Introduction

Within the technology of economic liberalization and multiplied competition, the Indian industry is making an attempt to harness the era to reach accomplish its enterprise objectives. In doing so, it has centered on balancing the benefits provided by way of new technologies with the related risks breathing in one's enterprise relies upon on it. This has led to a race to be the first to be second in enforcing new technology with maximum groups anticipating their peers to discover new regions earlier than venturing into them.

The simple factors required for successful business engagement are converting swiftly. Pressures to economies, accelerate operations, and deliver superior provider is regular. One of the maximum visible, difficult, exciting, and sick-understood manners of responding to these pressures is using several electronic channels, mainly the internet and its offshoots.

### 3.2 Survey Methodology

The studies examined were conducted both number one as well significant table research for this file. Secondary data assets have been used to advantage a complete and in-intensity understanding of the e-trade market in India. Inputs related to the internet users in India, and section-wise customers of the internet in India, and so on. Have been taken from I cube 2006, syndicated studies fabricated from the technology group at imrb worldwide. Those annual syndicated set of reports on the net market in India are primarily based on a huge scale number one survey protecting 65,000 people across 26 Towns in India.

Facts from diverse published assets and other studies our bodies became also used to carry out a statistics validation take a look at and additionally to attain the very last numbers. Primary studies changed into carried out using in-depth interviews with big and medium-sized b2c and c2c e-commerce players. A detailed questionnaire was administered to the players from various verticals of the e-trade industry

Respondents had been required to categorize their organizations as belonging to:

- \* Manufacturing (MFG),
- \* Financial Services (FS),
- \* Computers & Communications (C&C), and
- \* Other Industries

## DATA ANALYSIS & INTERPRETATION

### 4.1 Usage of E-Commerce in India – a Demand Side perspective

Since the introduction of e-trade, there had been debates about the destiny of its prospects in India. Wouldn't it be as a hit as its miles in the US or is it a mirage that draws many but gives nothing worthwhile? True sufficient; the players inside the online marketplace are still struggling to choose a successful business version. A maximum of them is settling for advertising and marketing models, hoping it might assist them damage even. However, to develop beyond, most people the sales desire to be generated from customers. Clients, on the other hand, have emerged as desire-spoilt. There is no dearth of services for them. They skip from one dealer to another searching for high-quality offers inside the standardized product marketplace.

In this phase, we would,

- cognizance of the use of e-commerce in India, and
- recognize the triggers and barriers to the web marketplace

#### E-Mail Chat Information Entertainment E-Commerce Internet Users: Key Activities

However, the interesting component is that out of the 13.2 million internet users across 26 cities protected in i-dice 2006, (syndicated research of e era organization @imrb worldwide), 14.2% use the net to buy tour tickets; five.5% humans do on line buying, in particular products like books, plants, gifts, and so on. And 5% humans deal in shares and stocks thru the internet. Even though the percentage contribution of e-commerce is sort of the equal over time, however, the variety of net customers the use of e-commerce is growing hastily.

As a consequence, e-commerce is simply being adopted by means of internet users as a way to save. They may be buying a selection of merchandise online and travelling various web sites to shop for products. Given the price of growth in e-commerce users, the scale of the e-trade industry is predicted to attain INR 9210 crores at the give up of 2007-08, a big leap of 30% over the modern enterprise size.

## 4.2 Triggers and Barriers to the E-Commerce market in India

Similarly to the enterprise size, it is imperative to recognize the reasons behind the boom and motives hampering the growth e-trade industry inside US. This section elaborates on the triggers and obstacles that impact the adoption of e-commerce via internet customers we might begin with the aid of enlisting the triggers which inspire on-line buyers to buy merchandise online.

As glaring from the table above, time-saving is the foremost purpose that drives net users to store on-line. It's miles observed by way of the ease of anywhere, anytime purchasing on line. On-line shops do not have space constraints; as a result, a extensive kind of merchandise may be placed on display. Agencies can display an entire variety of products being presented by using them. This similarly allows the consumers to choose from a spread of models after comparing the appears, functions, and prices of the products on display.

To attract customers to store on line, e marketers are presenting terrific offers and discounts to clients. That is facilitated by means of the elimination of maintenance, actual-estate price of the vendor, and selling its products on-line. An perception into some of the issues said with the aid of customers even as buying thru the net will help us to have a more in-depth have a look at the issues which want to be addressed via the web community.

Top 6 concerns while buying online	Rank
Not sure of product quality	1
Cannot bargain/Negotiate	2
Not sure of security of transactions /Credit card misuse	3
Need to touch and feel the product	4
Significant discounts are not there	5
Have to wait for delivery	6

*Source: I-Cube 2006, a syndicated product of IMRB International*

**Table 4.2: Barriers to buying through the Internet**

## RESEARCH FINDINGS, SUGGESTIONS & CONCLUSIONS

### 5.1 E-COMMERCE IN INDIA

#### Statistics for Ecommerce in India

India's Top Retail Sites		
Site	Total Unique Visitors (000)	% Reach
Total Retail Sites	34,076	60.5
Amazon Sites	8,016	14.2
Flipkart	4,857	8.6
Apple Worldwide Sites	4,381	7.8
Myntra	3,959	7
Samsung Group	3,918	7
Naaptol	2,849	5.1
Alibaba Corporation	2,610	4.6
Homeshop18	2,438	4.3
Bookmyshow	2,370	4.2
Priceindia.in	2,367	4.2

*Table 2: Top Retail Sites (Source ComScore Media Matrix, March 2021; Total Audience)*

- Indian e-commerce marketplace hosted US\$3 billion of transactions in 2011 (supply: iamai)
- Its miles forecast that extra than us\$20 billion worth of transactions will be carried out online over the next five to seven years in India and 12-15% of the US of a's buying activities will circulate online. (Source: iamai)
- A total of 9 million Indian internet users carried out online transactions in 2011. This range is predicted to reach 38 million in 2015. (Source: avendus)
- Indians' b2c marketplace is predicted to develop at a cagr of 34.2% between now and 2015 (supply: emarketer)
- Online retail sales will attain US\$2.4 billion (apart from online tours) in 2012, with the variety of online shoppers in the United States expanding to 21.5 million (supply: emarketer)
- In November 2011, about 60% of Indian online users visited retail websites, with 7.6 million and 7.1 million users visiting coupon and client electronics websites respectively (source: ComScore)

What Indian Internet Users Buy Online			
Purchase	% of Users	Purchase	% of Users
Desktop Computer	8.98	Laptop	7.26
Portable Media Player	6.71	Netbook	2.97
Mobile Phone	16.39	Blu Ray Player	3.36
Flat Screen TV	7.49	E-Book/E-Reader	3.36
Games Console	5.46	Beer	9.52
DVD Player	7.81	Wine/Spirits	7.81
Satellite/Cable TV	7.34	Sports Equipment	9.6
Broadband/Hi-Speed Internet	10.07	Clothes	26.23
White Goods e.g. Fridge, Washing Machine	4.92	Shoes	16.86
Car/Automobile	4.68	Travel, Tickets/Hotel	17.02
Furniture/Home Equipment	6.24	Music	15.93
Holiday (India)	9.45	Films	17.25
Holiday (Abroad)	5	Books	20.22
Personal Items e.g. Watches/Handbags etc.	15.07	Gift for Someone	19.52
Financial Products	9.29	Tablet Device	3.74
None of the Above	26.7		

*Table 3: Purchase (Source: Global Web Index)*



## 5.2 Conclusion

From the survey, it is evident that the potential blessings provided via e-commerce are some distance from found out. The perception that trading on electronic channels can't make cash is challenged as incorrect, at least in the commercial enterprise-to-enterprise zone. There is also some expectation that, even though buying and selling on electronic channels might also take longer inside the purchaser quarter because of the trading limitations at the net, this, too, will quickly follow. Digital channels are forcing groups to re-assume important factors of the manner they're organized and do enterprise. E-trade raises essential strategic troubles and is accelerating trends in areas such as globalization, branding, customer service, and deliver chain. Markets are being transformed as obstacles to access are torn down. This survey suggests that the application of e-commerce and the net, in particular, extends beyond marketing to all components of the deliver chain. It also indicates that the technical components are not as critical as the integration of business methods and the resulting need to re-engineer them across the employer. However groups are approaching those developments piecemeal. If businesses are to make worthwhile use of e-commerce, then, its champions have to make their instances heard at the highest stages.

That is an possibility for the infotech and advertising and marketing departments to make their board privy to the impact of e-commerce now not just from the technical point of view, but also in phrases of its impact on the bottom line. In our opinion, only those agencies with an agency-wide initiative, funded from the middle or, as a minimum, on a joint mission basis between capabilities, with board approval, will turn out to be leaders in what's a swiftly converting environment. Senior management contributors who have earlier been responsible for the e-commerce initiative in their groups want to put together a compelling business case, detailing the possibly returns on investment and post it to the board. The rewards, each for the company and for the man or woman involved in shaping its model to the facts age, promise to be properly well worth the effort.

## 5.3 Recommendations

The maximum important aspect that is vital for developing ecommerce in india – believe. If we take a look at the indian context, i sense that there's a widespread loss of agree with between outlets and customers. Clients don't trust the outlets due to the fact they sense that they're either being overcharged or that they wouldn't be capable of get the correct level of customer service as soon as the sale is complete. Stores don't consider the customers because they sense that the customers will take each opportunity to misuse the go back or exchange rules. It's far my opinion that this fashionable loss of agree with is the number one barrier that is impeding the increase of ecommerce inside india. Here are a number of the practical strategies that on-line retailers can rent to enhance this degree of accept as true with and build an environment where clients feel safe in clicking that "proceed to checkout" button.

## 1. Customer reviews

These days clients are getting much less consideration in website advertising messages and turning into more motivated through tips from other humans. Consumers agree within a web store will grow if the retailer gives the capability to allow clients to share their positive in addition to poor evaluations approximately products or vendors. The secret is to not “slight” the poor opinions because allowing clients to post poor critiques, will decorate the credibility of the store as well as other evaluations. Any foul language needs to be moderated but any true problems with the products or companies need to be posted in conjunction with the high-quality reviews.

## 2. Clear shipping and delivery commitment

On the time of putting in merchandise on the market, clean transport and handling time ought to be associated with the product. This data need to be displayed always on all product pages so that customers’ expectancies around the transport timeline can be set.

## 3. Analytics & Personalization

Despite the fact that personalized product tips and content material do no longer directly increase client trust, they do reveal to the consumer that the web retailer is making a good attempt in understanding the client’s character wishes and is acting upon them. This implicitly improves the consolation degree that the store isn’t always simply trying to sell products but is making an honest strive in constructing a relationship with the patron.

## 4. Operational Reporting & Dashboards

Online, stores must spend money on strong operational reports that offer alerts and metrics on orders which have a risk of lacking the service stage that was promised to the customers. If you have these days carried out an eCommerce platform, probabilities are that at times orders will get” stuck” in numerous states. Consequently, it is important to set up thresholds around how long ought orders to live in numerous states (which include “processing fee”, “getting ready for cargo” and so forth.) and then construct computerized indicators while orders exceed those thresholds.

## 5. Vendor Penalties

Inside the Indian context, the general public of the eCommerce sites paintings in a “drop-ship” model. This means that the online retailer doesn’t bodily inventory the products, and instead relies on outside companies to without delay ship the merchandise to the consumers domestic.

## 6. Price match guarantee

A rate fit guarantee (PMG) is a store policy that entitles a purchaser to a reimbursement of the difference between the store’s asking rate and a competitor’s rate. It cannot only help construct an agreement with the customer; it can additionally assist reduce the rate of opposition throughout online

stores. This may additionally sound counter-intuitive it is one of the maximum mentioned examples in the “sport concept” and it has helped retailers within the US to keep away from direct fee wars.

## **7. Well trained Call Centre**

I recently called airtel customer support to feature blackberry provider to my cell smartphone. There has been trouble with their computerized messaging gadget that turned into directing me to the incorrect group inside airtel. After calling 9 times, I gave up because every agent that I spoke to had the same scripted reaction that I need to name back once more and press choice 2. The point I’m making is that even though it is crucial to train the call center marketers around specific customer service issues, what is even more crucial is that the call middle dealers be taught to have properly problem-fixing skills, and they must be empowered to own the hassle resolution from stop to stop.

## **8. Fraud Protection**

Not best have to a web store to ensure that the right protection certificate are set up to deal with checkout-associated transactions, however, the touchy purchaser and price facts also must be saved in an encrypted format. The messaging on the website online must suggest that the checkout system is absolutely relaxed.

## **9. Proactive, timely communication**

Are we there but? When you have long gone on a long force with kids, possibilities are which you were asked this question. It's far human nature to count on timely verbal exchange, in particular, while they're watching for something that they have got already paid for. The retailers must make sure that each unmarried reputation replace at the order generates an alert for the consumer.

## **10. Charge only after order shipment**

Clients feel an awful lot greater relaxed in the event that they know that they may most effectively get charged once the order ships. Currently, quite a few outlets fee the consumer’s credit card straight away whilst a purchaser location an order. However, they must keep in mind authorizing the amount at the time of order and best fee the cardboard as soon as the order ships. This will additionally limit any want to refund the amount returned to the consumer in case the order wishes to be canceled for any reason.

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