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Growing Demand for E Commerce in Present Scenario

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ABSTRACT : E-commerce has transformed the way business is done in India. The Indian E-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion as of 2017. Much of the growth for the industry has been triggered by an increase in internet and smartphone penetration. The ongoing digital transformation in the country is expected to increase India's total internet user base to 829 million by 2021 from 636.73 million in FY19. India's internet economy is expected to double from US\$ 125 billion as of April 2017 to US\$ 250 billion by 2020, backed primarily by E-commerce. India's E-commerce revenue is expected to jump from US\$ 39 billion in 2017 to US\$ 120 billion in 2020, growing at an annual rate of 51 per cent, the highest in the world. However, Fraud instances could possibly rise at an even quicker pace in the current scenario, as fraudsters could take advantage of the sudden disruptions and operational challenges caused in the e-commerce space by the Covid-19 outbreak. The Covid-19 pandemic has led the world into an unforeseen health and economic crisis, altering lifestyles, preferences and habits of consumers and also the way organisations will operate. Consumers now more than ever would prefer shopping in a manner that is convenient, safe and hygienic and the e-commerce space meets these requirements. As the e-commerce space continues to grow globally, it is also solidifying its foothold in the Indian marketplace. Today lockdown restrictions have driven technology-averse consumers towards using technology for delivery of food and online shopping of essential products. It is likely that this will result in more consumers transitioning to online shopping for essential and non-essential products in the long run due to convenience, ease of use, benefits of hygiene and change of habits. This in a way could further propel the growth in the e-commerce space.

In present scenario Ecommerce is playing very essential role in the online business. Although it is one of the best & cheapest intermediate for reaching out to new customers in the online market, if ecommerce implemented effectively, it also offers a smart way of doing online business & expanding it more.

An online business ecommerce podium is planned & implemented to make the most of its reach to potential customers and provide them with a convenient, satisfying & protected shopping experience.

I. INTRODUCTION

The resurrection of commerce is happening all around us.

Cutting edge digitally native brands are experimenting with voice commerce, partnering with luxury Las Vegas hotels on exclusive pop-ups, and testing augmented reality-enabled online-to-offline (O2O) experiences. With headless commerce and progressive web applications (PWA), the world is becoming a storefront as brands enable commerce via smart mirrors, video games, and live streams.

Second and third tier shopping malls are being reborn as experiential destinations with theme parks, ski hills, and water slides. Legacy manufacturers and CPG companies are reinventing themselves by selling direct-to-consumer (DTC) to accelerate growth.[1]

Yes, an estimated 12,000 retail locations were expected to close last year, But don't let the headlines skew your perspective—what dies in the mall is being reborn online, and what was born online is increasingly crossing over to the physical world.

Commerce is being raised from the dead online, offline, and everywhere in between. The future is bright, and is being shaped by the following trends in 2020 and beyond:

1. Ecommerce takes share but growth cools
2. Direct to consumer and private-label selling accelerates
3. PWAs and AMPs drive mobile commerce
4. Global ecommerce booms outside the U.S.
5. Automation powers productivity
6. Sustainable ecommerce goes mainstream
7. Digitally native brands go offline

8. Fulfillment expectations and costs soar
9. Voice recognition changes the path to purchase
10. Marketers target new channels and devices

Online shopping in India is growing fast, aided by the fact that the number of Indians with access to broadband internet and smart phones is increasing by leaps and bounds every year. Companies such as Flipkart, Snapdeal, Amazon and Lime Road have grown rapidly. Today, online shopping in India is huge. According to an estimate, 14% of India's population buys online on a regular basis. In other words, considering India's population of 1.25 billion, the number of online shoppers in India is equal to almost half of the US population. According to a study by ASSOCHAM- IMAI, the online shopping industry in India is expected to cross the \$100 billion mark by 2020. [2]

The Key factors driving the growth of e-commerce in India are as follows:

- ♣ Launch of 3G/4G services leading to an ever-increasing number of internet users
- ♣ Declining broadband subscription prices
- ♣ Growing acceptability of online payments
- ♣ Urban India's changing lifestyle
- ♣ Convenience of online shopping
- ♣ Explosive growth of Smartphone users
- ♣ Availability of much wider product range compared to what is available at brick and mortar retailers
- ♣ Reduced search and transaction cost
- ♣ Increased information transparency

II. DISCUSSION

E-commerce is the buying and selling of goods and services, or the sending of funds or data, over the Internet. E-commerce transactions can be either B2B, B2C, C2C, or C2B. Though the e-commerce industry in India is riding the wave of popularity in recent times, its inception can be traced back in the early 1990s with Rediff. IRCTC, the first company to create a successful e-commerce portal, was introduced in 2002. However, the revolution of smartphones and easy availability of cheap data have amplified the current Indian e-commerce scene.

Flipkart – Flipkart is one of the pioneers among India's successful e-commerce startups. Founded in 2007, it was the brainchild of Sachin and Binny Bansal, both IIT-Delhi graduates. Though they started as an online bookseller, they gradually expanded their base with more retail options such as apparels, electronic gadgets, and household items. With multiple payment options and huge discounts, Flipkart slowly grew its customer base. It even became the first e-commerce portal to launch its mobile app version. It even went on to acquire competitors Myntra for \$280 million and Jabong for \$70 million, and more. According to reports, Flipkart's revenue rose up to 34% in the year 2015-16. [3]

MakeMyTrip – MakeMyTrip was initially launched as India Ahoy in the year 2000 by IIM-A alumni Deep Kalra. It was the first-of-its-kind online travel portal in India. Though MakeMyTrip's beginning was not a smooth one, it redefined the way how Indians purchased e-tickets and booked hotels. Recently, it has merged with another popular travel portal, Goibibo and reported revenue of \$447 million in which half of it came from hotels and travel packages.

Snapdeal – Besides Flipkart and Myntra, Snapdeal is in the list of successful e-commerce ventures in India with the largest online marketplace. The company saw an immense growth in just two years – its growth being almost 600% every year. The venture was launched in the year 2010 by Kunal Bahl and Rohit Bansal as an offline coupon business by the name MoneySaver. Later they moved into selling various items – from clothes and books to gadgets and appliances. Currently, they have more than 50,000 sellers and sell around 5 million products.

Ecommerce Companies and Increasing Job Opportunities

The e-commerce boom in India has not only changed the face of consumer business but also opened many doors in terms of career and job opportunities. With a number of e-commerce startups launching every year and the market growing by leaps and bounds, the e-retail trend is here to stay.

Students who want jobs in the e-commerce industry need to have an MBA degree in Marketing, Finance, or even a degree in engineering based on the job profile. There are various e-commerce jobs that include product creation and design, branding and marketing, product development and management, business analysis, finance, and more. On an average, an e-commerce job salary can range in between Rs.35 lacs to Rs.50 lacs for mid-level employees. The good news is, the salary growth is expected in the coming years as well. Special skill sets and certifications in analytics or big data can add more weightage.

Various universities across India offer career-focused MBA programs. Ajeenkya DY Patil University offers 2-years' MBA in Digital Marketing and E-commerce that is specially designed for students who aim for e-commerce jobs. [4]

- The e-commerce industry in India is growing fast, booming, and expanding at a larger rate. The concept of online shopping has attracted the Indian population tremendously. Exposure to Internet has been highly instrumental in the e-commerce success.
- According to IAMAI-IMRB report, over 460 million Indians use Internet and India has been the second largest online market after China. It is obvious that e-commerce growth is directly related to the number of Internet users.
- Furthermore, a study by Forrester Research states that India's online market is expected to reach \$64 billion by the year 2021, growing at a five-year CAGR of 31.2%.
- The emergence and extraordinary success of various online commerce startups like Flipkart, Jabong, Snapdeal, have recreated the model of online marketplace. Even global companies like Amazon and eBay made their entry in the Indian market that can be seen to dominate the e-commerce industry.

III. CONCLUSION

The growth in e-retailing will spawn several investments in logistics infrastructure including large fulfillment centers and warehouses, downstream parcel and sortation centers, focus will be on equipping these nodes with state-of-the-art technology and modern warehousing practices promoting visibility across the logistics chain. The kind of infrastructure will not only be bare bone shells but will focus on specific handling requirements of the commodities transacted. As times becomes the essence of delivery, quicker modes of transportation and reduced transit times will increasingly become the key demands. Currently, India operates at a very low level of air cargo penetration characterised by only a few airports equipped to handle large volumes of express delivery parcels. As the race to the market moves to the Tier 2 and Tier 3 cities a day may not be far off when there is an increasing demand of expanding air cargo connectivity to smaller towns through various merry-go round aircrafts using charter airplanes and general aviation. Airport operators including the Airport Authority of India(AAI) needs to carefully evaluate this particular category of air cargo on par with other categories of airport infrastructure development.[5]

The rising growth and complexity of e-commerce categories and delivery networks is expected to have a large spillover to infrastructure and logistics investments which will include more warehouses, sortation and delivery centers and employment. Based on current productivity trends and growth estimates, it can be estimated that over the next three to four years, there will be an addition of 7.5 to 15 million sq ft in the 4. PwC analysis 5. Based on estimates from Knight Frank Logistics and Warehousing Report, 2013-14 6. Technopak report on E-tailing in India: Unlocking the Potential form of additional central fulfillment centers alone with an average size of 80,000 to 1,50,000 sq ft each. This, by itself represents an additional 6 to 12% of all the space available in the form of organised warehousing in India and almost 25 to 50% of all incremental addition of consumption-driven warehousing space⁵ in the same period. To enhance the reach further to match the growth in warehousing, additional sortation and delivery centers will also be critical. Such additional centers with each measuring around 10,000 to 20,000 sq ft will be added. Industry estimates⁶ reveal that the total spend on warehousing and sortation centers could be as high as 3 to 6% of top-line revenues, which represents a cumulative spend of over 450 to 900 million USD of spend in warehousing till 2017-2020. The industry is expected to spend an additional 500 to 1000 million USD in the same period on logistics functions, leading to a cumulative spend of 950 to 1900 million USD till 2017-2020.

Trends to watch out for

- Evolution of logistics landscape in the country will be a very important factor in determining the course for the e-retailing industry. Logistics evolution will be necessary to realise the potential robust growth.
- Despite a huge potential, longterm profitability of the e-retailing industry in the country is still under question. After so many years of operations, all the major e-retailers are yet to start making profits. In the wake of wafer-thin margins and sub-optimal infrastructure resulting in higher delivery cost, the long-term profitability still seems a distant possibility.
- FDI in the inventory-led retail will also be an important factor in shaping up the future of the industry. In the current scenario, global e-retailing giants like Rakuten and Alibaba are eyeing an entry into Indian e-retail market. Amazon has recently announced a 2 billion USD investment operating on marketplace model. FDI allowance could be a vital factor in attracting significant investments resulting in better infrastructure and robust supply chains.
- Evolution of taxation policies in the country will in a large way effect the way industries practice warehousing. With uniformity in taxation laws across the country, e-retailers are expected to move closer to consumption centers with an aim to address the duplicities in the logistics chain by removing the overlaps in form of delivery and sortation centers which are traditionally closer to the consumption centers. It will also result in uninterrupted access to the e-retailing



market. In a recent case, a south Indian state had sent a tax notice to e-retailers resulting in all e-retailers withdrawing services in the particular state because of differing tax policies. [6,7]

• The evolution of the existing logistics providers and more players entering the 3PL domain will result in realisation of the huge potential of the e-retailing industry. Major 3PL players (such as FedEx, DHL, UPS, Gati, etc) will have to gear up to the increasing demands of the e-retailing industry thereby helping in rationalisation of delivery costs and provide much needed balance between using captive logistics network and 3PLs. To take the opportunity and help the e-retailing industry to overcome infrastructural bottlenecks, resurrection of the Indian Postal Service can be a game changer. Collaborating the strong last-mile capability with technological upgradation will ease the dependence on the other modes of transportation. After taking a holistic view of the industry trends, e-commerce is poised for an exciting period of exploding growth in a period of three to five years. This is expected to lead to substantial investments in supporting infrastructure and innovative and game changing business models.

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