

E-Commerce in India, Transaction to E-Commerce in India

The online business industry is well established in India. And every day, some new players or others drown. Nevertheless, the e-commerce industry is making a significant contribution to its growth. However, many of the complexities involved in the e-commerce industry are not understood.

By definition, e-commerce means e-commerce. Dealing in goods and services through electronic media and the Internet is called e-commerce. E-commerce or e-business involves continuing to work with the help of the Internet and the use of information technology such as EDI. It relates to a website of a vendor that sells or provides services directly from its portal to clients. They use the digital shopping cart system and allow payment by credit card, debit card, or electronic payment to transfer money. The e-commerce industry helps reduce costs in order management while also interacting with a wide range of suppliers and business partners. It also includes any form of business transaction in which the two parties interact electronically instead of physical exchange or direct physical communication.

With the development of technology and increasing consumerism across India, e-commerce has been at the forefront of online business. Today, the total number of Internet users in the world is nearly 3 billion, out of India the total number of Internet and broadband subscribers is 259.14 million. Easily accessing the mobile Internet together with increasing customer confidence to buy online leads the way. For this reason, an increasing number of people are registering on e-commerce sites and buying products through the use of mobile phones.

Concept of E-commerce in India

- **Multi-product e-commerce** - Some e-commerce portals provide almost all categories of goods and services under one roof, targeting customers with all possible products and services. Indian e-commerce portals provide products such as clothing and accessories for men and women, health and beauty products, books, magazines, computers, peripherals, vehicles, collectibles, software, consumer electronics, jewelry, audio / visual entertainment goods, gifts articles, real estate and services, business and opportunities, business, travel tickets, marriage etc.

- **Single-product E-commerce** - auto sector portals that provide buying and selling vehicles, including two wheels, come under this. Stocks and common market locations also offer their services through these types of portals, with options for comparison and research. Other major industries that offer their products and services are real estate, travel and tourism. Besides these, marriage and employment sites are a big hit across India.

Market Size

Driven by high smart phone penetration, 4G launch and increased consumer wealth, the Indian e-commerce market is expected to grow to USD 200 billion by 2026 from USD 38.5 billion in 2017, and online retail sales in India are expected to grow by 31 Percent to touch \$ 32.70 billion in 2018, led by Flipkart, Amazon India, and Paytm Mall.

During the April-June 2019 quarter, smart phone shipments in India grew 9.9 percent year on year to 36.9 million. It is expected to reach 160 million in 2019.

During 2018, electronics is currently the largest contributor to online retail sales in India with 48 percent, followed by clothing with 29 percent.

Investments

Some of the major developments in the Indian e-commerce sector are as follows:

- In August 2019, Amazon acquired a 49 percent stake in a unit from the Future Group.
- Relying on an investment of Rs. 200,000 crore (US \$ 2.86 billion) in telecom business to expand broadband presence, e-commerce and 5G services.
- In September 2019, PhonePe launched a "Switch" platform to provide a comprehensive solution for customers who integrate many other merchant apps.
- In November 2019, Nykaa opened its 55 offline store to mark success in second and third tier cities.
- As of March 2019, Flipkart launched its in-house fund of approximately \$ 60-100 million for investment from the early stage to seed innovations related to the e-commerce industry.

- Paytm launched its bank - Paytm Payment Bank. Paytm is India's first bank with no online transaction fees, no minimum balance requirements and a free virtual debit card
- As of June 2018, Google also plans to enter the e-commerce space by November 2018. India is expected to be its first market.
- Google and Tata Trust teamed up with the Internet Saathi project to improve Internet penetration among rural women in India.

Government initiatives

Since 2014, the government of India has announced various initiatives which are Digital India, Make in India, Start-up India, Skill India and Innovation Fund. The timely implementation of these programs is likely to support the country's e-commerce growth.

The Reserve Bank of India (RBI) has decided to allow "interoperability" between prepaid tools (PPIs) such as digital wallets, prepaid cash coupons and prepaid phone recharge cards.

Technology-enabled innovations such as digital payments, excessive local logistics, and customer engagement driven by analytics and digital advertising are likely to support growth in the sector. With the increase in the number of electronic payment gateways and mobile wallets, by 2020, non-cash transactions are expected to account for 55 percent of online sales. The growth of the e-commerce sector will also boost employment, increase revenue from exports, increase tax collection by former auditors, and provide better products and services to customers in the long run.

Achievements

- India has launched many initiatives such as Udaan, Umang and Startup up India Portal Digital India.
- The government affected about 16 million people in the Internet Saathi project.
- There is a B2B retail marketplace called Udaan that has about sellers in over 80 cities across India.

- According to e-governance, India has jumped more than 11 jobs from 2014-2017.
- Bharat interface was recently introduced by the Indian government for digital payment.

Road Ahead

The e-commerce industry has directly affected small and medium-sized companies (MSME) in India by providing finance, technology and training and has a positive cascading effect on other industries as well. The Indian e-commerce industry has been on a path of upward growth, and is expected to surpass the United States to become the second largest e-commerce market in the world by 2034. Technology has enabled innovations such as digital payments, excessive local logistics, and analytics customers likely to support engagement and ads. Digital growth in this sector. The growth of the e-commerce sector will also boost employment, increase revenue from exports, increase tax collection by former auditors, and provide better products and services to customers in the long run.