

# E-Commerce in India

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**Abstract:-** India has an internet user base of about 375 million (30% of population) as of Q2 of 2015. Despite being the second largest userbase in world, only behind China (650 million, 48% of population), the penetration of e-commerce is low compared to markets like the United States (266 M, 84%), or France (54 M, 81%), but is growing at an unprecedented rate, adding around 6 million (0.5% of population) new entrants every month. The industry consensus is that growth is at an inflection point.

In India, cash on delivery is the most preferred payment method, accumulating 75% of the e-retail activities. Demand for international consumer products (including long-tail items) is growing much faster than in-country supply from authorised distributors and e-commerce offerings.

As of Q1 2015, six Indian e-commerce companies have managed to achieve billion-dollar valuations. Namely, Flipkart, Snapdeal, InMobi, Quikr, OlaCabs and Paytm (wing of, One97).

## I. INTRODUCTION

Over the last two decades, rising internet and mobile phone penetration has changed the way we communicate and do business. E-commerce is relatively a novel concept. It is, at present, heavily leaning on the internet and mobile phone revolution to fundamentally alter the way businesses reach their customers. While in countries such as the US and China, e-commerce has taken significant strides to achieve sales of over 150 billion USD in revenue, the industry in India is, still at its infancy. However over the past few years, the sector has grown by almost 35% CAGR from 3.8 billion USD in 2009 to an estimated 12.6 billion USD in 2013.

## II. MARKET SIZE AND GROWTH

India's e-commerce market was worth about \$3.8 billion in 2009, it went up to \$12.6 billion in 2013. In 2013, the e-retail segment was worth US\$2.3 billion. About 70% of India's e-commerce market is travel related. According to Google India, there were 35 million online shoppers in India in 2014 Q1 and is expected to cross 100 million mark by end of year 2016. CAGR vis-à-vis a global growth rate of 8–10%. Electronics and Apparel are the biggest categories in terms of sales.

Key drivers in Indian e-commerce are:

- Large percentage of population subscribed to broadband Internet, burgeoning 3G internet users, and a recent introduction of 4G across the country.
- Explosive growth of Smartphone users, soon to be world's second largest smartphone userbase
- Rising standards of living as result of fast decline in poverty rate.
- Availability of much wider product range (including long tail and Direct Imports) compared to what is available at brick and mortar retailers.
- Competitive prices compared to brick and mortar retail driven by disintermediation and reduced inventory and real estate costs.
- Increased usage of online classified sites, with more consumer buying and selling second-hand goods
- Evolution of Million-Dollar startups like Jabong.com, Saavn, Makemytrip, Bookmyshow, Zomato Flipkart, Snapdeal Etc.

## III. NICHE RETAILERS

The spread of e-commerce has led to the rise of several niche players who largely specialize their products around a specific theme. As many as 1,06,086 websites are registered daily and more than 25% are for niche businesses.

During 2014, Royal Enfield sold 200 Bike's of special series Online. Zepo compiled popular online niche brands in their list of Top 100 Quirky Brands in India

Online apparel is one of the more popular verticals, which along with Computers and consumer electronics make up 42% of the total retail e-commerce sales.<sup>[29]</sup> Niche online merchandising brands like Headbanger's Merch, Redwolf and No Nasties partner with and even help sustain independent musicians.<sup>[30]</sup> Some of the bigger online retailer like VoxPop Clothing have secured multiple rounds of funding, the last round raising \$1 million from Blume Ventures in 2014.

Top20 India's Most Popular and Most Visited Websites

*Flipkart*



Flipkart is an e-commerce company founded in 2007 operates exclusively in India. It offers products in various categories including movies, music, games, mobiles, cameras, computers, healthcare and personal care.

*SnapDeal*



Snapdeal is an online marketplace headquartered in New Delhi, It is India's Largest Online Shopping marketplace great range of products, best prices and free shipping.

*Myntra*



The online shopping Store in India for Branded Shoes, Clothing accessories for Men and Women of fashion and casual lifestyle products, headquartered in Bangalore.

*Jabong*



The Indian fashion and lifestyle e-commerce portal, selling apparel, footwear, accessories, beauty products, fragrances, home accessories Online shopping in India for men, women & kids.

Shimply



Shimply.com is India's Largest Online Shopping Marketplace for online shopping in India, offering unique products and categories as well as best prices. It also offers shopping discount coupons, great deals and offers.  
HomeShop18



HomeShop18 is India's leading digital commerce platform – present on TV, web and mobile and ranked as 5 most trafficked Ecommerce portal in India. It was launched on 9 April 2008 as India's first 24-hour Home Shopping TV channel and on-air retail and distribution venture of Network 18 Group.

Yebhi



Indian Online shopping E-commerce portal for Home, Lifestyle & Fashion e-retailer, launched in the year 2009 and offers prices you Love across shoes, apparels, bags, watches, mobiles and home accessories .

Infibeam



Infibeam is one of the leading online shopping portals in India, Started in 2007 and has grown across the length and breadth of India. Headquartered in Ahmedabad and has one of the largest online retailer and a premier technology provider.

*Shopclues*



ShopClues is an online retail website, headquartered in Gurgaon, It is among the fastest growing E-Commerce destinations in India, Founded in July 2011 in Silicon Valley.

*Trendin*



Trendin.com is an initiative of Madura Fashion & Lifestyle, India's largest and fastest growing branded apparel companies and a premium lifestyle player in the retail sector.

*Shopping. Rediff, Shopping .Indiatimes, Ebay and AmazonIndia*



Best Online Shopping Website in India also includes Shopping.Rediff, online shopping and gifting store and part of rediff.com, India's largest news and entertainment service online and Shopping.Indiatimes the ecommerce division of the The Times Group, India's largest media conglomerate.

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