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A Study on E-Commerce in India: An Overview

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ABSTRACT

E-commerce is an amazing way of buying and selling products. E-commerce stands for electronic commerce where business transactions are carried out using telecommunication mans, mainly by using internet. E- Commerce also involves activities like developing products, marketing them and also delivering them to the consumers. Growing penetration of technology and acceptance of idea of virtual shopping has led to derive e-commerce eco-system. With the deployment of internet connection, 4G and 5G telecommunication services, broadband, laptop, smart phones, tablets acceptance of e-commerce is increasing. However, as a result of the competitive nature of the industry, sellers need to innovate regularly so as to capture a large market share. Correspondingly, the researchers are always scrambling to propose new e-commerce models, which have been proposed over the years. A comparative analysis has been conducted to analysis the online business success factors as presented by different models. In recent years, e-commerce platforms have emerged in an endless stream, including Amazon and eBay in the high-end international market, Tamil and JD.com in the high-end Chinese market, pinduoduo and Taobao in the low-end market. it is not so difficult for many companies to share a pieces of the online shopping business. One of the major growth factor in India is the breadth of internet penetration in a country. India has an internet user base Covid-19 of about 424 million as of June 2020 and expected that it will cross to 509 million in 2021, which is the world's second largest user base only behind china. At the same time changing consumer lifestyle, supported by younger population base of India. This study covers a number of e-commerce platforms in India, which have gained popularity over time to discuss their interventions in success of e-commerce. The main idea is to identify the constructs leading to user satisfaction, which may be a precursor for customer's repeat purchase intention.

Keywords: E-commerce success models, Internet, customer satisfaction, website qualities, D&M

Introduction:

E-commerce has a surprisingly long history which started 40 years ago. To this day, continues to grow with new technologies, Innovations and thousands of businesses entering the online market each year. 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.

E-commerce is the electronic exchange of business information between two or more organizations. An e-commerce transaction can be between enterprises, households, individuals, governments and other public or private organizations. There are e-commerce conducted between businesses and those that carried out between a business and its consumers. Business-to-business e-commerce take place in electronic data interchange over private networks. Companies that regularly do business together will setup an automated and fast info exchange such as stock deliver and receive confirmation.

The global e-commence market is expected to cross the two trillion threshold in 2020 (Statista, 2020). In 2019, china remained the world largest e-commerce market (672 Billion) in second place comes the USA (340 Billion), third on the list is UK (99 Billion) (e-market, 2019). However, between 2018 and 2022, India is expected of consistently lead in the aspect of business to customer e-commerce development with a cumulative annual growth rate (CAGR) of 19.9 per cent, numerous factors such as cheaper Smartphone's, affordable internet subscription, better infrastructural development, increased spending power, and the use of online payments are some of the growth driving factors. Further factors like cost saving and convenience are prompting consumers to choose e-commerce over traditional medium, other factors includes cheaper devices, faster internet speeds help drive the growth of online shopping.

Review of literature

E-Commerce in India has been experiencing an exponential growth Traditionally India is a country where most of the shopping is done in unorganized markets and nearby store. The Technology and Innovations has emerged over the last decade. Heaps of researches have been conducted in India. The same Indian customers who were earlier satisfied with that, are nowadays looking for easy and comfortable mode of shopping resulted in quick growth

of e-commerce. The vast potential in the E-commerce industry has made it a very competitive industry, which is dynamic in nature and driven by the need to constantly innovation so as to be relevant to customers. Some of the major players in this industry include, **Amazon.com, Alibaba group, eBay.com, Jingdong (JD.com), Zappos, Rakuten,** etc. the scrabble to dominant and gain market share has resulted in the use of different innovate strategy to ensure customer loyalty. This has resulted in various studies on online customer behaviors **(Park, 2019, Bach et.al., 2020).** Other researchers have focused on the determinant factors responsible for the success on e-commerce websites and such factors are being incorporated into the strategy of building an efficient website. Numerous e-commerce research studies **(Lestari et al., 2019, Blazquez et at., 2019)** have suggested that the websites architecture should be such that consumers are able to derive their 'net benefits' of shopping online. According to **Sagala and Sumiyana (2020)** it proposed that the hedonic and utilitarian values could explain the actions of consumers, especially in terms of their happiness and desire to buy back. It also implies that coherent hedonistic and utilitarian values will improve the success of the e-retail website. **Alhijawi and Douglass (2017)** reached the same conclusion when they suggested that for customers to be loyal to a particular e-retailer website, it has to guarantee security and build trust with the customers. **Punyatoya et al. (2018)** recommended and tested a model which scrutinizes the effect of perceived website quality, trust and security on the purchase intention of the consumer.

Objective of the Study

The objective or the study is to provide a detailed analysis and description of the study paradigm of e-commerce, which has been released until now.

- ➢ To study the present trends Challenges and opportunities of E-commerce in India.
- ➢ To examine the factors leading to growth of e-commerce in India.
- ➢ To study the e-commerce models in India.
- ➢ To study the understanding and strategy for e-commerce success for till now.
- ➢ To give conclusion revival of e-commerce.

Methodology

The observed base of the study rests on the data collected from secondary data sources. The secondary data was collected from research articles, journals, books, websites, newspapers and other reports.

Challenges in growth of e-commerce

The main idea is to identify the constructs leading to user satisfaction, which may be a precursor for customer's repeat purchase intention. This can further lead to the successful e-business, if strategically implemented. E-commerce has changed the way we live our life today, the history of e-commerce appear pretty shortly but its history began more than four decades ago. Prior to evolution of money there was "barter" system involving exchange of things? With the evolution of money the concept of "market place" came. After the evolution of market place, few pioneers realized that people would be ready to pay extra if they could get the products delivered at their doorstep, and therefore the concept of "street vendors" came. When postal system came the sellers decided to capitalize on new opportunity and started using mailers to give description of their products, from there "Tele shopping" net work was evolved with development of media vehicle. The latest generation of commerce is e-commerce where sellers and buyers can come together to purchase and sell the good and services over the internet.

Table 1 Technology and Emergence of E-commerce

Year	Technology	Functions
2000's	Many e-commerce companies entered the Indian market place and people began to get aware of e-commerce.	India times shopping, EBay, Flikart, Myntra, Snapdeal, Jabong, Amazon ETC.
1996	Online-banking	ICICI is the first bank to champion its usage and introduced "Internet Banking" in India.
1995	Internet in India	BSNL formally launched internet for public use in India.
1994	Netscape	Netscape released navigation browser named Mozilla
1990-1991	Lee opened for commercial use	Internet is opened for commercial use, e-commerce become possible
1971-1972	ARPANET (Advanced research project agency network)	Pioneering network for sharing digital resources among geographically separated computers in US became the foundation for internet today.
1970's	EDI- Electronic data interchange	Electronic transaction and electronic exchange of information could be made.

Factors leading to growth of e-commerce in India

One of the factors that is leading to growth of e-commerce in India is changing and busy lifestyle, nowadays people hardly find time to go out and shop. E-commerce offered the convenience of shopping where the people can sit comfortably at home and can get wide verity of products under one roof and thereby eliminating the need to stand in queues, travel time and cost. This changing lifestyle of country's urban population and rising disposable income increased the dependency online medium which led towards the growth of e-commerce. Another reason for the growth of e-commerce in India is rising internet user base, where larger percentage of population is subscribing to broadband internet, rising 3G internet users and recent lunch of 5G across the country.

E-commerce models in India

In deciding the determinant of a successful e-retail strategy, several research models and theories has been proposed over time. This even includes the classic success models, which serves as the foundation model for other contemporary e-commerce success models.

TRA and TPB models

The TRA has been established with a view to increasing the understanding of interactions between behaviors, perceptions and expectations. TRA asserts that the most important determinant of behavior is behavior intention. Direct determinants of individual's behavioral intention are their attitude towards performing the behavior and their subjective norm associated with the behavior. According to TPB, human behavior is guided by three kinds of considerations.

D&M IS model

As per the D&M IS model, systems quality measures technical success, information quality measures semantic success, use, user satisfaction, individual impacts and organizational impacts measure effectiveness success. The extended model dimensions of IS success includes the System quality, Information quality, Service use, User satisfaction and Net benefits.

Technology acceptance model (TAM)

The two other constructs in TAM re attitude towards use and Intention to use, TAM can be used to evaluate the probability that consumers will use a specific ISs over the other. Intention to use is used to describe the chance that consumers will use a particular IS, TAM has developed itself as a reliable and effective model for determining user acceptance.

E-commerce model

This model is based on the most frequently utilized dependent variables in e-commerce studies, use and user satisfaction. However, systematic and standard criteria for measuring use and user satisfaction of e-commerce systems have not being agreed upon.

Prospect theory

The prospect theory is being extensively utilized when investigating customer decision making when there is risk of not being able to maximize value. Prospect theory postulates that consumers are most likely to make different choices depending on how much risk is involved. According to the theory, customer pays more importance to guaranteed outcomes than with probable outcomes.

Strategy for e-commerce

Electronic commerce has become a prominent channel for which traditional and novel business reach out to consumers for selling their products. The main idea is to identify the constructs leading to user satisfaction, which may be a precursor for customer's repeat purchase intention. In India which is seventh largest by geographical area, second most popular country, and the most populous democracy the future is e-commerce is tremendous. E-commerce has reduced the gap between the manufacturer and consumer. According to statist the retail e-commerce sale compound annual growth rate from 2016 to 2021 in selected countries shows that Indonesia will rank first in terms of e-retail development with a growth rate of 18.82 per cent in projected period. India is ranked second with an retail e-commerce CAGR of 16.98 per cent followed by Mexico and china with the CAGR of 16.57 per cent and 14.28 per cent respectively. E-commerce market is largely driven by innovation and continuous technology led solution and these are expected to continue in future. Some of the innovations that are likely to positively change the future of e-commerce in India like Innovation in payment, Delivery model, Artificial Intelligence and the use of Drones, App only approach, Digital advertisement and Search Engine Optimization.

Conclusion

E-commerce industry and its adoption by the consumers have continued to growth as more traditional shoppers begin to shop online. E-tailers are fine tuning their strategy, so as to attract them to shop and become loyal to their portal. The study has discussed the various e-commerce success models which have proposed over the years it has elaborated upon the determinate factors as suggested in the models, which when implemented can facilitate the success of e-commerce. As pointed out in the present patter there are various factors that are leading to growth of e-commerce in India including changing lifestyle, growing penetration of internet, emergence of smart phones, tablets, 3G, 4G and 5G increasing disposable inco0me of people in India. To ensure this e-commerce researches have suggested several constructs and their corresponding variable that are critical if an e-business is going to be successful.

E-business success depends entirely on the ability to create a favorable user experience, in the case where the user experience is positive the user becomes a satisfied consumer.

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