FUTURE OPPORTUNITIES OF E-COMMERCE IN INDIA

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ABSTRACT

The E-Commerce market is thriving and poised for robust growth in India. There are players who made a good beginning. Their success depends on their understanding of the market and offering various types of features. This paper gives an overview of the future of E-Commerce in India and discusses the future growth segments in India's E-Commerce. Also find out various factors that would essential for future growth of Indian E-commerce. And represent the various opportunities for retailers, wholesalers, producers and for people. In this paper we found that the Overall E-Commerce will increase exponentially in coming years in the emerging market of India.

INTRODUCTION

The E-commerce Industry in India has come a long way since its early days. The market has matured and new players have entered the market space. In the present dynamic scenario, e-commerce market in the B2C space is growing in demand as well as in the array of services. The transition to online purchasing from traditional purchasing is taking a long time in the Indian market. E-commerce includes not only buying and selling goods over Internet, but also various business processes within individual organizations that support the goal. As with e-commerce, e-business (electronic business) also has a number of different definitions and is used in a number of different contexts.

Electronic commerce or e-commerce refers to a wide range of online business activities for products and services. It also pertains to “any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact.” A more complete definition is: E-commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform, and redefine relationships for value creation between or among organizations, and between organizations and individuals.

REVIEW OF LITERATURE

Anukrati Sharma (2013) study the recent trends, influences, preferences of customers towards E-commerce and online shopping and to give the suggestions for the improvement in online shopping websites. The study found that most of the people who are engaged in making the decision of purchasing are in the age of 21-30 years. While making the websites for online shopping it must be designed in a very planned and strategic way.

Nisha Chanana and Sangeeta Goele (2012) study the overview of the future of E-commerce in India and discuss the future growth segments in India’s of E-commerce. It concluded that various factors that were essential for future growth of Indian E-commerce. The study also found that the overall E-commerce will increase exponentially in coming years in the emerging market of India.

OBJECTIVES OF THE STUDY

- To study the types of E-commerce in India.
- To study the prospects of E-commerce in India.
- To identify the future growth of E-commerce in India.
TYPES OF E-COMMERCE
The major different types of E-commerce are as follows;
- **Business to Business (B2B):** Business to Business E-commerce refers to the full spectrum of E-commerce that can occur between two organizations B2B E-commerce includes purchasing and procurement, supplier management, inventory management, channel management, sales activities, payment management, and service and support. A few B2B pioneers are Chemdex (www.chemdex.com), Fastparts (www.fastparts.com) and Free Markets (www.freemarkets.com)
- **Business to Consumer (B2C):** Business to Consumer e-commerce refers to exchanges between Business and Consumer. Direct dealing between Business and Consumer has always existed, but with the E-commerce such transactions have gained further momentum.
- **Traditional B2C model:** Manufacturer Retailer Consumer.
- **On line B2C model:** Manufacturer / Retailer Consumer. Examples: Amazon.com, Yahoo.com and Schwab.com. Similar activities transactions that occur in business to business, E-commerce also take place in the business to consumer context. However, all customer facing activities are typically tracked. These include sales activities, consumer search, service and support.
- **Consumer to Consumer (C2C):** Consumer to Consumers involves transactions between and among consumers. These exchanges may or may not include third party involvement. Traditionally consumers have had dealings with other consumers, but only few of those activities were in a commercial sense. E-commerce has made it possible to bring together strangers and providing a platform for them to trade on.
- **Consumer to Business (C2B):** Consumer to Business is relatively a new model of commerce and is a reverse of the traditional commerce models. Here, consumers provide services or goods to businesses and create value for the business. Consumers can band together to form and present themselves as a buyer group to businesses in a consumer to business relationship. These groups may be economically motivated as with the demand aggregator. This type of transaction can be seen in internet forums where consumers provide product development ideas and product review; these are used for product advertisement.
- **Business to Business to Consumer (B2B2C):** A variant of the B2B2C model wherein there is an additional intermediary business to assist the first business transact with the end consumer. Here, it is poised to much better in a web based commerce with reduced costs of having an intermediary. **Example:** Flipkart is one of the most successful E-commerce portals which provide a platform for consumers to purchase a different variety of products like electronic goods, apparels, books and music CDs.

E-COMMERCE IN INDIA
For developing countries like India, e-commerce offers considerable opportunity. E-commerce in India is still in growing stage, but even the most-pessimistic projections indicate a boom. It is believed that low cost of personal computers, a growing installed base for Internet use, and an increasingly competitive Internet Service Provider (ISP) market will help fuel e-commerce growth in Asia’s second most populous nation.

The first e-commerce site in India was rediff.com. It was one of the most trafficked portals for both Indian and non-residents. It provided a wealth of Indian-related business news a reach engine, e-commerce and web solution services. The past 2 years have seen a rise in the number of companies enabling e-commerce technologies and the internet in India. Major Indian portal sites have also shifted towards e-commerce instead of depending on advertising revenues.

**FUTURE OF E-COMMERCE IN INDIA**
India is developing rapidly and if development is to be measured, how can we ignore the role of e-commerce in it. The internet user base in India might still be a mere 100 million which is much less when compared to its penetration in the US or UK but it's surely expanding at an alarming rate. The number of new entrants in this sphere is escalating daily and with growth rate reaching its zenith it can be presumed that in years to come, customary retailers will feel the need to switch to online business. Insights into increasing demand for broadband services, rising standards of living, availability of wider product ranges, reduced prices and busy lifestyles reveal this fact more prominently thereby giving way to online deals on gift vouchers. Going by the statistics, the E-commerce market in India was worth about $2.5 billion in 2009. It rose to $8.5 billion by 2011 thus depicting a definite surge in the last two years.

According to a statement released by the Internet and Mobile Association of India (IAMAI), these figures would reach up to $12 billion by 2012! To understand this scenario, we can divide E-commerce into three broad categories which include physical services, physical goods and virtual goods. Another category that is gradually making its mark is the local commerce (couponsing, yellow pages, classifieds etc.) which offers significant overlaps with E-commerce.

The 1st category of physical services is definitely the major contributor which includes travel ticketing, jobs, matrimonial and event management websites with travel sites accounting for 75% of all E-commerce industries! It provides attractive deals too.

The 2nd category of physical goods is the one currently gaining considerable attention, thanks to the hype created by new startups/stores being launched daily. Leaders in this division are Flipkart, Infibeam, Homeshop, Indiatimes, Naaptol, Letsbuy etc. each of which offers everything from mobile phones to pet food.

The 3rd and final category of virtual goods and gift vouchers like online music, software's, movies, games, Taj Hotel gift vouchers, Reebok gift vouchers, Pizza Hut gift vouchers etc. have been relatively lagging behind in India as compared to Europe and America, primarily due to piracy concerns and the social perspective of Indians. But the scenario is expected to change with the digital downloads segment expected to grow in the Indian E-commerce market due to the explosion of mobile devices and the services available over the Internet at special discounts.
Certain unique attributes of the E-commerce industry in India such as cash on delivery mode of payment and direct imports that lower costs considerably are probably going to bring about a speedy growth in this industry in years to come.

According to the latest research by Forrester, a leading global research and advisory firm, the e-commerce market in India is set to grow the fastest within the Asia-Pacific Region at a CAGR of over 57% between 2012-16.

<table>
<thead>
<tr>
<th>Country</th>
<th>Sales in $ billion</th>
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<tr>
<td></td>
<td>2012</td>
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<tr>
<td>India</td>
<td>1.6</td>
</tr>
<tr>
<td>Australia</td>
<td>23.2</td>
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<tr>
<td>Japan</td>
<td>63.9</td>
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<td>China</td>
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Source: Secondary Data

A new report by the Boston Consulting Group says online retail in India could be an $84-billion industry by 2016 more than 10 times its worth in 2010 and will account for 4.5 per cent of total retail. The e-commerce platforms maximize its reach to the potential customers and provide them with a convenient, satisfying & secure shopping experience.

Online channels are playing an important role of connecting with consumers of unexplored markets. The journey of online spending that started with an increasing number of buyers of travel and holiday plans in the last decade has now extended to an increase in spends on household appliances and luxury products. While segments like apparel and luxury products have registered unprecedented growth in 2011, jewellery, electronic appliances and hardware products have shown promising growth trends as well. “Indian consumers are showing greater appetite to transact online, fuelling the e-commerce boom,” said Anuj Kumar, CEO, Affle.

Prospects in E-Commerce in India:

- **Opportunity for Retailers:** A retailer can save his existence by linking his business with the on-line 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 a good opportunity.

- **Opportunity for Whole Seller/Distributor:** In the world of Ecommerce the existence of the wholesalers is at the greatest risk because the producer can easily ignore them and sell their goods to the retailers and the consumers. In such a situation those wholesalers can take advantage of E-Commerce who are capable of establishing contractors with reputed producers and linking their business with the on-line.

- **Opportunity For Producers:** Producers can take advantages of e-commerce by linking themselves with on-line, by giving better information about their products to the other links in the business chain and by having a brand identity.

- **Opportunity for People:** As more people are getting linked with E-commerce, the demand for centre providing internet facility or cyber cafe is also increasing. Hence, the people who wish to take advantage of it can establish cyber and have their benefits.

**Essential factors for growth of E-Commerce in India:**

- **Customer convenience:** By providing Cash on delivery payment option service to customers.
- **Replacement guarantee:** Should be Offers 30 day replacement guarantee to their customers.
- **Reach:** Enabling mobile-capable sites and supporting M-Commerce services.
- **Location based services:** Since customers these days are always on the move, promoting the right product at the right time and location becomes an integral aspect
- **Multiple payment option:** standard credit cards, debit cards and bank payments option should be there.
- **Right content:** Getting the right content and targeting customers with crisp and relevant information is of utmost importance to users on the move.
- **Price comparison:** Providers offering instant price comparison are highly popular amongst the price conscious customers.
- **Shipment option:** Low cost shipment should be there. The convenience of collecting orders post work while returning home should be there.
- **Logistical challenges:** In India, the geographical spread throws logistical challenges. The kind of products being offered by providers should determine the logistics planning.
- **Legal challenges:** There should be legal requirement of generating invoices for online transactions.
- **Quick Service:** Timely service provided by the company.
- **Terms and condition:** T & C should be clear & realistic.
- **Quality:** The product quality should be same as shown on the portal.
- **Customer care centre:** A dedicated 24/7 customer care centre should be there.

**CONCLUSION**

The future of E-Commerce is difficult to predict. There are various segments that would grow in the future like: Travel and Tourism, electronic appliances, hardware products and apparel. There are also some essential factors which will significantly contribute to the boom of the E-Commerce industry in India i.e. replacement guarantee, M-Commerce services, multiple...
payment option etc. We found various types of opportunities for retailers, wholesalers/distributors, producers and also for people. Retailers meet electronic orders and should be in touch with the consumers all the time. Wholesalers can take advantage of E-Commerce who are capable of establishing contractors with reputed producers and linking their business with the on-line. Producers can also linking themselves with on-line, by giving better information about their products to the other links in the business chain and by a having a brand identity. As more people are getting linked with E-commerce, the demand for centre providing internet facility or cyber cafe is also increasing. Hence, the people who wish to take advantage of it can establish cyber and have their benefits. People could found various opportunities of employment. On the behalf of above said reports and experts view showed that the future of e-commerce in India would be bright in the upcoming years if all essential factors would be implemented.

REFERENCES:
6. Sharma Shweta, Mittal, Sugandha, “Prospects of E-Commerce in India”.