



# A REVIEW OF EMERGING TRENDS OF ECOMMERCE IN INDIA

Mrs LEELAVATHY.H.C

ASSISTANT PROFESSOR

PG Department of Management

BIMS, BENGALURU

## *Abstract:*

Ecommerce refers to buying and selling of goods and services on electronic devices using internet. Since the advent of Ecommerce the world has seen an exponential growth of online buying and selling of goods and services owing to factors like affordable internet services, smartphones, digital payments, government policies and others.

The purpose of this paper is to look at the future of Ecommerce as the number of people buying online has increased over the years and is projected to increase in the coming years. The objective of the study is to identify the emerging trends of Ecommerce and understand the factors contributing to these trends. The paper also examines strategies that can be adopted to meet the new challenges of Ecommerce.

**KEYWORDS:** Ecommerce, online buying, emerging trends

## 1 INTRODUCTION

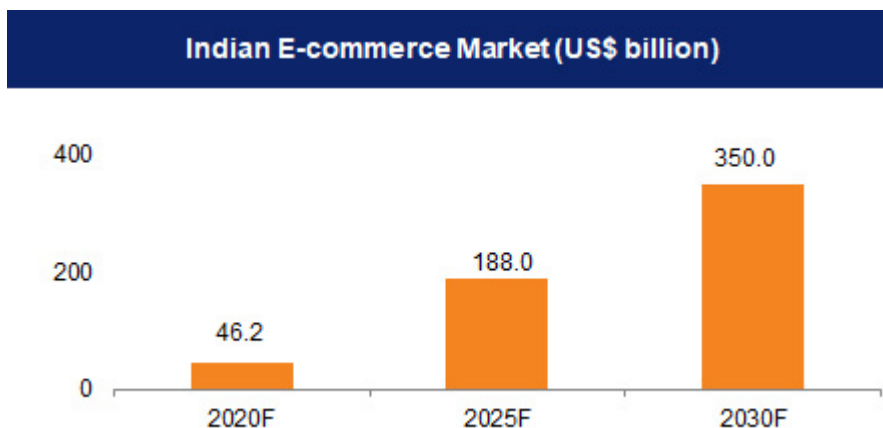
E-commerce also known as electronic commerce or internet commerce refers to buying and selling of goods or services online using the internet and the transfer of money and data online to execute these transactions. E-Commerce can be conducted over computers, tablets, smartphones and other smart devices.

The history of e-commerce can be traced to the first known online sale on August 11, 1994, when Kohn sold a CD by the band Sting to his friend through his website Net Market an American retail platform. E-Commerce has benefited small enterprises and large enterprises by allowing them to sell their goods and services on a scale that was previously unattainable through traditional offline shopping.

The rise of e-commerce giants like Amazon and Alibaba in the mid-1990s changed the face of the retail industry. Easy access to the internet at affordable prices enabled business owners to have their websites and also sell them on various E-Commerce platforms. Google's growth made it possible to attract customers through paid ads and search engine optimization SEO.

With low data tariffs and technologically advanced smartphones, the development of user-friendly apps made it more convenient and easier for consumers to choose and purchase online. This phenomenon is known as M-commerce. Also, the advent of social media made the online shopping experience more interactive and targeted leading to Social Commerce.

Through its Digital India campaign, the Government of India is aiming to create a trillion-dollar online economy by 2025. India e-commerce is expected to reach US\$99 billion by 2024, growing at a 27% CAGR over 2019-24, with grocery and fashion/apparel likely to be the key drivers of incremental growth. Online penetration of retail is expected to reach 10.7% by 2024, versus 4.7% in 2019, while online shoppers in India are expected to reach 220 million by 2025.



<https://www.ibef.org/industry/ecommerce>

Projected growth of Ecommerce will lead to new challenges and opportunities in the online sector. These new challenges will give rise to new trends which will further contribute to the better performance of Ecommerce.

### 1.1 Objectives of the study

This review paper aims at understanding the future challenges and trends of Ecommerce in order to benefit the Ecommerce retailers to formulate strategies accordingly.

- To identify the emerging trends of Ecommerce
- To understand the relevance of the Emerging trends
- To study the factors contributing to the new trends
- To examine new strategies adopted in Ecommerce
- 

### 1.2 Methodology

Literature to understand the emerging trends of Ecommerce was derived from secondary sources. The literature was reviewed to identify the different emerging trends of Ecommerce and understand the need to develop new strategies to adopt to the new trends of Ecommerce

## 2. EMERGING TRENDS OF ECOMMERCE

Some of the important emerging trends of Ecommerce are as follows:

### 2.1 Use of Augmented Reality to enhance online shopping experience

One of the main difference that people encounter when shopping online is the inability to touch, feel and experience the product. AR technology helps bridge this gap and enable online shoppers to better visualize the products that they are interested in.(Maryam Mohsin,2021)

## 2.2 Big data and Cloud

With large number of new set of data being generated by online shopping sites, data management is the biggest challenge. Storing the processed information calls for secure and reliable storage mechanisms is something that cloud service providers focus on (Piyush Mishra, 2020). As the tech giants continue to expand and bring more services in-house, personalization will eventually make its way to the internet of things. (Big commerce, Ecommerce trends)

## 2.3 Artificial intelligence and machine learning

Artificial Intelligence (AI) and machine learning make it possible for the customer to have automated, personalized shopping experiences. AI is continuously collecting data on how a customer shops, when they buy purchases and what they're looking for in a product or a service (Big commerce, Ecommerce trends) While very few retailers have the volume of data needed for true AI, some ERP and CRM systems include machine learning features to assist in cross-selling and upselling. (Austin Caldwell 2021)

## 2.4 Virtual Shopping

One new trend which is making customers purchase experience unique is of Virtual services that enable the clients to have virtual trials before making a purchase decision. Shopify Plus merchant “The Sheet Society” has embraced this with their AR-enabled Bed Builder, allowing customers to visualise how their linen will look in their actual room before adding it to their cart. (IBEF, 2021)

## 2.5 Chatbots to guide customers

A chatbot or virtual assistant with the appropriate functionality can do more than just a “Hi there”; it can guide through the customer’s entire experience on the website, right from opening the catalogue to finalizing the shopping cart. (Piyush Mishra, 2020) More than 60% of online users consider chatbots as their first choice for customer service inquiries (Manthan Bhavsar, 2022)

## 2.6 Omnichannel

According to companies, retail sales revenue from physical stores are almost equal to their digital sales. As a result, brands are investing in omnichannel tools that will help them sell anywhere (Ecommerce Statistics for Retailers and Online Shopping in 2022) As traditional offline channels increasingly adopt online channels to reach their customers. The reverse is also true as online channels also look to expand their footprint through experience stores, etc. (Ankur Pahwa, 2021)

## 2.7 Multi Language Integration

With the next growth engine poised to be from Bharat (tier 2 cities and beyond) it will be crucial for eCommerce platforms to provide their services in a host of languages in order to gain necessary traction. (Ankur Pahwa, 2021)

## 2.8 Quick Commerce

The traditional approaches to buying groceries have evolved from local Kirana shops to self-service supermarkets to online grocery shopping to a newly coined concept, quick commerce. Convenience, urbanisation, and busy lifestyles have altered consumer buying behaviour. Additionally, with the onset of the pandemic, social distancing and work from home norms have prompted consumers to opt for home deliveries. This change in buying patterns has incentivised ecommerce firms to develop express delivery business models. (IIM Ahmedabad, 2022)

## 2.9 Personalized online shopping

More than 50% of shoppers say that a personalized online experience is important (Bazaarvoice, 2018). Adding to that, 74% of marketers believe personalization has a “strong” or “extreme” impact on advancing customer relationships (Evergage, 2018). Online business experts say that the near future of retail will undoubtedly be more personalized. The brands will use Business Intelligence and Machine Learning to capture buyers’ inclinations and show products that persuade them for impulse buying (Vatsal Shah, 2020)

## 2.10 Video Marketing

Video marketing is gaining prominence, propagating and convey much more information than a normal ad. (Piyush Mishra, 2020) Video shopping has taken over eCommerce since 2020. It’s no secret that video shopping is one of the major trends these days, and it is going to grow in the years to come. (Manthan Bhavsar, 2022)

# 3. FACTORS CONTRIBUTING TO NEW TRENDS IN ECOMMERCE

## 3.1 Rise of Social Commerce

Social commerce uses networking websites such as Facebook, Instagram, and Twitter as vehicles to promote and sell products and services. Social ecommerce startups such as Meesho, DealShare and Bulbul are leading the way. (IBEF, 2021)

## 3.2 Personalised Experience

Site visitors demand one-of-a-kind experience that cater to their needs and interests. Technology is available even to smaller players to capture individual shoppers’ interests and preferences to generate a targeted shopping experience. (IBEF, 2022)

## 3.3 Government Initiatives

Government initiatives like Digital India is constantly introducing people to online modes of commerce. Favourable FDI policy is attracting key players. The Government has proposed “National E-commerce Policy” and has set up a lawful agenda on cross-border data flow where no data will be shared with a foreign Government agency without prior authorization from the Indian Government. (IBEF, 2022)

## 3.4 Increased Smartphone usage

The proliferation of mobile devices combined with internet access via affordable broadband solutions and mobile data is a key factor driving the tremendous growth in India’s E-commerce sector. (IBEF, 2022)

## 3.5 Growing Mobile Shopping

Ecommerce growth has been driven in part by the increase in usage of mobile devices. That’s because consumers aren’t just checking out online, they’re also using their mobile devices to browse or research before making their mind up about their purchase. (Maryam Mohsin, 2021)

## 3.6 Increase in the Internet Penetration

The e-commerce industry in India has been growing with the rise in internet penetration due to major improvements in the telecom infrastructure. (Insight Success). Uninterrupted supply of internet at high speed has enabled Ecommerce reach Tier II and Tier III cities virtually.

### 3.7 Language localization

India is a diverse country with many languages being spoken in different parts of the country. Localization of language is required to reach a greater customer base and to make online purchasing more interactive.

### 3.8 More ways to Pay

In terms of the real-time digital payment infrastructure, backed by UPI and 24 x 7 NEFT, India has been ahead of the curve. The COVID-19 pandemic has led to a further rise in digital, contactless payments as customer behaviour has shifted from cash to card.(IBEF2022)

## 4. CONCLUSION

Ecommerce is evolving with new developments taking place due to technological developments. It is important for Businesses and retailers to understand the emerging trends of Ecommerce to adopt strategies to meet future business requirements. The transformation of Ecommerce is happening at a fast pace and both online and offline retailers have to blend resources and strategies to reach more customers and maximize sales and profits. Blending with the new trends will give a competitive edge to the business and provide satisfaction to the customers. The study has identified the major emerging trends of Ecommerce and factors contributing to these trends. By understanding these factors retailers will be able to adopt related strategies to expand growth and make the best use of the Ecommerce boom.

## REFERENCES:

Ankur Pahwa (2021) [https://www.ey.com/en\\_in/people/ankur-pahwa](https://www.ey.com/en_in/people/ankur-pahwa)

Austin Caldwell (2021) 20 Top Ecommerce Trends for 2022 and Beyond [20 Top Ecommerce Trends for 2022 and Beyond | NetSuite](#)

[Ecommerce Trends In India – Blog \(revalsys.com\)](#)

Ecommerce Trends That Are Powering Online Retail Forward [Top 14 Ecommerce Trends in 2022 \(+ Industry Experts' Insight\) \(bigcommerce.com\)](#)

Goyal, S., Sergi, B. S., & Esposito, M. (2019). Literature review of emerging trends and future directions of e-commerce in global business landscape. *World Review of Entrepreneurship, Management and Sustainable Development*, 15(1/2), 226-255.

**Gupta, A. (2014). E-Commerce: Role of E-Commerce in today's business. *International Journal of Computing and Corporate Research*, 4(1), 1-8.**

IBEF (2021) [Changing trends and future of Ecommerce in India \(ibef.org\)](#)

IBEF (2022) [IBEF Presentation](#)

IBEF. (2020, March). E - commerce in India: Industry Overview, Market Size & Growth <https://www.ibef.org/industry/ecommerce.aspx>

Kant, K., Mairaj, H. and Kamna, S. (2015) 'E-commerce in India', *ACADEMICIA: An International Multidisciplinary Research Journal*, Vol. 5, No. 4, pp.399–408.

Manthan Bhavsar (2022) [Top eCommerce Trends To Look Out For In 2022 | Metizsoft](#)

Maryam Mohsin,(2021)[10 Important Ecommerce Trends to Watch for in 2021 - Oberlo](#)

**Mitra, A. (2013). E-commerce in India-A Review. *International journal of marketing, financial services & management research*, 2(2), 126-132.**

Piyush Mishra (2021) <https://startuptalky.com/author/piyush/>

Vatsal Shah( 2020 ) <https://www.ecomkeeda.com/author/vatsal/>

**Vyas, Anand (2017) JECRC University - An analysis of growth factors of e commerce industry in India An emerging business concept**

