The Growth of E-Commerce Industry in India

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Abstract— With the increase in awareness about the benefits of online trading, there has been a significant rise in investment in E-Commerce business. Hand in hand with offline trading, many established business houses have setup online transaction channels. Online retailing is the 'in-thing' in today's commerce. Every other day a new company is being set in the online retail segment. Specialization and customization are the underlining features of online trading. E-Commerce companies are specializing in exclusive items and have consciously moved away from the 'one for all' concept. Every new company is focusing on a definite item or targeting a particular demographic segment. So instead of addressing universally, it is better to concentrate on a single area and execute it to your best ability. Consumers prefer this kind of preferential treatment and personalized attention. India, being a land full of diversity offers ample scope for new companies to join in this E-Commerce business trade. Business opportunities are limitless considering the innumerable clothing, food, and cultural habits of Indian communities Electronic commerce is a powerful concept and process that has fundamentally changed the current of human life. Electronic commerce is one of the main criteria of revolution of Information Technology and communication in the field of economy. This style of trading due to the enormous benefits for human has spread rapidly. Certainly can be claimed that electronic commerce is cancelled many of the limitations of traditional business. For example, form and appearance of traditional business has fundamentally changed. These changes are basis for any decision in the economy. Existence of virtual markets, passages and stores that have not occupy any physical space, allowing access and circulation in these markets for a moment and anywhere in the world without leaving home is possible. Select and order goods that are placed in virtual shop windows at unspecified parts of the world and also are advertising on virtual networks and payment is provided through electronic services, all of these options have been caused that electronic commerce is considered the miracle of our century.

Key words: E-Commerce, Internet, FDI, GST, ASSOCHAM, M-Commerce

I. INTRODUCTION

The development of a communication infrastructure in the form of internet and related developments in information, publishing and web technologies have propelled us towards a new economic era. The new economy driven by the internet is also known as Digital Economy.

The cost availability of the product, price information and delivery are important factors that influence economic behavior. In a digital economy, product and price information can be readily accessed from providers across the globe, enabling the cross comparison of various product attributes and prices. Fully developed digital economy will enable people to transact across the geographical borders leading to online fulfillment of consumer needs and payment for services and products. It is envisaged that the online needs of consumer are going to rise. This in turn will lead to the creation of many new products, and new businesses and services accompanied by growing employment.

II. HISTORY OF E-COMMERCE

The beginnings of e-commerce can be traced to the 1960s, when Amazon businesses started using Electronic Data Interchange (EDI) to share business documents with other companies. In 1979, the American National Standards Institute developed ASC X12 as a universal standard for businesses to share documents through electronic networks. After the number of individual users sharing electronic documents with each other grew in the 1980s, in the 1990s the rise of eBay and Amazon revolutionized the e-commerce industry. Consumers can now purchase endless amounts of items online, both from typical brick and mortar stores with e-commerce capabilities and one another.

III. E-COMMERCE INDUSTRY IN INDIA

Even though e-commerce is rampant in the country today, a sizable population of the country is not aware that the concept was first introduce in India in the late 1990's , that Rediff had been trying to capture the Indian market since the year 1999 and that IRCTC was the first company to create a successful e-commerce portal. In other words, e-commerce was introduced in India by Rediff when it added online shopping to its portal.

3 to 4 months after Rediff, Indiatimes entered in the E-commerce, however, none of the two companies were able to extensively convince the country to shop online.

The product based e-commerce started in India taking shape only with Flipkart that entered in 2007. Their deep discount model and excellent customer service made a lasting impression on Indian online customers. It offers exciting payment options such as COD, credit/debit card transactions, net banking etc.

Makemytrip.com started its Indian operations in September 2005 by offering online flight tickets to travelers. Amazon launched its site in India in the year 2013. It started with electronic goods & now has expanded into fashion apparel, beauty, home essentials and health care categories.

IV. GROWTH IN INDIA

According to reports published by International Monetary Fund (IMF) and Central Statistics Office (CSO), India is among the fastest growing economies of the world. Among several factors, a conscious patronization of online commerce, and an emergence of retail as a dominant market segment have contributed to the unprecedented growth of E-Commerce in India. For the financial year 2016-17, E-Commerce sales reached the US $16 billion with a projection of a seven fold growth within the next two fiscals as estimated

by Morgan Stanley. By 2020 online commerce sales is expected to cross $120 billion.

The three principal driving factors for this growth in E-Commerce sector of India are:

1) Participation of niche companies in online trading
2) Unmatched FDI (foreign direct investment)
3) Uniform GST (Goods and Services Tax)

V. ROLE OF FDI

Foreign direct investments (FDIs) till lately was not allowed in E-Commerce for the single brand or multi-brand retail companies. It was only allowed for B2B businesses. Now, FDI is allowed in cases of wholesale trading or in cases where involvement is limited to use of technology platform. The ever-expanding Indian E-Commerce market has attracted companies from Europe and United States who are joining as conglomerates.

Though FDI has been successful in lending variety to online market of India, their full participation is limited by government laws.

VI. IMPLEMENTATION OF GST

A uniform taxation structure, which GST (Goods and Services Tax) purports to achieve would contribute to the success of E-Commerce business in India. Online business is carried out pan-India, and a uniform tax structure makes calculations easier and uniform. Same tax for same product or service across Indian Territory would certainly help in maintaining price uniformity. For online business operators, differential tax structure was a deterrent.

E-commerce continues to grow with new technologies, innovations, and thousands of businesses entering the online market each year. The security, convenience and user experience of e-Commerce has improved a lot since its inception in 1999 by Rediff.com

The e-commerce has transformed the way business is done in India. The Indian e-commerce industry has been on an upward growth trajectory and is expected to grow at a Compound Annual Growth Rate (CAGR) of 28 per cent from 2016-20 to touch US$ 63.7 billion by 2020 and overtake the US by 2034.The sector reached US$ 14.5 billion in 2016.

Much growth of the industry has been triggered by increasing 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 (59 per cent of total population), from 373 million (28 per cent of population) in 2016, while total number of networked devices in the country are expected to grow to two billion by 2021, from 1.4 billion in 2016.

The number of Internet users in India is estimated at 465 million as of June 2017, approximately 23 per cent in the last decade.

Urban India with an estimated population of 444 million already has 269 million people (60 per cent) using the Internet.

Rural India, with an estimated population of 906 million as per 2011 census, has only 163 million (17 per cent) Internet users.

77 per cent of urban users and 92 per cent of rural users consider mobile as the primary device for accessing the internet, largely driven by availability and affordability of smart phones.

In Urban India, the Internet user base grew by 7 per cent to 263 million for year-on-year period ended October 2016, which is estimated at 285 million as of June 2017

For the same annual period ending October 2016, rural India's internet user base grew by 22 per cent between to 157 million and is estimated to be at 180 million as of June 2017.

Internet users in India are expected to increase from 391.50 million at the end of 2016 to 70 million by 2020.

A couple of years back, cash on delivery was over 60% of e-commerce sales which has now come down to maybe 55-60%. Secondly, if you look at UPI and digital wallets, their share has increased to 4-7%. A couple of years back, that number used to be just about a percent or two."

In 2017, 82% of shopping queries were made through mobile devices, compared to 76% in 2016, added the study, indicating the increasing mobile transactions. The survey highlights that 28 per cent of regular shoppers are in 18-25 age group, 42% in 26-35, 28% in 36-45 and 2% in the age group of 45-60. While 65% of online shoppers are male, 35% are female. As per a study, there would be more than a seven to ten fold increase in revenue generated through e-commerce as compared to last year with all branded apparel, accessories, jewellery, gifts and footwear available at cheaper rates and delivered at the doorstep.
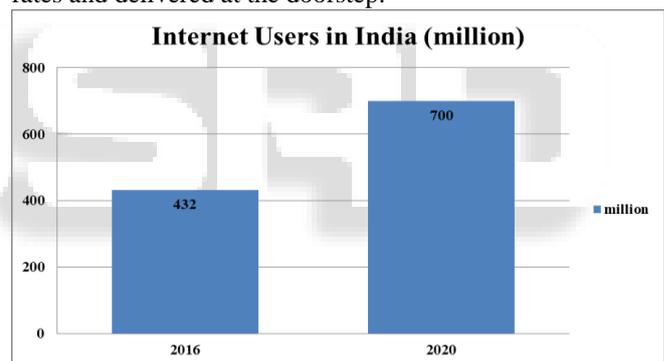

Fig. 1:

Defining moments that transformed e-commerce in India in 2017.

Led by the 10-year-old Flipkart and its rival Amazon India, the e-commerce ecosystem has seen some major transformations in 2017. There were more investment rounds, some unicorns lost their magic, more foreign players charmed their way into the country's ecosystem, and the industry witnessed a major turning point.

1) Flipkart stays ahead of Amazon in the market share war: As the e-commerce battle grew fiercer, home-grown player Flipkart established its leadership over US-based mammoth Amazon. To fight its enemy's thick wallet, Flipkart raised around $4 billion this year from eBay, Microsoft, Tencent and SoftBank.

Its market share in all prominent categories – electronics, mobile phones, fashion – beats its rival's. In fact, after their annual flagship event Big Billion Days sale, CEO Kalyan Krishnamoorthy claimed that Flipkart had over 70 percent market share in fashion, mobile phones and appliances.

Flipkart also emerged as the leader in the festive season sales with a market share of 58 percent versus Amazon's 26 percent, according to a report by research and advisory firm RedSeer Consulting. (Flipkart's market share includes Myntra's and Jabong's sales numbers.) Flipkart also claimed that its Gross Merchandise Value (GMV) during the sale doubled over last year's BBD.

As part of its initiatives to support sellers, Flipkart Global was launched to allow its sellers to export their products to over 190 countries. The initiative lets more than 1,00,000 sellers export their products. The products will be sold through eBay India, which Flipkart bought in April. Flipkart also announced cuts across fixed fees, collection fees, and shipping fees.

The company claims it is the marketplace that costs a seller the least money to sell a product, and that sellers have seen a 20–25 percent increase in sales after they reduced prices.

To please the customer with faster deliveries, Flipkart launched an Express Programme, which helps sellers mark all orders ready to dispatch, within two hours of receiving it.

On the category sides, Flipkart also launched its private label in fashion, large appliances, and furniture – all expected to give a boost to its efforts towards profitability.

2) The collapse of an e-commerce unicorn – the Snapdeal blunder

Despite spending Rs 200 crore on rebranding in September 2016, Snapdeal was not able to beat its arch rivals Flipkart and Amazon in the festive season sale in October last year. This was only a sign of its impending downfall.

At its best, Snapdeal's GMV was at Rs 1,500 crore; it was down to Rs 300 crore a month by early 2017. The Gurgaon-based company's largest investor, SoftBank, wrote off $475 million from Snapdeal and their other large investment in cab aggregator platform Ola in February. This was around the time when Snapdeal shut down its c2c platform Shopo.

A couple of months into 2017, Snapdeal started talks with Flipkart for a merger. After months of discussions, the deal fell through in late July as both sides failed to reach a mutual agreement on valuation and other conditions. Finally, Snapdeal 2.0 was announced, with the aim of being profitable.

Snapdeal's fall was long coming. Busy building too many warehouses and burning cash, Snapdeal never built any category as their USP like Flipkart did with fashion and electronics, and Amazon with Prime and Pantry. Snapdeal Gold —the free service that needs no registration—followed the launch of Amazon Prime, which charges Rs 499 annually. Under this offer, the customer can get next-day free delivery in select areas, and standard free delivery everywhere else for pre-paid orders. Also, returns can be made in 14 days instead of the usual seven days. Yet it failed to make waves compared to Amazon Prime's. (Amazon claims that one in every three orders placed on its platform is from Prime customers, despite being a paid service.)

3) Amazon India reinvents itself:

In September, Amazon inaugurated its fifth Fulfilment Centre in Telangana – with 400,000 sq ft FC, and close to 2.1 million cubic ft of storage space. The centre is the largest in India.

The American retail behemoth had already invested $5 billion in India, in addition to the $260 million earlier this year. In October, Amazon Inc. invested another $250 million (Rs 1,620 crore) into Amazon India.

A few months ago, they launched the Amazon Global Selling Programme through which sellers on its platform get access to a slew of services through Amazon — third-party service providers who help out with all aspects of setting up an export business, fulfilment service so that merchants do not have to set up their own warehouses, cataloguing and photography services, and international logistics service providers.

Amazon offers direct access to retail customers across 10 countries like Canada, France, Japan, the UK, and the US. Amazon has also built the Service Partner Network (SPN) to help sellers in listing, cataloguing, running ads, logistics and warehousing, accounts and reconciliation.

This was also the year when Amazon India went all out in healing its Achilles heel – the fashion category, which provides the largest margins in e-tail. During the festive season's Great Indian Sale, apparel was the single largest category on the platform, ahead of mobile phones, the traditional top seller. Fashion was also the second largest category for new customer acquisition during the sale.

Amazon India introduced brands like GAP and Rheson exclusively on its platform, and entered into partnerships with Indian designers including Tarun Tahiliani and Manish Arora in sharp contrast to what's happening with its parent site in US where top design houses have stayed away as it is still seen as a mass retail platform.

Earlier this year, Amazon got government approval to invest $500 million in food retail in India. This is expected to boost its grocery business.

4) The launch of Paytm Mall and Alibaba's entry

Riding high on the wave of demonetisation, digital payments company Paytm launched its e-commerce arm Paytm Mall in February 2017.

Paytm Mall stands out, in contrast to Flipkart and Amazon India, due to its omni-channel business model through which they connect customers to offline retailers around them. Paytm Mall provides a QR code-based platform through which offline stores can put up their inventory online. The QR codes, different from the wallet QR codes, are installed within stores too and a customer can place an online order for a product that is out of stock in that store with the code. This O2O model is still at a nascent stage but could give the Paytm-Alibaba combine much-needed differentiation.

Backed by Alibaba's $200 million investment, Paytm Mall reportedly invested Rs 1,000 crore for advertising and marketing during the festive shopping period, and even claims to have hit their annual target of $4 billion during the Diwali sale.But Paytm Mall, valued at more than $1 billion, has a back story.

In 2015, the Chinese e-commerce giant Alibaba entered the Indian e-commerce market through two investments, in Snapdeal and Paytm. Its Snapdeal investment has not given any positive results. Paytm, on the other hand, is now Alibaba's route of entering India. In June, it also

acquired majority stake in Chennai-based ticketing platform TicketNew.

Besides, Paytm Mall's reported investment in online grocery market leader BigBasket is believed to be Alibaba's India plans routed through the horizontal marketplace. This could be the biggest challenge they can pose against Flipkart, which is all set to launch its own grocery business.

5) Online grocery market sees unprecedented growth

The grocery category, where customers have high expectations in terms of speed, quality and convenience, gives horizontal e-commerce players a chance to completely convert sceptical online shoppers. Till now, Bangalore-based BigBasket was the undisputed market leader. However, but 2017 saw them facing serious competition from Amazon, and it won't be long before Flipkart enters the fray.

This year, Amazon made some headway in the non-perishable grocery category through Amazon Pantry, now available in around 30 cities. Through Amazon Now the company does in-two-hours delivery of groceries, including perishables, in Bengaluru, Delhi-NCR, Mumbai and Hyderabad through partnerships with Bigbazaar, Spar, Hypercity and other supermarkets.

The retail industry in India was pegged at $640 billion in 2016, with grocery and food retail accounting for more than half of this. Last month, Flipkart started grocery segment for customers in Bengaluru as part of its soft launch. The company made the service available only to its employees, under the tag Supermart.

Alibaba can clearly build up a strong presence in grocery through its impending investment in BigBasket, which now services over 20 cities. In the beginning of the year, BigBasket had claimed to be registering 50,000 daily orders on an average.

Alibaba got into the grocery space in China in 2015 and operates 13 Hema supermarkets now. At Hema, customers can scan bar-coded grocery products for further details, place orders within the store on their mobile phones, and pay through Alipay. The order gets delivered to their homes if they live within a 3km radius of the stores. It will be interesting to see what parts of its experience in grocery retail in China, Alibaba will replicate in India.

6) E-commerce observes overall growth

The Indian e-tail industry's growth rate came down drastically in 2016. After growing at 180 percent in 2015, the industry grew at only 12 percent last year, and is estimated to be growing at 20 percent this year, according to RedSeer Consulting.

There is no comparison with China, the largest e-commerce market in the world at more than $1.1 trillion. Alibaba's Double 11 sale this year generated $25 billion in 24 hours. But, a RedSeer Consulting study says e-tailers in India achieved the highest-ever monthly sales - $3.2 billion - over the course of the festival month from September 20 to October 19, 2017. Flipkart had claimed that their sales doubled from last year's during the period.

The average annual e-commerce spending per consumer in China is forecast to cross $1,800 (around Rs 1.17 lakh) this year, according to data from iResearch Consulting Group; for India, this number is between $120 and $140 (Rs 7,800 to Rs 9,000), according to RedSeer Consulting.

For a country with more than 400 million internet users, India still has a long way to go in e-commerce. With the entry of Reliance Jio, the number of internet users and online shoppers has increased already. If reports are true, Reliance also has plans to launch an e-commerce platform soon. The e-commerce market is, in short, getting larger every day.

Fig. 2:

Source: CSO 2017-18

This statistic provides the retail e-commerce volume in India from 2016 to 2022. In 2016, the sale of physical goods via digital channels in India amounted to 16.07 billion U.S. dollars in revenues.

VII. FUTURE OF E-COMMERCE IN INDIA

Talking about the near future, according to a study by ASSOCHAM, the number of consumers buying online is expected to cross the milestone of 100 million in the year 2017 and is likely to jump by 65% in the year 2018. The number of consumers buying online in the year 2016 was 69 million in India.

Future of this sector will be deciphered by the law of 'survival of the fittest'. In the longer run, the e-commerce giants will have to fight each other for their share of the market at every level. One important aspect for consideration in future would be the 'Innovation' on the part of e-commerce businesses. It would be really difficult for new businesses in future to capture larger chunks of the market against giants such as Flipkart, Amazon or Snapdeal unless they bring out the power of innovation and build something which is unique and basically a breakthrough in traditional e-commerce setup. The future of e-commerce in India seems bright and the growth is on the charts!

Though over 70 per cent of the over 90-million-strong online shoppers are influenced by the information they glean from the Net, only 16 per cent of them actually end up buying online.

It can be noted that the online shoppers' population has crossed the 90-million-mark this year in the country, a growth of over eight times from 2013 when online shopping began to take roots here, says a BCG report.

What is more interesting is that while 43 per cent of new car-buyers in cities select the model they want through online, but buy from a dealer.

The same is the case with most other items, especially mobiles and large appliances as 40-50 per cent purchases of mobiles and major appliances by urban consumers are made online and offline.

But where online platforms for a category are well established, consumers use purely online pathways. For example, only 10 per cent transactions for hotel rooms and airline tickets are done offline now, says the survey.

When it comes to apparel, however, 32 per cent are willing to buy accessories online unseen, but only 22 per cent will buys shoes online. The other 78 per cent still go to a store to see the new styles and try them on.

Frequent online shoppers are also 3.5 times more likely to follow a purely online pathway for purchases as they are willing to buy big-ticket items online, as well-11 per cent have bought major appliances, mobile phones, or furniture online compared to 1 per cent of occasional online shoppers.

The E-Commerce industry in India is estimated to grow at a compounded annual growth rate of 30% to $200 billion by 2026 in terms of gross merchandise value (GMV), according to a recent report by Morgan Stanley. GMV is the total value of goods sold.

VIII. OBJECTIVES OF THE STUDY

The study is focused on the achievement of following objectives:
- To assess the latest trend in e-commerce.
- To study the impact of growth of e-commerce on overall economy.
- To analyze the latest scenario of e-commerce.
- To know what is future of E-Commerce in India.

The digital commerce market in the country is expected to cross $50 billion in value by the end of 2018 from the current level of $38.5 billion, on the back of a growing internet population and increased online shoppers, says a recent study.

The e-commerce market in India has grown steadily from $13.6 billion in 2014 to $19.7 billion in 2015, as per a joint study conducted by Assocham and Deloitte. The increasing mobile and internet penetration, m-commerce sales, advanced shipping and payment options, exciting discounts, and the push into new international markets by e-businesses are the major drivers of this unprecedented growth.

The products that were highest sold in 2017 included mobile phones, apparel, food items and jewellery among others.

IX. SCOPE OF THE STUDY

The scope of the study period is restricted to the following:
- As the information is obtained from both the primary and secondary sources, the scope is limited.
- The key performance indicators were taken from 2015-2017
- Any changes occurring within a year are not considered.

X. SELECTION OF THE PROBLEM

India has an internet users base of about 450 million as of July 2017, 40% of the population.[1],[2] Despite being the second-largest user base in world, only behind China (650 million, 48% of population), the penetration of e-commerce is low compared to markets like the United States (266 million, 84%), or France (54 M, 81%), but is growing at an unprecedented rate, adding around 6 million new entrants

every month. The industry consensus is that growth is at an inflection point.

In this research I will try to find out the scope and future growth of E-commerce industry in India.

XI. METHODS OF DATA COLLECTION

The data from the following sources:
1) Primary data
2) Secondary data

A. Primary Data

The Descriptive research approach was used to gather the required information and data from the available literature. The information about the potential position challenges and e-business implementation in India was analyzed by reviewing international and national Companies.

For primary data I used questionnaire. The questionnaire was designed using Google forms and was distributed among a Facebook community for collecting data.

B. Secondary Data

Secondary data are those which have already been collected by someone else and which have already passed through the statistical process. Secondary data was collected from the company website, Company Brochures, Periodicals and past records, company's reports, magazines & newspapers etc.
Secondary data consists of information that already exists somewhere, having been collected for another purpose. Data that was collected previously and not for the particular study at hand is secondary data. Secondary data are collected as-Journals, Magazines, Books, Websites, Reports

XII. LITERATURE REVIEW

E-commerce is one of the fastest growing segments in the Indian Economy. Though marked by high growth rate, the Indian e-commerce industry has been behind its counterparts in many developed and emerging economies, primarily due to a relatively low internet user base.

In a study conducted by global management consultancy firm AT Kearney in 2015, there were only 39 million online buyers in India; a tiny fraction of the 1.2 billion who live in the country. However, increased technological proliferation combined with internet and mobile penetration, presents a favorable eco-system for the development of e-commerce in India.

The country is currently at the cusp of a digital revolution. Launch of 4G services and decline in the tariffs of data plans and prices of data cards/USB dongles have reduced the cost of ownership of an effective internet connection. Availability of low cost smart phones and the extension of internet and broadband to the remotest corners will boost the augmentation of the internet user base, effectively bridging the gap between potential online buyers and actual buyers. The demographic dividend of the country also seems to encourage and favor the growth of ecommerce.

The survival of the e-commerce firms in a highly dynamic environment becomes a challenging task when coupled with the cut-throat competition prevailing in the sector. The onus then lies on the firms to constantly adapt and innovate while providing an information rich and seamless

experience to ensure customer loyalty. This study attempts to explore the evolution of e-commerce in India and identifies various challenges to as well the factors responsible for the future growth and development of e-commerce.

Gupta (2014) in her paper "E-Commerce: Role of e-commerce in today's business", presents a comprehensive definition of e-commerce while isolating it from e-business. The paper enlists the different ecommerce models i.e. B2B, B2C, B2G and C2C, narrative analyzing the nitty gritties of each. Rina (2016) also elaborates the different applications of e-commerce in "Challenges and Future Scope of Ecommerce in India", at the same time, defining the degree to which they are operational in the country.

XIII. SURVEY ANALYSIS & PRESENTATION OF DATA

1) Have you ever bought anything online?

Particulars	No. of Respondents	Percentage %
Yes	45	90%
No	5	10%
Total	50	100%

Table 1:

Chart 1:

Source: Field Survey

A. Interpretation

The above pie chart shows the percentage of the respondents who are aware of a shopping website. It is observed that 90% of them are aware of E-Commerce sites and only 10% of them don't know about E-Commerce.

2) Why do you prefer online shopping?

Particulars	No. of Respondents	Percentage %
Saves Time	35	70%
Convenient & Flexible	21	42%
Fun doing shopping on web	9	18%
Wide range of choices	31	62%
Flexible prices	19	38%
Security	6	12%
Total	50	100%

Table 2:

Source: Field Survey

Chart 2:

A. Interpretation

Since the respondents were asked to choose as many options as possible, the responses exhibit that E-Commerce saves time, it is convenient and flexible, and due to wide range of varieties available on wed, the respondents prefer online shopping. But what is more catching is that only 12% respondents feel online shopping a secured way of shopping.

3) How likely do you shop through E-Commerce website?

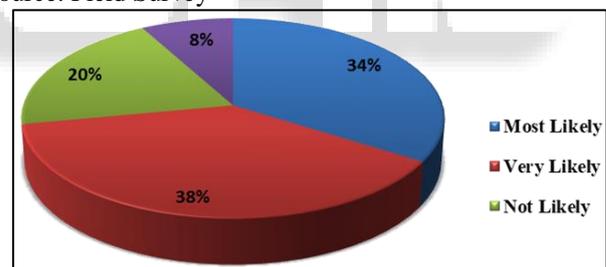| Particulars	No. of Respondents	Percentage %
Most likely	17	34%
Very likely	19	38%
Not likely	10	20%
I never shop online	4	8%
Total	50	100%

Table 3:

Source: Field Survey

Fig. 3:

B. Interpretation

The above pie chart shows the preference of the respondents in using E-Commerce and 34% of the respondents shop most likely, 38% of them are very likely to shop, 20% are not likely and 8% of the respondents never shop online.

4) Which is your preferred E-Commerce website?

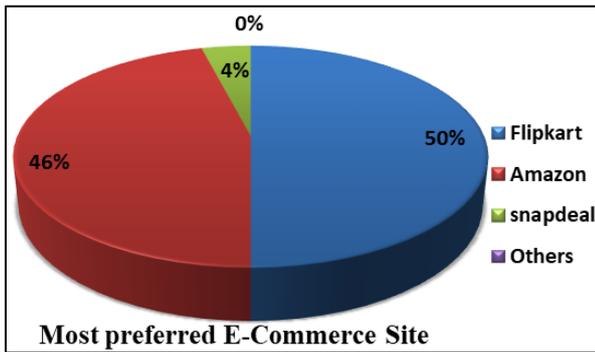| Particulars	No. of Respondents	Percentage %
Flipkart	25	50%
Amazon	23	46%
Snapdeal	2	4%
Others	0	0%
Total	50	100%

Table 4:

Source: Field Survey

Chart 4:

A. Interpretation:

The respondents were asked about their most preferred E-Commerce website and the results show that 50% of the respondents prefer Flipkart, while 46% of them prefer Amazon and Snapdeal is preferred by 4% of the respondents.

5) If you don't purchase things online, Why?

Particulars	No. of Respondents	Percentage %
It is difficult to shop	6	20.7%
I don't trust online shopping	7	24.1%
I heard bad things about online shopping	3	10.3%
I don't find what I look for	18	62.1%
No internet availability	3	10.3%

Table 5:

Chart 5:

A. Interpretation

The respondents who don't shop online shared their views and among them 20.7% feel that is difficult to shop online, 24.1% don't trust online shopping, 10.3% of them heard bad things about online shopping, 62.1% of the respondents don't find what they look for and 10.3% people don't have internet availability.

6) Do you think E-Commerce would get better in future?

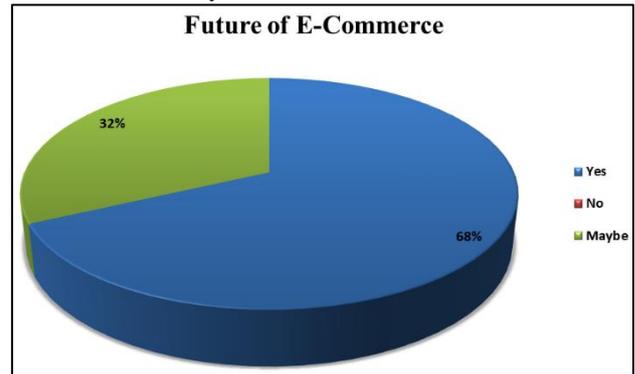| Particulars	No. of Respondents	Percentage %
Yes	34	68%
No	-	-
Maybe	16	32%
Total	50	100%

Table 6:

Chart 6:

A. Interpretation

68% of the respondents feel that E-Commerce will get better in future and 32% of the respondents are not sure of that and hence they choose the option Maybe.

7) Do you think the application of E-Commerce has increased over years in India?

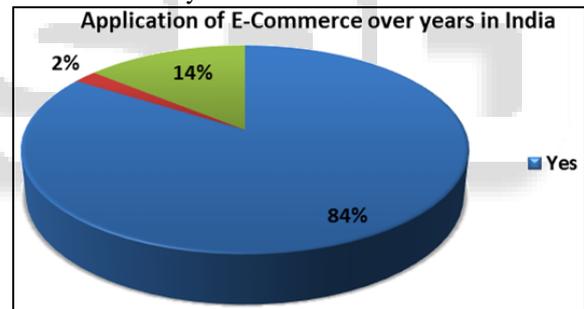| Particulars	No. of Respondents	Percentage %
Yes	42	84%
No	1	2%
Maybe	7	14%
Total	50	100%

Table 7:

Chart 7:

A. Interpretation

The respondents' opinion on the application of E-Commerce in India shows that it has increased as according to 84% of the respondents and 2% of them don't agree with it while 14% of them are not sure about it.

XIV. FINDINGS, SUGGESTIONS & CONCLUSIONS

A. Findings

– Due to new technological development users have faster access to internet. The internet usage is rising at 20%.

– The analysis shows that the consumer behavior has changed to the extent that due to lack of time to spend in travelling to places and shopping, people are adopting e-commerce.

– Nearly two-third of India's population is under the age of 35 and nearly 63% of smart phone users fall under the age of 25. These young, tech-savvy and mobile obsessed internet users will dictate how quickly the country adjusts government policies & infrastructure

accommodate faster internet connections, more e-commerce shops and better delivery systems.

- The opportunity in India is substantial. With raising standards of living, increased internet access and young population, we can expect to see strong e-commerce growth in this market.
- Analysis show that the Indian E-Commerce industry is growing very fast and its application has increased over years.

B. Suggestions

The most important factor that is necessary in growing E-Commerce in India is Trust. If we look at the Indian context, I feel that there is a general lack of trust between retailers and customers. Consumers don't trust the retailers because they feel that they are either being over charged or that they wouldn't be able to get appropriate level of customer service once the sale is complete.

It is my opinion that this general lack of trust is the primary barrier that is impeding the growth of E-Commerce within India.

Here are some of the suggestions for the betterment of E-Commerce in India

Customer's trust for an online retailer will increase if the retailer offers an ability to let customers share their positive as well as Negative reviews about products or vendors. Consumer reviews would definitely help in knowing their preferences and thus helping the E-Commerce companies to get closure to their consumers.

- A Price Match Guarantee (PMG) is a store policy which entitles a customer to a refund of the difference between the stores' asking price and a competitor's price. This policy is to be implemented in case of E-Commerce which would increase the consumer's faith in E-Commerce.
- Most of the online payment systems have come up like Paytm and even banks are allowing online payment methods. But due to lack of knowledge about such systems, most of the Indians still choose "Cash on Delivery" (COD) option while shopping online. Hence attempts are to be made to promote online payment systems.
- Government should take initiatives to spread awareness about E-Commerce in rural areas.
- Specific strategies and programs should be undertaken in order to create confidence in common people so that they can freely make use of E-commerce.

C. Conclusions

E-commerce is India is a sunrise sector and companies that would want to reap the benefits of this growing industry would need to jump into the bandwagon soon. The rapid growth of this sector is propelled by dynamic demographics, rising income levels and changing lifestyles, increasing internet penetration and banking and other payment options like e-wallets etc.

But challenges in the form smaller number of credit card users, logistics issues and lack of governmental incentives plague this sector to certain extent. Despite the challenges, the e-commerce industry in India offers great scope due to the huge potential market size and increasing discretionary spend of the people.

The future of E-Commerce will drastically progress over the years as the amount of internet users is growing every year.

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