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## PROSPECTS OF MARKETING IN E-OMMERCE I TODAY SCENARIO

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### ABSTRACT

*Online purchases are what we call "e-commerce." The convenience, reduced prices, and greater selection offered by online shopping greatly benefit customers. E-commerce may be subdivided into two subfields: e-goods and e-money. In India, many businesses, nonprofits, and local communities rely on and even pioneer new forms of electronic trade, such as mobile commerce. In India, online retail sales have increased dramatically. The rise has been aided by an increase in internet users. Although the United States has the second-largest user base in the world behind China (650 million, 48 percent of the population), the penetration of ecommerce is low compared to markets like the United States (266 million, 84 percent) or France (54 million, 81 percent), but is growing at an unprecedented rate, adding around 6 million new entrants every month. Growth is reaching an inflection moment, according to experts. The value of India's online retail sector increased from \$3.9 billion in 2009 to \$12.6 billion in 2013. Online shopping generated \$2.3 billion in revenue in 2013. The travel industry accounts for over 70% of India's e-commerce market. According to a recent study, the number of Internet users in India has surpassed the population of the United States for the first time ever. In the next several years, garment sales in India are projected to increase by a factor of four, from \$35 billion in 2018 to \$125 billion in 2020. This study is the result of an analysis of previous studies that have looked at the effects of e-commerce in India.*

**Keywords:** - E- Commerce, India, Business, Customer, Retail.

## I. INTRODUCTION

India is become a key actor in international trade and business. Since the reforms in 1991, its economy has grown at an unprecedented rate, drawing the attention of scholars in the fields of international business and management. The goal of this paper is to analyze the literature on the effects of e-commerce on Indian commerce published in leading business and management journals to determine which studies were the most influential, which questions were the most discussed, and which conclusions should be drawn or further research should be conducted.

The absence of applicable legal frameworks and the weakness of enforcement mechanisms are the true causes of this ease of electronic transactions. As there is currently no international e-Commerce regulation that applies uniformly, most consumers have no idea what goes on behind the scenes when they make purchases on the Internet. Customers' private information is vulnerable since it is handled by several persons who remain anonymous. Problems with electronic transactions' legitimization include the need for effective online contracts, the imposition of record-keeping duties, and the existence of foreign data protection legislation. Electronic commerce is distinct from more conventional forms of trade. The issues of "who has jurisdiction?" and "who has the power to apply law over the transaction?" emerge whenever a transaction takes place. If a person buys a laptop from a local shop and it breaks after he gets it home, and the business won't make things right, the individual probably has the option of bringing the matter to small claims court. However, if he purchases the computer online from a seller on the other side of the globe via a dealer in a different nation, the enforcement of his claim becomes a severe problem due to the lack of clarity. The question is, whose protection laws will be enforced? It's hard to identify who to sue without first determining what laws apply. When doing

business online, one of the primary considerations should be the safety of the user's personal information.

## **II. E-COMMERCE**

The advent of online shopping marked a significant change. It's a "disruptive" invention that's upending the established order of things in the commercial world. To do business through an electronic network, most often the internet, a company or individual must adopt a business strategy that facilitates electronic commerce. What we call "e-commerce" nowadays is the exchange of products and services, as well as the transfer of money and data, through the Internet. These deals might take place between companies, between businesses and customers, or between customers directly. E-tail refers to the business practices around e-commerce. Email, fax, online catalogs and shopping carts, EDI, File Transfer Protocol, and Web services are only some of the tools used in electronic commerce. You may compare it to a more modern version of traditional catalog shopping. What we now call "e-commerce" is the transfer of commercial activity to the Internet. The effects of e-commerce may be seen across the board, from product development to customer service. It paves the way for novel forms of information-based business activities, such as online advertising and marketing, online order taking, and online customer care, to be implemented in order to reach and connect with customers.

## **III. THE CURRENT ECOMMERCE SCENARIO IN INDIA**

The current status of e-commerce of e-commerce in India can be summarized in two G's; growing and gaining ground however there is so much more to discuss if we are seriously looking to delve in to the growth trajectory of the e-retail market. Read further to know more.

## • **Growth in E-Retail is Directly Related to Growth in Internet Users**

The number of people using the internet in India increased from 354 million in 2014 to an expected 500 million by the end of 2015. The ability to use the internet to one's advantage is a powerful tool that may be used to your advantage in a variety of ways. According to Wikipedia, India is seeing a penetration of e-commerce unlike any other country, with 6 million Indians choosing to utilize e-commerce for the first time every month to satisfy their consumer demands. It's wonderful to see this kind of development.

## • **Growth in Terms of Returns for the E-Commerce Industry in India**

1. In 2009 the market value of e-commerce in India was worth about 3.9 billion and that figure grew to 12.6 billion in 2013.
2. The retail segment alone was worth 2.3 billion in 2013.
3. According to figures from Google India, there were 35 million people in India shopping online and that figure is bound to rise to 100 million by the end of 2016.
4. Electronics and Apparel are definitely the winners that contribute to a large chunk of this growth trajectory in terms of sales
5. The Internet and Mobile Association of India conducted a study that predicts that the e-commerce industry is estimated to reach 211,005 crores rupees by the end of 2016.
6. Estimations for future growth continue to be encouraging even after 2016 with the e-commerce industry set to generate an estimated figure of about \$100 billion with \$35 billion of the total amount being generated by the fashion industry online.

7. Growth in the sales of apparel is set to spike four times the current estimate by 2020.

- **Reasons for This Growth Trajectory**

First and foremost, the increase in broadband and 3G customers is responsible for the expansion of the e-commerce sector. This expansion has been helped along by the advent of 4G services. The rising number of internet users and rising purchasing power in India are both direct results of the country's general economic growth and rising living standards. The rapid fall in poverty rates is another major factor. Consumers' need for a broader selection of goods and services is reportedly being satisfied by online retailers, lending more momentum to the expansion of e-commerce. Statistics confirm the correlation between the low prices consumers may find on e-commerce sites and the industry's meteoric rise..

- **The Big Winners**

Like every other industry, e-commerce has had its share of remarkable success stories. In just a few short years, India has seen a proliferation of innovative e-commerce startups, many of which have become household names thanks to their smart retail of commonly purchased consumer goods at prices that are significantly lower than those found in brick-and-mortar department stores, shopping centers, and boutiques. E-commerce behemoths like Flipchart, Snap deal, and Jabong have seen phenomenal growth thanks to their commitment to expanding the options available to online shoppers at rock-bottom prices. Other important aspects include aggressive advertising and promotion, as well as a steady stream of new capital.

- **Shut Downs and Acquisitions**

While there has been significant expansion in the e-commerce industry, there have also been a number of mergers and acquisitions as a result of the higher capital needs that some businesses have been unable to meet. Many new businesses have found success through vigorous advertising, yet some have failed due to a lack of funds to pay for necessary marketing and advertising. Dhingana, Rock.in, and Seventy MM are just a few examples of successful e-commerce startups like these. To stay in business, several companies ultimately shifted to new approaches.

#### **IV. GROWTH AND PROSPECTS OF E-COMMERCE IN INDIA**

A rising number of people are turning to the internet to get the products and services they need. This has created a competitive environment in which businesses must differentiate themselves from the competition. With all branded clothing, accessories, jewelry, gifts, and footwear accessible at lower prices and delivered right to your door, (according to industry organization ASSOCHAM), e-commerce is expected to produce around five to seven times as much money as it did last year. It has been observed that competitive online discounts, rising gasoline price, and bigger and abundant variety would affect the e-commerce business in 2016, causing a considerable upward movement in purchasing habits. It found that m-commerce, or mobile commerce, is fast expanding as a reliable and safe alternative to the online shopping market. Mobile commerce (mcommerce) is rapidly becoming a major revenue driver, with some experts predicting that it might account for as much as 70 percent of all online sales in the near future. In India, 60–65% of all e-commerce sales are being made on mobile devices and tablets; this is up 50% from 2015 and is expected to keep growing. Because one in three consumers already performs transactions via mobiles in tier-1 and tier-2 cities, it was highlighted that surfing

tendencies have switched generally from desktop to mobile devices in India, and online purchasing is also projected to follow suit. In 2015, 78% of all shopping-related searches were conducted through mobile devices, up from 46% in 2013. The clothes industry saw the largest increase in 2015, at almost 69.5% over the previous year, followed by the electronics industry at 62.5%, infant care goods at 53.5%, beauty and personal care products at 52.5%, and home furnishings at 49.5%. The study found that when it comes to buying things online, Mumbai is ahead of other major cities like Delhi, Ahmedabad, Bangalore, and Kolkata. Nearly 45% of internet buyers apparently prefer cash on delivery to other payment methods like credit cards (16%) or debit cards (21%). Only 10% used online banking, and only 7% used alternative electronic payment methods like cash cards or mobile wallets. The 18–25 year old demographic is the fastest growing internet age group, with increasing contributions from both the male and female demographics. The poll found that 38% of frequent customers fall in the 18-25 age range, 52% fall in the 26-35 age range, 8% fall in the 36-45 age range, and 2% fall in the 45-60 age range.

## **V. CHALLENGES OF E-COMMERCE IN INDIA**

Fewer people in India use credit cards, and slow delivery times plague rural areas. Current barriers to Internet access include sluggish speeds, frequent disconnects, high wireless connection costs, and incompatible wireless communication protocols. Most people in the country can't afford a high-speed, high-bandwidth Internet connection. The majority of Indians either have little to no knowledge of the English language or are severely limited in their ability to use it. As a result, the importance of being able to communicate in a common language has increased for buying, renting, and selling goods and services online. There are many obstacles to deploying and maintaining a pervasive IT infrastructure, such as skepticism about e-commerce technology, a

dearth of universally accepted standards, a lack of payment gateways, and concerns over the security and privacy of individuals' and organizations' online transactions and data. When conducting business through the internet, vendors and buyers encounter the following main obstacles:

- There is no collaboration between private and public corporations working to expand the e-commerce industry. To grow, e-commerce must have governmental and private support. The success of the e-commerce industry depends on the trust that is earned from the public via collaborative efforts.
- The system suffers from a lack of communication protocol, standards, and dependability. If an online store's website is compromised, customers will lose their money. Inadequate cyber security is the single biggest cause of downtime for online stores.
- Banks and other financial institutions in emerging markets have been cautious to actively promote electronic commerce thus far. But for e-commerce to grow in popularity and to protect businesses from credit card fraud, retailers need the assistance of banks. However, in contexts where credit cards are not widely accepted, banks and other financial service intermediaries have the issue of creating alternative modalities for secure and dependable online transactions.
- Due to a lack of infrastructure, online shopping in poor nations is hampered by the common practice of haggling over prices before making a purchase.
- The need to reduce internet costs is one of the main obstacles. The government is attempting to keep bandwidth costs as low as possible. However, the high price of expanding networks and operational expenditures makes it difficult to keep internet prices low.

## **VI. CONCLUSION**

E-commerce expansion depends heavily on robust information technology security systems, for which appropriate technological and regulatory requirements must be established and continually improved. Many Indian businesses, nonprofits, and neighborhoods are beginning to reap the



benefits of e-commerce, but significant obstacles must first be solved before it can really serve the masses.

Millions of consumers are now making purchases online thanks to the proliferation of internet connectivity via mobile devices like Smartphones and tablets; in this way, businesses can build the brand digitally and enhance productivity; however, government policies must ensure the cost effective methods/solutions. Online shopping in India is only going to increase in popularity and size.

Customers may shop and place orders whenever and wherever they have an online connection. Every consumer is important, thus e-commerce service providers should make their experience as simple as possible, offer many payment methods, and provide a wide range of useful features. Increases in product variety and market penetration are further upsides. However, there are several obstacles that stand in the way of an e-commerce company's success. Research is needed to find solutions to the challenges and concerns raised by the difficulty of earning consumers' confidence in online shopping.

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