

## **13. Role of E-Commerce in Emerging Markets in India**

**Dr. Vimmi Behal**

Assistant Professor,  
Atal Bihari Vajpayee Hindi Vishwavidyalaya,  
Bhopal (M.A).

**Abstract:**

*Distributing, purchasing, selling, marketing, and servicing goods and services via electronic networks, including the Internet and other computer networks, is the main function of electronic commerce, or E-commerce. Electronic commerce is referred to as e-commerce. Online and electronic business transactions are known as e-commerce. E-commerce has completely transformed the way that people think about business. E-commerce pertains to the purchasing and selling of goods and services via laptop and web networks. This study aims to examine the different obstacles that India's e-commerce industry has, identify the key growth elements that the industry needs, and provide an overview of the industry's success in {India Republic of India Bharat Asian country Asian nation} as well as retail E-commerce sales in India. The role of e-commerce in India's emerging markets will be covered in this essay.*

**Keywords:**

*E-Commerce, Emerging Markets, Buying, Products, Services, Essential Growth, Computer Networks, Electronic Funds Transfer, Supply Chain Management.*

**13.1 Introduction:**

Distributing, purchasing, selling, marketing, and servicing goods and services via electronic networks, including the Internet and other computer networks, is the main function of electronic commerce, or e-commerce. It may be viewed by the information technology sector as an electronic business application intended for business-to-business transactions. Electronic data interchange (EDI), automated inventory management systems, supply chain management, e-marketing, online marketing, online transaction processing, and automated data gathering systems can all be involved. Electronic communications technologies like the Internet, extranets, e-mail, e-books, databases, and mobile phones are commonly used in it. [1]

Electronic commerce is referred to as e-commerce. E-commerce is the term for the exchange of goods and services via electronic media and the internet. E-commerce, often known as e-business, is conducting business using the internet and data technologies such as electronic data interchange (EDI). E-commerce refers to the seller's website, where a UN agency uses a digital cart or digital handbasket system to offer goods or services to customers via the portal.

Payment options include master card, electronic fund transfer, or positive identity. E-commerce is the transfer of company operations to the World Wide Web (WWW). New types of data-driven business procedures for connecting and engaging with customers are made possible by e-commerce. Managing orders and communicating with a wide range of suppliers and business partners could result in cost savings. E-commerce presents intelligent and suitable options for developing nations such as Asian countries. [2]

Since e-business is a subset of e-commerce, e-commerce can be thought of as an effective selling tool and as a straight distribution system, which is a different approach to getting products to customers than the traditional distribution method that relies on middlemen like jobbers, wholesalers, and retailers. To put it simply, the e-commerce system works similarly to the direct distribution system in that it also eliminates middlemen from the distribution process by transferring goods and services directly from producers to end customers through websites.

### **13.2 Strategies and Solutions for E-commerce Expansion in Emerging Markets:**

#### **Government Support and Policy Reforms:**

Governments are essential in fostering an atmosphere that encourages the expansion of e-commerce. In emerging nations, creating a favorable e-commerce environment requires legislative frameworks, infrastructure development, and supportive policies.

#### **Collaboration and Partnerships:**

Emerging market difficulties can be addressed by cooperation between financial institutions, logistical providers, and e-commerce platforms. Forming partnerships enables the creation of all-encompassing solutions, such as creative delivery schemes and improved logistics systems.

#### **Technology Innovation and Adaptation:**

For e-commerce to expand successfully in emerging regions, technological innovation that is adapted to local demands is essential. Market-specific obstacles can be addressed by harnessing developing technologies and tailoring e-commerce platforms and solutions to local preferences.

#### **Concept of E-commerce in India**

Multiple products E-commerce: Almost all product and service categories are offered by certain e-commerce platforms, which cater to a wide range of consumer needs. Indian e-commerce sites offer goods like men's and women's clothing and accessories, cosmetics, books and magazines, computers and related supplies, cars, jewelry, collectibles, software, consumer electronics, home appliances, gifts, real estate and services, business and opportunities, jobs, travel tickets, marriage, and so on.

One Item E-commerce includes platforms for the automobile industry that facilitate the purchasing and selling of automobiles, including two-wheelers. Through these kinds of portals, stock and share market websites also provide their services, along with choices for research and comparisons. Real estate and travel and tourism are two more significant industry that provide their goods and services. In addition, job and marriage portals are widely used in India.

### **13.3 There are different types of e-commerce;**

**BUISNESS – TO-BUISNESS (B2B)** – It includes all electronic exchanges of goods and services between two businesses. Electronic markets and intrasystem commerce fall under this category of e-commerce.

**BUISNESS TO CUSTOMER (B2C)** – This is a retail commerce transaction involving individual buyers. This average customer is either a buyer or a consumer of any store on the website.

**CUSTOMER TO CUSTOMER (C2C)** – In this kind of online shopping, the vendor sells the product directly to the buyer.

**CUSTOMER TO BUISNESS (C2B)** – A lone consumer of goods or services pitches their product to an association in this type of online commerce.

**BUISNESS TO GOVERNMENT (B2G)** – This web-based business segment records open segments and deals with trade between organizations. [3]

### **13.4 Review of Literature:**

Many research have emphasized the advantages that online shopping provides to customers, such as the capacity to buy whenever and wherever they like, search and explore products, compare prices, and make flexible electronic payments (Shim et al., 2010). [4]

(Renu Kumari, 2013;) Today's more convenient lifestyle is made possible by the numerous opportunities and openings that the use of technology has provided. Online shopping has had a tremendous impact on consumers in India and around the world in three key ways: more variety of products, faster services, and lower prices. Nevertheless, the idea of internet buying raised the risk of fraud and privacy issues. Regretfully, it has demonstrated that hackers can gain access to private data. With today's cutting-edge technological capabilities, precautions are being made to prevent hackers and other criminals from accessing private databases. In an attempt to stop this unethical conduct, developers are implementing privacy and security standards. That will open the door for its accomplishment. [5]

### **13.5 Objectives:**

- To study the idea of E-commerce.
- To research this trend of E-commerce in Republic of India.

- To study the varied challenges faced by E-business players in Republic of India.
- To check the prospects of E-commerce in Republic of India.

### **13.6 Research Methodology:**

This study's overall design was exploratory. The research paper is an endeavor that is founded on secondary data that was obtained from reliable online resources, newspapers, textbooks, journals, and publications. The research design of the study is mostly descriptive in nature.

### **13.7 Result and Discussion:**

A business paradigm known as electronic commerce, or e-commerce, enables businesses and consumers to buy and sell goods online.

The introduction of 4G networks, rising smartphone penetration, and rising consumer income are predicted to propel the Indian e-commerce business, which was valued at US\$ 38.5 billion in 2017 to US\$ 200 billion by 2026.

India's e-commerce revenue is predicted to rise at the fastest rate in the world—51% annually—from US\$ 39 billion in 2017 to US\$ 120 billion in 2020.

By 2034, the Indian e-commerce market is predicted to have surpassed the US to take the second place in the globe, continuing its upward growth trajectory.

**Table 13.1: Type of E-commerce**

<b>Type of E-Commerce</b>	<b>Example</b>
B2C- Business to Consumer	Amazon.com is a general merchandiser that sells consumer products to retail consumers.
B2B- Business to Business	eSteel.com is a steel industry exchange that creates an electronic market for steel producers and users.
C2C- Consumer to Consumer	eBay.com creates a marketplace where consumers can auction or sell goods directly to other consumers.
P2P- Peer to Peer	Gnutella is software application that permits consumers to share music with one another directly, without the intervention of a market maker as in C2C e-commerce.
m- commerce- Mobile commerce	Wireless mobile devices such as PDAs (personal digital assistants) or cell phones can be used to conduct commercial transactions.

India has seen a surge in smartphone and internet usage in recent years. Due in large part to the "Digital India" initiative, there were 830 million internet connections in 2021. Approximately 55% of all internet connections were made in metropolitan areas, and 97% of those connections were wireless.



**Figure 13.1: Indian E-commerce Market (Source: [www.ibef.org](http://www.ibef.org))**

With a 33% compound annual growth rate, the online grocery market in India is projected to reach US\$ 26.93 billion in 2027 from US\$ 3.95 billion in FY21. India's consumer digital economy is predicted to increase from US\$ 537.5 billion in 2020 to US\$ 1 trillion by 2030, primarily due to the country's high e-commerce and edtech adoption.

By 2026, it is anticipated that Indian e-commerce will have grown to US\$ 163 billion at a compound annual growth rate (CAGR) of 27%.

The Gross Merchandise Value (GMV) of online sales increased by 22% to US\$ 60 billion in FY23 from the previous year. The gross margin on e-commerce was US\$49 billion in FY22.

By 2030, the Business-to-Business (B2B) internet marketplace in India is expected to generate US\$200 billion in opportunities.

India is expected to become the third-largest consumer market in the world, and the country's online retail market is expected to grow from US\$ 70 billion in 2022 to US\$ 325 billion by 2030, primarily because of the country's tier-2 and tier-3 cities seeing rapid e-commerce expansion. This information is based on a Deloitte India Report.

From 2023 to 2027, B2C e-commerce is projected to expand at a compound annual growth rate (CAGR) of 8.68%. India's e-B2B sector is expected to reach a GMV of US\$ 100 billion by 2030, according to a recent Redseer analysis.

By 2025, Grant Thornton projects that India's e-commerce would have a valuation of US\$ 188 billion.

Even prior to the introduction of the nation's next-generation mobile broadband technology, 5G handsets are becoming more and more popular among Indian consumers.

Shipments of smartphones reached 169 million in 2021, with 5G shipments showing a 555% year-over-year increase over 2020. Even prior to the introduction of the nation's next-generation mobile broadband technology, 5G handsets are becoming more and more popular among Indian consumers. Due to strong customer demand during the shutdown, smartphone shipments surpassed 150 million units, while 5G smartphone shipments exceeded 4 million in 2020. India's internet users are predicted to increase at a CAGR of 45% till 2025, from about 622 million in 2020 to 900 million by 2025, according to a report released by IMAI and Kantar Research. [6]

### E-Commerce Growth in India:

Nowadays, e-commerce heavily relies on the internet and mobile phone revolution, which has fundamentally changed how businesses reach their customers. E-commerce has taken the retail industry by storm and captured the imagination of an entire generation of entrepreneurs with e-commerce ventures with various business and commercial models. Over the last two decades, rising internet and mobile phone penetration have changed the way people communicate and do business. The largest companies have already been pushed out of the billion-dollar range by the recent explosive growth. In particular, India's e-commerce has grown significantly, as evidenced by the size of the country's e-commerce market as of late, as indicated in **Table 2**.

**Table 13.2: E-commerce Market Size in India (During 2010 to 2016) (Inr in Cores)**

Years	2010	2011	2012	2013	2014	2015	2016
Sales	26.63	35,142	47,349	53,301	81,525	125,732	168,891
Simple growth rate % (over the preceding year)		33.8	34.7	12.5	53.5	54.2	34.3
CAGR%							36.3%

Source: IMRB, I-Cube 2016

According to the above table, the e-commerce market has grown at a compound annual growth rate (CAGR) of 36.3%, from INR 26,263 crores to INR 168.891 crores. A detailed examination of basic growth rates calculated using data from the previous year shows that growth rate percentages range from 12.5% to 54.2%, indicating a notable increase in e-business in every year but 2013.

The reason for the greater increase in 2014 and 2015 is because Flipkart's "Big Billion Day Sale" and Google's "three-day online shopping festival" coincided with the announcement of the entry of the Indian e-commerce sector in 2014.

Holiday packages, motorbikes, and even houses are among the product categories that are growing at a quick pace, and there has been a remarkable increase in the number of unique visitors and merchants overall. 2014 saw several of the bigger players' valuations approach the \$1 billion mark. [7]

### **13.8 Conclusion:**

In the current business environment, e-commerce in India has the potential to enhance its growth in the second phase, despite the fact that the first phase of the industry's evolution was marked by low internet penetration, a small user base for online shopping, slow internet speed, low consumer acceptance of online shopping, and inadequate logistics infrastructure. The entry of LCC into the Indian aviation industry, the growth of OTAs, online ticket booking initiatives, the launch of numerous online retail websites, building a strong market presence, using social media platforms for branding initiatives, interacting with customers to solicit feedback and announce the launch of new products, etc. are the main factors that contributed to the growth of e-commerce in the second phase. E-commerce has grown to be a necessary component of modern living. For those who live in cities, in particular, having access to an e-commerce platform is a need rather than a luxury. E-commerce has grown at an unprecedented rate as a result of the rapid adoption of internet-enabled gadgets like smartphones and tablets. The way we live, communicate, shop, and other aspects of our lives have all been drastically altered by communications technology.

### **13.9 References:**

1. Arora, N. & Rahul, M. (2018). The role of perceived risk in influencing online shopping attitude among women in India. *International Journal of Public Sector Performance Management*, 4(1), 98-113.
2. Chatterjee, S. (2016). E-commerce in India: A review on culture and challenges. *International Conference on Soft Computing Techniques and Implementations (ICSCTI)*, art.no.7489547.
3. Kalia, P., Kaur, N. & Singh, T. (2017). E-commerce in India: Evolution and revolution of online retail. *Mobile Commerce: Concepts, Methodologies, Tools and Applications*, 2, 736-758.
4. J.P. Shim, "Examining multi-dimensional trust and multi-faceted risk in initial acceptance of emerging technologies: An empirical study of mobile banking services," *Decision Support Systems*, vol. 49, no. 2, pp. 222-234, 2010.
5. Kumari Renu, (2013) September. Problem and Prospects of E-commerce in Retailing. *IJRESS (ISSN 2249-7382)*, Volume 3, Issue 9. Retrieved from <http://www.euroasiapub.org/IJRESS/Sep2013/4.pdf>
6. Boonnoon, Jirapan. "Lazada Aims to Increase Transactions with Nationwide Coverage." *The Nation*, 25 Feb. 2016.
7. BCG & IAMAI (2015). *India @ Digital Bharat. Creating a \$200 Billion Internet Economy*. Mumbai: The Boston Consulting Group.