

## Exploring the Transformative Journey of E-Commerce in Digital India: Past, Present, and Future Trends in E-Grocery and E-Tail

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### ABSTRACT

Electronic commerce, sometimes known as e-commerce, has now become a household issue for all of us. The Indian e-commerce industry has expanded dramatically, from a purely marketing platform to one-click purchasing and selling. The purpose of this article is to identify and analyse the characteristics responsible for the e-commerce boom in India, as well as to suggest strategies for accelerating the growth of e-commerce businesses. We study historical trends and give evidence of how the Indian e-commerce sector is set for fast growth. Through a study of the literature, we identify emerging markets, trends, and the influence of the industry. According to the research, the emphasis has been primarily on the demand side of the E-Commerce industry - to generate demand. With significant progress in that direction, we believe it is time to focus on interventions/support for the sector's supply side. Policymakers have been recommended to adopt a range of actions to boost the sector's growth based on historical trends.

**Key-words** :- E-commerce, E-tail, Electronic Commerce, Digital India, Future of Commerce, E-grocery, Post-Pandemic Commerce

### INTRODUCTION

The use of the Internet and the web for business and/or commercial activities that frequently include the exchange of value (e.g., money) across organizational or individual borders in return for products and services is referred to as e-commerce. We will focus on digitally enhanced commercial relationships between organizations and individuals. When a value transaction occurs, e-business apps transform into e-commerce. Digitally enabled transactions are any transactions that are mediated by digital technologies and platforms, such as those that occur over the Internet and the web. As a result, e-tailing is a subset of e-commerce, which includes all "commerce" conducted over the Internet. It refers to the aspect of e-commerce that involves the sale of commodities and excludes the sale of services such as train tickets and airline tickets.

### E-Commerce - Early Development of E-Commerce

The history of e-commerce began with the invention of the telephone towards the end of the previous century. If we define ecommerce as the networking of business communities and the digitalization of business information, EDI (Electronic Data Interchange) is often considered as ecommerce's forefather. Large organizations have been investing in the development of EDI since the 1960s. It did not gain general acceptance until the 1980s. The notion of internet commerce has developed during the previous 30 years. Electronic commerce was originally defined as the electronic facilitation of economic transactions via the use of technology such as Electronic Data Interchange (EDI) and Electronic Funds Transfer (EFT).

Both were introduced in the late 1970s and allow businesses to electronically transmit commercial documents such as purchase orders or invoices. In the 1980s, electronic commerce included credit card acceptance, automated teller machines (ATMs), and telephone banking. Another kind of E-commerce was airline and rail reservation systems. In the United Kingdom, Michael Aldrich pioneered online purchasing, an important component of electronic commerce, in 1979. In 1981, Thomson Holidays was the first reported business-to-business trade. In 1984, the first documented business-to-consumer transaction was Gateshead SIS/Tesco. In the 1980s, automakers such as Ford, General Motors, and Nissan made substantial use of online purchasing in the United Kingdom. The systems linked to the switched public telephone network in dial-up and leased line modes.

Beginning in the 1990s, electronic commerce expanded to include enterprise resource planning (ERP), data mining, and data warehousing. Another pre-Internet online system, the American Information Exchange, was established in 1991 as an early online information marketplace that incorporated online consultation. Tim Berners-Lee created the World Wide Web in 1990, transforming an academic communications network into the internet/www(dot)com, a worldwide everyman everyday communication system. Commercial operation on the Internet was strictly prohibited until 1991. Although the Internet gained popularity around 1994, when the first internet online commerce began, it took about five years to build security protocols and DSL, which enabled continuous Internet access. By the end of 2000, several European and American firms were selling their services over the World Wide Web. Since then, many have associated the word "E-commerce" with the ability to purchase various items through the Internet using secure protocols and electronic payment methods.

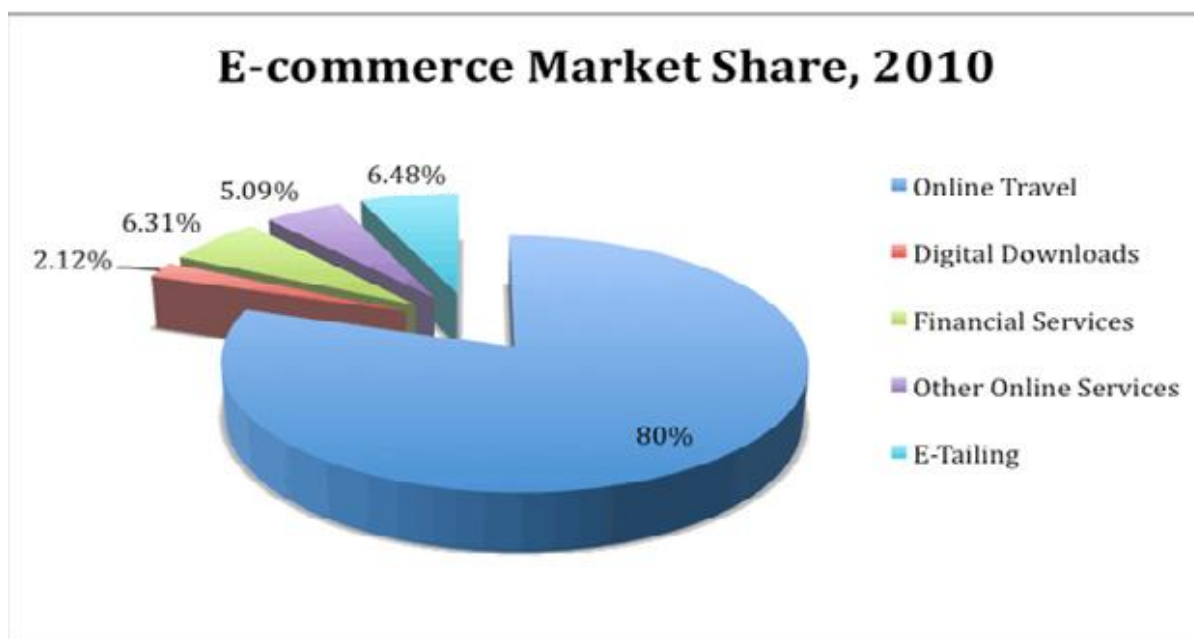


Figure :- 1

### Growth of E-commerce

Since the inception of CompuServe in 1969, ecommerce has come a long way. Ecommerce is expanding and shows no signs of slowing, thanks to improvements in technology and worldwide situations. Online sales are predicted to account for 22% of worldwide retail sales by 2023, up from 14.1% in 2019. Digital wallets are expected to account for more than half of global ecommerce payment volumes by 2024. In 2022, Amazon will account for 39.5% of all US retail ecommerce sales, or roughly \$2 out of every \$5 spent online.

## GROWTH OF E-COMMERCE IN INDIA

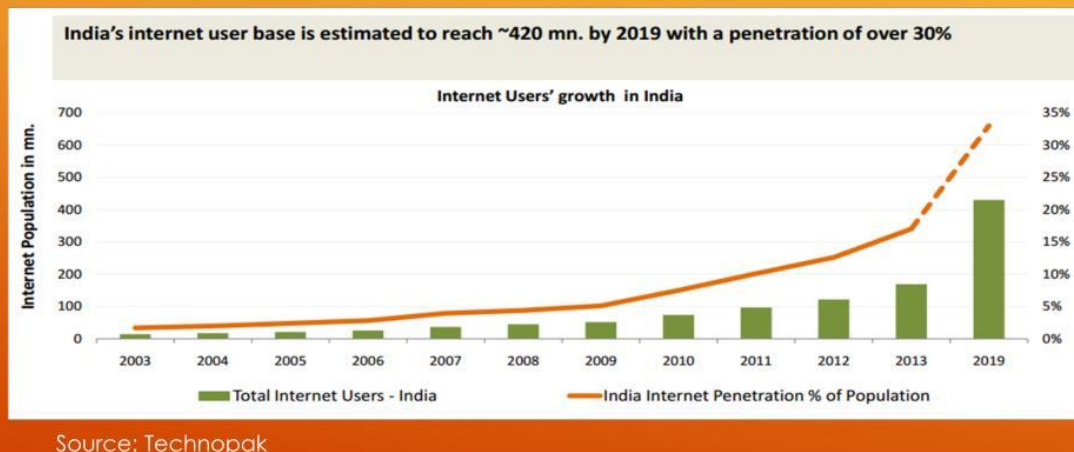


Figure :- 2

### Types of E-commerce

In general, we think of e-commerce as an online commercial transaction between a supplier and a client. However, while this theory is correct, we may be more particular and classify e-commerce into six broad groups, each with unique features.

#### There are 6 basic types of e-commerce:

1. **Business-to-Business (B2B)** :- Businesses sell to other businesses under the B2B model. Typically, the items and services are solely for commercial use, such as supporting productivity, cooperation, office needs, or the manufacturing process. In many circumstances, the buyer will also purchase the item in quantity for resale.
2. **Business-to-Consumer (B2C)** :- A B2C business sells directly to customers. Groceries, apparel and t-shirt enterprises, gadgets, and streaming services are examples of personal products or services. The transaction might take place on an online store, a company website, a marketplace, or another web application.
3. **Consumer-to-Consumer (C2C)** :- These platforms might be online markets where users can post their things and be rewarded. It may also serve as a venue for people to promote their products or services, but the transaction takes place in person.

The company will make money by charging customers to list products on the website. Some may also use transaction rates, which are normally applied whenever a seller makes a successful sale.

4. **Consumer-to-Business (C2B)**:- Individuals give their abilities and skills to businesses in C2B E-Commerce. Freelancing, affiliate marketing, and user testing are popular examples of goods or services under this approach. The consumer-to-business trade, like C2C, normally takes place on a third-party website. Such platforms charge either an individual or a firm a service fee.
5. **Business-to-Administration (B2A)** :- This E-Commerce company provides online tools to government entities. Typically, the programme will be used by the body to handle its services, such as processing citizen requests or keeping official documents.
6. **Consumer-to-Administration (C2A)** :- These are often payments for government administrative expenditures such as health care, social security, or taxes.

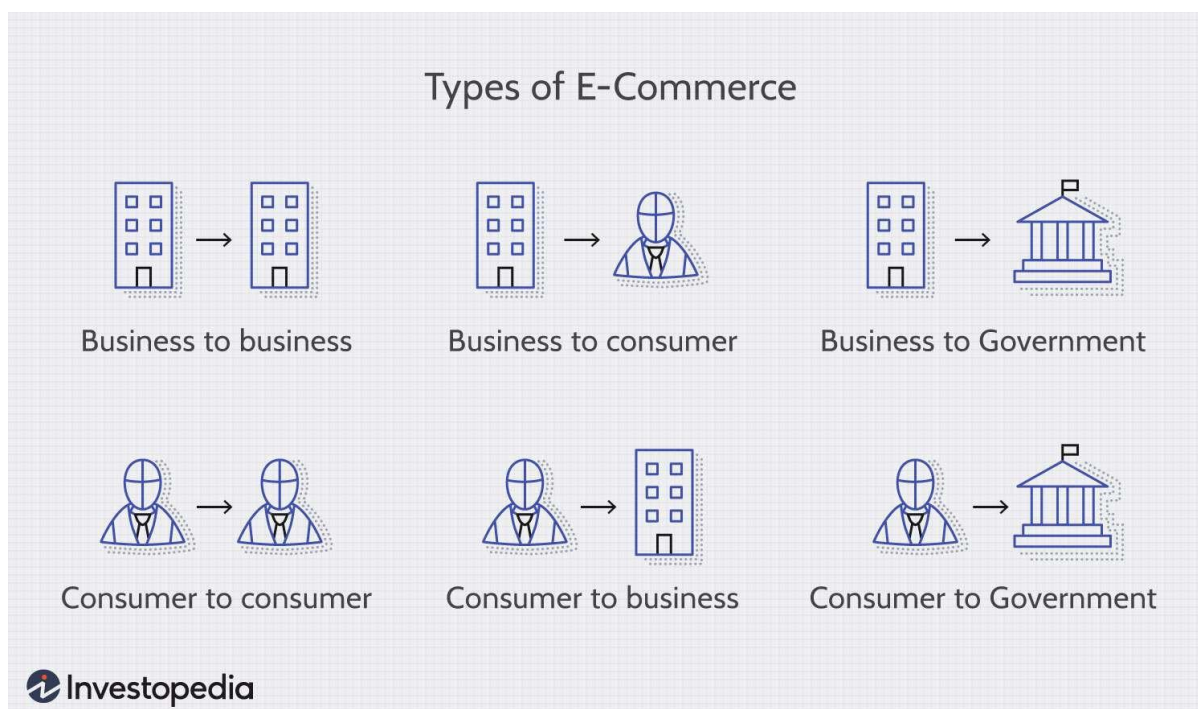


Figure - 3 Types of e-commerce

### Literature review

Mahipal, D., (2018) Discusses several stages of the internet from 1995 to the present. Furthermore, the study believes that there will be tremendous growth in the next years if there is security in the legal context and e-commerce so that domestic and international trade can expand.

Seth, A., Wadhawan, N., (2016) Indicates that shops must leave their borders in order to be well-matched with the new digital business era. Digitalization is no longer a choice; it is now a must for all retailers. This could include altering plans of action, consolidating fresh hypotheses, and staying up to date on new developments.

Shettar, M., (2016) It is recommended that valid information and comprehension of the legal system, as well as potential issues and risks, are required for enterprises nowadays. The growing web-based industry in India has attracted the attention of international firms as well. With the growth of SMEs, FDI, and MNCs, customers have access to more job opportunities, enhancing their spending power.

Goele, S., Chanana, N., (2012) According to their research, a fraction of the initiatives such as travel and the travel sector, electrical, equipment products, and clothing will boom in the future with the support of web-based business. M-trade, substitution guarantees, various payment options, coordination, and shipment alternatives, item quality standards, and client care administrations are a few of the variables that will contribute to this growth.

### Objectives:-

**Goals for the Study** This review paper examines the expansion of e-commerce in India. It is crucial to consider past growth because it will aid in the creation of future strategy.

1. To identify and investigate the elements responsible for the post-2010 E-commerce surge in India.
2. To investigate the growing tendencies in India's e-commerce market.
3. To investigate briefly the influence of COVID – 19 on India's E-Commerce industry.
4. To make recommendations for strategies to boost the growth of the e-commerce business

## Research Methodology

This paper reviews the literature using secondary data gathered from various published sources such as articles, books, newspapers, national/international journals, magazines, annual reports, government and non-government publications, and company official websites, among others.

## Future of E-commerce in India

Based on recent e-commerce growth and macro-indicators, it is reasonable to expect the channel to accelerate in the next years. India contributes just 7% to overall retail, compared to 50% in nations such as China. This demonstrates that there is plenty of space for future growth. According to analysts, the Indian E-Commerce market would be valued \$170 billion by 2025 (Bain). The number of online shoppers in India is predicted to reach 500-600 million by 2030, making it the world's second biggest (IBEF). As we work toward these objectives, consider the factors that will be essential in the growth of this sector and its increasing relevance to total retail.

## Trends of Ecommerce Business in India

The Indian ecommerce sector is quickly expanding, with various dynamics affecting its growth. Here are some notable trends in the Indian ecommerce market:

**Mobile commerce:** As smart phone usage has increased, mobile commerce has become a crucial driver of the current state of ecommerce in India. Many ecommerce businesses have invested in mobile apps to give clients with a more seamless buying experience.

**Social commerce:** Social media platforms have grown in popularity as a way for ecommerce businesses to reach out to customers and sell their items. It is projected to increase as more businesses use social media to increase sales.

**Hyperlocal delivery:** Offering speedier delivery times and higher client convenience, hyperlocal delivery is gaining ground in the ecommerce business.

**Personalization:** Ecommerce organizations are increasingly investing in technologies that provide customers with a tailored purchasing experience. It entails utilizing data analytics and AI-powered tools to comprehend client preferences and provide personalized product recommendations.

**Rural ecommerce:** As internet penetration grows in rural areas, ecommerce enterprises are expanding their customer base by targeting these sectors. It is projected to increase as more rural people adopt online shopping.

According to Statista, the average retail ecommerce income per user in India is predicted to exceed \$83 by 2025. The Digital India program of the Indian government intends to create a trillion-dollar internet economy by 2025. As part of this initiative, the government has organized a steering group to oversee the construction of a government-backed ecommerce platform. The proposed Open Network for Digital Commerce (ONDC) network, comparable to popular ecommerce platforms like Flipkart and Amazon, will serve as the backbone for the final shop. Furthermore, the committee will provide policy supervision for the ONDC, which is poised to alter India's ecommerce economy.

## The Impact of E-commerce on E-commerce in India

The global expansion of the Corona virus outbreak has changed the way individuals acquire products and services, as well as their perceptions of online business. The normalization of lockdown restrictions across India, as well as shoppers' rising unwillingness to travel outside and hunt for essential commodities, have pushed the country toward internet commerce. Buyers have switched their purchase habits from shops, general stores, and shopping malls to online sites, migrating from essentials to branded products.

Since the standard of social separation has been launched for almost the entire year of 2020, the amount of online purchases and online organisations is expected to flood. Many people are warming to the notion of online retail, as seen by the influx

of FTUs (First Time Users) on internet company sites. Corona virus has been particularly different from what we have previously seen. As the world came to an end, it's safe to say that internet business was the redeeming trait, allowing many people to stay at home and get what they needed delivered to their door.

"Customers prefer not to leave their homes unless absolutely necessary." "We are assisting customers who are in that situation, and we are able to play a small part in helping (cater) to their needs," said Gopal Pillai, Amazon India's Vice President for Seller Services.

According to IBEF, market opportunities for online business in India are expected to reach \$200 billion by 2026, up from \$30 billion in 2017.

According to the analysis, the Indian web-based company industry is expected to overtake its US counterpart to become the world's second-largest market for internet business by 2034.

## Conclusion

There are several new developments in ecommerce. Individuals and innovation are always evolving, and because ecommerce connects everything, we will always be looking forward. E-commerce has simplified shopping. Despite several challenges, India's e-commerce industry is quickly expanding. The e-commerce business is currently one of the fastest expanding in India. The ecommerce industry's sales are predicted to nearly double by 2021 compared to 2015. This exceptional expansion in E-Commerce is attributed to an increase in smart phones and internet users, 3G/4G internet services, public awareness, government digitization initiatives, sophisticated shipping and payment alternatives, international e-business companies, and so on. The government should take measures to create a solid legislative framework so that barriers to e-commerce growth are kept to a minimal.

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