

Indian Consumer Moving Towards Digital world: The New Era Of Transformation

Dr. Abhijit R. Gajghate

Associate Professor, Department Of Business Management

Madhukarrao Pandav College Of Engineering, Bhandara (India)

Abstract

The Indian consumer is adopting the technological changes with open arms. This is also a need of time as it helps to bring greater accuracy and higher productivity in smaller areas with fewer people. Improved purchasing power of the Indian consumer, average economy (due to orders, lower prices) as part of savings on distribution costs are passed on to consumers), and easy purchases have provided significant improvements in digital trading. Growing up, the only digital way to be paid for worldwide is by digital wallets. Payments using a mobile phone have undergone a paradigm shift over the past six years and an increase in payment methods such as UPI, mobile wallets, Bharat Interface for Money (BHIM), Bharat QR and Unstructured Supplementary Data (USSD). The growth of online purchasing in India has contributed to dramatic growth in data usage, which is projected to increase to 10, 96, 58,793 million MB by 2022 (ASSOCHAM, Mash i 2019). As a result, new opportunities are being created in the field of IT design applications, payment methods and hardware. The tangible benefits that accumulate in the national economy by supporting a digital workplace style and transaction are a way to prevent unfair, corrupt and building transparent practices. The Reserve Bank of India (RBI, 2021 Vision Document) has predicted a 50 percent increase in mobile based payments options. The E-commerce business in India is expected to grow from \$ 38.5 billion in 2017 to \$ 200 billion by 2026.

Keywords: *Ecommerce, Digitalization, Payment Gateway, Productivity, Digital services, Digital era.*

1. Introduction

The center for connecting the physical world with the Internet and other data networks has far-reaching social implications on all sectors. It is now possible to monitor and manage operations thousands of miles away, track supplies as they cross the ocean, collect weather data or detect changes in blood pressure in a diabetic which may be a sign of a heart attack. In addition to the emergence of information technology, it redefines the way we interact with our environment in many ways, and creates computer-assisted ways of doing business, managing public infrastructure, and organizing people's lives in ways that have never been done before. The impact of the digital economy, the E-commerce shoot, is no longer limited to urban centers in the developed world. Local borders are narrowing and many countries are turning to connecting rural and remote areas. India is participating in new trading systems and methods in a big way, as evidenced by buying patterns. A high school student in a small

town now chooses to buy certain items online. In such a situation, no company can ignore the emerging trends by in spite of its.

India is really determined to add to its own flavor and make it the engine of social economic growth. The evidence is also in the numbers. Most of the digital natives, or those born with the word cyberspace heavily embedded in their brains and lives, probably would not have realized that compared to India's 70 years of independence, the internet in the country is still young at 3 years old. [May change '3-year-olds' to very young ones'] In rural India, a group of people do not have access to the Internet; this huge market offers a huge opportunity to grow which will contribute to the increase in online population in the next few years. With 451 million active Internet users by the end of the 2019 financial year, India is now second only to China in terms of internet users, according to a report by the Internet and Mobile Association of India (IAMAI).

2. Policy Outcomes

First, the use of digital technology requires mental, social and emotional skills, as well as technical skills that help respond to rapidly changing technologies and their widespread adoption. According to the 2016 'world Development Report', this multiple skills has always been important, but now we cannot move forward without it. It is time for our technical and administrative institutions to revise their curriculum to incorporate all of the above features instead of promoting memorization.

Second, the flow of information across borders is decisive to the functioning of the digital economy, as well as to the producers of goods and services that rely on it. Any obstacle to the free flow of information can have a negative impact on the growth of E-commerce. For example, a recent government initiative to 'local data processing' is likely to hinder digital flow within and outside India. While data protection and safety are most important, limiting digital flow alone will not guarantee the same. The answer lays in the strict data protection laws that govern that digital flow beyond the borders.

Third, as the digital economy relies heavily on intellectual property, efforts must be made to enforce strict protection to licenses, patent and copyrighted work, whether in India or elsewhere. For example, the Indian Patent Act does not allow for "software per se" authorization. Although there is a heated debate even in the US about software patents; the worthiness of software patents in the digital economy needs to be reconsidered.

We also need to enhance the infrastructure and capacity of patent offices in the country so that Indian developers consider patenting in India seriously, before proceeding to filing their patents at the US Patent Office and Trademark office. As patents are inherently authoritative in nature there are long-term benefits of promoting and encouraging of patents filling in India.

Fourth, the use of digital technologies has change a business model and provided new revenue and value producing opportunities from buyer to seller has varied from business to the average person - consumer and retailer. People's cognitive skills, especially in India, vary greatly due to different levels of literacy. Therefore, product / service designers, developers and project managers must make a concerted effort to ensure that digital implementation does not leave the masses behind and that greater digital diversity is not created.

3. The Impact Of The Digital Economy

Key areas that have had a positive impact on digital ethos and contributed to the growth of the digital economy in India include:

- Educate and empower citizens digitally.
- An opportunity for every citizen to use digital infrastructure.
- Access to resources and governance as required.
- Introduction to digital payments, making it possible to bring the unbanked on board.

Overall, India's economy is growing well because of digitalization. Many sectors, such as agriculture, health care and education, are benefiting from the connection to the growing digital economy. Products like the BHIM app and forums like UPI-integration make it easy for people to transfer money.

India is also one of the leading countries when it availability comes to the emergence of payment systems. Services such as Aadhaar, Jan Dhan, Mobile availability and demonetization have made it easier for many people to use digital payment systems. Due to the widespread adoption of biometric and digital systems, India is expected to make use of plastic payment systems on a large scale and has one of the most advanced financial systems in the world. India aspires to be a leader in various international social media platforms. This is reinforced by the growing technology, the energetic private industry, the rich political history, the potential of entrepreneurs and the enthusiasm to emerge above all. For India to maintain its leadership in information technology, it is important that digital technology is used to improve public services, bring in investment and develop effective trading methods. Everyone, including the social sector, is on track to reap the benefits of becoming digital. We have seen significant growth in sectors directly linked to government programs. For example, the 'Smart Cities' campaign will contribute to the promotion of the construction industry, the infrastructure sector and the steel and concrete industry. 'Make in India' and 'Digital India' have successfully opened new technology channels. Some market leaders have started making electronic products in India. The 'Skill India' campaign should promote digital infrastructure by allowing for greater expansion of skills development, using technology as a means of mass provision.

4. Literature Review

E-commerce: Business, Technology, Organization. By Kenneth C. Laudon and Jeffrey Travis, Pearson, 2001 edition.

It provides an overview of the current and next generation of e-commerce, emphasizing the three major driving forces behind E-commerce: business development, technological change, and social conflicts. How E-commerce supports the interests of three different groups namely business, IS / IT development, and computer science applications, is clearly stated.

Consumer Behavior: Digital Native, 1e, by et al. By Varsha Jain, Jagdish Sheth, August 2019, Pearson Education, First Edition 2019

The book explains how consumer ideas are developed through the five senses, and includes product strategies that integrate technology and communication to facilitate digital natives in their purchasing process. The book goes on to describe its attractive form of business in the digital environment with its various features and its impact on consumer behavior in a variety of products, categories and services.

The Essentials of E-Business leadership Digital Transformation: Written by Patel, paperback edition, 2000.

Given the amazing success of business pioneers like Cisco and FedEx, there can be no doubt that the future of the business is inextricably linked with the internet. Written by senior e-business strategists at KPMG Consulting / Metrius, Digital Transformation provides managers with a roadmap to guide their companies in business-to-e-business transformation.

Based on, for the most part, in broad discussions with those at the forefront of e-business transformation, Digital Transformation cuts out the propaganda and chaos surrounding online business to unleash the basic principles of the ongoing digital transformation:

- Managers learn from the 'source' how to make the transition to a fully functional online organization.
- Includes tips and information from Cisco CEO John Chambers, Dan Shulman, and President of Priceline Com and other e-business gurus.
- It explains why some companies have been so successful while others have tried and failed.

This book is a brief overview of the impact of the Internet on businesses of all kinds. It starts with B2B e-business success stories like Cisco, FedEx and Ingram Micro its business volumes on the web are a few hundred times larger than famous B2C companies like Amazon.Com and Yahoo. The most important factor for success in e-business starts with the right perspective of senior management and this book provides a simple and effective framework that combines business drivers with technology and e-business strategy.

'Digital Transformation' as defined by KPMG is not just the transformation of text, images, voice and video into a digital genre but also involves changes in the associated business processes. Once the vision and strategy are implemented it is important to accelerate and achieve the "first profit of the movement" since in the new economy it becomes the first movers to go with all the marbles. Each chapter is presented with B2B and B2C challenges and in each case the business model is well presented.

Consumer Behavior, Leon G.S. By Leon G. Schiffman, 10th edition, 2019

This book examines how the use of consumer behavior is important in planning, development, and implementation of marketing strategies. It captures the impact of new media on consumer behavior and focuses on advertisers' ability to learn more about customer purchases so that the strategy can be used more accurately. The authors have added extensive cases, interviews, and relevant examples to Indian consumers and markets, creating a global perspective and making this pioneering book very interesting.

Two points that E marketers should consider are: a secure company website and a guarantee of delivery of their products to customers in a timely manner, both of which have a positive impact on consumer online behavior as changing attitudes make a huge contribution to online shopping. Confirmative practices also have a positive effect on consumer behavior, which means that when more people propose to buy electronically, this form of buying will become more popular with people and expand the market. Word of mouth is probably the most important aspect of marketing for retailers. The next aspect of profit for marketers is the establishment of a special domain that means that marketing professionals must direct a certain segment of the community in order to be more effective in their marketing entry (Khan & Chavan, 2015).

People have a suspicious attitude about online marketing of products and services primarily due to security concerns related to the privacy of personal information. This feature should be properly considered by companies involved in online marketing of products and services. Building trust relationships should be another platform for online trading companies. Advertising schemes should be launched to promote e-marketing business. Advertising for web products and services is one of the major problems when companies fail to attract potential buyers. Advertisements and their frequency should be high enough to place products and products in the consumer attitude. From the nutshell we can conclude that electronic marketing has the potential to grow, the only improvement that needs to be done both at the manufacturer and consumer level other than government efforts (Hooda, Gandhi & Aggarwal, 2012).

In the coming years, the number of internet users will grow in maximum number due to the widespread availability of personal computers, laptops and mobile phones, and the low cost of internet usage, charges.

A key factor contributing to the increase in online shopping in India is the increase in cyber café, the increase in the number of computer users and the easy availability of internet and Wi-Fi facility for Indian population. Many people have begun to rely on online shopping. Most Indian customers will shop online and the frequency of online shopping customers is exceeding internationally (Aggarwal, 2014).

Consumers make daily purchasing decisions and managers or advertisers try to understand why, when, where and how consumers make their purchasing decisions. One complex task of managers is to understand consumer purchasing behavior in order to align their efforts with consumer interests. The study provides information on all the key aspects of consumer purchasing

behavior namely, the impact of marketing and sales promotion, as well as the level of involvement in day to day buying behavior. Analysis should help to illuminate the artistic aspects of advertising, the introduction of new technological products and market segregation (Miremedi & Kazemzadeh, 2013).

Research by Ramanuj (2009) demonstrates the importance of understanding consumer behavior and highlights the different aspects of consumer psychology. It covers topics such as consumer motivation, consumer perspective, and consumer personality. Research shows how consumers behave in their social and cultural settings, the impact of personal factors, and the impact groups refer to consumer behavior. It also describes consumer decision making and the various categories involved in product selection, post-purchase behavior and, importantly, six well-established models recommended by experts on consumer behavior.

Smith & Rangaswamy (2003) answered the following important questions for managers in the service industry: (a) Are the levels of customer satisfaction and reliability of the same service different when customers choose an online service compared to offline? If so, what factors might explain this difference? (b) How does the relationship between customer satisfaction and online loyalty differ from that of offline? The authors proposed a conceptual framework and developed hypothetical theories about the effects of online communication on customer satisfaction and trust, as well as on the relationship between satisfaction and trust. They explored hypothetical ideas for a mathematical model simultaneously using two sets of online and offline customer data sets in the hospitality industry. The results are somewhat different because they show that although the levels of customer satisfaction of the selected online service are the same as when selected offline, loyalty to the service provider is higher when the service is selected online rather than offline. It has also been found that loyalty and contentment are so closely intertwined that each strengthens the other, and the relationship between total satisfaction and honesty is further strengthened online.

5. E-Commerce Trends

1. Rise of the 'Phygital' stores many retailers, especially in the fashion & lifestyle category have set up Phygital stores namely a combination of classic and digital retail. An example of the Indians is that of Firstcry which started in 2012 operating with 300 franchise shops. Similarly, Myntra started the visual 'Roadster' shop in Bengaluru without its online activities.

2. 'Experimental marketing' this term means that many customers, especially Indians, need the taste of physical shopping even though they usually shop online. In India, more than 50% of Indian buyers, including online shoppers, visit the physical market.

3. Social Trade Growth a total of 93% people is spending its leisure time on social commercial sites. Social networking sites such as Pinterest and Instagram contain major shopping features; Meesho even helps website viewers to start their own online businesses.

4. A bright future for E-commerce services Indian E-commerce companies are poised to surpass the 100 billion mark over the next five years. That Flipkart can make \$ 100 in a single day with its

Big Billion Day sale is amazing! This comes with major job opportunities in logistics, inventory management and vendor management. In addition, firms such as Equirus Capital support E-commerce firms to raise money.

5. Giving wings to business through AI and VR Digital giants like Google and Microsoft are investing heavily in AI-related efforts. Recent media outlets have predicted that approximately 85% of customer communications will be managed without people by 2020. LensKart, a US apparel company, has invested \$ 1 million in USbased Ditto.

6. Retailers looking at rural markets Revenue from India's E-commerce sector is estimated at \$ 120 billion by 2020. With the acquisition of India's largest rural market, some established internet companies have made their way into offline stores. Online fashion brand Limeroad, Xiaomi mobile and accessories company and fashion retailer Raymond have drawn up plans for offline stores; Limeroad will open 300 stores. The success of these companies will set the tone for other entrants.

7. Niche E-commerce Verticals Despite the large 75% share of the online market share demanded by Amazon and Flipkart, there are a few small players who cater to different customer needs and are prepared to make their presence sound like Verticals. However, to stay afloat these Verticals need to have a reliable customer base and marketing knowledge.

8. Indian Government Initiatives New India's new mindset has found greener pastures in the growing purchasing power of Indians, support under Government Start Up and Skill India programs and improved trading systems. First, the introduction of GST not only exposes business transparency but also tends to eliminate unhealthy, unscrupulous trading practices. The growth in the use of smartphones and the emergence of new government-sponsored payment systems are in line with the goal of opening the way for business development at the national level. According to one report, worldwide India has the highest rate (41%) of E-commerce sales based on mobile phones (Table 1). Flipkart and Quikr make up 50% and 70% of their revenue through mobile apps. The proliferation of cell phone use and new government initiatives has given impetus to the behavior of business-minded entrepreneurs.

6. Inhibiting Role Of Low Speed Data

Recent speed test reports report that the speed of mobile internet in India is among the worst in the world. India's mobile data speed is lower than most of its neighbors, including China and Pakistan. The countries rank on this on this global list has been relatively low for the past few years. Speaking of mobile internet speed, countries like Canada, South Korea and Switzerland as well as Arab countries like Qatar and the UAE are at the top of the list. The next technological breakthrough in mobile phones that promises to download faster to 5G, is delayed and is only expected in two years, even at relatively advanced rates.

7. E-Commerce Limits

7.1 Technical Limits

- There is a lack of system security, reliability, standards, and other communication standards insufficient telephone network bandwidth.
- Software development tools are still evolving and changing rapidly.
- It is difficult to integrate internet and E-commerce software with other existing applications and websites.
- Vendors may require special Web servers and other infrastructure, in addition to network servers.
- Some E-commerce software may not be compatible with certain hardware, or may not be compatible with other operating systems or components.

7.2 Non-Technical Limits

• Costs and reasons: The cost of developing E-commerce in-house can be very high, and errors due to lack of information may cause delays. Then, not many players are well versed in outsourcing. In addition, in order to justify the system one has to face certain intangible benefits such as customer service development and advertising value, which is hard to forget.

• Security and privacy: These issues are of paramount importance in the B2C area; especially security issues are seen as more sensitive than they really are when proper encryption is used. Privacy measures need to be constantly improved as this feature is considered important for online consumers. The E-commerce industry may have to work long and hard to convince customers that online and private transactions are truly safe.

• Lack of trust and consumer resistance: Customers do not trust an anonymous seller (sometimes not even a well-known seller), paperless transactions, and electronic money. So moving from reality to virtuality can be difficult. Another limiting factor: Lack of touch and feel online. Some customers like to touch things like clothes and like to know exactly what they are buying.

• Many legal issues have not been resolved, and government laws and standards are not adequately defined in most cases.

• The e-commerce industry, as a rule, continues to change rapidly. Most people want a stable place before they get into it.

• There are not enough support resources. For example, patent centers for E-commerce activities do not exist, and high-quality inspectors, or trained E-commerce tax professionals, are rare. • In many systems there are not enough vendors and buyers yet for profitable E-commerce operations.

8. Conclusion

While services such as emails, social media and online shopping are rampant in urban India, it is entertainment in the form of video and audio content that drives the use of internet for use in rural areas of the country. However, with the trend of new-generation consumers taking digital literacy and online shopping, E-commerce businesses have a bright future although consumers will have the option to take both offline and online. In addition, as AR and VR begin to grow, advertisers will be allowed to own digital-built stores around the world; and consumers, will have the

convenience of buying products at their home with the touch of hands and voice controls.

While services such as emails, social media and online shopping are rampant in urban India, it is entertainment in the form of video and audio content that drives the use of internet for use in rural areas of the country. However, with the trend of new-generation consumers taking digital literacy and online shopping, E-commerce businesses have a bright future although consumers will have the option to take both offline and online. In addition, as AR and VR begin to grow, advertisers will be allowed to own digital-built stores around the world; and consumers, will have the convenience of buying products at their home with the touch of hands and voice controls.

References:-

1. Jani, Jinal, and Girish Tere. "Digital India: The Need for Hours." *International Journal of Advanced Research in Computer Science and Software Engineering* 5.8 (2015): 317-319.
2. Sharma, S. K., Lama, V., & Goyal, N. (2015). *Digital India: A Digital Focus on Digital-Enhanced Information*. *Indian Journal of Applied Research*, 5 (10).
3. Quibria, M. G., & Tschang, T. (2001). *Information and Communication Technology Poverty: Asian Vision* (No. 12). ADBI Research Paper Series.
4. Kapur, D., & Ramamurti, R. (2001). India's emerging competitive advantage in services. *Academy of Management Executive*, 15 (2), 20-32.
5. Keeble, D. and Wilkinson, F., 2017. *Collections of advanced technology, networks and collaborative learning in Europe*. Routledge.
6. Kumar, S. and Kumar, V., 2017. *Integration of B2C M-Commerce Success Technology in India: Opportunities and Challenges*. *IUP Journal of Information Technology*, 13 (1).
7. Mckinsey.com, 2017. *The Indian Economy: Why Growth is now available*
8. Medianama.com, 2019. *Maharashtra, AP and TN have the highest number of broadband connections in India available*
9. Nielsen, R. and Sen, A., 2016. *Start of digital journalism in India*.
10. Rajeshtimane.com (n.d). *Nine Pillars of Digital India is available at*
11. Satrajit S. 2015. *India has 550 million internet users in 2018: Report available at*
12. Statista.com, 2016. *Price of consumer electronics production in India from 2007 to 2016 (billions of US dollars) available at*
13. Statista.com, 2018. *The number of digital people in India since January 2018 (millions) reached*
14. Telecomlead.com, 2018. *India lists 15 gains in 2017 electricity generation. Un.org, 2016. The E-Government Survey in Media can be found at*