E-Business And E-Commerce In India: Growth, Models, Challenges And Emerging Trends Of D2C Model In Thirld World Country.

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Abstract:

E-business and e-commerce have significantly changed India's economy by introducing new ways to trade and altering how people shop. They have also created new opportunities for companies in various sectors. The rapid spread of internet access, affordable smartphones, payment systems like UPI, and strong social media presence, along with government-supported tech initiatives, have made India a leading high-speed digital market globally. This study examines the growth path, main drivers, business models, and impacts of online business activities in the country. It also explores emerging trends such as shopping through social apps, mobile transactions in agriculture, and tech services focused on farming. Additionally, it addresses growing concerns about deceptive website practices that affect consumer choices. The information collected from schools, market reports, and online business platforms helps identify current trends and future directions. Although e-commerce has opened new doors for many, issues such as shopper safety, shipping delays, technical literacy, and fair practices by websites still require significant attention.

Keywords: -E-business, e-commerce, India, digital marketplace, social commerce, mobile commerce, agritech, dark patterns, consumer protection.

1. Introduction: -

India is experiencing a digital economic transformation, fueled by rapid technology improvements, widespread use of digital payments, low data costs, and extensive mobile connectivity. E-business and e-commerce play a key role in this change, impacting retail, services, logistics, agriculture, and MSMEs. E-commerce refers to buying and selling goods and services over electronic networks, primarily the internet. E-business is a broader term that covers all digitally-enabled internal and external business processes, including procurement, marketing, customer relationship management, supply chain management, and data analysis. Several factors have led to the significant growth of India's e-commerce market, including:

- Over 820 million internet users.

-Adoption of UPI for affordable digital payments.

- Increased smartphone and internet use in both rural and urban areas.

- Growth of online marketplaces like Flipkart, Amazon, and Meesho.

- Strong government support through initiatives like Digital India.

- Increased digital adoption due to COVID-19.

2. Literature Review: -

2.1 Evolution of E-Business and E-Commerce

The evolution of E - Business has three major phases:

1. Early Phase (1996 to 2005): Portals such as Naukri, IRCTC, and MakeMyTrip

2. Expansion Phase (2005 to 2015): Entry of Amazon and Flipkart, growth of online retail and travel

3. Digital Acceleration Phase (2016 to present): UPI, 4G revolution, Jio entry, e-wallets, and modernization of logistics

According to the definition by global scholars like Kalakota and Whinston, e-business is the change of key business processes through digital technology.

2.2 E-Business Models in India

There are several models of Indian digital commerce:

1. Marketplace Model: Platforms act as intermediaries.

Examples: Amazon Marketplace, Flipkart, Meesho.

2. Inventory Model: Companies own and sell goods directly.

Examples: BigBasket, FirstCry (partially inventory-based).

3. Aggregator Model: Brands come together on one platform but run their operations separately.

Examples: Ola, Oyo, Uber.

4. Subscription Model: Customers make recurring payments for services.

Examples include Netflix, Tata Play Binge, and Amazon Prime.

5. Advertising Model: Revenue comes from ads.

Examples: Google, Facebook, YouTube.

6. Affiliate & Commission Models: Influencers or partners drive sales through links.

Examples include Amazon Associates, Meesho Resellers.

2.3 Social Commerce in India

Social commerce combines social media with online buying and selling.

In the Indian scenario:

• It is expected to reach $84 billion by 2030.

• Key platforms include Instagram Shops, Facebook Marketplace, and WhatsApp Business.

Meesho has made online entrepreneurship accessible, allowing anyone to resell products using catalogs.

Research shows that social commerce builds greater trust due to peer recommendations and conversational buying.

India's more than half of the seller base hails from seven cities, creating seller hubs
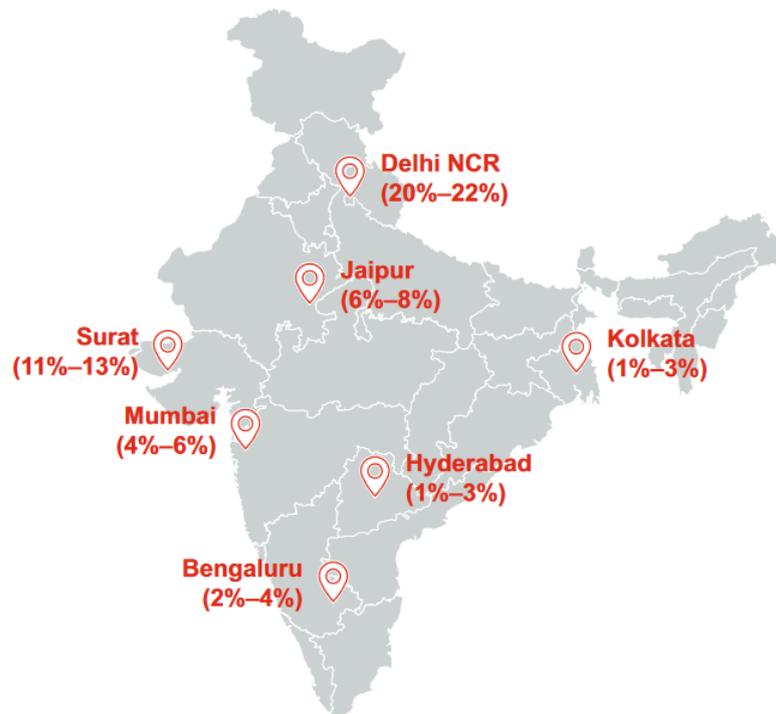
2.4 Mobile Commerce M-Commerce in Agriculture

Agritech platforms show how e-business goes beyond retail.

Kisan Network :

• Farmers upload crops through the app.

• Instant matching for buyers.

• Up to 8% commission, which is much lower than traditional middlemen.

DeHaat,AI-based advisory

• 1423+ physical touchpoints.

• Crop-specific notifications and marketplace links.

Ergos GrainBank

• Allows farmers to store grains digitally.

• Grain becomes a tradable digital asset.

• Farmers can take credit against stored grain.

These examples show how m-commerce improves rural efficiency, transparency, and income.

2.5 Dark Patterns and Consumer Protection

1. Drip Pricing

You're not just dealing with hidden fees. The real issue is this: Platforms hook you with a low price, which makes you mentally commit.Only after you're mentally locked in do they add convenience fees, service charges, handling fees, and so on. It plays on the sunk-cost fallacy. Travel, hotel, and food delivery apps are the biggest offenders.

2. False Urgency

It's rarely genuine. Most e-commerce sites create urgency with: Fake inventory counters, like "Only 1 left!" when there are actually over 200 in stock. Fake time-limited deals, like "Sale ends in 2 hours," but they reset daily.Unrealistic countdown timers. This pushes impulse buys and discourages careful comparison.

3. Subscription Traps

This is a major issue."Free trials" that automatically renew without a reminder.Canceling is hidden behind ten steps with confusing buttons. You see a dark "Cancel" button versus a bright "Continue subscription" button. They make you call or email to cancel, while signing up is easy and instant online. They depend on sludge—friction that keeps you subscribed.

4. Interface Interference

This goes beyond just a messy user interface. It includes: Misleading button hierarchy, like a bright "Accept All" next to a dim or hidden "Reject." Pre-selected checkboxes, like marketing permissions being automatically opted-in.Ads that look like they are part of the content. The whole aim is to guide you into choices that benefit the platform, not you.

5. Confirm-Shaming

This is a guilt trip designed to pressure you. Examples include :"No, I don't care about saving money." "No, I prefer paying more later."

It takes advantage of social emotions to force you to comply.

6. Forced Action / Action Bias Manipulation

You can't move forward unless you take an action that benefits the company instead of you. Examples include: Mandatory account creation to see prices. "Add a backup payment method before continuing." Forced app installation when checking out on mobile.This disguises data collection as necessary steps.

7. Privacy Zuckering

Yes, it's named after Zuckerberg. This happens when platforms subtly trick you into sharing more data: Default settings that allow broad data sharing. Privacy controls that are hard to find.

Confusing language, like "Allow personalized ads to enhance your experience." It undermines user consent while pretending to give you a choice.

8. Nagging / Obnoxious Persistence

You face repeated prompts that wear you down: Constant requests to "Turn on notifications."

Pop-ups that keep coming back even after you reject them.Requests for app ratings every few minutes.This relies on psychological fatigue to manipulate you.

9. Misdirection

You're intentionally led to the wrong choice. Examples include: Ads made to look like download buttons. Tiny "X" buttons on ads that people often miss. A green "Agree" button compared to a grey-hidden "Decline" button. This uses visual hierarchy against you.

10. Sneak Into Basket

Products or paid add-ons added automatically at checkout: Travel insurance is pre-selected. Donations are checked by default."Priority shipping" is chosen without your input.You have to actively remove these unwanted items.

10. Disguised Ads

Ads that look like legitimate content: News feed ads that mimic posts. Sponsored results mixed with organic search results. Influencers who hide #ad labels. This decreases transparency and misleads users into trusting promotional content.

12. Roach Motel

It's easy to join, but hard to leave. Classic examples include: Signing up for a service with just one click. Canceling requires emails, calls, and verification loops.Automatic re-logins after you try to deactivate.This is designed to keep you in by creating friction.

13. Obscured Defaults

Companies use default settings to take advantage of your inattention: Default opt-in for tracking. Default highest-cost delivery option.Default subscriptions to newsletters.Most users don't change defaults, and platforms benefit from this.

3. Methodology: -

The study follows a secondary qualitative research approach:

• Course PPTs and academic literature

• Published industry reports Bain Deloitte, Statista

• Company case studies: Meesho, DeHaat, Kisan Network, Ergos

• Government guidelines: CCPA, Digital India framework
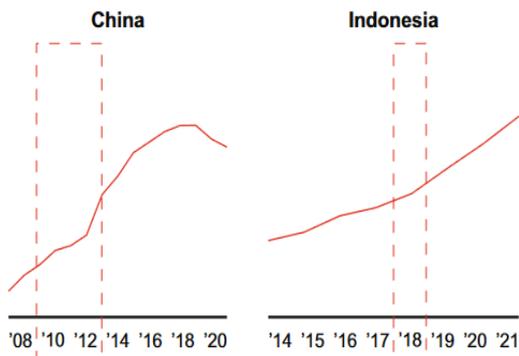
News articles and whitepapers

The data is synthesised to present an integrated understanding of e-business and e-commerce in India.

Affluence: GDP per capita

GDP[1] per capita growth (esp. beyond $4K) drives growth in e-retail spend per shopper
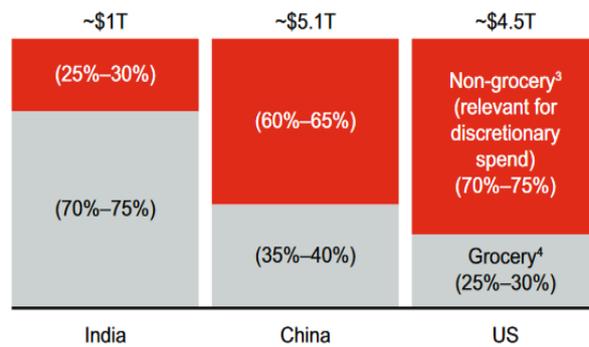
This is driven by increase in non-grocery category consumption (relevant for discretionary spend)

GMV per shopper ($)

Retail market[2] split by categories across geographies (CY22)

-20pps Decline in China's grocery salience over the last decade with growing affluence

4. E-Business and E-Commerce in India: An Integrated Analysis:-

4.1 Drivers of Digital Commerce Growth

1. Smartphone and Internet Penetration: India has one of the lowest mobile data rates in the world. This has led to widespread adoption.

2. Digital Payments Ecosystem: UPI • Bharat QR • Digital wallets • Net banking UPI itself handles billions of transactions every month.

3. Logistics and Supply Chain Transformation • Faster last-mile delivery: Hyperlocal delivery (Dunzo, Zepto), warehouse digitization

4. Government Initiatives: Digital India, Startup India, ONDC: Open Network for Digital Commerce

5. Pandemic-led Acceleration: COVID-19 pushed even first-time rural users into online buying.

Source: Inc42
Note: This is not an exhaustive list

Inc42

India's Ecommerce Startup Landscape

4.2 Impact on Businesses Small Businesses:

 - Access to large markets

- Low investment through social commerce

- Digital cataloging and storefronts Large Companies

- Data-driven decision making

- Improved CRM

- Omni-channel operations Agricultural Sector: - Better price discovery

- Easy access to inputs

- Reduced role of intermediaries

4.3 Challenges in Indian E-Commerce

1. Logistical Challenges in Rural Areas: -Delayed delivery; limited pin-code coverage.

2. Consumer Trust Issues: -Fake products, wrong delivery, and poor return experience.

3. Digital Illiteracy: -Many new users require assistance.

4. Cybersecurity Threats: -Data breaches, phishing, payment frauds.

5. Dark Patterns: -Manipulative UI reduces customer trust.

5Findings

- 1. India is becoming a key player in global digital commerce.

- 2. E-business models are evolving, including marketplace, aggregator, and subscription systems.

- 3. Social commerce and mobile commerce are expanding much faster than traditional online retail.

- 4. Digital agriculture platforms are changing rural markets.

- 5. Consumer trust remains a major factor in online transactions.

- 6. Dark patterns pose a risk to ethical digital business.

- 7. Government regulation is needed for digital markets to remain transparent.

Organisation Name	Network Stores or Merchants	Food Delivery	Average Order Value (AOV)	Monthly Transacting Users (MTU)	Profitability
bb now (A TATA Enterprise)	400-500+	No	500-550	Not Available	No
blinkit	1000+	Yes	707	8.9 Mn+	No
magic NOW!	3K+	Yes	Not Available	Not Available	No
instamart SNACC	700+	Yes	534	7 Mn+	No
swish	Not Available	Yes	250-300	Not Available	Not Available
zepto	750+	Yes	450-550	4 Mn+	No
ZiNG	<100	Yes	220-320	Not Available	Not Available
quickies	475+	Yes	Not Available	Not Available	No

6. Conclusion: -

E-business and e-commerce in India have shifted significantly from traditional commerce to digital interaction powered by technology. The rise of marketplaces, social commerce, and agricultural services on mobile devices shows the inclusiveness and potential of India's digital economy. While this segment is experiencing strong growth, it also faces challenges like unethical design practices, logistical gaps, and issues with digital literacy. Improving regulation, increasing transparency on platforms, investing in rural digital infrastructure, and raising consumer awareness are four key factors that will support sustainable growth. Innovation, trust, and inclusive digital participation are essential for India's future in e-business.

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