



Effect of E-Commerce on Consumers Approach

Dhanashree S. Divate

Assistant Professor, Arts, Science and Commerce College, Burhannagar,
Tal. & Dist. – Ahilyanagar, Pin code- 414002. (M. S.) India

Corresponding Author – Dhanashree S. Divate

DOI - 10.5281/zenodo.15533590

Abstract:

E-commerce stands for electronic commerce where business transactions are carried out using telecommunication means, mainly by using internet. E-commerce is not only a way to support existing business operations, but it has brought a paradigm shift in the world for trading. Growing penetration of technology and acceptance of idea of virtual shopping has led to derive e-commerce eco-system. Future of e-commerce is tremendous where many new players are entering the market in different sectors and government is taking various steps to help the traders to expand their horizons and to protect the basic rights such as privacy, prevention of fraud, intellectual property, etc. India is showing tremendous growth in the Ecommerce. The low cost of the PC and the growing use of the Internet is one of the reasons for that. There is a growing awareness among the business community in India about the opportunities offered by ecommerce. The present paper mainly aims to discuss the Role of E-commerce in Today's Business.

Keywords: Recent Trends, Consumers, E-Commerce, Security, Internet.

Introduction:

E-commerce means buying and selling goods or services online. It also includes sending money or data through the internet. With the growth of the internet, e-commerce has become an important part of the economy. It allows businesses to work online instead of in person. There are different models like B2B (business-to-business), B2C (business-to-consumer), and C2C (consumer-to-consumer) that shape how people shop and sell. E-commerce has increased competition by turning the internet into a global marketplace. New web technologies are reducing the gap between traditional and online markets. In India, e-commerce is growing quickly and has a bright future.

E-commerce means doing business online, like buying, selling, or sharing information or money over the internet. It includes activities like promoting products,

making payments, and answering customer questions. Some common tools used are online catalogs, electronic payment systems, and banking technologies.

There are different types of E-commerce:

1) Business to Customer

(B2C): Companies sell directly to people, like Amazon.

2) Business to Business

(B2B): Businesses trade with each other, like on Alibaba

3) Customer to Customer

(C2C): People sell things to other people, like on eBay.

4) Customer to Business (C2B): People offer services or products, and businesses bid for them. This is called reverse auctions.

Objectives:

1. Analyze the reasons behind new e-commerce trends.

2. Explore the factors driving e-commerce growth in India.
3. Identify emerging trends in e-commerce.
4. Study the future growth potential of e-commerce in India.
5. Understand what attracts customers to visit e-commerce sites.
6. Check if buyers are aware of e-commerce.
7. Understand the importance of new trends in e-commerce.
8. Look at new strategies used in e-commerce.

Research Methodology:

This study used secondary data like research articles, journals, books, websites, newspapers, and reports. The information was reviewed to find new e-commerce trends and understand the need for strategies to match these trends. All the data to explore e-commerce trends came from secondary sources. The review focused on identifying these trends and planning better ways to adapt to them.

E-commerce in India:

E-commerce in India is growing very fast. By the end of 2024, it is expected to earn INR 4,416.68 billion. In March 2023,

India had more than 880 million internet users and 1,172 million phone users. UPI payments were INR 125.94 trillion in 2022, with over 800 million users. By 2029, e-commerce will likely grow to INR 7,591.94 billion and have 501.6 million users. More people will shop online, rising from 22.1% in 2024 to 34.0% in 2029. Each user is expected to spend INR 14,121 on average. This shows e-commerce is doing very well in India.

Growth of E-commerce in India:

Through its Digital India campaign, the Government of India is aiming to create a trillion-dollar online economy by 2025. India e-commerce is expected to reach US\$99 billion by 2024, growing at a 27% CAGR over 2019-24, with grocery and fashion/apparel likely to be the key drivers of incremental growth. Online penetration of retail is expected to reach 10.7% by 2024, versus 4.7% in 2019, while online shoppers in India are expected to reach 220 million by 2025. Projected growth of Ecommerce will lead to new challenges and opportunities in the online sector. These new challenges will give rise to new trends which will further contribute to the better performance of Ecommerce.

Figure 1: Indian E-Commerce Market (US\$ Billions)



Forecasting:**E-commerce giant in India:**

India's e-commerce sector is growing fast and changing how people shop online. Big companies like Flipkart and Amazon serve the growing middle class, offering convenience and many options. New companies like Jiomart and Nykaa are also expanding quickly. As internet services improve and customer preferences change, these businesses are expected to lead the future of e-commerce in India. Out of many e-commerce platforms, a few are standing out as game-changers.

Top E-Commerce Companies in India:

1. Amazon: It is founded in 1994. Amazon has established itself as a global retail powerhouse, running the largest online marketplace in the world. It facilitates transactions for a vast network of suppliers and third-party sellers while also offering its own range of products. With its main headquarters in Seattle, Amazon's largest corporate office outside the United States is situated in Hyderabad, India, employing around 15,000 individuals. Additionally, the company operates numerous offices and fulfillment centers across major Indian cities like Bangalore and Delhi, underlining its significant presence and influence in the region.

2. Flipkart: Flipkart is a major player in India's e-commerce landscape, directly competing with Amazon for the top position. Its platform provides a vast selection of products and services, ranging from clothing and home furnishings to flight bookings. The company is deeply invested in utilizing advanced technologies to enhance the shopping experience for its customers. With its primary headquarters in Bangalore, Flipkart also operates a network of offices across the country,

reflecting its extensive presence in the Indian market.

3. Meesho: Meesho is a dynamic social commerce platform that enables users to buy and sell a wide range of products, including clothing, electronics, and home decor, through online channels. Established in 2015 by Fashnear Technologies Private Limited, this Bangalore-based company initially began as a consignment platform. Today, Meesho is recognized as one of India's fastest-growing e-commerce startups, drawing significant appeal from the nation's low and middle-income consumers with its vast collection of budget-friendly, unbranded goods.

4. Tata CLiQ: Tata CLiQ, the e-commerce arm of the Tata Group, operates as an omni-channel marketplace offering clothing, accessories, beauty items, and more. Based in Mumbai, it also runs Tata CLiQ Luxury, a platform for high-end brands like Burberry, Prada, and Swarovski.

5. Myntra: Myntra, based in Bangalore, is a fashion e-commerce company offering clothing, beauty products, and home goods. Launched in 2007 as a gift platform, it shifted focus after Flipkart's 2014 acquisition. In 2022, it introduced express delivery, ensuring orders arrive within 1-2 days.

6. Snapdeal: Snapdeal, one of India's top-four online shopping platforms, reported Rs 388 crore in revenue in 2023. Based in New Delhi, it specializes in clothing, electronics, and home goods, alongside fitness gear, car accessories, and rare collectibles. With a vast logistics network, it covers over 96% of India's pin codes, delivering to numerous towns and cities.

Challenges in growth of e-commerce and suggested solutions:

1) Logistic issues: Logistics is a major obstacle for e-commerce in India, particularly in rural areas with limited delivery infrastructure. Issues like supply chain gaps, high delivery costs, and delays frustrate customers. Regionalization and in-house logistics could help solve this. For example, Amazon launched its own logistics arm, Amazon Transportation Services, to improve delivery efficiency and coverage.

2) Trust issues: Many Indian customers hesitate to shop online due to fears of fraud and prefer physical shopping for items like clothes and jewelry. Offering more payment options like e-wallets, cash-on-delivery, and prepaid cards can help build trust.

3) Cash on delivery: In India, cash on delivery is popular but costly for e-commerce companies. Promoting cashless payments like mobile wallets (e.g., Paytm, Google Wallet) can reduce costs and improve efficiency. Government initiatives for financial inclusion and awareness campaigns can encourage more customers to adopt cashless methods.

4) Indian customers returns much of their products they buy online= Indian e-commerce has lot of first time buyers who come to site to try the products and most of the time return Them. Managing returns involve a lot of cost for sellers and e-commerce marketplace.

5) Tax Structure: India's varying tax rates across sectors complicate e-commerce operations, unlike uniform systems in countries like the USA. GST is expected to help by creating a simple, uniform tax structure, easing interstate trade, ensuring merchant compliance, and removing double taxation.

6) Privacy: Privacy worries, like data theft and fraud, make customers cautious. Fixing this Builds Trust.

Benefits Of E-Commerce To Organisations:

1. International marketplace: Markets are no longer limited to one place. E-commerce allows businesses to reach people worldwide. This has turned online businesses into virtual multinational companies.

2. Operational cost savings: E-commerce has reduced costs related to creating, processing, and storing paper-based information, making operations more efficient.

3. Mass customization: Pull-type processing in e-commerce enables businesses to customize products and services according to customer preferences.

4. Lower telecommunications cost: The Internet is cheaper than value-added networks (VANs) and reduces costs for sending faxes or emails compared to direct dialing.

5. Digitization of products and processes: Software, music, and video products can now be easily downloaded or emailed directly to customers in digital formats, enhancing convenience.

Benefits Of E-Commerce To Consumers:

1. 24/7 access: Customers can shop or complete transactions anytime, from anywhere, whether it's checking balances or making payments.

2. More choices: E-commerce offers a wide range of customizable products and access to international suppliers.

3. Price comparisons: Customers can easily compare prices across multiple sites or through platforms that aggregate and display prices.

4. Improved delivery processes: Digital goods can be downloaded instantly, while

physical goods are trackable online during delivery.

5. Competitive Environment: Retailers compete by offering discounts, while customers can combine their orders to secure better wholesale rates.

Benefits Of E-Commerce To Society:

1. Flexible Work Options: Working from home is convenient, reduces stress, and cuts down on pollution as fewer people commute.

2. Connecting Communities: E-commerce helps people in rural and developing areas get products, services, and information easily.

3. Public Service Access: Online services like health consultations and tax filing make life simpler for everyone.

Limitations Of E-Commerce To Organisations:

1. Security Risks: Hacking makes data unsafe.

2. Tech Changes: Fast changes hurt business plans

3. Competition: Price wars cause losses.

4. Compatibility: Old systems don't work well with new ones.

Limitations Of E-Commerce To Consumers:

1. Cost Barrier: Customers need computing equipment, which requires an initial investment and regular updates.

2. Technical Knowledge: Basic skills in using computers and the internet are necessary.

3. Internet Cost: Accessing the internet, whether through dial-up or broadband, involves expenses.

4. Data Privacy Issues: Personal data is at risk due to weak or inconsistent privacy laws globally.

5. Lack of Physical Interaction: Online shopping lacks the ability to touch

products or interact with people.

6. Trust Issues: Customers struggle to trust faceless online systems.

Limitation Of E-Commerce To Society:

1. Less Human Interaction: Relying on screens may weaken personal and social skills.

2. Social Divide: Lack of tech skills may worsen inequality and social instability.

3. Infrastructure Issues: Limited IT, power, and telecoms hurt progress in developing nations.

4. E-Waste: Old technology creates disposal challenges.

Conclusion :

E-commerce is changing the way people buy and sell in India. It is growing because of factors like more access to the internet, changing lifestyles, and people having more money to spend. However, there are still challenges, such as weak cyber laws, privacy concerns, and delivery problems. To make people more comfortable with shopping online, companies need to focus on building trust. This can be done by offering better services, multiple payment options, strong customer care, and solving issues like online payment fraud.

E-commerce has grown significantly as a way of doing business and other economic activities. This highlights both the benefits and challenges of adopting e-commerce globally. The world is now like a connected village, with new internet-based business methods being developed to improve efficiency. Every country must embrace these changes to keep pace with global progress. More research is needed, especially in developing countries, to help grow and improve e-commerce practices.

References:

1. Dahlberg T., Mallat N., Ondrus J., & Zmijewska A. (2008). Past, present and future of mobile payments research: A

- literature review. Electronic Commerce Research and Applications, 7(2), 165-181.
2. Buyya R., Yeo C. S., Venugopal S., Broberg J., & Brandic I. (2009). Cloud computing and emerging IT platforms: Vision, hype, and reality for delivering computing as the 5th Utility. Future Generation computer systems, 25(6), 599-616.
 3. Chanana N., & Goele S. (2012). Future of e-commerce in India. International Journal of Computing & Business Research, Proceedings of I-Society.
 4. Ghost D. (2014). Why Indian E-Retailing Market is Still a Partly Success and a Partly Failure Story? Journal of Accounting & Marketing, 2014.
 5. BBC(2015), Internet used by 3.2 billion people in 2015. [online] Available: <http://www.bbc.com/news/technology-32884867>
 6. Maureen Semu Kabugumila, Simon Lushakuzi, Jacqueline E. Mtui, International Journal of Business and Social Science Vol. 7, No. 4; April 2016.
 7. Dr. D.R. Bajwa, Research paper A Study of E-Commerce: Challenges and Opportunities in an Indian Economy, Quest Journals, Journal of Research in Business and Management Volume 10 Issue 3 (2022) pp: 45-52 ISSN (Online):2347-3002.
 8. Mrs. LEELAVATHY H.C, International journal of creative research Thoughts, Volume 10, Issue 8 August 2022 ISSN: 2320-2882 (www.ijcrt.org)
 9. Dr. Urvashi Sharma, Bhawna Rajput, Research Paper on Future of E-commerce in India.
 10. Dholakia, M. P. Prospects of E-Commerce and its future implications in India.
 11. <https://www.alizila.com/ecommerce-trends-2024-gen-ai-artificial-intelligence-supply-chain-e-commerce>
 12. <https://www.forbes.com/advisor/in/businessecommerce-statistics>
 13. <https://blog.hubspot.com/marketing/ecommerce-trends>
 14. <https://www.forbes.com/sites/michelleevans1/2024/01/25/top-e-commerce-trends-changing-how-we-shop-in-2024/?sh=49dc455d4771>
 15. E-Commerce: Issues, Opportunities, Challenges, and Trends (researchgate.net)
 16. E-commerce trends 2024:15 insights for online shopping (the-future-of-commerce.com)