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"DIGITAL COMMERCE AS A CATALYST FOR E-BUSINESS GROWTH: EXPLORING TECHNOLOGY ADOPTION, CUSTOMER EXPERIENCE AND BUSINESS PERFORMANCE"

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Abstract

Digital commerce has crop up as asignificant driver of shift in modern business, influencing how organizations collaborate with customers, charge the transactions and develop competitive action. The speedyextension of internet connectivity, mobile technologies, digital payment systems and online platforms has inspired businesses to consolidate digital commerce into their e-business action. This study investigate the role of digital commerce in developing e-business growth by absorbing on technology adoption, customer experience and business performance. The study needs to understand how the sufficient use of digital technologies can develop operational capability, strengthen customer contacts and support sustainable business development. It also explores the factors that force the customers' acceptance of digital commerce, including assistance, preservation, accessibility, service quality and expectation. The study further considers the tie-up between embellished customer contact and business achievement in terms of customer detention, sales progress, market reach and competing advantage. Secondary information from research publications, industry reports, institutional sources and related digital commerce literature will be used to backing the analysis. The study is normally to provide appropriate insights for businesses exploring to enhance their digital techniques and reciprocate effectively to altering consumer predictions. The findings may helpful to the organizations in developing customer-oriented and technology-driven avenues for long-term e-business growth.

Keywords: Digital Commerce; E-Business Growth; Technology Adoption; Customer Experience; Business Performance

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Introduction

Digital commerce has become a vital factor in the complete change of contemporary business, continuing beyond online buying and selling to consist digital payments, mobile commerce, online customer services, platform-based transactions and data-driven business practices. The growing combination of these technologies has determined organisations to renovate traditional business models and enhance their e-business increase. UN Trade and Development (UNCTAD) address that global business e-commerce sales captured approximately US$27 trillion in 2022**,** depicting an increaseof nearly60% from 2016**.**These growthsestablish the expanding importance of digital framework, technology approval and online business prospects in worldwide commerce.

India contributes an important context for inspecting this transformation. India's e-commerce industry is premeditated to grow by approximately 15–17% annually and grasp around US$300 billion by 2030**,** supported by refining smartphone usage, digital payment infrastructure and expanding consumer desire for online shopping. Convenience, transaction speed, digital security, personalisation and service responsiveness increasingly shape customers' online purchasing decisions. This study focuses on these dimensions and seeks to provide useful insights for organisations developing effective digital strategies in an increasingly competitive marketplace.

Table -1: Growth of Digital Commerce Enablers in India, 2020–21 to 2024–25

Financial Year	Total Digital Payment Transactions (Crore)	Value of Digital Payments (₹ Lakh Crore)	Annual Growth in Transaction Volume (%)
2020–21	4,370.68	1,414.58	—
2021–22	7,197.68	1,744.01	64.68
2022–23	11,393.82	2,086.85	58.3
2023–24	16,443.02	2,428.24	44.31
2024–25*	18,120.82	2,330.72	10.81

Source: Ministry of Finance, Government of India, Press Information Bureau.

Interpretation

This table clearly shows that there was a lot of growth in India's digital commerce structure over a period of five years.The number of transactions related to digital payments rose from 4,370.68 crore in 2020-21 to 18,120.82 crore in 2024-25.This is a rise of more than four times.The value of such transactions rose from ₹1,414.58 lakh crore to ₹2,330.72 lakh crore during this period.More recent data from the Government of India reveals that retail digital payments amounted to 22,167.90 crore transactions with a total value of ₹849.12 lakh crore in FY 2024-25.This amount is a rise of 35.04% compared to last year's figure.

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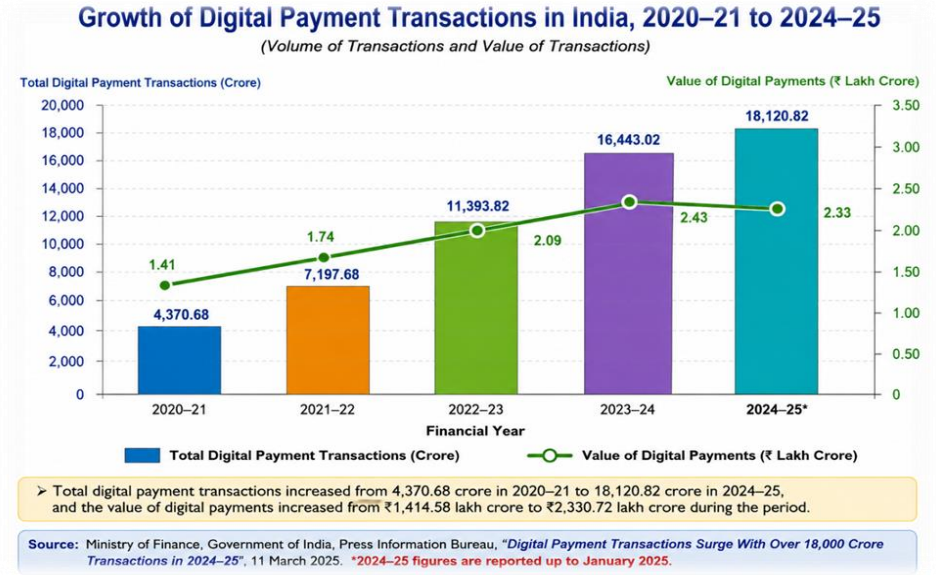

It shows the growth of digital payment transactions in India from 2020-21 to 2024-25, which depicts that digital payment transactions witnessed a massive growth in its infrastructural development. In 2020-21, total digital payment transactions were 4,370.68 crore having a transaction value of ₹1,414.58 lakh crore. However, it grew massively to 7,197.68 crore in 2021-22. Digital payment transactions grew to 16,443.02 crore numbers in 2023-24, and its transaction value stood at ₹2,428.24 lakh crore.. In total, there was an increment in digital payments transactions more than fourfold between 2020–21 and 2024–25. The massive increase is attributed to increased usage of technology, accessibility of electronic payment systems, and behavioral changes of consumers.

Table - 2: Comparative Growth of the Indian and Global Digital Commerce Market, 2021–2025

Year	India E-Commerce Market (US$ Billion)	India Annual Growth (%)	Global Retail E-Commerce Market (US$ Trillion)	Global Annual Growth %
2021	67	—	4.979	
2022	84	25.4	5.09	2.5
2023	102	21.4	5.58	9.6
2024	125	22.5	6.007	7.7
2025	145	16	6.419	6.9

Sources: Statistics Research Dept.,& E Market Forecast 2025

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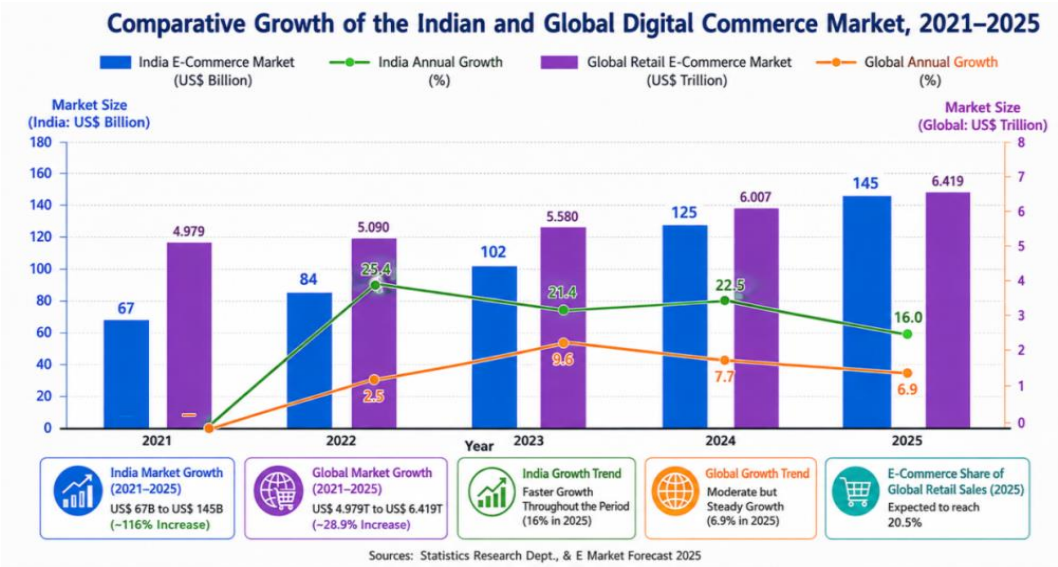
Present Status of the Indian Digital Market

India's digital commerce market has shown rapid and sustained expansion. The market increased from US$67 billion in 2021 to US$125 billion in 2024**,** and it is estimated to reach US$145 billion in 2025**.**



There was considerable growth registered in the Indian market in 2022, and the figure is 25.4% year on year growth. The forecasted growth for 2023 will be 21.4%, whereas, in 2024, it is predicted to be 22.5%. Nevertheless, in 2025, it is expected that there will be a slowdown in growth rate to about 16%; however, the market will still continue to grow much faster than the world market. The reason behind such a rapid growth is the increased number of internet connections, m-commerce, payment systems, online markets and participation of consumers and businesses that are not located in big urban areas of India.

Present Status of the Global Digital Market

The global market for digital commerce is far bigger than its US counterpart in absolute terms. The global retail e-commerce revenue rose from in 2021 to the projected amount of US$6.419 trillion US$4.979 trillion in 2025. It signifies that there has been a rise of roughly 28.9% over the next five years. Global growth rate was moderate in 2022 at 2.2%, but it picked up the pace to 9.6% in 2023 and 7.7% in 2024. The global retail e-commerce revenue is forecasted to grow at the approximate pace of 6.8% to US$6.419 trillion in 2025. The global share of e-commerce in retail trade is forecasted to be approximately 20.5% in 2025.

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Comparative Observation

The statistics show that India is growing faster, while the global market is considerably larger in absolute value. India's e-commerce market more than doubled between 2021 and 2025, whereas the global market increased by about 29%. This difference indicates the strong expansion potential of India's digital economy. For the proposed study on digital commerce as a catalyst for e-business growth, the Indian market provides an important setting for examining how technology adoption, customer experience, digital payments and online business models contribute to organisational performance.

Projected Future of Digital Marketing in India, 2026–2030

Using the FY2025 base of ₹58,100 crore and the reported 15.1% CAGR, the following annual values are calculated projections rather than independently reported annual observations.

Year	Projected Digital Marketing/Advertising Spend (₹ crore)	Approx. Growth (%)	Key Future Development
2026	66,874	15.1	AI-enabled marketing, mobile advertising and social media expansion
2027	76,974	15.1	Personalisation, influencer marketing and regional-language content
2028	88,601	15.1	Retail media, OTT/CTV advertising and data-driven campaigns
2029	1,01,982	15.1	Programmatic advertising, automation and AI-based customer targeting
2030	1,17,381	15.1	Integrated AI-commerce marketing and highly personalised customer experiences

Source:The State of Digital Marketing in India 2025–26.

The projection indicates a strong and sustained expansion of digital marketing in India during 2026–2030. Digital marketing expenditure is estimated to increase from approximately ₹66,874 crore in 2026 to ₹1, 17,381 crore in 2030, representing an increase of about 75.5% over the five-year projection period.The major driver of this expansion is the continuing shift of consumers and businesses towards digital channels. The attached study already demonstrates the rapid growth of India's digital payment ecosystem: transaction volume increased from 4,370.68 crorein 2020–21 to 18,120.82 crore in 2024–25, more than four times the initial level. This expanding digital ecosystem provides a strong foundation for digital marketing.The future is likely to be characterised

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by AI-powered customer targeting, personalised advertising, social-media marketing, influencer marketing, regional-language content, programmatic advertising, retail media, OTT/CTV advertising and mobile-first campaigns. Recent industry research also identifies AI-enabled targeting, programmatic advertising and retail media as important drivers of India's digital advertising growth.

Mobile will remain particularly important. Ipsos reports that mobile platforms accounted for 78% of India's digital advertising spend, while India's internet-user base reached 806 million in 2025. It projects digital advertising expenditure of ₹56,400 crore in FY2026. Thus, the future of digital marketing in India is expected to move from conventional digital advertising towards intelligent, personalised and data-driven customer engagement. This directly supports the central argument of the attached study that technology adoption and improved customer experience can strengthen e-business growth and business performance.

Key Future Trends, 2026–2030

Future trend	Expected significance
Artificial Intelligence (AI)	Automated content creation, customer targeting, predictive analytics and personalised campaigns
Mobile Marketing	Continued dominance because of India's large smart phone and internet-user base
Social Media Marketing	Greater use of creators, short-form video and community-based marketing
Regional-Language Marketing	Increasing reach among consumers beyond metropolitan and English-speaking markets
Influencer/Creator Marketing	Stronger integration of creators into brand and commerce strategies
Retail Media	Advertising increasingly integrated directly into e-commerce platforms
OTT & Connected TV	Expansion of digital video advertising and targeted television audiences
Programmatic Advertising	Automated, real-time purchasing and optimisation of advertising inventory
Data-driven Personalisation	More relevant offers and customer experiences based on consumer behaviour
Privacy & Ethical Marketing	Greater importance of consent, transparency and responsible use of consumer data

Source:*India Creative Media & Digital Marketing Industry Outlook to 2030*;

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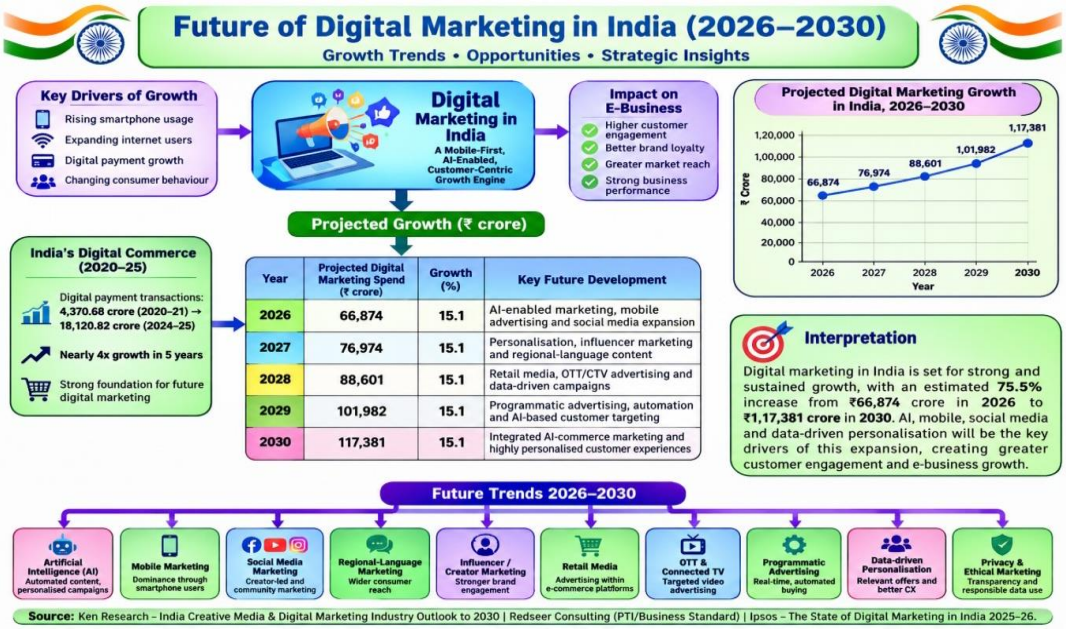

Conclusion

Digital commerce is emerging as a potent catalyst for e-business growth in India through changes in transaction processes, customer communication, and competitive strategy. The tremendous growth in digital payment transactions from 4,370.68 crore in 2020-21 to 18,120.82 crore in 2024-25 shows the growing acceptability of digital channels and serves as a good base for developing online business. The Indian digital commerce market has grown at a faster pace than the global digital commerce market due to the increased impact of smartphone usage, Internet availability, digital payment methods, and online marketplaces. The future growth prospect is quite promising, with digital marketing expenses expected to grow from approximately ₹66,874 crore in 2026 to ₹1,17,381 crore in 2030 (a 75.5% increase). AI-enabled marketing, mobile advertising, social media, personalisation, influencer marketing, regional-language content, retail media, OTT/CTV, programmatic advertising and data-driven customer engagement are expected to shape the next phase of digital business development. Therefore, organisations that combine technological innovation with convenience, security, trust, service quality and customer-centric strategies are likely to achieve stronger customer relationships, wider market reach and improved business performance. Digital commerce is consequently not merely an alternative business channel but an important strategic foundation for sustainable e-business growth in India.

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