



**A PROJECT REPORT ON:
A STUDY OF GROWTH PROSPECTS OF ONLINE
RETAILORS AND E-COMMERCE IN INDIA**

University of Mumbai



BY

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UNDER THE GUIDANCE OF

MR. AKASH DESHMUKH

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THAKUR COLLEGE OF SCIENCE & COMMERCE **tcsc**

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DECLARATION

I NAVNEET ASHOKKUMAR GUPTA from THAKUR COLLEGE OF SCIENCE
AND COMMERCE STUDENT OF T.Y.BAF (ACCOUNTING AND FINANCE)
SEM 6 HEREBY SUBMIT MY PROJECT ON

**“A STUDY OF GROWTH PROSPECTS OF ONLINE REATAILORS AND E-
COMMERCE IN INDIA”**

NAVNEET ASHOKKUMAR GUPTA

Certified By

Name and Signature of Guiding Teacher

MR. AKASH DESHMUKH

DATE:

PLACE: MUMBAI



CERTIFICATE

THIS IS TO CERTIFY THE PROJECT ENTITLED "A STUDY ON GROWTH PROSPECTS OF ONLINE RETAILERS AND E-COMMERCE IN INDIA " IS SUCCESSFULLY DONE BY **NAVNEET ASHOKKUMAR GUPTA** DURING THE THIRD YEAR SIXTH SEMESTER FROM **THAKUR COLLEGE OF SCIENCE AND COMMERCE KANDIVLI (EAST)** MUMBAI: 400101

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TYBAF SEM VI project work (Gantt Chart) / Time line for project completion
 Name of the Student=NAVNEET GUPTA Class/ Div =TYBAF- B
 Roll No.=8402 Mob.No:7900114550

Task ID	Task Description	Task Duration in days	Start Date	End Date								
	Chapter No. 1: Introduction											
	Chapter No. 2: Research Methodology											
	Chapter No. 3: Literature Review											
	Chapter No. 4: Data Analysis, Interpretation and Presentation											
	Chapter No. 5: Conclusions and Suggestions											
	Bibliography, Appendix											
	First Draft											
	Second Draft											
	Final Draft											

important:

1. Referencing style APA 6th
2. The Project Report shall be bounded
3. The project report should be 80 to 100 pages
4. Gantt chart shall be filled by faculties only
5. The final draft shall be signed by guiding teacher
6. The faculties are allowed to link the tasks in gantt chart
7. Be sure to display start and end dates for each task
8. Account for time off, holidays and internal exams
9. To define the critical path, use lines to connect a task

Students on No. of visits with date												

PROJECT GUIDE:

Prof. NISHIKANTH JHA
 coordinator B. Com (Accounting and Finance)



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EXECUTIVE SUMMARY

The report studies the growth prospects of online retailers and E-commerce in India And also goes deep into the challenges that are they can possibly face an also the opportunities that they have and can take advantages of in india.

The E-commerce has transformed the way business is done in india.The Indian e-commerce market is expected to grow to US\$200 Billion by 2026 from US\$38.5 Billion in 2017. Most of the growth is because of increasing internet and smartphone penetration and rising income of Indian citizens.The ongoing digital transformation in the country is expected to increase India's Total internet user base to 829 million by 2021 from 636.73 million in FY19. India's Internet economy is expected to double from US\$ 125 Billion as of April 2017 to US\$250 Billion by 2020,majorly backed by ecommerce , India's E-commerce revenue is expected to jump from US\$39 Billion in 2017 to US\$120 Billion in 2020 ,Growing at an annual rate of 51 percent,Highest in the world

Further we researched about the opportunities in E-commerce as income per capita is rising and people prefer to buy goods and services from organized sector over the unorganized sector which provide an attractive opportunity to E-commerce

Further there are challenges that hampers the growth prospects of Ecommerce in India like Unprofitability because of deep discounting, Changing Customer's loyalty, Competition from organized offline retail sector, Government policies, Hostile Merchant, shopkeepers and Traders lobbying groups.

The project report explores other impact of Growth in Ecommerce like Employment creation which include white collar jobs like IT,Finance and Management and Blue collar Jobs like Gig economy worker as well as E-commerce as an Investment avenue, Supply chain of Ecommerce and its impact on Indian Economy

GROWTH PROSPECTS OF ONLINE RETAILORS AND ECOMMERCE IN INDIA

➤ CHAPTER 1. INTRODUCTION

WHAT IS ECOMMERCE?

Ecommerce stands for electronic commerce. 'Ecommerce' and 'online shopping' are often used interchangeably but Ecommerce is much broader than online shopping – it includes a broad concept for doing business online, incorporating a multitude of different products and services e.g. Money Transactions, Online lectures and Making appointments etc.

Ecommerce deal in goods and services with the help of the internet and electronic media. The growth of Ecommerce in India is due to It being customer friendly and improved comfort with the help of internet the online retailors who sells products or services and goods directly to the customer from the online marketplace using a digital cart and allows payment through Debit/Credit Card, wallets, UPI, Net banking. The benefits of Ecommerce include its 24x7 Availability, the easy access, the extensive availability of products and services for the customer, and Across the world reach. In the present environment Ecommerce industry is increasing in demand. Ecommerce makes customer to get the goods at cheaper cost, multiple choice and saves time. Ecommerce business is expanding in India because of wide availability of product with cheaper cost multiple suppliers and customers. In this field every business in India is still growing stage but it offers massive opportunity.

Ecommerce has experienced massive growth since its humble beginnings. Now Ecommerce sales are estimated to grow to 60 thousand crore by 2020. The scope of Ecommerce should not be underestimated as it continues to be present in everyday life and present opportunity for MSME Sector and online investor. Amazon, for example, which started focusing on customer-orientated websites as well as a own shipping network Amazon Prime , has been seen to sell in excess of 1000 items per second.

The growth of Ecommerce in India in the last twenty years, rising internet and mobile phone penetration has changed the way do business. Ecommerce is a new concept. It is, currently, dependent on the internet and mobile phone to fundamentally alter the way businesses connect to their customers. While in major economies such as the United states and China, Ecommerce has experience massive growth to achieve sales of over \$500 Billion USD in revenue and 25\$ Billion in Net profit, the Ecommerce industry in India is, still at

Its initial phase of growth . However over the past few years, the Ecommerce sector has grown by almost 25% CAGR from 3 Billion Dollar in 2015 to 12 billion dollar in 2020 and is estimated to grow upto 100 billion dollar by 2050 by mckinsey &co.

Industry studies by IAMA.Suggests that online travel makes a significant part of the Ecommerce industry with an estimated 35% of the market share. Meanwhile, e-retail has become the fastest-growing segment, increasing its share from 10% in 2009 to an estimated 40% in 2019. Estimation based on industry data suggests that the number of parcel ordered in Ecommerce marketplace exceeded 1 Billion in 2019. However, this share represents a small portion (less than 3%) of India's total retail market, but is expected for continuous growth in the coming years. If this growth continues over the next few decades, the size of the e-retail industry is poised to be 100 billion USD by 2050. This growth is expected to be mostly because of increased consumer-led consumption of goods in electronics, apparels and accessories as there per capita income in increasing in a growing economy, besides products such as books and audio-visuals are going to increase because of changing lifestyle. The strong growth of Ecommerce will place a pressure on the supporting logistics functions as well . The proposition of Ecommerce to the customer is in offering an almost unlimited variety of choices spread over an enormous geographical area. Firms cannot compete only based on sheer volumes of goods and services in today's globalised world of Ecommerce. Instead, the competition has shifted to delivering to ever-shortening delivery timeliness, consistently and predictably. Negligible shipping prices, doorstep delivery, and convenient return policy have become the most important elements. While the current logistics challenges relating to delivery and distribution of goods and service in organised retail industry are well-known, the demands of Ecommerce raise the problem to a different level. Online Retailers are well- aware of these issues and are committed to invest capital in improving this. The e-commerce market in India has enjoyed massive growth of almost 13% for the last six years. Though e-commerce has been around since twenty years, the present opportunity are now finally in place to drive such market ahead.

Such is the faith of investors in this sector that capital has been pouring in from all diverse areas, like Venture Capitalists ; Private Equity, Vision Funds. These e-commerce firms will have to face challenges associated with a diverse supplier, technological limitation, customer loyalty, authenticity of products ,re-dressal to problems . One cannot rule out the importance of the facility of Cash-on-Delivery (CoD), currently offered by most e-Retailers, which accounts for almost 60% of all transactions. Another extremely important factor is the co-operation from the Government of India on regulatory fronts. With the advent of the massive tax reform in form of GST, the e-commerce players are now relieved about having some kind of clarity on the regulatory front, as prior to this, laws regulating e-commerce in India lack clarity & have several layers of unnecessary compliances.

The rapid emergence of e-commerce is radically transforming the business landscape. Start-up firms are capturing new opportunities in the electronic market place through existing or innovative business models. Established firms are racing to transform and adapt their old business models to the new environment.

- An e-commerce firm would be any business that derives a substantial part of its total revenue from internet transactions. Additionally, a pure play firm would be one that derives all of its revenue through e-commerce.
- The sector has experienced phenomenal growth, breaking down old shopping habits & inculcating new ones. Also, inspiring a new way that people transact.
- Indians, in a matter of minutes, can literally shop from a wide range of services and goods, from travel, movies, clothes, groceries, pharmaceutical products, gadgets & even handymen services such as plumbers, electricians, etc.
- E-Commerce in India is now characterized by low pricing, fast shipping and a multitude of options to choose from.
- India is home to over 5000 e-Commerce hubs dedicated exclusively to exploiting the burgeoning growth rate of this sector.
- Though, the bug of e-Commerce seems to have been late to catch on in India, it doesn't look very likely to deflate or even disinflate anytime soon.

The rise of the Indian economy has not given millions of Indians the privilege of technology but also enabled them to utilize the internet in a way to have a great shopping experience. The world seems to be watching on excitedly as India fast becomes a major Ecommerce player. There is everything to play for in this industry, but many brands are in need of a little guidance. Ecommerce has changed the lives of people around the world and its growth in India is not showing any signs of slowing down. The year 1991 noted a new chapter in the history of the online world where Ecommerce became a hot choice amongst the commercial use of the internet. At that time nobody would have even thought that the buying and selling online or say the online trading will become a trend in the world and India will also share a good proportion of this success. India first came into interaction with the online Ecommerce via the IRCTC. The government of India experimented this online strategy to make it convenient for its public to book the train tickets. The acceptance of the ecommerce on a large scale by the Indian people influenced other business players also to try this technique for their E- businesses and gain high profits. It gained popularity only with deep discount model of Flipkart. Ecommerce has become almost indispensable for Indian consumers and is expected to have a greater impact in the future.

In the past decade Ecommerce firms have gone from their humble beginnings to becoming a threat to established, behemoth retail chains like Malls, Organised Retailers and unorganized shopkeepers. The rapid growth in internet sales has served to provide consumers with an alternate medium to purchase goods they would traditionally buy at brick and mortar stores. The “touch-and-feel” method of product evaluation is still prevalent, especially for moderate and high-involvement products such as furniture that are purchased relatively in-frequently. Worldwide internet consumer expenditure has gone from 3% in 2006 (as a % of total retail sales) to an estimated 25% in 2025 (Cole, 2016). Within the Ecommerce space, sales grew more than 20% worldwide in 2019 to almost ₹840 hundred crore, as Ecommerce giants such as Amazon continued to expand to new geographies and traditional retailers also started offering their products virtually. This boom in Ecommerce can be seen in the skyrocketing valuations of new firms, the most notable of these being Alibaba which conducted a hugely successful ₹25 hundred crore IPO in September of 2015, valuing the Chinese internet giant at almost ₹170 hundred crore (Ben-Shabat, Nilforoushan, Yuen, & Moriarty, 2015). In the United States alone, Ecommerce sales grew 12% in the first quarter of 2019 compared from the fourth quarter of the previous year, totalling ₹89.1 hundred crore (U.S. Department of Commerce, 2019).

Despite these rapid advancements in Ecommerce, many consumers still prefer to visit a physical store to evaluate a product. Researchers have studied and created models to elicit and predict consumer preferences however it is extremely important to understand how consumer preferences change regarding the different attributes of the same product when they assess them online and offline. One of the easiest ways to construct consumer preference models is to conduct a conjoint analysis (Green and Srinivasan, 1978) in which subjects are asked to rate pairs of products in which only one attribute is changed. Using this technique, researchers can determine which attribute a subject prefers in the product and these attributes are then ranked. The value that the subject assigns to each attribute can be calculated as a statistical estimate, which then enable the researcher to map out trade-offs between these attributes.

Most marketing researchers conducted this survey online and then used the results for the offline preference mapping as well, incorrectly assuming that preferences are symmetrical both online and offline. Past research has shown that there is a change in preferences and utilities when evaluating a product online and offline. This phenomenon is very common as consumers usually do not realize how important certain features are to them until they physically see the product. For instance, you might compare and select a desk chair online and decide to visit a physical store to “test” it out. While reading the product description online, you might feel the ability to adjust the height, color and presence of wheels are the most important features, however when you actually see the chair you realize you actually care more about the comfort when you are sitting and whether or not it can recline as the most important features. In fact, you might even reject a chair completely if while evaluating offline you see that one of the features you “weighted” as low utility online is not present. Additionally, it is possible that you were indifferent between the colors black and navy online

and would have the same willingness to pay regardless of which color, however when you actually see the chair you realize that the blue is a little too bright for you and you would be willing to pay a premium to acquire the black chair. Using data collected for the study by western Universities, we can test for: 1) changes in the partworth utilities for each attribute – testing if consumers along with a change in preference for features also change their relative preference between pairs of features 2) effect on willingness to pay based on the relative partworth utilities and 3) test for the changes in the range of the various overall attribute importance to determine if consumers are more/ less non-compensatory offline vs. online. The buying and selling of products and services by businesses and consumers through an electronic medium, without using any paper documents. It is a type of business model, or segment of a larger business model, that enables a firm or individual to conduct business over an electronic network, typically the internet. Electronic commerce draws on such technologies as electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Ecommerce has allowed firms to establish a market presence, or to enhance an already larger market position, by allowing for a cheaper and more efficient distribution chain for their products or services.

With the advent of the Internet, the term Ecommerce began to include:

- A) Electronic trading of physical goods and of intangibles such as information.
- B) All the steps involved in trade, such as on-line marketing, ordering payment and support for delivery.
- C) The electronic provision of services such as after sales support or on-line legal advice.
- D) Electronic support for collaboration between companies such as collaborative on-line design and engineering or virtual business consultancy teams.

Electronic data interchange (EDI):-

Electronic data interchange (EDI) is the structured transmission of data between organizations by electronic means. It is used to transfer electronic documents or business data from one computer system to another computer system, i.e. from one trading partner to another trading partner without human intervention. It is more than mere e-mail; for instance, organizations might replace bills of lading and even cheques with appropriate EDI messages.

EDI and other similar technologies save a company money by providing an alternative to, or replacing, information flows that require a great deal of human interaction and materials such as paper documents, meetings, faxes, etc. One very important advantage of EDI over paper documents is the speed in which the trading partner receives and incorporates the information into their system thus greatly reducing cycle times.

HISTORY OF ECOMMERCE

History of ecommerce dates back to the invention of the very old notion of "sell and buy", electricity, cables, computers, modems, and the Internet. Ecommerce became possible in 1991 when the Internet was opened to commercial use. Since that date thousands of businesses have taken up residence at web sites.

At first, the term ecommerce meant the process of execution of commercial transactions electronically with the help of the leading technologies such as Electronic Data Interchange (EDI) and Electronic Funds Transfer (EFT) which gave an opportunity for users to exchange business information and do electronic transactions. The ability to use these technologies appeared in the late 1970s and allowed business companies and organizations to send commercial documentation electronically.

Although the Internet began to advance in popularity among the general public in 1994, it took approximately four years to develop the security protocols (for example, HTTP) and DSL which allowed rapid access and a persistent connection to the Internet. In 2000 a great number of business companies in the United States and Western Europe represented their services in the World Wide Web. At this time the meaning of the word ecommerce was changed. People began to define the term ecommerce as the process of purchasing of available goods and services over the Internet using secure connections and electronic payment services. Although the dot-com collapse in 2000 led to unfortunate results and many of ecommerce companies disappeared, the "brick and mortar" retailers recognized the advantages of electronic commerce and began to add such capabilities to their web sites (e.g., after the online grocery store Webvan came to ruin, two supermarket chains, Albertsons and Safeway, began to use ecommerce to enable their customers to buy groceries online). By the end of 2001, the largest form of ecommerce, Business-to-Business (B2B) model, had around ₹700 hundred crore in transactions

Ecommerce has a great deal of advantages over "brick and mortar" stores and mail order catalogs. Consumers can easily search through a large database of products and services. They can see actual prices, build an order over several days and email it as a "wish list" hoping that someone will pay for their selected goods. Customers can compare prices with a click of the mouse and buy the selected product at best prices.

Online vendors, in their turn, also get distinct advantages. The web and its search engines provide a way to be found by customers without expensive advertising campaign. Even small online shops can reach global markets. Web technology also allows to track customer preferences and to deliver individually-tailored marketing.

History of ecommerce is unthinkable without Amazon and Ebay which were among the first Internet companies to allow electronic transactions. Thanks to their founders we now have a handsome ecommerce sector and enjoy the buying and selling advantages of the Internet. Currently there are 5 largest and most

famous worldwide Internet retailers: Amazon, Dell, Staples, Office Depot and Hewlett Packard. According to statistics, the most popular categories of products sold in the World Wide Web are music, books, computers, office supplies and other consumer electronics.

Amazon.com, Inc. is one of the most famous ecommerce companies and is located in Seattle, Washington (USA). It was founded in 1994 by Jeff Bezos and was one of the first American ecommerce companies to sell products over the Internet. After the dot-com collapse Amazon lost its position as a successful business model, however, in 2003 the company made its first annual profit which was the first step to the further development. After which it gave a 6000% rate of return in last 16 years only.

The history of ecommerce started 40 years ago and, to this day, continues to grow with new technologies, innovations, and thousands of businesses entering the online market each year. Electronic Data Interchanges and teleshopping in the 1970s paved the way for the modern day ecommerce store. The history of ecommerce is closely intertwined with the history of the internet. Online shopping only became possible when the internet was opened to the public in 1991. Amazon.com was one of the first ecommerce sites in the US to start selling products online and thousands of businesses have followed since. The convenience, safety, and user experience of ecommerce have improved exponentially since its inception. This article will address some of the key players and milestones of ecommerce.

Electronic commerce (Ecommerce) is relatively new, emerging and constantly changing area of business management and information technology. "Electronic commerce is sharing business information, maintaining business relationships and conducting business transactions by means of telecommunications networks"

DISTINCTION BETWEEN ECOMMERCE & E-BUSINESS:

Electronic commerce can be broadly defined as the exchange of merchandise (whether tangible or intangible) on a large scale between different countries using an electronic medium – namely the Internet whereas E-business is the conduct of business on the Internet, not only buying and selling but also servicing customers and collaborating with business partners.

KEY DRIVERS OF ECOMMERCE:

Key drivers of Ecommerce are used to identify a comparison between technological advancement of Ecommerce of different countries. It is often claimed that Ecommerce is more advanced in the USA than in Europe. These drivers can be measured by a number of criteria that can highlight the stages of advancement of Ecommerce. They are:

1. Technological factors – The degree of advancement of the telecommunications infrastructure which provides access to the new technology for business and consumers.
2. Political factors – including the role of government in creating government legislation, Initiatives and funding to support the use and development of Ecommerce and information technology.
3. Social factors – incorporating the level and advancement in IT education and training which will enable both potential buyers and the workforce to understand and use the new technology.
4. Economic factors – including the general wealth and commercial health of the nation and the elements that contribute to it.

SIX MAIN INSTRUMENTS BY WHICH ECOMMERCE IS CONDUCTED:-

1. Telephone: – The most important instrument of electronic commerce is the *telephone*. The telephone succeeded to achieve and maintain a leading role in commercial transactions because of its widespread availability, its versatility, low cost, user-friendliness of the instrument, necessity of a very little bandwidth i.e. capacity for data transmission and its cheap use for local calls and declining costs of long distance and international calls.
2. Television: – Television benefits from an even more widespread distribution than the telephone. The relatively low costs of a TV set and subscription charges for the viewer, as well as the user friendliness of TV, have contributed to its success as a means of commerce.[3]
3. Electronic payment and money transfer: – Electronic payment and money transfer systems like automatic teller machines (ATM), credit cards, debit cards or smartcards are also part of electronic commerce. These instruments typically only serve to make or receive payments.
4. Electronic data interchange (EDI):- EDI typically entails the exchange of documents and information between the computers of two businesses without human intervention.
5. Internet: – The Internet is an extremely versatile means of commerce. Strength of the Internet is its multimedia potential with simultaneous voice, image and text transmission. The Internet is not only more versatile than other instruments of electronic and “traditional” commerce, it is also more advantageous in terms of delivery time and user costs. It also has disadvantages, such as, necessity of moderate computer skills, uncertainty about technical standards, the jurisdiction of transactions, the validity of contracts, the security and privacy of information, and the future role of government in regulating and taxing Internet activities.
6. Fax:- The main advantage of the fax, another of the Ecommerce instruments, lies in replacing traditional mail services with speedier document transmission. But this instrument lacks the potential for the transmission of voice communication and sophisticated images. Fax machines are usually more expensive.

These characteristics have made the fax important in communication and commerce mostly between businesses, and less important among individual consumers.

REASONS FOR THE GROWTH OF ECOMMERCE:-

- Rapidly increasing Internet user base.
- Technology advancements have bridged the gap between buyers and sellers online.
- The emergence of blogs as an avenue for information dissemination and two-way communication for online retailers and Ecommerce vendors.
- Improved fraud prevention technologies that offer a safe and secure business environment and help prevent credit card frauds, identity thefts and phishing.
- The young population finds online transactions much easier.

MODES OF CONDUCTING ECOMMERCE

Electronic commerce operates in all four of the major market segments:

i) Business to business,

ii) Business to consumer,

iii) Consumer to consumer and

iv) Consumer to business.

- **BUSINESS TO BUSINESS:** On the Internet, B2B (business-to-business), also known as e-biz and is defined as the exchange of products, services, or information between businesses such as between a manufacturer and a wholesaler, or between a wholesaler and a retailer.
- **BUSINESS TO CONSUMER:** A transaction that occurs between a company and a consumer[5]. The term may also describe a company that provides goods or services for consumers.
- **CONSUMER TO CONSUMER:** Consumer-to-consumer (C2C) electronic commerce involves the electronically facilitated transactions between consumers through some third party. A common example is the online auction, in which a consumer posts an item for sale and other consumers bid to purchase it; the third party generally charges a flat fee or commission.
- **CONSUMER TO BUSINESS:** In internet commerce, means through which consumers decide what they want to pay, and the vendors decide whether or not to accept. When a consumer writes reviews, or when a consumer gives a useful idea for new product development, then this individual is creating value to the firm, if the firm adopts the input.

LEGAL RECOGNITION OF ECOMMERCE

As commerce on the Internet has grown, the inevitable fallout from failed transactions and business relationships has resulted in a developing body of case law. In some cases, the legal issues that govern the analysis of the electronic commercial transaction are no different from those applied in a more traditional commercial setting.

For example, a fraudulent scheme perpetrated through print media is still the same fraudulent scheme when perpetrated on a web-site. Indeed, in the area of consumer fraud, the emerging issues in Ecommerce are less related to substantive legal principles, than they are to procedural issues, such as the courts' jurisdiction over out-of-state defendants and discovering and stopping fraud from taking place online.

OVERVIEW OF THE INDIAN LAW

The Information Technology Act, 2000 ("IT Act") deals with contractual aspects of use of electronic records. The validity of electronic transactions is established under the IT Act. The act establishes that an ecommerce transaction is legal if the offer and acceptance are made through a 'reasonable' mode. The objectives of the Information Technology Act, as outlined in the preamble, are to provide legal recognition for Ecommerce transactions. The Act lays down procedures for networking operations and for civil wrongs and offences. The Indian Information Technology Act does not have any express provision regarding the validity or formation of online contracts. The main objective of UNCITRAL Model Law of Ecommerce is to offer national legislators with a set of internationally acceptable rules as to how the legal obstacles in the communication of legal significant information through paperless messages, may be removed and how a more secure legal environment may be created for Ecommerce.

Any legislation pertaining to Ecommerce will be a futile exercise unless it fills up the lacunae in the existing law regarding the validity of online contracts. Recognizing this factor, the Model law has incorporated a provision in Article 11 relating to the formation and validity of contracts:

In the context of contract formation, unless otherwise agreed by the parties, an offer and the acceptance of an offer may be expressed by means of data messages. Where a data message is used in the formation of a contract that contract shall not be denied validity or enforceability on the sole ground that a data message was used for that purpose.

For instance, a communication sent by an offeror to an offeree through indirect means, such as an email that passes multiple servers and spam mails, is not regarded as a reasonable mode under the IT act. Reasonable modes of acceptance in an ecommerce transaction are:

Direct mail from the offeree to the offeror. Acceptance by conduct, which is pressing an 'Accept' button to an offer. The IT act governs the revocation of an ecommerce offer and acceptance. An ecommerce transaction is said to be complete when the offeror receives acknowledgment of the receipt of the offer.

Besides, an offeror has the liberty to terminate an offer, provided its acceptance has not been communicated by the offeree. The Information Technology (Amended) Act, ITAA, was amended in 2008 to increase security of Ecommerce transactions, with special provisions for legal recognition of digital signatures and electronic documents. Section 43A of ITAA holds ecommerce companies accountable for protection of personal data. When an ecommerce company fails to protect personal data of its customers or is negligent in maintaining and implementing reasonable security practices, and if this results in wrongful loss of an online buyer, the laws are clear that its body corporate is wholly liable to pay the damages by means of monetary compensation.

Ecommerce is an inseparable part of internet. Growing of internet has also lead to the growth of Ecommerce. It has entered in the stage of its rapid development. Almost every kind of business is being conducted via the modes of Ecommerce. By the help of Ecommerce we can have every kind of business without having any infrastructure, large number of employees, etc. E.g. Flipkart is an online shopping website from where we can order the products what we want at the cheaper price than that of shops because these products are tax free and directly delivered to us. But it is also a bitter truth that everything which is having a good part also has a bad part. Ecommerce is very useful but it has also some worst or negative side. There are various cases of fraud, misrepresentation, etc through the use of internet. E.g. if someone had brought some product from a particular website and he had already made the payment through cash before delivery, after all that he came to know that the particular site from which he had ordered and make the payment was forged. These kinds of cases are common now a day's throughout the world. Hence various legislations are made to control these frauds. It was a make or break decision. Amazon had a huge market share in the deals business at that time and starting something new was very risky and this move surprised the investors too. At that point of time, eBay was the only marketplace in India.

The actual fact that Amazon is valued at a hundred crore dollars today is a proof to the vision of its founders. Currently, more than 15,00,000 sellers sell around 1200 million products on Amazon. The company's phenomenal growth in a short span has been a remarkable journey. The company began to concentrate on building scale and improving speed. When eBay invested in Amazon, they brought immense experience onto the table.

In just two years, the company went from scrapping their group coupon business and starting an online marketplace to become a hundred crore dollar company. Its year on year growth is almost 600%. The average age of the workforce at Amazon is 25. Their values – Innovation, Change, Openness, Honesty and Ownership drive them to press for greater success. The company's growth had been phenomenal but it is their continued effort to bring the best to the market and their zeal to succeed as the best B2C marketplace is what sets them apart. Great ideas might be important for a business, but it is the confident implementation of those ideas and the right effort which are more important. It is action and not mere thought that gives results.

Overview of “UNCITRAL MODEL LAW”

United Nations Commission on International Trade Law (UNCITRAL) Model Law on Ecommerce, the Government of India enacted the Information Technology Act in June 2000. The Act facilitates Ecommerce in the country.

The United Nations General Assembly adopted the United Nations Commission on International Trade Law (UNCITRAL) Model Law on Ecommerce through a Resolution[6] passed on 30 January 1997. The UNCITRAL Model Law on Ecommerce was drafted in order to serve as a document that the various countries of the world could use and evaluate and amend their own laws and practices and by providing a common legal platform on which all countries could model their domestic legislations allow the countries of the world to move towards a uniform international law on Ecommerce.

In USA the legislature made in regard to it is UNCITRAL model law and in India we are having a specific provision namely Information Technology Act which provides the enactments mainly regarding the Ecommerce. It is a great piece of work done by the legislatures in order to control and regulate the Ecommerce.

WORKING OF ECOMMERCE

The client strikes by means of the web to the merchant's website. From there, he decides that he needs to purchase something, so he is moved to the net transaction server, where the entire information he offers is encrypted. As soon as he has positioned his order, the knowledge moves via a private gateway to a Processing network, the place the issuing and obtaining banks complete or deny the transaction. This ordinarily takes position in no more than 5-7 seconds.

There are various special cost systems to be had to accommodate the varied processing desires of merchants, from folks who have a number of orders a day to those who system 1000's of transactions every day. With the addition of at ease Online Consumer Merchant Website Internet Online Transaction Server Processing Network Layer technology, Ecommerce can be a very riskless technique to entire transactions.

Working Model

A marketplace model like Amazon needs to ensure that technology integrations work seamlessly and this is what Bahl is trying to achieve constantly. The powerful model of local merchant & physical product Ecommerce is something which is very unique to Amazon.com, and it gives the opportunity to provide wider variety of choice to the customers. Amazon is thus a very conservative company in making investments. Company culture is more about how to do more with less.

Marketing Strategy

When launched, Amazon was first of its kind. When it was establishing its niche in the industry, websites like mydala.com and DealsandYou came as its core competitor. But working and focusing primarily on its goal, within 2 years, Amazon succeeded in making 8-9 million user base. They entered in top 100 Indian websites in terms of traffic.

To further increase their members and traffic, they started referral programs on their websites in which a user was paid a fixed amount for successful sign up of a friend after receiving the referral link to use Amazon. Other than this, they started "Get your first deal free" offer which got huge response from the user side. This led to the strong brand value of Amazon. Side by side to these strategies, affiliate marketing campaign was also working. This campaign was launched after 8-9 months of its inception. They started cost per lead (CPL) campaign in which the affiliates were paid Rs. 30 for each lead generated. But the problem was that the margin was very less related to cost per acquisition that was very high and the average revenue generated on each transaction was approx. Rs. 50-100. But Amazon knew how to remain in the market and for this they kept on promoting themselves in any situation. After leads were generated, an aggressive email marketing campaign was launched to reach out those leads. Every day on regular basis, promotional emails were sent to the registered users. But it was not the end. The names like Myntra and Flipkart were entering the market at the same time. So to survive in the market, Amazon started to add more products listing into their website. Soon Amazon ventured into a proper Ecommerce site including categories like electronics, fashion, kitchen appliances, apparels and many more. Finally in September 2011, Amazon turned into a marketplace. Advertisements Flipkart launched its "Big Hundred crore Day" offer in October 2014, and Amazon left no room for others to take its advantage. It introduced its own advertisement along with Flipkart showcasing users the advantage to shop with them.

A FEW TECHNOLOGIES IN ECOMMERCE

Finally, with the intention to make the online browsing expertise much more better, there are a lot of new applied sciences like Verifi, DigiScent's iSmell and TouchSense that have emerged over the final couple of years. Even though iSmell and TouchSense are very new applied sciences and they haven't been adopted via the vast majority of web patrons but, they promise a purchaser-friendly future. Verifi is onescience that has been widely adopted at present, and for good purpose. According to a latest BizRate study, over 50% of online consumers stated that they might not make extra purchases from an online service provider that delivered an object in a color that wasn't what they expected. That is the obstacle that Imation have designed their Verifi procedure to resolve. This is how it works. When a consumer visits a Verifi-enabled website online for the first time they're invited to take an internet centered survey that establishes how their monitor,

laptop, working procedure and browser control color. This understanding is then stored as a cookie in the consumer's browser. Then, after they view a product snapshot, the Verifi method reads the expertise within the cookie and combines this with the profile of the scanner (or digital camera and so on.) that the service provider used to supply the image to generate a color-correct picture within the consumer's browser.

The rapid growth of Ecommerce in India Over the last two decades, rising internet and mobile phone penetration has changed the way we communicate and do business. Ecommerce is relatively a novel concept. It is, at present, heavily leaning on the internet and mobile phone revolution to fundamentally alter the way businesses reach their customers. While in countries such as the US and China, Ecommerce has taken significant strides to achieve sales of over 150 hundred crore USD in revenue, the industry in India is, still at its infancy. However over the past few years, the sector has grown by almost 35% CAGR from 3.8 hundred crore USD in 2009 to an estimated 30 hundred crore in 2020. I indicate that online travel dominates the Ecommerce industry with an estimated 70% of the market share. However, e-retail in both its forms; online retail and market place, has become the fastest-growing segment, increasing its share from 10% in 2009 to an estimated 18% in 2019. Calculations based on industry benchmarks estimate that the number of parcel check-outs in Ecommerce portals exceeded 1000 million in 2019. However, this share represents a miniscule proportion (less than 3%) of India's total retail market, but is poised for continued growth in the coming years. If this robust growth continues over the next few years, the size of the e-retail industry is poised to be 10 to 20 hundred crore USD by 2017-2020. This growth is expected to be led by increased consumer-led purchases in durables and electronics, apparels and accessories, besides traditional products such as books and audio-visuals.

Ecommerce logistics models:

A radical shift from regular Logistics The strong emergence of Ecommerce will place an enormous pressure on the supporting logistics functions. The proposition of Ecommerce to the customer is in offering an almost infinite variety of choices spread over an enormous geographical area. Firms cannot compete solely based on sheer volumes in today's ever-evolving, information symmetric and globalised world of Ecommerce. Instead, the realm of competition has shifted to delivering to ever-shortening delivery timeliness, both consistently and predictably. Negligible or zero delivery prices, doorstep delivery, traceability solutions and convenient reverse logistics have become the most important elements of differentiation for providers. While the current logistics challenges relating to manufacturing and distribution of consumer products and organised retail are well-known, the demands of Ecommerce raise the associated complexities to a different level. Ecommerce retailers are well-aware of these challenges and are cognizant of the need to invest in capital and operational assets.

Reaching the customer: Going beyond the traditional Definition-The essence of e-retailing is in its ability to transcend physical boundaries and reach customers in a manner different from the traditional brick-and-

mortar stores, to their very doorstep. However, the base of the e-retailing model is technology and logistical solutions that facilitates the customer acquisition and the final 'reach' process. Ecommerce further brings to the table vagaries in customer orders accompanied with difficult scenarios such as free delivery, order rescheduling, cancellation, returns and cash-on-delivery.

Additionally, an expected minimised turn-around-time (TAT) which will potentially lead to word-of-mouth publicity, feedback and customer retention to the e-portal or website. An information network which shares updated information with respect to inventory status, demand schedules and forecasts, shipment schedules and promotion plans among all the stakeholders of the supply chain will form the backbone of an e-retailer.

Domestic Suppliers Master warehouse Regional distribution centers Domestic suppliers Domestic suppliers Parcel hub / sortation center E-fulfillment center Delivery Pick-up point International Suppliers

Need for different management of physical infrastructure The business model of the conventional retailers and Ecommerce providers differ significantly. The conventional infrastructure model relies on increasing depth and breadth of coverage through several inventory nodes, warehouses and stocking points connected by based on various other factors ranging from production cycles, nature and variety of the SKUs to even local taxation laws. The conventional order point occurs at retail stores and static customer fronts located at the end of the chain, and inventory requirements are predicted empirically based on several months or years of past data. In fact, competing sales channels may also duplicate infrastructure, an indication of the typical sub-ordination of the logistics function within the overall sales and distribution process. On the other hand, Ecommerce providers operating either through inventory-led or marketplace models, are entering an entirely different paradigm of operations, where management of the supply chain is core to the business of creating more business. With real-time demand and tight delivery expectations, the supply chain needs to be built from the customer-end, with the fundamental difference being the proliferation of delivery points and the need to move large number of orders of small parcels (one or two goods) across the length and breadth of the country at an affordable cost. In India, foreign direct investment (FDI) within the business-to-consumer (B2C) Ecommerce segment is not allowed whereas foreign investment in the business-to-business (B2B) Ecommerce segment is allowed. This means that inventory led e-retailing model cannot attract FDI whereas market-place based e-retailing model can still attract FDI. Most e-retailers have started practicing the market-place business model with suppliers storing on their behalf and delivering as per the requirement and thus falling under the B2B category. The need to build infrastructure for increased agility The key to success in Ecommerce is an efficient last-mile network to ensure time-bound delivery while maintaining agility in the logistics chain. The fundamental SKU at the delivery point is a 'parcel' ,of varying shapes and sizes, while the pin-codes of the operation become the determinant of the last-mile network model. The up-stream infrastructure will then need to be built as a layer over this last-mile network with strategic location choices of fulfillment centers proximal to delivery modes. The operations will need to be tightly controlled in such a way that the inventory stocks are converted to parcels and pushed down the chain efficiently, as well as that

the fulfilment centers are replenished. The balance between inventory and supply chain costs is therefore a dynamic decision to be taken, considering both cost and service level considerations. While the conventional logistics models have evolved in a way to expand reach for businesses at the lowest cost in a 'push' model, Ecommerce businesses will feel the need for greater agility in their supply chain that will be more responsive to customer demands that are variable and less predictable. The sheer variety of the product and destination choices and fulfillment modes will mean that the provider cannot afford to stock the entire supply chain with sufficient inventory to fulfill customer needs. The customer order point will need to be pushed further up stream, from where 'pull' from the customer is recognised, tracked and met through rapid fulfillment methods. The implications of product choices on infrastructure networks The network design and the agility of the supply chain will also be influenced by the products carried. E-retailers have been able to attract significant customers to online buying but these are still limited to very exclusive categories such as consumer electronics, apparels and lifestyle, books, music and video. In the future, other categories such as food and beverages, departmental store, home furnishings, autoparts, healthcare and office equipment will also see increased Ecommerce activity. It is important to note that each product category will have its own customised logistics requirements which can alter the balance between inventory and supply chain costs. Within the apparel and lifestyle category, for example, localised suppliers or warehouses can be used to good effect in tune with the buying patterns and ensuring seasonal inventory replenishment. For books, music and video, a large centralised inventory for a large region may be better suited. For consumer electronics and durables, which have lesser SKU proliferation, higher product value and higher security and handling needs, a JIT and direct fulfillment model may need to be put in place. For hot and cold merchandising, localised sourcing and continuous availability of temperature controlled infrastructure throughout the supply chain becomes the critical need. The challenge is to ensure that the supply chain needs of the specific product segments are married with customer propositions that offer better customer value than traditional retail models. Logistics infrastructure to be the weakest link in the Indian Ecommerce story Logistics in developing economies such as India may act as the biggest barrier to the growth of the Ecommerce industry. Till date, logistics models developed in India target the metropolitan and the Tier-1 cities where there is a mix of affluent and middle classes and the internet penetration is adequate. In India, about 90% of the goods being ordered online are moved by air, which increases the delivery costs for the e-retailers.

Most e-retailers were initially dependent on third party delivery firms. However as the market evolves and customer expectations increase, city or geography centric service levels are becoming the need of the hour. Moreover, issues specific to e-retailing such as the problems associated with fake addresses, cash-on-delivery and higher expected return rates have made e-retailers consider setting up their captive capital intensive logistic businesses. For instance, Flipkart has set up several regional warehouses and is constantly increasing the supplier base across the country to achieve low transportation cost by ensuring delivery from

the nearest supplier or regional warehouse. Flipkart is growing its logistics arm E-Kart whereas Amazon India is building capacities with its logistic arm Amazon Logistics. While establishing the captive logistics infrastructure was a consequence of need for better service delivery by actively controlling the logistics chain, it has pushed up the delivery costs. According to industry benchmarks, the delivery cost in the captive logistics models are 10 to 20% expensive than the 3PLs whose expertise lies in quick delivery at an affordable cost. Further, the logistics set-up and requirements in developing countries are also dependent on the purchasing behaviour of the customers. These factors will call for strengthening the logistics infrastructure and increased number of failing which the e-retailers will have to start up or strengthening their own logistics counterparts. Higher delivery costs can result in withdrawal of free delivery by e-retailers on the back of high delivery costs and complex business models threatening already wafer-thin business margins.

Infrastructure will demand a large proportion of investment in Ecommerce. Active management of logistics, infrastructure and service levels is core to the Ecommerce business in any market. E-retailers need to have a hybrid model of their own captive logistics arm which takes care of their specific business model needs and strictly monitored service level agreements with 3PLs to rationalise the delivery costs. The future competitors and winners in the e-retailing space will be the ones which will use both bricks and clicks and not bricks or clicks alone. This is evident from the evolving logistics and storage strategy of Amazon in the US. Amazon has changed its logistics network from the 'sell all, carry few', model to the 'sell all, carry more' model and increased the number of warehouses across the US. This eventually proved beneficial for Amazon as the increased number of warehouses led to both better reach and range for the suppliers and customers which eventually resulted in faster service delivery and increased customer retention. Amazon is further investing 14 hundred crore USD in increasing its warehouses' base by 50 in the US. Strictly monitored service level agreements with 3PLs which have developed the expertise and skills to handle the vagaries of the customers in the Ecommerce space has proven beneficial for e-retailers as they are able to outsource the skills best suited to the 3PLs. A successful example in terms of usage of SLAs with 3PLs is of eBay which has partnered with couriers and allied service providers for the logistics with closely controlled SLAs.

- Evolution of logistics landscape in the country will be a very important factor in determining the course for the e-retailing industry. Logistics evolution will be necessary to realise the potential robust growth.
- Despite a huge potential, long-term profitability of the e-retailing industry in the country is still under question. After so many years of operations, all the major e-retailers are yet to start making profits. In the wake of wafer-thin margins and sub-optimal infrastructure resulting in higher delivery cost, the long-term profitability still seems a distant possibility.

- FDI in the inventory-led retail will also be an important factor in shaping up the future of the industry. In the current scenario, global e-retailing giants like Rakuten and Alibaba are eyeing an entry into Indian e-retail market. Amazon has recently announced a 2 hundred crore USD investment operating on marketplace model. FDI allowance could be a vital factor in attracting significant investments resulting in better infrastructure and robust supply chains.
- Evolution of taxation policies in the country will in a large way effect the way industries practice warehousing. With uniformity in taxation laws across the country, e-retailers are expected to move closer to consumption centers with an aim to address the duplicities in the logistics chain by removing the overlaps in form of delivery and sortation centers which are traditionally closer to the consumption centers. It will also result in uninterrupted access to the e-retailing market. In a recent case, a south Indian state had sent a tax notice to e-retailers resulting in all e-retailers withdrawing services in the particular state because of differing tax policies.
- The evolution of the existing logistics providers and more players entering the 3PL domain will result in realisation of the huge potential of the e-retailing industry. Major 3PL players (such as FedEx, DHL, UPS, Gati, etc) will have to gear up to the increasing demands of the e-retailing industry thereby helping in rationalisation of delivery costs and provide much needed balance between using captive logistics network and 3PLs. To take the opportunity and help the e-retailing industry to overcome infrastructural bottlenecks, resurrection of the Indian Postal Service can be a game changer. Collaborating the strong last-mile capability with technological upgradation will ease the dependence on the other modes of transportation. After taking a holistic view of the industry trends, Ecommerce is poised for an exciting period of exploding growth in a period of three to five years. This is expected to lead to substantial investments in supporting infrastructure and innovative and game changing business models.

CONCEPT OF ECOMMERCE IN INDIA

1. Multi Product Ecommerce:

Some internet portals provide almost all categories of goods and services in a single site; they are targeting customers of every possible product or service. Indian Ecommerce portals provide goods and services in a variety of categories like apparel and accessories for men and women, health and beauty products, books and magazines, computers and peripherals, vehicles, collectibles, software, consumer electronics, household appliances, jewelry, audio/video entertainment goods, gift articles, real estate and services, business and opportunities, employment, travel tickets, matrimony etc. Examples: www.indiayplaza.com, www.thebestofindia.com, www.khoj.com, www.sify.com, www.rediff.com, www.indiatimes.com etc.

2. Single Product Ecommerce Some Indian portals / websites deal in a specialized field. Examples:

□ In automobiles, the portals are <http://www.indiacar.com> and <http://www.automatindia.com>, on these sites we can buy and sell four wheelers and two wheelers new as well as old vehicles online. Some of the services they provide are car research and reviews, online evaluation, technical specifications, vehicle insurance, vehicle finance, dealer locator etc.

□ In stock and shares markets some of the sites are <http://www.equitymaster.com>. Some of the services offered to registered members are online buying or dealing of stocks and share, market analysis and research, company information, comparison of companies, research on equity and mutual funds, tracking market trends etc.

□ In real estate, the portals like <http://www.indiaproperties.com>. This website facilitate online dealing in real estate, they offer outright purchase or lease of a property through their portal. They also provide information on new properties as well as for resale. Some of the allied services are housing finance, insurance companies' architects and interior designers, property management consultant services etc.

□ In travel and tourism industry a major government of India portal is <http://www.tourismindia.com>. The tourist destination sites are categorized according to the themes like eco-themes pertains to jungles, flora Emerging Trends Of Ecommerce In India: An Empirical Study and fauna, beaches of India, architectural attractions, forts and places, hill resorts, adventure-trekking, mountain climbing etc. Other services offered are passport and visa, travel and accommodation information, weather information, festival and fair dates, shopping, tour operators etc. There are other sites like <http://www.incredibleindia.org>, it highlight the tourist destinations of a specific region in India, which covers North East India.

□ In gift items, there are specific Indian websites making the act of gifting quick and easy to suit ones lifestyle. One such site is <http://www.indiangiftsportal.com>. The gifts are categorized as collectibles like paintings and sculptures, toys and games, chocolates, flowers, wood-craft and metal craft, luxury items like leather goods perfumes, jeweler boxes etc.

□ In case of hobbies, the most popular hobbies from time immemorial are reading books, listening music and watching films. On the Indian website <http://www.firstandsecond.com>, one can buy more than 3,00,000 titles of books, cassettes, VCDs and DVDs. The books cover a wide range of topics such as business, art, cookery, engineering, children's stories, health, medicines etc. For music and videos, they are available in English and other Indian languages to cater to the needs of public and the topics range from devotional songs, old time favorites and pop etc.

□ In case of matrimony, marriage portal like <http://www.jeevansathi.com> and <http://www.saadi.com>. There is a saying, marriages are made in heaven, but in the world of Ecommerce, they are made on marriage portals. On these websites one can search for a suitable match by region of residence, religion or caste. Once

registered with these portals, they have e-mail facility and chat rooms, so that the couple gets to know more about each other before making the decision of their lives. Other services for registered persons are astrological services, information on customs and rituals, legal issues, health and beauty etc.

In case of employment, two major portals like www.monsterindia.com and www.naukri.com are instrumental in providing job seekers with suitable employment facility. The service for job seekers is free and for employment they charge a nominal fee. Jobs are available online in fields, ranging from secretarial to software development and from real estate to education.

EXTERNAL CHALLENGES:

External forces impact how Ecommerce companies plan their growth strategy and provide seamless customer experience onsite and post transaction

Product and Market Strategy:

Ecommerce companies have to address issues pertaining to rapidly evolving customer segments and product portfolios access information on market intelligence on growth, size and share manage multiple customer engagement platforms focus on expansion into new geographies, brands and products and simultaneously tackle a hypercompetitive pricing environment.

Customer and Digital Experience:

Companies have to provide a rich, fresh and simple customer experience not geared towards discovery, manage inconsistent brand experience across platforms; manage proliferation of technologies; and handle time to market pressure for new applications. In the recent past, social media has become more influential than paid marketing.

Payments and Transactions:

Ecommerce companies may face issues around security and privacy breach and controlling fictitious transactions. Further, RBI restrictions for prepaid instruments or E-Wallets act as impediments. From a transactions perspective cross border tax and regulatory issues and backend service tax and withholding tax can have serious implications.

Fulfillment:

Companies will need to check if the physical infrastructure gets affected by the internet speed. Also the lack of an integrated end to end logistics platform and innovation focused fulfillment option could cause delivery

issues. Challenges around reverse logistics management and third party logistics interactions could also act as barriers to growth.

INTERNAL CHALLENGES:

Internal forces impact how Ecommerce companies can organize to drive and sustain growth. Emerging Trends Of Ecommerce In India: An Empirical Study

Organization Scaling:

Ecommerce companies will have to make sure organization design keeps pace with the rapidly evolving business strategy, along with fluid governance, strong leadership and management development. From a growth perspective, indentifying acquisition opportunities, fund raising and IPO readiness becomes necessary. From a technology perspective, it is important to transform IT as an innovation hub and address the lack of synergy between business, technology and operations functions of the enterprise.

Tax and Regulatory Structuring:

Companies will need to address issues around sub optimal warehouse tax planning imbalance between FDI norms vis-à-vis adequate entity controls, inefficient holding IPR or entity structure and international tax inefficiencies. Future challenges include the new companies act, policy on related party transaction pricing and the uncertainty around GST roadmap.

Risk Fraud and Cyber Security

From a risk perspective Ecommerce companies could face issues around brand risk, insider threats and website uptime. Issues around employee vendor nexus, bribery and corruption make companies vulnerable to fines. Cyber security also raises some concerns around website exploitation by external entities.

Compliance Framework:

Ecommerce companies have to comply with several laws, many of which are still evolving. Potential issues around cyber law compliance, inefficient anti corruption framework, legal exposure in agreements or arrangements, indirect and direct tax compliance framework and rules and regulations could pose problems. Uncertainty around VAT implications in different states due to peculiar business modes could cause issues.

OPPORTUNITIES OF ECOMMERCE

At present Ecommerce is the most preferred sector in India and it's moving towards the No. 1 destination. Due to the rising of Ecommerce sector, and due to rising business, sometime customer going to disappear with the service, and as well as Ecommerce sector become the highly employable sector. Through the Ecommerce platform, the customer can get our daily needs solution under one roof. It's maybe domestic or global product.

- Strategies for growth

The growth rate of Ecommerce in India is mentionable and higher than other countries. In terms of Ecommerce it places the third position in the world but due to lack of proper IT infrastructure, logistic support and financial infrastructure it faces challenges for its development. The smartphone user and internet subscriber in India are growing rapidly which stimulates the Ecommerce growth in India. Now Ecommerce traders provide a wide range of services from daily necessities to logistics which help them to spread the Ecommerce business all over in India.

- Low inventory cost

Inventory cost is an important element for maintain business. Ecommerce traders are getting benefit for reducing their inventory cost due to living as a big country like India. It helps them to minimize the cost by storing the product at any places in India. It also provides a big opportunity for Ecommerce traders to provide just-in-time (JIT) services and forecast the demand of the product more accurately.

- Better customer service

Ecommerce is a best approach to provide maximum level customer services in terms of low cost, quality products, and just in time. Customer satisfaction is an asset for businessman to increase their business growth. Best level customer satisfaction can be given by Ecommerce business. In this business, both traders and customers get benefit from it. It is an alternative system of traditional business which provides an opportunity to deal their business from distant places and without physical interaction by saving money, cost and minimizing risk.

- Reducing distribution costs

Since Ecommerce is based on virtual market i.e. internet, so it reduces distribution cost and time by providing just-in-time (JIT) services. It is a great opportunity for buyer and sellers to deal their business by sitting their own places. It helps to avoid all kinds of risk. Generally traditional business requires a mentionable amount for its distribution cost but Ecommerce is an alternative system of traditional business

which helps to reduce distribution cost and easily spread the business all over the country and sometimes out of the boundary of the country.

- Globalizing business

Ecommerce is a business platform which can provide the same kind of services to its customer crossing the country's boundary. The people can easily buy products from an online shop which is situated within the country or from abroad by online payment through debit or credit card, m-cash and other related methods. It also helps to market the products easily to mass people over the world within a short time. India is a country which is favorable for globalizing the Ecommerce business as well as crores of Indian people.

- Quick marketing of products

Since Ecommerce is mainly based on internet and connected with the virtual arena, so it is a big opportunity for Ecommerce trader to do marketing to a large number of people through various social networking site and websites. It is a platform to explain all details about the product to its consumers. Ecommerce is providing a complete solution for purchasing the products from online and pay online by avoiding so many types of hassle and risk. It provides an opportunity to reach the product information to people of the domestic country as well as abroad within a short time.

- Integration of Ecommerce

Integration among various stakeholders is an essential tool for making the business easily. Ecommerce business is usually connected to the other service providers like internet service provider, government agency, commercial bank, the central bank, payment gateway, businessman, and business cooperative society for maintaining the smooth running of Ecommerce business. Coordination is necessary among all stakeholders. Integration should be done by including Ecommerce in the academic syllabus, including latest business-related technology to Ecommerce, coordination among Ecommerce businessman, university professors, expert, IT experts and government agency for proper implementation and enhancement of Ecommerce in India.

PRESENT CHALLENGES FACING ECOMMERCE

Speaking of barriers, there are a variety of them that need to be uprooted before Ecommerce can compete with average commerce. The biggest quandary within the course of development of Ecommerce is that the customer's senses are limited to seeing and listening to the product. The second largest main issue that Ecommerce has been dealing with over the past few years is that of safety. Average customers and retailers are still paranoid about conducting industry online. In step with Hal Loevy, vice chairman of global marketing and Partnerships for SGSONSITE, "despite all the noise about Ecommerce, which is massive, firms still need to preserve their old business practices: can i believe who i am buying from? Who am I doing trade with? What is their trading history? Am I obeying the legislation? Will I obtain the items as particular on reveal and who do I method if i've a trouble?". According to emarketer.Com, "70% of US shoppers are worried about on-line security; this discourages shoppers from utilising bank cards to buy online (PaymentOne)". Additionally according to e-marketer.Com, in December 2001, 91% of web sites gathered individual understanding and in April-may 2001, 68% of US internet customers were worried that transactions will not be at ease and other organizations and individuals would acquire entry to their personal expertise.

According to Rawat, ASSOCHAM Secretary General as per the survey in India 75% youth, in the age of 15-34 years, using online services or user in India, and India is an example of the youngest demography globally. As per given age distribution, this may expect to be a continuing tendency in coming years. The growth among categories focused on younger generations in last one year, it is not very surprising to see. It is observed that maximum online shoppers in India are youth, and their age is between 15-24 years including females and males both. Recently in India, increasing of internet subscribers is beneficial for Ecommerce growth in India.

Customers consider online transactions or turnover and safety to be the second biggest challenge faced by Ecommerce companies in India. Present days news about online fraud, tricky coupons, fake adds, spam e-mail and scam of credit card information being stolen has dynamic customer confidence in this system. As per present scenario, most of the customers in India prefer to buyingstuff on (COD) cash on delivery basis. Due to lack of confidence security system, most of the customer using COD service. Developing Electronic Commerce solutions successfully across the Organization means building reliable, scalable systems for:

POSSIBLE CHALLENGES OF ECOMMERCE

Poor Infrastructural Problems Infrastructure is an essential part of Ecommerce business. It is not possible to continue the business without a good infrastructure. The Internet is an essential tool for Ecommerce infrastructure. Since Ecommerce needs continuous uninterrupted internet, so it is necessary to

ensure it. Infrastructure is not only essential for the trader but also essential for the buyer. The major Ecommerce infrastructures are available computers, mobile and electronic devices of buyer and seller, available internet service providers and internet penetration rate, quality and speed of internet connectivity, internet security, and online payment gateway. Now the traders of various part of India faces poor Ecommerce infrastructure, though the penetration rate is 60% in urban areas and 20.26% in rural areas.

The growth rate of penetration is increasing day by day. But the logistics and supply chain infrastructure and financial infrastructure are not up to mark for conducting Ecommerce business in India.

Lack of proper Cyber Laws

Cybersecurity is a vital tool for maintaining trust in the Ecommerce business. The appropriate cyber law is necessary to maintain the cyber security in the country. So, it is not possible to conduct Ecommerce business smoothly without implementing timely and appropriate cyber law in India. But cyberlaw is not up to mark in India, it needs reform and makes law according to the types of offense for its proper implementation. The cyber law should be standard so that individual property rights, the privacy of data and content, data protection should be reserved with its commercial and criminal.

- Lack of Privacy and Security

The privacy and information of buyer and trader should be secure for maintaining a trustworthy business relation. Because sometimes data may be used by the criminal groups for hacking customer and trader's money which decrease the trust of Ecommerce business. Lack of privacy and security is a big challenge for Ecommerce business in India. Privacy has been and continues to be a significant issue of concern for both current and prospective electronic commerce customers. With regard to web interactions and Ecommerce, the following dimensions are most salient: Privacy consists of not being interfered with, having the power to exclude individual privacy is a moral right. Privacy is a desirable condition with respect to possession of information by other persons about him/herself on the observation/perceiving of him/herself by other persons. In addition to privacy concerns, other ethical issues are involved with electronic commerce. The Internet offers unprecedented ease of access to a vast array of goods and services. The rapidly expanding arena of "click and mortar and the largely unregulated cyberspace medium have however prompted concerns about both privacy and data security. Manufacturers Competing with Intermediaries Online Disintermediation, a means eliminating the intermediary such as retailers, wholesalers, outside sales reps by setting up a Website to sell directly to customers Disintermediation include (1) music being downloaded (2) directly from producers authors distributing their work from their own Web sites or through writer co-operatives. Dinosaurs - "Dinosaurs" is a term that refers to executives and college professors who refuse to recognize that technology has

changed our lives. When an executive speaks in terms of the Internet being the “wave of the future”.

- The confidence of Customers for Payment and Tax Related Issues

Most of the people of the rural areas are not aware of the tax-related issues. As a result, it creates some problems in the Ecommerce business. People are anxious about the products which are available in Ecommerce business because of the price which integrated with tax. Tax administration should be cooperative to put the tax in a way to avoid double taxation. Another issue is related to the payment system. People do not want to use their credit card for online payment to avoid fraudulent activities. Indian Ecommerce market can easily gain success by reducing the tax on consumer goods.

- Lack of Digital Illiteracy

Digital illiteracy is a top requirement for adopting Ecommerce. But in India, the digital literacy rate is not satisfactory which creates a barrier for smooth development of Ecommerce in India. Though Ecommerce requires a group of top-level IT professional for software development. Infrastructure development, customization of software according to consumer’s demand, and negotiate global level Ecommerce service providers but top-level IT professionals are interested to go abroad for personal gain as a process of brain drain. So, it is a major challenge for a country like India to engage his IT expert and researcher to engage spreading the Ecommerce market. Besides this, an Ecommerce friendly curriculum is necessary to develop new professionals and spreading digital knowledge.

- Virus Problem

A computer virus is a threat to Ecommerce. There are thousands of viruses’ manufacturer who continuously develop a various virus to steal the information of various levels of people. Indian Ecommerce is not out of the influence of the harassment. A computer virus is a tough problem for execution of Ecommerce in India. Many buyers and traders are worried about a computer virus, as a result, their trust level on Ecommerce are very low. The government should take initiative to implement the antivirus related program for the smooth running of Ecommerce in India.

- Localization in-terms of place and language

India is a big country in terms of population and area. So, Ecommerce business in one province is not enough to deliver their product to other areas because of carrying cost, time and other related risks. So, localization is necessary to deliver the product timely which can stimulate the Ecommerce business easily. But unfortunately, it is not up to the mark in India. Internet-based Ecommerce has besides, great advantages, posed many threats because of its being what is popularly called faceless and borderless.

- Consumer’s Perceptions

Consumer's perception is an important element for Ecommerce business. E-service replacements may seem unfamiliar, artificial and non-authentic in comparison to traditional service processing methods. Consumers may believe that new Internet-based processing methods expose them to new potential risks the dangers of online fraud, identity theft, and phishing swindles means schemes to steal confidential information using spoofed websites, have become commonplace, and are likely to cause alarm and fear within consumers.

- Unrealistic competition

The vibrancy of the Indian startup ecosystem over the past couple of years has channeled a lot of investment into the Ecommerce sector. The long-term prospects for Ecommerce companies are so exciting that some investors are willing to spend irrationally high amounts of money to acquire market share today. Naturally, the Indian consumer is spoiled for choice. However, this trend has reversed as investors are getting worried about slipping further down a slippery slope. While this article focuses on Ecommerce challenges in India, an intrinsically one-sided topic, it is important to note that Ecommerce giants are increasingly attracted to India. Cross-border Ecommerce to India is growing, and many large international players are also making a significant investment in setting up shop in India.

Most of the companies moving towards the digitalization, it's growing rapidly an important to realize, where consumers perceive the alternative of the digitized e-service. Consumers may trust that new Internet-based technology and expose them to new potential risks the dangers of the online bluff, identity theft and beside many, benefit offered by the education a number of challenges have been possess to the recent learning view. Ecommerce integration assures coverage of all critical aspects of Ecommerce, but it also has several obstacles.

In addition to the Ecommerce, many business faculty fellows may not wish to add Ecommerce subject to their courses primarily because of their own lack of comfort with knowledge and technology related subject's materials to existing business, courses can overweigh faculty and students alike trying to anger with the extra subject matter in courses already moist with the required information. Finally, this perspective requires a great deal of coordination during faculty and disciplines in the business trade to ensure reasonable coverage of Ecommerce education.

ADVANTAGES OF ECOMMERCE

Technology and Market Key market and technology trends that we believe will define Ecommerce in near future include: Brand loyalty Price has been the dominating factor in the Indian market and the customer is not hesitant in changing brands frequently to avail the lucrative offers presented by competing brands. There is a lot that Ecommerce players in India would have to do to make their customers feel special to retain them, as the loyalty erodes fast when the shopper is confronted with

promotions and deals. Knowing what your customers want and offering them accordingly can possibly drive this, which is possible by using big data techniques to predict consumer preference and behavior.

- Logistic Shipment

Retailer's own logistics have been a major issue for online retailers in India, which leads them to build their own strategies in the absence of established systems to handle cash-on-delivery and same-day shipments. Online market leaders are choosing to build their own logistics such as Flipkart, who has launched eKart that is open to its rivals as well. The Indian market is yet not comfortable to adopt payments through credit or debit cards. Cash-on-delivery accounts for up to 60 percent of transactions, according to Internet and Mobile Association of India and audit firm KPMG. Overdependence on the cash-on-delivery mode of payment remains worrisome as the transactions add about 3 percent additional costs. Also, the additional processes required for cash-on-delivery orders, longer payment cycle, higher instances of returns and associated costs are hurting margins.

- Experience of Customers

Improving customer experience with varied offerings and options with the advent of technology, online retailers are devising attractive delivery options such as same-day delivery or delivery within an hour to door of consumers which gives advanced customer services. To further improve customer experiences, we might also see the adoption of international practices such as digital or experiential stores and showrooms, pop-up and fulfillment stores and drones that will fascinate the Indian market. The other technologies that will affect these trends and help shape the Ecommerce business include:

- Applications of Big data

To gain, retain and attain more customers, online retailers would have to leverage technology to the fullest, and by developing strategies through analytics produced using big data will help in making customers feel special and increase brand loyalty. With the increasing adoption and use of Smartphone's, businesses are able to collect a large amount of data on consumers, which can be further utilized to do target-based marketing and advertising.

- Application of Mobile

Brands have taken the mobile advertising route and are gradually picking up. Online retailers have realized the potential increase of online shoppers through their mobile phones in future. And as consumers grow more comfortable with using mobile devices for browsing and shopping, they are now more open to getting messages from brands via their mobiles. Businesses are implementing strategies for integrating mobile into their marketing campaigns and before they do that, they will have to make efforts to optimize legacy websites for mobile in order to improve customer experience. This is where the responsive design will come into play. Fixing the mobile clicks is imperative as an unresponsive design may lead to the customer abandoning the site in a few seconds causing a low conversion rate and poor return on investments.

- Using Social Media

Another important consideration is the social aspect and marketers have realized its importance very well. Product and service feedback via social media channels have an impressionable effect on the minds of the larger customer base

Looking on the brighter part nonetheless, Ecommerce certainly has numerous advantages over common commerce, the quantity one advantage being comfort of use. The person can browse on-line stores, compare costs and order merchandise sitting at residence on their pc. According to Forrester, 37 percent of on-line patrons use purchaser provider more from internet retailers than normal retailers because of its knowledge for ease of use and speedy response occasions. "once nice proactive consumer service is in situation, retailers ought to construct their brands around the promise of a pleasant expertise," said Forrester's Christopher Kelley. "this implies now not handiest advertising a call middle but additionally bragging about rapid response occasions and educated service reps". Dell, for example has adopted the same method to selling their merchandise each on-line and offline. This nevertheless, has tested worthwhile for the enterprise, on account that it helped them decrease on warehousing fees. A method in which the company has encouraged on-line ordering is via offering rebates on the products which might be purchased on-line. Other businesses should comply with Dell's illustration in the event that they wish to be triumphant in the online world.

DISADVANTAGES OF ECOMMERCE

The main disadvantages associated with Ecommerce are the following:

- Strong dependence on information and communication technologies (ICT);
- Lack of legislation that adequately regulates the new Ecommerce activities, both nationally and internationally;
- Market culture is averse to electronic commerce (customers cannot touch or try the products);
- The users' loss of privacy, the loss of regions' and countries' cultural and economic identity;
- Insecurity in the conduct of online business transactions.

NOWADAYS ECOMMERCE FACING PROBLEMS

Talking of limitations, there are plenty of them that need to be uprooted earlier than Ecommerce can compete with common commerce. The largest concern within the course of advancement of Ecommerce is that the purchaser's senses are restrained to seeing and hearing the product. The second greatest situation that Ecommerce has been going through during the last few years is that of safety. Traditional customers and

agents are still paranoid about conducting industry on-line. In line with Hal Loevy, vice chairman of global advertising and Partnerships for SGS on SITE, "despite the entire noise about Ecommerce, which is tremendous, firms still have to keep their old industry practices: can i believe who i'm buying from? Who am I doing business with? What's their trading historical past? Am I obeying the law? Will I receive the items as exact on reveal and who do I approach if i have a predicament?". In keeping with emarketer.Com, "70% of US purchasers are involved about online safety; this discourages purchasers from making use of Dr. P. Devaraj, IJECS Volume 05 Issue 12 Dec., 2016 bank cards to buy on-line (payment One)". Also in line with e-marketer.Com, in December 2001, ninety one% of websites accrued personal understanding and in April- could 2001, sixty eight% of US web users have been worried that transactions is probably not relaxed and other firms and contributors could acquire entry to their individual knowledge.

ECONOMIC IMPACT OF ECOMMERCE

- Disintegration of omnirange online retail

The previous decade was the time of huge retail platforms consolidating the entire array of products and commodities. However, the independent sources and custom Ecommerce solutions are starting to build the unique experiences noninferior to the huge enterprises. The retail stores specializing in the proprietary product lines with expertise in a certain niche will nudge the existing online retail giants.

- Expansion of Ecommerce sales performance

As of now, sales from the Ecommerce segment including website retail and purchases in mobile apps, count 12% of the US market sales. The advances in technologies, new marketing strategies, and user experience of Ecommerce platforms allow us to predict the further rise in share of online retail to 40 and even 50% in the next 10 years. This means the brands that embrace Ecommerce leader status today will become a force to be reckoned with in future.

- Augmented & virtual reality in Ecommerce

The topic of AR and VR technologies have been buzzing for quite some time. Some of the major brands have already implemented augmentation into their sales models. If we are talking about the increase of online sales, this goes in hand with the substitution of the customer's ability to try the product before buying. This will also mean the more immersive personalized experience for every user. Customized Ecommerce platforms have to consider AR & VR potential and advance towards the implementation of those.

- Better shipment for Ecommerce

The weakest points of today's online retail are the distribution and shipment aspects. With that said, these weak points present the opportunity for those Ecommerce retailers who put their time and effort into the improvement of shipping. There is a reported 43% growth in sales for the Ecommerce solutions that

introduce a better customer experience through better shipment and distribution. What users want is faster delivery and convenience without distraction. If an Ecommerce platform can reinvent its shipment through the integration with other agile businesses, it will reach the new level of sales and recognition.

- Now talking about the impact on consumer

Enabling people to enabling people to shop online has a Massive positive impact on consumer throughout the world consumer consumer have become more important than ever before and had a greater Joy of goods available to them at much lower price than they would be in show local Store due to love fact that they can shop anywhere in the world and take advantage of currency exchange rate and economic difference throughout the world.

- Direct communication direct communication with customer

One thing one thing you could say about using Ecommerce as mean to sell your product could be that some customer maybe we'll of not having that face to face contact with sales representative this could be particular torrent with the older generation who are not digital native and these there is a ridiculous to purchase online as its take away from try before you buy element.

People who people who are confident using the web to order can communicate online and our Reliance on face to face contact is the does cut man hours the need of direct contact with consumer as product are ordered pant and shift the communication takes place online and the customer for my contact and try before they buy researching the product reviews for individual product to see what order have.

- Lower price

Ecommerce is the best Ecommerce is the best example of lower price customer can easily compare the product to their offline market Merchant . Ecommerce complete tried to communicate with customer with with the help of so many online tools like emails.

They can communicate they can communicate with customer using email newsletter informing them of special offers and discounted stock that they might be interested in again this empowers customer and keep them in form of the latest deal that may be part of interest to them

Ecommerce has altered the practice, timing, and technology of B2B and B2C markets, affecting everything from transportation patterns to consumer behavior.

Thanks to the development of electronic commerce, the most basic of economic transactions—the buying and selling of goods—continues to undergo changes that will have a profound impact on the way companies manage their supply chains. Simply put, Ecommerce has altered the practice, timing, and technology of

business-to-business (B2B) and business-to-consumer (B2C) commerce. It has affected pricing, product availability, transportation patterns, and consumer behavior in developed economies worldwide.

B2B Ecommerce leads the way

Business-to-business electronic commerce accounts for the vast majority of total Ecommerce sales and plays a leading role in global supply chain networks (see Figure 1). In 2003, approximately 21 percent of manufacturing sales and 14.6 percent of wholesale sales in the United States were Ecommerce related; by 2008 those percentages had increased to almost 40 percent for manufacturing and 16.3 percent for wholesale trade. One reason why B2B Ecommerce is more sophisticated and larger in size than direct-to-consumer Ecommerce is that B2B transactions developed out of the electronic data interchange (EDI) networks of the 1970s and 1980s.

The steady growth in business-to-business Ecommerce has changed the cost and profit picture for companies worldwide. At the microeconomic level, growth of B2B Ecommerce results in a substantial reduction in transaction costs, improved supply chain management, and reduced costs for domestic and global sourcing. At the macroeconomic level, strong growth of B2B Ecommerce places downward pressure on inflation and increases productivity, profit margins, and competitiveness.

Double-digit growth for B2C

Ecommerce retail has become the fastest growing trade sector and has outpaced every other trade and manufacturing sector since 1999, when the U.S. Census Bureau started collecting and publishing data on Ecommerce. That year, Ecommerce retail sales represented less than 1 percent of total U.S. retail sales. In 2003 that number climbed to a little less than 2 percent; by 2008 it had grown to 3.6 percent, and by the fourth quarter of 2010 B2C Ecommerce reached 4.4 percent of total U.S. retail sales. In dollar terms, Ecommerce retail revenue currently stands at approximately US ₹165 hundred crore, considerably less than the US ₹3.9 trillion that represents the total U.S. retail market.

During the "Great Recession," which lasted from December 2007 through June 2009, manufacturing, wholesale, and bricks-and-mortar retail sales took a heavy beating. By the fourth quarter of 2010 they still had not fully recovered, even though U.S. gross domestic product (GDP) and personal spending (adjusted for inflation) had surpassed their previous peaks seen in late 2007.

Retail Ecommerce, by contrast, weathered the recession relatively well, albeit with considerably slower growth than had been seen prior to the financial crisis. In the first quarter of 2002, retail ecommerce experienced quarterly, year-over-year growth of about 42 percent. On the eve of the recession, that rate dropped to a still-respectable 18 percent. Quarterly sales continued to grow until the latter part of 2008, and in the fourth quarter of 2009 sales surpassed the previous peak.

It's important to note here that a large portion of B2C sales come through mail-order houses, many of which have an online presence as well as traditional storefront outlets. Contrary to popular opinion, mail-order houses still have a very strong online presence, and until just recently their sales outperformed online-only retailers.

Economic, behavioral changes

The changes that B2C Ecommerce has sparked arguably have had a more significant impact on the economy and on buyers' behavior than has B2B ecommerce. In the past, when consumers wanted to make purchases they had to set aside time to shop during certain hours of the day, or they had to read through catalogs sent to them by mail-order houses. Today, many consumers can simply use their computers—and now smart phones or other portable electronic devices—to shop online. Buyers and sellers that engage in Ecommerce retail trade are no longer restricted by store hours, geographic marketing areas, or catalog mailing lists. With a few simple clicks they can gain access to a variety of goods 24 hours a day, seven days a week.

The characteristics of retail Ecommerce merchandise also have changed significantly over the past decade. Back in 2000, computer hardware was the most common type of merchandise sold over the Internet. Today, the variety of merchandise is extremely diverse, and shoppers can buy almost anything online.

Online shoppers have benefited in other ways. The growth of Ecommerce retail sales has reduced consumers' search cost, placed downward pressure on many consumer prices, and reduced price dispersion for many consumer goods. But this has led to a substantial decrease in the number of small companies operating in certain industries, as they tend to be less involved with Ecommerce. Larger businesses, most notably retail book outlets, new automobile dealerships, and travel agents, are better able to compete in this new market environment.

The extremely rapid growth of Ecommerce retail sales has provided a major boost to residential parcel delivery services. That's because online merchandise purchases involve some form of residential delivery by a third-party vendor such as FedEx, UPS, or the U.S. Postal Service. In addition, there appear to be considerable synergies related to B2C parcel and heavier freight volumes—parcel industry insiders have observed that businesses with strong Ecommerce-related B2C parcel shipment volumes often have stronger B2B shipment volumes than those that do not engage in B2C Ecommerce.

The internet has changed many aspects of our lives, including the way we communicate with each other, how we keep our finances. It has made a profound impact on society. Now we shop online from our houses. This forces retailers to open online division. It can also force smaller businesses to shut their doors, or change to being completely online. It also has changed people way of spending money. Undoubtedly, it will continue to influence how companies sell and market their products, as well as how people choose to make purchases for many years to come. The following are the impact of Ecommerce on the global economy.

IMPACT OF ECOMMERCE

Product promotion Ecommerce enhances promotion of products and services through direct, attractive and interactive contact with customers. New sales channel Ecommerce creates a new distribution channel for existing products. It facilitates direct reach of customers and the bi-directional nature of communication.

Direct savings The cost of delivering information to customers over the Internet results in substantial savings to senders when compared with non electronic delivery. Major savings are also realized in delivering digitized products versus physical delivery (Turban, 2010). Reduced cycle time The delivery of digitized products and services can be reduced to seconds (Turban, 2010). Also, the administrative work related to physical delivery, especially across international borders, can be reduced significantly, cutting the cycle time by more than 90 percent.

MARKET SIZE AND GROWTH

India's Ecommerce market was worth about ₹3.8 hundred crore in 2009, it went up to ₹12.6 hundred crore in 2013. In 2013, the e-retail segment was worth US\$2.3 hundred crore. About 70% of India's Ecommerce market is travel related. According to Google India, there were 35 million online shoppers in India in 2014 Quarter 1 and is expected to cross 100 million mark by end of year 2016. Compound Annual Growth Rate (CAGR) vis-à-vis a global growth rate of 8–10%. Electronics and Apparel are the biggest categories in terms of sales.

Propelled by rising smartphone penetration, the launch of 4G networks and increasing consumer wealth, the Indian Ecommerce market is expected to grow to US\$ 200 hundred crore by 2026 from US\$ 38.5 hundred crore in 2017 Online retail sales in India are expected to grow by 31 per cent to touch US\$ 32.70 hundred crore in 2018, led by Flipkart, Amazon India and Paytm Mall.

During 2018, electronics is currently the biggest contributor to online retail sales in India with a share of 48 per cent, followed closely by apparel at 29 per cent.

INVESTMENTS/ DEVELOPMENT

Some of the major developments in the Indian Ecommerce sector are as follows:

- Flipkart, after getting acquired by Walmart for US\$ 16 hundred crore, is expected to launch more offline retail stores in India to promote private labels in segments such as fashion and electronics. In September 2018, Flipkart acquired Israel based analytics start-up Upstream Commerce that will help the firm to price and position its products in an efficient way.
- Paytm has launched its bank - Paytm Payment Bank. Paytm bank is India's first bank with zero charges on online transactions, no minimum balance requirement and free virtual debit card

- As of June 2018, Google is also planning to enter into the Ecommerce space by November 2018. India is expected to be its first market.
- Ecommerce industry in India witnessed 21 private equity and venture capital deals worth US\$ 2.1 hundred crore in 2017 and 40 deals worth US\$ 1,129 million in the first half of 2018.
- Google and Tata Trust have collaborated for the project 'Internet Saathi' to improve internet penetration among rural women in India

Government initiatives

Since 2014, the Government of India has announced various initiatives namely, Digital India, Make in India, Start-up India, Skill India and Innovation Fund. The timely and effective implementation of such programs will likely support the Ecommerce growth in the country. Some of the major initiatives taken by the government to promote the Ecommerce sector in India are as follows:

- In order to increase the participation of foreign players in the Ecommerce field, the Indian Government hiked the limit of foreign direct investment (FDI) in the Ecommerce marketplace model for up to 100 per cent (in B2B models).
- In the Union Budget of 2018-19, government has allocated Rs 8,000 crore (US\$ 1.24 hundred crore) to BharatNet Project, to provide broadband services to 150,000 gram panchayats
- As of August 2018, the government is working on the second draft of Ecommerce policy, incorporating inputs from various industry stakeholders.

Achievements

Following are the achievements of the government in the past four years:

- Under the Digital India movement, government launched various initiatives like Udaan, Umang, Start-up India Portal etc.
- Under the project 'Internet Saathi', the government has influenced over 16 million women in India and reached 166,000 villages
- Udaan, a B2B online trade platform that connect small and medium size manufacturers and wholesalers with online retailers and also provide them logistics, payments and technology support, has sellers in over 80 cities of India and delivers to over 500 cities.
- According to the UN's eGovernance index, India has jumped 11 positions to 107 in 2016 from 118 in 2014.
- The government introduced Bharat Interface for Money (BHIM), a simple mobile based platform for digital payments.

Road Ahead

The Ecommerce industry been directly impacting the micro, small & medium enterprises (MSME) in India by providing means of financing, technology and training and has a favourable cascading effect on other

industries as well. The Indian Ecommerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second largest Ecommerce market in the world by 2034. Technology enabled innovations like digital payments, hyper-local logistics, analytics driven customer engagement and digital advertisements will likely support the growth in the sector. The growth in Ecommerce sector will also boost employment, increase revenues from export, increase tax collection by ex-chequers, and provide better products and services to customers in the long-term.

RECENT TRENDS IN INDIAN ECOMMERCE INDUSTRY

India is a massive Ecommerce marketplace now with every age group comfortably transacting online – more often preferring shopping online instead of visiting offline stores for a bigger gamut of choices and offers. Ecommerce industry is growing at an astounding rate in India and is expected to account for 1.61% of the global GDP by 2018. According to a report by Forrester, India is set to become the fastest growing market in the Asia-Pacific region with an expected growth rate of over 57% between 2012 and 2016.

1. Men in India shop 3X more than women

While women continue to dominate the in-store markets, men with disposable incomes have taken it upon themselves to play the larger role in online shopping.

2. Cash-On-Delivery (COD) remains the most preferred online payment method.

We Indians love the Cash-On-Delivery option; it gives us more control over online transactions since we don't have to pay until the product is at our doorstep. COD option during checkout has also been proven to boost impulse purchases.

3. 60% of online purchases happen during business hours.(9AM-5PM)

This proven trend is a myth-buster that shows how integral a part online shopping has become in our day-to-day lives. Marketers can use this fact to schedule their promotions across advertising channels accordingly.

4. The Rural Pitch

Ecommerce companies would emphasize more on attracting the customers from rural areas. Along with this, traditional business houses such as Tata Group and Reliance Industries will enter more aggressively into the ecommerce business.

5. Smartphone Apps:

However, users browse products on desktops or laptops, they prefer transacting via smart phones because of their faster linkages to payment gateways. Smartphone ecommerce apps are also preferred as they offer more personalized shopping experience for customers and a better understanding of consumers for the ecommerce

company. Further apps are also an opportunity to curate targeted promotions based on browsing or shopping cart history.

OPPORTUNITIES AND CHALLENGES

Backed by increased online user base and mobile phone penetration, Indian Ecommerce has seen impressive growth in the last few years. Considering India's demographic dividend and rising internet accessibility, the sector is slated to scale greater heights. Although, India's overall retail opportunity is substantial, the sector is beset with some serious challenges. We take into the current Ecommerce landscape and the sector's key drivers & challenges. Internet penetration is one of the factors affecting the growth of Ecommerce.

FUNCTIONS OF ECOMMERCE

Communication function Aimed at the delivery of information and/or documents to facilitate business transactions.

Example: E-Mail.

Process management function Covers the automation and improvements of business processes.

Example: networking two computers together.

Service management function Application of technology to improve the quality of service.

Example: Federal Express website to track shipments and schedule.

Transaction capabilities Provides the ability to buy/sell on the internet or some other online services.

Example: Amazon.com.

SCOPE OF STUDY

In the current Information Technology scenario various organizations and companies all over the world are relying heavily on access to information in the electronic medium. The internet is the major source of information in knowledge based societies. The last decade in India has witnessed a major Information Technology revolution. An example growing use of Internet in a very short span of time the use of computers at offices and homes has become a reality. Ecommerce has helped the banking, financial institutions and industry to automate their business process and minimize the transactional days. In the industrial and banking the performance is measured in terms of processing speed and customer satisfaction with the application of computer it has become possible to clear the recurring dues like payment for electricity bills, telephone bill, shopping bill by instructing the bank for payments from customers account online fund transfer from one account to another in the bank has also become possible in the banks Credit card, Debit card, ATM, E-cash, E-cheque it has become possible for customers to made a payment or to withdraw cash from the bank round the hour. Ecommerce has proved to be extremely useful for education and research. It is not too far from now when people used to collect the relevant information in the Library Journals and books. A lot of time used to be wasted in finding the relevant information source with the help of Information Technology or popularity of World Wide Web and easy accessibility to the Internet, it now takes a few seconds to find any designed information.

Ecommerce is a new phenomenon that has resulted from the rapid commercialization of the Internet in the recent years. Strictly speaking the definition of what constitutes Ecommerce changes as new forms of doing business on the Internet in the rapid commercialization of the Internet in the recent years. Strictly speaking the definition of what constitutes Ecommerce changes as new forms of doing business on the Internet emerge. For the purpose of this thesis “Ecommerce is much more than buying and selling on the Net.

It is about doing business electronically both within enterprises and externally, using computer networks and mobile communication.” There are many forms of Ecommerce. Business to Business, Business to Consumer, Consumer to Business and Business to Government Ecommerce is “predominantly a business issue, enabled by Information Technology” The ability to do business electronically has resulted in the development of new business models at a rapid pace, which models will prevail is still being decided. It is up to Government to facilitate Ecommerce by providing the necessary infrastructure, providing the basic communications connectivity to allow people to access the Internet. The proposed duration for the study is two years each companies from 2008 and 2009. It is to identify the different problems and prospects of Ecommerce in the concerned places in Maharashtra during the period.

Technology and Market

Key market and technology trends that we believe will define Ecommerce in near future include: Brand loyalty Price has been the dominating factor in the Indian market and the customer is not hesitant in changing brands frequently to avail the lucrative offers presented by competing brands. There is a lot that Ecommerce players in India would have to do to make their customers feel special to retain them, as the loyalty erodes fast when the shopper is confronted with promotions and deals. Knowing what your customers want and offering them accordingly can possibly drive this, which is possible by using big data techniques to predict consumer preference and behavior.

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more open to getting messages from brands via their mobiles. Businesses are implementing strategies for integrating mobile into their marketing campaigns and before they do that, they will have to make efforts to optimize legacy websites for mobile in order to improve customer experience.

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➤ **CHAPTER 2. REVIEW OF LITERATURE**

- Sharma anukriti (2013)

The article entitled “A study on Ecommerce and Online Shopping: Issues and Influences”. In this article an attempt is made to study the recent trends, influences, preferences of customers towards Ecommerce 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.

- Abhijit Mitra (2013)

The article entitled “Ecommerce in India-A review”. In this article an attempt is made to study the present status and facilitators of Ecommerce in India, analyze the present trends of Ecommerce in India and examine the barriers of Ecommerce in India. The study found that, there has been a rise in the number of companies taking up Ecommerce in the recent past. The study also found that, major Indian portal sites have also shifted towards Ecommerce instead of depending on advertising revenue.

- Nisha Chanana and Sangeeta Goele (2012)

The article entitled “Future of Ecommerce in India”. In this article an attempt is made to study the overview of the future of Ecommerce in India and discusses the future growth segments in India’s of Ecommerce. The study found that, various factors that were essential for future growth of Indian Ecommerce. The study also found that, the overall Ecommerce will increase exponentially in coming years in the emerging market of India.

- Sarbapriya Ray (2011)

The article entitled “Emerging Trends of Ecommerce in India: Some Crucial Issues Prospects and Challenges”. In this article an attempt is made to present a snapshot of the evolution of Ecommerce business indicating the chronological order, category of Ecommerce business, description of organizations involved in E-business in India. The study found that, the role of government should be to provide a legal framework for Ecommerce so that while domestic and international trade are allowed to expand their horizons, basic rights such as privacy, intellectual property, prevention of fraud, consumer protection etc are all taken care of.

- Green and Rao (1971)

Green and Rao (1971) which enables us to elicit targeted responses by subjects about specific features of a product. Over time, this method has been tweaked and improved upon by numerous researchers, thus making the rank, ordering and choice elicitation tasks an effective tool for any marketing research study. Professor of Marketing at Columbia University, Oded Netzer advanced the techniques developed by Rao et al. by identifying and addressing the gaps in traditional preference elicitation and estimation models. Specifically, Netzer focused on addressing three components of preference measurement: 1) the problem that the study intends to address, 2) design and approach of the data collection study and preference measurement task, 3) advanced preference estimation models.

- Dzyabura et al. (2016)

Dzyabura et al. improved and built a new data fusion model that improved upon the reliability of the online ratings data to predict offline preferences. They demonstrated that large discrepancies existed between the online and offline partworths when consumers evaluated products physically versus online. Since collecting large amounts of data offline is time consuming and extremely expensive, large online data sets can be combined with small offline data sets to better estimate offline preferences (up to 25% improvement).

- Arvind Panagariya (2000)

Arvind Panagariya (2000) reported that access to Ecommerce, which in the WTO parlance often means access to e-exports, has two components that must be distinguished sharply. Access to Internet services and access to services that can be traded electronically. The former deals with access to Internet infrastructure while the latter relates to specific commitments in electronically tradable services. Ecommerce offers unprecedented opportunities to both developing and developed countries. In the short run, the gains are likely to be concentrated in developed countries that have more to benefit. This is because, in the short run, developing countries lack the infrastructure necessary to take full advantage of Internet. For many countries, especially developing ones in these countries, most consumers do not have computers or Internet access. A likely scenario, therefore, is one in which a handful of independent entrepreneurs will receive the product by Internet, convert it into physical form such as CDs and sell the latter to consumers. But this activity may itself be costly using up real resources. In the long run, they can Leapfrog, skipping some of the stages in the development of Information Technology through which developed countries have had to pass.

- Elizabeth Goldsmith and Sue L.T. McGregor (2000)

Elizabeth Goldsmith and Sue L.T. McGregor (2000) analyzed the impact of Ecommerce on consumers, public policy, business and education. A discussion of public policy initiatives, research questions and ideas for future research are given.

- Diana Oblinger (2001)

Diana Oblinger (2001) reported that one is that education and continuous learning have become so vital in all societies that the demands for distance and open learning will increase. As the availability of the Internet expands as computing devices become more affordable and a energy requirements and form factors shrink, e-learning will become more popular. In addition to the importance of life long learning, distance education and e-learning will grow in popularity because convenience and flexibility are more important decision criteria than ever before. E-learning will become widely accepted because exposure to the Internet and e-learning often begins in the primary grades, thus making more students familiar and comfortable with online learning. In fact, for many countries, distance education has been the most viable solution for providing education to hundreds of thousands of students.

- Jackie Gilbert Bette Ann Stead (2001)

Jackie Gilbert Bette Ann Stead (2001) reviewed the incredible growth of electronic commerce (Ecommerce) and presented ethical issues that have emerged. Security concerns, spamming, websites that do not carry an “advertising” label, cyber squatters, online marketing to children, conflicts of interest, manufacturers competing with intermediaries online and “dinosaurs” were discussed.

- Patric Barwise (2001)

Patric Barwise (2001) reported that probability 99 % of Ecommerce today is done using PCs either desktops or Laptops. For B2B Ecommerce this is unlikely to change for B2C Ecommerce however, things will be more complex, there will be wider range of relevant media including interactive digital TV and a range of mobile and wireless service there will be huge difference between different consumers ownership of equipment and access technology. Some will have broadband access and others have no digital communication at all.

- Hernandez (2014)

Hernandez (2014) analyses that India’s Market Goes Online and emphasizes the fact that Ecommerce, as an industry, has gained prominence in the past 10 years. The online retail industry in India is leading the Ecommerce growth as they cash in on the increasing number of internet users. According to the latest

available figures, India has 243 million Internet users, which is more than the US but less than China. One of the primary reasons for growth is a rise in the number of Indian internet users. Even banking transactions have become simpler as a result of the introduction of applications and digital platforms by the banks. Ecommerce is also attracting a lot of talent due to improved salaries and work practices. The author explains that funding human capital is going to be the next big differentiator. With increased funding, Ecommerce companies are investing it in their people, the same people who bring in more innovation and in turn get more capital. This is a formula that other companies would do well to use.

- Maheshwari (2016)

Maheshwari (2016) concluded that Indian ecommerce market to grow fastest globally over 3 years. The study informs us that India received ₹6.6 hundred crore in venture capital and private equity investment in 2015, a 50% increase from the previous year. This probably has contributed to a substantial growth for the Ecommerce companies. The GMV of the country's top three ecommerce companies exceeded that of the top 10 offline retailers in 2015. Since the Indian market has huge potential, the opportunities got created. Per capita incomes are likely to double by 2025 and this should drive higher aspirations of the Indian consumer.

- Browntape (2017)

Browntape (2017) talks about What sells most in the Indian Ecommerce market? He says that according to a study by Google India, Ecommerce is growing in India at a massive rate. The number of online buyers in 2014 was 35 million as compared to the meagre 8 million in 2012. E-Commerce is a sector that become a phenomenon in India and something no one could ignore. Electronics attracted maximum attraction online from the consumers while Apparel and Accessories topped the sales charts.

- Das and Ara (2015)

Das and Ara (2015) after conducting a study on Growth of Ecommerce in India mentioned about the growth of logistics industry and explained this was inter-connected with Ecommerce. Third party logistics companies benefit from increase in sales as these companies earn revenue with every delivery. Indian logistics companies need to reach out to places beyond major cities. A lot of international companies operate with the help of their logistics department and this scenario is needed in India too.

- Biswas (2015)

Biswas (2015) in his study Growth and Opportunities of Ecommerce in India highlighted that rural users of internet are increasing day by day because of the demographic profiles of the customers and increase in usage of smartphones. According to the data analysis the contribution of E commerce is going to be 4% in the GDP of India by 2020. NASSCOM report stated that IT- BPO sector is going to contribute 10% in GDP of India whereas that of telecommunication will be 15%. First time Entrepreneurs contribute 63% as they

face no obstacle. Benefits to Indian Consumers Das (2012) explains Growing Trends of Ecommerce and its role in consumers' buying pattern through his research. He discovered that Ecommerce will contribute to cost reduction, improvement in quality and speedy delivery of goods. Time is a valuable thing for every customer and so online shopping will definitely help to save not only time but also money are there are lucrative offers.

- Khosla (2017)

Khosla (2017) explains why Ecommerce Boom in India: Why online shopping is here to stay. The study conducted on the retail market in India says that the growing popularity of online shopping is affecting offline retailers since online companies are offering better prices and have attractive promotional strategies. It is also easy to reach the consumers online. The online channel gives consumers the opportunity to shop anytime anywhere with the help of the internet and this is motivating the retail chains to get into the online business.

- ET Retail (2015)

ET Retail (2015) predicted that Ecommerce will help empower women. The article said that E-Commerce will not only contribute to growth in jobs but also empower women. Ecommerce is an important to remove social inequalities as Ecommerce had become an indispensable part of the lives of the people.

- Bansal (2012)

Bansal (2012) gave his opinions on Ecommerce in India – Present and Future which clearly proves that Ecommerce has made a difference by introducing cash on delivery. It has been observed majority of the Indians do not rely on credit cards and so cash on delivery has turned out to be a convenient option. .Consequently the companies have gained a lot of trust. It was also told that Cash on Delivery's cultural affinity and will be a major part of payment mechanisms for at least the next four to five years.

- Kamath (2017)

Kamath (2017) says GST to benefit Ecommerce the most as he believes Goods and Services Tax(GST) will eliminate supply chain issues which are important from Ecommerce perspective. There will be less documentation in case of shipments and return of goods. Efficiency in supply chain is the key to quicker deliveries and GST is expected to play a role. Companies will also be able to execute more efficient supply chain strategies, with warehousing based on strategy rather than tax requirements (like Octroi).More importantly goods can be priced and margins can be calculated properly.

- Nayar (2015)

Nayar (2015) asked to be Beware of India's Ecommerce Bubble. After an analysis of the Indian economy, it is understood that there is uncertainty surrounding Government's foreign direct investment in Ecommerce. A clear tax policy on Ecommerce is absent and some of these companies as a result of having high valuations may welcome scrutiny. Infrastructure may affect the growth too.

- Rajasekar and Agarwal (2016)

Rajasekar and Agarwal (2016) reveals their study on impact of India's Ecommerce on India's commerce. As a result of their research, it is evident that growth of Ecommerce depends to a great extent on effective IT security systems for which necessary technological and legal provisions need to be put in place and strengthened constantly. While many companies, organizations, and communities in India are beginning to take advantage of the potential of Ecommerce, critical challenges remain to be overcome before Ecommerce would become an asset for common people.

- Mitra (2013)

Mitra(2013) conducted a study on Ecommerce in India. The study considers logistics to be an obstacle to Ecommerce's prospects. The companies will have the responsibility of delivering the products to the right person at the right time and failure may have implications. The service of the post/courier services is not satisfactory. Vendor will have to come down and deal in an inefficient system for inventory management. This will slow down drastically. Most of them won't carry any digital data for their products. No nice looking photographs, no digital data sheet, no mechanism to check for daily prices, availability to keep your site updated.

- Shettar (2016)

Shettar (2016) conducted an empirical study on Emerging trends of Ecommerce in India and discloses the threat the wholesalers in India might face. The producers may no longer need to depend on the wholesalers as a channel of distribution as producers may directly see their products to the consumers with the help of Ecommerce. On the other hand, the retailer can save his existence by linking with online distribution. The retailers can provide additional information to the consumers, meet electronic orders and be in touch with consumers.

➤ **CHAPTER 3. RESEARCH METHEDODOLOGY**

AIMS AND OBJECTIVES

- To study the concept of Ecommerce.
- To analyze the present trends of Ecommerce in India.
- To study the various challenges faced by E-business players in India.
- To study the prospects of Ecommerce in India.
- To study the impact of E- commerce on Indian consumers.

HYPOTHESIS

The research topic was selected to understand how Ecommerce emerged as a new sector in the Indian Economy and brought several benefits to the Indian consumers across cities who explored a new medium of purchasing.

Alternative Hypothesis

Consumers will prefer to buy from Ecommerce websites in the future and the industry will grow because it is reliable.

Null Hypothesis

Consumers will not prefer to buy from Ecommerce websites because it is not reliable and the industry will not grow

➤ CHAPTER 4. DATA ANALYSIS, INTERPRETATION AND PRESENTATION

RESEARCH DESIGN

The researcher has used only secondary data that has been collected from various articles, journals, books, websites etc. It has been used to study the evaluation, conceptual framework, definition, key players, present trends, future prospects & barriers of Ecommerce.

DATA COLLECTION

Survey

An online survey was conducted by me in order to collect information from more than 100 people regarding their opinion and application on e-commerce as well as to predict the future behavior of them towards the E-commerce platform and online retailers.

We successfully collected data from more than 100 participants. The questions and answers of those are given below. Further, the questions are also highlighted in the appendix.

Background – Revenue models

The revenue model is a key component of the business model. It primarily identifies what product or service will be created in order to generate revenues and the ways in which the product or service will be sold. Since there are possibilities of multiple variations, many companies do not use one single revenue model. Some of the commonly used models have been enumerated below;

- Advertising revenue model

The advertising revenue model is based on clicks (CPC or CPX) making it one of the indirect sources of revenue. E.g., Google, Facebook

- Subscription revenue model

Users are charged a periodic (daily, monthly or annual) fee to subscribe to a service. E.g., Flipkart Media, Nasscom

- Transaction fee revenue model

A company receives commissions based on volume for enabling or executing transactions. The revenue is generated through transaction fees by the customer paying a fee for a transaction to the operator of a firm.

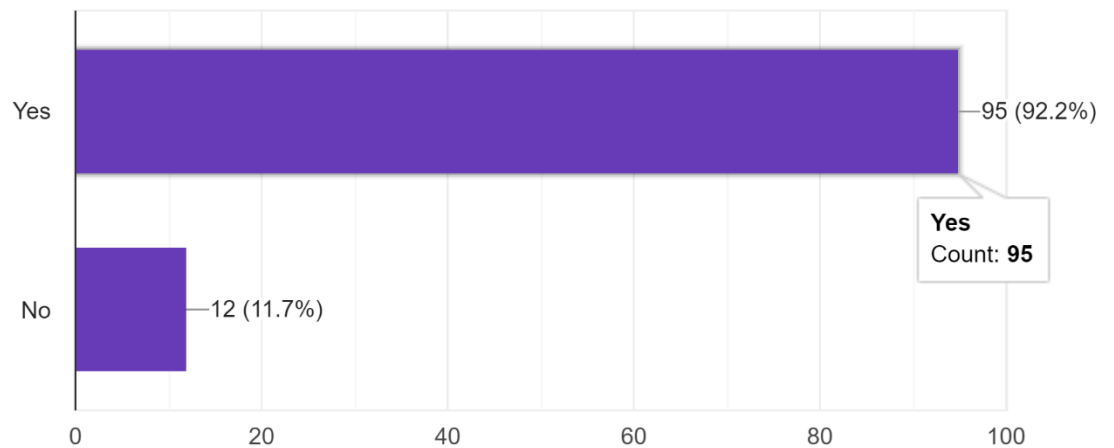
PRIMARY DATA

A online survey was conducted in order to find the Peoples opinion about online shopping as well as there view on future of online shopping and also whether they currently use or in future will use online shopping platform for there betterment

1)

Do you shop online?

103 responses

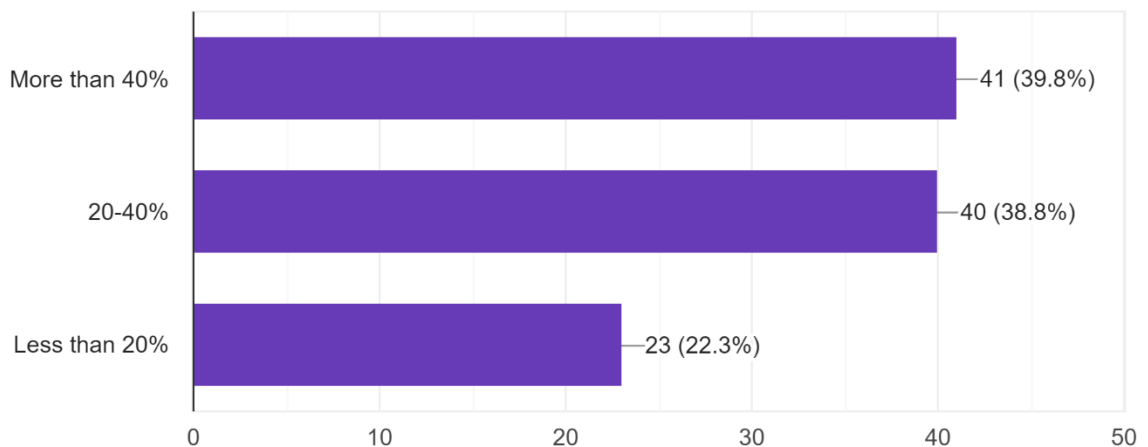


As the Above graph suggest that almost 92.2% of more than 100 respondent undertaking the survey have used online shopping platforms. Which indicates a very high penetration of online retailers in the market

2)

What percent of your FMCG, Electronic and Apparels are brought throught Ecommerce sites?

103 responses

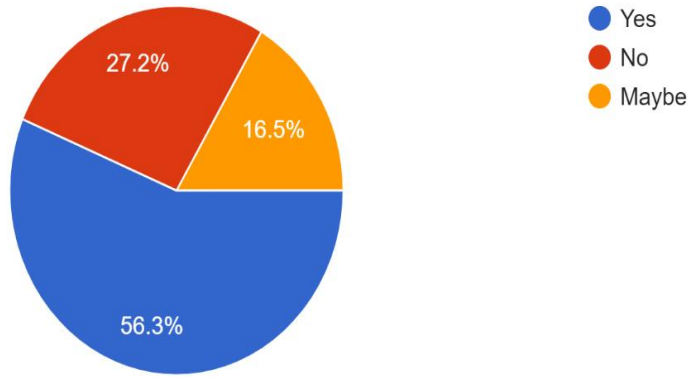


In the above graph it is shown that 39.8% of people buy more than 40% of there electronics,FMCG goods and apparels through online shopping Furthur about 38.8% of respondent spend between 20% to 40% of there expenses on online shopping the remaining 22.30% spend less than 20%

3)

Are you going to increase your E-Commerce Purchase over the next year ?

103 responses

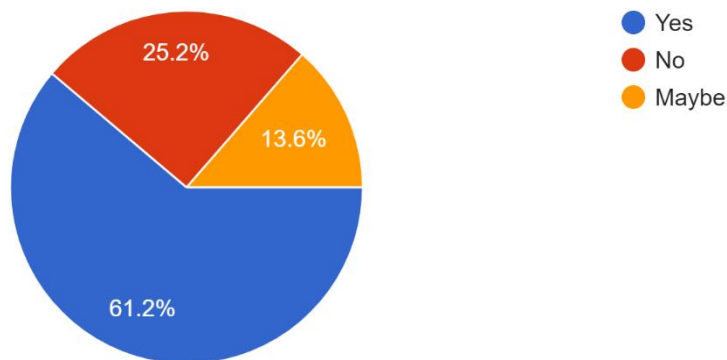


IN this pie chart the respondent were asked whether they will increase there ecommerce purchase over next year as it can accurately predict that whether there will be future growth in e-commerce in this survey 56.3% answered yes while 27.2% said no the other respondent were unsure

4)

is your expected percentage growth in income over next 5 years is more than 7%?

103 responses

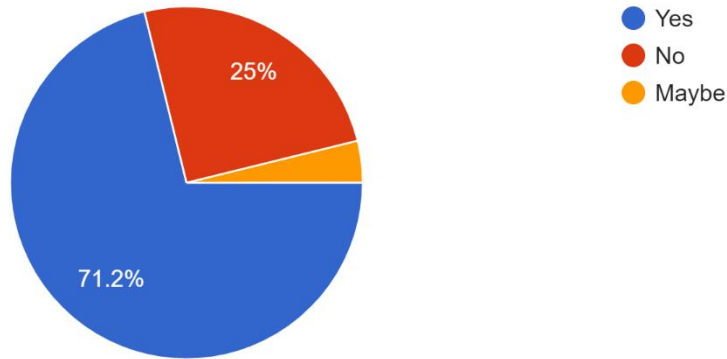


As 95% of respondent have shopped online further 80% of respondent spend more than 20% of there income on online shopping as there income increases so there spending and so the sales of ecommerce and online retailors so this question can help to correctly predict whether there will be growth in ecommerce in future 60% of people expect there income to grow by 7% pa over next 5 year

5)

Do you book travel tickets online ?

104 responses

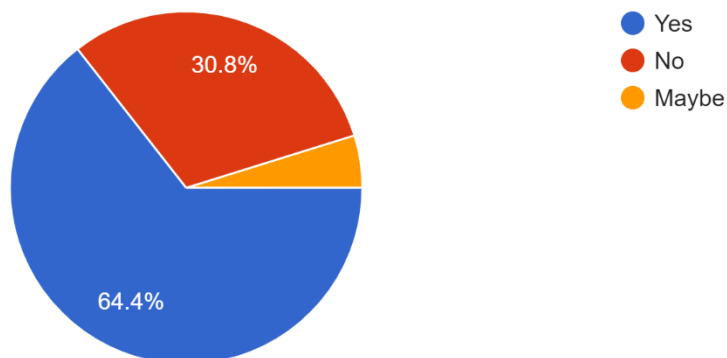


One of the biggest sector other than online retailers in Ecommerce are Travel industry which includes travelling arrangement like Flight, train, bus etc as well as hospitality like hotels, Restaurant as well. As in the survey suggests that more than 70% of the respondent book their travel ticket via ecommerce sites. As people's income grows so they travel and this results in growth of ecommerce in travel sector as a whole.

6)

Are you aware of massive losses of Ecommerce firms due to deep discounting policy to gain market share?

104 responses

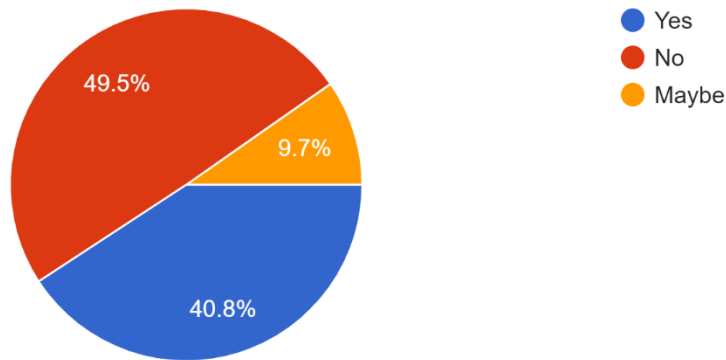


Ecommerce firms currently are operating at a massive loss. For example, Amazon's revenue was 18000 cr in 2019 with losses of 7000 cr. The losses are because of deep discounting policies to gain customer and capture market share from offline retailers. The question was asked to know whether they knew about deep discounting policies; about 30% of people did not know about this policy.

7)

Will you continue to buy from Ecommerce sites even if there price is above offline retailers in future?

103 responses

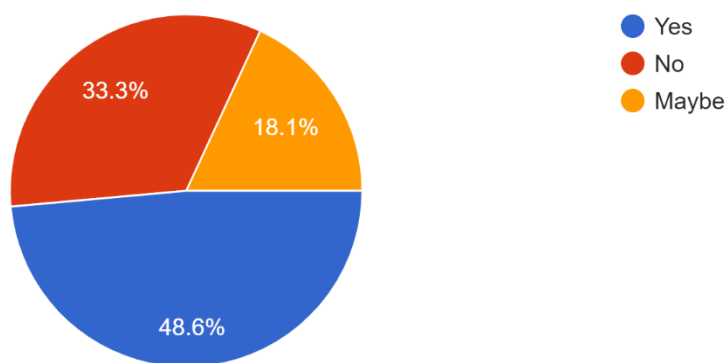


AS in above question the respondent were asked about deep discounting policies if in future the ecommerce firms change there strategy and increased prices to stay profitable than will Indian continue to buy the question was important for survavlity, growth of ecoommerce firms a 50% people said that they will not buy if good are not cheaper in online store and will go to offiline store which indicate a threat to online retailers growth

8)

Do you think that CCI policy, Government of India hostile treatment of online retailers justified?

105 responses

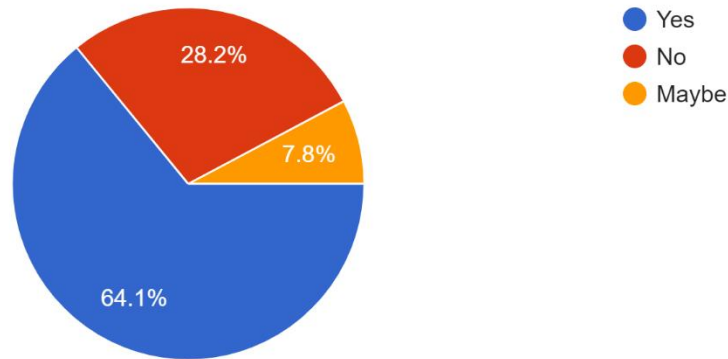


The government policy towards ecommerce is extremely important if the sector wants to grow the above question were to knew whether repondent support government policies towards ecommerce firms

9)

Do you consider E-commerce goods and services cheaper than through offline retailers

103 responses

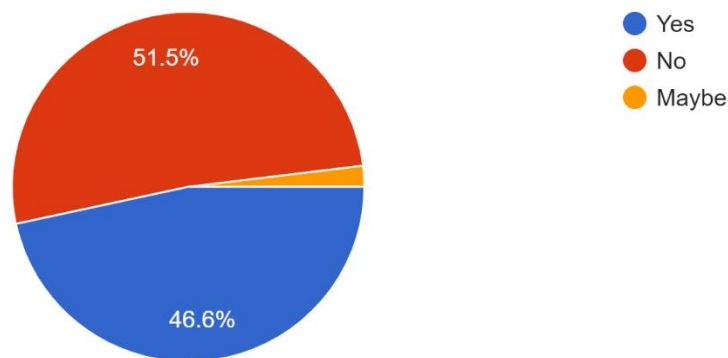


This question was asked to know whether respondents actually consider online goods to be cheaper than offline retailers. The findings were that 65% of people consider online goods to be cheaper, whereas 28% feel offline goods are cheaper, and about 8% of people don't know.

10)

Have you ever paid for online gaming, matrimonial, Dating sites ?

103 responses

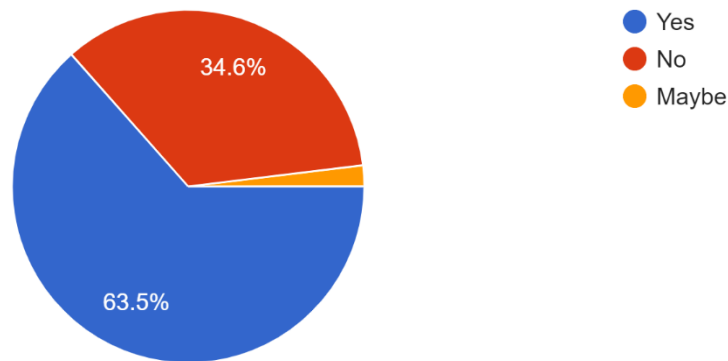


The above question was asked to know whether respondents have paid for games, matrimonial sites, or dating sites. The division was roughly 50-50, with 46.6% of respondents having paid for matrimonial and online gaming, whereas about 51.5% have not paid for any matrimonial and gaming sites.

11)

Have you used or are going to use online job portal like linkedin/Indeed/shine/naukri.com or internship sites like internshala?

104 responses

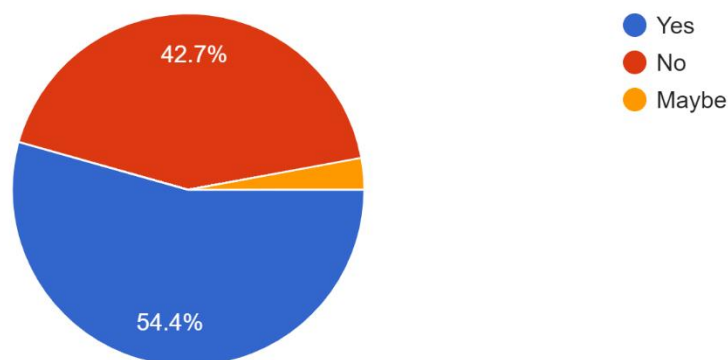


There is an another major E-commerce wing apart from online reatailors and online services and in today's era most people use job portals like LinkedIN, Indeed, shine, naukri.com to search for job And many student also use Internshala to get Internship.

12)

Do you use grofers and bigbasket or other online grocery stores for FMCG goods?

103 responses

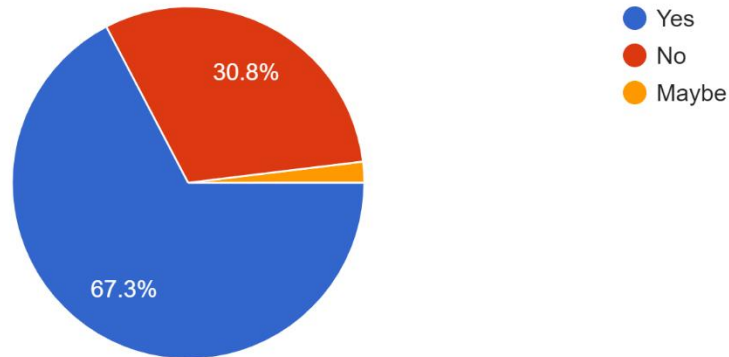


One the New sector that online retailers are growing at a extremely high rate is grocery,FMCG and daily use goods Ecommerce retailers like Grofers and bigbasket are dominatinmg this field with recennt entry of amazon pantry and flipkart in this field as well about 55% of people use this sites for grocery and 45% don't which represent a opportunity of growth in future

13)

Will you subscribe for online streaming services like Netflix, Spotify in future?

104 responses

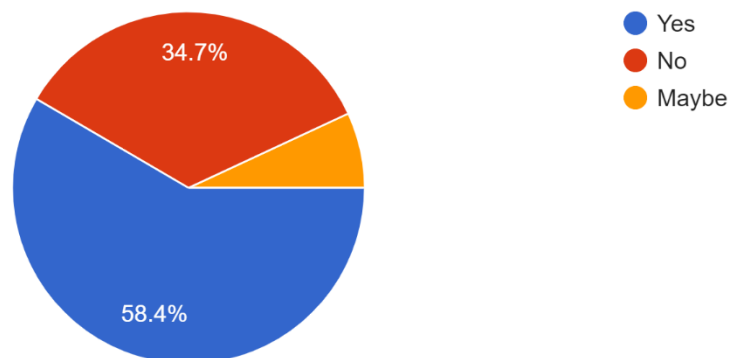


A another major growth sector in Ecommerce field is of online music streaming and ott streaming of movies and TV Series in the survey 67.3% use this services with rising income there consumption will rise furthur 30% people don't use steaming and ott services which represent that there is a market to be conquered

14)

Ate you planning to use Ecommerce platform like justdial/sulekha or sell through flipkart/Amazon in future

101 responses



Another major ecommerce opportunity is Justdial and sulekha that connect business to the customer who need there services it is also an attractive growth opportunity as 35% of respondent had not used services provide by ecommerce platform like justdial and sulekha further sellor can partner with amazon and flipkart to sell there good

Background – Recent M&A activity

Like any high-growth cash-intensive sector, E-Commerce industry has witnessed a burgeoning increase in the amount of funding made available to e-Commerce portals through Private Equity firms or Venture Capitalists.

- This funding is primarily aimed towards consolidation & has been taking place via closures, mergers and acquisitions. Larger players have been acquiring smaller ones to consolidate their position in the sector.
- The main feature of funding received by e-Commerce players in 2019 was the reduction in time (by half) between two rounds of funding against 2018 levels. This is due to the need for funds to scale up rapidly. This can be seen in chart 6.2, by the number of increase in number of deals.
- The average deal size of each round of funding received by e-Commerce players in 2019 was substantially less than that received in 2018.
- The increase in funds parked by VCs, circa 2009, have attracted private equity (PE) funds, which invest in mature companies.

Another noteworthy feature is the increase in the fund size of VCs, which gives PE players the flexibility to make large investments in high-return deals outside their focus areas.

A list of recent acquisitions in the e-commerce industry is given below

Acquirer	Target
Flipkart	Myntra
Myntra	Exclusively.in
Flipkart	Letsbuy
Amazon	Shopo
Flipkart	Ngpay
Paytm	Chhotu.in
Ibibo	Redbus
Healthkart	Madeinhealth
Myntra	Shersingh

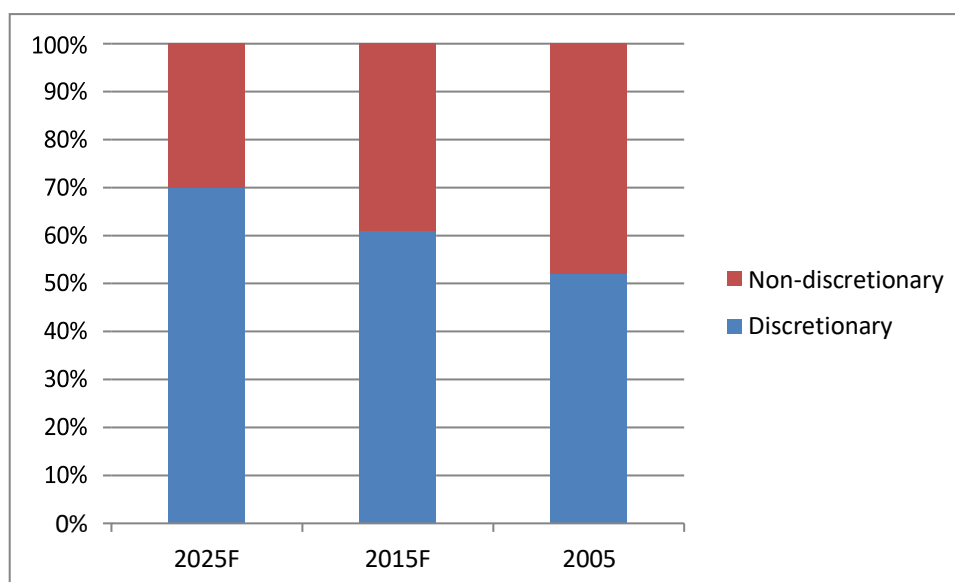
Drivers of growth

- User Connectivity

- Greatly increased internet user base & time spent on the internet
- Abundance of economically viable Internet-enabled handheld devices
- Increased broadband penetration & launch of 3G services

- Demographics

- Rising disposable income per capita due to rise in middle class
- Rapid urbanization & modernization of towns & villages alike
- Clear increase in discretionary income over the years
- Largely untapped market, only about 20% technologically competent users transact online
- Implementation & heavy endorsement of customer-centric services



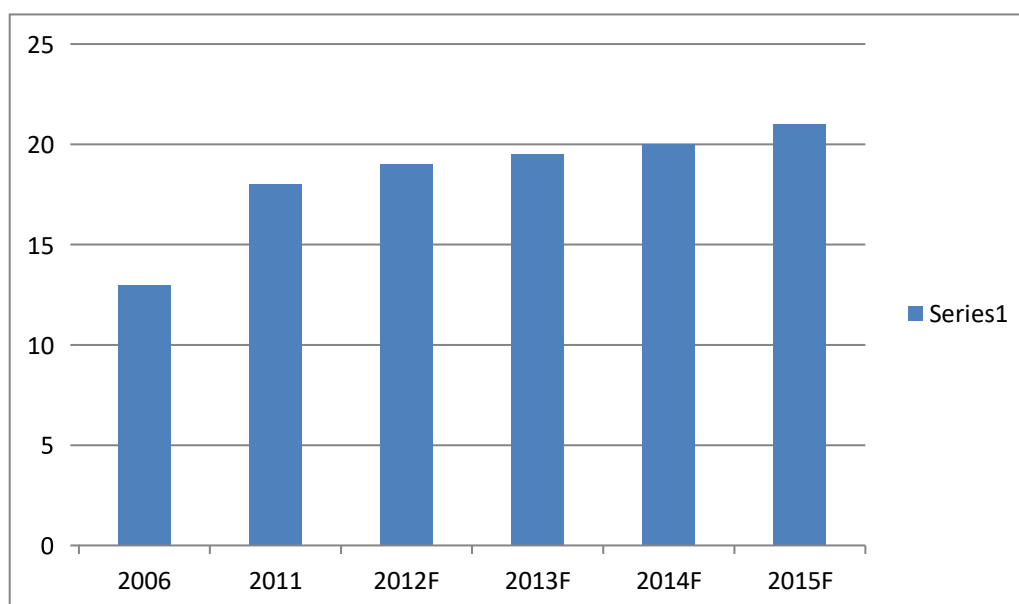
- Evolving payment methods

- Multiple payment instruments i.e. Cash, Net Banking, Cards, etc.
- Increased average transaction value circa 2008, the gateway having become more efficient

- Easy availability of funds

– Risk-Return tradeoff for sector is favorable for PE funds

–current market sentiment is conducive for business Discretionary Non-discretionary The phenomenal growth experienced by the sector is a result of more than several favourable factors in play. Some of which are given below;



Hurdles to the growth story

- Competition

- Entry barrier to new entrants, as set up cost is quite reasonable (₹5,000-₹20,000)

- Players are indulging in an all out price war, to entice footfalls/generate traffic on their respective portals

- Indian consumers are fickle in nature, due to which the customer lifecycle value or ARPU (average revenue per user) is very low

- E-commerce in India used to primarily be a start-up only industry, which resulted in an extremely high mortality rate among such enterprises due to various reasons

- High cost of customer acquisition, and small basket size which stokes competition

- Operations

- High attrition rate, as high as 60% for junior employees, combined with shortage of skilled labor, threaten such rapid rate of growth

- Reach of e-Commerce sector, is still curtailed to the urban regions of India (urban internet penetration rates are also quite dismal). Hence, reducing its audience to a nominal percent
 - Although cash on delivery is a favorite amongst its audience, it proves to be quite expensive, painstaking and risky
 - The infrastructure in India is quite poor, hence the companies have to rely on in-house logistics to suffice their supply chain requirements due to inefficiency of 3PL (3rd party logistics)
 - Lack of touch-n-feel factor, which is a must for many shoppers & changing such consumer habits is a long process
 - Legal
 - No specific or jurisdictional laws in existence with respect to e-commerce
 - Loosely governed through IT Act, 2000, which in itself is quite obsolete to keep up with constantly maturing e-Commerce sector
 - Most players have to comply with a myriad of laws (Indian Contract Act) & regulations to operate within legal framework
- Of the 193 e-commerce sites that were operational in India in October 2012, 89 have either shut down or merged with other retailers, essentially wilting under pressure from high operating costs.

Current trends & analysis – Online travel agencies

- Makemytrip, Yatra & Cleartrip are the major Indian online travel agencies (OTAs)
- Growth in India's travel and tourism industry is the second fastest worldwide
- Largest component of the Indian e-Commerce sector with a market share of about 70%
- India is poised to feature among the top five civil aviation markets in the world over the next decade.
- The entry of low cost carriers (LCC) in the country made air travel affordable for a large number of people.
- Domestic air tickets are driving the online ticketing market.
- India is witnessing the entry of international players and mushroom-ing domestic OTAs.
- OTAs have taken a physical form, with the establishment of new Makemytrip retail outlet in Mumbai, to leverage their brand

- There is a clear perceived change in the approach of the OTAs, from e-Travel to m-Travel
- Emergence of Meta search engines which enable consumers to view & compare tariffs across different portals

Snapshot of the online travel industry:			
Particulars	Makemytrip	Cleantrip	Yatra
Year founded	2000	2005	2006
Unique monthly visitors	83 lakhs	85 lakhs	55 lakhs
Employee strength	1000+	450	1000
Funding	Public in 2010	₹45mn*	₹56.40mn*

Current trends & analysis – E- retails

There are many players in this segment, but the bigger players are notably Flipkart, Amazon & Amazon

- Online retailers are moving to the marketplace (consignment) model from the inventory-holding model
- Online retailers are developing in-house logistical capabilities
- Complex tax structures are making decisions relating to warehouse locations difficult for online retailers
- COD has emerged as a preferred payment choice for customers, accounting for at least 60% of transactions
- Due to the cap of 51% FDI allowed in B2C sector, dilution or complete exit is prohibited, which proves to be a hindrance to foreign investors or buyers
- It has attracted investments of over ₹3bn due to the promising high growth nature of the business from PE Funds & VCs (domestic & international)

	Flipkart	Amazon	Paytm Mall
Net Revenue (in Crores)	43,615	33,977	6000
Loss (in crores)	17,231	27,000	9000
Loss per Rupee (2019)	0.40	0.8	1.50
Year founded (India)	2007	2013	2010
Notable Investors/Backers	Walmart	Amazon LLC	SoftBank, Blackrock
Latest Market Value	₹21 Hundred crore	₹15 Hundred crore	₹10Hundred crore
Model	Online retailer	Marketplace	Marketplace
Funding so far	₹5bn	₹5bn*	₹3mn
Head Office	Bangalore	Hyderabad	New Delhi
Employee Strength	30000+	50000+	20000+

Current trends & analysis – Classifieds

There are many players in the said segment, the noteworthy ones being OLX, Naukri, Cardekho & Shaadi.com

- The online classifieds segment has overtaken the offline segment in 2013
- Subscription revenues constitute the main source of revenues for the online classifieds segment
- Online recruitment is the largest category in the online classifieds segment, followed by online matrimonial
- Online recruitment players are increasing their focus on providing enhanced search functionalities and value-added services
- The evolution of the real estate classifieds segment is dependent on how well it piggybacks the growth in Indian real estate
- The Indian auto classifieds market is still at its nascent stage
- The primary target of the classifieds market is restricted to urban areas due to location of both, the buyer & the seller
- Leading newspaper dailies are launching their own classifieds sites to leverage their own brand image & reader base
- Most players are now making content available in local vernacular languages to engage a wider audience
- A wider audience is also targeted by localizing the content available online to ones city or locality, etc.

INR Crores	Just Dial						Info Edge					
	2019	2018	2017	2016	2015	2014	2019	2018	2017	2016	2015	2014
net Sales	1002	756	550	372	270	225	1098	968	834	644	528	453
Expenditure	638	524	388	276	210	190	678	574	466	388	328	268
PBDT	364	232	162	96	60	35	420	294	364	256	200	185

Current trends – Miscellaneous

Entry of corporates;

- Mukesh Ambani's Reliance Retail, India's largest offline retail chain, is planning to enter ecommerce space, according to a recent report in The Economic Times.
- The USD 40-hundred crore Aditya Birla Group will launch a project to identify opportunities in the ecommerce space, the Economic Times said in a recent report.
- The Mahindra Group, which has a presence in the retail sector through a few offline specialty retail units, is looking at small steps to build its presence in the online retail market, Anand Mahindra told CNBC-TV18 recently.
- The pioneer of organized offline retailing in India is not too far behind. Future Group's Kishore Biyani plans to launch Big Bazaar Direct, which will launch all of Big Bazaar's products on an online platform by 2014. Rising number of niche e-commerce players;
- HealthKart, a Gurgaon-based niche e-Commerce player in the healthcare space, is betting big on the multi-hundred crore health and nutrition market in India, since increasing number of people are now going online to buy products like health supplements and testing kits.
- Delhi-based FabFurnish, which retails furniture, kitchenware and home décor products online, was started by Vaibhav Aggarwal, Vikram Chopra and Mehul Agrawal in March 2012.
- Bangalore-based BigBasket.com is yet another start-up in the online food and grocery space. The start-up is also present in Mumbai and Hyderabad. BigBasket.com has shown huge growth potential and is aggressively planning to expand its presence in major metro cities in the country.
- Launched three years ago, Bluestone.com is based on the concept of virtual jewelry mall for brands and vendors to market their products.
- TinyOwl, a food ordering app, launched in Mumbai leads the home delivery segment, in direct competition with the Rocket Internet group's Foodpanda.in The growth rate experienced by a niche player is far more phenomenal than any other sector, primarily because the models are extremely differentiated & they aim to appease its customers by offering a unique experience. The second wave of e-Commerce has witnessed the introduction of new business models and the rapid growth of players in the domain. Most e-Commerce players in this wave are startups that are on a steep growth curve.
- However, these players need additional capital to scale up and maintain the pace of this growth. The need for capital, coupled with the growth potential of the sector, has made it a favorite among VCs.

- However, most of these companies are not yet profitable and are only growing on volumes. This raises concerns relating to a valuation bubble.

- Such valuations have been arrived at using indicators & market research. Also, putting a number on the potential of e-Commerce is a difficult. The growth potential is what is enabling such high valuations.

Markers or indicators of such high valuations;

1. Scarcity of genuine business potential

There is a shortage of high quality companies which have at least a sizeable presence. Multiple investors chasing said companies drive up the value by offering plump deals, pushing the sentiment & general valuation up.

2. Potential market size

The market size of India is barely at 1-3% of the entire retail sector, which is valued at ₹500bn. About 20 million people out of a potential 120 million people. Fig 13.4 shows the e-commerce forecast

3. Favourable demographics

Due to India being so geographically diverse, e-Commerce to far flung tier 2 & tier 3 cities is a very attractive prospect, and possibly prosperous too. There is significant increase in the disposable income.

4. Technological advancements

Due to recent innovations in the handheld & PC market, internet-enabled mobiles & tablets have become accessible to most. Hence, increasing the reach of e-Commerce enterprises. As seen in fig 13.1, the difference in sales of units of PCs & handheld devices is increasing. Fig 13.3 is the users transacting online.

5. Internet coverage

Internet penetration in India among lowest in the world. The current internet user base and penetration levels in India are similar to those of China's in 2005, and that seems to indicate that India's growth story will be akin to China's. Also, given is table 14.1, which shows the past, present & future scenario with regards to the internet coverage.

6. Surge of funds

Over 14 PE firms or VCs back 2 or more e-Commerce enterprises. Such inflow is on a steep growth trajectory, since 2008. A list of given foreign body corporates & the number of e-commerce enterprises backed by the same is given in table 14.2 Also, there have no notable exits that have been made in the recent

past, which shows the confidence in the sector. This build up, results in more active funding rounds witnessed by investees.

7. Exit Strategy

So far, no major exits by VC/PE Funds have been recorded in the industry so far. Currently, it is under the process of consolidation. Exits in the e-commerce sector are most likely in the form of IPOs or a takeover by a larger company. But larger companies like Flipkart, Amazon can now only solely rely on IPOs as they're now valued in hundred crores & any form of exit is unlikely in the coming years. The ecommerce market in India is not for the faint- hearted or those looking for an ROI in a short timeframe. It is also not without its share of challenges. However, for the top three or four companies (and their investors) that manage to ride out the next 3–4 years, there are fruits to be borne out of the potentially large and profitable oligopoly that could be established in the comin

CASE STUDY ON ECOMMERCE

1. How Mellow Made ₹200000+ In Preorder Sales In Less Than A Month

Mellow is a company that makes a magical kitchen robot that syncs with your smartphone to cook for you at your convenience. The founder, Ze Pinto Ferreira was interning at Braun when he realized everything he knew (mechanical engineering, food, product designer) could intersect to create impactful work.

He knew the sous-vide he wanted to create should change home cooking dramatically, but he also knew he couldn't do it alone.

That's when he set off to find a co-founder, Catarina who was working as a freelance designer. He managed to convince her to use her talents on a potentially groundbreaking company and the two of them built Mellow together.

What They Did To Succeed?

Using Trycelery.com as their pre-order platform, Mellow was launched to great success. They collected a total of ₹64,000 in pre-orders in ONLY 3 days, and eventually made ₹200,000+ in less than a month.

Key Takeaway

In the case study, Ferreira mentioned how he marketed Mellow by reaching out to 100+ reporters themselves. Given the background of both Ferreira and Catarina, PR seemed to be out of their reach.

However, this is classic Paul Graham. To get your startup off the ground, you have to do things that don't scale. Don't know how to do PR? Teach yourself, reach out to reporters, and get coverage in publications like TechCrunch and TheNextWeb.

2. SumoJerky – The Results Of The 24-Hour Business Challenge

Noah Kagan is known for starting multiple companies and growing all of them to 7- and 8-figures in revenue (including the budgeting startup Mint.com).

As part of a 24-Hour Business challenge to prove to anyone that they can start a business today, Noah asked his followers which business he should start so he could show he would make ₹1,000 a day.

The end result?

A beef jerky subscription company that made more than ₹1,000 in 24 hours.

What He Did To Succeed?

Noah made ₹3,030 in total revenue in 24 hours.

1. Made a basic budget so he could work backwards to find out how much he needed to sell to make ₹1000.
2. Created a customer avatar so he knew who he should target
3. Started reaching out to people who he thought fit the customer avatar

Not only did he complete the challenge, he exceeded it (not after downing 4 cups of coffee though.)

Key Takeaway

Create a customer avatar. It's astounding how many businesses do not know who their ideal customer is.

Find out who is already buying your products and then reach out to more people like them.

3. How Two Friends Turned Up The Heat And Sold ₹170K Worth Of Spicy Honey in 10 Months

What They Did To Succeed?

Their first ₹1,000 came from emailing their personal contacts and posting to their own personal Facebook pages.

Then, they made a list of potential press targets and aggressively pursued them.

This worked to great success.

A few modest mentions on smaller sites like Huckberry later then grew into features on Uncrate, The Kitchn, CNBC, the Today Show, Bon Appetite, Esquire and Vanity Fair.

End result?

The press coverage exploded their business.

Key Takeaway

Everyone loves being featured on national media, but press begins from the smaller guys.

In Trust Me, I'm Lying, media genius Ryan Holiday discusses the concept of "trading up the chain", where larger publications often take content from smaller publications.

Start by getting yourself featured on smaller blogs and publications, and slowly “trade up the chain” to bigger features on national media.

4. How Opena Case Hit 189% Of Their ₹15,000 Kickstarter Target And Built A Million Dollar Business

What They Did To Succeed?

Opena launched on Kickstarter in June 2011 and successfully raised ₹28,303 (surpassing their initial ₹15,000 target.)

How did they do it?

They built a tribe of early adopters before they even launched the campaign. When they launched the campaign, they rewarded the early backers with early bird rewards, who then gleefully spread the word for them.

Within half an hour, the early bird backers were all sold out.

Key Takeaway

The takeaway I want to highlight here has nothing to do with Opena’s excellent customer acquisition tactics. It has, however to do with the founder Chris Peters.

Just take a look at his bio:

- Studied Industrial Design right out of high school.
- Spent 4 years working at a large firm that specialized in medical machines. He was involved in industrial design work, prototyping and graphic interfaces.
- Then worked at various design consultancies.
- Took a year off to wakeboard.
- Worked for a much smaller design consultancy, which helped him get a sense of what it’s like to run a small business.
- Sold software for a year to learn how to do sales.
- Ran his own design consultancy for 3 years.

This means that he had *at least* a decade of experience before even founding the company. This also means that he had deep expertise – both to identify a problem worth solving and developing a solution to fix the problem.

Get this:

Most people make the jump to entrepreneurship without understanding that many successful entrepreneurs had built up deep domain expertise in their fields before starting a company.

5. #TheGreatBuild Project

Richard Lazazzera was part of [Shopify's](#) Growth Team, where he helped the platform grow from 60,000 to 200,000 merchants. A Better Lemonade Stand is his blog, where he shares comprehensive guides on how to build and grow ecommerce businesses.

#TheGreatBuild was a project he undertook to inspire others to build their own ecommerce site. He built an ecommerce company – Finch Goods Co. – and detailed the entire journey on #TheGreatBuild

What He Did To Succeed?

Although Richard withheld his sales reports (so we don't know how much he actually made), the entire case study is an incredibly detailed step-by-step guide on how to start, brand and build your own ecommerce store.

Richard considers these 6 elements crucial to your ecommerce store — and he addressed it by introducing several apps:

1. Up-Selling at Checkout
2. Email Capture/Newsletter Signup
3. Abandon Cart Emails
4. Referrals ([Download ReferralCandy for your Shopify store here.](#))
5. Exit Intent Offer
6. Retargeting

Key Takeaway

The 6 elements that Richard mentioned in his post are fantastic. There are usually some holes that ecommerce entrepreneurs miss out in their rush to build their store and sell quickly, which Richard has kindly pointed out here.

Fix those areas and you should see your sales soar.

BONUS: How to Setup a Referral Program For Your Shopify Store

6. Social Media Marketing: How A Small Ecommerce Site Attracted 293,000 Facebook Fans

Diamond Candles is a company that offers scented, soy-based candles that has a ring at the bottom. This has resulted in their customers spreading word-of-mouth about them due to the excitement of potentially winning the prize.

Instead of purchasing ads online to drive sales to their business, their predominant strategy has been to utilize referrals and social media.

What They Did To Succeed?

The key strategy behind their success has been customer-contributed photos.

Without spending a single cent on ads, these photos grew the company's Facebook Fan Page to 469,661 fans while also boosting their product page conversion rate by 13%.

Knowing that more customer-contributed photos essentially made them more successful, they then created an environment of encouraging their customers to share more photos.

Here's what they did:

- A call-to-action found on the candle urging customers to take a photo with the ring and share it on social media
- Giveaways that encourage customers to create and share images for a chance to win free products
- Share all the photos gathered on social media to create an impression that it is normal to share Diamond Candle-related photos

Key Takeaway

Your customers are your greatest ambassadors. Find a way to incentivize them to spread word-of-mouth for you (or use [ReferralCandy](#)).

7. How To Create a ₹4,000 Per Month Muse In 5 Days

What He Did To Succeed?

Noah taught him the same thing he did for his SumoJerky business (detailed above):

- Reverse-engineer the amount of sales you need
- Try different tactics to make it work

The purpose of this was to help Daniel figure out what marketing tactics work... and double down on them. In just 5 days, Daniel and Noah tried at least 10+ tactics, and found his most successful channel.

The result:

Daniel received a message from a large online site, who placed an order of ₹4,200!

Key Takeaway

You will never know what will work for your business. Reverse-engineer the number of sales you need, try different tactics, review them and double down on those that worked for you.

8. How We Built an Ecommerce Business from Scratch and Generated ₹922.16 in Revenue in 3 Days

Richard Lazazzera took up the challenge and proceeded to do everything (from determining what to sell to making sales)... in only 3 days.

What He Did To Succeed?

In total, Richard made ₹922.16 in total revenue from this little experiment.

He went down every single possible marketing channel one-by-one, tried it and see what results it delivered. In fact, in only 3 days, he tested channels like Reddit, Product Hunt, personal outreach, Facebook, Instagram, Pinterest and Twitter.

Key Takeaway

Building an ecommerce store (in fact, any business) is a culmination of multiple small decisions. Make those decisions fast and push forward. You will never discover the results through thinking, only by testing.

9. How To Build A Menswear Brand – An Interview With Owen & Fred

What They Did To Succeed?

Repeat orders make up 35% of Owen & Fred's revenue. In their industry, that's incredible. Almost unbelievable

That's because Owen & Fred values and prizes their customers. They made their products, their marketing and the entire experience amazing.

They even received a compliment from one of their customers: "never purchased from a company that actually delivered a product that amazing."

Key Takeaway

Even if you're an ecommerce company that does drop-shipping or product curation, you still have to ensure that your product(s) is amazing. An amazing product makes marketing easier. And also – great marketing can't save bad products.

10. Ecommerce: Moving beyond shopping cart abandonment nets 65% more checkout conversions

If you thought there were only several kinds of envelopes available, you would be wrong.

(Though I wouldn't fault you, because I didn't know myself either.)

Envelopes.com is a ecommerce business that sells almost any type of envelope you can imagine. White, brown, and green are common sights at envelopes.com.

What They Did To Succeed?

Remember what Richard Lazazzera said above in his marketing foundations?

One of them was Abandonment Cart Emails.

Envelopes.com discovered that a significant number of their visitors visit multiple times before buying. They decided that these group of visitors were the opportunity to help increase their sales.

To do this, they sent emails to encourage these visitors to return, which reduced their abandonment rate and improved their conversions.

Key Takeaway

There are many touch points your customers will have with your business. Optimize these touch points and improve your sales.

11. How a Small Menswear Brand Utilized Word-of-Mouth to Get Over ₹420,000 On Kickstarter

What They Did To Succeed?

Trading up the chain.

Instead of directly approaching massive tech blogs like TechCrunch, Ministry of Supply started small. They pitched 150+ product-relevant blogs with customized emails, and got themselves featured, raising ₹30,000 in 5 days for their Kickstarter campaign.

Of course, as the above example of MixedMade shows, trading up the chain means bigger publications will follow the trail of smaller publications.

And naturally... that happened for MoS.

TechCrunch and Forbes later featured them — and that skyrocketed their Kickstarter funding to ₹400,000.

Key Takeaway

Find a unique angle to your product that everyone can easily remember — which will encourage your customers to “remark” about your product to their friends.

Their first product, Apollo was remarkable because it was clothes infused with space tech.

Their second product, a pressure-mapping sock, was eventually re-positioned to be “coffee socks” because everyone remembered they used coffee beans to remove the odours in the socks.

Make it easy to share, and people will.

12. How I Built an Online T-Shirt Business and Made ₹1,248.90 in 3 Weeks

Shopify’s core value on their blog is “do something, tell people.” (And of course promote their own platform.)

That’s why it’s in their interest to show how easy it is to set up an ecommerce store in minutes and get sales in as little as 3 days (as seen in example #8.) But it’s also to our delight that we get to see firsthand how to build something from scratch.

(By the way, it’s also as easy to set up ReferralCandy for your Shopify store.)

This time round, Shopify staff Tucker Schreiber took on the challenge of building a T-shirt business in a month.

In less than a month, ThinkPup, the store they set up generated ₹1,248.90 in revenue. Not fantastic, but a great start for a new store.

What They Did To Succeed?

Tucker tried a variety of online marketing channels to acquire customers, and found that he got the most sales from Reddit and Instagram.

This shows that you don’t have to overthink your marketing channels. Sometimes posting to free places like Reddit (where people already gather) will help you get sales.

Key Takeaway

Always test new marketing channels for your product. While you may think that [insert your niche’s favourite channel] is the way to go because that’s how people have done it, you will actually never know which channel will be profitable for you.

13. How An Ex-Con Turned His Life Around And Built an ₹80k per Month Ecommerce Business

As Robert himself mentions in this case study, the odds seemed stacked against him.

He was an ex-felon, he didn’t have a lot of experience in sales and marketing and he wasn’t in a great financial position.

However, something about being an ex-felon drove him to want to be different and stand out. And that's how he eventually created National Parks Depot, an ecommerce business that sells outdoor adventure gears and apparels.

What He Did To Succeed?

Facebook Ads.

Starting with a small ad budget of ₹60, he got a return of nearly ₹1,000 in sales. He then doubled the ad spend, and got back double his ROI. He eventually scaled up his ad spend, and hit ₹80,000 in sales.

Key Takeaway

Don't be afraid to spend money to promote your products. Even without much money, Robert was willing to invest to test if Facebook Ads would work for his business.

Invest money to get more sales, so test to see if paid advertising can work for your business.

14. How I Imported Gaming Glasses With Alibaba and Made ₹2,416.51 In 5 Weeks

What He Did To Succeed?

Similar to the rest of the guys who took up challenges at Shopify, he ran through multiple marketing channels pretty quickly.

The one that generated the most sales for him was setting up affiliate commissions and getting influencers to help promote his product.

(Pro-Tip: Supercharge your influencer marketing, and get more word-of-mouth sales with [ReferralCandy](#).)

Key Takeaway

Are there people who command massive audiences in your niche? Reach out to them and propose a affiliate deal, and get them to promote your product to their audience.

➤ CHAPTER 5. CONCLUSION AND SUGGESTIONS

CONCLUSION

Ecommerce refers to all forms of business activities across the internet. This can include E-tailing, B2B, intranets and extranets, online advertising, and simply online presence of any form that are used for some type of communication. Ecommerce has several advantages and disadvantages as indicated in these paper. Ecommerce applications that started in early 1970's needs to be still developed in terms of security and efficiency. For the developing country like our India advancement in Ecommerce is a challenge to compete with the developed countries. With the opening up of these brick and mortar stores comes the issue of optimal assortment of products in the offline and online channels (Dzyabura & Jagabathula, Offline Assortment Optimization in the Presence of an Online Channel, 2015). While Dzyabura and Jagabathula discuss the optimal mix of products that should be included in the two channels, it is imperative for firms to understand how consumer behavior changes when they view products both online and offline. This knowledge will enable the firms to determine which features to highlight online, and which features to focus on in the physical stores. Firms can avoid highlighting features that tend to make consumers more non-compensatory offline to ensure that the consumer evaluates all features before making a decision. This will help consumers also make an informed decision and potentially avoid them on missing out on a product which otherwise would have been a great fit but was left out due to the absence of one feature.

With the emergence of technology, Economies around the world have benefitted and new ideas have been implemented to reach out to consumers. India is no different and so embraced a phenomenon named Ecommerce to such an extent that is significant for the economy and organizations to thrive these days. Ecommerce has brought a massive change to the consumers and is responsible for growth and employment as well. This research has completely focused on how Ecommerce has evolved during the last 5 years and made a contribution. About a decade back, the success of Ecommerce was unthinkable but the impact it created in the last decade was something that couldn't have been easily estimated. The research explores how Ecommerce as an industry has grown over the years, developed and brought consumer benefits. The study also reveals the extent of significance of Ecommerce for the Indian economy and talks about future growth. We studied consumer behaviour and understood how it has changed. A survey was conducted to know the perception and extent of acceptability of Ecommerce among consumers. Maximum responses turned out to be favourable.

Over the years after witnessing the success, new players have come out in the market. Competition has led to upgrade of the quality of service of different brands and there has been a surge in the consumer satisfaction

level as well. Ecommerce has also been a platform for launch for various new products as various companies seek to grab the attentions in the form of special offers not only to boost sales but increase brand awareness. The study also understands that Ecommerce has scored high on convenience and reliability as Ecommerce has made shopping much easier backed by impressive customer care service. Consumers no longer are dependent on traditional retail stores as a result of this revolution. Companies always look for innovation to attract consumers and lack of innovation may affect survival of any business organization. Until and unless an industry caters to the needs of its consumers, the industry can never thrive. Ecommerce provided a new option to consumers to purchase at will just at the click of a button with the opportunity to avoid visiting the market and time consumption for anything like clothes, electronic goods, grocery, medicine, jewellery etc .The quality of the products and services has generated dependence among the consumers and the credit goes to the internet and logistics for establishing reliability. Companies are also dependent on the internet for maximising sales.

Ecommerce has grown by leaps and bounds in the last five years and its further growth is imminent as more companies will come in the picture in the future. Consumers should also develop awareness as each brand may not be able to provide quality service with more companies getting into the business. Success of all companies is not guaranteed as the competition is only expected to get extensive and a few notable brands are expected to survive having already developed a huge customer base. Companies will have to adopt unique strategies for survival. The rapid pace of growth of the Ecommerce industry is not only indicative of the increasing receptiveness of the public but has also brought to the fore the issues that the legal system of the country has been faced with.

From the initial years when internet was a new phenomenon to recent times where internet has become a basic necessity for every household in most metropolitan cities, the Ecommerce industry has come a long way. The legal system has constantly tried to catch up especially with the enactment of the various rules under the IT Act to deal with a host of issues emerging from the use of internet. Moreover the IP issues in Ecommerce transactions have taken a new form with users finding loop holes to not only easily duplicate material but also mislead other users. Hence, much more is needed to effectively regulate the tangled web. Therefore an in-depth understanding of the legal regime and the possible issues that an Ecommerce business would face coupled with effective risk management strategies has been the need of the hour for Ecommerce businesses to thrive in this industry.

Ecommerce refers to all forms of business activities across the internet. This can include E-tailing, B2B, intranets and extranets, online advertising, and simply online presence of any form that are used for some type of communication. Ecommerce has several advantages and disadvantages as indicated in these paper. Ecommerce applications that started in early 1970's needs to be still developed in terms of security and efficiency. For the developing country like our India advancement in Ecommerce is a challenge to compete

with the developed countries. With the emergence of technology, Economies around the world have benefitted and new ideas have been implemented to reach out to consumers. India is no different and so embraced a phenomenon named Ecommerce to such an extent that is significant for the economy and organizations to thrive these days. Ecommerce has brought a massive change to the consumers and is responsible for growth and employment as well. This research has completely focused on how Ecommerce has evolved during the last 5 years and made a contribution. About a decade back, the success of Ecommerce was unthinkable but the impact it created in the last decade was something that couldn't have been easily estimated. The research explores how Ecommerce as an industry has grown over the years, developed and brought consumer benefits. The study also reveals the extent of significance of Ecommerce for the Indian economy and talks about future growth. We studied consumer behaviour and understood how it has changed. A survey was conducted to know the perception and extent of acceptability of Ecommerce among consumers. Maximum responses turned out to be favourable. Over the years after witnessing the success, new players have come out in the market. Competition has led to upgrade of the quality of service of different brands and there has been a surge in the consumer satisfaction level as well. Ecommerce has also been a platform for launch for various new products as various companies seek to grab the attentions in the form of special offers not only to boost sales but increase brand awareness.

The study also understands that Ecommerce has scored high on convenience and reliability as Ecommerce has made shopping much easier backed by impressive customer care service. Consumers no longer are dependent on traditional retail stores as a result of this revolution. Companies always look for innovation to attract consumers and lack of innovation may affect survival of any business organization. Until and unless an industry caters to the needs of its consumers, the industry can never thrive. Ecommerce provided a new option to consumers to purchase at will just at the click of a button with the opportunity to avoid visiting the market and time consumption for anything like clothes, electronic goods, grocery, medicine, jewellery etc. The quality of the products and services has generated dependence among the consumers and the credit goes to the internet and logistics for establishing reliability. Companies are also dependent on the internet for maximising sales. Ecommerce has grown by leaps and bounds in the last five years and its further growth is imminent as more companies will come in the picture in the future. Consumers should also develop awareness as each brand may not be able to provide quality service with more companies getting into the business. Success of all companies is not guaranteed as the competition is only expected to get extensive and a few notable brands are expected to survive having already developed a huge customer base. Companies will have to adopt unique strategies for survival. Due to fast adoption of internet enabled devices like Smartphone and Tablets, we have seen an unparalleled growth in E-commerce. The telecommunication technology has completely changed the way of our living, communication methods, shopping etc. It has a huge impact on how we communicate with friends and relatives how we travel, how we access the

information and the way we buy or sell products and services. The growth of Ecommerce volumes in India is attracting the attention of players around the globe.

Ecommerce creates new opportunities for business it also creates new opportunities for education and academics. It appears that there is tremendous potential for providing E-business education. According to Indian population their vast scope for Ecommerce because currently in India only 19% people using internet for selling & buying goods & services so remaining percentage we can considered that we having scope in Indian Market. There is weak Cyber security Law in India that is why Indian People are facing challenges toward Ecommerce. The future of e-commerce in India would be bright in the upcoming years if all essential factors would be implemented, by establishing cyber & have their benefits as per people wish. The role of government is to provide a legal framework for e-commerce so that while domestic & international trade are allowed to expand their horizons, basic right such as privacy, intellectual property, prevention of fraud, consumer protection etc. are all taken care of. The expansion of e-commerce has been developed in rural as well as urban area in reign able cost for consumption, because of that more people are getting linked with Ecommerce & the ratio of that is getting increase day by day.

Ecommerce provides tremendous opportunities in different areas but it requires careful application for consumer protection issues. Growth of Ecommerce would also depend to a great extent on effective IT security systems for which necessary technological and legal provisions need to be put in place and strengthened constantly. While many companies, organizations, and communities in India are beginning to take advantage of the potential of Ecommerce, critical challenges remain to be overcome before Ecommerce would become an asset for common people. It is clear that in coming years customers will give orders for their products from their homes and from their office. Mobiles and computer are widely used in India now a days and user are eager to do shopping in internet. With the rapid expansion of internet, e-commerce is set to play an important role in next coming years. Metro cities and urban areas are already using the internet in coming years the rural and sub-urban area will also use the facility of internet. So, the new opportunities will be open for small and big corporations. After having been in the nascent stage for the longest time, the e-commerce industry is finally starting to enter the mainstream. The major entrants in this sector have primarily been start-ups, which need an influx of money to follow their business model. Here, the demand for non-gearing funds comes in, the supply of which, a VC or PE firm can best assuage. Hence, there is a need to establish the value of such enterprise, using one or more means which are indicative of the actual value. The e-commerce space in India is still evolving and companies have limited history. Many of them function at negative operating cash flows and are dependent on investments from venture capital firms. Using traditional valuation methods like DCF Valuation and Relative Valuation remain a challenge in this segment. According to Grant Thornton, the nearly Rs 20,000 crore investment activity that e-commerce saw this year so far was driven in part by sky-high valuations.

The commonly used valuation method is the annualized Gross merchandise value (GMV). As most of the E-commerce firms haven't made any profits and do not have a positive cash flow, this is used as an approximate estimate for valuation. The GMV is multiplied by about 2-2.5 times to get the valuation of the firm. But, as witnessed in the sector in India, even a GMV multiple of five-ten is not unusual as seen in the case of Flipkart, Myntra, etc. This is primarily because the Indian market is nowhere close to being saturated & can be exploited by the existing & new players. This is very good for the sector & even economy for a short term, but if successful exits cannot be made by the VCs & PE funds, it may spell doom for the sector, as in the current momentum, any shortage of funds would hurt the operations of these players.

Recent estimates suggest that leading Indian e-tailers are valued at about four-to-six times their revenue (on an annualised net run-rate basis). This pre-IPO multiple seems fairly low in comparison with the 28-times revenue multiple that Amazon generated at the time of its IPO (and has since justified). It needs to be noted that Amazon at the time was generating a mere USD16 million in revenue (while the top India e-tailers are much larger), but then we are comparing a 28-times multiple to a 4-6-times multiple. The Indian e-tailers' revenue multiple still looks reasonable in comparison with Amazon's current multiple of two, when their respective revenue growth rates are taken into account. Amazon's revenue has grown by 30-40% over the past few years, whereas Indian e-tailers have achieved more than 200% growth in the past two years and still have most of their growth ahead of them.

Finally, any comparison would need to take India's status as a growth market into account. The growth in India's Internet industry commands at least a two-to-three times higher multiple than the multiples recorded in mature markets. By this measure, the four-to-six revenue multiples (compared with the 2-times multiple for Amazon) again seem reasonable. Ecommerce is changing the way of buying & selling of product & services in India. Ecommerce is future of shopping. Due to Ecommerce the gap has been reduced between manufacturer & consumer. According to Indian population their vast scope for Ecommerce because currently in India only 19% people using internet for selling & buying goods & services so remaining percentage we can considered that we having scope in Indian Market. There is weak Cyber security Law in India that is why Indian People are facing challenges toward Ecommerce. The future of Ecommerce e in India would be bright in the upcoming years if all essential factors would be implemented, by establishing cyber & have their benefits as per people wish. The role of government is to provide a legal framework for Ecommerce so that while domestic & international trade are allowed to expand their horizons, basic right such as privacy, intellectual property, prevention of fraud, consumer protection etc. are all taken care of. The expansion of Ecommerce has been developed in rural as well as urban area in reign able cost for consumption, because of that more people are getting linked with Ecommerce & the ratio of that is getting increase day by day. Today E commerce has become an integral part of everyday life. Accessibility to Ecommerce platform is not a privilege but rather a necessity for people, particularly peoples who are staying

in urban areas. Due to fast adoption of internet enabled devices like Smartphone and Tablets, we have seen an unparalleled growth in E-commerce. The telecommunication technology has completely changed the way of our living, communication methods, shopping etc. It has a huge impact on how we communicate with friends and relatives how we travel, how we access the information and the way we buy or sell products and services. The growth of Ecommerce volumes in India is attracting the attention of players around the globe.

Ecommerce creates new opportunities for business it also creates new opportunities for education and academics. It appears that there is tremendous potential for providing E-business education.

SUGGESTIONS

1. An in-depth understanding of the legal regime and the possible issues that an E-commerce business would face coupled with

effective risk management strategies has been the need of the hour for of Ecommerce businesses to thrive in this industry.

2. Intellectual Property Rights (IPR) issues in Ecommerce transactions have taken a new form with users finding loop holes to

not only easily duplicate material but also mislead other users. Hence, much more IPR is needs to effectively regulate tangled

web.

3. The development of educational standards has enabled a great demand in the market.

4. The powerful influence of various social media tools like Facebook allows consumers to organize their favorite items and

segment it into them and collections to share with others.

5. With the increase in small and medium enterprises, foreign direct investment, multinational companies, creating millions new

jobs, a new generation of globally minded consumers. With growing job opportunities, customers are willingly able to pay for

the products online.

6. The website for online shopping should be in understandable language. The language should be kept simple while making the websites.

Ecommerce is changing the way of buying & selling of product & services in India. Ecommerce is future of shopping. Due to Ecommerce the gap has been reduced between manufacturer & consumer. According to Indian population their vast scope for Ecommerce because currently in India only 19% people using internet for selling & buying goods & services so remaining percentage we can considered that we having scope in Indian Market. There is weak Cyber security Law in India that is why Indian People are facing challenges toward Ecommerce. The future of e-commerce in India would be bright in the upcoming years if all essential factors would be implemented, by establishing cyber & have their benefits as per people wish. The role of government is to provide a legal framework for e-commerce so that while domestic & international trade are allowed to expand their horizons, basic right such as privacy, intellectual property, prevention of fraud, consumer protection etc. are all taken care of. The expansion of e-commerce has been developed in rural as well as urban area in reign able cost for consumption, because of that more people are getting linked with Ecommerce & the ratio of that is getting increase day by day.

Ecommerce provides tremendous opportunities in different areas but it requires careful application for consumer protection issues. Growth of Ecommerce would also depend to a great extent on effective IT security systems for which necessary technological and legal provisions need to be put in place and strengthened constantly. While many companies, organizations, and communities in India are beginning to take advantage of the potential of Ecommerce, critical challenges remain to be overcome before Ecommerce would become an asset for common people. It is clear that in coming years customers will give orders for their products from their homes and from their office. Mobiles and computer are widely used in India now a days and user are eager to do shopping in internet. With the rapid expansion of internet, e-commerce is set to play an important role in next coming years.

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APPENDIX: Question Asked in Survey for Primary Data

1) Do you shop Online ?

- a) Yes
- b) No

2) What percent of your FMCG, Electronic and Apparels are brought through Ecommerce sites?

- a) More than 40%
- b) 20% to 40%
- c) less than 20%

3) Are you going to increase your E-Commerce Purchase over the next year ?

- a) Yes
- b) No
- c) Maybe

4) Is your expected percentage growth in income over next 5 years is more than 7% ?

- a) Yes
- b) No
- c) Maybe

5) Do you book travel tickets online ?

- a) Yes
- b) No
- c) Maybe

6) Are you aware of massive losses of Ecommerce firms due to deep discounting policy to gain market share?

- a) Yes
- b) No
- c) Maybe

7) Do you consider E-commerce goods and services cheaper than through offline retailers?

- a) Yes
- b) No
- c) Maybe

8) Will you continue to buy from Ecommerce sites even if their price is above offline retailers in future?

- a) Yes
- b) No
- c) Maybe

9) Have you ever paid for online gaming, matrimonial, Dating sites ?

- a) Yes
- b) No
- c) Maybe

10) Will you subscribe for online streaming services like Netflix, Spotify in future?

- a) Yes
- b) No
- c) Maybe

11) Do you use grofers and bigbasket or other online grocery stores for FMCG goods?

- a) Yes
- b) No
- c) Maybe

12) Do you think that CCI policy, Government of India hostile treatment of online retailers justified?

- a) Yes
- b) No
- c) Maybe

13) Have you used or are going to use online job portal like linkedin/Indeed/shine/naukri.com or internship sites like internshala?

- a) Yes
- b) No
- c) Maybe

14) Are you planning to use Ecommerce platform like justdial/sulekha or sell through flipkart/Amazon in future?

- a) Yes
- b) No
- c) Maybe