



## Rising online shopping trends –Role of youth in transforming Indian e-commerce economy –perspectives & challenges

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**Abstract:** Youth contributions to today's growing economy are rapidly shifting & due to this contribution, Indian youth are considered as trend setters. India has 50 crore people below the 25 age bracket which makes up to nearly half of the population. Nearly 65% of the Indian population is below the age of 30. These youth are playing a key role in Indian consumer Today youth are managing their funds with high level disposable income as pocket money. They are ready to experiment hence they are eyed. They can be reached on line because they have lot of free hours. All top branded clothes, mobiles, computer accessories, new electronic gadgets manufacturing companies' eye on these youth as probable consumers. As youth trend changes every day companied vie with each other to catch them online

**Key words:** Youth, change in economy, change in society, online availability, consumer focus groups.

**Introduction:** Youth especially students are attracted to shopping because through globalization Indian society is undergoing a transformation which was unseen & unheard of even 20 years ago. There is a change in children up-bringing patterns, as both parents work to create a good life style for their children. There is a change in lifestyles as globalization has liberalized the Indian economy & the purchasing power of the people is mounting. Material culture has stepped in & children often are exposed to shopping culture even before they are born. There is growing change in the atmosphere as well. The growth of hangout places, mall culture, café culture, Bazaar culture etc has lead children to embark upon shopping spree. Parents busy earning for the family, children freak out with their friend towards shopping malls. The youth have several dreams about fashion & e commerce companies have been serving these aspirations with style.

### Challenges of on line shopping

**On line fraud** - Online payment is not preferred hence companies are offering cash on delivery facility. Internet connectivity is still to spread in India as smart phones users are still less internet is the backbone of e-commerce hence internet penetration is very less absence of cyber laws IT bill of 2000 even though controls e-commerce deceits payment & tax related issue remain unprotected

**Sale of second hand stuff:** there is a danger of sale of second hand stuff . There are chances of delivering old goods , sale of copied brands , sale of cheaper goods in the name of branded stuff , delayed deliveries in the name of postal delays , delay in address finding etc.

**Penetration of credit card-** penetration of credit card is very less 2 % hackers number is also increasing as on-line



shopping offers easier faster attractive they explore the fashion sphere

**Availability of EMIs-** This is another attraction as easy installments are available for payment.

**Price wars with online shoppers-**

But there is a challenge of building categories online, user-experience on the

1. Binny Bansal from Flip cart
2. Rohit Bansal form Snap deal

site, user friendly apps, supply-chain innovation - customer demands which will shape the strategy for e-commerce companies.

There are several brilliant online shopping entrepreneurs who are spearheading the scenario

3. Mukesh Bansal from Mynthra

Sl. no	Shopper	Owned by	year	deals in
1	Flip cart	Binny bansal & Sachin bansal	2007	Mobiles, cosmetics , MP3 Players , smart phones , books , magazines . I phones , I-pads , tablets , lap tops , electronic items , film CDs ,Camera accessories , perfumeries
2	e-bay .in	Perry omidiyar	1995	Apparel saris , teen dresses , electronics , Nike shoe s, Samsung appliances , kitchen ware products, fans , eye wear , kids wear, perfumeries
3	snapdeal.com	Kunal Bhal & Rohit Bansal	2010	women wear, saris , legging s, jewelry , home décor , carpets , linen, upholstery , eye wear , kids wear , perfumeries
4	home shop 18	Network -18	2008	jewelry , kitchen steel , decorations , gift ,articles , eye wear , kids wear , perfumeries
5	mynthra.com	Mukesh Bansal	2007	apparel . T shirts ,Jeans Shoes , teens dresses , health care products, lingerie , eye wear , kids wear , perfumeries
6	Future bazaar.com	Future Bazaar Pvt. ltd	2005	Kitchen products, provisions , lights , decorative works , steel wear products furniture , plastic wear , molded furniture , garments , wall mounts , computer accessories , new gadgets , apparel , festive products, home furnishings , travel accessories , health care products, perfumeries



These three youth entrepreneurs have changed the whole scenario of online shopping.

### Rising investments in E commerce-

Consulting firm Techno pak Advisors estimates India's digital economy at \$600 million currently, with the potential to balloon to \$70 billion by 2020. Only those companies that can successfully engage customers through novel ideas, quality products and seamless services will flourish. May be it is sheer genius, or simple common sense the e-retail hero has been able to accomplish all this during its formative years. With close to 250 million internet users, Indian e-commerce industry has been a land of opportunities for institutional investors. Besides Tiger Global, Sequoia, and Naspers among others, this year Indian e-commerce segment also drew the attention of new investors like DST Global, Soft Bank, Black Rock, and Sofina etc.

1. The financial service arm of the Japanese telecommunication and internet corporation, Soft Bank Internet and Media, Inc. ('SIMI') committed \$627 million funding in New Delhi-based online marketplace, Snap deal. Following the investment, Soft Bank became the biggest stakeholder in the company.

2. In February this year, Kunal Bahl-led Snap deal amassed \$133 million funding led by eBay, Kalaari Capital, Nexus Venture Partners, Bessemer Venture Partners, Intel Capital and Saama Capital.

3. Mukesh Bansal-led Myntra secured \$50 million (about Rs.300 crore) investment led by Premji Invest along with existing investors Accel Partners and Tiger Global.

4. Grocery and veggie retailer Bigbasket snapped up \$33 million from Helion Ventures, Ascent

Capital, Zodius Capital and Lionrock Capital in September this year.

5. Fashion e-commerce major Jabong secured \$27.5 million (Rs 173 crore) from British development finance institution CDC in a deal in February 2014.

6. Furniture retailer Urban ladder closed \$21 million (approx Rs.120 crore) Series B funding from Stead view Capital along with the existing investors, SAIF Partners and Kalaari Capital, in January this year.

7. Online baby care portal First cry received \$15 million funding (Rs. 92 crore) from Vertex Venture Management, a subsidiary of Singapore's state run investment company Temasek Holdings.

8. Web-based fashion discovery platform Limeroad raised \$15 million investment from New York-based Tiger Global, including existing investors, Lightspeed Venture Partners and Matrix Partners, India.

9. Furniture and home products marketplace Pepperfry raised \$15 million funding led by Bertelsmann India Investments (BII), including Norwest Venture Partners (NVP).

10. Smile Group-backed flash sales portal Fashionandyou secured \$10 million (Rs. 60 crore) from its existing partners — Sequoia Capital, Smile Group, Norwest Venture Partners, Intel Capital and Nokia Growth Partners — and a new investor in June this year (via).

11. Online Indian ethnic wear store Cbazaar received funding of Rs. 30 crore to Rs 50 crore from private equity firm Forum Synergies among others (via).

12. Online lingerie store PrettySecrets pulled off \$2 million



Series A round led by Rehan Yar Khan of Orios Venture Partners and co-invested by India Quotient along with participation from prominent angel investors like Anupam Mittal and Ravi Gururaj.

13. E tailer of funny and quirky products Happily unmarried secured \$0.65 million (Rs.4 crore) from Info Edge. The investment was done through optionally convertible cumulative redeemable preference shares.

**Conclusion** –Thus youth are becoming online savvy and even though there is a great boost to economy, there are several challenges which can threaten the economic growth. Majority of the youth are not satisfied with what they purchase, hence they would like to return their purchases. They try to repeat this attitude. This consumer remorse is a global challenge. Returning of purchased goods is expensive besides it hits e-commerce markets. With close to 250 million internet users, Indian e-commerce industry has been a land of opportunities. Only those companies that can successfully engage customers through novel ideas, quality products and seamless services will flourish. But there is a challenge of building categories online, user-experience on the site, user friendly apps, supply-chain innovation - customer demands which will shape the strategy for e-commerce companies.. Youth should reflect sheer genius, & simple common sense in online shopping. Youth have to be beware of the online frauds & time spending before opting for online shopping.

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