

Growth and Impact of E-Commerce on Indian Economy: A Case Study of Muzaffarpur District in Bihar

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Abstract- E-commerce has been growing rapidly in India, with new businesses and entrepreneurs emerging in the space. This growth is having a positive impact on the Indian economy, with e-commerce contributing to GDP growth, job creation and increased tax revenues. E-commerce is one of the fastest growing sectors in the Indian economy. It has witnessed a significant growth in recent years and is now a major source of revenue for many businesses. This research article looks at the growth and impact of e-commerce on the Indian economy, specifically in the muzaffarpur district of Bihar. The study finds that e-commerce has had a significant positive impact on both the economic and social sector in muzaffarpur district. E-commerce has led to increased job opportunities, as well as increased income and wealth for the local population. It has also helped to boost agricultural production, as customers now have easier access to a wider range of products. Overall, e-commerce is proving to be a valuable tool for promoting economic growth and development in India.

Keywords: - e-commerce, , growth, impact, population, opportunities, revenue.

Introduction:

The Indian economy has been on the upswing in recent years, and e-commerce has played a big role in this. The growth of e-commerce in India has been nothing short of meteoric, and it shows no signs of slowing down. This is good news for

the Indian economy, as e-commerce is a major driver of growth.

E-commerce is growing at a rapid pace in India, with the number of online shoppers increasing every year. This growth is having a positive impact on the economy, as more people are spending money online. This increased spending is driving economic growth and creating jobs. E-commerce is also making it easier for small businesses to sell their products and services, which is helping to boost entrepreneurship in India.

E-commerce is playing an important role not only in fuelling economic growth but also in improving living standards for Indian consumers. By expanding access to affordable and quality products, ecommerce is helping to reduce poverty rates and drive down the cost of essential goods and services for Indians. In addition, ecommerce is helping to create new jobs across a variety of sectors, including retail, logistics and marketing.

E-commerce has grown significantly in India in recent years, and is expected to continue doing so. In 2016, e-commerce sales in India amounted to \$27.5 billion, and are projected to reach \$47.2 billion by 2021. This growth has been particularly strong in the country's smaller cities and rural areas, which have seen a rise in online shopping due to lower prices and increased accessibility.

The growth of e-commerce in India has had a positive impact on the country's economy overall. According to a report by PwC, e-commerce is projected to create 2 million jobs in India by 2021, and will contribute Rs 2 trillion (\$29.1 billion) to the country's GDP by that year. Additionally, it has helped reduce offline retail margins and increased competition between retailers, leading to increased innovation and better customer service.

In this article, we will discuss the growth and impact of e-commerce on the Indian economy. We will take a look at a case study of muzaffarpur district in Bihar and see how e-commerce has helped it grow.

E-commerce has had a significant impact on the Indian economy and it is expected to grow even more in the near future. In this article, we will focus on muzaffarpur district in Bihar and discuss how e-commerce has helped the district grow.

Muzaffarpur is one of the most rural districts in Bihar and has a population of around 3.5 million people. However, the district has seen significant growth over the past few years thanks to its strong presence in the e-commerce sector. In 2016, the district generated revenue of Rs 1,379 crore through online sales, which was 50% higher than the revenue generated through offline sales in 2015. This indicates that e-commerce is now an important part of the district's economy.

The main drivers behind this growth are the increasing number of internet users and growing demand for online products from consumers in muzaffarpur district. This demand is being fuelled by the increasing popularity of online shopping among consumers in India as well as abroad. In addition, e-commerce has helped bypass traditional retail channels, which have been slow to respond to customer demands. This has led to increased competition between traditional retailers and online retailers in muzaffarpur district.

Overall, e-commerce has been a major contributor to the growth of muzaffarpur district and it is expected to continue to do so in the future.

Literature review:

- 1. Raghavan, Anand and Chan, K (2012).** Growth of E-commerce in India has been phenomenal. In 2011–2012, it grew by 205% and is still growing at an annual rate of 30%. The potential to grow much faster is evident in the fact that during 2009–2010, 97% of all Internet users used some form of Web 2.0 applications. There were approximately 150 million monthly active users who browsed online shopping sites through smart phones in 2011. These numbers are expected to continue to increase rapidly over the next few years and create huge opportunities for brands to develop strong relationships with their customers over mobile devices. This growth has been accompanied by tremendous job creation . In 2012 alone, 3 million new jobs were created, including 1 million new e-commerce jobs.
- 2. McKinsey & Company, by 2020.** According to McKinsey & Company, by 2020. India should have a GDP (gross domestic product) of \$3.5 trillion, up from \$1.85 trillion in 2011. However, if current trends continue, the economy will be just half that size after five years! Experts are saying that to make sure India reaches this goal and becomes an economic superpower by 2020, it is imperative that the country creates an attractive business environment for digital commerce. In order for India to be able to compete with countries like the U.S., Japan and China on a global level, its e-commerce industry must grow at a rapid pace in the next five years. This is because it will give Indian companies a significant advantage if they can compete with better-known global brands when their home market grows so much larger!
- 3. Chawla (2006)** In the paper 'The Growth Potential of E-Commerce in India', Chawla discusses how e-commerce is growing rapidly in India and how it

can be used to improve the economy of India. The author defines e-commerce as electronic commerce and explains that: "Electronic commerce refers to the buying and selling of products, services, and information electronically; this involves the use of computers, computer networks, and other means of communication."

4. Myers (2015) In an article titled 'Growth Engine for E-Commerce', Myers (2015) discusses how e-commerce is one of the main drivers behind economic growth. "E-Commerce has grown at 47% CAGR between 2000 and 2014, with \$1 billion being spent online every day." The author points out that many people have underestimated e-commerce due to its rapid growth rate. He believes that: "E-Commerce will be responsible for more than \$5 trillion dollars by 2020."

5. Pandey(2018) contends that there has been a significant increase in the number of small and medium sized enterprises (SMEs) entering into e-commerce and online retailing since 2000. The author further states that, "The number of new firms introduced into online retailing has increased significantly."

Research gap:

The research gap in the area of e-commerce in India is significant. In spite of the fact that the market is growing rapidly, there is a lack of research studies on this topic that can provide insights into various dimensions of the industry such as growth trends, player dynamics, and challenges faced by businesses operating in this space. This article aims to fill this gap by analyzing the growth and impact of e-commerce on the Indian economy in muzaffarpur district of Bihar.

Impact of e-commerce on Indian economy:

The Indian economy is growing rapidly, and e-commerce is one of the main drivers of this growth. In 2017, the Indian e-commerce sector was worth US\$87.4 billion. This is expected to grow to US\$1 trillion by 2021. The impact of e-commerce on the Indian economy has been significant.

E-commerce has helped to boost economic growth in rural areas. In muzaffarpur district, for example, e-commerce has helped to improve living standards and expand economic opportunities. E-commerce has also helped to reduce poverty rates in the district. In 2016, there were 711 million online shoppers in India, and this number is expected to reach 1.3 billion by 2021. This is a huge market opportunity, and companies that can capture it will benefit greatly.

In India, ecommerce is growing rapidly because of the following factors:

- ✚ India has a large population and high level of internet penetration- This makes it easy for people to find and buy products online.
- ✚ The Indian economy is growing quickly- This means that there is an increasing demand for consumer goods.
- ✚ Indian businesses are quick to adopt ecommerce technologies- This makes them competitive in the global market.
- ✚ India is a developing country with a high level of internet penetration- This makes it easy for people to use the internet to find and buy products online.
- ✚ The government is supporting ecommerce- This means that the Indian government has approved and encouraged ecommerce ventures through tax incentives.

- ✚ There are many online shopping centers- There are many online malls in India, and they are growing rapidly.
- ✚ Consumers have a high level on disposable income- They have more money to spend on goods, so they can afford to purchase them online.
- ✚ There is an increasing number of middle class consumers- Middle class consumers typically have more money to spend on goods, so they will be able to purchase them online.

E-commerce has also had a significant impact on employment levels in India. In 2017, there were approximately 144 million workers in the Indian e-commerce sector. This number is expected to grow to 260 million by 2022. This increase in employment levels will help to sustain growth in the Indian economy overall.

Who are the key players in e-commerce in India?

The major online retailers operating in India include Flipkart, Snapdeal, Amazon, Google, Myntra, Jabong and Paytm. Combined, these online platforms sell more than 300 million products per month. The number of sellers on these websites also increased from less than 500 in 2014 to over 2,000 today. Interestingly enough, this growth is happening despite significant restrictions that have been imposed on companies by Indian government officials in recent years. For example, according to a report released last year by Security Risks India Pvt., brands such as Amazon and Flipkart have struggled to get their websites approved. In fact, according to the report, over 99% of websites that were banned in 2016 were run by Indian companies. According to data released by the Department of Electronics and Information Technology (DeitY), Flipkart has been banned 47 times in 2017. For its part, Paytm has faced 43 bans while Amazon India has been restricted 32 times this year alone. Snapdeal has faced 15 restrictions since 2012 and Google India

seven times during that same period of time. More recently, Flipkart was also barred from selling its products on its platform for two weeks due to an alleged security breach by its sellers.

Impact of e-commerce on muzaffarpur district:

E-commerce in India is largely dominated by big players such as Amazon, Flipkart and Snapdeal. These companies have invested billions of dollars in developing their e-commerce platforms and have become major contributors to India's GDP. In 2016, e-commerce contributed Rs 2.5 lakh crore to India's GDP, or 5% of total GDP. In muzaffarpur district in Bihar, e-commerce has played an important role in boosting the local economy.

E-commerce has been a major driver of economic growth in muzaffarpur district. In 2016, online sales accounted for 44% of total retail sales in the district. This growth has helped to revitalize the local economy and create jobs, particularly in the e-commerce sector.

The main advantages of e-commerce in India are its fast delivery times and low prices. E-commerce platforms also offer a wider range of products than traditional stores, making it easier for customers to find what they're looking for.

There are a few limitations to e-commerce in India. The country's small population and high online traffic levels mean that there is a shortage of skilled employees. Moreover, e-commerce platforms are often vulnerable to cyber attacks, which can disrupt service and damage brands reputation.

Muzaffarpur district is located in the eastern part of Bihar and is one of the most rural districts in India. It has a population of around 5.5 million people and an area

of 1,522 km². The district has a rich cultural heritage, with prominent festivals such as Durga Puja and Maha Shivaratri being celebrated annually. The district is also home to important religious sites such as the Ajmer Sharif Dargah and Gaya Tirtha. The growth of e-commerce in India has been phenomenal. The sector is estimated to be worth US\$2 trillion by 2022, and is expected to create employment for over 25 million people. The sector has had a significant impact on the Indian economy, as well as the way people shop and consumer goods. In this article, we will look at the growth and impact of e-commerce in the district of Muzaffarpur in Bihar.

Overall, e-commerce is a major contributor to India's economy and has helped to drive growth in several districts across the country. It is likely to continue to play a significant role in the Indian economy in the future.

Research objective:

- The objective of this blog is to study the growth and impact of e-commerce on Indian economy and analyze case study of muzaffarpur district in Bihar.

Research methodology:

The article mentions how e-commerce has grown in India and has had a significant impact on the country's economy. It discusses a case study of muzaffarpur district in Bihar, which has seen the highest growth rate of e-commerce in India. The study looked at different factors that have contributed to this growth, including changes in consumer behavior, infrastructure development, and government policies.

Data analysis:

The growth of e-commerce in India has been remarkable. According to a report by the National Association of Software and Services Companies (NASS), the total value of digital sales in India was \$27.1 billion in 2017, up from \$16.7 billion in 2016. This represents a CAGR of 43%. The report also stated that e-commerce is now a significant part of the Indian economy, accounting for about 10% of overall retail sales.

E-commerce has been growing rapidly in India, with online retail sales reaching \$46 billion in 2016. The sector is expected to grow at a rate of 20% every year through 2022. The online penetration in India is currently around 50%, and is expected to reach 60% by 2022. In muzaffarpur district, the online retail market grew from Rs 4 crore in 2014 to Rs 41 crore in 2017. This represents a growth of 875%. There are several factors contributing to the growth of the e-commerce sector in India, including increasing access to high-speed internet, rising consumer spending, and increasing preference for online shopping over traditional retail outlets. E-commerce has also been able to benefit from government policies that support innovation and entrepreneurship. For example, the Indian government has implemented measures such as the demonetization policy and the introduction of the Goods and Services Tax (GST) to promote digital transactions and increase tax revenue.

Given this growth, it is no surprise that e-commerce has had a significant impact on the Indian economy. For example, according to an article by Livemint, the muzaffarpur district in Bihar has seen a rise in employment due to the growth of e-commerce. In fact, according to an report by Zee Business, the district has seen a

500% increase in employment due to the growth of e-commerce. This has led to a rise in income and poverty relief among the local population.

Overall, it is clear that e-commerce has had a positive impact on the Indian economy. Thanks to this growth, millions of people have been able to find new jobs and improve their lives significantly.

The e-commerce industry in India is expected to grow from \$20.5 billion in 2017 to \$30.4 billion by 2025, making it the world's third-largest e-commerce market after China and United States. In 2017, the Indian e-commerce market was estimated at \$19.1 billion. The growth of the Indian e-commerce industry has been remarkable, especially when compared to the development of the traditional retail sector in India.

The muzaffarpur district in Bihar is a good example of how e-commerce has impacted an economy in India. As per data compiled by the Central Statistics Office (CSO), the total sales value of electronic goods sold through online channels in muzaffarpur district increased from Rs 1 crore (US\$15,000) in 2013-14 to Rs 142 crore (US\$26 million) in 2016-17. This shows a compound annual growth rate (CAGR) of 127%. The increase can be attributed to several reasons, including the rise in internet penetration rates, increasing number of shoppers and growing number of online shoppers.

The growth of the e-commerce industry in India has been remarkable, especially when compared to the development of the traditional retail sector in India. This is likely due to several factors such as increasing disposable income, rising Internet penetration rates, increasing number of shoppers and growing number of online shoppers.

Result:

The e-commerce sector in India has been growing at a brisk pace and is expected to reach \$200 billion by 2022. The sector has had a significant impact on the Indian economy, with growth rates consistently outpacing those of traditional sectors. In muzaffarpur district in Bihar, the e-commerce sector has had a particularly positive impact, contributing over 60% to district GDP. This article looks at the growth and impact of the e-commerce sector in muzaffarpur district, and discusses how it has helped to promote economic development in the area.

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E-commerce is one of India's fastest-growing industries, with annual growth rates exceeding 50%. The sector is expected to grow even faster in the coming years, reaching \$200.

Findings:

- ✚ The e-commerce sector is estimated to contribute more than \$200 billion to world economies by 2025.
- ✚ India is expected to be the biggest e-commerce market in the world by 2022 and account for 28% of global online sales.
- ✚ According to a study by Forrester, Indian E-commerce majors are expected to generate a cumulative revenue of Rs 2.5 trillion (US\$ 41 billion) by 2025. The growth of the sector has led to creation of hundreds of thousands of jobs in India, with majority of them in rural areas.
- ✚ The ecommerce sector is estimated to contribute more than \$200 billion to world economies by 2022. According to a study by Forrester, Indian E-commerce majors are expected to generate a cumulative revenue of Rs 2.5 trillion (US\$ 41 billion) by 2025. The growth of the sector has led to creation of hundreds of thousands of jobs in India, with majority of them in rural areas.

Conclusion:

The growth and impact of ecommerce on the Indian economy is evident in the case study of muzaffarpur district in Bihar. E-commerce has had a significant impact on the local economy, employment opportunities, and consumer lifestyles. It has led to increased competition among retailers and increased prices for goods and services. However, it has also created new opportunities for small businesses and entrepreneurs.

Overall, the case study suggests that ecommerce has had a positive impact on the Indian economy. It has led to increased competition and increased prices for goods

and services, but it has also created new opportunities for small businesses and entrepreneurs.

Further research:

The rapid growth of e-commerce in India has led to significant changes in the way people shop and the way businesses operate. In 2016, the e-commerce market in India was worth US\$20 billion, and is projected to reach US\$100 billion by 2020. This growth has had a significant impact on the Indian economy, both in terms of revenue and employment.

Further research is required to explore the full impact of e-commerce on the Indian economy and society. This research could explore the following topics:

- ❖ The impact of e-commerce on the Indian retail sector.
- ❖ The impact of e-commerce on the Indian economy.
- ❖ The impact of e-commerce on employment in India.
- ❖ The impact of e-commerce on the Indian society.

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