

Consumer Buying Behaviour Trends of E-Commerce in India- A Case Study

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ABSTRACT

Purpose: *Asia's E-Commerce sector is booming and is estimated to develop rapidly. This paper examines the potential development areas for Indian e-commerce while providing a general picture of the Trends in Consumer Buying Behavior. Additionally, learn about several elements that will be crucial for the progress of Indian e-commerce in the future. A SWOC analysis is done for a deeper understanding of the industry. In this study, we discovered that overall e-commerce in India, an emerging sector, will grow rapidly in the years to come.*

Design/Methodology/Approach: *The case contributes to the SWOC analysis of the current situation of the E-Commerce sector. The study is derived from secondary data from sources like literature, case studies, and books.*

Findings/Result: *In order to increase customer engagement and foster familiarity and trust, e-commerce businesses are attempting to strengthen their supply chain and delivery capabilities. Additionally, they are incorporating technology to provide a customized purchasing experience. The sellers may intensify organic traffic of customers and also sales with e-commerce blogging content. They will be able to optimize content to increase traffic and sales without consuming to spend additional money by doing anything from creating videos to writing blog posts. Additionally, they will be able to monetize those visitors with retargeting advertisements in addition to attracting traffic naturally through content production.*

Originality/Value: *The discoveries in the case will give more insight into consumer buying behavior trends and help e-commerce sellers to target better to obtain consumer satisfaction and consumer loyalty.*

Paper Type: *Case Study*

Keywords: E-commerce, Online Purchase, Online Consumer, Consumer Buying Behaviour, SWOC Analysis

1. INTRODUCTION :

Indian consumers are rapidly using e-commerce to buy anything from gadgets to foodstuffs, encouraged by online price reductions and the expansion of quick delivery options around the nation. Smaller businesses have also established app-based facilities for the daily delivery of morning necessities even as industry giants. According to Boston Consulting Group, e-commerce presently makes up 5-6% of Indian retail. But there has been amazing growth: according to predictions from Invest India, India's e-commerce retail business would increase from \$30 billion in 2019 to \$200 billion by 2026 at a rate of 30% annually. According to Nielsen's based on its e-commerce consumer panel, the traffic of online shoppers who purchased fast-moving consumer goods (FMCG) this year during the Dasshera and Diwali holidays stood at 20%, compared with 13.5% in 2019. This demonstrated that consumers were purchasing groceries online in addition to electronics and clothing. Similar to last year, 5% of all e-commerce sales throughout the holiday season were made up of FMCG purchases. In contrast, the FMCG sector accounted for 35% of all online purchases in terms of units sold, up from 30% in 2019, according to Nielsen, which was driven by a spike in demand for personal care goods. Consumers routinely use internet reviews to inform their purchasing decisions, but in recent years, they have also

indicated growing scepticism about the validity of these evaluations. Many studies have demonstrated how online and offline factors affect consumer decisions to purchase FMCG. Because of the deals and quick delivery of items, more consumers are choosing or finding it more convenient to purchase online than offline, and some consumers don't want to spend the time required to shop offline. Additionally, some students preferred making purchases offline so they could view more brands and learn about what was fresh in the market [1]. Online reviews are primarily processed by customers via the periphery of information processing. The results imply that boosting consumer trust in product labelling helps to raise buying intentions and willingness to spend a premium for products. Individual, family, and societal traits as well as cost, attitude, and perceptions of safety all have an impact on consumers' desire to buy and readiness to pay more for those products. The certification markings on packages allowed two-thirds of consumers to identify the safety of consumption of those products [2].

The factors based on, including precision, completeness, argument superiority, and quantity of online reviews. Consumers have increased due to fake online reviews. The conceptual research model is a sophisticated research approach is required to experimentally evaluate the hypotheses since it depicts a complex system of correlative latent constructs that cannot be measured directly. As a result, if customer qualms and uncertainties continue to spread and consolidate, the status and use of online reviews credits and website reviews may be in jeopardy over time [1]. Attitude, faith, customer perception, and e-commerce platform superiority are used to predict spending intention and willingness to spend [3]. The evidence on the label plays a significant role in persuading buyer perceptions and willingness to pay. Different labeling categories expressively inclined consumers' overall perceptions of the products and their perceptions toward its healthiness and readiness to pay. Consumers depend on a sturdy money-back guarantee, their prior purchasing understanding, and evidence from peers, and visit home-grown retailers to reduce their perceived acquiring peril on the Internet and arrive at a willingness to pay [4].

The general perception that customers have regarding private-label food is the most crucial element in determining their purchasing intentions and willingness to pay. They are more inclined to purchase those things if they have a positive attitude regarding them. The mindset of consumers is the main factor influencing purchasing intention. The outcome is consistent with the notion of buy intention, which holds that consumers' behavior, perceptions, and attitudes are typically related to their purchasing intentions [5].

According to businesses, the move and the influx of new customers online have been positive. According to Sunil Kataria, CEO of Godrej Consumer Products Ltd. for India and SAARC, "the grocery market (online), which was not as salient prior, has been the emphasis of the year from a consumer viewpoint" (GCPL). 4% of GCPL's sales are attributed to online sales.

The paper is inclined toward trends in e-commerce purchases of unbranded products. Unbranded refers to goods without labels, meaning that neither the manufacturer's identity nor the name under which they are being sold is known. However, products made by regional small businesses that are not yet well-known in the market are also referred to as "unbranded," "private label," or "generic." Therefore, the phrase "unbranded" does not always refer to a product whose label is obscure; rather, it refers to a label that is still developing.

2. RELATED RESEARCH WORKS :

An Organized Review of the existing works is steered from the Google Scholar search engine from the printed work in journals between 2002-2022 with the aid of keywords such as "Willingness to pay", "online purchase", "and Online Consumer", "Consumer Buying Intention", "SWOT analysis". Our secondary sources also include research reports by authentic international research groups.

Table 1: Related research work on Consumer willingness to pay towards Online Shopping of Consumer products

S. No.	Field of Research	Focus	Outcome	References
1	Consumer Behaviour	Readiness to pay a premium	1. Price distresses consumers' purchase goal and disposition to spend the best value for perishables	Zhanga et al., (2019). [3]

		price for perishables	2. Increasing consumer assurance in the tags leads to snowballing the acquisition intention and willingness to spend a premium price for perishables 3. Paper developed the model of consumers purchasing safe vegetables	
2	Digital marketing	Online review credibility	Factors based on product quality, including precision, fullness, and quality of online appraisals.	Thomas et al., (2019). [7]
3	Consumer Behaviour	Purchase intention to private brands perishables	Encouraging attitudes towards private brands influence purchase decisions and willingness to pay. With limited search, private label purchases are dependent on perceived value for willingness to pay	Jaafar, (2012). [6]
4	Consumer Behaviour	Shopping orientation of women consumers towards online FMCG / groceries.	women with increased utilitarian shopping orientation are more likely to purchase online	Seema et al., (2016). [8]
5	Customer loyalty management	Fresh food bought in retail channels and online platforms?	The purpose is to examine the loyalty of buyers towards food, a reasonable, high-frequency item in the FMCG, across both online and offline markets.	Wang, et al., (2018). [9]
6	Consumer behaviour prediction	Perceived risks towards information security, and price risk	Attitude, belief, “customer perception”, and e-commerce apps, to forecast shopping behaviour.	Tuan, et al., (2022). [10]
7	Labelling	Ingredient labelling and health claims for willingness to pay	Consumer views are significantly influenced by the information on the label. Consumers' opinions of the perishable product as a whole and their acuties of its robustness were considerably influenced by the various labelling options.	Hwang, et al., (2016). [11]
8	Consumer perception	Perceived risk on willingness to pay	Male internet users outnumber female users by a large margin. When compared to in-store purchases of similar goods, consumers view online purchases as carrying a higher level of risk. The likelihood of making future Internet purchases decreased as perceived risk increased. Consumers consider online reviews of a particular good or service to be less reliable.	Samadi, (2009). [12]

9	Consumer Buying intentions	Discount Frames impact buying Intention and Actual Behaviour in Online Commerce	Consumers now prioritize perceived value above all other considerations when choosing branded food products.	Agmeka, (2019). [13]
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3. OBJECTIVES :

This industry analysis case study paper has the following objectives:

- (1) To understand the Consumer trends in the E-commerce industry
- (2) To list out the emerging types of Consumer Buying Behaviour in the E-commerce industry
- (3) To list out suggestions for further success of the E-Commerce Industry
- (4) To Conduct SWOC (Strengths Weaknesses Opportunities Challenges) Analysis of Consumer Buying Behaviour for the E-Commerce Industry

4. RESEARCH METHODOLOGY :

This paper consists of developing a theoretical concept based on model building using secondary data and literature and analysis of the model using the SWOC listing framework. The list of sources for secondary data such as case studies, e-commerce blogs, websites, research papers, literature review papers, e-papers, and exhaustive sources mentioned on search engines namely google scholar and google.

5. CONSUMER TRENDS IN THE E-COMMERCE INDUSTRY :

Currently, the lifestyle segment that is conquered by unorganized and unbranded general commerce accounts for around 70% of lifestyle retail demand (nearly 80 percent share). E-commerce is just 4 percent of modern trade, which accounts for 16 percent [16].

In divergence, premium lifestyle retail has a far greater proportion of contemporary retail locations (about 45 percent), and as of 2019, just 10% of sales are made online. The uppermost 100 cities in India (tier 1, and tier 2) are home to several international and Indian brands and stores that supply the hottest goods to these customers. Similar fashionable items are sought after by consumers in other parts of India, but at significantly lesser costs [19]. Even though e-commerce companies have built a presence across the majority of pin codes in India, they cannot satisfy the majority of customers searching for low-priced, unbranded goods in these areas due to their extra-cost structures and high client attainment costs [16]. The sites recorded that exclusive searches increased by about 140 percent, while the searches for unbranded products grew by 75 % [17]. The volume share of some unbranded FMCG in India in 2016 are as follows; Chips-52%, Salty snacks-49%, floor cleaners- 36%, Tea-26%, and Hair oil-25% out of the total sales in their category [16]. The data clearly shows the growth of unbranded product sales in the eCommerce platforms. A special report from a firm, 'Coresight Research' exposed that cheap, unbranded apparel is ruling Amazon Fashion. Cheap, unbranded clothing is the most popular category on Amazon's website.

Coresight examined roughly 10 lakh clothing products for both men and women on Amazon sellers and discovered that low-cost, unbranded clothes dominated the marketplace. According to its analysis, the number of categories of product for these unbranded products increased by 900% between august 2018 and 2019, outpacing venerable brands like Nike, Calvin Klein, and Adidas, for instance, to promote an exportable good or service to a particular international market of potential buyers. To provide a few examples, the potential information distribution may be used by the textile, handicraft, and hotel, tourist, and travel industries. Any service that may profit from online reservation systems, including bookings for hotels, flights, and show spaces, can reap the rewards [25]. Quality brands must maintain the consumer at the center of their universe as unbranded goods production keeps increasing if they are to avoid being threatened. Businesses can succeed with online marketplaces like Amazon without compromising the quality of their brand. Instead, organizations must put the customer and their requirements at the center of their strategy and keep developing goods that help ease the pain points for

today consumers.

According to Coresight researchers, the "generic" clothing brand is used on over 65 thousand items on Amazon Fashion, making it the most prominently named "brand." This is significant because consumers might be looking for more affordable, unbranded clothing [18]. Fortunately, the government has implemented a number of remedial steps to enhance broadband penetration, and during the past several years, India has experienced spectacular development. Similar attempts are being undertaken to make credit card payments risk-free. Additionally, a suitable legal framework is being created to resolve conflicts. Given these changes, it is anticipated that e-commerce in India would expand steadily, just like it has in the United States and other developed nations [24].

6. TYPES OF CONSUMER BEHAVIOUR IN E-COMMERCE :

Value lifestyle customers have quite distinct buying habits from premium lifestyle consumers. Five tendencies stand out as a result of our thorough study on value customers' purchasing patterns.

1. Budget-. Conscious Purchasing Habits: Almost all customers who value their lifestyles claim to have a budget, and 62 percent claim to stick to it. They take a too long looking for and analyse things before they purchase them due to their stringent finances.

2. Searching for discounts and deals: Value lifestyle shoppers seek out the finest bargains and frequently buy goods with the highest markdown or discount, which can play a significant role in their decision to buy. Eighty-seven percent of these buyer's research prices before making a purchase. In fact, tech-savvy bargain shoppers claim to read more than three product reviews before deciding.

3. Lower brand adherence: Value-oriented consumers typically have lower levels of brand loyalty. They may have a favourite brand selection and also concentrate on finding the best value within their selected price range. In a Kearney consumer study, 68% of value-oriented customers said they were brand-neutral and open to experimenting with other brands.

4. Optimistic frame of thinking: The majority of value lifestyle buyers are, at their core, aspirational and seek for lifestyle goods that might enhance their sense of attractiveness and self-worth as well as goods that are coveted by others. In fact, 70% of them buy primarily out of aspirational necessity. Compared to other value lifestyle consumer groupings, these aspiring value consumers are more likely to be brand aware.

5. Highly impacted by social media, friends, and family: Friends and family have a significant effect on 75% of value lifestyle buyers—a tendency that applies to all age groups. On the other hand, social media influencers are trusted by 72% of younger value lifestyle customer categories.

6. These tendencies lead to the emergence of a few distinct profiles of value consumers, each of which clearly differs in some areas of their purchasing habits.

7. SUGGESTIONS FOR FURTHER SUCCESS OF THE E-COMMERCE INDUSTRY :

Convenience is the key component of e-commerce websites, for both customers and merchants. Simply put, a product's likelihood of appearing amid the abundance of goods on e-commerce platforms increases with how simple it is to produce.

While there may be many and varied chances to sell cheaply made goods online, businesses trying to stand out in crowded markets must never ignore the importance of the consumer. How well a product responds to a consumer need or pain point can influence whether it succeeds or fails, regardless of whether it operates in more conventional retail locations or on an e-commerce platform.

Going forward, success in the value e-commerce sector will depend on five factors [19]:

1. Availability and a well-picked selection: In a lifestyle market that is influenced by variations in provincial and limited insights and time cycles, a relevant and well-managed range is essential. Retailers should offer easy options for customers to find, appraise, and purchase from a pertinent, curated collection that requests the quality and price facts that these customers want as e-commerce stages expand their influence to tier 2 cities, where brick-and-mortar current trade dispersal is inferior

2. Peer reviews that can be trusted and pertinent recommendations: Consumers who value a high standard of living anticipate individualized shopping experiences from e-commerce sites in the form of useful product endorsements. They strongly rely on reviews given by peers and the views of influencers when assessing items, and around 70% of them believe that e-commerce platforms have legitimacy and trust because of the pertinent evaluations and ratings.

3. Ongoing customer involvement: As the value market shifts from physical to online networks,

faithfulness might be reinforced through ongoing consumer engagement initiatives because value lifestyle customers are brand agnostic and exploratory. Market companies are experimenting with a number of strategies, including loyalty programs, online groups or community development, and aided and improved online product discovery.

4. Efficient delivery and supply chain: Value e-commerce firms will need to consistently develop and optimize their supply chain efficiency and delivery costs (forward and reverse supply chain) to balance reduced cart sizes in order to increase medium- to long-term profitability. Continuous innovation will be necessary to keep theft and transport costs low, even while the expanding size of tier 2+ operations will aid in the optimization of unit economics for the supply chain and distribution. Delivery expenses for non-metro regions sometimes exceed 20% of the typical basket size of INR 300 to INR 500 for every online transaction.

5. Combining analog and internet resources: Increased penetration in product categories with lesser e-commerce penetration will result from a multichannel offering. Currently, due to the high-ticket size and customers' need to try things before purchasing them, certain product groups, such as beauty goods and household products, have limited online penetration. As a result, physical retailers still predominate in this market. E-commerce platforms can lower this barrier to entry by making investments in technologies such as virtual reality-based online retailing and a few offline channel outlets. When compared to client acquisition and retention driven by discounts, this might be a more affordable option in the long run. When it comes to offering a genuine, integrated omnichannel experience, including product discovery and testing, e-commerce firms are better situated than retail competitors.

6. Value is a timeless idea in India: The shift by value consumers toward online buying has given India's e-commerce industry a huge and expanding window of opportunity. Value consumers frequently mimic their offline values and purchasing patterns when they switch to online shopping. These are different from what wealthy households in metro and tier 1 regions do when they shop online. All of this offers a tremendous chance to develop a clear value proposition built on a reasonable cost and acceptable quality.

8. SWOC ANALYSIS OF CONSUMER BUYING BEHAVIOR FOR THE E-COMMERCE INDUSTRY :

SWOC analysis is a deliberate preparation practice for exploring external and internal essentials that affect a company's success and growth [31]. In other words, it is a method of estimating a company's strengths, weaknesses, opportunities, and challenges. It's normally used at the beginning of a strategic planning process to create ideas about what's working, what needs to be enhanced, potentials, and potential problems [32]. It is a fit and operative technique to evaluate the existing condition and discover the business's relative advantages as well as probable areas for upgrading [33].

Approximately 81 percent of searches in the SMB (Small and Medium Businesses) market are unbranded, as opposed to 19 percent of searches that include a branded term. Early in the funnel, brands that are better equipped to fulfill unbranded, general searches are more likely to be the ones driving branded queries in later sessions. Working with third-party providers is one of the best practices that can significantly increase both branded and unbranded search exposure and engagement [17].

These online sales prospects are also expanding quickly. E-commerce generated \$2.3 trillion in sales in 2017, and by 2022, it is anticipated to more than double to \$5.5 trillion [17]. When it comes to e-commerce, the majority of small-scale vendors rely on well-known and well-liked e-commerce platforms to connect with their potential clientele and generate sales.

For instance, current e-commerce platforms assist their small-scale vendors with marketing and encourage consumers to try out these new brands. They do not, however, advertise the labels—only the items. Customers hardly ever learn about the merchant or the manufacturer with their method. In other words, they handle the marketing but not the branding.

Well-known brands must carefully manage their listing presence in order to sell their points of differentiation in a way that appeals to this type of buyer if they are to compete with new, less expensive products on the market. A well-known business can restore its market share by showcasing reliability and assurance of quality through real reviews, convenience through Prime compatibility, and simplicity of returns.

Consumers can determine a seller's reliability and how well a product will work for them thanks to quality reviews. Customers crave knowledge from first-hand experiences, so favourable reviews help

build their trust in what they read and motivate them to make a purchase [19]. Customer reviews can not only assist buyers to make better selections, but they can also make things more visible on search engines. A product's listing will be better optimized the more evaluations it gets, providing cut-through, which is essential in congested areas where off-brand products are on the rise.

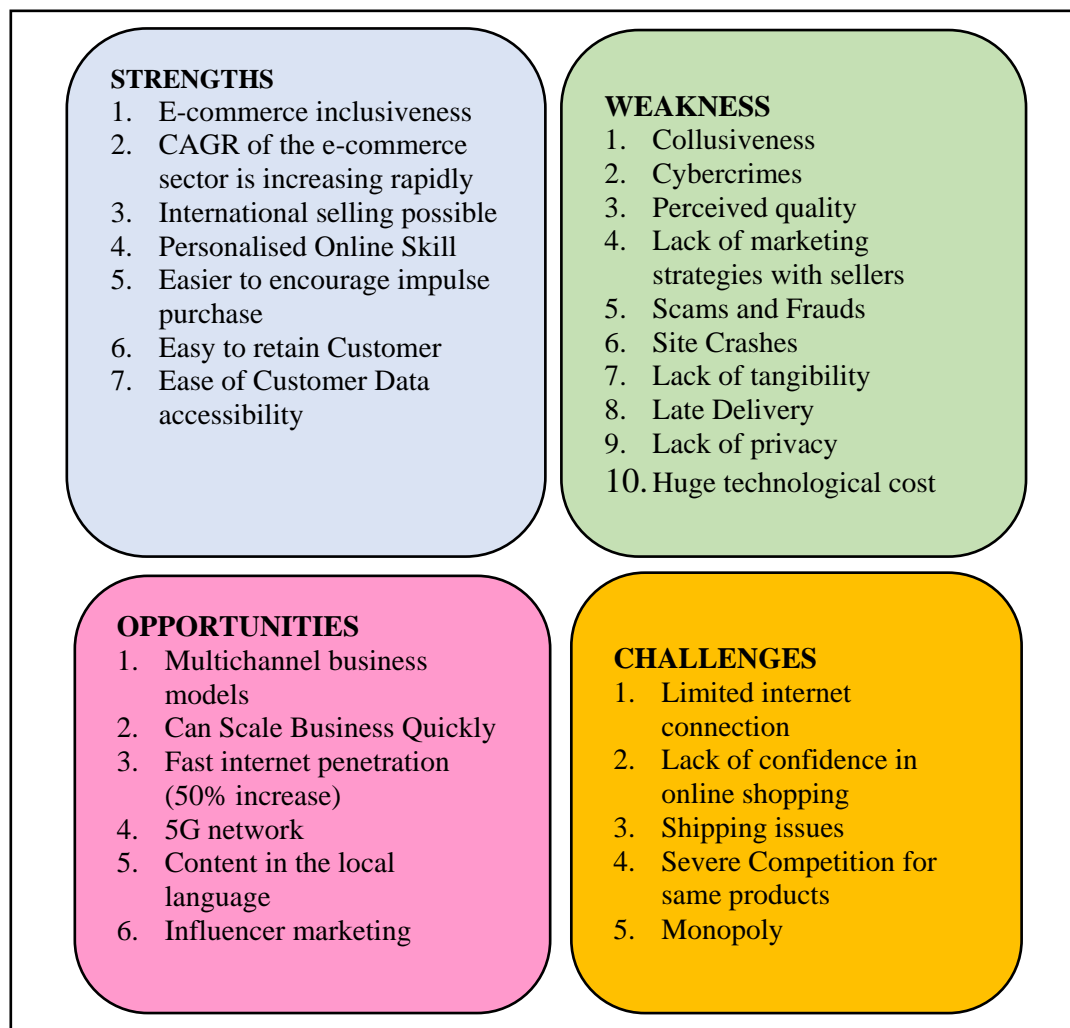


Fig. 1: SWOC analysis of the E-Commerce Industry

SOURCE: Compiled by the Researcher

8.1 Strengths:

1. E-commerce inclusiveness

Consumer purchasing behaviour has started to be impacted by India's rapid increase in mobile Internet diffusion from 350-600 million users from 2015- 2019. Today, however, a quarter of those with access to the Internet use online platforms for business, with a significant skew toward urban and tier 1 customers. A considerable rise in active Internet use is anticipated over the next five years in tier 3 and tier 4 municipalities as well as rural areas. These communities' young people are becoming addicted to social media and digital material. By 2026, we anticipate that there will be over 1,100 million Internet users in India, with a third of them actively shopping online [19].

2. CAGR of the e-commerce sector is increasing rapidly

With a CAGR of around 26%, the e-commerce categories are anticipated to have the fastest development among the six lifestyle areas. From about \$4 billion in the year 2019 to about \$20 billion in 2026 and \$40 billion in 2030, the value lifestyle e-commerce category is anticipated to rise. By 2026, this market's e-commerce penetration might increase from its current low of 4% to 13% [19].

The e-commerce market in Asia is still quite diverse. According to the UNCTAD e-commerce index 2017, Afghanistan is ranked 132nd overall with 17 points, whereas the Republic of Korea is sixth internationally with a score of 95. (UNCTAD, 2017). Asia is the region with the fastest-growing e-

commerce sector, according to joint research published in 2018 by the Asian Development Bank (ADB) and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). The area held the biggest market share for business-to-consumer online transactions worldwide (UNESCAP and ADB, 2019) [23]. The Global E-Commerce Market Ranking of 2019 was released by World Retail Congress (2019), and it evaluated the top 30 e-commerce markets based on a variety of criteria. The USA, UK, China, Japan, and Germany were the top-ranking nations. India came in at number 15 with a CAGR of 19.8% from 2018 to 2022 [23].

3. International selling possible

On October 12, 2020, the country's increase in digital payments from March 2016 to March 2020 increased at a CAGR of 55.1%, rising from US\$ 73,90 million to 470.40, reflecting the country's supportive policy environment and readiness for the digital economy [23]. The Reserve Bank of India (RBI), the nation's fiscal governing authority, works to guarantee security and boost consumer trust in digital payments since the government's policy goal is to foster a safe, secure, sound, and efficient payment system (RBI, 2020). Selling internationally is a fantastic accomplishment since it enables sellers to grow their brands much more quickly, exponentially expand their market, and realize profits well in advance of their local competition. Additionally, they might avoid too many hassles related to exporting products with the help of a few international shipping recommendations [27].

4. Personalised Online Skill

Personalizing a website may improve the online purchasing experience. This can persuade customers to buy from online merchants without any more effort on their side. It's not like welcoming consumers into a real business, whom you have to take care of right away. They might put in all the effort before starting a campaign and then unwind once they begin promoting to your clientele.

5. Encourages impulse purchase

Another advantage of online shopping is that impulsive purchase is more widespread among online shopping. If your items are nicely photographed and the photos showcase vivid colors or human emotion, you may create advertising that encourages impulse purchases. You may also utilize other scarcity tactics, namely countdown timers or the displaying of a limited number of things, to entice clients to buy something. Additionally, a fresh or limited-edition item in your stock might be worth

6. Easy to retain Customer

The latest thing with big data analytics, it is so easy to retain outgoing and image-conscious [27]. One of the most useful aspects of online shopping is how simple it is to make retargeting advertising to reach out to clients. With e-commerce sites, sellers may retarget customers who add items to their shopping carts but later decide not to complete the transaction or who see a blog post but never make a purchase.

7. Ease of Customer Data accessibility

The strong pop-up or lead magnet, a seller may simply capture email addresses and continue to market to consumers even after they leave the website [15]. One of the best e-commerce aids is the effortlessness with which the seller can access customer analysis data.

8.2 Weakness:

1. Collusiveness:

One of the most pervasive worries regarding e-commerce and competition is the possibility of such collusive activity. The growth of B2B online point-of purchase that is jointly possessed by a number of key market members has received a lot of attention in recent discussions on this problem [21]. More generally, a variety of e-commerce features may be anticipated to encourage collusion even in the absence of joint undertakings and internet markets [29].

2. E-commerce cybercrime:

Consumers' main concern with e-commerce is cyber criminality. Nobody wants to experience cybercrime, which is a serious risk to e-commerce. E-crime includes cybercrime. Cybercrime is an illegal activity [21]. Personal and financial information are the targets of online fraudsters.

3. Perceived quality

Due to intangibility, products may be perceived by consumers as underrated Online reviews may reduce the risk to an extent.

4. Lack of marketing strategies with sellers

On the other side, platforms that let you create your own e-commerce website brand your goods but fall short on marketing [15]. Therefore, even if you have a chance to build your brand with your own e-

commerce site, your business will suffer since you lack the right marketing strategies and the technical know-how to operate and manage a website. In addition, these platforms charge sellers hefty commissions and processing fees, which can be difficult for new sellers to afford.

5. Scams and frauds

Scammers target clients during online trade, which causes problems for online traders. International scams are increasing, according to data on online cross-border fraud complaints recorded by econsumer.gov. Up until June 30, 2020, there were 33,968 reported cases of cross-border fraud, costing US\$91.95 million, down from 40 thousand cases in 2011, costing US\$151.3 million, and around 15000 complaints in 2010, costing US\$40.83 million [23].

6. Website crashes

E-commerce's primary drawback is the ability to no longer make purchases when a website crash. It takes a lot of nerve to disrupt an epoch habit when you cannot touch, sense, or test a thing in advance.

7. Lack of tangibility

We are used to acquiring items from bodily stores after trying them out. People yearn for the tactile experience, and there is always the chance that the artefact couldn't reach your expectations. Due to this, the buyer is hesitant to buy [26].

8. Late delivery

The shopper is definite, while ordering, that the product will reach to him at the said time frame. But the logistics partner makes the buyer wait and doesn't appear on the said time frame.

9. Lack of Privacy

It is a major drawback of e-commerce. The worry is that websites lack pioneering encryption technology which shields the customer's sensitive information from hackers. If this private info gets seeped, it might cause a lot of problems for the handler. People are cagey about using e-commerce doorways because they must provide personal details that might be used inaptly due to some locations' illegal collection of delicate data [26].

10. Huge technological costs

To improve their demonstration, e-commerce needs pioneering stages. The websites cannot provide smooth transactions if there are software, system, or domain matters. Appropriate technology set-up is luxurious and requires momentous assets. Intermittent elevations are also required to be upgraded [29].

8.3 Opportunities:

The e-commerce business was spurred by massive infrastructure and governmental assistance to reach US\$ 64 billion in 2020, up 39% from 2017, and will reach US\$ 200 by 2026 with a CAGR of 21%. 7. India now hopes to have a \$5 trillion GDP by 2024. With the current growth pace, it would be inspiring but not impossible to promote effective e-governance and a society that is permitted by technology [23]. Players, both online and offline, are developing as a result of the aforementioned. Online gamers that are pursuing multi- and ultimately omnichannel strategies have found victory. For instance, Nykaa, Lenskart, and Firstcry all began as online competitors and have since grown their offline attendance in large part as a result of adopting a tech-first strategy that enables them to swiftly and effectively move goods while integrating additional customer contact points [14].

1. Multichannel business models

This might possibly arise in the value segment of retail. The offline-only and also the platform of online-only business strategies offer benefits and drawbacks:

Online Models [19]. E-commerce is a very alluring idea due to the lack of physical stores in tier 3 and 4 metropolises as well as in countryside India, as well as the lack of sufficient new items in the stores. Creating a successful model, however, is dependent on raising the average order value and bringing down execution costs due to lesser average sales prices and margin constrictions. Another key issue that has to be resolved is how to increase familiarity while bridging the trust gap.

To overcome the three main difficulties, we think a hybrid operating model that combines an online and physical existence will be the best option [30]:

- Build trust by having a physical presence.
- Provide an "endless aisle" of items in your online store.
- Utilize shops as delivery and pickup hubs to save fulfillment expenses.

2. Scaling of Business quickly

The expansion of the e-commerce industry relative to the GDP is fast due to the widespread use of

smartphones, expanding internet admittance, surging digital payments, and governmental reforms. When much research on the expansion of e-commerce in India is analyzed, it becomes clear that while retail revenue amplified by 22.52% CAGR between 2015 and 2020, online patrons amplified by 35.44% CAGR during the exact time period [23]. The beginning of the government's Digital India ingenuity on July 1, 2015, the growth in the use of phone wallets like Paytm, Ola, Money, Mobiwik, BHIM, etc., and the announcement of demonetization at the end of the year, 2016, seem to be the main drivers of this enormous expansion in the nation's e-commerce industry [23].

The growing market is one of the major aptitudes for the online sector. There will be an increase in online purchases as long as the prices of electronics keep reducing. An increase in Commerce sales will trail from this [28].

3. Fast Internet penetration

With a current internet infiltration rate of almost 50%, roughly 38% of smartphone online users, the unveiling of the 4G network, and rising consumer income, the e-commerce sector has emerged as a front-runner in the Indian economy

4. 5G network

With the arrival of the fifth generation (5G) mobile network, which has a speed 10 times quicker, VR and AR are two of the technologies that may be frequently employed in e-commerce in the near future. With the development of technology, there may be a chance to improve customers' buying experiences and simplify applications in many various sectors.

Thanks to its exceptional architecture, which boosts the speed and power of wireless data processing, the 5G network is anticipated to be a potent instrument for supporting and developing data-intensive applications like VR and AR. From there, we may make use of this technology's potential to advance economic growth, particularly in the commercial sector [15].

5. Content in the local language

With a current internet infiltration rate of almost 50%, roughly about 38% of smartphone online users, the unveiling of the 4G network, online content in the local and regional language, and rising consumer income, the e-commerce sector has emerged as a front-runner in the Indian economy. E-commerce gains when the usage of local, and regional languages is in practice. This helps in reaching more customers, beating the increasing competition, increasing online visibility, cultivating local social influence, and capitalizing on local opportunities [14].

6. Influencer Marketing

A number of internet users' market various brands using ample social media followings. These folks occasionally stated as influencers, offer crafty e-Commerce businesses with an effective marketing chance. Influencers will show a superior part in how things are publicized as a result of social media's ripeness in our daily lives, and e-commerce sellers are best situated to advantage from this [28]. Utilizing these influencers has the benefit of giving the brand access to an interested audience and allowing them to add another touchpoint to the buyer's journey. Usually done on Facebook, Instagram, YouTube, Twitter, and TikTok, among other social media sites. Influencer marketing helps with cost-effectiveness, scaling up the business, relevancy of partnerships and promotions, and higher ROI are obtained [30].

8.4 Challenges:

1. Limited internet connection

The 2020 decade will witness the growth of a new India with an emphasis on the lower income customers in metropolitan zones, tiers 2-4 cities, and countryside India. However, due to limited Internet connection and a lack of confidence, which discourages online buying, this sector only represents 16% of the value e-commerce mandate [19]

2. Lack of confidence in online shopping

If there aren't enough brick-and-mortar options, they might rely more on online shopping. However, these platforms come with some difficulties. According to research, the most popular 'brand' in the market has nearly 65,000 products listed under the 'generic' clothing category in Amazon Fashion. Simply put, a product's likelihood of appearing among the abundance of goods on Amazon increases with how simple it is to produce [19].

3. Shipping issues

According to the research, businesses should improve every area of online shopping, paying particular

attention to localized payment methods and untaxed returns. The reflection of this trend suggests the security and safety of online shoppers [23], a leading Indian newspaper, The Times of India, reported. E-commerce trades are lucrative as they can easily send their things from anywhere. It is abetted in its endeavors by a vigorous network. In a physical retail store, a customer picks an artifact, makes a buying, and takes the delivery [26]. In the e-commerce store, the buyer selects and places an order for their choice of products and waits for it to be delivered to his address within the allotted period.

4. Severe Competition for the same products

In the corporate world, healthy competition is seen as a virtue, but what happens when there are several portals for a single product? [14]. When that occurs, e-commerce definitely suffers since the rivalry shifts inward and businesses work harder to draw in a sizable portion of the customer base. By giving discounts, rewards, and other concessions on their products drives businesses to lower their pricing.

5. Monopoly

A range of local bookshops, including mom-and-pop shops, smaller chains, and bigger chains are vanishing as a result of the rise of enormous eCommerce alternatives like the e-commerce giants such as Amazon, an interesting destination for books. This design can expand to other markets and finally call for government control [28].

9. FINDINGS :

The following scope is seen in the industry currently [21]. If the said things are looked upon by the players of the industry, there is a huge expectation from the e-commerce sector and its growth.

- 1) Along with quality, products should provide value for the consumer.
- 2) One is promised security.
- 3) Selling articles for brands.
- 4) Gaining confidence and building trust.
- 5) Providing simple direction.
- 6) Timely delivery information was provided.
- 7) Ordered articles and those that are delivered should match.
- 8) Offering discounts and other gifts.
- 9) Only a few personal details.
- 10) Offering value-added services at reduced costs.
- 11) Simple words are used to describe the product in its entirety.
- 12) Innovative goods.
- 13) Social shopping is a thing.
- 14) Offering price contrast.
- 15) Clearly stated information about the product.
- 16) Indian consumers like to purchase items that are affordable.
- 17) The stakeholders in the business are having ample opportunities from the sector [22].

(1) OPPORTUNITY FOR RETAILERS: By integrating his company with online distribution, a store can fulfill electronic orders, stay in constant contact with the customers, and provide the consumers with a tonne of information on a variety of items.

(2) OPPORTUNITY FOR WHOLESALERS/DISTRIBUTORS: In this case, wholesalers that are able to form partnerships with reputable manufacturers and connect their operations to the internet can benefit from e-commerce [22].

(3) OPPORTUNITY FOR PRODUCERS: By connecting online, providing greater information about their products to the other links in the supply chain, and developing a strong brand identity, producers may benefit from e-commerce.

(4) OPPORTUNITY FOR Individuals: As more people engage in e-commerce, there is a rising need for internet service providers and cyber cafes. Therefore, those who want to gain from it can set up shop online and enjoy its advantages [30].

10. SUGGESTIONS :

In addition to the suggestions mentioned in point number 7, we believe that, Brands frequently believe that consumers seek them out on their own. But by ignoring unbranded searches, companies risk losing out on a lot of visibility that could have been theirs. Optimizing your digital marketing requires a

thorough grasp of customer search behavior. And now, more than ever, it's crucial, given the tight financial situation [16]. Thanks to the expansion of e-commerce, starting a business is now simple, even with little funding. As customers depend on too much on online purchasing, and it is forecasted to be close to 95 percent of all purchases by 2040, e-commerce is only if innumerable magnates with new opportunities.

11. CONCLUSION :

The \$40 billion value of turnover that e-commerce has gotten in India can be led by businesses that can shape their operations. E-commerce has the advantage of making business scaling simple. If customers are clicking and purchasing, the vendor may boost their advertising spend without having to worry too much about meeting demand, especially if they drop ship. Due to restricted space, it might be challenging to expand product lines or hire more cashiers in brick-and-mortar businesses. In order to expand their firm, the seller will need to acquire a larger facility and refurbish the current one. With the drop shipping e-commerce strategy, the seller may expand their business rapidly because they don't have to worry about shipping goods or keeping inventory.

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