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The Study of Growth and Development of E-Commerce in India

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Abstract:

E-commerce is the most emerging market in the last few decades. It has expanded over the globe with innovation. In today's time, E-commerce is playing a vital role in the growth and development of the Nation and makes life easier for people. Many people have resorted to online shopping, Billing, Payments, etc.

The study of e-commerce helps to know that what is e-commerce and how it is growing in the emerging market of India. On the basis of information by government portals we are able to study the growth of market size of e-commerce and various segments of retail business which are shifted from manual to online business.

This research paper focuses on the concept of E-commerce and growth and development in E-commerce, market growth and initiation taken by government.

KEYWORDS: E-Commerce, Innovation, Online, Pandemic, Business

Introduction:

Commerce is the term that refers to the exchange of goods and services in exchange for money or amounts of money's worth, it is the trading arena that has developed from the initial stages of trade in human life. And now it has been developed as in the field of technology as e-commerce.

The term e-commerce refers to the activity of commerce through the means of the internet, with the help of that any individual, organization, a business enterprise can buy and sell their product worldwide with the help of internet networking.

As we know, the concept of e-commerce had originated first time in the world in the year 1948-1949, with the activity of exchanging business documents includes invoices from business traders/suppliers to their customers with a system of ordering goods via telex, and developed in

today's date. If we head back in history, we can trace the development of e-commerce started in the 1960s with the development of the Electronic Data Interchange.

The development in e-commerce has widely expanded its roots with innovative technology, which is not only limited to data exchange but also used for the purchase of goods and services of routine life; it shows tremendous growth in the field of e-commerce.

Objectives:

- To study about e-commerce concept in India
- To study the development and growth of e-commerce in India
- To know about the market size and segmentation of e-commerce in India.
- To study about Indian-based top e-commerce Companies.

Research Methodology:

The data used for research is secondary-based data collected from various sources of information like earlier publications, business magazines, and from various internet sources, etc.

Literature review:

As we know e-commerce is not new but due to pandemic it creates an impact on Indian enterprises, and it reviewed by many corporates that it results in a revolution in the Indian trade

"There is a palpable initiative among Indian enterprises to attain a new benchmark in digital adoption. They are not constrained by legacy and can leapfrog the digital revolution much more quickly."

Rajesh Nambiar, CMD Cognizant Technology:

E-commerce in India

In India, many entrepreneurs come up with the idea of the establishment of an e-commerce business, since 1991 when along with LPG, Internet accessibility is free for commercial trade which results in the beginning of the e-commerce industry. The concept of E-commerce came into force in India by introducing the internet for commercial use in the year 1995, as an initiative the government has come up with the use of e-commerce by implementing online booking facilities in railways, after a succession of the online facility by IRCTC, Government had implemented e-services in airline industries too and that result into the beginning of e-commerce arena in India.

Recently, the Government of India introduced various new reforms to grow the e-commerce industry of the nation. In Pandemic, due to lockdown, many businesses are closed, to overcome such a situation the government of India pushes towards digitalization which is a blessing for the various sectors. In a pandemic, many people have resorted to online shopping, e-payments, e-commerce has become a supporting stand for supplying essentials to more than 130 crore people.

Evaluation of e-commerce in India:

As a new concept of online shopping, in the year 1995 introduction of the internet for commercial use opens the doors of businesses to sell their products on the online platform is the beginning of the e-commerce industry in India.

The first initiative taken by the government of India, to provide an online ticket facility to the public is the first online facility by IRCTC.

After Success of online facilities of IRCTC, the airline agencies step up in online services, which provide commission based web services of online booking.

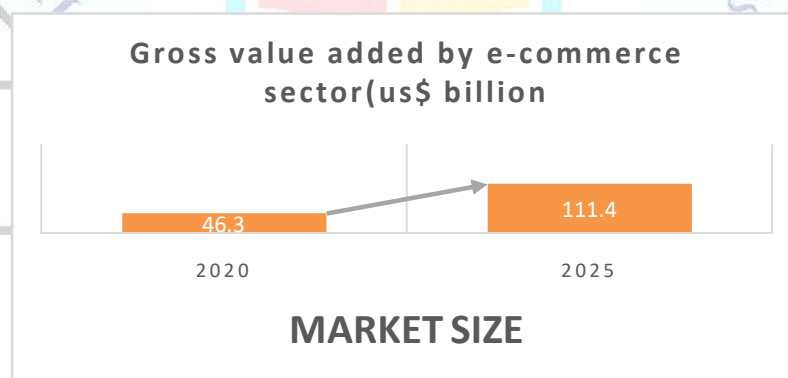
In India slowly e-commerce activities took place but e-commerce boost its area after establishment of flipkart, which is speed up the online shopping in India. Soon after amazon, jabong, snap deal etc. started functioning in India.

The growth of e-commerce accelerate in India when Reliance Jio started giving free SIM cards to use. Today e-commerce industry's growth volume increase to 36% which shows tremendous change in e-commerce growth.

Today we can order any product like medicine, vegetables, cloths etc. Online which delivered to our doorsteps is the example of growth of e-commerce in evolutionary manner.

Market Size:

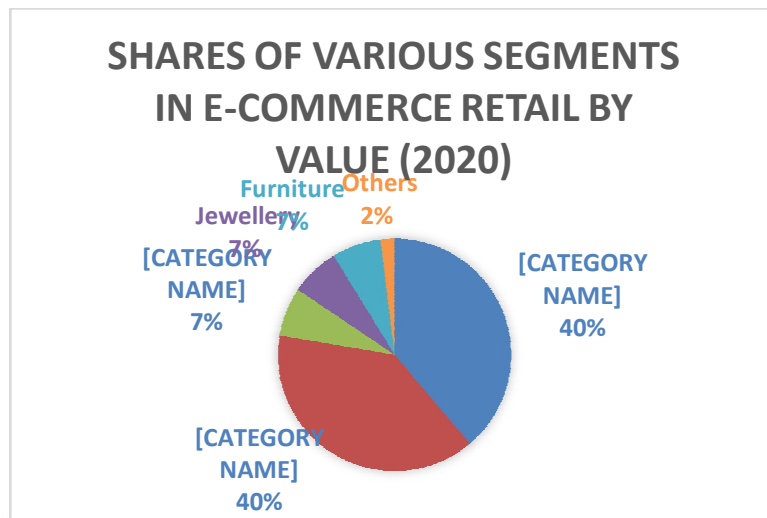
The concept of e-commerce has changed the way of business in India. In the future Indian E-commerce is expected to be 111.40 billion US\$ till 2025 compared to 46.2 billion US \$ in 2020. The growth of Industry has got much more increase due to pandemic because of increase in the use of internet and smartphones for maximum business helps to trigged the e-commerce business. As per the data of April 2021, the number of internet and smartphone user in India has increased to 782.86 million, driven by the 'Digital India' Programme.



*_source: <https://www.ibef.org/industry/ecommerce-presentation>

As per data published, we can see the future of e-commerce in the Indian market is growing and till the end of 2025, there is a possibility of drastic change in the field of e-commerce, where we can assume there is high growth in e-commerce activities.

SECTOR COMPOSITION:



*_source: <https://www.ibef.org/industry/ecommerce-presentation>

As per the above-mentioned data, we can find out the involvement of investment of various segments in e-commerce in 2020, as per the information we can state the total share in e-commerce retail in consumer electronics, apparel, food and grocery, jewelry, furniture, and other sectors, with the help of data we can state that consumer electronics and apparels are the leading segments in 2020 which are having highest share as compared to other, which is 40% each. Where a share of food and grocery is 7%, jewelry 7% furniture 7%, and other 2%.

Revenue Growth of e-commerce in India from 2018 to 20225

Year	Growth %
2018	37.4%
2019	32.6%
2020	38.5%
2021	19.8%
2022(estimated)	14.6%
2023(estimated)	10.7%
2024(estimated)	7.7%
2025(estimated)	5.6%

Revenue Growth in E-commerce in India



Since 2018 there is constant growth in revenue in e-commerce in India till 2020 but due to pandemic there is an assumption that there might be a decline in revenue growth in e-commerce, as per the data provided by Statista Digital Market Outlook, it estimates that revenue growth will slowly decrease in the coming years, with growth in 2025 expected to be just 5.6 %

Government initiatives:

In India, since 2014 government has taken many initiation for growth of e-commerce sector, the program like Digital India, start-up India, skill India and innovation fund etc. has been started to promote e-commerce activities.

Government launched various initiatives like Start-up India Portal, Bharat Interface for Money (BHIM) Umang, etc. to boost digitization under Digital India initiative.

To facilitate a cashless, paperless and transparent payment system for an array of services Government e-Marketplace (GeM) signed a Memorandum of Understanding (MoU) with Union Bank of India.

Top e-commerce Companies of India:

Today we are having many e-commerce companies who are purely working in e-commerce activities, some of the topmost companies are as follows:

Flipkart:

In the year 2007, Sachin Bansal and Binny Bansal, alumni of the Indian Institute of Technology Delhi and former Amazon employees, started a company named Flipkart initially focused on online book sales with country-wide shipping. The company also sold movies and mobile phones in the initial period of the business. Today Flipkart is India's one of the top leading companies, selling more than 80 million products.

Paytm: Paytm is an Indian multinational technology company that specializes in digital payment systems, e-commerce, and finance, based in Noida. it was founded in August 2010 with an initial investment of US\$2 million by its founder Vijay Shekhar Sharma in Noida, Delhi. Paytm also expanded at international market of Canada and Japan

Infibeam Corporation: Infibeam Corporation Ltd was incorporated on June 30, 2010, in Ahmedabad, Gujarat, Over 900 Employees company is having More than 15 million stock keeping units (SKUs) of product across 40 product categories, Standalone total income of Rs. 5,858.4 crore (US\$ 786.30 million) in FY21

India Mart: India mart is an online B2B Marketplace Company founded in the year 1999, India mart is the competitor of Alibaba, which allows manufacturers, supplier, and exporter to offer their products directly through the platform to get contact its visitor. In the year 2014, it has launched its e-commerce retail platform, Tolexo.

Conclusion:

As we know India is moving towards a developed country, and as a part of the e-commerce sector is highly growing, recently in the year 2020-21, most Indian are preferred e-commerce for buying and selling of goods and services which indicates the growing size of the market place. And as per the economy, it is expected to grow more as per estimated facts. In recent two decades, many companies developing as top e-commerce companies in India not only under the initiation of government but also private companies are grown faster.

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