

India's Ecommerce Market Continues to Surge


Rising internet and smartphone use in the country fuels growth

ARTICLE | JUNE 06, 2018

eMarketer Editors

Retail ecommerce sales in India will climb 31.0% this year to reach \$32.70 billion, according to eMarketer's latest forecast. That growth rate will trail only China and Indonesia in Asia-Pacific.

This growth has been enabled in part by the ecommerce market leaders in India—Flipkart, Amazon and Paytm Mall—who have been expanding into new sectors, including grocery. This investment along with India's rising internet and smartphone use, as well as the country's young population and expanding middle class, have contributed to a growing number of digital buyers. We expect a quarter of the population will be digital shoppers this year. By 2022, this share will rise to 41.6%.



Retail ecommerce sales: \$32.70 billion
Retail ecommerce growth: 31.0%
Ecommerce as a % of total retail: 2.9%
Digital shoppers % of population: 25.3%

Source: eMarketer, April 2018

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Despite the strong growth rate (India's ecommerce market has more than tripled since 2015), retail ecommerce will make up just 2.9% of total retail sales in 2018. While this is low compared with more developed markets in the region, India is poised for significant ecommerce growth in the coming years as internet penetration expands. By 2022, India's ecommerce sector will be worth \$71.94 billion.

"Ecommerce is booming in India thanks to increased internet users and cheaper smartphones," said Eric Haggstrom, forecasting analyst at eMarketer. "In tandem with this shift to online and mobile usage, Flipkart, Amazon and Paytm Mall have been competing fiercely to claim their share of the Indian market. All three of these companies are making large investments, which include improved logistics and payment systems, as well as offering deep discounts, which will fuel future growth in the market.