



Trends and Prospects of Online Shopping in India: A Study

Singha I^{1*}


DOI:10.54741/MJAR/5.4.2025.289

^{1*} Ishani Singha, Visiting Faculty, Department of Commerce, Ram Mohan College, Kolkata, West Bengal, India.

Online shopping in India has seen significant growth over the past decade. This growth is due to rapid digitalisation, increased smartphone use, and better internet access. The Indian e-commerce market has become one of the fastest-growing sectors. It is changing how consumers shop and how retail operates. India now has one of the largest bases of online shoppers. E-retail is steadily expanding into smaller towns and rural areas. Key trends shaping online shopping include the rise of mobile commerce, wider use of digital payment systems, the growth of quick-delivery models, and the expansion into Tier-2 and Tier-3 cities. Many new online customers are coming from smaller cities. This shows how e-commerce is reaching more people across the country.

Additionally, advances in technology like artificial intelligence, personalised recommendations, and social commerce are improving customer experience and affecting purchasing decisions. The future of online shopping in India looks bright. The market is expected to grow quickly in the coming years. Factors such as more internet users, government initiatives like Digital India, better logistics, and the rise of direct-to-consumer brands and rural e-commerce will further support this growth. However, there are challenges, including cybersecurity risks, logistical issues, and regulatory concerns. Overall, online shopping is likely to keep reshaping India's retail sector by offering convenience, variety, and better customer engagement.

Keywords: online shopping, digital india, cybersecurity risk, customer engagement

Corresponding Author	How to Cite this Article	To Browse
Ishani Singha, Visiting Faculty, Department of Commerce, Ram Mohan College, Kolkata, West Bengal, India. Email: ishanisingha200@gmail.com	Singha I, Trends and Prospects of Online Shopping in India: A Study. Manag J Adv Res. 2025;5(4):95-100. Available From https://mjar.singhpublication.com/index.php/ojs/article/view/289	

Manuscript Received 2025-07-17	Review Round 1 2025-08-02	Review Round 2	Review Round 3	Accepted 2025-08-23
Conflict of Interest None	Funding Nil	Ethical Approval Yes	Plagiarism X-checker 4.32	Note

© 2025 by Singha I and Published by Singh Publication. This is an Open Access article licensed under a Creative Commons Attribution 4.0 International License <https://creativecommons.org/licenses/by/4.0/> unported [CC BY 4.0].



1. Introduction

The rapid growth of digital technology has changed the retail scene in India, resulting in a significant increase in online shopping. Over the past decade, more people have had access to the internet, smartphones have become common, and digital payment systems have improved. This has encouraged consumers to move from traditional stores to online platforms. Online shopping provides convenience, saves time, offers competitive prices, and gives access to a wide range of products. As a result, it has become popular among both urban and rural consumers.

The internet is significantly changing how businesses operate. Today, a sales representative can reach a client directly and provide satisfying services with just a click. While internet marketing in India is still lower than in Western countries, it is growing rapidly. There is a large online market in India as computers and the internet become essential in our lives. Technology is improving daily as it addresses past misconceptions and limitations. New technologies and web applications, which ensure safe transactions, are encouraging modern Indian buyers to shop online. One of the best aspects of e-business is that it doesn't fade away and costs much less than retail businesses.

To the online shopper, everything they might want is available with a click. A shopping trip that used to take several hours can now be finished in minutes, all from the comfort of home or the office. Many factors, details, and traits shape an individual's decision-making process, shopping habits, buying behaviour, the brands they choose, or the retailers they visit. Each purchase decision results from these various factors. Different individuals and consumers consider different aspects, which may not apply to others. One person might value a certain feature highly, while another may not care about it at all. Therefore, it is essential to understand the common factors that most consumers prefer to improve marketing demand and product value.

2. Literature Review

According to Binoy Mathew (2015), India's e-commerce industry has grown rapidly in recent years, attracting significant venture capital funding. Once limited by consumer hesitation, it is now expanding due to rising buyer confidence.

Experts predict online shopping will become a common habit. The business model is evolving, supported by improved infrastructure, a larger market, and a better understanding of consumers. Dr A. Arun and V. Agneeswarisowmiya (2021) highlighted that online retailing in India is expanding opportunities for businesses to reach a wider customer base, reduce costs, and improve experiences. Growth was initially slow due to limited infrastructure and digital payment adoption. Increasing awareness is accelerating development. Rising competition, supported by FDI, brings global players like Amazon and Alibaba, challenging domestic firms and shaping India's evolving online retail market. Abhishek Kumar Singh (2024) expressed that India's e-commerce market will grow with rising internet access, changing consumer behaviour, and improved logistics. The COVID-19 pandemic accelerated adoption, while social commerce and influencer marketing gained popularity. Artificial intelligence and blockchain enhance experiences, though payment and quality concerns remain. The sector could approximately reach \$200 billion by around 2026.

Deepika V. Santoshwar and Ninad P. Khuley (2025) studied that Online shopping in India has grown rapidly, changing consumer behaviour. This study compares trends in Wardha, Nagpur, and Chandrapur from 2010 to 2020. Penetration rose from 4-7% to 42-58%. Traditional retailers faced declining sales and footfall, while hybrid retailing, digital payments, and improved supply chains created opportunities for adapting to changing technology. Anusha Thakur (2021) in her study highlighted that Improved technology and internet literacy are boosting online shopping in India. Retailer apps and mobile usage attract all age groups, especially millennials. Price, quality, reviews, and authenticity influence buying decisions. Social media impact is noted by Nielsen. Surveying 100 customers, the study highlights consumer behaviour and challenges for retailers.

3. Objectives of the Study

The objectives of the study are as follows -

- To examine the growth and current trends of online shopping in India
- To identify changing consumer preferences and buying patterns in online shopping

- To analyse the opportunities and prospects of online shopping in India

4. Research Methodology

The present study is descriptive and exploratory in nature and is based on the secondary sources collected from related websites, case studies, working papers and reputable journals, etc.

5. Conceptual Framework

Before the genesis of Online Shopping, the Indian retail sector was characterised by small to medium sized, traditional and unorganised retail stores often family-owned and operated mostly in traditional manner following India's long and deep-rooted retail heritage of manual display of grocery over the counter, wearing apparel in physical spaces using traditional mix of manual display by store personnel and window display of mannequins with latest trends and fashions to attract customers. Cash purchase was the single largest mode of payment in the retail sector, with fewer credit options. Advertisements on television, journals and dailies, radio and hoardings were the popular tools of brand promotions and mass awareness.

Seeing the infrastructural immaturity, huge untapped market potential, rising educated and liberal youth population and chronic and untouched vacuum of a formal, organised, and digital retail marketing system. Vaitheeswaran, along with five others, founded FABMART.com, India's first pioneering e-commerce website in 1999, which initially focused on selling audio cassettes and CDs through their website and very soon expanded to include Books, Movies (Videos), watches, groceries, etc. This marked the dawn of a new retail evolution and youth-oriented digital marketing in India. Seeing its milestone success, other successful e-commerce business models started their footprint in digitalising India's underutilised retail sector. Some of the successful e-commerce business models are FLIPKART (2007), which started with initially offering books but had the predictive foresight compared to that of Chanakya in recognising the lesser touched and untapped potential sectors like electronics (in 2010) followed by the fashion and apparel sector in 2011, even though other platforms like eBay India were already present in the early 2000s. Myntra found its way into the e-commerce market by initially it is now expanding due to rising buyer confidence.

Other significant e-commerce giant which followed Myntra were Snapdeal (2010) and Amazon (2013).

6. Evolution and Growth of E-Commerce

In the early 2000s, the Indian youth were initially hesitant to switch from physical stores/shops to digital websites, mainly owing to widespread digital illiteracy, less internet penetration, fewer digital payment options available, a long-nurtured notion of digital fraud and also because of the existence of dilapidated cybersecurity which existed during that time. Flipkart began selling books by convincing customers to pay online and wait for delivery, but they ensure timely delivery, easy return facility and customer-driven services, which helped them gradually build trust among a growing user base, mostly young stars and urban professionals in Metro cities like Kolkata, Delhi, Chennai, etc. Realising the hindrance that existed due to low credit card usage in Urban India, Flipkart introduced the COD (Cash On Delivery) facility in 2009. This was a strategic move by Flipkart to build customer trust, as customers could inspect the products at the time of delivery before paying. This widened the available payment options and made online shopping more accessible to a larger urban population, as the majority of transactions were done in COD mode.

7. Transition in Consumer Buying Patterns

While the e-commerce platforms started gaining momentum in India, hesitation to switch from 'physical touch' in offline shopping, lack of sound digital infrastructure, fewer digital payment options (debit card, credit card etc) and cyber security remained as major hindrances besides illiteracy and weak and fragmented logistical support in early 2000 s and majority of urban population continued to lean heavily on offline retail stores. In this regard, the Indian Banking sector and regulators acted as alchemists. With the introduction of Electronic Clearing Service (ECS), NEFT and RTGS during the mid-2000s, Online payment options became more secure, customer-friendly and reduced the dependency on cash payment. Online e-commerce platforms quickly captured this and allowed customers to make payments through them.

Access to a wide choice of quality consumer products (apparel, books, electronics) online, together with ease of payment and secure payment interface, encouraged tech-savvy youth and professionals to slowly switch from traditional offline retail stores (both big and small) to modern customer-friendly online platforms. Later, with the popularisation of digital wallets like MobiKwik, Paytm, etc., and with the advent of IMPS (Immediate Payment Service) in 2010, the ease of making online payments improved further. Indian government's push towards digital India and the subsequent launch of UPI apps like PhonePe, BHIM etc during 2016-17 created significant pressure on not only small and fragmented retail stores but also on established departmental stores, supermarkets and specialty fashion as customers could get standardized and premium products online and with easy payment options and at competitive prices instead of enduring the point of visiting retail stores.

Between the mid-2000s and 2019, online brands like Flipkart & Amazon in India focused heavily on improving the logistical base by transitioning from fragmented, slow shipping to robust, technology-driven networks. Key Logistical enhancements during this period include decentralised warehousing, where Companies transitioned from heavy reliance on a few control hubs to building or hiring large regional warehouses in tier 2/3 cities in an attempt to bring stock of goods within the accessible range of consumers. Heavy advertisement across television, radio and news dailies created brand awareness and successfully reshaped consumer buying patterns, making consumers more brand aware, winning the hearts of price-sensitive middle-income groups by keeping them updated regarding the latest price drops through emails and YouTube ads.

Online brands also by 2019 had established an inclusive marketing approach, integrating the demographically diverse Indian population by broadening their product lines to include people across gender groups and age brackets by forming strategic alliances, partnerships or acquisitions with traditional retail brands like Amazon and Kohl's (2017-18), Amazon and Whole Foods (2017), etc. The thrust also shifted from catering to age-bracket groups and gender to include people from different income groups by offering products and services for different people belonging to different income groups.

8. Rural E-Commerce Expansion and Strategies

Event Name	Launch Year	Focus
Flipkart Big Billion Days	2014	Electronics, Mobiles & Home
Amazon Great Indian Festival	2014	Everything (Mobiles & Tech Priority)
Myntra End of Reason Sale	2015	Fashion and Lifestyle
Black Friday India	2017	Premium Brands and Tech

The 2014 masterstroke of Flipkart by introducing their original one-day-only event, Big Billion Day, changed consumer buying patterns significantly. This marked the founding stone of clearing old stock of merchandise at a slim margin or even at or below cost sometimes. Amazon Great Indian Festival and Myntra End of Reason Sale followed such initiative. These flagship sales events led to a structural shift in consumer buying patterns, particularly in terms of electronics and apparel buying decisions. Consumers started postponing their buying decision to avail such windfall discounts online.

9. Inroads into the Tier 2 | Tier 3 Cities and Rural Consumer Base

As the majority of the Indian population resides in tier 2/3 cities and in rural areas, Online brands saw a thriving potential in such untapped markets and reaching out to them appeared as a necessity as the tier 1 cities started becoming oversaturated. With many online retail brands having a competitive on both price and non-price basis. Likewise, the rural-urban migration of youth and middle-aged working professionals for job purposes makes a majority of them aware and adopt the tastes, preferences and fashion trends of the tier I cities and tier 2 / 3 cities. Ease of doing payment, availability of premium and durable merchandise, heavy discounts, and the comfort of getting everything delivered at the doorstep at the click of a button made online platforms a popular and widely used choice among them.

Low cost and pan-India internet connectivity have boosted the demand for online apparel and other merchandise. Online brands, seeing this as a burning need of the hour, started expanding their logistical base from highly saturated metro cities to unutilised and untapped Tier II and Tier III cities (Such as Jaipur, Lucknow, Kanpur, etc.).

Amazon and Flipkart invested heavily on building decentralised warehouses and partnered with local infrastructure to bring merchandise closer to such places, and also in semi-urban areas.

10. Onset of Covid-19 and Drastic Shift in Consumer Buying Behaviour

The onset of COVID-19 and subsequent lockdowns saw a historical shift in consumer buying preferences and patterns, shifting from discretionary comforts and luxuries to essentials (like sanitiser, masks, and other essentials). People got home arrested, and screen time increased on mobile phones, laptops, and other digital devices. The future uncertainty of essentials and limited access to physical retail shops forced people across all age groups and income levels to switch to e-commerce platforms, especially in Metro and Small cities, where the lockdown protocols were more stringently followed. Consumers started preferring availability over brand loyalty, trying new brands and sticking to them if they turned out to be reasonably good. Stockpiling became the main motive of people besides hygiene and health. Because of all these, online retailers faced serious supply chain problems. To combat this crisis, the focus of retailers shifted from centralised efficiency to decentralised resilience, with many physical retail outlets being converted into dark stores for packing and shipping online orders. With this, the physical distance between online brands and consumers narrowed down.

Several other steps were taken to ensure seamless availability of essentials to consumers through e-commerce platforms like Amazon and Reliance (JioMart) partnered with local neighbourhood Kirana stores which acted as last-mile delivery centres, successfully utilising their knowledge of local lanes to bypass lockdown restrictions. The onset of the pandemic and the sequence of phase-wise lockdown that followed the pandemic made people in India more inclined towards online shopping and developed heavy reliance on e-commerce platforms, which ensured contactless and safe delivery of essentials. And this phase also saw a rapid transition into online payment from cash transactions.

Another significant change in consumer buying behaviour which emerged more visibly during the COVID-19 period was the growing inclination towards Quick Commerce platforms, which offered time-bound and seamless access to grocery and essential items (like Grofers, BigBasket, etc). This marked a new undercurrent of changing buying patterns towards time-bound and same-day delivery of essentials and other stuff.

11. Current Scenario and Future Prospects

Post-COVID-19 has landed us in a new normal situation, not only in our way of living and livelihood but also in our buying preferences and patterns. The physical separation from retail stores during the different phases of lockdown and the growing ease of using e-commerce and Q-commerce applications on mobile phones have successfully reshaped the mindset of the majority of people in metro and small cities. Q-commerce, which had started before the onset of COVID-19, gained momentum during lockdown and has become the most popular choice among the Indian population across different age groups and income brackets, not only for essential groceries and medicines but also for apparel and other accessories. The need for Q-commerce services led to the foundation of Zepto (in 2021), Blinkit (2021) and other Q-commerce platforms to serve the growing demand and changing buying patterns, especially among youth and working professionals.

12. Limitations of the Study

Due to time constraints, we are unable to collect primary data on time, so the present study is entirely based on secondary data. As we know, the buyer's mind is like a Blackbox; in other words, we can say that the buyer's preferences and choices do not match with each other. Keeping in mind, understanding the buyer's psychology and what factors affect their buying behaviour, each buyer needs special attention. So, Primary Data is a must in this case.

13. Conclusion

Online shopping, which was started through selling Books, etc., has now expanded through the digitalisation of money and increasing dependency on online transactions.

Drastic growth comes in Online Shopping in India, and we hope that in the future days, overcoming all limitations, online shopping will grasp the overall retail market in India.

References

1. Arun, A. Agneeswarisowmiya, V. (2021). Online retailing trend and future growth opportunities. *The Journal of Oriental Research, Madras*, 39-47
2. Joines J. L., Scherer, C., & Scheufele, D. A. (2003). Exploring motivations for consumers we use and their implications for e-commerce. *Journal of Consumer Marketing*, 20(2), 90-108.
3. Mathew, Binoy (2015), A Study on changing trends in online shopping of Indian consumers in the apparel segment. *International Journal of Advanced Research*, 1(9), 207-214
4. Maynes, E. S. (1976). *Decision making for consumers: An introduction to consumer economics*. New York: Macmillan.
5. Nielsen. (2010, June). *Global trends in online shopping - A Nielsen Global Consumer Report*.
6. Santoshwar, V. Deepika, Khuley, & P. Ninad. (2025). A comparative study of online shopping trend and its impact on retail sector consumer durable goods in wardha, nagpur and chandrapur districts (2010-2020). *International Journal of Research and Innovation in Applied Science*, 1535-1539
7. Thakur, Anusha. (2021). A study on consumer behavioural analysis of online shopping trends in India. *International Journal on Customer Relations*, 9(1&2), 28-38.

Disclaimer / Publisher's Note: The statements, opinions and data contained in all publications are solely those of the individual author(s) and contributor(s) and not of Journals and/or the editor(s). Journals and/or the editor(s) disclaim responsibility for any injury to people or property resulting from any ideas, methods, instructions or products referred to in the content.