

Optimizing Online Customer Experience in India

Optimizing Online Customer Experience in India:

*A Study of E-Satisfaction
and E-Loyalty*

By

Archana Prakash

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PREFACE

The worldwide marketplace is changing due to India's e-commerce revolution, yet success depends on knowing the subtleties of Indian online shoppers. This book offers a thorough analysis of the online customer experience in India that goes beyond cursory observations and offers a framework for companies to not just survive but flourish.

India's e-commerce market is growing rapidly, presenting previously unheard-of potential as well as difficulties. The customer experience is widely considered a significant component in the success of businesses and a key driver of customer behaviour. This research thus sets out to investigate the causes, occurrences, and results of online customer experience by drawing on these obvious gaps. The purpose of this study is to examine the variables capable of influencing the online customer experience and to further understand the effect of these variables on customer e-satisfaction and e-loyalty.

Hence, to have a holistic online customer experience, the concept of the four stimuli (Drivers) of online customer experience is proposed. The conceptual model has been analyzed using the PLS-SEM technique, simple and multiple regression. From the findings of the study, we conclude that consumer e-satisfaction and e-loyalty in the context of online customer experience greatly depend on how the drivers and their respective variables improve these parameters.

This study will help e-retailers better understand the demands of their customers and provide them with a better customer experience by analysing the elements that allow businesses to survive in the competitive e-retail environment. Conclusively, this study offers a thorough comprehension of the online consumer experience in the main e-commerce markets in India. E-retailers may develop e-satisfaction and e-loyalty and ultimately increase their success in this competitive and dynamic environment by analysing the factors that led to and affected this experience.

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My parents, the late Mr. ShreePraagsh Tiwary and Mrs. Kiran Tiwary, have my eternal gratitude. For their encouragement, love, and support. I will always be grateful to them for their love and selflessness, which motivated me to reach my goals and challenge myself. I am grateful to my brothers, Mr. Girijapati Kaushal, Mr. Pawan Kumar, and Mr. Jatashankar Kaushal, for their constant support and encouragement.

For being my biggest inspiration, I owe a particular debt of appreciation to my husband, Mr. Sushil Kumar Dubey. I have strength and tenacity because of his unwavering support and conviction in my capacity to accomplish. I also want to thank my kids, Parth Dubey and Harshita Dubey, for their understanding, patience, and support. Their cooperation has been a key factor in making this book a reality.

Finally, I wish to acknowledge the many blessings that have guided my path.

LIST OF ABBREVIATIONS

CE	:	Customer experience
COVID-19	:	Coronavirus disease 2019
CX	:	Customer experience
EOU	:	Perceived Ease of Use
OCE	:	Online customer experience
OMC	:	Online mass customisation
OSE	:	Online shopping experience
PLS	:	Partial least squares
PLS-SEM	:	Partial least squares structural equation modelling
PU	:	Perceived Usefulness
SEM	:	Structural equation modelling
S-O-R	:	Stimulus, Organism, Response
SPSS	:	Statistical Package for the Social Sciences

PART 1:

FOUNDATIONAL CONCEPTS AND CONTEXT IN THE INDIAN MARKET

CHAPTER 1

E-COMMERCE IN INDIA: TRENDS, CHALLENGES, AND OPPORTUNITIES

The emergence of e-commerce signifies a profound transformation from traditional commercial practices, fundamentally altering the contemporary corporate environment. Traditionally, the physical retail establishment functioned as the central hub for commerce. Nonetheless, the swift proliferation of the internet and the ensuing creation of more accessible online platforms have diminished the significance of this old paradigm in the global economy. The emergence of e-retail has necessitated a strategic shift for retailers, operations managers, and marketers to convert their business models from physical stores to e-commerce platforms. “Sai Vijay, Prashar, and Sahay (2019) emphasize “that this transition facilitates improved company scalability and resource-efficient operations.”” The emergence of highly intuitive platforms with robust and secure payment methods has accelerated this shift, making online transactions the preferred method for both consumers and organizations. Thus, e-commerce has transitioned from a nascent trend to a universally recognized and essential element of contemporary business.

The worldwide embrace of e-commerce is notably significant in emerging economies, with its expansion in regions such as India exemplifying quick growth and strategic advancement. The Indian e-retail sector has experienced rapid growth. The presence of well-capitalized e-retail firms has facilitated substantial investments in infrastructure and technology, thereby broadening consumer access and providing an unparalleled selection through user-friendly platforms.

Macro-level governmental reforms and external factors have significantly propelled the e-commerce boom in India. The COVID-19 pandemic significantly and rapidly influenced consumer behavior, propelling a new cohort of digital consumers into the online marketplace. This advancement has strengthened India's position as one of the world's fastest-growing digital economies. An EY estimate from 2022 forecasts that India's consumer digital economy will attain \$800 billion by 2030, indicating a ten-

fold rise from its 2020 valuation. This expansion is supported by governmental measures designed to enhance internet accessibility, elevate connectivity speeds, and encourage digitization, thereby fostering a resilient online payment infrastructure. The implementation of these policy measures, alongside the extensive accessibility of affordable smartphones and internet services, is crucial for the nation's objective of achieving a trillion-dollar digital economy by 2025, in accordance with favorable demographics and an advanced regulatory framework (PwC India Report, 2019).

An essential factor for success in the competitive e-commerce environment is the delivery of an effective online consumer experience. This is accomplished by the careful design of online features that guarantee a smooth transactional experience, from the initial purchase to the final payment, with the primary objective of fostering "e-loyalty" and drawing in new clients. The online environment presents a unique array of characteristics that affect this experience, such as the degree of interaction, two-way communication capabilities, flexibility in showcasing product options, and the total volume of consumer behavior that can be recorded and analyzed. This has led to a heightened focus on understanding the importance of a comprehensive, high-quality experience for online consumers.

We have attempted to analyze elements of internet purchasing as environmental stimuli and to propose a model based on this research. The e-commerce sector has experienced rapid growth in the nation over the past five years. Various studies on customer experience, consumer loyalty, and continuous desire to make purchases from the same website have been conducted globally (Sai Vijay, Prashar, and Sahay 2019; Bleier, Harmeling, and Palmatier 2019). However, the Indian context has not given the same thorough examination.

Several reasons call for this study. Firstly, online sales in India are growing at a swift pace, making the Indian e-commerce market both aggressively competitive and lucrative. Second, large online merchants in India backed by venture capital are prepared to offer steep discounts, cash-on-delivery options, and free returns to retain customers. And attract online buyers, which, as incidents of consumer experience, have not been holistically examined yet. Thirdly, Indian customers are becoming increasingly informed and exhibiting greater sophistication in their buying behavior. The elements that would influence a consumer's decision to purchase online from the same website or web retailer will be of interest to web retailers in such a scenario. The best way to retain customers & exploit forthcoming

opportunities is vital to enhancing the customer experience (Novak, Hoffman, and Yung 2000). Thus, understanding the dimensions, incidents, and factors that affect customer loyalty and the continuation of customers' intention to buy from the same website gains prime importance for E-commerce companies to remain sustainable and nurture profits in the long run.

The Indian e-retail industry has undergone significant changes. It will continue to evolve in the years to come, particularly with the rise of multichannel retailing as the predominant business model. A report by E&Y, released in February 2022, highlighted that India had begun embracing the digital way of doing things even before the pandemic interrupted our day-to-day routines, whether through online shopping, cashless transactions, telemedicine, or online learning. Additionally, COVID-19 has accelerated the shift to digital, both for consumers' daily activities and for enterprises to maintain company continuity. The development of India's rapidly evolving digital infrastructure, coupled with the emergence of a new generation of entrepreneurs driven by innovation, is fueling the expansion of the digital economy. According to the Bain & Company Inc. 2022 report. Currently, we are in the Phase of Massification and increasing stickiness.

The COVID-19 pandemic ushered in a new era of development in India's e-commerce sector. Phase 3.0 is a period of innovation and disruption designed to meet the demands of diverse micro-segments as they emerge, to experiment with new business models, and to distinguish based on customer experience. Additionally, we are in a stage where customers, as well as retailers, are well-informed and well-connected on online platforms. Richness in consumers' knowledge and shopping behavior provides a challenging situation for e-retailers to facilitate a better experience and retain them for future purchases. This study aims to analyze the factors that enable companies to remain viable in the competitive e-retail environment. This study will help e-retailers understand consumers' needs and provide them with a better customer experience. Furthermore, this study will help marketers and e-retailers offer a better customer experience, encouraging customers to make repeat purchases in the future. It will also facilitate marketers in planning and strategizing their efforts in areas of the highest potential. This study will also act as a reference for future research on the customer experience.

In India's unpredictable online shopping environment, this research aims to provide insights into developing strategies that enhance the online customer

experience and foster customer loyalty. Through this research, it would be beneficial to identify the key elements influencing customer acquisition decisions for online shopping by examining the factors that drive consumer purchase decisions. It would be helpful to understand how consumers perceive the service quality of online purchasing to identify important service quality factors that can be improved. It would be beneficial to learn about consumers' significant online purchasing experiences to offer value and enhance their online shopping experience.

1.1 (a) Problem discussion

The advent of Internet marketing has revolutionized how businesses deliver goods and services, allowing them to reach customers directly at their doorsteps. While online marketing is a mature industry in many Western countries, its growth in India has been rapid and significant. This is driven by the growing incorporation of information and communication technologies into daily life, which offers a substantial opportunity for India's digital commerce sector.

In this context, the online consumer voyage is complex, influenced by a unique blend of personal, psychological, cultural, and societal factors. In contrast to traditional commerce, online transactions are primarily conducted through impersonal technological interfaces, which present a distinctive set of challenges and opportunities for both consumers and enterprises.

Consumer behaviours have been profoundly altered by the transition to online purchasing, which provides unparalleled convenience in product search and comparison. Nevertheless, this convenience is accompanied by perceived hazards that may discourage potential clients. To remain competitive, online businesses must consistently exceed customer expectations to attract new consumers and foster loyalty among existing ones. This requires a thorough understanding of the entire online consumer experience (OCE).

Although customer experience is recognized as a critical factor, prior research conducted by authors suggests that a comprehensive understanding of its determinants and consequences is still lacking, particularly in a non-Western context (Bleier, Harmeling, and Palmatier 2019; Sai Vijay, Prashar, and Sahay 2019). The "zero moments of truth" model emphasises this research deficit by demonstrating how modern internet consumers interact with a vast array of informational inputs simultaneously, rather than

adhering to a sequential decision-making framework (Lecinski 2011; Bilgihan, Kandampully, and Zhang 2016). This further emphasizes the comprehensive nature of the client experience (Bleier, Harmeling, and Palmatier 2019; Verhoef et al. 2009b).

The dependence on models developed in economically and technologically advanced countries, such as the United States and the United Kingdom, is a significant constraint in current research (Martin, Mortimer, and Andrews 2015). These models frequently emphasize objective and quantitative frameworks, which may inadequately reflect the complexities of the Indian market. Consequently, it is essential to explore a paradigm that integrates both the functional and psychological dimensions of the online consumer experience. (Bleier, Harmeling, and Palmatier 2019).

This study aims to answer the following research challenge, fueled by the identified gaps in the literature and the distinctive dynamics of the Indian market.

What are the diverse aspects affecting online customer experience, and how do they impact customer e-satisfaction among customers in Delhi NCR, Mumbai, and Bangalore? The research will delve deeper into the relationship between consumer satisfaction and loyalty in the context of online purchasing.

1.1 (b) Significance of the Study

Theoretical contributions and practical applications of this study are particularly noteworthy, especially in the context of India's dynamic e-commerce landscape. It addresses several critical lacunae and offers valuable insights for both academia and industry.

Initially, this study is one of the few to utilize the “Stimulus-Organism-Response (S-O-R)” paradigm in assessing the experiences of Indian online consumers. The “S-O-R” paradigm offers a dependable theoretical framework for examining the influence of external stimuli, such as the attributes of an e-commerce platform, on the internal states of an organism (i.e., customer satisfaction) and the subsequent behavioural responses (i.e., loyalty and repurchase intentions). By employing this model, the investigation transcends the confines of a mere descriptive analysis. It offers a theoretically grounded approach to the investigation of the complex interconnections that impact the online consumer experience.

Second, little research has been conducted on consumer loyalty and experience in this specific setting, even though online sales are expanding rapidly in India and the market is extremely competitive. Previous studies have mostly focused on Western markets (Martin, Mortimer, and Andrews 2015; Bleier, Harmeling, and Palmatier 2019; Sai Vijay, Prashar, and Sahay 2019). This study addresses the need for a comprehensive analysis of Indian consumer experiences, which place a high value on unique features such as cash-on-delivery, steep discounts, and free returns. The pursuit of e-loyalty is a faraway issue due to the volatility these elements cause, as well as the growing digital literacy and complexity of consumer behavior (Deepal and Sarla 2016). For businesses to thrive sustainably, it is critical to comprehend the elements that affect customers' decisions to shop at the same store again.

Third, according to reports from E&Y (2022) and Bain & Company Inc. (2022), the transition to a digital-first lifestyle has intensified in the post-pandemic age. The customer experience is what distinguishes and makes lucrative businesses in India's current "Phase of Massification and increasing stickiness." Giving practical insights into the particular elements impacting customer acquisition and retention in this dynamic market is the goal of this study. The study's identification of these crucial components can assist online merchants and marketers in concentrating their efforts on the areas that have the most potential for success. To keep clients loyal and encourage repeat business, this entails improving the service and personalizing the online shopping experience.

To sum up, this research is essential to our comprehension of the functional and psychological factors influencing online consumer experience in India's distinct and ever-changing e-commerce environment. Future academic research will benefit greatly from the results, which will also offer useful advice for companies looking to improve customer satisfaction to be profitable and competitive over the long run.

This chapter is structured into three comprehensive sections that delve into the foundational concepts of e-commerce. The first section examines the evolution of e-commerce, tracing its development and impact on the global and Indian markets. The second section explores the specific characteristics of the Indian e-retail landscape and its segments. The final section focuses on the critical role of online customer experience, highlighting its unique characteristics, advantages, and the importance of optimizing website elements to enhance user experience within Indian contexts.

Objectives of the book

The overall aim of the present book is to understand the online customer experience and its consequences. The purpose of this study is to examine.”

- (a) Variables capable of influencing the online customer experience.
- (b) The effect of these variables on customer e-satisfaction
- (c) Satisfaction and loyalty of consumers towards online shopping.

Through this study, we have tried to explore the concept of online consumer experience and to further test and validate the proposed conceptual model of online consumer experience.

The initial goal of the book is to comprehend online customer experience in the setting of India. In this context, we have made an effort to further define online customer experience by harmonizing the construct's definitions from the academic community and the business world. While current online customer experience studies are concentrated on previously established concepts and their results, it is clear from the literature that a comprehensive understanding of customer experience is lacking (Mosunmola et al. 2019). The study's second goal is to investigate the metrics and aspects of online customer experience, which is said to be a multifaceted construct with Product, website, service, and Psychological components. Evaluating how these determinants affect online customer experience is the study's third goal. Although we have identified customer experience as a crucial factor (Sai Vijay, Prashar, and Sahay 2019; Bleier, Harmeling, and Palmatier 2019). A deeper understanding of customer experience and its results is needed beyond the formerly recognized approach of the concept in producing the desired behavioural outcomes. The study's fourth goal is to investigate the link between e-loyalty and online consumer experience.

This academic book chapter is organized thematically into five distinct parts, each building upon the preceding section to provide a comprehensive exploration of the online customer experience in the Indian market.

Organization of the Chapter:

Part I: Foundational Concepts and Context in the Indian Market

This section lays the groundwork by introducing the fundamental concepts and contextualizing the research within the unique dynamics of the Indian e-commerce landscape.

- Chapter 1 provides an introduction to e-commerce, a detailed overview of the Indian e-retail sector, and an analysis of market dynamics and industry segmentation.
- Chapter 2 is dedicated to defining and theorizing the customer experience construct, establishing the theoretical basis for the study.

Part II: A Multilevel Framework for the Online Customer Experience

This part presents the conceptual model for the study.

- Chapters 3, 4, and 5 comprise a detailed examination of the Drivers of Online Customer Experience, followed by the behavioral Consequences of a Positive Online Customer Experience.

Part III: A Proposed Model for the Indian Market: Decoding a Market Unlike Any Other

This section outlines the research methodology and design tailored for the Indian market.

- Chapters 6, 7, and 8 detail the methodological framework, including data collection procedures, the development of the research instrument, the sampling design, and the data analysis techniques employed.

Part IV: Mapping the Connections: An Empirical Analysis of E-Loyalty and Online Customer Experience

This part presents the empirical analysis and the fulfillment of the study's research objectives.

- Chapters 9 and 10 focus on the presentation and interpretation of the data analysis and the subsequent fulfillment of the defined research objectives, specifically unpacking the relationship between e-commerce drivers and e-loyalty.

Part V: Strategic Applications and Future Outlook: Indian Market

The concluding section summarizes the study's key findings and discusses their practical and theoretical implications.

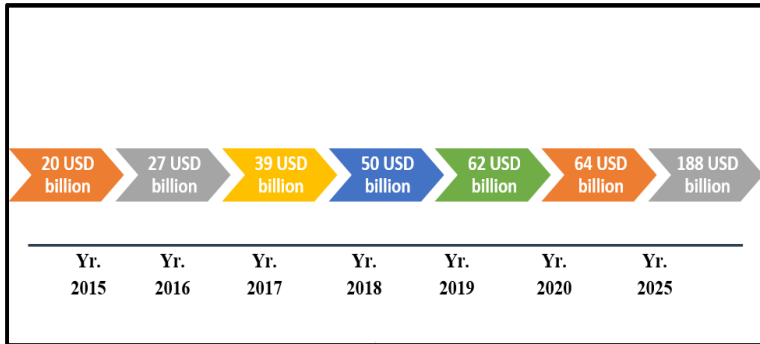
- Chapters 11 and 12 include a summary of findings, an exploration of emerging trends, a discussion of future research directions, and the overall conclusion of the book

1.2 E-commerce in India: A Market Analysis

E-commerce was formally introduced in India with the launch of the IRCTC Online Passenger Reservation System in 2002. This government initiative was a landmark event, enabling the purchasing of train tickets online from any location and at any time, thereby marking the nascent stage of digital commerce in the country. Since then, the digital environment in India has seen substantial evolution, driven by numerous critical causes. The main factors consist of heightened internet penetration and the extensive usage of smartphones, which have broadened digital access from major metropolitan regions to smaller cities. Contemporary marketers have utilized this digital framework, exploiting the internet to promote products and services worldwide. The digital ecosystem in India is evolving, driven by numerous causes such as growing internet and smartphone usage in both metropolitan and smaller cities.

The Indian e-commerce market is set for substantial expansion, with strong forecasts highlighting its considerable potential. A report by Grant Thornton Bharat (2022) projects that “the entire market size for e-commerce in India is expected to attain USD 188 billion by 2025”. This historical growth has been predominantly driven by factors such as the increasing adoption of smartphones, heightened urbanization, a surge in consumer spending, and widespread internet penetration. Looking forward, future growth is expected to be further fueled by technological enhancements, including advancements in e-payment systems and the implementation of analytics-driven strategies to enhance customer engagement. These cumulative factors are projected to position India as a global e-commerce powerhouse. It is anticipated that by 2034, the e-commerce market in India will surpass that of the United States, thereby securing its position as the second-largest e-commerce market globally, trailing only behind China.

Figure 1.1: Indian e-commerce market size (USD billion) (Projection till Yr. 2025)

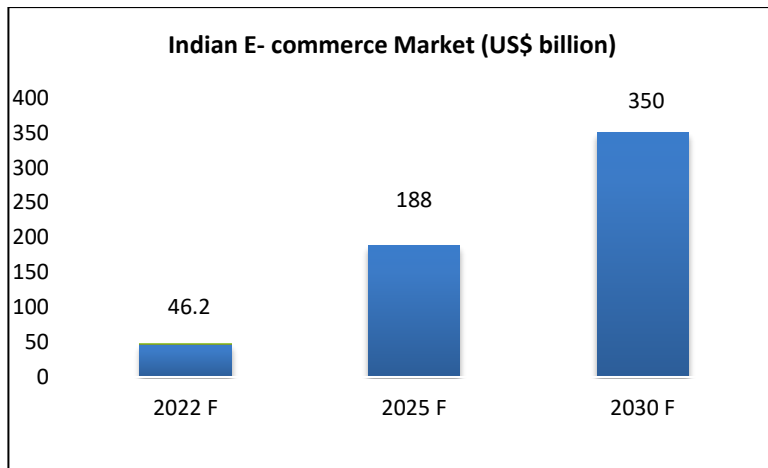


*Source: Global Markets 2. IBEF; 3. Global Markets and Statista; 4. Global Markets and Statista; 5. IBEF; 6. Statista; 7. Statista, April 2021 (Granton report 2021)

To maximize scalability and customer satisfaction, businesses are now run fundamentally differently since the development of e-commerce in India. As innovation becomes the new strength, businesspeople are developing new verticals with clutter-busting ideas. It is expected that India's e-commerce market would be valued at US\$350 billion by 2030, with grocery and clothing/apparel being the key growth drivers. According to predictions, Indian e-commerce would increase from 4% of total retail sales in food and consumables, fashion, and consumer electronics to 8% by 2025.

India's e-commerce market is expected to reach US\$350 billion by 2030 (Figure 1.2), with grocery and fashion/apparel likely to be its key growth drivers, according to a different report by IBEF, 2022. There is enormous potential and rapid growth in this industry. India overtook Canada to become the eighth-largest market for e-commerce, behind only France.

Figure 1.2 Indian e-commerce market size (USD billion) (Projection till Yr. 2030)



*Source: Global Internet: e-commerce's steepening curve' published by Goldman Sachs, Forrester Research, News Articles, Global Markets 2. IBEF; 3. June 2022.

By 2034, it is anticipated that the Indian e-commerce market will overtake the US to become the second-largest e-commerce market in the world. According to a different Payoneer report from 2022, the global cross-border growth of the Indian e-commerce market is rated at number nine.

1.3 The Evolution of E-Retail in India: Key Phases and Milestones

Bain & Company Inc., 2022 report: E-retail is defined as online goods purchases only; it excludes the purchase of services, games, and entertainment. The report categorizes the development of e-retail in India into three phases: Phase 1.0 is defined as the period before 2015, Phase 2.0 is defined as the period between 2015 and 2020, and Phase 3.0 is defined as the current period and is characterized by shopper micro-segments, novel business models, and technological applications. Over the past ten years, India's e-retail has considerably grown and improved.

Phase 1.0 - Cautious Early Adoption: Before 2015, e-retail was only available to upper-income consumers in metro and tier-1 cities. More than 75% of the gross merchandise value (GMV) was made up of categories

including apparel and mobile phones. Cash on delivery fuelled the growth of e-retail and helped establish consumer confidence.

From 2015 to 2020 - Phase 2.0 – Massification: In phase 2.0, vertical players in industries like fashion, groceries, medicine, cosmetics, etc., emerged and expanded. Additionally, at this time, the customer experience was improved through the expansion of digital payments, faster delivery (2-4 days), and loyalty programmes.

Phase 3.0 – Massification and increasing stickiness: A new period of development in India's e-commerce was brought in by the Covid-19 epidemic. Phase 3.0 is a period of innovation and disruption designed to meet the demands of diverse micro-segments as they emerge, to experiment with new business models, and to distinguish based on customer experience.

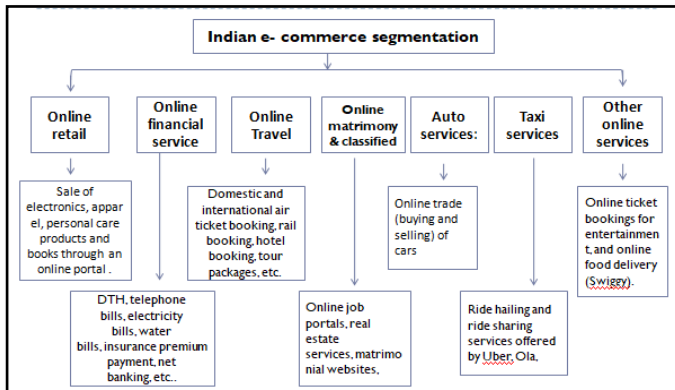
1.4 Market Dynamics and Industry Segmentation In Indian E-commerce

According to a Grant Thornton Bharat report (2021), e-commerce can be segmented based on various industries as a growing number of businesses shift to online platforms. This market operates through a diverse range of channels, which include:

1. **Online Retail:** This segment involves the sale of goods such as electronics, apparel, personal care products, and books through digital platforms.
2. **Online Financial Services:** This category encompasses a wide array of online transactions, including payments for utility bills (DTH, telephone, electricity, water), insurance premiums, and services like net banking.
3. **Online Travel:** This sector facilitates domestic and international travel bookings, including air and rail tickets, hotel reservations, and comprehensive tour packages.
4. **Online Matrimony and Classifieds:** This segment includes digital services for job seeking (online job portals), real estate services, and matrimonial websites.
5. **Auto Services:** This segment focuses on the online trade and services related to automobiles, exemplified by platforms like Droom and Carvana.
6. **Taxi Services:** This involves providing ride-hailing and ride-sharing services through platforms such as Uber, Ola, Zoomcar, and Rapido.

7. **Other Online Services:** This broad category covers various other digital services, including online ticketing for entertainment events and food delivery services like Swiggy.

Figure 1.3: Indian e-commerce market segmentation based on industries.



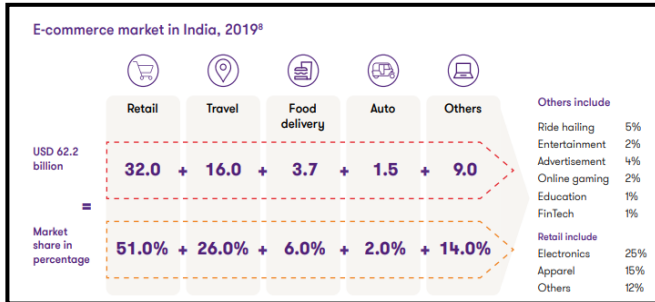
*Source: Grant Thornton Bharat, report 2021

According to Grant Thornton's projections, the majority of organisations and consumers will favour online solutions in 2021. As a result, several e-commerce segments are anticipated to experience rapid growth (see Figure 1.3). In India, the greatest segment of online retail sales at the moment is electronics. Mobile phones, devices, appliances, etc., are all included. Fashion is another popular category that people look up on various e-commerce sites, not just to buy clothing but to learn about the newest trends. It is projected that most e-commerce market segments will experience strong growth.

In general, the retail industry in India is not very well organised. According to a report distributed by the IBEF in June 2022, the proportion of modern retail (which also includes e-commerce) is expected to increase to 30–35% over the next three to five years, while the proportion of conventional retail is projected to decrease to 65–70%. It is anticipated that the retail sector in India will expand to the tune of \$2 trillion by the year 2032 as a result of social demographic and economic factors like urbanisation, income growth, and an increase in the number of nuclear homes. On the other hand, it is

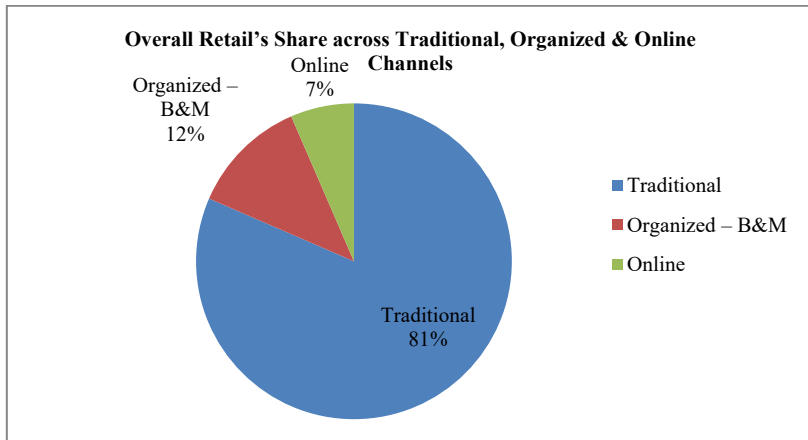
anticipated that the e-commerce market in India would reach \$350 billion by the year 2030, rising at a CAGR of 23% along the way.

Figure 1.4: Indian e-commerce market segments.



*Sources: Goldman Sachs, Statista, and GT Analysis; 2021.; Grant Thornton, 2021

Figure 1.5: Overall Retail Share across Channels



*Source: Unicommerce Research and Wazir Analysis, 2022.

The organised brick-and-mortar market in India was estimated to be worth \$100 billion in FY 2022 by Unicommerce Research and Wazir Analysis, with the highest contributions coming from the categories of jewellery and watches (29%), food and grocery (26%), and apparel and accessories (20%). Between FY 2022 and FY 2025, India's organised brick & mortar channel and online channel are predicted to increase at a CAGR of 29% and 19%, respectively.

The business world of today is more dependent on online shopping. Given that multi-multichannel is anticipated to be another evolution phase of the retail establishment. One of the key difficulties in managing online retail is figuring out how to create a product that would provide the most value to the customers and differentiate the merchant from the competition. Numerous earlier studies that focused on the quality of online retail have found aspects of that quality that customers value. The efficacy and usability of websites, fulfilment, dependability, security, and customer service are a few examples (Goutam, Ganguli, and Gopalakrishna 2022; Nandankar et al. 2021). But it only takes a glance at some recent studies to assume that online purchasing contains a wider range of consumer-evaluated aspects that go beyond the transaction procedure and that can be categorised as a wider idea of customer experience.

In marketing literature, the idea of customer experiences has garnered increased attention. Holbrook and Hirschman (1982) “first presented the idea”, and “it was further developed by Pine and Gilmore (1996)”. Customers' purchasing behaviour goes beyond only being functional and also serves their hedonistic objectives and social demands (Mehmetoglu and Engen 2011). These studies have important ramifications for how customers evaluate items and services because they consider a wider range of factors, including the enjoyment of the shopping experience, visual appeal, and the chance for social contact. Adding the concept of customer experience to the currently used metrics for online retail quality and determining the vast range of factors that consumers consider while shopping online, the current study was conducted.

With numerous businesses eying a fair portion of customers' minds and wallets, the Indian retail e-commerce sector has begun to get congested and complex. With the interaction of social, mobility, analytics and virtualization, the retail e-commerce business is a fascinating place. Despite losses, the current high values may be a sign of future promise. Customers now have access to new shopping opportunities as a result of this. Retailers are embracing these new experiences to connect with customers in novel ways. The retail e-commerce war has gotten fiercer as a result of the growth of online shopping, especially among the most well-known e-commerce businesses on the market. The development of the industry in this field has been greatly aided by developments in technology and customer buying habits. This study intends to take into account such an important topic with a particular focus on India to produce insightful findings on consumer behaviour. The information would help businesses plan for increasing customer satisfaction, loyalty, and retention.

E-retail websites are among the most important shopping avenues today and have transformed the way consumers purchase goods and services. Although some consumers still like to touch and feel products before making purchases, the efficiency, convenience, and simplicity of web-based buying are challenging conventional shopping channels (Neilson, 2014 report). Whereas IAMAI and Kantar Research's analysis projects that the number of internet users in India will rise from 658 million in 2020 to 900 million by 2025, with a CAGR of 45%. The development of online shopping and e-commerce has been significantly impacted by the internet's and cellular technologies' exponential expansion (Følstad 2018).

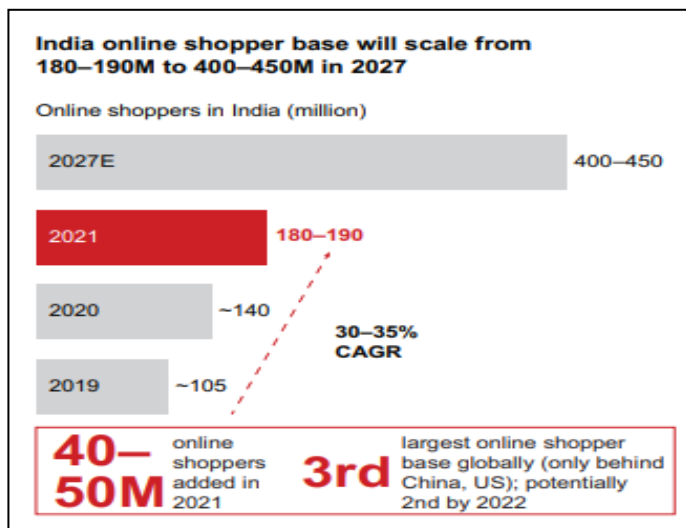
The success of e-business also heavily depends on how easy it is for customers to shop online (Reema Singh 2019). Additionally, there is a significant correlation between the amount of time customers spend on a particular shopping website and their level of happiness (Haridasan and Fernando 2018). Over the past few years, there has been a drastic change in the online buying behaviour of tech-savvy Indian consumers. These tech-savvy consumers are spending quite long hours online for different types of reasons. The intense diffusion of the internet in the everyday life of people is the major reason for the increasing interest in online shopping. It has enabled an innovative technology-based platform for the new shopping mode (Karayanni 2003).

With increasing internet use, the popularity of e-commerce will also increase (PWC, 2015). According to the available data (PWC, 2015), the percentage of the population using the Internet in India is more than the percentage of people who have at least completed primary education. Ease in online shopping, changing the lifestyle of urban Indians, alterations in the supporting ecosystem, the launch of 3G and 4G services and decreasing prices of broadband have directed and supported the new age of digitalization in India. The factors, such as a steady increase in the percentage of internet users, consumers' increasing interest in online shopping, online transactions, favourable demographics and increasing availability of internet-friendly advanced devices and supporting accessories (E&Y, 2013), are contributing to the expansion of retail e-commerce.

A study by CRISIL, Forrester, China Statistical Yearbook, and Bain Analysis, 2022, highlights that India's online shopper base will scale in 2027 (refer to Figure 1.6). Strong fundamentals in India are enabling an ongoing e-retail expansion. India is already a very alluring e-retail sector because of its sizable online consumer base and third-largest global retail market. The balance of categories for online purchases will change as well. Historically,

the e-retail business has been dominated by segments including mobile phones, electronics, and appliances.

Figure 1.6: India's online shopper base



*Source: Forrester; Similarweb; Bain analysis; 2022

Online shoppers and e-commerce companies alike need to be mindful of several key considerations. Numerous research studies have looked at the factors that influence online shoppers' satisfaction. They show how a range of factors affect consumers' decision-making and purchasing intentions. The majority of businesses and customers prefer using online solutions. As a result, several retail e-commerce segments are projected to grow rapidly. In India, electronics presently account for the majority of internet retail sales. One of the most popular categories on many e-commerce websites is fashion, which is searched for both to make purchases and to find information on the latest fashion trends. It includes mobile phones, devices, appliances, and more. Consumers' purchasing patterns have changed significantly, and as a result, sectors such as health and pharmaceuticals, groceries, and food delivery have experienced substantial growth. This is primarily due to an increase in first-time purchasers.

Flipkart, Reliance, Amazon, and Tata (FRAT) collectively control more than 80% of India's online retail sector, and "each is manoeuvring to win market share" (The Hindu Business Line, 2022). According to statistics