

## **FUTURE OF INDIAN ECONOMY LIES IN INNOVATION- “MAKE IN INDIA”- THE BRAND OF FUTURE**

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### **ABSTRACT**

*E-commerce is the future of retail and it will play a big role in India specifically. There are several scenarios that could describe how India will be 10 years from now and what role e-commerce will play in India of tomorrow. Let's try to flow with the thoughts of our Government and create a positive case. E-commerce will play a major role in Indian retail, probably more than anywhere else in the world.*

### **INTRODUCTION**

E-Commerce is a trend for the future. It is a business concept that will thrive over and above the Retail outlets. There are significant challenges and opportunities that can be covered in this domain of business. An attempt is being made to touch some of the aspects as there are newer concepts and business models cropping up now and then. Also this subject is of diverse nature, therefore it is also a major limitation in this Research Paper which is based upon the Secondary data and review of publications.

**Some facts of the Indian Market which helped me in this Research Paper:**

- INDIA'S CONSUMERS in numbers (1 Country, 780 Languages)
- BIG POPULATION, FAST ECONOMY 1.3bn / 7.5% India's population and real GDP growth in 2015
- WORKING MASS and MIDDLE 10% / 2% the portion of the total population made up of the workforce in "Urban Mass" / "Urban Middle."
- YOUNG POPULATION BIG FUTURES 65%
- The percentage of the population born after 1980. Of the 65%, 443 7mn The number of college graduates per year.

- ELL-CONWNECTED 200mn The number of connected smartphones we expect by end of 2016.
- The size of India's milk market in tons – the largest in the world.
- TV penetration is also high (67%) relative to other home appliances. \$31bn
- The size of the spirits market in USD, making it the largest packaged food and beverage category in India and the second largest spirits market in the world.

## **A) Market glimpses of Indians is that we are getting richer**

With more jobs being created, the quality of lifestyle of Indians is going up. Our lifestyle and concepts of living have changed drastically over the decade. The tastes and preferences have been switching off and on with newer products and services being accepted and adopted by the market and the consumers. We have adopted a Methodism of taste or try the product or concept and then repeat sales will happen.

## **B) We Indians are consumers, not producers so looks the trend and philosophy**

There is no scientific evidence that I can convince you on this. To cite an example, Indian consumption and retail will go exorbitant and it will create wealth for decades to come, because Indians love to consume, not save. This is also evident from the recent situation of demonetization. Money changing hands at a fast speed and then forced to reach the doorsteps of the banks.

## **C) Slow growth of retail infrastructure**

Retail Infrastructure is going to trend behind and online stores and Ecommerce Apps are going to lead the way. Technology is playing a significant role in the spread of the online stores. India might have only 300-odd million Internet users, out of its total population of 1.3 billion. But this has not stopped online commerce from establishing itself in the country. The latest study by the Internet and Mobile Association of India (IAMAI) has, in fact, found that at a CAGR growth rate of about 30 percent between December 2011 and December 2015, Indian digital commerce stands at Rs 1,25,732 crore. The report estimates that it will hit Rs 2, 11,005 crore this year. However, online shopping comes only after online travel, which is valued close to Rs 76,396 crore.

## **D) Smartphone penetration and data consumption rising at a speedy rate in the Indian Markets**

As per a recent report by Morgan Stanley, (please refer in the references section for more info on data) India is adding three new Internet users every second. Internet penetration connects players, enables transactions and thus enables retailing in a decentralized manner.

Decentralized structures often times form the basis for an India-typical leap frogging (telecommunication, computers and now possibly solar power and online retail).

India received \$6.6 billion in venture capital equity investment in 2015, and a private 50% increase from the previous year, which probably contributed to a steep growth in the gross merchandise value for ecommerce.

The above are some of the facts that reflect on the market and changing dynamism of the Indian Companies and investments. Venture Capitalists are on the wait to invest in the trending Online Ecommerce companies. The market has become a hot challenge and competition is thriving on innovation. Ideas and that too innovative ones will be valued and will gain the market acceptability in terms of money investment and business turnovers.

Innovations are the need of the hour which will lead to the budding of nest activities across the Nation. Go East, West, South or North the Markets will throng with the Innovative Ideas and new booming business activities. For this the essence is the need for Entrepreneurs. Challenging Entrepreneurship will lead to a market shake-up.

The Market span can be divided into various periods like short term, medium term and long term. In order to balance out the shorter investment cycles, entrepreneurs should focus on a business period of atleast 10 years and more. The Entrepreneur exit should not happen before 10 years otherwise it will adversely impact the Nation and Business Cycle.

### **Possible solutions that can lead the way for innovation in Indian E-commerce**

- a) For innovation to happen, we need the entrepreneurs with the go-getting principles to dictate to capital/investments where to be injected (not the other way around) by creating amazing products within amazing business perspectives.
- b) The best of entrepreneurs understand that getting funding from Venture Capitalists is not a difficult task, the actual task begins with working on your dream/ ambition day-in and day-out.
- c) We need a positive scaling of ideas and the Capital Investors should focus on the 10 years period rather than keeping a low tenure returns.
- d) Goal setting for Returns on Investments should be realistic but the success of a business cannot be driven by the fact of business turnover or the business scale. It is the survival and sustenance in business in the market that will drive the business market scenario.

### **Conclusion:**



Innovation is the future and we cannot run away from this thought. It is better if we adopt this in our practice and use it as a guiding force. It is the trend and tenure (number of years of being in business as an entrepreneur) of being in business that will get us the fruits of success.

## REFERENCES

- 1) Indian ecommerce market to grow fastest globally over 3 years: Morgan Stanley  
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