

E commerce the indian market scenario

[Business](#), [E-Commerce](#)



Yet there is tremendous scope for growth in this sector considering the ever-increasing availability of high-speed Internet at reasonable rates. China's Alibaba is the world's largest e-commerce platform. In 2013, its online sales totaled \$248 billion, more than eBay and Amazon combined. While, the country's closest parallel to Alibaba, isn't listed on any exchange, a \$1 billion injection of funds suggests the company is worth around \$5 billion. That would make it India's most valuable e-commerce firm, worth about 3% of the value of Alibaba.

The cash on delivery (COD) is something very unique to the Indian market or a peculiar characteristic of online purchasing in any developing economy for that matter and accounts for about 80% of the total value of the products purchased online. Enables buyers to pay for the product at the time of its delivery (very suitable indeed to the classic Indian middle-class experts say that this may prove to be a curse for the e-commerce industry in the long run. E-commerce in India can be broadly classified into 3 sectors as: Online travel- Online travel has traditionally been the largest e-commerce sub-sector (by revenue) in India.

To improve margins with online retail, online travel players are diversifying their offerings to include hotel reservations, along with the regular ticketing services. They however need to develop skill sets that are different from the ones required in the ticketing segment. Also, they need to manage challenges associated with a diverse supplier base. Technological constraints. Customer experience, authenticity of information and grievance . . . , Red bus etc. Online retail- This segment has evolved and grown significantly over the past few years.

Cash-on-delivery has been one of the key growth drivers and is touted to have accounted for 50% to of online retail sales. Players have adopted new business models including stock-and-sell, consignment and group buying; however, concerns surrounding inventory management, location of warehouses and In-house logistics are posing teething Issues. . , Snap deal, Amazon etc. 1 Classified, the earliest entrant in the e-commerce space in India, is undergoing a hit in operational model from vertical to horizontal offering.

Players now OFFER a gamut of services ranging from buying/selling cars to finding domestic help/ babysitter. . Etc. The reasons for Indian's weak e-commerce market are well-known. The biggest challenge is the country slow Internet penetration level. Around 150 million Indians are online, out of a population of 1.2 billion. Indian's Internet security is poor, scaring off online customers; the country has only 6% of the number of secure servers that Brazil and South Africa have. Broadband connectivity also continues to lag.

Rural Indians, who form a majority of the population, have an Internet penetration rate that's one-twelfth the level of urban Indians. Challenges for the e-commerce sector in India- The phenomenal growth of the e-commerce sector is accompanied by certain challenges: 1 . Absence of e-commerce laws. 2. Low entry barriers leading to reduced competitive advantages, that is you may not have any restrictions on factors like minimum inventory, customer satisfaction etc. 3. Rapidly changing business models: online retailers have to spontaneously adapt to changing demand patterns.