A Study on Present Status of Online Shopping in India

Abstract

Online Shopping is an evolution of traditional shopping medium to change shopping more easily accessible, comfortable, time saving and flexible. During COVID-19, there was disallowing on going out of the house in lockdown. Every people prefer online medium to buy and sales their products and services. The e-commerce industry in India has growth over the past few years. E-commerce sector of India is ranked 9th in the world, according to the Payoneer report. E-commerce of India is expected to increase from 4% of the total food, grocery, garments and electronics retail trade in 2020 to 8% by 2025. In this research paper study the factors influencing online shopping, advantages & disadvantages, and future status of online shopping in India.

ORIGINAL ARTICLE

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Key Words

Online Shopping, e-commerce.

Introduction

Online shopping is a form of electronic commerce and it is also called an internet shop, web-shop, web-store, online store, E-shop, E-store and virtual store. In the year 1979 Electronic shopping was invented by Aldrich. Online transaction was processing between business and business as well as between business and customers. Thereafter in the year 1990 the invention of the first ever web browser is major supporter of online shopping. After some time Tim Berners Lee invented marvelous invention called the 'WWW'. In the year 1994, Netscape developed Secure Sockets Layer (SSL) which was an encryption-based internet security protocol. It helps to ensures customers' data not stored by any crooked servers on transmission and it is required for all online financial transactions. The first online marketplaces were established in the year 1995. First came Amazon.com, the biggest online marketplace launched by Jeff Bezos—yup, eBay.com, thereafter need of the time was a reliable payment gateway. In the year 1998, PayPal gets a full swing at the online payment system niche; becomes success. Jack Ma, launched a very famous Chinese marketplace called Alibaba.com in the year 1999.

In 21st century, Google launched Adwords, an advertising service that connected sellers to buyers on a greater scale. In 2004, Shopify, a prominent online storefront set up online stores. In 2006, PayPal launched other mode for customers' to exchange their money and buy online many things directly from their smart phone. In the year 2007 Flipkart came in the market and nobody knew it would grow so big business in the

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future. Niche websites like Yebhi, gadgetsguru, myntra, iBibo, makemytrip, yatra, craftsvilla joined the fleet in the year 2010 and after 2 year Amazon has entered in the online market with Junglee.com. Now, current time entire internet became a virtual shopping center and customers can shop online using different computers such as desktop, laptops, tablet and smart phones etc. online customers use a valid method of payment, like credit card, debit card etc.

Objectives of the Study

1. To study the factors influencing online shopping in India.
2. To analyze the advantages and disadvantages of online shopping in India.
3. To analyze the current and future position of online shopping in India

Methodology

The present study is descriptive based and collected secondary data from Government reports, journals, articles, books, business magazines, research papers, news papers, website, etc.

Review of Literature

Sultan and Dahiya Richa (2012) "Impact of Demographic Factors Of Consumers On Online Shopping Behaviour: A Study Of Consumers In India" They found in research that gender impacts frequency of on-line shopping positively and Family Size impacts overall spend on on-line shopping.

Arun Thamizhvanan (2013) "Determinants of customers' online purchase intention: An empirical study in India" He recognized that impulse purchase orientation, prior online buy experience and online trust have significant impact on the customer buy purpose.

Aishwarya Goyal (2015) examined in her research titled "Rising Trends of Online Shopping in India" the present status of online shopping and provides insights into consumers' online shopping behaviors, preferences, scope of enhancement in online shopping website and challenges faced by Indian online sellers.

Muthumani,A., Lavanya,V., & Mahalakshmi,R., (2017) the paper was titled "Problems faced by Customers on Online Shopping in Virudhunagar District" made to identify the different products buy and to recognize the many challenges faced by customers in online shopping. The suggestions given in this paper that to defeat the problems faced by online shopping customers.

Abhishek Chilka & Sandeep Chauhan (2018) research titled "Study on Recent Trends in Online Shopping in India", result obtained that India's online shopping market is continually growing and online shopping platforms provide many offers to consumer which attracts the consumes. There are also so many problems faced by customers in online shopping like quality, security etc.

Factors Influencing Online Shopping

1. **Demographical Factors:** Age, Gender, Marital Status, Occupation, Family size, Education.
2. **Economic Factors:** Individual Income, family income, Offers, Discount, Payment Mode.
3. **Cultural and Social Factors:** Culture, Social role and status, Religion, Festivals etc.
4. **Technological Factors:** Electronic devices, Internet speed, Network, Security etc.
5. **Psychological Factors:** Perception, Attitude, Lifestyle, Privacy etc.

The Advantages of Online Shopping

Online shopping indeed offers several advantages compared to traditional brick-and-mortar shopping. Here are some additional advantages of online shopping

➢ **Wide Range of Products:** Online shopping provides access to a vast range of products from different brands and sellers. We can easily find items that may not be available in our local stores.

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➢ **Convenience:** One of the biggest advantages of online shopping is the convenience it offers. We can shop from the comfort of our own home or anywhere with an internet connection. There are no long queues or crowded stores to deal with.

➢ **Time and Effort Saving:** Online shopping saves you time and effort that would otherwise be spent traveling to physical stores, searching for products, and waiting in line to make a purchase. With a few clicks, we can find and order what we need.

➢ **Price Comparisons:** Online shopping allows you to easily compare prices and find the best deals. We can visit multiple websites and compare prices, read reviews, and make an informed decision before making a purchase.

➢ **Detailed Product Information:** Online stores often provide detailed product descriptions, specifications, customer reviews, and ratings. This information helps we make informed decisions and ensures we get the right product for our needs.

➢ **24/7 Availability:** Online stores are open 24 hours a day, 7 days a week. You can shop at any time that is convenient for you, even during holidays or late at night when physical stores may be closed.

➢ **Easy Access to Reviews:** Online shopping allows you to read reviews and ratings from other customers who have purchased the same product. This helps you gauge the quality and performance of the product before making a purchase.

➢ **Discreet Purchases:** Online shopping offers privacy for purchasing certain items like personal health products, lingerie, adult items, etc. We can make these purchases without feeling self-conscious or uncomfortable.

➢ **Better Prices and Discounts:** Online retailers often offer competitive prices due to lower overhead costs compared to physical stores. Additionally, We can find discounts, coupon codes, and special offers that can help us save money on our purchases.

➢ **Multiple Payment Options:** Online shopping provides a variety of payment options such as credit cards, debit cards, online wallets, and even cash on delivery in some cases. We can choose the most convenient payment method for you.

➢ **Wider Selection and Customization:** Online stores offer a wider selection of products in terms of size, color, style, and variations. We can easily find products that match your preferences and customize your search filters to narrow down the options.

➢ **No Sales Pressure:** When shopping online, you can avoid aggressive sales tactics from staff trying to upsell or persuade you to buy something you don't need. We can make purchasing decisions at our own pace without feeling pressured.

Overall, online shopping provides convenience, variety, competitive pricing, and a streamlined shopping experience, making it a popular choice for many consumers

The Disadvantages of Online Shopping

Online shopping is the finest way to select things without stepping out of the house, but it has many downsides as well. The medium requires a better knowledge, electronic devices and better internet speed. There are many people who are living in rural areas do not have easy access to this and thus are dependent on traditional methods of shopping. There are some:

➢ Poor internet connection may waste your time and give horrible experience.

➢ Sometimes fittings of the dress and size may different from what you expected.

➢ People's can't have that actual shopping experience of touch and feel the product.

➢ Hackers use all credit, debit cards well as bank accounts information for cybercrime.

➢ The products buy through online, usually do not match with the product have ordered.

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➢ If customers need a product immediately, it is not suitable for them or may pay extra.

➢ Sometimes broken or defective goods are received thereafter customers want return it may be chargeable and may take time.

Analysis and Findings of the Study

The graph 1 depicts that China is the largest country of internet users (more than 1000 millions) in the world with thereafter India comes on second place with around 600 million visitors followed by U.S., Indonesia, Brazil, Russia, Japan, Nigeria, Mexico, and Germany.

Graph 1: Rank wise Country Internet Users in the World
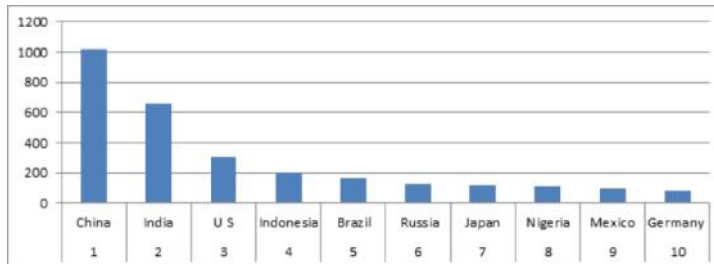
(Sources: Statista.com)

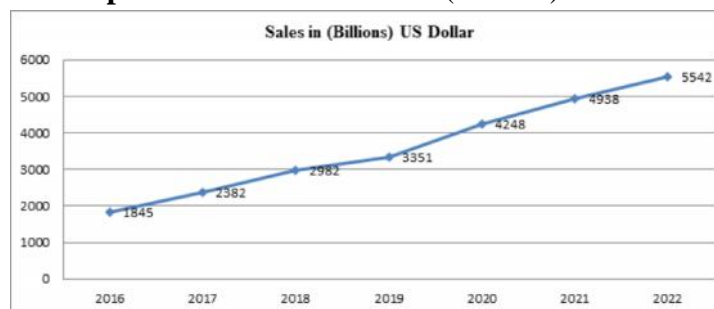**Graph 2:** Top 10 Performing Online Shopping Sites
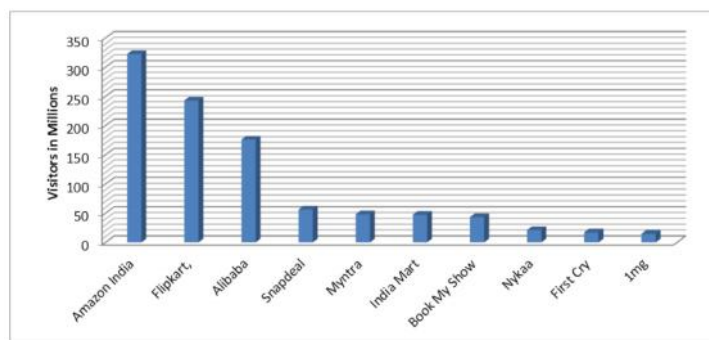
(Sources: e-commerce sites SimilarWeb)

Graph 2 highlights the top 10 online shopping sites in which Amazon India has first rank with 322.54 millions monthly visitors for online shopping followed by Flipkart, (242.62 million) and Alibaba (175.95 million), Snapdeal, Myntra, India Mart, Book My Show, Nykaa, First Cry and 1 mg registered tenth place under top ten online shopping sites.

Global Retail E-Commerce Sales year 2016 to 2022

The graph 3 represents e- commerce sales of India in which we found that e –commerce sales in India registered continuously growth and increase from 1845 billion (in US dollar) in the year 2016 to 5542 billion (in US dollar) in the year 2022.

Graph3: E- Commerce Sales in (Billions) Us Dollar

(Sources: Statista.com)

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Graph 4: Online Shoppers in India (Millions)

(Sources: Statista, e-Commerce India)

Graph 4 shows online shoppers in India in which we got that the number of online shoppers in India has registered continuously rising and increase from 207.2 million in the year 2018 to 338.4 million in the year 2022. In future online shopping would improve further due to the better internet speed, updated electronic devices, new information technology and secured payment systems.

Graph No 5: Top 10 Online Shopping Sites Net Sales in India in the year 2020
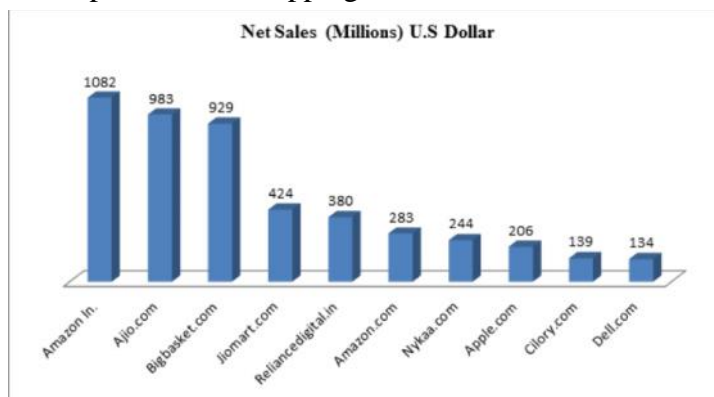
(Sources: Statista, e-Commerce India)

From the above graph it is clearly visible that in the year 2020 online shopping sites amazon.in net sales registered 1082 million in US dollar which was highest among all online shopping sites. Ajio.com (983 million), got second position and followed by bigbasket.com (929 million), Jiomart, Reliance Digital, Amazon, Nykaa, apple, Clory and Dell. From the above graphical presentation we can clearly see that top three company's net sale was above 900 millions in the years 2020.

In the year 2021 Indian E-Commerce growing fast with income of US$63 billion and with an increase of 26%, market contributed to the worldwide growth rate of 15%, as well as sales are expected to increase over the next years. In India, 36% of the population has purchased at least one product online in 2021. There are 5 categories in India are considered by e-commerce. Electronics & Media is the largest segment and accounts for 34% of the e-commerce revenue in India. It is followed by Fashion with 27%, Food & Personal Care with 24%, Toys, Hobby & DIY with 11%, and Furniture & Appliances with the remaining 5%. Indian smart phone market grew by 7% in 2021 with Samsung capturing the top position with a market share of 17%. The number of Smartphone users in India is expected to reach 887.4 million by 2030. By 2025, India will be a country to 650 million internet users. With a yearly growth rate of 10% between 2021 and 2025, India is even expected to outperform the global average of 6%.

Conclusion

In present time people can buy anything from online shopping such as groceries, garments, medicine, electronics devices, furniture, books, as well as book tickets of train as well as airplane and movies. Technology has made significant progress over past years to provide people a better online shopping experience. Government E-Marketplace (GEM) portal provides 10.35 million orders value Rs. 258,359 crore (US$ 33.07 billion) to 60,632 consumers from 4.56 million registered sellers and service providers in on 8 June 2022. The growth of India' e-commerce sector will also help the economy become a major power in the e-business market with

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an estimated growth potential that will be just shy of $100 billion by the year 2024 and new Indian Government policies encourage 100% foreign direct investment in B2B e-commerce businesses. According to e-commerce statistics, e-commerce industry of India is set to become the second-largest market in the world by the year 2034. The increasing use of smart phones, tablet, laptops, fast internet and 5G has led to increasing strong online customers likely to increase further in the coming future.

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