

## **Online Marketing: The Powerful Astra in the Strategic Armory of Marketers**

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### **Abstract**

*Over the last two decades, rising internet and mobile phone penetration has changed the way people communicate and do business. E-commerce is a relatively novel concept and at present, heavily leaning on the internet and mobile phone revolution to fundamentally alter the way businesses reach their customers. The proposition of e-commerce to the customer is in offering an almost infinite variety of choices spread over an enormous geographical area. Firms cannot compete solely based on sheer volumes in today's ever-evolving, information symmetric and globalised world of e-commerce. Instead, the realm of competition has shifted to ever-shortening delivery timeliness, both consistently and predictably. Negligible or zero delivery prices, doorstep delivery, traceability solutions and convenient reverse logistics have become the most important elements of differentiation for providers. The conventional methods of reaching customers have been effectively substituted to a greater extent by online marketing processes. The customer acceptance to online marketing is growing rapidly throughout the world and more so in developed parts. The trends and estimates for the future indicating a clear shift to online marketing. This paper focuses on analyzing the growth of online marketing and the challenges in international and Indian perspective.*

**Keywords:** E-commerce, Growth, Internet, Online marketing, Small and Medium Enterprises (SMEs)

### **Introduction**

The world of marketing is undergoing an unprecedented wave of innovation. Technology and Internet are playing a major role in people's life, and more so in business. New business models are having e-commerce as an integral part and

focusing a wider retail value chain. At the same time, consumer behaviors and expectations are evolving from time to time (Terzi, 2011) and are being influenced significantly by online marketing. Electronic commerce (e-commerce) became one of the most

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important uses of technology relating to the Internet. The activity of online shopping, which falls under the e-commerce umbrella, is considered to be one of its important features. The enormous advantages offered by electronic shopping stimulate corporate managers, marketing departments and retailers to offer their products through websites to attract the largest number of shoppers, not only to local markets, but also globally (Alsharif, 2013). E-commerce is benefiting from several positive trends, including the continued rollout of broadband and increasing user comfort in shopping online.

Silverstein (2002) observed that internet is making life simple and innovative. People are doing business online and trade has become more easy and fast. Internet is providing new ways of promoting the business. Website becomes the essence of online business as to show their services and products. Internet gathers all competitors and consumers in one place. It brings new lane to promote, advertise products and services in market. According to Rodriguez (2009) online consumers are always seeking new products, new attractiveness and the most important thing being price compatibility with their budget. The internet is the best way to save time and money through purchasing online within their range of budget at home or from anywhere. Consumers don't have limits to online shopping and they also use internet for comparison of prices of goods and services, news, visit social

networks and search information and so on. Consumers' online shopping behavior depends on the factors such as shopping motives, personality variables, internet knowledge and experience, and shopping incentives. Online shoppers always want to seek information within few clicks and reach to the most relevant information according to their requirements such as competitive brands, best price offers, product specification and consumer word-of-mouth (Gao, 2005).

### **The Global E-Commerce Market**

The change in consumer behavior along with the availability of cheaper and reliable technology for secure transactions has led to a significant growth in online sales around the world. This growth is also stimulated by the increasing number of smart phones and internet connections. As e-commerce is a relatively new industry, the majority of online retailers are finding hard to acquire digital marketing skills and develop proper governance structure. Security remains one of the major concerns for consumers as the complexity of online fraud attacks continue to increase. Despite being mired in many issues, the e-commerce industry is rising and changing in a rapid manner. The constantly changing dynamics of the online retail industry has put pressure on all the stakeholders to redesign their business models, if they desire to stay competitive and grow. Online retailers are looking to understand the consumers' purchase behavior and are aligning with consumers' desire to shop from the

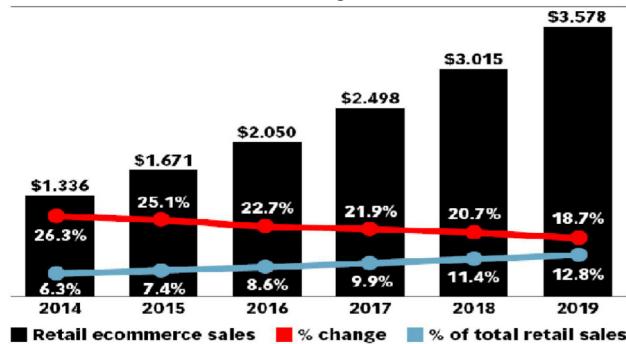
comfort of their homes and offices, and even on the move.

### Growth of Retail E-commerce

Online shopping is one of the most popular online activities worldwide with global e-retail sales reaching USD1.34 trillion in 2014 (Figure-1). The total e-

retail sales accounted for 6.3 percent of all retail sales worldwide. It has grown by 25.1 percent in 2015 to reach USD 1.67 trillion and it is expected increase more than double to USD 3.578 trillion, making up 12.8percent of total retail sales by 2019 (eMarketer, 2016).

**Figure-1. Retail e-commerce sales Worldwide, 2014-2019**  
(Sales in USD trillions, % change and % of total retail sales)



Source: eMarketer (2016), Retrieved from <http://www.emarketer.com>

Asia-Pacific is the largest retail ecommerce market in the world, with sales of USD 877 billion in 2015, accounting for more than half of global sales (Table-1). The region also has the fastest growth rate worldwide and estimated to reach USD 2.336 trillion at the end of 2019. Though the expected growth rates are declining in all the regions, the Asia-

Pacific region is likely to be the leader in terms of volume of trade and percentage of growth rate. Rapid growth in the number of internet users buying digitally for the first time, as well as the increasing disposable incomes in China, India and Indonesia, are fuelling the region's growth.

**Table-1. Retail Ecommerce Sales Worldwide by Region, 2015-2019**  
(Sales in USD billions, Growth in % change)

Region	2015		2016		2017		2018		2019	
	Sales	Growth	Sales	Growth	Sales	Growth	Sales	Growth	Sales	Growth
Asia Pacific	877.61	35.7	1,152.21	31.3	1,488.42	29.2	1,892.07	27.1	2,336.27	23.5
Middle East & Africa	14.69	28.5	18.67	27.1	23.33	24.9	28.6	22.6	34.69	21.3
Central & Eastern Europe	52.38	23	62.55	19.4	74.08	18.4	85.6	15.6	98.74	15.3

Latin America	40.98	22.9	49.83	21.6	59.81	20	68.94	15.3	79.74	15.7
North America	367.44	14.4	415.71	13.1	466.92	12.3	521.74	11.7	579.93	11.2
Western Europe	317.89	13.3	351.38	10.5	385.91	9.8	418.2	8.4	448.69	7.3
<b>Worldwide</b>	<b>1,670.99</b>	<b>25.1</b>	<b>2,050.36</b>	<b>22.7</b>	<b>2,498.48</b>	<b>21.9</b>	<b>3,015.15</b>	<b>20.7</b>	<b>3,579.06</b>	<b>18.7</b>

As shown in Table-2, China is the unchallenged world leader as far as the retail ecommerce sales are concerned valued at USD 672.01 billion during 2015 and the country is expected to retain the leadership position in 2019 also with an expected sales of USD 1,973.04 billion. US was the second major player with USD 340.61 billion sales, followed

by UK with USD 86.81 billion, and India with USD 6.10 billion sales. The most significant feature of ecommerce in India is that the growth rate in ecommerce sales was 129.5 percent in 2015 which is substantially high compared to China, US, UK and Japan. The expected growth rates in future are also substantial and encouraging for ecommerce in India.

**Table-2. Retail E-commerce Sales Growth in Select Countries, 2015-2019**  
(Sales in USD billions, Growth in % change)

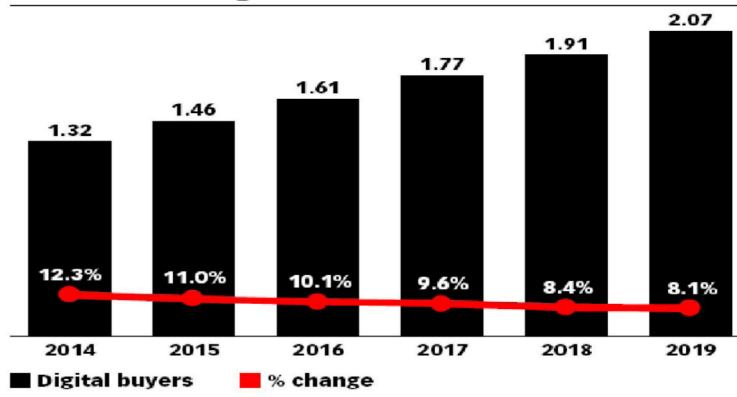
Country	2015		2016		2017		2018		2019	
	Sales	Growth	Sales	Growth	Sales	Growth	Sales	Growth	Sales	Growth
China	672.01	42.1	911.25	35.6	1,208.31	32.6	1,568.39	29.8	1,973.04	25.8
US	340.61	14.2	384.89	13	431.84	12.2	481.94	11.6	534.95	11
UK	99.39	14.5	110.32	11.1	121.36	10	132.28	9	143.19	8.3
Japan	78.55	14	100.3	12	111.33	11	122.46	10	134.1	9.5
India	14	129.5	24.61	75.8	39.45	60.3	55.26	40.1	68.47	23.9
Indonesia	3.22	65.6	5.29	64.3	8.21	55.3	10.92	32.9	13.16	20.6

*Source: eMarketer (2016), Retrieved from <http://www.emarketer.com>*

There are 1.46 billion digital buyers Worldwide in 2015 and will continue to climb steadily, fueled by new internet users in Asia-Pacific, Latin America, and the Middle East and Africa making digital

purchases for the first time. The number is expected to increase to 2.07 billion by 2019. However, the growth rate is expected to decrease from 11 percent in 2015 to 8.1 percent in 2019 (Figure-2).

**Figure-2. Digital Buyers Worldwide, 2014-2019 (billions and % change)**



Source: eMarketer (2016), Retrieved from <http://www.emarketer.com>

The e-commerce companies such as Amazon, Apple and JD.com are the leading global e-retailers based on m-commerce sales (Table-3), with market leader Amazon generating more revenue and CAGR in retail sales. Especially,

online merchants in China have been successful in making the transition to mobile commerce powerhouses, which comes as a small surprise with the strong mobile internet penetration rate in the country(Deloitte, 2016).

**Table-3. Global Top 10 e-retailers**

Sales rank FY2014	Name of company	Country of origin	FY2014 e-commerce retail sales (US\$M)	FY2014 e-commerce retail sales as % of total retail revenue	FY2014 e-commerce growth rate(%)	FY2011-2014 e-commerce e CAGR(%)
1	Amazon.com Inc.	US	70,080	100	15.1	18.6
2	Apple Inc.	US	20,600	49	12.6	29.9
3	JD.com, Inc.	China	17,672	100	62	73.2
4	Wal-Mart Stores Inc.	US	12,200	2.5	22	24
5	Otto (GmbH & Co KG)	Germany	8,397	65.4	5.6	6.7
6	Tesco PLC	UK	6,504	6.5	20	14.6
7	Macy's Inc.	US	5,400	19.2	30.1	34.9
8	Liberty Interactive Corp	US	5,198	49.5	6.4	9.9

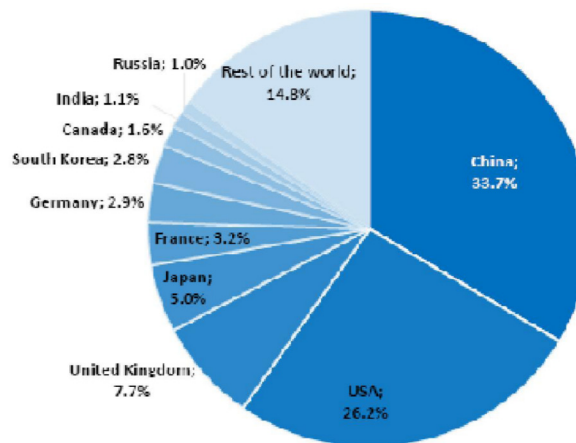
9	Casino Guichard- Perrachon S.A.	France	4,606	7.1	20.1	15.8
10	Suning Commerce Group Co., Ltd.	China	4,199	23.7	17.8	63.5

Source: Deloitte (2016). Retrieved from <https://www2.deloitte.com>

Figure-3 shows the shares of top 10 countries in the global B2C e-commerce market of 2015. China is the world's largest e-commerce market, with a share of 33.7 percent. The US ranked second with 26.2 percent, followed by the UK (7.7 percent) and Japan (5.0 percent). Within

the top 10, the difference between the top 2 and the rest is still quite significant. Together, the China and the US account for nearly 60 percent of the global B2C e-commerce market, while the other eight countries combine for a little over 25 percent.

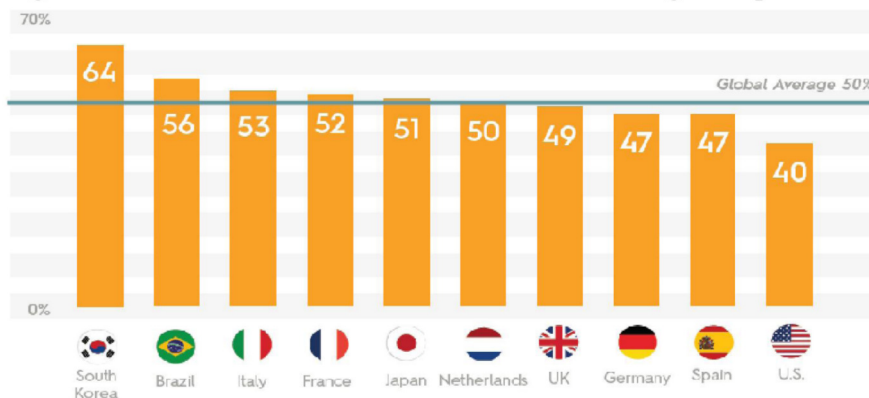
**Figure-3. Share of global B2C e-commerce market (2015)**



The increase in ecommerce trading can be pegged on the ever increasing smart phone and internet penetration worldwide, there is an ever growing base of digital buyers (Rudolph, 2016). Understanding ecommerce retail trends is the key to succeeding online for those who already

have online stores or are planning to enter the market. Half of all E-commerce transactions are already made using multiple devices (Figure-4). As that figure crosses the 50percent mark in 2016, retailers will need to redesign the online buying experience for this new reality (Criteo, 2016).

**Figure-4. Share of Retail e-commerce Transactions Using Multiple Devices**



Source: Criteo (2016). Retrieved from <http://www.criteo.com/resources>.

### Forces Driving E-commerce Growth

Online sales are driven primarily by an increase in the number of broadband connections and usage of smart phone. Beacons, big data & predictive analysis, advanced personalization, omni-channel tactics, localization, digital tech taking over the brick and mortar stores, and an increased focus on customer experience are some of the most important trends in ecommerce. Mobile strategies applied by the e-retailers are expected to rise even more, as the industry is focusing more on mobile payment methods. There is an increased adoption of one-stop shop technology partners - online shopping platforms that support all touch points: digital, traditional retail, enterprise technology (Chaffey, 2016).

The various forces driving e-commerce growth across all the major geographies include: improvements in technology, new needs and desires of consumers, increase of internet and smart

phone users and growth of social media. Capturing customers' product and payment preferences to deliver an enhanced online shopping experience is driving the growth of e-commerce. The e-retailers are following different ways to better reach out to their potential customers and enhance the shopping experience. It will be difficult to retain customers if online retailers do not integrate their back-end systems seamlessly with their front-end systems. The dynamics of the e-retail industry have changed in recent years and as a result new challenges are emerging. The growing security concerns, poor digital marketing skills, lack of proper governance and poor integration of technology are the challenges faced by the industry. To continue this growth path it is necessary to tackle these issues effectively.

### E-Commerce in India

The rise of social networks and mass adoption of mobile devices is acting as a

channel to accelerate online marketing further, shaping the ecommerce trends for the Indian market. Adoption of e-commerce by the consumers is much faster in Tier-2 cities as compared to Tier-1 cities ([Prabhudesai](#), 2014). The mobile apps present a new way of fostering brand loyalty within customers. Almost 41 percent of Indian e-commerce sales are from mobile as it is the most mobilized way of shopping (Vikas, 2015). With the initiation of technology, online retailers are devising attractive delivery options such as same-day delivery or delivery within an hour, easy-to-use check out process, buying through mobile apps, and try at home or your door, etc., for improved customer experience (Chaturvedi & Gupta, 2014). Further, adoption of international practices such as digital or experiential stores and showrooms, pop-up and fulfillment stores and drones that will fascinate the Indian market.

The major players of Indian e-commerce industry, catering myriad needs of tangible products are Amazon, Flipkart, Snapdeal, Jabong, Shopclues, etc. Similarly, [BigBasket](#) is the most popular and leading e-retail stores in groceries department, [Myntra](#) in fashion, [BabyOye](#) in baby care, [Quikr](#) in online classifieds and the list goes on (Bose, 2015). The Travel industry comprised almost 61 percent of the total e-Commerce market ([Sirohi](#), 2015). Other categories like apparels, computer and electronics are also fuelling the overall online market growth. Being driven by a young demographic profile, increasing internet

penetration and relative better economic performance, India's e-commerce revenue is expected to jump from USD 30 billion in 2016 to USD 120 billion in 2020, growing at an annual rate of 51 percent, the highest in the world (ASSOCHAM-Forrester, 2016). While in terms of base, India may be lower than China and other giants like US and Japan, but the rate of growth is way ahead of others. Against India's annual expansion of 51 percent, China's e-commerce is growing at 18 percent, Japan 11 percent and South Korea 10 percent.

E-commerce became an integral part of the lifestyle of population in many countries and India is one among them. Accessibility to e-commerce platforms is not a privilege but rather a necessity for most people, particularly in the urban areas. India has a total of 259.14 million internet and broadband subscribers (ITSPI, 2014). This penetration of internet coupled with the increasing confidence of the internet users to purchase online, has led to an enormous growth in the e-commerce space, with an increasing number of customers registering on e-commerce websites and purchasing products through the use of mobile phones. In particular, e-commerce presents one of the greatest opportunities in the retail sector since it provides a dramatic change from brick and mortar establishments to virtual shops which could operate for a fraction of the cost (NDA, 2015).

According to a report provided by Forrester (2012), social networks play an



important role in driving consumers online and getting them to engage with brands. This would gain specific significance in the light of facts such as India ranked as Facebook's second largest audience after the US (Statista, 2015). However, it should be kept in mind that there still exists a form of 'digital divide' in India where the benefits of internet have not fully percolated to non-urban areas. In this scenario, mobile connections would play a very important role. India has close to 914.92 million wireless subscribers (ITSPI, 2014). Mobile phones have been and will be a key tool in helping users connects in a market where overall internet penetration may be low.

According to Sand (2015), the e-commerce industry is rising fast, with changes that can be seen within a year. US retailer Amazon became the second-largest online marketplace by shipments in India, after domestic rival Flipkart, pushing former number two, Snapdeal, to third place. Similarly in the taxi business, multinational Uber is in a race with India's Ola, the current domestic-market leader. The 'Total Retail Survey' conducted by PwC (2016) tracked consumer behavior across retail channels, bringing to light the changes brought about by multichannel retailing and identified that Indian consumers today are moving with pace towards the Omni-channel way of life. Unconventional product categories like furniture, grocery and jewelry are finding takers through the online channel. Further, shoppers are demanding a service-focused in-store experience and want to interact

with a knowledgeable store employee. Multichannel retailing has been helping India's consumption story and increasing the share of organized retail in the total retail pie.

The steady growth in the number of web shoppers also is helping to boost e-commerce sales. The reasons identified for buying through Internet (ASSOCHAM, 2016) are good discounts and lower prices, saving time with less effort, convenience of shopping at home, availability of wide range of products, detailed information on the product and facility to compare various models or brands. Other factors contributing to the growth of e-commerce include aggressive merchandising and discounting from flash sale and daily deal, more online loyalty programs and increasing popularity of smart phones and tablet computers among consumers which leads them to spend more on online shopping (PWC, 2015).

### **E-commerce Adoption among SMEs in India**

SMEs in India have traditionally been dependent upon domestic trade but with access to internet technologies they have started to explore the opportunity to trade globally. SMEs in India contribute around 17 percent to the country's GDP. SMEs made a significant contribution to India's exports and industrial output at 40 percent and 45 percent respectively. Currently, there are approximately 48 million SMEs operating in India (SME Street Survey, 2014). Although SMEs in India may or may not have own online

presence, 43 percent of SMEs participate in online sales in India. Web-enabled SMEs are likely to make higher profits, have enhanced customer reach and improved employment opportunities. The survey found that around 56 percent of SMEs believe that the use of internet technologies is critical for business growth. SMEs have begun to recognize the potential of e-commerce and understand that its adoption could play a major role in enabling growth for their business, both in domestic and international markets.

Indian SMEs are facing a number of challenges including competitive pressures, locally, nationally and internationally. SMEs need to improve access to new customer segments and reach customers in all corners of the world to achieve the desired results. According to KPMG and Snapdeal (2015) study, 85 percent of the SMEs who adopted e-commerce believe that it is a cost effective medium to grow sales. The key factors for e-commerce adoption among SMEs are cost effective to grow sales, for business profitability and for business expansion, geographic reach - national and international. Despite of high potential, a large number of SMEs are still not ready to move away from the traditional business models. The slow growth of e-commerce adoption in SMEs has been attributed to several adoption barriers such as: technological cost transparency, inadequate financing, lack of awareness, and training & support.

### **Legal Aspects**

With e-commerce boom in India, on one side there is a huge increase in online shopping and number of consumers and on other side the number on cases in consumer complaint forum/consumer court is also increasing rapidly. To be safe, general awareness of legal aspects of e-commerce are required (Chaudhary, 2015). The year 2007 is regarded as the birth year of the Indian ecommerce industry. Efforts are not made to make a legislation to protect the specific interests of the consumers from online marketing. Apart from FDI Policy, which regulates foreign investment into the e-commerce industry, it is believed that all other Indian laws, which would apply to any online business, would apply to e-commerce businesses as well (Singh, 2016).

For the first time, a model law on e-commerce was adopted in 1996 by United Nations Commission on International Trade and Law (UNCITRAL). India was also a signatory to this model law, and had to revise its national laws as per the said model law. Indian e-commerce, therefore, falls within the purview of Information Technology Act, 2000 (Karnatak, 2014), and it legally recognizes all correspondence by electronic mail, information in an electronic form with digital signatures. It also recognizes application and approval done in electronic format for Licenses, Permits and other documents pertaining to Government departments. In addition, it also makes hacking (download, copy,

extract, damage of electronic files/data) liable for punishment (Chaudhary, 2015). The law prescribes stringent penal and pecuniary penalties for violation of its provisions during e-commerce transactions. IT Act 2000 is the sole cyber law of India that has been invoked on numerous counts against e-commerce portals and Internet intermediaries in India who violated the provisions of the same (PTLB, 2012).

The legal requirements for undertaking e-commerce in India also involve compliance with other laws like contract law, Indian penal code, etc. Further, online shopping in India also involves compliance with the banking and financial norms applicable in India. With the active use of electronic commerce in India the e-commerce dispute resolution in India is required to be strengthened. The present litigation system of India is not conducive for the growth of e-commerce and online dispute resolution is more appropriate for such purposes in India (PTLB, 2012).

Determination of the jurisdiction of disputes on the virtual space of World Wide Web is the critical problem to be addressed. Though India has started dealing with settling territorial disputes by enacting IT Act, 2000 but, it still lacks a lot as no specific legislation governs online transactions and IP issues in India. When e-commerce takes place as business-to-consumer (B2C), then Consumer Protection Act, 1986 obviously has its role to play but, it too does not talk

about online transactions and on account of jurisdiction of various consumer forums, it gives only the brief account of pecuniary jurisdiction of the forums. There is a dire need for specific provisions for online transactions where directly consumer is involved. All businesses engaged in e-commerce should ensure that they take account of consumer protection issues.

Oddly though, the Information Technology Act passed by the Government of India deals only with issues relating to hacking, privacy, regulating authority and punishments for wrongdoers. The act however does not focus on the interest of online shoppers, and is, therefore, of limited use to consumers who face problems while shopping online. It is high time that proper regulations for online shopping need to be formulated. The government should either amend the existing CPA to expressly include good and services bought/availed online with procedure for filing complaints or pass a separate act for the protection of online consumers.

There have been quite a few cases filed in the District Forums of Karnataka, Gujarat, Himachal Pradesh and Kerala against online shopping portals. For instance, the District Consumer Forum (DCF), Ernakulam had entertained Mr. Vinodkumar, Ernakulam's complaint against Ebay, India and Shoed Merchant, Mumbai was successfully awarded compensation by the Kerala State Consumer Dispute Redressal

Commission. Similarly, consumers have been successful in their complaints against Naaptol in Karnataka, Gujarat and Himachal Pradesh DCFs. This is good news for consumers as this sets precedent for handling online shopping complaints by Consumer Forums.

The OECD (2016) Council gave certain recommendations on Consumer Protection in case of E-commerce which need to be considered in formulating any legislation.

- Consumers who participate in e-commerce should be afforded transparent and effective consumer protection that is not less than the level of protection afforded in other forms of commerce.
- Businesses engaged in e-commerce should pay due regard to the interests of consumers and act in accordance with fair business, advertising and marketing practices as well as the general principle of good faith.
- Online disclosures should be clear, accurate, easily accessible and conspicuous so that consumers have information sufficient to make an informed decision regarding a transaction.
- Businesses should provide consumers with easy-to-use payment mechanisms and implement security measures that are commensurate with payment-related risks, including those resulting from unauthorized access or use of personal data, fraud and identity theft.
- Consumers should be provided with effective mechanisms to resolve domestic

and cross-border e-commerce disputes in a timely manner and obtain redress, as appropriate, without incurring unnecessary cost or burden.

- It should include out-of-court mechanisms, such as internal complaints handling and alternative dispute resolution. Subject to applicable law, the use of such out-of-court mechanisms should not prevent consumers from pursuing other forms of dispute resolution and redress.
- Businesses should protect consumer privacy by ensuring that their practices relating to the collection and use of consumer data are lawful, transparent and fair, enable consumer participation and choice, and provide reasonable security safeguards.
- Governments and stakeholders should work together to achieve such protection and determine what changes may be necessary to address the special circumstances of e-commerce, including for children and vulnerable or disadvantaged consumers.

### **Impact of E-Commerce on other Trade Channels**

The Internet and e-commerce are transforming the way firms operate by redefining how back-end operations – product design and development, procurement, production, inventory, distribution, after sales service support, and even marketing are conducted (Terzi, 2011). In this process, the Internet and e-commerce alter the roles and relationships

of various parties, fostering new supply networks, services and business models. The end results are efficiency improvements, better asset utilization, faster time to market, reduction in total order fulfillment times, and enhanced customer service (ECLAC, 2002). E-commerce offers important opportunities to both developing and developed countries. The development of e-commerce is likely to have both direct and indirect impact on international trade as well as the labor markets.

The rapid growth of online retail reflected in the deteriorating financials of physical retailers. Over the past years, competition from online retailers such as Flipkart (in books, music and electronics), Myntra and Jabong (in apparel) has eaten into the revenues of offline retailers. Specifically, competition has been intense compelling many to go online even as their net store additions slowed. The operating parameters such as same-store sales growth, conversion ratio and sales per square feet have been on a decline. Offline retailers need to leverage on customer experience. The online business is rich in information but lacks in touch and feel, offline business is rich in touch and feel but lacks in flow of information. When customer buys something offline and leaves the store, there is no behavioral data available on what products customer searched for, what was the customer's preference, which colors he/she liked, which brand he/she liked. But when customer buys online, all behavioral data can be tracked and this data can be used

to provide intelligent recommendations (Ghetika, 2014).

As customers' trust on online market is increasing, products like pen-drive, mobiles, earphones are being more purchased online. Customers get look and feel of the product at offline store and then prefer to purchase online at cheaper rate. To stay in the game, traditional retailers have been working on their internet strategy. For instance, ShoppersStop, which started its online store in 2008, has boosted presence and improved features and user interface to bring its online visage on par with leading e-commerce websites. The company is also trying to leverage its physical network by giving customers the option to return products at its stores. Apart from ShoppersStop, Croma has an online store with options such as store pickup and cash on delivery. Even manufacturers of retail products such as Titan Industries (watches, jewellery, eyewear, etc.) and Aditya Birla Nuvo (apparel - Allen Solly, Louis Philippe, Peter England, etc.) have set up beachheads in cyberspace.

### **The Future of E-Commerce**

E-commerce today is largely driven by price and convenience: a good deal on products that are delivered quickly. Consumer expectations of the e-commerce experience are changing drastically, along with the shopping experience. The desire for instant access and fast turnaround, 24/7, will be the norm driven in particular by millennials and Generation Z consumers (Ovum,

2016). Consumers expect goods advertised online to live up to the promise in everyway – with no disconnect between the ‘fit and feel’ of what they see and what they get. This places great pressure on retailers and those that fail to meet expectations will fall by the wayside.

The report by Criteo (2016) highlights six major trends that have a big impact on e-commerce:

- Consumers will complete most shopping journeys via multiple devices.
- Smartphone shopping will continue to gain ground.
- Merchant Retailers will see a high web influence on their in-store Sales.
- Marketing will shift from being device focused to people-focused.
- Advertising will become more relevant and non-intrusive.
- Instant delivery services will become common.

One of the key determinants of success of e-retailers is their ability to keep track of users across a growing number of devices and touch points, and to figure out how to effectively measure which of those are most effective at driving sales. Retailers have to recognize rapidly the changing trends and adapt quickly to such changes. This includes adopting promising new technologies and embracing partnership opportunities and organizational agility.

## Conclusions

The business organizations certainly depend to a greater extent on Online marketing in future. The trends of growth in all the economies are indicating in clear terms the future scenario in this direction. The growth rate in India is highly impressive and recorded highest in the world during the last few years and the projections revealing the same trend. There are many benefits associated with online marketing to the sellers as well as to the buyers. It contributes to the economic prosperity of the country. The sectors like SME's, agriproducts, handlooms and handicrafts, jute and leather garments, dairy, poultry and marine products, and many other sectors struggling to reach the markets nationally and internationally find online marketing as an effective source to reach the target consumers. These sectors can address the key marketing problems which were the major hindrance for the growth and development of these sectors through online marketing. Therefore, it is necessary for the government to promote online marketing for the overall development of the economy.

It is true that India has emerged as one of the top rated countries as far as the use of mobile phones are concerned. The Internet reach is mostly confined to urban areas. The vast rural segment needs to be provided internet access for the promotion of online marketing. Development of e-infrastructure should be the priority for the union as well as state governments to

promote e-marketing and paperless currency transactions. The growth of online marketing though highly desirable, the problems associated with need to be addressed carefully. Customer information privacy, fraudulent practices, legal jurisdiction, consumer protection, and security and safety are the key problems which require policy regulation from the government. Given the legal and policy support, dependable e-infrastructure, and training on e-marketing skills to all such sectors for which investment on marketing infrastructure is a herculean task, the online marketing certainly prove to be highly beneficial.

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