



# Trends in E-Commerce

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## I. INTRODUCTION

E-commerce implies doing business through internet. Today is the day and the age of tablets, phablets and smartphones. Today is the day and the age of e-commerce and shopping cart software. Today is the day and the age of m-commerce. But, even that is changing at a pace faster than ever before. Changing in ways beyond anyone's control and in more ways than most people could ever conceive of it, in terms of electronics technology and communications. The distinction between retailer and e-tailer is becoming less defined, as more consumers turn to the web for product information, recommendations and purchasing decisions. People shop online – more than ever before. E-commerce is capturing almost all the gains in retail sales. E-Commerce is evolving rapidly both in India and worldwide to embrace even more customer needs, merchant coverage, business models and ecosystem enablers.

The LPG concept has effected significant change in every field of business. Further, the information and communication technology has brought about remarkable changes in business and corporate environment. There is a perceptible change noticed in the outlook of customers, attitude of customers, changed mindset with regard to preferences of goods and services on account of emergence of E-Commerce. It is one of the cheapest means of doing business. It is ecommerce development that has made it possible to reduce the cost of promotion of products and services. Until recently, E-commerce is getting more and more attention from entrepreneurs and consumers both local and international. There is no time barrier in selling the products. One can log on to the internet even at midnight and can sell the products at a single click of mouse. In order to survive and stay competitive in the ever changing market, companies have started changing their policies so as to include e-commerce in their plans for increased sales to tap both national and global market.

Connectivity plays an important part as it is the key factor determining the whole business. From the business point of view, E-commerce provides better connectivity for its

potential customers as their respective websites can be accessed virtually from anywhere through Internet. Potential customers can get in touch with the company's business eliminating the limits of geographical location. From the customer standpoint, Ecommerce is much more convenient as they can browse through a whole directories of catalogues without any hassle, compare prices between products, buying from another country and on top of that, they can do it while at home or at work, without any necessity to move a single inch from their chair. For E-commerce, the total overheads needed to run the business is significantly much less compared to the traditional commerce method. E-commerce reduces delivery time and labor cost thus it has been possible to save the time of both – the vendor and the consumer.

## II. INNOVATIVE TRENDS IN E-COMMERCE

Growth of the Indian e-commerce market is an outcome of increasing consumer accessibility to online shopping portals due to the growing mobile internet penetration in the country. Desktops, netbooks and laptops are getting a go-by in favour of light weight access devices like tablets and smartphones. Mobile internet is the new medium for access to online shopping sites, having gained popularity of late due to changing lifestyles and reduction in tariffs for 4G data plans by all leading telecom service providers. Thus, increasing screen size of smartphones and 'phablets' available at affordable price-points, along with better reach of internet services has made online shopping accessible to an increasing number of Indians. Tablets too are growing at a rapid pace, which are further adding to the base of connected devices for e-commerce.

In a marked shift from the older generation of shoppers, consumer behaviour has evolved from a preference for 'touch and feel' buying to convenience and comfort. Electronic modes of payment like credit cards, debit cards, net-banking, EMI options and cash on delivery (COD), along with services such as free home delivery and onsite product replacements have added to the popularity of e-commerce. India boasts a large population under the age of 35 years and a growing number of dual-income, nuclear



households; this means e-commerce has good growth prospects.

In the short term, a subdued growth in 'real' incomes along with high retail inflation have further made e-commerce features like price parity, 'deep' discounts, bundling schemes and special deals a strong attraction for consumers. Product information, product comparisons along with experiences / feedback from 'certified' buyers help online shoppers make the final buying decision. Applications / plug-ins like 'MakkiChoose' help the user to discover the lowest price of a product across major e-commerce portals in the matter of a few seconds.

In spite of odds of uncertainty with regard to product quality, transaction security, lack of 'touch and feel', chances of delayed delivery and uncertain warranty conditions, the India e-commerce market is poised to grow. E-tailing companies have become one of the favoured destinations for investors. The Indian e-commerce market has bucked all the odds of an uncertain macro-economic environment and fast changing consumer preferences. There is an increased emphasis on social media. 'Stay Connected; Stay Relevant' is the mantra to success with mass online shoppers via popular social media platforms like Facebook, YouTube etc. Marketers have realized the importance of social media for discovering potential customers, converting them to clients or simply staying actively engaged with the current customer base by responding to their posts and sharing contents within limits of not being labeled as spam. Product and service feedback via social media channels have an impressionable effect on the minds of the larger customer base.

Nowadays mobile is everywhere. Mobile internet penetration is continued to grow along with the increasing base of smartphones and tablets. Affordable devices along with attractively priced internet data plans are being continued to result in a rising base of potential shoppers. Smart marketers are expected to keenly follow the trend and make more and more offerings available to the expanding base of mobile internet subscribers.

'App' is necessary to stay in the game. Whether it's an Android, BlackBerry, iOS or Windows operating system based device, a common feature is the growth of apps. An 'app' is the preferred route to deliver a 'customized' shopping environment to online shoppers, thus obviating the need for a browser. Regular app updates, app accessibility and app security became a priority for e-tailers.

There is a constant need to add security to e-transactions. Security of user information for payment transactions through the internet is one of the major concerns that hold back many potential online shoppers. With large scale adoption of mobile devices, e-commerce payment systems must deploy updated, state-of-the-art transaction security solutions. Cyber security is a growing concern for enterprises as well as governments. Cyber security impacts everyone in this connected world.

M-Wallets are ruling in these days. Touch based mobile wallets like Android Pay, Apple Pay and even the OEM specific solutions of Samsung Pay and, recently launched, LG Pay have the potential to revolutionize our shopping experience by streamlining the payment procedure from the plethora of bank cards to one simple tap on an NFC reader. In the context of the Indian scenario expect to see proliferation of wallets like PayTM, which are focusing on providing convenience to the customer while taking care of their security concerns.

Payment banks thrive amongst the unbanked and the under-banked. While the largest population of under-banked and the unbanked citizens may be in remote locations, in the big cities the younger members are choosing to open mobile banking accounts with a payments bank. Mobile banking can also open up the untapped tier III cities for the e-commerce sector. New payments banks that have neither the reachability nor the requisite IT infrastructure can partner with existing telecom companies, pre-paid card issuers or third party payment-service providers with connectivity in rural areas. These alliances can provide a cheaper and faster way to deploy services to customers.

The rapid adoption of biometrics authentication in mobile payments offers an opportunity for payment-service providers to provide an easier and more convenient authentication mechanism for access to iPhone electronic wallet credentials than having to remember and type a PIN. This convenience would eventually make this a preferred method for authentication, especially for Generation M (Millennials with a strong preference for mobiles). Fingerprint technology is becoming quite well accepted compared to other biometric-identification technologies like hand or palm geometry, eye-iris scans or facial characters. Biometric authentication and tokenization has made security in Near Field Communication (NFC) transactions far superior to any other method.

Digital currency can ruffle the remittance industry. Penetration of Digital Currency as a main-stream payment



instrument can test the regulatory waters across the globe, but could gain traction. Globally, most financial institutions are focusing on blockchain which is the technology that underpins the bitcoin virtual currency. For bitcoin, the blockchain is acting as a globally-distributed ledger that logs transactions. The technology could verify each deal that takes place with respect to bitcoin. This is allowing people to collaborate without having to go through a neutral central authority.

Technology companies make inroads into banking and payment services. Technology companies like Apple, Facebook and Google have embedded payment services in their overall customer experience. Typical examples are Apple launching P2P payments, payment services being enabled through WhatsApp, Facebook incorporating a Buy button for Facebook shopping.

Start-up community is forcing banks to innovate. Industry giants like BBVA, Rabobank, Wells Fargo, Barclays, Lloyds Banking Group, Bank of Ireland, Commerzbank, UniCredit, Credit Agricole, and many others have chosen to set up startup programs to incubate FinTech companies. While this as a global trend has been catching up, but 2016 should see Indian banks also jumping onto the bandwagon.

Predictive analytics are driving loyalty and reward programs. Today customer's location is not important – he could be physically in a store or shopping online on his tablet, but the analytics based on his browsing habits, checkout completion rate and type of payment method he is using are able to provide data points that help retailers make rewards programs more relevant to individual consumers.

With the evolution of online shopping, the transition to making shopping completely portable through Mobile Commerce has already begun. Mobile Commerce allows shoppers the ability to carry out safe, easy, convenient transactions through their mobile devices such as mobile phones, tablets and phablets anywhere, anytime. Even though Mobile Commerce is at a very nascent stage in India, it is picking up rapidly, aided by affordable cost of devices and better mobile internet rates. This coupled with high-speed internet and popularity of installing WiFi routers in non-metro households has added further impetus to shopping through mobile devices. The advent of 4G enabled this trend growing significantly.

Online shopping sites are becoming more interactive. E-Commerce players are making changes to their websites to make them more simple, easy to use and more interactive.

For example, globally, several e-commerce sites have now replaced images with interactive products display such as product demo, personal shopping assistant and many more. With a strong focus on technology and innovation, several brands and retailers are focusing on building / enhancing their cross-channel integration strategy. With the increasing popularity of online shopping, brands are looking at providing customers a seamless brand experience across all touch points – regardless of whether the customer is accessing the product on a smart phone, app or on the web. This has embarked the rise of Social Commerce. Single-channel shopping experiences are replaced by rich, multichannel opportunities, enabling consumers to enjoy consistent brand experiences.

SME businesses have commenced operations as online sellers who have access to shoppers and customers throughout India. Internationally, cross-border e-commerce is a chief proceeds / revenue prospect, which most SMEs are fervent to explore. The market is observing a fresh trend where numerous SMEs are following the direction of e-commerce in order to build their business in the Indian market. They are utilizing the Internet not only as a marketing tool, but also to observe the demand for their products in the market. They are seeing e-commerce as a new-fangled tool to craft fresh models of business. One of the most important aspects of modern day e-commerce, Cash on Delivery (COD) is fast becoming a game changer. The Indian consumer is still uncomfortable with online transactions and would prefer to part with his / her money only on receipt of the goods and services contracted for. The proclivity towards this has resulted in providing the COD option as an important alternative to online payments. E-Retailers have indicated that 50% to 80% of their sales now come from COD and rejection rates upon delivery are lower than 10%.

Providing for EMI options in online payments is one of the latest innovations in the e-commerce sector. The goods bought on the Internet typically are of low denominations — primarily to mitigate the risks involved in buying a big ticket item online. The EMI options are expected to fund the interim working capital requirements of the consumer and in many cases the organizations themselves bearing the interest costs has provided that added fillip to online transactions.

The usage of Net banking and Debit Cards for online purchases has been on the rise indicating the growing comfort of people in using these instruments online. In fact many banks are now offering incentives to their customers for transacting online. All these trends only foretell one



thing —e-commerce shall swamp the Indian market and organizations shall necessarily have to align themselves to the market dynamics or perish. No doubt that the Indian e-commerce market is flourishing massively.

### III. CONCLUSION

E-Commerce is a new wave and it is at a very exciting phase in India. The trends posed a win-win situation for both, e-commerce companies and for the consumers. Players in the industry need to build a distinctive strategy to suit their business motives and to satisfy the evolving needs of the consumers. Based on the growing number of internet users and augmented by the adoption of smart phones and increased market awareness levels, it has been forecasted that the e-commerce market in India is likely to reach USD 80 Billion by 2020.

