**E-COMMERCE**

**MARKET SIZE**

**SECTOR COMPOSITION**

**KEY TRENDS**

**GOVERNMENT INITIATIVES**

**ADVANTAGE INDIA**

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**Gross Value Added By E-Commerce Sectors (US$ billion)**

- **2020F**: $30.00
- **2024F**: $99.00

CAGR: 27% (2019 - 2024)

**Shares of Various Segments in e-commerce Retail by Value (2020)**

- **Consumer electronics**: 40.0%
- **Apparels**: 40.0%
- **Food and grocery**: 7.0%
- **Jewellery**: 7.0%
- **Furniture**: 4.0%
- **Others**: 2.0%

**Online Retail vs. Total Retail**

- **2019**: 4.7%
- **2024F**: 10.7%

**India’s Smartphone Shipments (million)**

- **Q3 2019**: 46.2
- **Q3 2020**: 50.0

**Note:** F – Forecast

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**Trend point:** The E-commerce market in India is expected to post a ~27% CAGR between 2019 and 2024.

**Shares of Various Segments in e-commerce Retail by Value (2020)**

**Government e-Market Place (GeM)**

**National Retail Policy**

**Consumer Protection Rules 2020**

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**Growing demand:** India’s e-commerce order volume increased by 36% in the last quarter of 2020, with the personal care, beauty & wellness (PCB&W) segment being the largest beneficiary. Tier 2 and 3 cities accounted for a 90% YoY incremental volume and value growth in the e-commerce market in the last quarter of 2020. Also, these cities reported significant gains in share of the overall e-commerce sales volume (from 32% to 46%) and value (from 26% to 43%) in the last quarter of 2020 over the same period last year.

**Increasing investment:** The rise in digital literacy has led to an influx of investment in E-commerce firms, levelling the market for new players to setup their base, while churning out innovative patterns to disrupt old functioning.

**Policy support:** 100% FDI is allowed in B2B e-commerce. As per the new guidelines on FDI in E-commerce, 100% FDI under automatic route is permitted in the marketplace model of E-commerce.

**Attractive opportunities:** Despite depressed consumer spending, economic slowdown and uncertainty created due to COVID-19, e-commerce players are expecting strong sales growth in 2021. Online grocery, e-pharmacy and social commerce are expected to see a bulk of the action in 2021.