

FUTURISTIC GROWTH ANALYSIS OF ECOMMERCE COMPANIES AND EMERGING STRATEGIES APPLIED BY THEM TO INCREASE BILL VOLUME AND MARKET SHARE, SUGGESTIONS TO IMPROVE LOCAL ECOMMERCE BUSINESS ACCORDING TO NEW TRENDS

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Abstract: *Information Technology has been playing an important role in the development of the business in emerging economy like India .People are using smart phones internet regularly and continuously for their business purpose as well as for their other task .Smart phone users are increased because of that E-Commerce accessibility has been reaching to the customers conveniently .It can be expected for the future advancement helps a lot in development of the business .E commerce has a lot of benefits which we have seen during the covid-19 and the pace of that is increased because the reach of the customer of physical marketing was low due to the covid-19 .It becomes an opportunity for e-commerce now the traffic on these sites are increased sales of these sites are increased they are like using a new product new services or sing in a new area. After 2016 E-Commerce has reached at a new era of success it was hundred million in 2016 now it is expected to increase twice by 2022 as per global retail development Index. The objective of this paper is to study about the growth of E commerce and linkages between sales bill volume and market share as well as strategies followed by selected E commerce companies during covid-19 to increase market share.*

Keywords: *E-Commerce, Information Technology, Business, Developing Economy, Covid -19*

Objectives:

1. To study the growth for E commerce and government initiatives in India.
2. To identify the major companies contributing in E commerce and strategies followed by them for growth.
3. To find out the linkages between the bill volume and market share of Ecommerce.

Introduction

Nowadays E-Commerce is growing popular in emerging economy like India. E-Commerce started in India in 1995 and for this purpose digital platform is required to sell the product. With the help of e-commerce goods can be delivered over a

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Digital Network. E-Commerce is rapidly going in the metro cities of India and it has reached at the tier 2 & 3 cities also because of the covid-19 as changes of the landscape in of ICT .E commerce is now growing rapidly in several emerging market and developing economy. The new technologies are coming to give the suitable platform or to increase the security which is the most important issue related with the digital platform with the customers and they are reaching at this platform but because of the security issue they just want to take back foot step because of this security issue only but E-Commerce is providing a convenient and suitable platform or strategy like cash on delivery to provide the most satisfaction to the customers .There are some major issues related with the E-Commerce mainly problems are facing by customers security issue, quality issue however we have not yet achieved an ideal world of secure transaction due to the internet accessibility of everyone . By 2025 the issues related with the privacy. E-Commerce will grow 200 to 120 billion.

Research Methodology:

Data: The study conducted is based on secondary data taken from Global retail Development index, E commerce portal of Indian Government and from the other news portal. The data has been taken from the year 2017 to 2020 for the bill volume and market share of Ecommerce linkages.

Limitation: The data has taken from secondary source so authentication of data dependent on information shown on official websites and news portals.

Research Design & Tool : The study is descriptive type of research. Elasticity technique is used to reflect the change between the variables. In this paper Elasticity of Market share (ϵ) is calculated for identify the linkages between bill volume and market share of Ecommerce.

Literature Review:

Some of the research papers are reviewed for the study:

Rathore, A. S., Pant, M., & Sharma (2017), explained that the internet provide accessibility to find the best deal to buy the products on digital marketing. The consumers are searching on online marketing, e-commerce marketing campaign marketing and social media marketing .E mail direct marketing nowadays having a more and more customer base.

Chaffey et al. (2014), explained about the internet marketing and application of internet and digital technology to achieve marketing object is the success depends upon the networking networking uses for this purpose social media and the best new phone for the fencing of e-commerce there are some factors which can strengthen positive ones shop my reducing the possibility of risk.

Bhandari ,Namita and Kaushal,Preeti (2013), discussed about online consumer behaviour which is affected by some factors like trust information about the product and services convenience .

Devi .C.S and Anita. M (2013), explained the challenges and opportunities of digital marketing when used by the companies by online payment mobile phones social media advertisement and any other digital medium for increasing the sales.

Morris (2013), conducted a study on ‘More Consumers Prefer Online Shopping’ Shoppers increasingly want what’s called a “seamless Omni channel experience,” meaning one in which retailers permit them to buy product by various ways in which the customer is more comfortable.

Dehkordi, G. J., Rezvani, S., Rahman, M. S., Fouladivanda, F., &Jouya, S. F. (2012), focused on conceptual supporting of four different tools that firms may use in their marketing aspect to enhance their service and quality for their customers. This review reveals advantages and issues related to each of the tools which were mobile marketing, e-mail marketing, web marketing and marketing through social network sites (SNS).

Chari, A., Raghavan, M. (2010), studied Foreign Direct Investment in India’s Retail Bazaar. This study was based on secondary sources and potential benefits from allowing large retailers to enter the Indian market by FDI.

Coker B. L. S., Ashill N. J., Hope B., (2011), discussed about the risk involved in purchasing product online .In his study he found preliminary pool of items was generated with evidence of content validity and the IPPR scale was purified using principal axis factor analysis.

Findings and Faces of E commerce with the changing environment of Covid - 19

Government flagship initiatives for E-Commerce development

Government of India has taken several initiatives to be used boost. The E-Commerce sector in India from the last few years’ government has given the leverage to E-Commerce company and platforms to organise traditionally offline markets even for the agriculture product also customer can access online. The reach of the product has become convenient to the customers

Government has started following projects:

1. Digital India - Digital Population in India-687.6m
2. Start-up India –To make entrepreneurs

3. Make in India –Developed India

4. Skill India – Focus on digital educators

Government has been contributing various schemes for growth in e-commerce industry .Now during covid-19 government has started vocal for local for the developing local market in developed and accessible for everyone.

On 2 ,March 2017 the government permitted 100% FDI in online retail of goods and services to attract more foreign investment in the sector for the purpose of the growth 100% FDI is also allowed in B2B E-Commerce in India but FDI is not permitted in the inventory based model of e-commerce which is not allowable to those companies who are having their own inventories and services and sell their product directly to the customers by using online platforms under the skill India project of the government is empowering of providing digital skills to the youth to increase trained workforce to adopt changes or to train 400 million people under the new policy of national policy for skill development by 2020 Skill India scheme of government will support to develop this market rapidly.

Indian government policy on FDI in e-commerce

1. FDI up to 100% was permitted under automatic route in business to business e commerce.
2. It is applicable in following circumstances a manufacturer is permitted to sale its product manufacturer in India through e commerce.
3. Indian manufacturer is allowed to sell its own single brand product in terms of value at least 70% of its product in house and outsource must be can be 30% from Indian manufacturers.
4. A single brand retail trading entity operating by brick-and-mortar stores.

Growth of e commerce in India

Indian E-commerce market is a fourth largest Market in the world and is largely organised and prospective customers are increasing due to the various reasons in Indian .E-Commerce market is prepared to reach nearly 300 to 350 million Shoppers over the next five years this is the platform which can be used and keeping their stores running 24 * 7 this makes convenient to buy the product to select the product for the customers. India is a country which is having more than 70% of their population is young energetic and this is one of the reason to boost up the E-Commerce business in India. It has seen that Indian consumers have matured over the years and uses and accept the new upcoming banking and wallet facility for making the payment of the goods and services in India .The E-Commerce sector is estimated to have more than hundred of players and expected to grow in your future also the growth of e-commerce industry in India was in 2010 4.4 billion in 2016 it was 38 billion dollar but in 2020 it is 120 billion dollar so we can just see

the growth of e-commerce in India it is going rapidly and it is expected to reach 48.7 billion in 2021 .

E commerce business is classified in four categories as per the business transactions:

1. Business To Customers
2. Customer To Business
3. Customer To Customer
4. Business To Business

There are different sectors of e-commerce where the customers can access and buy the product fashion product, electronics& media products, food and personal care product furniture appliances and toys hobby product so the most important thing is that in 2020 the selling product and the sales was increased due to the pandemic Covid-19 and the most of the food products and fashion product bought by the customers during the Covid-19 and second toys and hobby products and next preference is given to the electronic and media product and forth to the furniture that it is expected that E-Commerce growth rate will increase 15% in 2020 to reach at 25% in 2025.

Data Analysis & Findings:

Growth of E commerce B2C in India

The top 7 E-commerce website in India Amazon, Flipkart, Myntra, Jabong, ShopClues, Snap deal, Paytm Mall. These companies are selected on the basis of their earning as it is important financial parameter to know about the performance of any company.

Table: 1 E – commerce contribution in GDP

Year	Population (million)	GDP Per capita PPP	E commerce Sales (million)	GRDI score	Market share
2019	1371	78.74	1202	6902	18%

Source: Global Retail Development Index

Table: 2 Elasticity of Sales volume and Market shares

Year	Sales (billions)	Market Shares	E-commerce Bill Volume (Billion) (Δ SE)	Market Size(billion) (ΔE)	Elasticity of Market share % (£)
2017	2304	10.2%	889	38.5	-
2018	2842	11.9%	954	32.70	66.67
2019	3453	13.7%	1023	152.5	66.08
2020	4135	15.5%	1089	687.62	93.14

Source: https://www.unido.org/sites/default/files/2017-10/WP_15_2017_.pdf

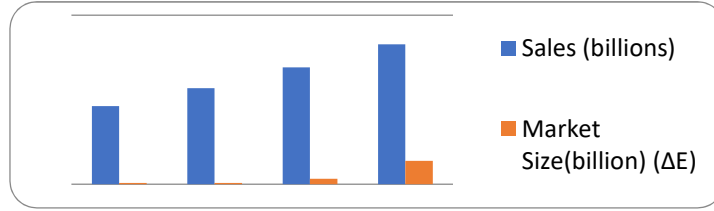


Figure 1: Sales (billions) and Market Size (billions)

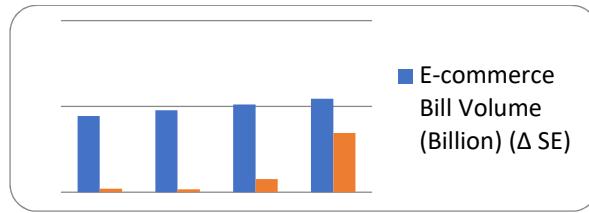


Figure 2: Market Size (billions) and E-commerce Bill Volume

Table: 3 Expected Elasticity of Market share of 2021

Year	Sales (billions)	Market Shares	E-commerce Bill Volume (Billion)	Market Size(billion)	Elasticity of Market share %
2021(Expected)	4878	17.5%	1184	829	112.25

112.25 (Elasticity calculated on the basis of Expected Market share of 2021)

Analysis: Elasticity shows that change in bill volume will reflect in market share as we can see in the table: 2-4. The Market share elasticity refers to the % change in market share due to the % change in % increase in Bill Volume. Therefore, the higher the bill volume, the more market share and economic development of country.

It has been that Market share, Bill Volume and sales are continuously increasing continuously which shows growth of E-commerce in India.

The Compound Annual growth rate of e commerce is going to increase 19.6% from 2019 to 2023.

Strategies followed by companies for increasing sales during Covid -19:

1. During covid in April Reliance Industries started Home delivery of basic needs product in partnership with local Kirana stores in Mumbai.
2. Hershey Chocolate maker partnered with Swiggy and Dunzo to introduce online stores for increasing market share and to reach the product at every customer.

3. In order to increase digital platform access government of India allocated 8000 crore to bharat net project to provide broad band services in rural areas .
4. It is expected that it will increase the double by 2022 by end of the year Indian organised retail will reach only 18% share of the market in 2019 but because of the large population or due to the Covid small shopkeepers are providing online selling facility for increasing accessibility of the customers and customers are preferring to buy the product from the online platform so it is expected in near future opportunity will grow for the small shopkeepers .Now with comparison of other countries India will also lead to the other developed countries. Rating of E commerce will also increase.
5. The kirana shops using different digital payment space to sale the products after started this pandemic.

Conclusion & Suggestions:

This study is related with e commerce market and current working in India. Now a day's due to Covid people do not want to go and spend time in market to buy various things because its again time consuming, tiresome activity and mainly to avoid the risk to be infected from Covid19. Finally we found that among the top 7 companies like Amazon and Flipkart chains the major contributing sector is electronics and food but the most demanding sector is readymade garments sector along with makeup need and jewellery.

Some conventional sectors like food and grocery become most popular during the Pandemic situation but the major challenges true to overcome the gap between production & the supply and security delivery ,Why we prefer the local e-commerce because we are well aware about that and it is more localized, fast and Secure delivery option .If local E-Commerce is promoted by the government as like gem or any other platform like e-market place definitely our Indian economy will boost during every tough situation.

So Although we are focusing on localization E-commerce but we need a secure payment for Global Business in India most of the persons do not have the credit cards in India and they donot believe that this is secure in rural specifically so there would be a better option to make payment in online buying such as like SBI yono app and Bheem app and other apps for secure payment.

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