A Conceptual Study on Recent Trends and Future Growth Opportunities of Online Shopping in India

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KEYWORDS	ABSTRACT
e-commerce, consumers buying behavior, digital shopping, internet, shopping behavior, online shopping	The world of internet has changed drastically, the way we look at the world and has given us a very powerful tool to perceive things with a different perspective. In recent years, India has seen a significant surge in internet and smartphone penetration. As of November 2024, the country had approximately 944.7 million wireless internet subscribers, with the number expected to reach 1.1 billion by the end of 2025. This rapid growth has significantly contributed to the expansion of India's digital sector, which is expected to reach at value level of USD 1 tri llion by 2030, according to IBEF. The internet offers users an access to a vast array of information about products and services with a concept of anytime, anywhere in the world. The platform of e-commerce is emerging as a very important economic activity centre in terms of both volumes and monetary value of sales in India. The different models of e-commerce business, i.e. B2B, B2C and C2C based are garnering huge attention of all and buyers/sellers are aware of the entire processes and options today in respect of the mode of business and day-to-day shopping experiences in this new business environment. India's Business-to-Business (B2B) online marketplace is projected to become a US $200 billion opportunity by the end of 2030. E-commerce is a simple activity of buying products and services with the help of an internet browser on a real time basis. The process is completed at just no cost and saves a lot of time not only for the consumers but for the sellers also. Products and services are sold through a vendor /website directly to the customers from the portal using a digital shopping cart and the payments are made online through Debit Cards, Credit Cards, Net Banking, popularly known as EFT (Electronic Fund Transfers). The present study focuses on the present status of online shopping, its merits, demerits and on the future scope of online shopping in India. The primary aim of this paper is to promote the adoption of online shopping systems for conducting business in India.

1. INTRODUCTION

Digital technology has a significant impact on attracting customers and enhancing customer satisfaction. Online shopping is the biggest part of customer attraction and satisfaction. In today's technological world, most companies use online shopping platforms to enhance customer satisfaction and attract a larger customer base. The consumers can make a direct connection to the retailers through the process of online shopping and by visiting the company's website and the other alternative apps available. The way of shopping has been revolutionized by the help of electronic commerce options.

Nowadays, online shopping is a very easy process of buying any products from the retailers as maximum people have some common tools of online shopping such as smart phones, computers, laptops, tablets and many others electronic items. The way of online shopping provides several facilities to the customers to make them feel satisfied in the entire process of buying products from the retailers through online system.

In India, Internet was initially made available in the form of ERNETR, which was available only for educational and research purposes. In 1995, VSNL, the Indian International Trunk Telephone Carrier Company, launched the Gateway Internet Access Service (GIAS) which connected to the Internet vs High Speed Circuits. According to Nielsen's India Internet Report

(January 2025), India had over 806 million active internet users, representing 55.3% of the total population. With the rapid growth of internet access and the globalization of markets, the retail sector has become increasingly competitive. Changes in the retail format have significantly influenced the lifestyles of Indian consumers.

Developed countries such as the United States, the United Kingdom, and Japan have already reaped the benefits of transitioning from traditional offline retail to online retailing. In India, however, this remains a relatively new business model. Flipkart, launched in 2007, revolutionized the Indian retail landscape by introducing online retailing. As the number of online shoppers continues to grow globally, governments in developing countries like India have begun to take greater interest in the sector by liberalizing foreign direct investment (FDI) policies, particularly in telecommunications and retail infrastructure.

India has relaxed several key FDI regulations, allowing 100% foreign direct investment in single-brand retail and up to 51% in multi-brand retail. In addition, in e-commerce, the government now permits 100% FDI for online marketplaces. Overall, the evolving policy landscape is expected to facilitate greater market entry into the online space.

In 2025, e-commerce companies generated over $7.4 trillion in global retail sales according to Statista (Latest Figures). The top 20 e-commerce websites dominating the India market are:

1) Amazon.in, 2) Flipkart, 3) Myntra, 4) Samsung, 5) India Mart, 6) Meesho, 7) Bike-Wale, 8) Ajio, 9)Jio-mart

10) Amzn.to 11) Nykaa, 12) Croma, 13) Goodreads, 14) Lens kart, 15) Boat-lifestyle, 16) AliExpress, 17)
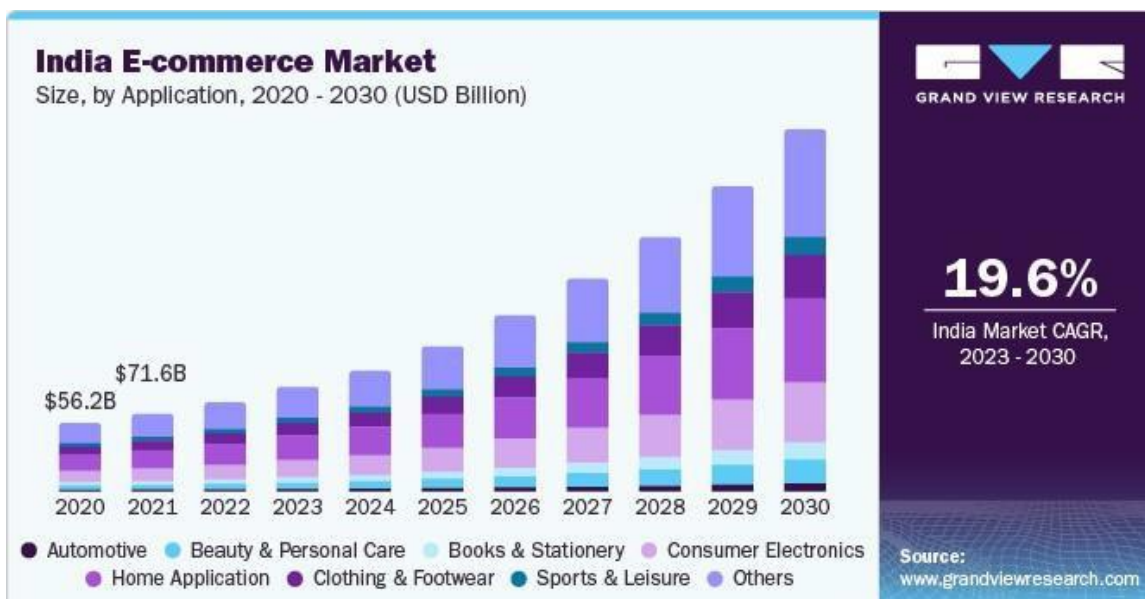
Gadgets360 18) Etsy, 19) Tata Cliq, 20) E-bay

India is one of the most promising e-commerce markets today, driven by its vast consumer base and strong demand network. The country's consumer digital economy is projected to reach US $1 trillion by 2030, fueled by rapid digitization and growing investments.

The country leads in digital payments transaction (ranked 1st), internet user base (ranked 2nd), number of online shoppers (ranked 3rd) and global investments in digital shopping (ranked 2 nd) with investments of US$22 billion in 2021.

2. ONLINE RETAIL GROWTH FACTORS AND OPPORTUNITIES

Online retail in India has been experiencing remarkable growth, successfully changing the way people transact. The Indian e-commerce market was valued at USD 88.6 billion in 2022 and is projected to grow at a compound annual growth rate (CAGR) of 19.6% from 2023 to 2030. This growth is fueled by significant business potential, largely driven by increasing internet penetration, rising smartphone usage, and the cost and time efficiencies offered by online platforms. Eager consumers for modern ways of shopping, popularity of cash on delivery (COD) and growing acceptability of online payments, favorable demographics are the other key factors driving the growth of online retail in India.

With a population of more than 1.4 billion and a fast-growing economy, the number of online shoppers is predicted to increase to 427 million by 2027. It was projected to become the youngest country in the world, with a median age of 29. This demographic trend indicates a growing pool of consumers and an expanding middle class. As people's daily lives become increasingly hectic, the demand for convenience continues to rise —prompting more individuals to turn to online shopping to save time.

India E-commerce Market
Size, by Application, 2020 - 2030 (USD Billion)

$56.2B $71.6B

2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030

● Automotive ● Beauty & Personal Care ● Books & Stationery ● Consumer Electronics
● Home Application ● Clothing & Footwear ● Sports & Leisure ● Others

GRAND VIEW RESEARCH

19.6%
India Market CAGR, 2023 - 2030

Source: www.grandviewresearch.com

Source:(https://www.grandviewresearch.com/industry-analysis/india-e-commerce-market-report)

The Online Shopping Process

The process of online shopping is very simple, convenient and very popular way of buying products and services from the retailers. Hollensen (2004) noted that "the Internet has developed into a new distribution channel." Similarly, Joines et al. (2003) observed that online shopping has become one of the primary uses of the Internet, along with searching for products and related information.

Below is a curated list of India's top online shopping websites across various categories:

1) Amazon, 2) Flipkart, 3) Myntra, 4) Snapdeal, 5) Shop clues, 6) Paytm Mall, 7) Ajio, 8) TataCliq, 9) Jabong,

10) Nykaa.

Source:

(https://www.linkedin.com/pulse/best-top-15-online-shopping-sites-india-vijay-kumar-mudhiraj?trk=public_profile_article_view)

Changing Payment Systems

The growth of electronic payments relies on a robust acceptance infrastructure, including ATMs and point- of-sale (POS) or smart POS terminals. The Government of India has been actively promoting the expansion of this infrastructure, resulting in a significant rise in debit and credit card usage. This is further supported by the continued advancement of online purchase tools and growing consumer acceptance and confidence. One of the key drivers of this growth has been the widespread adoption of smartphones and tablets, coupled with enhanced internet and mobile access. These technologies are providing a convenient, cash-free, and card-free medium for financial transactions. New payment concepts and business structures based on mobile infrastructure are initiated by the online retailers and payment service providers.

It has the potential to replace traditional cash payments with other electronic modes, making consumers more comfortable with digital transactions.

The simple way of doing online shopping is:

➢ Connect to the internet and visit an online shopping website.

➢ Browse the website and choose your purchase items

➢ Add the item in the shopping cart

➢ Continue shopping

➢ Check out the items and submit orders

➢ Login or register on the website

➢ Choose transport mode and delivery speed

➢ Choose your payment mode

➢ Enter personal details such as your shipping address, phone number, and email.

➢ Confirm order(s) and complete the payment

Shopping success and logo

3. REVIEW OF LITERATURE

1. Electronic Commerce: A Study on Benefits and Challenges in an Emerging Economy – Abdul Gaffar Khan (2016):

This study was conducted to gain a comprehensive understanding of e-commerce in Bangladesh. It aimed to identify the benefits of e-commerce and explore the challenges faced in its adoption and growth.

2. **An Overview of Electronic Commerce (e-Commerce) - Vipin Jain, Bindoo Malviya, Satyendra Arya (2021)**: This review article explores various aspects of electronic commerce, including its importance, key facilitators, benefits, challenges, and potential scope within the Indian market. And concluded that the industry of electronic commerce will be a one of the leading sectors in the field of electronic business. The revolution in electronic commerce has had a significant positive impact on the transaction industry by quickly opening new markets and breaking boundaries.

3. **E-Commerce: The Future of Business -K. V. Raaju (2015):** This study provides various examples and a detailed analysis of the scope. EDI (Electronic Data Interchange), E- Business, CRM etc., are considered as concepts which evolve directly from E-commerce.

4. **E-Commerce: Problems and Prospects – Mahantesh Angadi (2017):**

This paper reviews the complexities surrounding the emerging role of e-commerce, highlighting both the challenges it faces and the potential it holds for future development. This paper compares traditional business models with e-business. It identifies the benefits, recognizes the limitations, and further discusses the impact, issues, constraints, challenges, and opportunities in the modern e-world.

5. Sivanesan, R. (2017):

This study highlights the rapid transformation of the Indian market, noting that internet access is becoming mainstream among professionals and mobile usage is intensifying. The pace of change remains swift, with digital channels continuously expanding in both volume and influence. More people in India are spending increasing amounts of time online each year, and the digital tools and platforms they use are playing an ever-growing role in their daily lives. Smart marketers stay ahead of these changes, ensuring that their strategies and touch points align with where consumers are spending their time. This article highlights the challenges faced by customers in online shopping, with a special focus on Kanyakumari District.

6. Rajendra Kumar, R. & Srikanth, J. (2017):

Through a detailed SWOT analysis of two e-commerce models—market-based and warehouse- based—the study found that while both have comparable strengths, the market-based model offers advantages in terms of product variety, price discounts, and delivery efficiency. However, in the Indian context, the warehouse-based model is deemed more suitable for online shopping companies. Hence this analysis suggests warehouse model.

This paper aims to explore the products purchased by consumers from online stores and to identify the types of problems they encounter while shopping online. The study is based on primary data, which was collected through an interview schedule.

Statement of the Problem

The main purpose of this study is to encourage the mode of an online shopping system for doing business in India. Nowadays, many online shopping sites have been made available on the web portal. From these sites, we can perform online shopping from the comforts of our homes itself. It's very easy to do online shopping and one just needs a PC, or a laptop, or a Smart Mobile Phone and one important payment transfer option to be able to do the required shopping online. For availing the facility of online shopping system, the customers are also required to possess their email id and personal password for the purpose of logging in and to complete the process of shopping.

All the login credentials for this system are under very high security cover Cyber Laws. No one can dare to crack the system very easily. Upon successful login the customers can purchase a wide range of commodities such as mobile phones, electronic items, books, apparel, jewelry, clothes, shoes, travel tickets and other bookings, infant care, gifts, tools, grocery items and so on. Not only these items from India but we can also do shopping from any country in the world just by few clicks on our mouse or Mobile Phones. The best part is that all these orders will be executed by delivering the items at our doorstep. There is no need to go physically on shops or markets and can spend this time for work at your offices or with family members at home.

Objectives of the Study

- To evaluate the advantages and disadvantages of online shopping in India.

- To assess the status of online shopping in India.

- To explore the future scope of online shopping in India

Research Methodology

For studying the latest changes in e-commerce data has been sourced. To make the study more comprehensive, various e-commerce websites from different sectors have been analyzed. For effective results multiple articles and journals are referred.
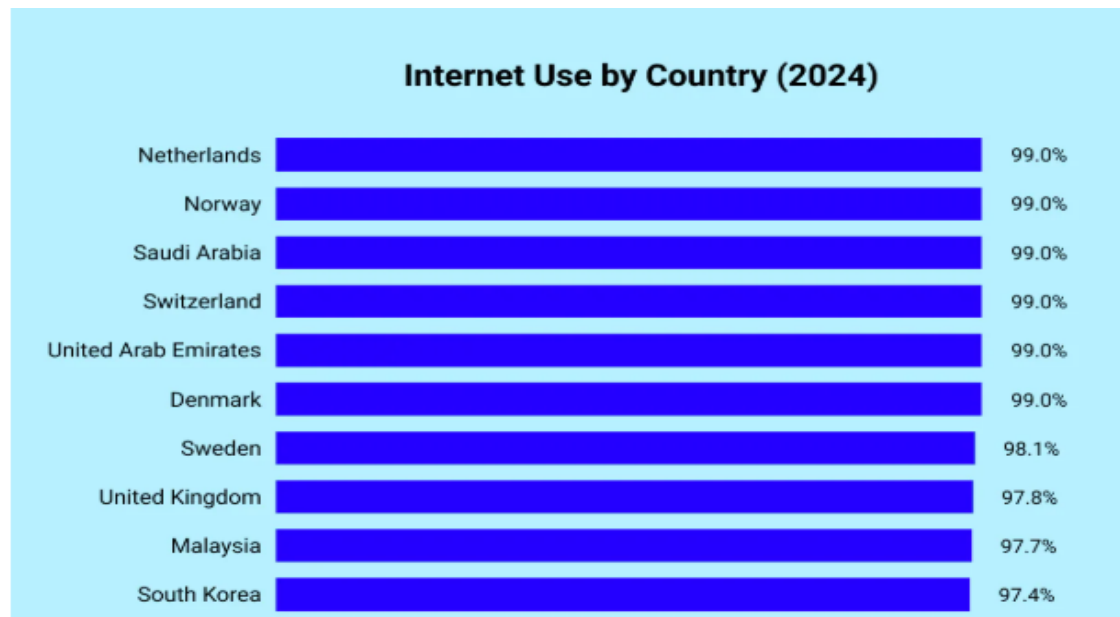
Secondary Data sources: -For further analysis data was collected from:

a) Newspapers

b) Magazines

c) Govt. Reports

d) Company Websites

e) Journals

f) Books

g) Research Papers

Data Analysis and Interpretation

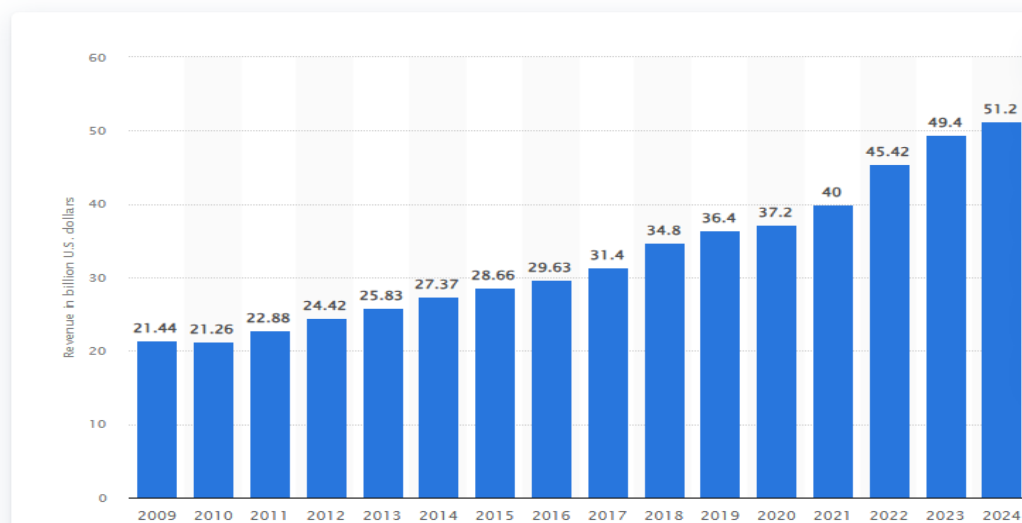(a). List of Countries Ranked by the Most Internet Users

Source:-(https://www.oberlo.com/statistics/)

(b). Combined Revenue of EY worldwide from 2009 to 2024, by region *(in billion U.S. dollars)*

Source:- (https://www.statista.com/statistics/250429/global-revenue-of-ernst-und-young/)

Interpretation

The global revenues from online shopping have increased significantly over the past decade, driven by growing internet penetration, mobile usage, and consumer preference for convenience.
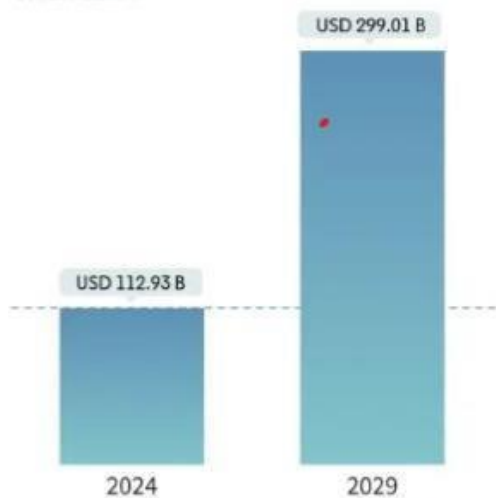
c) The Indian e-commerce market is set to grow significantly, reaching INR 8.4 trillion by 2024 and INR 22.2 trillion by 2029, with a yearly growth rate of 21.5%.

(d). Major Players in Online Shopping in India

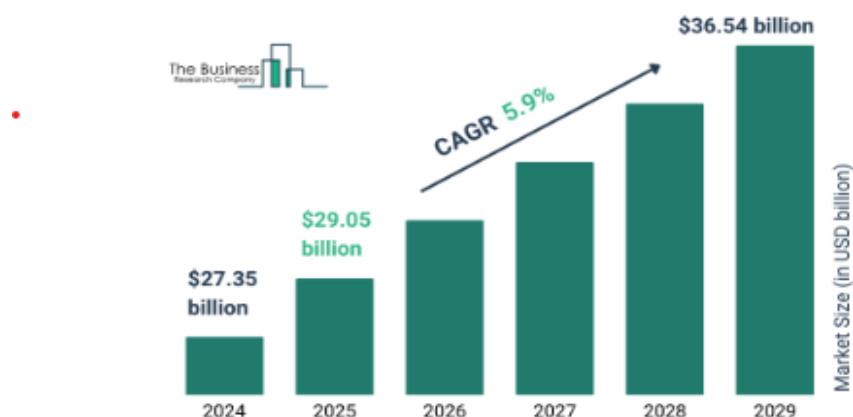Source:-(https://www.oberlo.com/statistics/top-ecommerce-sites-by-visitors)

(e). Major Cities in India for Online Shopping

Traffic Signals Global Market Report 2025

Source:https://www.thebusinessresearchcompany.com/report/traffic-signals-global-market-report
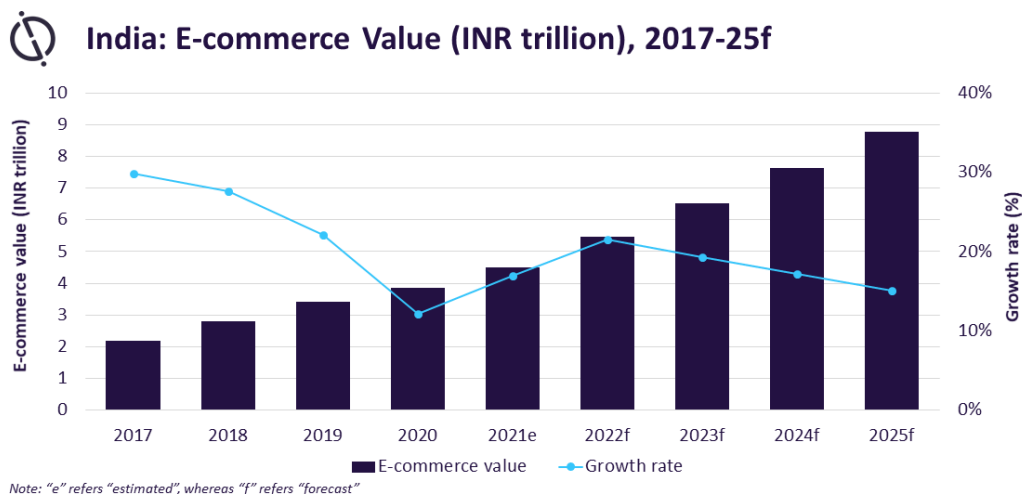
Interpretation

We can observe that Bangalore, Delhi, Mumbai, Hyderabad and Chennai are the top five cities of India which are leading in online shopping. It is because of the high population and the inhabitants of professionals, working couples and educated people. The fact remains that now, the online shopping system is gaining popularity in other cities of India also.

Future scope of online shopping in India

Given the sector's ongoing expansion and innovation, e-commerce in India has a bright future. E-commerce is anticipated to have a huge impact on the future of retail and the economy due to the vast population and rising usage of digital technologies. Additionally, the Government's emphasis on digital Marathwada Itihas Parishad - History Research Journal ISSN:0976-5425(P); UGC CARE Journal; Volume:31, Issue:03, No.4, May-June :2024 Page |99 transformation and programs like Digital India and the ONDC are anticipated to foster a favorable business climate for e-commerce companies in the upcoming years.

To take advantage of the lucrative Indian E-commerce market's potential, one must work with a reputable e-commerce development business. The future of e-commerce in India is promising, driven by the expansion of omnichannel shopping, the increasing adoption of digital payments, and the growing acceptance of AI-powered technologies. E-commerce's importance, however, cannot be understated given the continued positive effects it has on the economy and retail sector.

India: E-commerce Value (INR trillion), 2017-25f

Note: "e" refers "estimated", whereas "f" refers "forecast"

Source: GlobalData Banking and Payments Intelligence Center

Source:-(https://varindia.com/news/tata-group-super-app-tata-neu-set-to-disrupt-indian- ecommerce-market)

Interpretation

1. In 2024, global retail e-commerce sales reached an estimated six trillion U.S. dollars. Projections indicate a 31 percent growth in this figure over the coming years, with expectations to come close to eight trillion dollars by 2028.

2. Top 10 Online shopping sites by visits (In 2024)

Source:- (https://www.oberlo.com/statistics/)

3. According to *Digital Commerce 360*, Amazon remains the world's largest online retailer, with projected annual web sales expected to reach $486.6 billion by the end of 2025. However, they also report that Amazon's first-party sales are among the slowest-growing segments of its business.

E-commerce is set to account for a substantial share of global retail, with various projections suggesting it could make up 25% to 41% of total retail sales by the end of the decade. Some forecasts even indicate that the global e-commerce market could surpass $7 trillion in sales by 2027 and potentially reach $8 trillion by 2028.

1. In 2024, the global retail industry is projected to grow by 4.9%, pushing total retail sales worldwide to an estimated $31.1 trillion.

2. Indian e-commerce is expected to grow at a compound annual growth rate (CAGR) of 27% to reach US$ 163 billion by 2026.

3. The e-commerce market in India is expected to account for 2.5% of the country's GDP by 2030, growing 15 times to reach USD 300 billion, according to a recent report.

4. The current market size of e-commerce is valued at USD 20 billion. According to Goldman Sachs, key growth drivers include the "hyper growth of affordable smartphones, improving infrastructure, and a growing inclination toward online transactions."

5. India's favorable demographics—particularly its status as the youngest population in the world—are expected to lead to over 300 million new online shoppers in the next 15 years, making e-retailing the largest online segment. The report also highlighted e- retailing, online travel, digital advertising, and electronic payments as sectors that could potentially fuel domestic companies into becoming multi-billion-dollar businesses.

6. By 2030, India is projected to have the second-largest digital population globally, with 1 billion users, driven by the growth of mobile internet penetration. The country already has the spectrum and telecom infrastructure to provide 3G data coverage to 25-30% of the population.

7. Furthermore, 3G-enabled smartphones are available for USD 40, with more than 900 phone models launched last year.

8. The payment landscape is rapidly evolving with the introduction of digital wallets and payment banks. Despite 60% of e-commerce transactions still being conducted via cash- on-delivery, the report notes that logistics and infrastructure, while challenges, also act as indirect drivers for online adoption.

The private credit market in India experienced significant growth, with investments totaling $9.2 billion across 163 deals in 2024. This growth was driven by larger transactions and stronger participation from domestic investors.

Advantages of Online Shopping

Due to rapid growth of latest technology in India, business organizations have switched over from the traditional method of selling goods to electronic method of selling goods.

1. It offers better and more competitive pricing.

2. It provides a wider variety of goods and services.

3. It provides the availability of more variety of goods and services

4. It helps in sending the gifts to friends and relatives at far off places more easily

5. It provides more control and options to customers

6. It had helped the customers in making the comparisons of prices and quality more easily

7. It has saved the customers from standing in the ques and wasting time in crowds

8. There is no pressure of any kind on customers under this system

9. One can also buy used or damaged items at lower prices through online shopping system

10. It offers the convenience of online shopping 24/7.

Disadvantages of Online Shopping

1. It can create a negative environmental impact on customers due to the packaging and gas factors

2. There are generally the shipping problems and delays

3. Still there is a risk of frauds in online payment system

4. It takes a lot of time and efforts in recovering the amount of fraudulent transactions

5. There remains very less contact with the community and friends

6. Online shopping lacks sales assistance compared to traditional shopping methods.

7. There is no support system for local retailers for online shopping in India

4. FINDINGS AND CONCLUSION

The Online shopping system has become very popular in our country now especially among the young generation and working couples. Many youngsters, working couples and professionals in India prefer the option of online shopping for their day-to-day requirements of goods and services as it saves their valuable time. Most of these

youngsters are very much aware of all the pros and cons connected with the online shopping system in India.

The rapid growth of technology in India has also made a very significant contribution in making this system very popular. The technology has made a very huge progress over the years and provided the consumers a better online shopping experience and will continue to contribute more for years to come. With the rapid growth products, brands and service support system, the experts have speculated that the system of online shopping will totally overtake the traditional ways of shopping in India very soon. The online shopping system has provided many opportunities to many small retailers also who would never have even thought of being in their businesses if they were required to invest some heavy amount for owning a brick-and-mortar stores in India. We can conclude that the online shopping system has been a win-win situation not only for the consumers and sellers but all the stake holders in India. There is no doubt that the online system of shopping system in India will continue to grow with a very high speed in future also.

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