

A Critical Study of E-commerce and its Associated Innovations from Market Perspective

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Abstract: -Products and services may be traded via the internet through e-commerce. Many facets of India's digital commerce industry, including its expanding e-commerce economy, will be discussed in this section. Because e-commerce is one of the fastest-growing industries and because of the size of the Indian market, foreign investors are investing in the Indian industry. Indian e-commerce challenges and promise must be seen in the perspective of the global marketplace. Online shopping is one of the most rapidly expanding businesses and India provides an ideal location for investment. Investment has increased dramatically since last year, but more is anticipated in the years to come, even though it has already done so. In both urban and rural areas, e-commerce enterprises have grown as a result of the fast development of mobile and internet users.

Keywords: *Online commerce, business-to-consumer, marketplace, Future of e-commerce, digital commerce*

INTRODUCTION:

It is common to describe E-commerce as the buying and sale of goods and services by both businesses and consumers over the internet. As internet transactions continue to rise, consumers are taking advantage of manufacturers and wholesalers' reduced online prices.. e-commerce builds, modifies, and reinvents the link between a business and its clients in order to generate value for the organization. This is done via the utilization of digital data created by technology in commercial contracts. E-commerce is often referred to as e-business or electronic trade. Information technology may be used by wholesalers and merchants to sell their products, promote them online, and exchange data. This change will have an effect on things like website addresses and the privacy and security of customers. Electronic commerce (E-Commerce) has grown in popularity over the last several decades when it comes to acquiring goods and services.

Online shopping has been ingrained in Indian society, and it now affects every element of a person's day to day existence. Over Rs. 5.9 billion was spent on online purchases in India during 2013 and 2014 according to the Online Association of India (OAI). More than 40% of the world's population routinely uses the internet and e-commerce services. For Digital India, the goal is for India to have a market share of more than 72 percent for the E-Commerce model by 2020. In the aftermath of the Internet's rapid ascent, e-commerce has surged in popularity. Just a few of the many applications of this kind of company include electronic money transfers (EMTs), electronic data exchange (EDI), supply chain management, automated data collecting, and inventory management systems (MMS). Data interchange is also a part of the digital economy, making it easier for businesses to conduct financial operations and make payments...

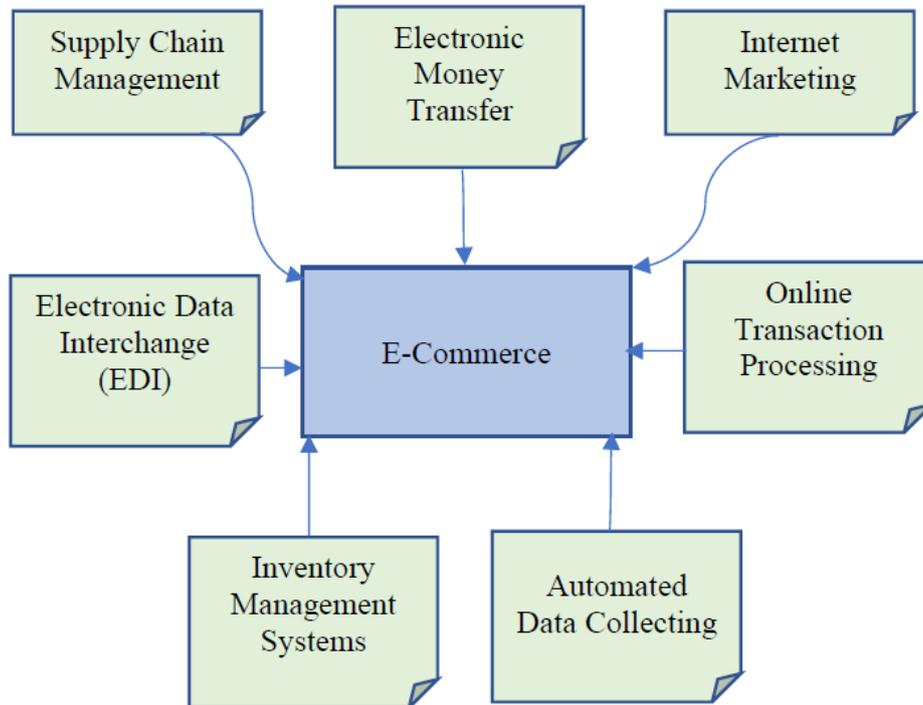


Fig. 1: exemplifies the elements of e-commerce. (Source: ignited.in).

LITERATURE REVIEW:

An explosion of Indian e-commerce has paved the ground for a dramatic increase in the country's total economic growth. In order to better comprehend how E-Trade has changed Indian trade and how it has enabled customers to acquire high-quality items and services at reduced rates, additional study is needed. The IT sector has grown as a result of the government's implementation of e-commerce rules.

Singh et al. recommend that research look at the reasons why people buy things online and the disparities in the way commerce is carried out. There are more ways that e-commerce has benefitted the travel website sector than just offering an additional income source. E-commerce trends and challenges in India are examined by Tapan, K., as well as potential development areas (2018). RAI M. is the author's full name. E-commerce challenges and opportunities will be discussed, as well as the present state of Indian e-commerce in this report. This article was written by P. Sharma. (2020) E-commerce companies are focusing on strategies to capture market share in 2018 and 2019 as the correlation between sales volume and consumer base gets stronger. R. Upasana and the committee's other members are included. (2014) E-future commerce's development and potential can only be predicted by studying the current state of the Indian market. In India's e-commerce logistics business, automation is needed, say experts like S. Raja.

OBJECTIVES OF THE STUDY:

- (1) To comprehend the development of the Indian e-commerce market.
- (2) To have a deeper comprehension of how India's E-Commerce sector affects the development of other industries.
- (3) To comprehend contemporary trends and how they affect the expansion of the e-commerce sector.

RESEARCH METHODOLOGY: Data for this study was compiled from journals, articles that have been published, news stories, and government websites.

THE EMERGENCE OF E-COMMERCE BUSINESS IN INDIA:

There are several types of online transactions, including purchases and sales, in the realm of e-commerce. Digital communication and the Internet are used to handle products and services. According to their website, the seller has the option of operating an online shop, accepting credit and debit card payments over an internet gateway, and shipping directly to the customer. The use of the internet or other information technology tools to conduct business is referred to as "electronic commerce.". Since its inception, e-commerce in India has advanced considerably. As the sector has grown, more businesses have joined it.

Due to growing rivalry, B2B e-commerce values and product offerings are rising. The shift from conventional to online shopping in India's economy is taking place over a long period of time. A wide range of commercial activities must be carried out by a wide range of businesses in order for e-commerce to prosper. Even before India's first Internet connection in 1991, electronic commerce was being investigated. More and more individuals became aware over time that the Internet might be used to send money in a variety of ways. Since then, the majority of Indians have come to appreciate the value of such luxuries. Indian Railway Catering and Tourism Corporation (IRCTC) in 2002 changed the public's perceptions about the Internet. Online shopping in India entered a new era with the arrival of Amazon, the world's largest e-commerce company.

THE MAIN TYPES OF E-COMMERCE

The following are some examples of the numerous types of e-commerce:

Consumer-to-Consumer (C2C), Consumer-to-Administration (C2A), Business to Business (B2B), Administration to Business (B2A), and Business to Business (C2B)

TECHNOLOGY CONCERNS & PROJECTED ADVANCES:

Internet business in India is booming as a result of the country's growing reliance on the internet and technological advancements. In recent years, Indian e-commerce development has trailed well behind that of other wealthy nations. Success as an internet merchant is fraught with perilous challenges. As a result of these and other challenges, China's internet business has been unable to advance as quickly as it could have. Many Indian E-Commerce giants seem to have solved the hurdles listed below and exemplify India's optimal development patterns.

E-commerce in India has become one of the world's most significant markets. Fast-paced lives, fierce competition, and the ability to move money from one person to another are just some of the factors that have fueled the internet's rapid rise. Increasing numbers of individuals are adopting smartphones and tablets, as well as broadband, 3G, and other ways of accessing the Internet, as seen by this growth in the number of Internet users. If we look at how fast India's internet industry has grown, it is still dwarfed by its more established counterparts in the United States and the United Kingdom (UK). One of India's most well-known retail chains, Eighty, is based in Mumbai.

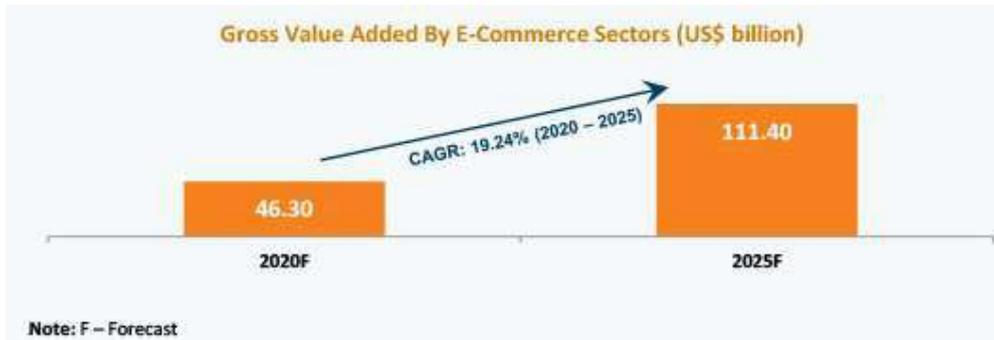


Fig. 2: demonstrates the E-Commerce Industry's Compound Annual Growth Rate (CAGR) in India. (Source: ibef.org).

INDUSTRY PERFORMANCE ANALYSIS:

The way people communicate and do business has changed dramatically in the past two decades as a result of the widespread use of cell phones and the internet. Shopping on the internet is increasingly reliant on websites, and mobile devices have had a significant influence on the way businesses interact with their customers. As e-commerce takes over the world of online commerce, a new generation of entrepreneurs is captivated by the variety of trade and retail options it provides. Because of their rapid growth over the last several years, the world's largest firms today have market values in the billions of dollars. It is evident from the scale of the e-commerce firm in India that the industry is rapidly expanding.

The following are a few noteworthy developments in Indian e-commerce:

- (a) CARS24, India's most popular used car e-commerce marketplace, raised an estimated US\$450 million in September 2021. It was financed by a \$340 million Series F equity sale and \$110 million in loans from a range of banks...
- (b) During the month of September of 2021, Amazon Prime Video Channels were launched in India. Streaming services like Netflix, Hulu, and Amazon Prime will all be available via Amazon's Prime Video Channels.
- (c) Sequoia Capital India led a Series A investment round in September 2021, and Bikavi, a mobile commerce enabler, received \$10.8 million.
- (d) Walmart, private equity businesses, and sovereign institutions all contributed to Flipkart's US\$3.6 billion round of funding announced in July 2021.
- (e) As of June 2021, Flipkart plans to establish a new fulfillment facility in Dankuni, West Bengal. The FC, with a floor space of 2.2 lakh square feet, has the potential to create 3,500 new jobs.
- (f) According to reliable reports, Zomato invested \$120 million in Grofers, a grocery delivery business, in June 2021, making it a unicorn.
- (g) In June 2021, Mastercard invested in Instamojo, a payments firm that helps internet companies automate their business processes and process payments more rapidly..
- (h) A video streaming service named MiniTV was released in May 2021 for customers in India by Amazon. Among MiniTV's various genres are documentaries, comedy, and programming based on the arts and sciences..
- (i) Flipkart's food infrastructure will be enhanced by May 2021. Additional 80,000 square feet would be added in Hyderabad, Coimbatore, Chennai, Kolkata and Delhi's food distribution hubs.

(j) Investors and private equity companies are allegedly in discussions with Flipkart to invest up to US\$ 2 billion at a valuation of \$30 billion in May 2021.

(k) In April 2021, Flipkart got along with Adani Group in order to increase data processing and logistics capabilities and offer up opportunities for numerous new direct employment.

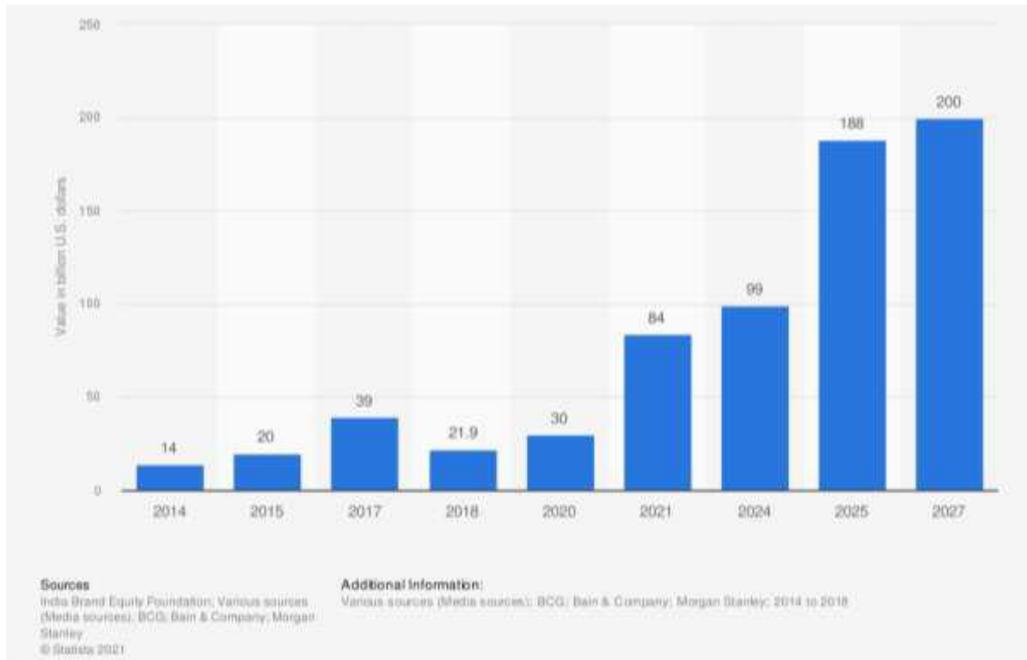


Fig. 3: India's E-Commerce Market Size from 2014 to 2018 with Projections to 2027 (in billions of US dollars)

(Source: India Brand Equity Foundation-ibef.org, BCG, Bain & Company, Morgan Stanley and Statista 2021).

(l) Cleartrip was acquired by Flipkart in April 2021. It announced the purchase of a 100 percent stake in Cleartrip as part of its efforts to broaden the range of digital commerce options available to customers.

(m) The Confederation of All India Merchants plans to deploy a mobile app for the Bharat E-market platform in March 2021. They aim to encourage small businesses to use mobile devices to conduct speedy internet transactions..

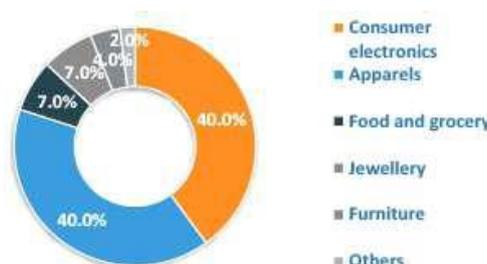


Fig. 4: Major shopping categories in E-Commerce are shown, sorted by value (2020).

(Source: India Brand Equity Foundation-ibef.org).

Initiatives taken by the Indian government.

Make in India, Digital India, Skill India, the Innovation Fund, and Start-up India are just a few of the government programs that have been in place since 2014. If the idea underlying this rule is right, it might have a major influence on the expansion of e-commerce in the United States. India has implemented a number of measures to stimulate internet shopping, including the following: More than 2.8 million service providers and merchants have signed up with GeM, completing orders totaling Rs. 146,000,000,000 for a total of 54,699 customers.

By adopting the Open Network for Digital Commerce, the Department of Industry and Internal Trade plans to standardize vendor identification and price discovery on e-commerce platforms. Sources Market actors should have equal access to the system, so as to benefit their own people as well as those of the country from where they are operating.

The establishment of policies in five distinct retail sectors is a component of the government's national retail plan. Reforms and a digital commerce network that can be accessible by everyone, as well as traditional and online purchasing, are the focus of this effort. E-commerce companies in Japan have been mandated by the nation's Ministry of Consumer Affairs to provide "country of origin" information on each product page. Businesses would be compelled to explain how they choose the items that show on their websites.

Union Bank of India and Government e-Marketing signed a deal in October of this year to increase the use of electronic payment methods for public services. Startup India Portal, Umang, and the Bharat Interface for Money (BHIM) are just few of the government-sponsored initiatives aimed at encouraging individuals to launch their own businesses. In October 2020, the Indian government published an amendment to the Equalization Levy Act of 2016 for foreign enterprises who use e-commerce platforms in India. (PAN).

The FY21 budget contained a 2% tax on goods and services purchased by non-residents of the United States. In an effort to increase global e-commerce activity, foreign direct investment (FDI) may now be in full force outside of India. 5G fiber networks will help India's burgeoning e-commerce industry

COVID-19 PANDEMIC'S E-COMMERCE INDUSTRY IMPACT:

Since COVID-19, people are more inclined to buy online. This pandemic had a significant impact on the buying patterns, sales volume, and whole supply chain of businesses. Recent years have witnessed a significant difference in the amount of orders placed in many product and service industries, including fashion, luxury goods and healthcare. Depending on which of India's four shutdown periods it is, consumers' online habits alter. In a crowded shop, 52% of consumers opt not to buy anything. When it comes to coronavirus vaccination, 36 percent of those questioned said that they would wait to get it until after purchasing something in person. The many ways in which Covid-19 affects various things show that it has a stronger effect on certain things than on others...

ANALYSIS OF THE STUDY:

- E-commerce has overtaken conventional retailing in India because of its many advantages, including simple access, simplicity of shopping, low price, and a large selection of products and services....

A pandemic would need an online purchasing option for both buyers as well as vendors, but uneducated Indians would find it difficult due to the absence of multilingual user interfaces and the complexity of technology.

E-commerce websites' security flaws are exploited by cybercriminals, who get access to customer data.

- Access to foreign customers since electronic commerce may be done from any place, regardless of the physical location of the buyer or seller..

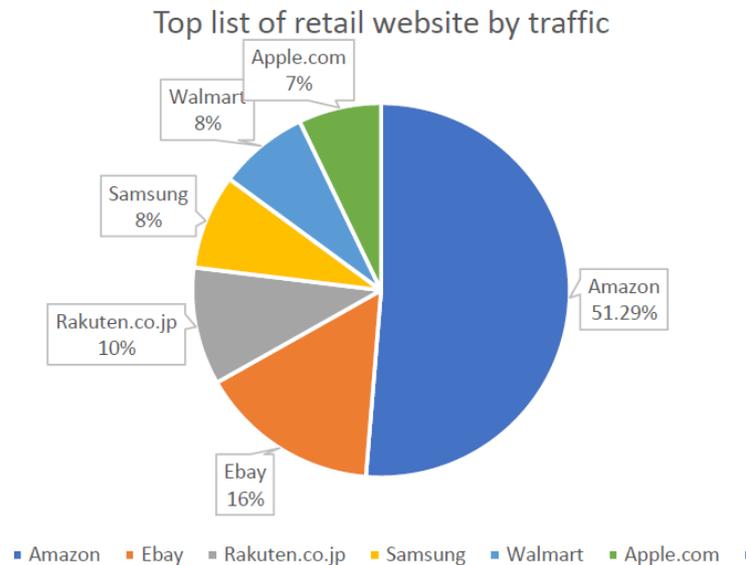


Fig. 5: displays the top retail websites according to traffic during the Covid-19 epidemic.

(Source: Semrush.com).

CONCLUSION:

India's lack of internet users, poor internet connections, inadequate customer confidence in online transactions, and insufficient transportation and logistics may make e-commerce in the nation grow more quickly than in other countries. To market their goods and services, many Indian companies are using the internet and the growth of e-commerce in the country. As more people get familiar and comfortable with technology, internet firms are becoming more trustworthy. To promote ecommerce in the country, we must work together to address issues such as infrastructure, economic inequality, online payment security, and weak regulation. For Indian e-commerce to flourish, the government must give legal stability and structure, which would enable local and foreign trade to extend their essential rights like intellectual property and secrecy and to prevent online scams. The security of online transactions and cyber threats may be addressed. Detailed explanations of this will be provided in a subsequent communication..

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