Study of E-commerce in India with particular reference to flipkart

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Abstract- **A number of several factors, including increasing of price, variety of products, transportation Challenges to traditional retail locations and many problems of shopping at the mall and Retail locations are helping to growing trend of shopping. During the year, the proportion of This generation making purchase online has increased significantly, having a significant impact on way of life. Many peoples are using internet. So according to the number of internet users increasing faster.**

In the Global market, E-commerce has become a innovative strength. India one of the E-commerce economies with a quickest rate of growth. This study show the development of E-commerce in India. With a special significant on Flipkart, a specific one nation's first E-commerce sites. Using the flipkart as a reference for the study, Find out the difficulties, possibilities and development for e-commerce in India. This study shows the flipkart, policy, strategy, market position and effect on the India e-commerce ecosystem.

Keywords: **E-commerce, B2C, Flipkart, sales penetration.**

1. INTRODUCTION:

E-commerce is the method of buying and selling tangible products and services online.
It includes more than one party along with exchange with product and currency to process a transaction. It is the component of greater industry that is known as electronic business (e-business), which includes all the processes necessary to manage business online.

Stages of Evolution of E-commerce

The different stages of evolution of e-commerce presented stages as under:

First Stage (1995 to 2005)

The era of the Internet in India in 1995 marked the beginning of the first stage of e-commerce in the country. India's first online B2B was launched in 1996. The liberalization of the country's international trade policies was the main factor that enhanced the growth of B2B virtual portals.

Second Stage (2000's- 2015)

There has been a significant development in e-business, specifically in the areas of traveling, retailing, group purchasing, societal interaction, etc. Also, IRCTC started its online ticketing booking, and after that people started booking online with the help of centres.

Third Stage (2016-Present)

The Internet phase started booming in India. The user base in India just exploded with mobile phones and 4g. People started availing of the e-commerce industry, thus pushing the industry to thrive with prospects.

Importance and relevance of studying Flipkart

Leading Role: Flipkart is the first and most significant company in the Indian E-commerce market. Being innovator, it has molded the course of India's E-commerce growth and established standards that other participants must attach to.

Market Supervision: Flipkart has regularly ranked among India's top e-commerce sites, going up against international behemoths like Amazon. Its strategy provides insightful information about the competitive dynamics of the Indian e-commerce market.

Innovation Hub: In the Indian e-commerce sector, Flipkart has served as a core for innovation. Flipkart is an

interesting topic to research because it has pioneered various cutting-edge solutions catered to the Indian market, from offering cash-on-delivery payment alternatives to developing its own logistics department.

Effect on Indian Economy: The success of Flipkart has a profound effect on the Indian economy in addition to changing the country's e-commerce outlook. Examining Flipkart can help understand how it contributes to business, job development in India.

Changing in Supply Chain and Logistics: Flipkart's success in a various and widely dispersed market like India can be attributed to its focus on developing a strong supply chain and logistics infrastructure. Understanding Flipkart's logistics tactics can provide significant insights for enterprises functioning in analogous settings.

Consumer Behavior Visions: Study the Indian environment is made possible by Flipkart's sizable customer base. Researchers can learn more about the tastes and buying patterns of Indian consumers by examining Flipkart's data and customer interactions.

- **Objectives of the Study**

➢ To study the current status of e-commerce in Indian economy
➢ To study the significance and contribution of e-commerce
➢ To Study the future scope of e-commerce in India

2. Growth of E-commerce in India

Historical Perspective of E-Commerce in India

The theory of E-commerce first came in the year 1991, a time when the internet facility was not obtainable in India. Although, by the late 90s, no. of peoples increases become aware of the internet and they came to know that transactions can be done through this medium.

By the most Indians, it remained a comfort until few years ago. In 2002, when the IRCTC launched an online reservation system, the public started accepting the internet as something useful. Peoples found at about global leader amazon and thus marked the importance of E-commerce in India.

Flipkart was the first major company that playing important role towards E-commerce. And then came the growth era of E-commerce in India When a few years later, Mukesh Ambani the front man of Reliance Industries, announced the arrival Reliance Jio. He gave the sim card for free and this idea will change the internet scenario in the country massively.

According to the daily needs peoples ordering daily essentials such as medicines, and groceries to gadgets, people can now get almost everything delivered at their home easily with return policies. The evolution of E-commerce in India has been good interesting till now.

Factors driving the growth of E-commerce

The growth of E-commerce in influenced by the multiple factors varies from technological advancements to changes in consumer behaviour. Here are the some of the key factors driving the growth of E-commerce.

Internet Penetration:

E-Commerce business growth is not possible without the internet. The availability of reliability and widespread internet infrastructure is deciding. High internet penetration ensures that more people will be allowed to access online shopping platforms. As a result high volume of online transactions takes place.

Mobile Adoption:

The compatibility of E-Commerce sites with mobile is another important factor. As with the rise of smartphones and mobile devices, people usually use their phones to access the internet, purchase, and make online transactions. Mobile-friendly E-Commerce platforms and apps become essential to cater to the growing segment of online customers.

Trust and Security:

E-Commerce business only thrives by building customer trust. When making a purchase, customers should feel secure in the knowledge that no payment fraud is occurring and that their financial and personal information is safe. Implementing strong security measures and ensuring secure payment gateways is critical to achieve this target.

Payment Options:

Offering a wide range of payment methods, including credit/debit cards, digital wallets, and other online payment options significantly impact the growth of E-Commerce. Cash on delivery is a significant alternative to online payment methods, depending on the economic and cultural aspects of the specific community. Offering convenient and adaptable payment options draws in a larger clientele.

User Experience:
Providing seamless user experience is necessary for successful E-Commerce business. Easy navigation options on websites, fast loading times, personalized product recommendations enhance customer satisfaction. Satisfied customers enhance retention rates and encourage repeat business.

Logistics and Delivery:
In this fact paced world efficient and reliable logistics play a crucial role in the growth of E-Commerce success. Recurring transactions are encouraged and customers are positively impacted by prompt and economical delivery alternatives.

Product Range and Availability:
Wide range of options to elect from and maintaining an acceptable position of force is important. Accurate demand & supply planning, diverse product selection options not only attracts more customers but also increase sales and growth.

Customer Service:
E-Commerce business demands an exceptional customer service. As there's no bone to one commerce so the response rate really matters. Excellent client service is pivotal for client retention and fidelity promptly addressing customer queries, resolving issues, and offering after-sales support majorly contribute to the success of business.

1.4. Economic, behavioural changes

The changes that B2C e-commerce has sparked arguably have had a more significant impact on the economy and on buyers' behaviour than has B2B ecommerce. When it came to making purchases in the past, customers had to schedule time to shop at specific times of the day or go through catalogs that mail-order firms provided them. Many customers may now easily purchase online using their PCs, smartphones, or other portable electronic devices. Buyers and sellers that engage in e-commerce retail trade are no longer restricted by store hours, geographic marketing areas, or catalog mailing lists. They can obtain a range of products seven days a week, twenty-four hours a day, with only a few easy clicks. Over the previous ten years, there have also been major changes in the features of retail e-commerce items. Back in 2000, computer hardware was the most common type of merchandise sold over the Internet. Moment, the variety of wares is extremely different, and shoppers can buy nearly anything online.

Online shoppers have benefited in other ways. The rise in e-commerce retail sales has decreased the cost of searching for products for customers, driven down the price of many consumer goods, and narrowed the price distribution of those goods. However, because small businesses are typically less involved in e-commerce, this has resulted in a significant decline in the number of small businesses functioning in some industries. Bigger companies can compete better in this new market climate, particularly retail book stores, new car dealerships, and travel agencies.

E-commerce influences demand patterns

One could argue that B2C e-commerce has had a greater influence on the economy and consumer behavior than B2B e-commerce. When it came to making purchases in the past, customers had to schedule time to shop at specific times of the day or go through catalogs that mail-order firms provided them. Many customers may now easily purchase online using their PCs, smartphones, or other portable electronic devices. Store hours, geographic marketing regions, and catalog mailing lists are no longer barriers for buyers and sellers participating in e-commerce retail trade. They can obtain a range of products seven days a week, twenty-four hours a day, with only a few easy clicks.

There are additional benefits for online shopping. The rise in e-commerce retail sales has decreased the cost of searching for products for customers, driven down the price of many consumer goods, and decreased price dispersion. However, because small businesses are typically less involved in e-commerce, this has resulted in a significant decline in the number of small businesses functioning in some industries. Bigger companies can compete better in this new market climate, particularly retail book stores, new car dealerships, and travel agencies. The surge in e-commerce retail sales has given a significant impetus to residential parcel delivery services. This is due to the fact that purchasing goods online usually entails having them delivered to your home by a third-party provider like FedEx, UPS, or the US Postal Service.

Research Methodology

This exploration is grounded on secondary data which are collected from several sources i.e. research papers, www.statista, publications from Ministry Of Commerce, Govt. of India etc. which is available on the internet.

Analysis of Data

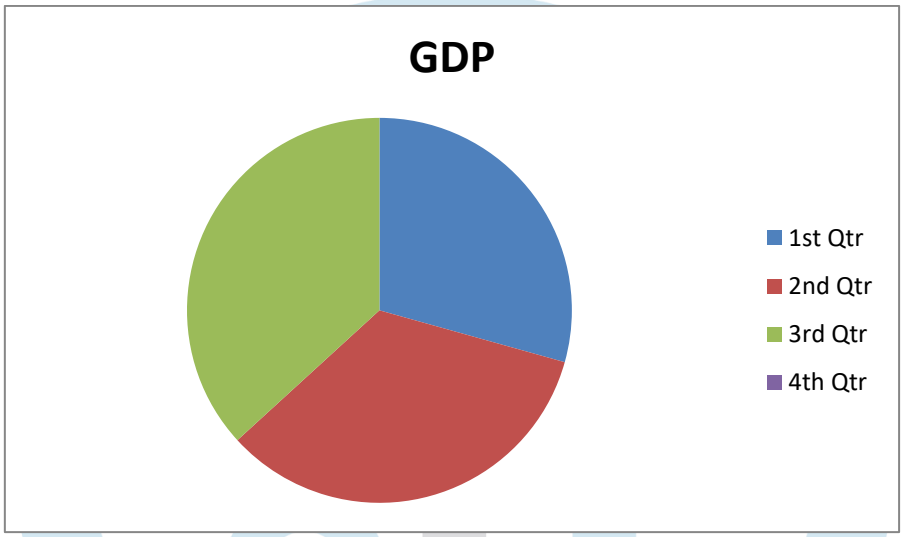
Table 1: Present Market segments of E-commerce

Category	Specifications
Digital population as of January 2023	692.0
E-commerce market size by 2027	200 Billion USD

Active E-commerce penetration	22.1%
E-commerce share in retail by 2023	20.8%
Flipkart revenue	560 billion
Most popular e-payment service	Paytm

Table 2: Share of E-commerce to GDP

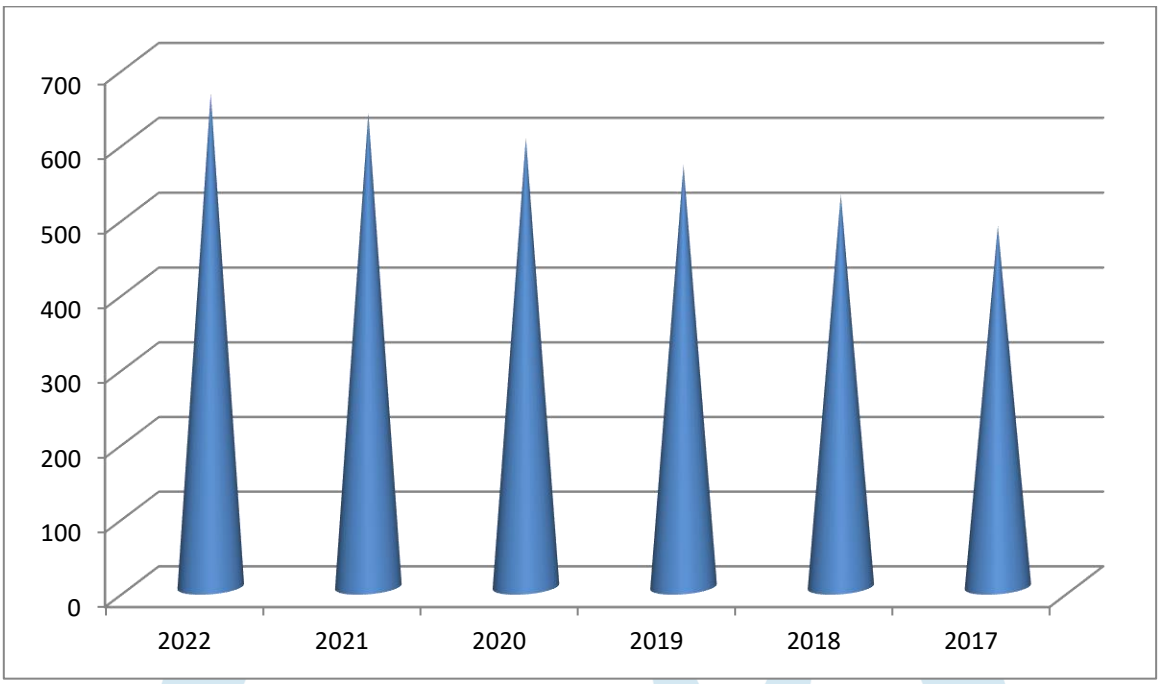
Year	GDP
2019	2.01%
2020	2.32%
2021	2.52%



Internet users in India

Table 3: Number of internet users in India from 2017 to 2018 with a forecast until 2023

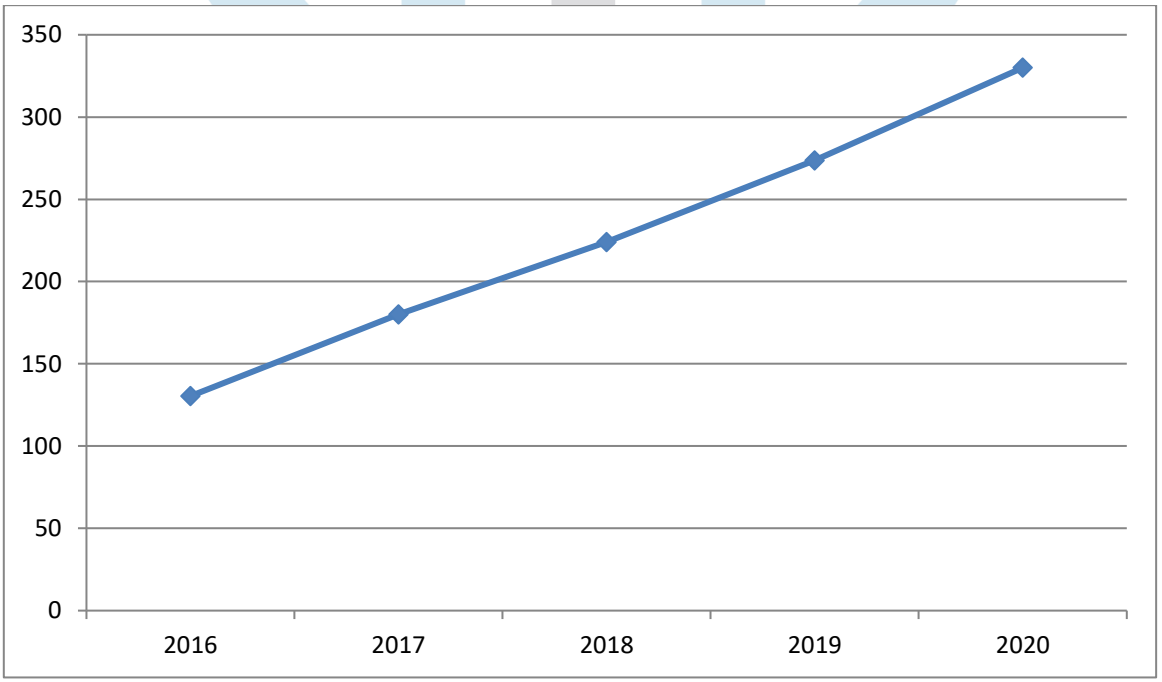
Year	No. Of Internet Users
2023	660
2022	634
2021	601
2020	564.5
2019	525
2018	483
2017	437.4



India had over 480 million internet users in the year 2018 across the country. This figure was projected to grow to over 660 million users by 2023 indicating a big market potential in internet services for the South Asian. In fact India was ranked as the second largest online market worldwide in India.

Table 4: Digital buyers in India 2016-20 (In Millions)

Year	No. Of Buyers
2016	130.4
2017	180.1
2018	224.1
2019	273.6
2020	330



Growth of B2B E-commerce in India

The growth of the B2B E-commerce segment is relatively slower compared to the B2C Ecommerce segment in India. This is because the entry barriers in the B2B E-commerce are more than those in the B2C E-commerce industry. A B2B E-commerce company has to have a strong business model, long term logistical arrangements with rail, road and ports and also adhere to stringent regulatory and taxation laws. With an aim to tap the huge potential in the B2B Ecommerce market in India, apart from the existing B2B companies, leading B2C companies have also started to

build their own platforms for small business owners and traders. This is expected to be supported by rising expectations among a growing number of companies buying and selling online and a shift to conduct procurement transactions through the Internet. Understanding this untapped potential of the B2B Ecommerce industry, the Government has allowed 100% FDI in B2B E-commerce, which has enabled globally successful B2B Ecommerce companies such as Walmart and Alibaba to evince interest in the India B2B Ecommerce industry.

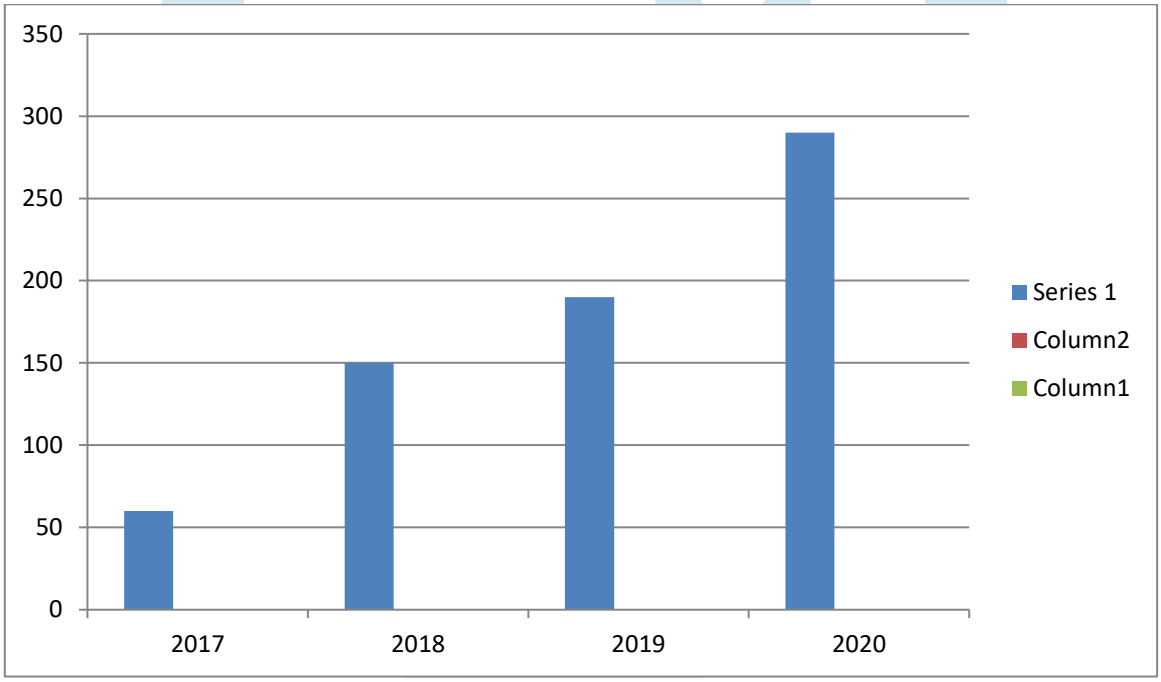
Future of E-commerce in India

E-commerce sector in India is growing rapidly. The internet users base in India is 460 millions and it is expanding day by day .The accelerating growth of Ecommerce in India is due to internet penetration and easily available smartphones. Furthermore the favourable demographics and government effort of digitalisation is also pushing the growth of E-commerce sector in India.

Table 5: E-Commerce sales in India (INR Billion)

Year	Sales
2017	60
2018	150
2019	190
2020	290

Figure 4: E-Commerce sales in India (In Billion Dollars)



Challenges of E-commerce in India

As far as e - commerce is concerned it's still in an immaturity stage in India. The terrain live moment isn't important suitable for the fast growth of e - commerce. We can list out the important challenges one by one as follows

1. One of the important challenges faced by this sector is the lack of acceptable structure for IT technology and Internet. The penetration of particular computers in India is as low as3.5 per thousand of population compared to over 6 per thousand in China and 500 per thousand in USA.
2. Another important reason for not developing e-commerce is the high tariff rate charged by Internet Service Providers [ISPs] Speed and connectivity is also poor.
3. Another problem faced is that e-commerce sites are one of the favourite targets of hackers.
4. The most serious debit is the absence of effective cyber law at the moment.
5 - Commerce is governed by the UNCITRAI model law, but this isn't binding on any country. It's anticipated that all WTO member countries will soon legislate laws to govern
6. The reason low growth of e-commerce is the privacy and security issues. Measures like digital autographs, Digital instruments, and fire walls can be espoused to secure safety and protection over the communication passed on internet.

7. Payment related problems also continue to block the e-commerce activities. Electronic cash, credit cards etc. are some of the popular payment system used for e - commerce deals. But unfortunately penetration of e-cash and credit cards not only low, but Indian consumers are suspicious about the threat of fraud played by unscrupulous hackers. In order to minimize this problem, experts suggest the use of digital instrument along with credit card to secure their payment conditioning.
8. Electronic commerce is also characterized by some technological and inherent limitations which have restricted the number of people using this revolutionary system.

CONCLUSION

After taking a complete view of the industry trends, it is seen e-commerce is emerging as an important tool to certify exploding growth of Indian economy. It has the compass to lead India into an profitable superpower. With a fleetly growing internet penetration e-commerce offers an seductive option for the retailers to expand. To achieve this, there should be more investments in supporting infrastructure and innovative and game changing business models in India.

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