

Future of E-commerce in India – 2024

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ABSTRACT:

This Study Investigates The Prospects For E-Commerce In India In 2024. In India, E-Commerce Has Grown Significantly Due To Factors Including Rising Internet Penetration, Smartphone Use, And Shifting Consumer Behaviour. The Paper Looks At India's E-Commerce Situation Right Now. It Also Describes How Omni Channel Systems Are Used For Transactions Via Block Chain, Social Media Composition, And Fifth-Generation Network Communication. All Parties Involved In Commerce, Including Those In The Public And Private Sectors, Internal And External Trade, Supply Chain Organisations, And Consumers, Will Undoubtedly Benefit From This Study's Understanding Of The Emergence Of The Era Of Omni Channel Systems In The Fifth Industrial Revolution (5IR), As Well As Its Prospects And Anticipated Challenges. The Study Looks At How E-Commerce Is Doing In India Right Now, Highlights Important Trends, Talks About Potential And Problems, And Offers Predictions For The Sector's Future. The Study's Foundation Is A Thorough Examination Of Scholarly Works, Business Publications, And Professional Judgments.

KEYWORDS: E-Commerce, E-Commerce Trends, Consumer Behaviour, Rural E-Commerce, Technology Adoption, Mobile Commerce, Omni Channel, Drop Shipping Business Model, 5IR, Pandemic, Supply Chain.

1- INTRODUCTION:

E-commerce is the process of purchasing and selling goods and services online with the primary goal of making money; as a result, money and data are transferred to complete the sale. It's Also Known as Internet or Electronic Commerce. These Days, Most E-Commerce Questions Centre Around Which Are RESthe Easiest And Most Reliable Ways To Conduct Online Business. We Can See A Bright Future With The Use Of Software In Commerce At The Heart Of Every Business Today. India's E-Commerce Growth Is Due To A Number Of Reasons. The growth of e-commerce has been made possible in large part by expanding Internet connectivity, the affordability of smartphones, and the government's Digital India initiative. Indian consumers have responded favourably to the accessibility and convenience of online shopping, which has resulted in a surge in the adoption of e-commerce. Additionally, because of lockdowns and social distancing measures, the COVID-19 pandemic acted as a catalyst, accelerating the shift towards online shopping. Globally, including in India, the rise of e-commerce has changed the retail landscape. The Internet's and technology's rapid advancements have completely changed how people do business throughout the world. With the emergence of notable players and the growing popularity of online shopping among consumers, the Indian e-commerce market has expanded quickly over the past ten years.

2- RESEARCH OBJECTIVE:

The objective of this study is to examine and forecast the state of e-commerce in India in 2024. The goals are to evaluate the state of e-commerce as it is at the moment, identify important trends, look at opportunities and challenges, and offer a forward-looking viewpoint.

3- METHODOLOGY:

This research paper is based on a detailed examination of scholarly works, industry reports, and expert opinions. In order to get information, secondary research methods were used, such as reviewing scholarly articles, reports from reliable sources, and expert opinions from important industry players.

The methods used in commerce are always changing along with it. These Are The Most Traditionally.

Kinds Of Ecommerce Models:

- 1) Business To Consumer (B2C): The most common e-commerce model among others is business-to-consumer (B2C) e-commerce. Business To The Customer suggests that a transaction is happening between a business and a customer, much like when you purchase a shirt from an online retailer.
- 2) Business To Business (B2B): From Business to Business E-commerce isn't focused on the consumer and usually involves products like software, raw materials, or combined goods. Through B2B e-commerce, manufacturers also sell to retailers. Businesses that sell goods or services to other businesses, such as manufacturers and wholesalers, retailers and wholesalers, or the other way around, are referred to as engaging in business-to-business (B2B) e-commerce.
- 3) Direct To Consumer (D2C): The newest type of e-commerce is direct-to-consumer e-commerce. Direct-to-consumer salespeople do not inquire about the retailer, distributor, or wholesaler before making a sale. Subscriptions are a popular direct-to-consumer product, and social selling through websites like Instagram, Pinterest, Facebook, SnapChat, and others is a popular strategy.
- 4) Consumer To Consumer (C2C): Selling Products or Services to Different Customers is referred to as C2C Ecommerce. Sales From Consumer To Consumer Take Place on Websites Like OLX, Ebay, Etsy, Etc.
- 5) Consumer To Business (C2B): When a customer writes a review or offers a helpful suggestion for a new product, that customer is adding value to the business if the company takes it up. When A Customer Sells His Goods Or Services To A Business, It's Called Consumer To Business.

TECHNIQUES OF E-COMMERCE:

Everyone Can Take Pleasure in It, Including Independent Contractors, Small Businesses, and the Most Important Corporations

the ability to profitably sell their goods and services online.

A) Retail: The Sale of Goods Directly To A Customer.

B) Drop shipping: This is a novel approach to retail sales in which products are sold without being held on hand. After they buy the item from a third party, it is delivered straight to the customer. The vendor is not required to handle the merchandise directly because to its unique technique. A Fantastic Business Model For Future Entrepreneurs Is Drop shipping.

C) Digital Products: Downloadable items that require payment in order to use, such as media, software, courses, e-books, templates, or other items. Purchasing software, tools, cloud-based products, or digital assets makes up a disproportionate amount of e-commerce transactions.

D) Wholesale: Goods are Purchased and Sold in Large Quantities at Wholesale. Typically, wholesale goods are sold to many retailers or agents, who subsequently resell the goods to end users.

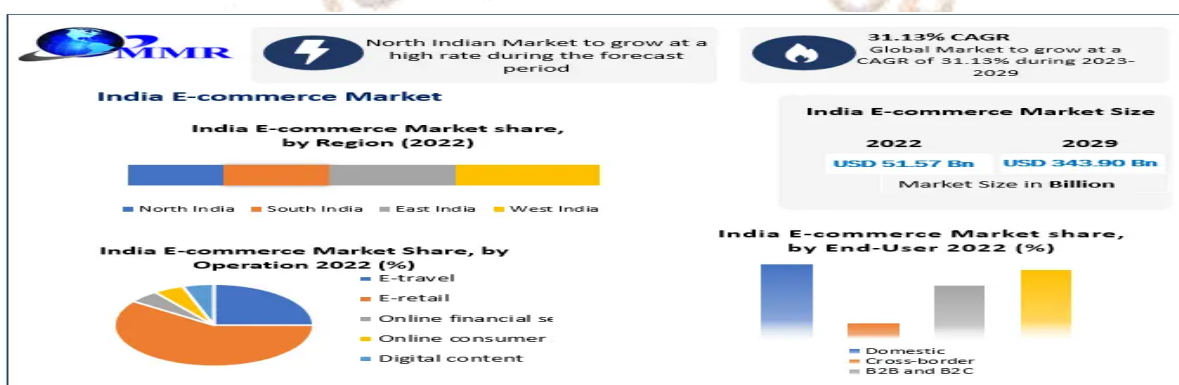
E) Services: These are online-purchased and acquired skills such as writing, coaching, influencer marketing, and so on.

F) Subscription: This well-liked direct-to-consumer business model involves daily recurring purchases of goods and services.

G) Crowd funding: This method helps sellers raise the first capital needed to launch their products. The item is then created and shipped once customers have made a purchase. It's nearly unthinkable nowadays for a corporation to not use digital space to boost sales and profits.

India's E-Commerce Market is Said To Expand At A CAGR Of 31.13 Percent From 2023 To 2029 To Reach USD 343.90 Billion. The Market Was Valued At USD 51.57 Billion In 2022.

Overview of the Indian E-Commerce Market In the last several years, India's e-commerce market has expanded remarkably. The Way People Shop and Conduct Business Is Changing. India's enormous population, rising internet penetration, and thriving digital ecosystem have made it one of the world's most dynamic e-commerce markets. The nation is now the eighth-largest e-commerce market, ahead of Canada and trailing France. After the US and China, the nation had the third-largest online shopper base in FY21 with 150 million users. Many commercial segments, including business-to-business (B2B), direct-to-consumer (D2C), consumer-to-consumer (C2C), and consumer-to-business (C2B), have opened up in India thanks to the country's e-commerce sector. The research indicates that throughout the forecast period, the India B2B E-Commerce Market is expected to grow rapidly. In 2022, the D2C e-commerce market in India had a significant portion of the country's e-commerce market and is predicted to continue growing quickly.



Dynamics of the Indian E-Commerce Market

Regulatory support is playing a major role in streamlining e-commerce operations, thanks to government initiatives driving the Indian e-commerce market. The Indian government has launched several initiatives, including the Digital India, Make In India, Start-Up, Skill India, and Innovation Fund programmes. It is anticipated that the timely and efficient implementation of these programmes would support the expansion of e-commerce in the nation during the course of the forecast period. The Digital India Initiative, which promotes online shopping, has increased the use of e-commerce. Transparency and trust between consumers and businesses are fostered by the many e-commerce policies and guidelines introduced by the government that address a number of aspects, including FDI (foreign direct investment), consumer protection, data privacy, and marketplace conduct.

The Department for Promotion of Industry and Internal Trade (DPIIT) is reportedly planning to use the Open Network for Digital Commerce (ONDC) to set protocols for cataloguing, vendor discovery, and price discovery in order to systematise the onboarding process of retailers on e-commerce platforms. These are some of the initiatives taken by the government to promote e-commerce in India. The Government E-Marketplace (Gem), an online platform for public procurement in India, served 12.28 million orders worth US\$ 40.97 billion as of November 2022.

To systematize the onboarding of merchants on e-commerce platforms, the Department for Promotion of Industry and Internal Trade (DPIIT) allegedly intends to employ the Open Network for Digital Commerce (ONDC) to create protocols for vendor search, pricing discovery, and cataloguing. These are a few of the steps the government has done to encourage online shopping in India. As of November 2022, the Government E-Marketplace (Gem), an online platform for public procurement in India, had fulfilled 12.28 million orders valued at US\$ 40.97 billion.

- The government's significant investments in the 5G fibre network rollout are anticipated to support the growth of e-commerce in India.

- To encourage more foreign players to participate in e-commerce, the Indian government raised the maximum allowable foreign direct investment (FDI) in B2B marketplace models to 100%.

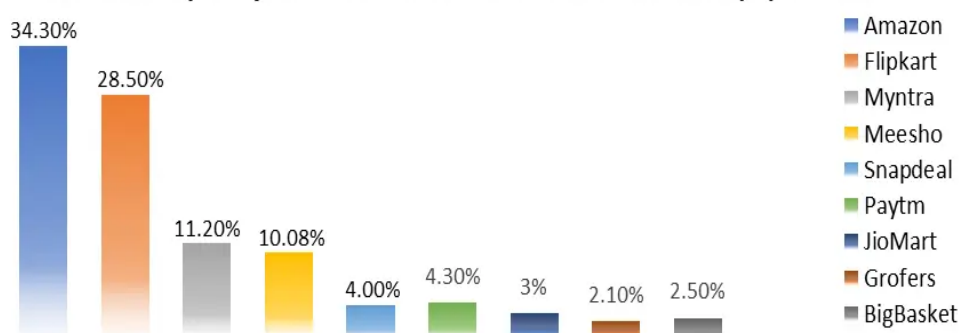
Opportunities Are Being Created For The India E-Commerce Market By Growing Investments from a Range of Sources, Including Foreign Direct Investment (FDI), Private Equity Firms, and Venture Capitalists, Are Vital To The Development Of India's E-Commerce Market. By heavily investing in user interface (UI) and user experience (UX) design, personalized recommendations, responsive customer support, and seamless navigation, investments are assisting e-commerce platforms in improving their customer experience. Increased Customer Loyalty and Retention Are the Results of This. E-commerce companies are being able to diversify their product offerings due to the rise in investments. Consumer Choices Are Broadened Through This Diversification, Which Incorporates The Creation Of New Categories, Exclusive Merchandise, And Partnerships With Domestic And Foreign Brands. It is anticipated that increasing funding for branding and marketing initiatives related to Indian e-commerce through investments will raise brand awareness and draw in new clients.

Several investment examples include: • In 2021, the Indian e-commerce sector received USD 1.2 billion in PE/VC investments, a 5.4-fold increase from the previous year.

- In September 2021, CARS24, a prominent used car e-commerce platform in India, secured USD 450 million in funding from multiple financial institutions, consisting of a US\$ 340 million Series F Equity Round and US\$ 110 million in debt.
- In September 2021, Sequoia Capital India led a Series A Funding Round led by Bikayi, a Mobile Commerce Enabler, which raised US\$10.8 million.
- In 2022, Xpressbees, an e-commerce platform for logistics, became into a unicorn valued at USD 1.2 billion. Additionally, the company raised \$300 million for its Series F funding.

Competitive Landscape of the Indian E-Commerce Market: The research indicates that the Indian E-Commerce Market is expected to be highly competitive over the forecast period. This Can Be Ascribed To The Growing Number Of Companies Entering The Market And The Growing Demand For E-Commerce In India. Price, selection, convenience, and customer service are just a few of the factors that make Indian e-commerce companies competitive.

Share of Top Players in the India E-commerce Market (%) in 2022



September 2021 saw the launch of Amazon's Prime Video channels in India. These channels give its users access to a variety of well-known video streaming services and a seamless user experience. In February 2022, the company also opened its One District One Product (ODOP) Bazaar on its platform to assist SMEs. In February 2022, Flipkart introduced its "Sell Back Programme" to facilitate the exchange of smartphones. Additionally, the company expanded to 1,800 Indian cities with its grocery services.

End-user-based segmentation analysis of the Indian e-commerce market Throughout the forecast period, a strong compound annual growth rate (CAGR) is anticipated for the Internet service providers segment. In India, the number of people using the internet is increasing at an exponential rate. Nowadays, almost all homes, businesses, and individuals have access to the internet. Numerous massive public and private telecom companies have emerged in India, each providing specialised internet solutions. Internet service providers in India have a long history of offering their clients high-quality internet services that fit their needs and budgets. Throughout the contract cycle, the Internet and WWW offer the chance to increase e-commerce activity. Enabling new providers to serve new clients electronically. On the WWW, transactions between businesses and consumers are possible. These Are The Main Elements Driving This Segment's Growth.

According to the operation, by 2029 the E-Retail segment is anticipated to hold the largest share of the India E-Commerce market. E-retail sales in India are predicted to increase by 32% over the forecast period, led by Paytm Mall, Flipkart, and Amazon India. The most popular online shopping category is electronics, with a 48% stake, followed by clothes, with a 29% share. The Practice of Selling Retail Items Online is Known as Electronic Tailing, or E-Retailing. Customers can purchase goods or services directly from a seller online by using a web browser through e-retailing. Consumers Shop Online by Evaluating Various Websites' Prices, Product Descriptions, and Other Features They Look Up Products Via Online Stores Or Other Electronic Retailers. These are the main factors propelling this segment's growth.

CHALLENGES AND OPPORTUNITIES

Even if e-commerce in India seems to have a bright future, there are several issues that need to be resolved. Careful attention is needed to the regulatory environment, which includes consumer protection and data privacy, in order to ensure fairness and build trust. The main obstacles that must be overcome include strengthening cyber security measures, enhancing last-mile delivery capabilities, and developing a robust payment infrastructure. But these difficulties also offer chances for creativity and cooperation between stakeholders, which will propel the expansion of e-commerce in India.

1. Overseeing Supply Chains

The Central and State Governments' Imposition of Lockdowns as a Means of Controlling the Pandemic Has Completely Upended the Global Supply Chain Management Market. The US, Europe, and China are among the hub regions of the Global Value Chains (GVC) where the pandemic has had a significant impact. China's Industrial Production Dropped Between 25% and 30% During the Pandemic's 9 Months. China Is Not The Only Nation Affected: An Analysis of Production Activity in All of GVC's Member Countries Shows Significant Declines in the Production of Goods.

What Actions Might Be Taken?

We Need to Explore Alternative Supply Chain Solutions. To maintain the e-commerce operations, conduct research and locate additional suppliers in developing nations. The list of the top goods and products imported from China is provided below. At this point, we need to identify a different nation that can provide the goods to the company:

- With regard to optical, medical, and surgical instruments, India, Brazil, and Colombia are able to serve the entire world.
- We Can Handle Auto Spare Parts In India, Colombia, And Chile.
- Brazil And Canada Can Fulfil The Needs And Wants In The Clothing & Accessories Sector
- You can rely on Mexico for furniture and parts; you can rely on Brazil and Japan for electrical machinery and equipment.

In summary

Future Software Development Is Driven By E-Commerce Systems. Through the provision of technology, training, and financing, the Indian e-commerce industry has had a direct impact on SMEs, and this has had a positive knock-on effect on other industries as well. By 2030, the Indian e-commerce market, which has been growing at an exponential rate, is predicted to overtake the US market and take the second place in the world. As a Software-Intensive System, Considering The Fifth Industrial Revolution's Design Principles, Specifically Interconnection, Information Transparency, Technical Supporting Systems, And Decentralized Decision Making, E-commerce systems improve international trade services and are essential to the evolution of human labour. It is anticipated that the Indian electronic retail industry would surpass 280-320 million shoppers during the next four years.

In 2024, e-commerce in India is expected to experience more expansion and change. The industry is anticipated to be shaped by m-commerce, social commerce, Omni channel strategies, AI-driven technologies, and rural e-commerce. E-commerce in India appears to have a bright future as the sector is being shaped by transformative trends and ongoing growth. In order for e-commerce to reach its full potential, it is essential to address regulatory issues, strengthen the payment infrastructure, improve logistics, ensure trust and security, and invest in a skilled workforce. For e-commerce to succeed over the long term, it will be essential to overcome obstacles pertaining to trust, skilled labor, last-mile delivery, payment infrastructure, and regulations. India's E-Commerce Has A Lot Of Promise For The Future. The e-commerce landscape is poised for further growth due to the ongoing expansion of internet connectivity, the use of smartphones, and shifting consumer behavior. Industry Participants, Policymakers, And Other Stakeholders Must Work Together To Address Issues And Capitalize On Emerging Trends And Opportunities In Order To Realize This Potential. It's Clear That The Digital Revolution Will Continue To Change How Indians Shop, Connect, And Transact As We Look More Into The Future Of E-Commerce In India.

CONCLUSION

The Future Of E-Commerce In India In 2024 Is Poised For Continued Growth And Transformation. M-Commerce, Social Commerce, AI-Driven Technologies, Omni channel Strategies, And Rural E-Commerce Are Expected To Shape The Industry. The Future Of E-Commerce In India Looks Promising, With Continued Growth And Transformative Trends Shaping The Industry. To Unlock The Full Potential Of E-Commerce, Addressing Regulatory Challenges, Strengthening Payment Infrastructure, Improving Logistics, Ensuring Trust And Security, And Investing In A Skilled Workforce Are Imperative. Overcoming Challenges Related To Regulation, Payment Infrastructure, Last-Mile Delivery, Trust, And Skilled Workforce Will Be Crucial For E-Commerce's Sustained Success. The Future Of E-Commerce In India In Holds Immense Potential. With The Continued Expansion Of Internet Connectivity, Smartphone Adoption, And Changing Consumer Behaviour, The E-Commerce Landscape Is Poised For Further Growth. To Harness This Potential, Industry Players, Policymakers, And Other Stakeholders Need To Collaborate And Address Challenges While Capitalizing On Emerging Trends And Opportunities. As We Delve Deeper Into The Future Of E-Commerce In India, It Becomes Evident That The Digital Revolution Will Continue To Reshape The Way Indians Shop, Connect, And Transact.

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