



PROSPECTS OF E-COMMERCE: A STUDY OF INDIAN SECTOR

Kumari Nidhi

Department of Commerce, Ahir College, Rewari, Haryana, India.

Abstract

E-commerce has reached to doorstep of a common individual in India it can be seen as a future of commerce. The World Wide Web is a very diverse marketing platform used by most businesses for marketing all types of products and services. Online marketing includes social marketing, word ads, banner ads, video Advertisement etc. Like other forms of market, internet marketing has its benefits and pitfalls. The e-commerce has broken the technological and geographical barriers over the years and has got huge amount of success which many economical analyst and experts never predicted and still it has to go a long way ahead in India. Web site promotions will only continue to grow; successful businesses need to be strategic and informed in their approach. To help retailers and manufacturers successfully implement strategically aligned online and offline promotions. So, this study focuses on strategies needed for effective e-marketing.

Keywords-E-Commerce, Strategies, E-Marketing.

Introduction

E-marketing can be defined as marketing of products and services on electronic media. In the present dynamic scenario, E-commerce market in the B2C space is growing in demand as well as in the array of services. The Internet has become a key platform for communication, information, and entertainment in Indian peoples of all ages, incomes, education levels, and occupations, such that it represents an ordinary, typical tool of everyday life. Among the BRIC nations, India has been the fastest growing market adding over 18 million Internet users and growing at an annual rate of 41 per cent. Hence Indian Marketers need an effective strategy to satisfy shoppers and compete in today's competitive market. E- marketing does not simply entail building or promoting a website, nor does it mean placing a banner ad on another website. It includes advertisement (flash, text, graphics, audio or video), product display, product navigation, 3-D products view, basket selection, checkout and payment. E-marketing & internet marketing terms are used in the same sense. E-commerce is a very cost effective tool where customization is very easy and affordable along with very less criticality of managing the marketing efforts.

Review of Literature

Behavior and intentions of Internet users to buy online is within the theoretical constructs of the Theory of Reasoned Actions. The Theory of Reasoned Action (Fishbein, 1980) examines the relationship between attitudes and future intention to participate in these buying behaviors.

Dr Subho Ray, President, IAMAI, said, "Consumer e-commerce is a major driver of the economy and we are happy that it has achieved a very decent size in India. It is perhaps the only sector which has operated under, sometimes, hostile and at all other times indifferent policy environment."

According to survey conducted by Neilson India (February 2008) on internet shopping habits of Indian consumers, it was found that out of 78% respondents accessing internet, 55% percentage of them have used internet at least once for online purchase in past one month. Internet has made it very convenient to book tickets. 73 percent Indians have purchased airline tickets/reservations in the past three months, this percentage being the highest for any country in Asia Pacific. While more than 60% of Irish and UAE Internet users bought airline tickets/reservations on the Internet in the last three months, making travel the fourth most popular shopping category on the web globally. Also Books (46%), Electronic Equipments (29%), Tours & Hotel Reservations (24%), Videos/DVDs/Games (23%), Event Tickets (23%), Clothing/Accessories/Shoes (21%), and Music (20%) are some other popular purchases made online by Indians.

Abhijit Mitra. (2013), "E-Commerce in India-A Review", International Journal of Marketing, Financial Services & Management Research. Concluded that The E-Commerce has broken the geographical limitations and it is a revolution-commerce will improve tremendously in next five years in India.

D.K.Gangeshwar. (2013)," E-Commerce or Internet Marketing: A Business Review from Indian Context", International Journal of u- and e- Service, Science and Technology. Concluded that the E-commerce has a very bright future in India although security, privacy and dependency on technology are some of the drawbacks of E-commerce but still there is a bright future to E-commerce.

Objectives

- To review the present status of e-commerce in India.
- To study future e-commerce in India.
- To know about the e-commerce strategies.
- To offer valid suggestions and conclusion for effective growth of e-commerce.

E-Commerce In India

The e-commerce introduced to India in mid-1990s, many of them were either matrimonial or job portals, the major reason behind the slow response to e-commerce in India was,

1. Limited availability of internet
2. Weak online payment system
3. Lack of awareness in customers

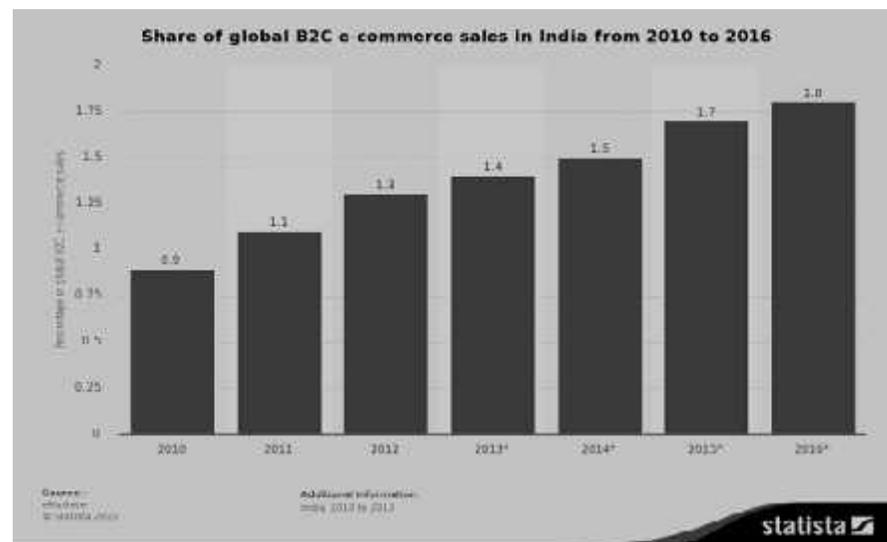
Due to the above reasons the e-commerce progressed very slowly in Indian market. In mid-2000 the e-commerce industry in India grown rapidly offering online services like travelling, many airline companies started providing the travel services online to customers, even today online travel booking holds a major share of e-commerce space. Today almost everything is sold online in India. The first e-commerce site in India was rediff.com.

According to a report published by Forrester research titled “Asia Pacific Online Retail Forecast 2011 To 2016” based on the growth in key e-commerce markets in the Asia-Pacific region and identifying key trends in each of the markets and projected market size by country over the next five years the Indian e-commerce sector is set to grow the fastest in the Asia-pacific region at an estimated annual growth rate of 57% between years 2012 to year 2016.

Country	Sales in \$ Billion	
	2012	2015
India	1.6	8.8
Australia	23.2	35.4
Japan	62.3	97.6
China	160.4	356.1

Source: Forrester

The e-commerce sector in India to grown rapidly during 2005-06 and onwards. The main reasons for this fast growth in the revenues and number of e-commerce companies operating outside of India was the growth of a young generation employed in it companies, changing lifestyles , rise in disposable income and easier access to banking and internet facilities





A new report by the Boston Consulting Group says online retail in India could be a \$84-billion industry by 2016 — more than 10 times its worth in 2010 — and will account for 4.5 per cent of total retail.

The e-commerce platforms maximize its reach to the potential customers and provide them with a convenient, satisfying & secure shopping experience.

E-Commerce Strategies

According to Forbes, here are E-Commerce strategies to grow your business:

- **Micro-Target an Online audience**-e-commerce is basically about establishing a “territory”: defining and designing a site to reach an audience with a common interest or characteristics. Whatever your product or service, define your company’s niche markets that can penetrate online with specialized offerings.
- **Personalize**- site visitors are demanding one-of-a-kind experiences that cater to their needs and interests. Technology is available, even to smaller players, to capture individual shoppers’ interests and preferences and generate a product selection and shopping experience led by individualized promotions tailored to them.
- **Create content to build stickiness**- winning e-commerce deploys crowd-sourced content to make a site “sticky” for potential buyers . Amazon attracted millions of consumers by encouraging them to share their opinions of items like books and CDs. What is your strategy to help potential customers for your products or services find you via goggle? Use keywords and meta tags to raise your ranking in search results.
- **Tailor the browsing experience to target segments**- Brand appropriate site design and well structured navigation remain key ingredients for attracting an audience and getting them to come back. Provide an enticing browsing experience across online platforms. If you want to sell backpacks to college students, for example, use vibrant colors with a flashy design to evoke a sense of youth and adventure.
- **Integrate across channels**- Create multi-channel offerings, enabling your consumers to experience your brand consistently, whatever their shopping method of choice. But be sure that products you are selling via different channels are sufficiently differentiated to account for price differences.
- **Invest in mobile**- mobile commerce is growing at a rate of over 130 percent annually. If you lack a robust mobile commerce platform, you will see a dramatic drop off in revenue over the next several years. To stay competitive, you need to offer mobile-accessible services such as delivery status, real-time notifications, click-to-call, maps, and product information.
- **Tap into logistics**-to accommodate growth, you may need to tap the capabilities of third-party logistics providers to manage a high volume of complex orders. Reverse logistics, the ability to handle returns and exchanges quickly and economically, is becoming a key differentiator. Same-day delivery and innovative fulfillment networks can be competitive advantages.
- **Consider subscription commerce**- subscription commerce takes several forms. in the replenishment model, a commodity item is sent to the customer every month. The discovery model is more promising. It offers a subscription to a curated experience that delivers new, hard-to-find, or customized items periodically to the customer’s doorstep.
- **Bypass the middlemen**- the internet is enabling small companies to reach lots of consumers quickly. Manufacturer, including factories in china, are increasingly willing to work with small brands. They have discovered that small brands are more likely to introduce new products to market because they are less constrained by shelf space limitations and complex supply chains.
- **Offer a seamless experience across channels**- your sales will grow if you ensure that product availability, promotional strategies, and brand experience are consistent across all channels-whether online, in-store, or on a mobile device. Implement cloud-based supply chain technology to gain visibility into your performance across all channels.
- **Sell internet-only merchandise**- this is a strategy that builds an exclusive brand-with ecommerce as the core distribution channel. By offering goods that are not available elsewhere and selling them directly to the consumer online, you maintain much greater control over your margins.

Suggestions

Suggestions for effective growth of e-commerce in India:



- **Customer convenience:** By providing Cash on delivery payment option service to customers.
- **Replacement guarantee:** Should be Offers 30 day replacement guarantee to their customers.
- **Reach:** Enabling mobile-capable sites and supporting M-Commerce services.
- **Location based services:** Since customers these days are always on the move, promoting the right product at the right time and location becomes an integral aspect
- **Multiple payment option:** standard credit cards, debit cards and bank payments option should be there.
- **Right content:** Getting the right content and targeting customers with crisp and relevant information is of utmost importance to users on the move.
- **Price comparison:** Providers offering instant price comparison are highly popular amongst the price conscious customers.
- **Shipment option:** Low cost shipment should be there. The convenience of collecting orders post work while returning home should be there.
- **Logistical challenges:** In India, the geographical spread throws logistical challenges. The kind of products being offered by providers should determine the logistics planning.
- **Legal challenges:** There should be legal requirement of generating invoices for online transactions.
- **Quick Service:** Timely service provided by the company.
- **Terms and condition:** T & C should be clear & realistic.
- **Quality:** The product quality should be same as shown on the portal.
- **Customer care centre:** A dedicated 24/7 customer care centre should be there.

Conclusion

In the digital marketplace, content and its presentation are the most important factors that decide the fate of any online business. There are various segments that would grow in the future like: Travel and Tourism, electronic appliances, hardware products and apparel. There are also some essential factors which will significantly contribute to the boom of the E-Commerce industry in India i.e. replacement guarantee, M-Commerce services, location based services, multiple payment option, right content, shipment option, legal requirement of generating invoices for online transactions, quick Service, T & C should be clear & realistic, the product quality should be same as shown on the portal, dedicated 24/7 customer care centre should be there. We found various types of opportunities for retailers, wholesalers/distributors, producers and also for people. As more people are getting linked with E-commerce, the demand for centre providing internet facility or cyber cafe is also increasing. Hence, the people who wish to take advantage of it can establish cyber and have their benefits. People could found various opportunities of employment. So we conclude that the future of e-commerce in India would be bright in the upcoming years if all essential factors would be implemented.

References

1. Ernst & young report 2012: rebirth of e-commerce in India.
2. The Boston consulting group report: from buzz to bucks: capitalizing on India's digitally influenced consumers
3. <http://www.statista.com/statistics/244025/share-of-global-b2c-e-commerce-sales-in-india/>
4. <http://www.forbes.com/sites/allbusiness/2014/01/16/12-e-commerce-strategies-to-grow-your-business-this-year/>
5. MK, Euro Info Correspondence Centre (Belgrade, Serbia), "E-commerce-Factor of Economic Growth."
6. <https://www.forrester.com/Asia+Pacific+Online+Retail+Forecast+2012+To+2016/fulltext/-/E-RES72723>.