

E-Commerce and its impact on Indian Economy

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I. Abstract

In this paper, we shall discuss the impacts e-commerce has had in the Indian economy, starting from the origins, looking into the various aspects that influence this sphere and its governance. Multiple business models and how they have been molded to fit in e-commerce, along with examples illustrating the different ideas, have also been examined. The paper also explores some of the industry's challenges and what lies in this sector's future.

What is E-Commerce?

E-commerce uses digital information processing technology and electronic communications using all manners of business transactions to create, transform, and redefine relationships for value creation between organizations and individuals and all possible combinations of stakeholders, i.e., it is essentially conducting commercial transactions of all forms on the Internet.

II. Business and Working Models

What exactly is a Business Model?

A business model is a plan for a company's successful operation and its relationship to the industry's existing products and services. It also includes the future consumer base and sales sources.

Types of Business Models

1. Business-To-Business (B2B)

E-Commerce's business-to-business model is one where the transactions of goods and services

occur between corporations instead of individuals.

B2B Examples

- When a mobile app development company offers its IT services to some real estate companies looking to build an app for their client base, the mobile app development company advertises its service on their website. Interested real estate companies can request a price quotation through the same channel.
- An eCommerce company being offered a cybersecurity firm's online security software that prevents credit card fraud.

2. Business-To-Consumer (B2C)

B2C is one of the most well-known e-commerce models, and it is also credited with increasing activity in this field to some extent over the last two decades.

B2C eCommerce is the distribution of goods and services from a business to its customers, who are members of the general public.

B2C Examples

- All major online retail stores and payment processors like Amazon and PayPal, respectively.
- A travelling agency that provides ticket and travel insurance policies to clients.

- A digital education website, such as CodeAcademy, allows its users to learn basic computer programming for free.

3. Consumer-To-Business (C2B)

The C2B eCommerce model is the opposite of the B2C eCommerce model. Here, consumers offer goods and services to business operators. Because the transactions are borderless, the C2B industry is arguably the most crucial employment channel other than the paid office jobs.

Businesses use these sites to find skilled service providers who advertise their gigs and hire anyone who matches their goals. The platform charges commissions for connecting firms with these service providers.

Examples of C2B

- A sports blogger billing a gaming company to promote their goods and services on his blog or signs up for Google AdSense to display ads that are relevant to his audience.
- Social media managers, content creators, brand managers, programmers, and many other service providers work online.
- An artist selling his artworks online on websites such as Fotolia or 123rf.

Because service providers and their clients can define parameters such as how often to collect a payment, the duration of a project, product supply dates, and the number of job openings, the C2B industry has a different revenue model than the B2C industry. Although, outsourcing raises several issues.

4. Consumer-To-Consumer (C2C)

In the C2C eCommerce business model, consumers sell goods and services to consumers, usually through a third-party website or an independent online platform that they created especially for this purpose.

In general, the C2C e-commerce business model encompasses all online peer-to-peer transactions of goods and services. It necessitates a high level of trust between customers and not necessarily on the platform on which the trade is conducted.

C2C Examples

- Auction platforms, such as eBay, connect sellers and buyers. eBay charges a fee for each sale it facilitates, while the other parties involved in the transaction are responsible for resolving issues like product quality, packaging, shipping, and refunds.
- Users can make over-the-counter trades on cryptocurrency exchanges. In such cases, the exchange will charge a fee for the transaction while still allowing them to conduct cryptocurrency transactions.

It's worth noting that most businesses use both the B2C and C2C models at the same time, even if they choose to start with one.

5. Business-To-Government (B2G)

B2G refers to when a company sells its product or service to the government of the country or region in which it operates.

Most businesses under this umbrella have only these Government or public administrative offices as clients, and they receive long-term contracts.

Examples of B2G

- A government agency is using software created by a creative agency to create a virtual workspace.

6. Consumer-To-Government (C2G)

In a consumer-to-government (C2G) relationship, consumers or members of the public provide value in some form to the government or public administrative agencies.

However, it is still the government or the public administration that initiates the transactions in order to streamline its operations and relieve citizens of some burdens.

If the platform that facilitates C2G transactions goes down or fails to deliver, the public bears no responsibility.

Examples of C2G

- A state's tax agency has decided to phase out paper tax filing in favor of an electronic filing portal.

- A State creating an information-sharing platform to allow its citizens to get the most up to date information.
- An electronic voting app that allows citizens to vote in elections without having to go to a polling station or fill out paperwork.
- Other types of transactions between citizens and the government, either directly or through a third-party facilitator.

7. Government-To-Business (G2B)

In the G2B eCommerce model, the Government makes its services available to businesses and corporations. Businesses can find and use these services through an online portal. This service exchange is primarily non-commercial.

Examples of G2B

- The e-Tender Box (ETB) system, created by the Government Logistics Department, is an example of a G2B eCommerce platform. Those who are interested in using the GTB's services can do so through this platform.
- There are e-Procurement Programs that allow different suppliers from both inside and outside the government to collaborate and agree on providing the required services at a set price.
- Through G2B platforms, businesses can get advice and financial assistance in the form of funding and loans.

8. Government-To-Citizen (G2C)

The main goal of this model is to lower the cost of making information available to the public. There is a minimal cost associated with this process, and access to services is also increased. It also reduced citizens' efforts because they are no longer required to visit government offices on a regular basis.

Examples of G2C

- Citizens can pay their taxes online using government-to-citizen portals.
 - The G2C portals also make it simple to register for birth, marriage, and death certificates.
 - Online portals can also be used to register for passports and driver's licences.
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III. Category of E-commerce and its current uses in India:

In today's India, e-commerce is a necessity, and it has become a part of our daily lives. There are numerous eCommerce websites that offer a wide range of products and services. Some provide a specific product, while others may provide multiple products.

These Indian E-commerce portals offer a wide range of products and services. To name a few: Men's and women's clothing and accessories, Products for health and beauty, Magazines and books, Computers and peripherals, vehicles, software, consumer electronics, household appliances, jewelry, audio/video, entertainment, goods, gift articles, real estate, and services are all examples of products and services.

Some Indian portals/websites deal in a specialized field, for example:

i) Automobiles and e-commerce: On these sites, we can buy and sell four-wheelers and two-wheelers, new Computer Engineering and Intelligent Systems, as well as used vehicles, online. Some of the services they provide are - Car research and reviews, Online evaluation, Technical specifications, Vehicle Insurance, Vehicle Finance.

ii) Online Trading in Stocks & Shares and e-commerce: Online stock trading activity is rapidly gaining momentum in India. The online stock trading companies' services include online buying and selling of stocks and shares, market analysis and research, companies' details, comparison of companies, and research on equity and mutual funds, customer services through email and chat. Online trading also has the added advantage of real-time stock trading without calling or visiting the broker's office. Major online stock trading websites in India include ICICIDirect.com, Sherkhan.com, Indiabulls.com, 5Paisa.com, Motilal Oswal Securities, HDFC Securities, Reliance Money, IDBIPaisaBuilder, Religare, and Kotak Securities.

iii) Real estate and e-commerce:- Several real estate portals and websites provide users with information about the property they want to buy or sell. This information includes properties for sale or purchase, as well as their cost

and location. They provide information on both new and resale properties. A consultant can help you deal directly with the developer. Housing finance, insurance companies, architects and interior designers, NRI services, and packers and movers are examples of allied services. Indiaproperty.com, 99acres.com, Magicbricks.com, and Makaan.com are some of the most popular real estate portals.

iv) Travel & tourism and e-commerce: In India, the use of e-commerce in the travel sector is steadily increasing. India has a rich history and heritage, and e-commerce has played a large role in marketing India as a product, encouraging Indians and foreigners to visit and see its diverse culture and beauty, resulting in a tourism boom.

v) Gifts and e-commerce: In the past, one had to think about what to give a loved one, schlep across town to one's favorite store, and browse for hours before making a purchase. All of that has been replaced with the quintessential clicks on the tips of one's fingers.

vi) Employment and e-commerce: It is not incorrect if one says that e-commerce has revolutionized the unemployment aspect. The Internet has simplified the search for the "right people for the right job". There are a number of web portals and sites that match a prospective employer's requirements with that of candidates applying for that job. Two major portals - www.Monsterindia.com and www.naukri.com, are instrumental in providing jobseekers with suitable employment at the click of a mouse. The service for job seekers is free, while the Employers have to pay a nominal fee. Online jobs are available in a variety of fields, including secretarial, software development, real estate, and education.

vii) E-Tailing or Online Retailing and e-commerce: E-Tailing, or online retailing, is experiencing significant growth as a result of improved broadband connections and increased penetration of credit card facilities to a broader population. Consumers can take advantage of a variety of services provided by online retailers, such as discounted prices, comparisons of product features offered by various vendors, and locations where products can be purchased, among others. Moneymall by Reliance, FutureBazaar.com by Pantaloon, eDigiworld.com by Videocon, Vishalmart's Vishalmegamart.com

by Vishalmart, and Westside by the Tata Group are some of the retail stores that offer online shopping.

viii) Online Advertisements and e-commerce: The Indian population accesses the Internet from home, office, colleges, schools and every other imaginable place. More and more of the population is joining the Internet and spending increasingly longer time on it. Advertisers have identified the Internet as a means of increasing public awareness of their products and services. In India, online advertising is expected to cover all businesses and their products.

IV. Some of the business models of renowned e-commerce companies in India

1. Swiggy

Swiggy is a food delivery service that operates on a hyper-local basis. Swiggy uses business restaurants and delivery partners to deliver food to customers. The business model is based on two collaborations:

- **The Restaurant partners:** Restaurants that accept orders through the Swiggy are listed in the app. Customers can use the website or the app to place an order.
- **The Delivery partners:** They provide the service of delivering food from the partner restaurant to the customer.

Working:

Swiggy is a platform that offers an extensive range of restaurants for food ordering. It has a team of delivery drivers who deliver the food to the

specified delivery address. Swiggy is a mobile app and website that allows you to order food from nearby restaurants.

Revenue:

Swiggy deducts a fee from any order the restaurant receives and delivers. The commission is normally 15% to 25% of the total bill number. This commission is based on the total bill balance after all taxes have been deducted.

Some restaurants are Swiggy exclusive and offer incentives such as a 2 percent to 3 percent reduction in commission. Due to different factors such as venue, order traffic, and other liabilities, the charges and bill amount are often increased.

Swiggy also provides restaurants premium membership for increased exposure on the app; however, this premium membership comes at a higher cost. Swiggy has also opened restaurants in metro areas where the app receives the most traffic.

Customers who join Swiggy get benefits such as free delivery and no order number variations in the event of rain or high order traffic. The three-month membership costs Rs 349 and the one-month membership costs Rs 149.

The business also makes money by offering discounts on specific bank cards and payment methods. . This method is another effective way that Swiggy generates revenues.



Source: <https://bytes.swiggy.com/>

2. Paytm

Paytm's business model is based on the Marketplace model, which includes services such as recharge, booking, and payment. Paytm is a fantastic example of a cashless business.

Revenue:

The five categories of Paytm's revenue model are Paytm Mall, Recharge, Bill Payments, Buy and Sell, Paytm Wallet, and Paytm Bank.

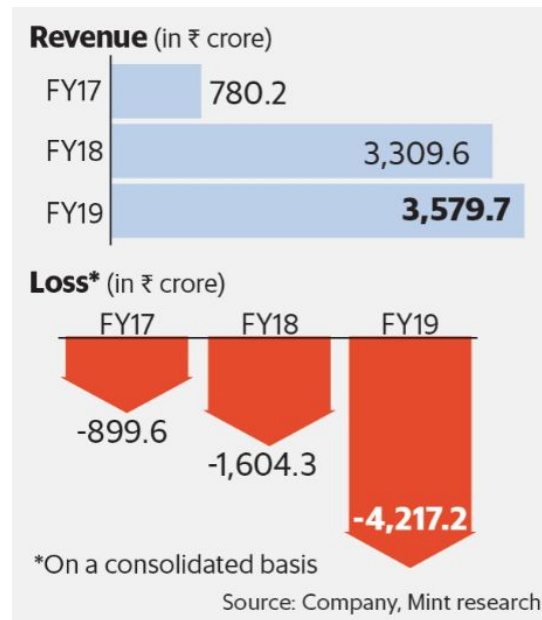
A. Paytm Mall: The first mobile-centric marketplace was Paytm Mall. Many sellers prefer Paytm Mall to other options. It is a forum on which the seller's brand and services can be promoted and sold.

B. Recharge Services: Paytm offered a variety of recharge options, including DTH recharge, mobile prepaid recharge, and more. Paytm, like any other company, made money by charging recharged service operators a commission.

C. Bill Payments: Paytm also offers bill payment as a service. Paytm can be used to pay for phone, petrol, and electricity bills. Paytm has also collaborated with a number of institutions to provide fee and instalment payment options. It made money by taking a commission from these businesses.

D. Buy and Sell: Paytm offers a diverse selection of goods and services. It includes concert tickets, flights, railway tickets, and other similar entities.

E. Paytm wallet: It is a forerunner in India's cashless industry. Paytm was a lifesaver after India's demonetization since it concentrated on the cashless economy. Paytm is concentrating on its strategy to remain a leader in the cashless market, despite the fact that its rivals are catching up and carving out their own niche in this fast-paced industry.



Source: <https://www.livemint.com/companies/start-ups/and-now-paytm-faces-its-moment-of-truth-11578503275841.html>

3. Ola

Ola started as a telephonic Cab rental service before transitioning to a mobile app. Users can choose from a variety of cabs (mini, micro, and prime) in the app. The GPS on the phone is used to determine the person's location. The customer is given an OTP, which the driver must enter to begin the journey. Ola's business model is focused on supplying customers with cab services. There are two sections of the application. One is used by the customer to order the taxi, while the other is used by the driver to receive requests.

Revenue:

The fee on trips done by the driver is how Ola makes money. The cost of each ride is calculated by a variety of variables, including distance, cab type, traffic of requests, waiting time, and service taxes, all of which are based on real-time data. Before the end of the journey, Ola also allows for online payment. To avoid paying cash to the driver, the customer will pay the estimated sum in advance to the company.

4. Oyo

Oyo's business model combines aggregation and franchise business models. Oyo launched as a hotel reservation service. It reserved hotel rooms in hotels that were only available to Oyo users. The payment was made on a monthly basis, and Oyo leased the rooms at the same rate as before. The essence of the business model is almost identical to that of today. Rather than booking rooms for clients, Oyo now sells its franchise to hotels.

Oyo kept the hotel rooms according to its standards. Instead of being leased, the hotel's rooms are now run as an Oyo franchise. This arrangement allows Oyo to retain its high standards while still requiring the hotel owner to obey the guidelines laid out in the agreement with Oyo.

Aside from hotel bookings, Oyo offers a variety of services to generate revenue and benefit. The following are some of the resources available:

A. Oyo Townhouse: Oyo Townhouse is a service geared toward millennials. It offers regular rooms as well as smarter rooms with smart TVs, printers, magazines, and a kitchen open 24 hours a day, 7 days a week to serve customers.

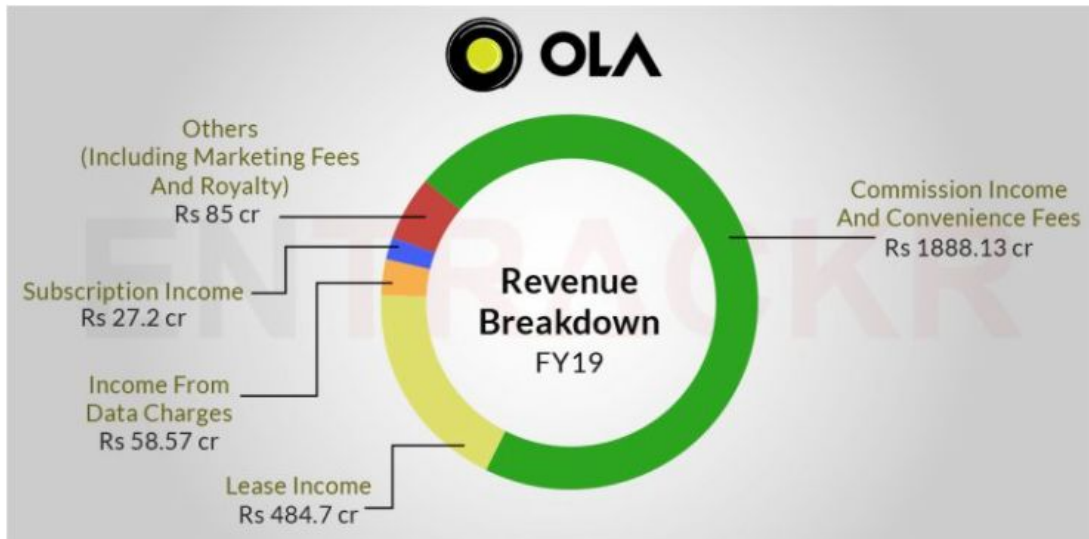
B. Oyo Studio Stays: It allows you to book a room for a longer period of time, such as an internship or some office job. The rent is charged monthly, and if the space is booked through Oyo, Oyo receives a fee. For a wedding or an event, Oyo also offers extended-stay services.

C. Oyo commercial: Oyo provides business office space for rent. Oyo can also be used to book a temporary office space or a place for a meeting, as well as hold a workshop or a seminar.

D. Oyo wizard: Oyo wizard is a subscription service that offers users unique benefits including discounts, deals, and cashback.

Revenue:

Oyo's business model is now commission-based. Previously, it would book the rooms at a set price and then rent them out at its cost. It now charges its partnered hotel a 22 percent commission. The revenue generated by Oyo has increased as a result of this model.



Source : <https://entrackr.com/2019/12/ola-revenues-rise-37-7-during-fy19/>

5. Flipkart

Flipkart's business model is based on the business-to-consumer model. Flipkart began as a bookselling website, but has since evolved into an e-commerce site with thousands of items available for purchase. Flipkart is an online marketplace in India that connects buyers and sellers. It has broadened the geographical scope of sellers. Flipkart is owned by Walmart.

Revenue:

The vast sales that e-commerce generates account for a large portion of its income. Flipkart's revenue is boosted significantly by the Billion Sale. Flipkart also charges the seller a fee for providing a forum for their goods.

MarQ and SmartBuy are two of Flipkart's private labels. Flipkart's tempting discounts have been challenged many times, making it noticeable to the Government.

Convenience charges charged by customers for quick delivery are Flipkart's other revenue streams. Flipkart provides ad space on its website. These sellers are also given a lot of exposure. Flipkart also offers to advertise certain products in its magazines, but this service must be purchased by the brand.

PhonePe, a UPI-based payment service offered by Flipkart, is a UPI-based payment solution. It provides points for transactions, which has helped it gain traction in the Indian market.

6. Byju's

Byju Raveendran created Byju's, an online learning service. He assisted his friends in passing the CAT test and earned a perfect score. He began his dream of doing something big instead of seeking an MBA at one of the IIMs. As a result, he founded Byju's.

Byju's business model is a freemium one. The students must provide the website with complete information about themselves, and they can test the service for 15 days for free. Classroom sessions are also available at Byju's, but only in Noida, Gurgaon, and the surrounding areas.

The student receives one-on-one mentoring, with feedback provided to the parents. Byju's covers all of India's major competitive exams, including the CAT, UPSC, JEE, and others.

Revenue:

Byju's is a paid service that can be accessed by paying a fee to the company. During the free trial period, the individual using the app has access to only a limited amount of content. Since Byju's operates on a freemium model, the fee charged by subscribers to access the content accounts for the majority of its revenue. Byju's also provides classroom sessions and other facilities. Online product selling and offline coaching also contribute to the revenue of Byju.

V. E-Commerce from a Constitutional Perspective

Presently, the key stakeholders in e-commerce include the Government, travel services, retailers/manufacturers, entertainment service providers, and many others. Government initiatives such as Startup India, Digital India, funding for the BharatNet Project, promotion of the "cashless economy," and the RBI's and the National Payment Corporation of India's launch of the Unified Payment Interface have all led to the country's e-commerce sector's growth and progress.

There are two models of e-commerce as defined in the Indian FDI (Foreign Direct Investment) Policy:

1. **Market Place Model** -A marketplace-based e-commerce model is defined as an e-commerce entity providing an information technology platform on a digital and electronic network to act as a facilitator between buyer and seller. The most extensive online marketplaces currently operating in the country are Naaptol and Shopclues.
2. **Inventory Model:** Inventory based model of e-commerce means an e-commerce activity where an inventory of goods and services is owned by an e-commerce entity and is sold to the consumers directly. Likewise, the seller is an e-commerce company that sources directly from brands and sellers and stocks it. Examples include Myntra.

B2B, B2C, C2C, and C2B are some of the conventional business models that have made their way into the E-commerce industry. This was accompanied by a slew of legislation. FDI up to 100% under the automatic route is allowed in Business to Business (B2B) e-commerce, according to the FDI regulation in the consolidated FDI Policy Circular 2015' (FDI Policy). In business to consumer (B2C) e-commerce, no FDI is allowed.

However, FDI in B2C e-commerce is permitted in the following circumstances:

1. A manufacturer is permitted to sell its products manufactured in India through e-commerce retail.
 2. A single brand retail trading entity operating through brick and mortar stores can undertake retail trading through e-commerce.
 3. E-commerce retail allows an Indian retailer to sell its single-brand goods. The investee firm, which is the owner of the Indian brand and produces at least 70% of its products in India and imports the remaining 30% from Indian manufacturers, will be considered an Indian manufacturer.
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VI. Laws and Acts pertaining to E-Commerce

Various laws and acts are included in the constitution to regulate E-Commerce working.

A. Payment and Settlements Systems Act, 2007:

According to this regulation, an e-commerce entity must meet the RBI's applicable rules for online payments in order to qualify as a payment system. Furthermore, an intermediary receiving costs through electronic modes must maintain a Nodal Account in order to settle merchant expenses on its online e-commerce platform.

B. Labelling and Packaging (Legal Metrology Act, 2009):

This law states that the online platform must display requisite information about goods such as dimensions, weight, and other features on display.

C. Sales, Shipping, Refunds, and Returns(Sale of Goods Act, 1930):

This specifies what the entity's sales and delivery policies must include. Furthermore, warranties, terms, and the transfer of property in goods are all included. Furthermore, the policy must specify whether or not return/refund options are available.

D. Indian Contracts Act, 1872 r/w Information Technology Act, 2000:

Governs the requirements for electronic contract validity, correspondence and approval of proposals, as well as revocation and contract forming between customers, sellers, and intermediaries. Furthermore, every online platform's terms of service, privacy policy, and return policies must all be legally binding agreements.

E. Information Technology Act, 2000 and General Data Protection Regulations (GDPR):

Under this law, E-commerce entities must comply with the Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011.

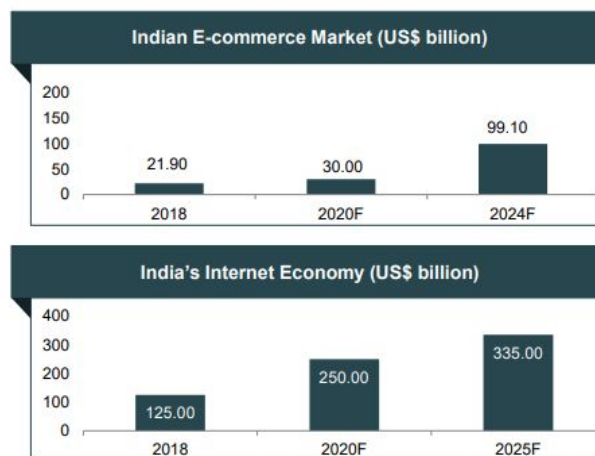
F. Intellectual Property Issues: All trademarks and copyrights for the products, text, and symbols to be used must be protected. For the defence of intellectual property rights, India has a well-defined legal and regulatory system.

E-Commerce Laws and Regulations in India



VII. Major Impacts on Indian Economy

There is a rising awareness among the business community in India about the opportunities offered by several factors. The ease of Internet access and navigation are the critical factors that will result in the rapid adoption of Net commerce. Safe and secure payment modes are crucial as well, along with the need to invent and popularize innovations such as Mobile Commerce.



Source : <https://www.ibef.org/download/E-Commerce-November-2020.pdf>

1. **Global Trade:**

E-commerce is one of the most important aspects of business globalisation. Reduced trade barriers, globalisation of capital markets, the shift toward International Financial Reporting Standards (IFRS), and Internet financial reporting are among the other factors. Financial reporting on the internet has proven to be extremely helpful to e-commerce businesses (Hunter and Smith, 2008). The International Financial Reporting Standards (IFRS) is a global framework for accounting and financial reporting (Smith 2008). The e-commerce growth rate in India, which has a younger market than the rest of the world, is expected to be as high as 51%.

2. **Virtual Businesses:**

Business firms now have the ability to do virtual businesses as a result of e-commerce. A virtual business is a modular structure that consists

of multiple individual business firms that are linked together using online computer technology. Individual companies that make up the virtual company are linked together, allowing them to share expertise, costs, and market access. Only the core competencies of a company firm are contributed. The benefit of a virtual company is that it provides the versatility needed to seize new opportunities and compete in a complex market.

3. **Lower search costs:**

Low search costs and high price transparency are likely to result from the Internet. It is possible to build search engines that can track prices across many websites as rivals simply publish their prices on the Internet, and this will be aided by the growth of protocols such as XML. Collusion may be facilitated by such market transparency. Due to increased consumer communication and transparency, as well as the potential for more frequent market interactions, Internet technology can create an ideal microclimate for collusion. Collusion issues can arise in both online marketplaces and joint Internet sales projects, especially with regard to market design and ownership.

4. **Increased power of downstream players:**

The growth of e-commerce can help downstream buyers gain a competitive advantage over suppliers. To begin with, lower quest and swapping costs will bolster the legitimacy of buyers' threats to move suppliers, boosting their negotiating power. Second, buying clubs and thoughtful market design can help them increase their purchasing power. Third, the growth of global retailers may be aided by the expansion of geographical retail markets. Traditional local or national stores will typically have much less negotiating leverage with suppliers than these.

Other benefits of e-commerce are as follows:

- Expanded Geographical Reach
- Expanded Customer Base
- Increase Visibility through Search Engine
- Marketing Provide Customers valuable information about one's business

- Available 24/7/365 - Never Close
 - Build Customer Loyalty
 - Reduction of Marketing and Advertising Costs
 - Collection of Customer Data Research studies have indicated several factors responsible for the sudden spurt in India's E-commerce growth, such as Technology advancements such as VOIP (Voice Over-IP) have bridged the gap between buyers and sellers online.
 - The rise of blogs as a means for online retailers and e-commerce vendors to disseminate information and communicate with one another.
 - Improved fraud prevention technologies offer a safe and secure business environment and help prevent credit card frauds, identity thefts and phishing costs.
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VIII. Impact Of Covid-19 on E-commerce in India

The worldwide spread of the COVID-19 pandemic has disrupted the people's perception for e-commerce and how they buy products and services.

On 24 March 2020, the Government of India ordered a nationwide lockdown for 21 days, limiting the movement of the entire Indian population as a preventive measure against the COVID-19 pandemic in India. It was followed by a 14-hour voluntary public curfew on 22 March, after enforcing a series of regulations in the country's COVID-19 affected regions. The standardized lockdown rules across the country and the growing hesitation among consumers to go outside and shop for essential goods has inclined the nation towards e-commerce.

Consumers have switched from supermarkets, shops and shopping malls to online portals to purchase products, ranging from essential commodities to branded goods.

Since the norm of social distancing has been initiated for almost an year, the scope of online purchases and online businesses has expanded a lot. Many

people are embracing the concept of online retail and it is reflected by the surge in FTUs (First Time Users) on e-commerce sites.

COVID-19 period has been exceptionally different from what we have ever witnessed. As the world was forced into a complete shutdown, it is safe to say that e-commerce has been the saving grace, helping millions of people stay at home and procure what they wanted at their doorstep.

"Customers want to avoid stepping out unless it is very critical. We are helping customers who are stuck in that situation, and we can play a small part in helping (cater) to their needs," – Gopal Pillai, Vice President for Seller Services at Amazon India.

According to IBEF, online commerce's market opportunities in India are expected to touch \$200 billion by 2026 from \$30 billion in 2017. The report also states that the Indian e-commerce industry is expected to overtake its US counterpart to become the second-largest market for e-commerce in the world by 2034.

Business data platforms stated that the consumer retail segment is expected to see an increment in losses ranging from 3-23%, depending on the state of the market. The report even includes that the average retail e-commerce revenue per consumer in the nation was \$50 as of 2018 and is expected to increase to \$75 by 2024.

On the downside of things, lack of productivity during the nationwide lockdown resulted in the loss of jobs, pay cuts, and finances. Shutting down shops and family-based businesses has made many people sway towards online retail to meet their financial requirements.

E-commerce has experienced a rapid growth since its beginning, with e-commerce sales projected to grow to 599.2 billion USD by 2024. The COVID-19 outbreak saw e-commerce sales spike by 25% in March 2020 alone. The power of e-commerce should not be underestimated as it continues to pervade daily life and presents significant opportunities for small, medium, and large businesses and online investors. One does not need to look far to see the potential of e-commerce businesses. For example, Amazon set the standard for customer-orientated websites as well as lean supply chains, and has been selling over 4000 items a minute from SMBs alone.

Benefits for People Buying 'Online':

1. Lower Prices:

Managing an online storefront is far cheaper than owning an offline, brick and mortar store. Typically, relatively fewer staff is required to manage an online shop as web-based management systems enable servers and owners to automate inventory management, and warehousing is not necessarily required. As such, e-commerce business owners can afford to pass operational cost savings to the consumers (in the form of product and service discounts) whilst maintaining their overall necessary margin. Furthermore, with the increase of price comparison websites, consumers have received more transparency with regard to prices and can shop around, typically purchasing from online outlets instead.

2. Accessibility and Convenience:

Unlike many offline stores, consumers can have access to eCommerce websites 24 hours a day. Customers can browse products, read about services, and place orders as per their convenience. In that sense, online shopping is extremely convenient as it gives consumers more control. Furthermore, those living in remote areas are able to order from their home, saving them time travelling to a shopping centre.

3. Wider Choice:

For the past twenty years, the growth in online shopping has, to a large extent, been centred on expanded choice. Consumers are not constrained by the availability of specific products in their local town, region, or country as there is an almost endless amount of brands and products to choose from. Items can be found and delivered all over the world. Surprisingly, one recent thesis discovered that consumers are being gradually irritated with e-commerce platforms that have so much variety. In any case, having more alternatives has most certainly been effective in the long run.

Although one Forbes study found that women are more concerned about COVID-19's results, it also found that men are far more likely to see its impact on their shopping habits. Compared to a quarter of women, one-third of men

reported the pandemic affecting how much they spend on products. Additionally, 36% of men, compared to 28% of women, reported it affecting how much they are spending on experiences (travel, restaurants, entertainment, and other expenditures).

The Indian retail market is severely divided between the unorganized sector, which includes about 13.8 million conventional family-run neighbourhood stores and the organized retail sector with a share of less than 10%. The organized sector includes all organized brick & mortar stores and online shopping sites. Despite the growth of India's B2C e-commerce market, most Indians still tend to shop in their local brick-and-mortar stores as they prefer to touch and feel commodities and negotiate offers over the counter before purchasing. In India, the vast majority of B2C eCommerce retailers entice consumers to purchase online by providing incentives such as free shipping, discounts, free returns, buy-one-get-one-free and exchange offers. However, many Indian shoppers, known to be cost-conscious and conservative as a part of their value system, are generally not attracted to making quick decisions based on promotions and advertisements. Moreover, online shoppers, many times, come across problems concerning product delivery timelines and customer support services. Customers' perception of risk toward online web sites is aggravated due to the inferior IT set-up used by several e-tailers, resulting in the hacking of personal information.

Enter the novel coronavirus, which causes dangerously infectious disease, Coronavirus disease (COVID-19), that has infected more than 11.7 crore people worldwide. Since it is transmitted mainly by contact with an infected person (when they cough or sneeze) or through touching a substance that has the virus on it, staying at home is the safest way to protect yourself. The pandemic has thus increased online shopping qualitatively and quantitatively, globally. It has led to a rise in the number of FTUs or first-time-e-commerce-users in India, who had been so far inhibited from shopping online. The SARS outbreak that infected over 2700 people in 2002 has dramatically changed people's shopping habits as they were afraid of shopping outdoors.

On 25 March 2020, Big Basket - a key online grocery player in India, had the following message "We will be back soon! We are currently experiencing unprecedented demand. In light of this, we are restricting access to our website to existing customers only. Please try again in a few hours." The response was so excessive that it caused a system failure due to a surge in demand during COVID-19. "Due to the sudden rush, we have stopped serving

several sites," Grofers – a competitor – said, "but we are working to expand flexibility and will be resuming operations shortly." Amazon, – one of the leading eCommerce players in the country, and the world, has announced on its site that the customers are relying on them like never before in their social distancing and self-quarantine efforts. As a result, Amazon briefly prioritises kitchen staples, prepared food, health care, grooming, personal protection, and other high-priority items over its available fulfilment and logistics capability. It will temporarily stop accepting orders for lower-priority products. Amazon has seen an increase in orders globally as well, and is increasing overtime pay for its associates working in its warehouses during the coronavirus outbreak.

Given the coronavirus epidemic and the government's lockdown, this spike in B2C eCommerce in India is, of course, attributable to current online shoppers stocking up on necessities (to check its spread). Apart from the one who buys online on a daily basis, it can even include two more segments. A considerable chunk of the population that did not shop online, given the inhibiting factors detailed at the beginning of this paper and another chunk that up till now, was either unaware about online shopping or lacked a device or data plan. It would be curious to check – how many customers from these two segments switch to online shopping, even after the coronavirus outbreaks have passed.

IX. Social Impacts of E-Commerce:

1) Potential "de-socialization" of individuals who have fewer and less intimate contact with their family, coworkers, and culture is one of the intangible negative risks of increasingly "internet" connectivity within rural societies. This phenomenon can extend to family relations as well, mainly if technology creates further imbalances between those who are "online" and those without access to these technologies. On the other hand, a more equal distribution of infrastructure and educational services could help to sustain and strengthen family and community relations that would otherwise be shattered by distance and expense.

2) Other issues consider the social and physical consequences of sedentary, computer-based work conditions. Early evidence shows that as this form of job (and social) practise grows in popularity, companies and the government may need to explore a wide range of strategies and therapies to mitigate health risks.

3)E-commerce has the power to change the balance of opportunity, wealth, and social and political integration in the country. While these trends may benefit the majority of rural populations, they are also likely to have unintended consequences in terms of cultural and social norms.Indigenous cultures that have so far resisted modernization could be less robust in the face of global networks and instant contact. These kinds of effects are almost as important as shifts in bottom-line earnings, and they can only be "measured" by the people whose lives are being impacted by factors that are largely beyond their influence.

4) Supporting MSMEs: The advantages of electronic commerce are important to both large enterprises and small businesses. However, in the above case, e-technology commerce and consumer choices may usher in an indubitable revolution in how business structures and relationships are structured. The prospect of establishing new micro, small, and medium enterprises (SMMEs) is greatly enhanced by the efficiencies available through information and communications technologies. A study by Google India showed that 57% of SME's used websites as a sales channel and got direct leads from their websites. According to India's Internet and Mobile Association, 73% of MSME's have their own websites. Notably, 99% of MSME's use online B2B marketplaces to generate business

X. Challenges Faced by E-Tailers

There are several challenges e-tailers will continue to face in the coming years.

1. Scale-up quickly to profitability:

Most of the Indian e-tailers are yet to make money in their ventures due to high customer acquisition costs. The reason behind this being heavy discounting and mass media advertising. There is additional pressure from the investors to bring profitability into the business, making it clear that e-commerce is becoming a game of the last man standing, i.e. the one with the deepest pockets in the long run.

2. Operating in an evolving ecosystem:

E-tailing is increasingly changing the way consumers shop while aligning and upgrading vendors to the e-tailers' requirement. Due to the rise in demand, the challenge for all e-tailers is to work within the constraints of this newly evolving ecosystem while addressing new ways to fulfil the demands, which include making a more comprehensive range of products to providing the fastest deliveries.

3. Differentiation from competitors: Competitors have indulged in providing heavy price discounts to attract a better consumer base. This scenario is increasingly becoming challenging for such 'me too' players to differentiate from others in consumer minds and drive loyalty. One would require one to move beyond the price wars and establish a remarkable USP.

4. Ensure high order fulfilment: Even after tempting a consumer to buy once from a portal without proper delivery of the same order, they only risk losing the customer. At the same time, the consumer can also become an advocate against the E-tailer. Most companies also provide free shipping. The last-mile delivery has been a problem for several e-tailers – some like Flipkart. Irrespective of scale, order fulfilment will remain a critical success factor.

5. Ensure constant evolution It is vital for e-tailers to continuously upgrade their interface and consumer experience based on technological advancements as well as consumer behaviour, expectations and maturity; otherwise, they will risk becoming obsolete in the rapidly evolving online world. E-tailers will continuously and vigilantly need to review and upgrade their security systems to ensure safe shopping at every click.

6. Payment Collection: When getting paid by net banking, one has to give a significant share of revenue (4% or more) even with a thin margin business. What this means is that it effectively means one parting away with almost half of profits. Fraudulent charges, chargebacks and other such hurdles all become the merchant's responsibility and hence to be accounted for in the business model.

7. Logistics: Businesses have to deliver the product, safe and secure, in the hands of the right guy in the right time frame. Regular post does not offer an acceptable service level; couriers have high charges and limited reach. Initially, one might have to take insurance for high value shipped articles increasing the cost.

8. Vendor Management: However advanced the system may be, vendors will have to come down and deal in an inefficient inventory management system. This technical blockage will slow down the process drastically. Most of them will not carry any digital data for their products. No lovely looking photographs, no digital datasheet, no mechanism to check for daily prices, availability to keep one's site updated.

9. Taxation: Octroi, entry tax, VAT and lots of state-specific forms accompany them. All of these laws and customs can be confusing at times, with lots of exceptions and special rules.

10. Excessive pricing in e-commerce markets: Over the short term, excessive pricing is unlikely to be a dominant or extensive issue for e-commerce companies. Few e-commerce operations are currently making any profits, let alone excessive profits. Over the longer term,

however, excessive pricing may become a severe concern for those e-commerce companies that develop dominant positions in their relevant markets.

11. Cybercrime in E-Commerce: Cybercrime is a serious and threatening cause of alarm that consumers have regarding e-commerce. No one wants to become a victim of cybercrime, which is a real hazard to e-commerce. Cybercrime is an e-crime. Cybercrime is a criminal act that involves computers and networks. Cybercrime includes criminal acts such as computer viruses, phishing, and denial of service attacks that cause e-commerce websites to lose revenues. Understanding and defending against cybercrime is critical for companies involved in e-commerce.

XI. Future of Ecommerce

In the present dynamic scenario, the e-commerce market in the B2C space is growing in demand and the array of services.

The increasingly competitive Internet service Provider market is believed to fuel e-commerce growth in India. Specific unique attributes of the E-commerce industry in India, such as cash on delivery mode of payment and direct imports that lower costs considerably, will probably bring about speedy growth in this industry in years to come.

Ecommerce has brought loads of delightful opportunities for everyone, be it Retailer, Wholesaler or Producer.

1. **Opportunity for Retailers:** A retailer can save his existence by linking his business with online distribution. By doing so, they can make available much additional information about various things to the consumers, meet electronic orders and be in touch with the consumers all the time. Therefore, E-Commerce is an excellent opportunity.
2. **Opportunity for Wholesalers/Distributor:** In the world of E-commerce, wholesalers' existence is at the uttermost risk because the producer can easily ignore them and sell their goods to the retailers and the

consumers. Those wholesalers can take advantage of E-Commerce in such a situation, capable of establishing contractors with reputed producers and linking their business online.

3. **Opportunity for Producers:** Producers can take advantage of e-commerce by linking themselves online, by giving better information about their products to the other links in the business chain, and by having a brand identity.

XII. Conclusion

We have analysed the impact of E-commerce on the Indian Economy by analysing various business models and social parameters. We also studied about the various e-commerce business models Indian Companies use. We can also see how Covid-19 pandemic has affected the e-commerce industry and helped it flourish even more.

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