E-Retailing

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1. Introduction

E-Retailing is one of the part of the e-commerce. The commercial transactions between organisations using latest web technologies as per the policies of the organisation it takes from the e-business. In 21st century without internet very difficult for the transactions. The internet connection will be connected to the no, of marketings. the usage of e-commerce has increased frequently across the developing countries such as internet. The India e-tailing sector by focusing on the current and future of the big giant e-tailer in India, Flip kart. The organisations that have presence only in the virtual world. they are present only online and do not have physical stores, example of Amazon.com. The internet as a medium to market their goods and services and try to keep in touch them. The process of selling the goods and services in electronic media particularly the internet. In the latest Top 100 Most Valuable Global Brands ranking, the top two most valuable retail brands are the Chinese e-tailer Alibaba in the number one spot with $66.4 billion and Amazon, coming closely behind with $62.3 billion. On Monday E-tailers like Flip kart, Amazon and Jabong now get 50 per cent of their revenues from consumers shopping on their mobile phones. Predictive analytics is helping e-tailers provide better solutions real-time, enabling compelling user experience even on mobile screens.

2. Objectives of the Study

[1] To understand the online retail market in India and its impact on Indian retail.
[2] To analyse the opportunities for online retailing in India.
[3] To study the major challenges for online retails in India.

3. Scope of the Study

The scope of the research study is limited to online retail market, the opportunities and challenges for the evolving online retail market in India.

4. Review of Literature

Khan and Rahman (2016) studied to examine the influence of e-tail brand experience on e-brand trust and e-brand loyalty. The study also tests whether gender moderates this influence. In all, 429 responses were collected using both offline and online survey methods. Empirical results confirm the impact of e-tail brand experience on e-brand trust and e-brand loyalty. Gender was found to moderate the relationships. It was further found that e-tail brand experience developed almost same levels of e-brand trust in both males and females. However, males became more loyal to -tail brands when they received positive e-tail brand experiences.
Das (2016) conducted a study to examine the antecedents and consequences of trust in online shopping from an e-tail branding perspective. A structured questionnaire was used to collect data online from Indian e-tail shoppers and 309 samples were used for data analysis. The results found e-tailer awareness, e-tail perceived quality as antecedents of trust in online shopping. The results also showed online trust positively influences the behavioural intentions, namely, purchase intension, repurchase, and recommendation.

Chen and Mathews (2013) conducted a study in Taiwan to examine website quality on brand attitude toward e-branding. For this data was collected in an offline environment where the 500 questionnaire were distributed by quota sampling approach. Out of a total sample of 500,431 questionnaires were returned. Researchers concluded that portal website attitude have indirect effect on e-tailors brand attitude through portal e-service quality. Further, the study highlighted those portal intermediary site e-services components such as e-service quality impacts the e-tailer brand.

5. Challenges of E-Retailing

1. Unproven Business Models

In the formative years of dot-com era, most of the businesses on the Net were experiments in new areas and did not provide enduring sources of profit. This was the primary reason behind closing down of 90 per cent of the purely e-commerce companies in the beginning of this century. Today, dot-com businesses have matured a little. Still some of the businesses are at experimental level and do not guarantee regular revenue.

2. Requirement to Change Business Process

The process of procurement, storage and logistics in e-businesses is different from that in traditional brick-store businesses. The e-retail organization has to carefully redesign and integrate various processes to suit the new e-business. Traditional sections of departments and management hierarchy may pose hindrances and bottlenecks in the process of order processing and shipments, for example, the traditional business may require the goods to be present at the warehouse and inspected before being shipped to the customer, but in electronic retailing, shipping of goods from one place to another to a customer would not be possible. The retailer may appoint a local supplier at the city where the customer resides and instruct the supplier to deliver the goods. This would require by passing certain business rules and a lot of faith on the local supplier. It would require business confidence that the supplier would follow the instructions and deliver the same product in good quantity and perfect quality. Merchandise planning and demand analysis is also difficult in e-retailing, as compared to traditional retail businesses.

3. Channel Conflicts

Companies selling through the Internet as well as through brick stores may find their interest conflicting at many places. In electronic storefront orders, the goods directly reach the end-consumer and so the distributors and sellers may feel the threat to their existence. Most of the time, it is seen that retailers tend to reduce price over the Net. The sale at the brick store may store may drop because the retailer may tend to sell more through the Internet as a result of reduction of prices.
4. Legal Issues

Proper laws have not yet evolved for Internet based transactions. Validity of e-mails, digital signatures and application of copyright laws is being checked by various government authorities. E-mail and digital signatures are now being recognized as valid for any legal purpose. Value Added Tax (VAT) is yet another area that creates problems. Taxes on goods and services are still an issue. Since the taxes are levied and shared by multiple government agencies at local, state or federal level, there are no clear rules to guide retailers on that. In e-retailing, the place of billing, the place of dispatch of goods and the place of delivery all differ. If these three places fall in different jurisdictions of governments, levy and submission of taxes would be a problem.

5. Security and Privacy

Security is one of the major challenges in the digital world. Despite a lot of security arrangements, such as passwords and firewalls, we come across the news of website hacking and data pilferages. The Internet being on public domain is more susceptible to unauthorized peeping. People are wary of divulging information regarding their credit cards and personal details on the Net because they can be misused. Cyber criminals have exploited the Internet weaknesses and have broken into computer systems, retrieving passwords and banking information. Security of payment gateway is a major concern, which has to be taken care of by the retailer by putting up proper security layers.

E-Retailers can be of Two Types

[1] Pure Play e-retailers such as Amazon, that emerged as the online bookseller. It is present only online and do not have any physical outlet for the customers.

[2] Brick and click e-retailers such as Dell, that sells computers through the internet as well as has the physical store front for the customers.

6. Support Services in E-Retailing

The electronic retail business requires support services, as a prerequisite for successful operations. These services are required to support the business, online or offline, throughout the complete transaction-processing phases. The following are the essential support services:

- Communication backbone
- Payment mechanism
- Order fulfillment
- Logistics

7. Advantages of E-Retailing

[1] Easy access to market
In many ways the access to market for entrepreneurs has never been easier. Online marketplaces such as eBay and Amazon allow anyone to set up a simple online shop and sell products within minutes.

[2] Reduced overheads
Selling online can remove the need for expensive retail premises and customer-facing staff, allowing you to invest in better marketing and customer experience on your e-commerce site.
Potential for rapid growth
Selling on the internet means traditional constraints to retail growth - eg finding and paying for larger - are not major factors. With a good digital marketing strategy and a plan a scale up order fulfilment systems, you can respond and boost growing sales.

Widen your market / export
One major advantage over premises-based retailers is the ability expand your market beyond local customers very quickly. You may discover a strong demand for your products in other countries which you can respond to by targeted marketing, offering your website in a different language, or perhaps partnering with an overseas company.

Customer intelligence
Ability to use online marketing tools to target new customers and website analysis tools to gain insight into your customers’ needs.

8. Disadvantage of E-Retailing

Website costs
Planning, designing, creating, hosting, securing and maintaining a professional e-commerce website isn’t cheap, especially if you expect large and growing sales volumes.

Infrastructure costs
Even if you aren’t paying the cost of customer-facing premises, you’ll need to think about the costs of physical space for order fulfilment, warehousing goods, dealing with returns and staffing for these tasks.

Security and fraud
The growth of online retail market has attracted the attention of sophisticated criminal elements. The reputation of your business could be fatally damaged if you don’t invest in the latest security systems to protect your website and transaction processes.

Legal issues
Getting to grips with e-commerce and the law can be a challenge and you’ll need to be aware of, and plan to cope with, the additional customer rights which are attached to online sales.

Advertising costs
While online marketing can be a very efficient way of getting the right customers to your products, it demands a generous budget. This is especially true if you are competing in a crowded sector or for popular keywords.

Customer trust
It can be difficult to establish a trusted brand name, especially without a physical business with a track record and face-to-face interaction between customers and sales staff. You need to consider the costs or setting up a good customer service system as part of your online offering.

9. Opportunities in India:

The current business environment in India has the potential to enhance the growth of the online retail in India. Some of the key factors that can contribute to the growth of online retail in India include

Increase in the number of Internet users and online buyers:

According to Google, India now have around 200 million internet users which is expected to reach 500 million by 2018. Every year there is an estimated increase of 5 million internet users every month. One of the key factors contributed to the increase in internet users is the spread of broad band connectivity across the country. In 2013, the
broad band connectivity is around 15.13 million. Government is talking initiatives to increase it by 214 million broad band connections by 2014. This will enhance the accessibility of internet for common people. Forrester’s Asia pacific retail forecast predicts that online buyer population will reach 39 million by 2014 and 128 million by 2018 which can stimulate the growth of online retailing in India.

**Smart phone revolution and Mobile Internet:**

India is one of the markets which is witnessing growth in smart phone customers. In 2013, there were 51 million smart phone users in India which is expected to reach 104 million by 2014. But this forms about 10 per cent of the total mobile users currently. The availability of cheap smart phone can enhance the growth rate in future. Access to 3G and 2G mobile data networks and availability of cheap smart phones can enhance the customer transaction using mobiles. Most of the online retailers are developing their mobile applications to enhance the shopping experience. Amazon came up with their own 3D smart phone-“Fire phone” to enhance the mobile shopping experience of their customers. If we compare the mobile internet users we can observe increasing trend with respect to mobile internet users. According to 2015 projection, out of 300 million internet users 200 million users will be accessing internet using mobile phones which can enhance e-retailing opportunities in India.

**Increase in transaction by Debit cards, Credit cards, Net and mobile banking:**

Retail electronic payments was around INR 33.8 lakh crore in 2013 compared with INR 50,000 crore in 2004. Credit card payments has grown seven times during this period and reached INR 1.2 lakh crore in 2013. In the case of Debit card transaction there was an increase in 15 times which is 25 around INR 74,300 crore in 2013. If we analyse the trend electronic transaction has increased during 2013 which forms 57 % of banking transaction compared with 43% of paper transaction. There was an increase in registered internet banking users in India during 2013 which was around 35 % for public sector banks 25 % for private sector banks and 5% for foreign banks compared with 2012. But still Internet banking transaction forms 2-8% of total banking transactions for all Indian banks. Mobile banking is emerging in India which witnessed a growth with 30 million users in 2013 compared 22.51 million users in 2012. From these trends we can conclude that Indian customers are gradually changing with respect to the way they do financial transactions. Credit, Debit cards and Net banking can facilitate quick and convenient transaction for customers which can augment the growth of e-retailing in India. With the emergence of secure transaction methods like two factor authentication, One Time Passwords(OTP) and payment gateways, consumer’s preference to shop and do financial transactions online has increased. This can enhance online retailing because of enhanced security and easiness in doing the transaction. Some of the retailers are providing the facility of cash on delivery options (COD) to customers those who are sceptical about the secure transactions in online platforms. This forms more than

60% of the total ecommerce transaction in India. Banks and ecommerce sites are taking proactive steps in enhancing on-line transactions by addressing security and other issues with respect to online transactions.

**Rising disposable Income and Rapid Urbanisation:**

Annual disposable income in India is expected to increase at CAGR of 5.1% and expected to be USD 3823 by 2015.According to 2011 Census, the Urbanisation showed an exponential growth rate of 2.76% . We have around 337 million people who live in urban areas in 2011. The census data shows that the no of statutory towns increased at the rate of 6.57% during 2001-2011. There is steady increase of urban agglomerations at the
rate of 23.7% during this period. These trends can enhance the prospects of online retailers.

**Convenience Factor:**

Online retailers are moving towards enhancing the convenience factor and thus attracting the shoppers to use this channel. Moreover the growth of the mobile communication has led to the growth of the online retailing as people are more accessible to internet 24 x 7. Like in the case of purchasing from the physical market we have to wait for the shop to open and certainly we try to get our merchandise before the shop closes, but in case of online retailing there is no time limits involve all you need is a internet connection and money in your pocket to pay the price and every thing is at your door step.

**Payment Mode:**

As compare to the earlier days where we have to make the payment in advance and wait for our order for weeks, now we make the order first and make the payment when the goods are delivered to us, WatchKart.com, lenseKart.com, FlipKart.com, etc. are some of the examples. 3. Delivery: For general type of products line DDV, CD, Goggles, books etc., are being delivered to the customer in 2 to 3 working days.

3 working days and the goods which are required to be produced like special print sarees, customized bags etc., are delivered within 5-6 working days. Moreover single unit of any product chosen by the customer can also be delivered transborder, which may not be possible to import in case of physical purchase.

**Inability of on-line retail players to sway customers from offline mode to on-line retail channel:**

Lack of proper marketing and advertisement, inability to create a brand image, lack of proper usage of all possible on-line means like search engines, paid marketing, on-line ads, social networking, blogs etc to reach the customers. Inability of online retailers to drive the values a customer can derive by shopping on on-line channels.

**Issues concerning security and transaction frauds:**

In addition many of the web portals don’t support all on-line modes of payments. There are high occurrence of failed payments and this if often a deterrent for clients to revisit the portal.

**Competitors are just a click away:**

When consumers search, they have multiple options available, and many use search to navigate the Web rather than type in or bookmark specific sites.

**Visitors can disappear in 15 seconds or less:**

Online consumers are goal-oriented shoppers. If they don't immediately find what they're looking for when they reach your site or landing page, they're gone in under 15 seconds.
Shopping is a multistep process:

Online consumers love to browse. Many spend a fair bit of time visiting several sites just to gather information. They may also compare the offerings of several competitors before hitting the "buy now" button.

Time between initial visit and purchase has increased:

Increasingly financially challenged consumers may wait longer before buying.

Customers wait for merchants' best offer:

Having been seduced during the holiday season with free shipping and handling and other price-driven offers, consumers have been trained to wait for a special deal.

10. Conclusion

Finally, to conclude that e-retailing is not just about building a pretty website. An established management consulting firm will bring in the requisite skills to evaluate business plan, check out revenue models, help identify alliances and integrate supply chain processes with e-commerce initiatives. As per the projection by internet and online association of India (IOAL), online shopping will increase to Rs.2300 crore by 2007. Today, around 38.5 million Indians use internet and the figures are likely to reach at 100 million by 2007-2008. Through online sales, some retail majors want to reach small towns where they do not have the outlets, when most are planning to go e-retailing, some are of the conventional view that it is essential to have look, and experience while shopping garment e-retailers should follow the above-mentioned strategies. The most and important concentration is focused on back-end system. Customers keep coming back only if earlier shopping experiences have been pleasant and successful. Quit gloating over the 70% success rate of on-line purchases. In this intricate business world, the e-retailing will become tremendous business strategic concept, and it may be very helpful and most profitable method of business process in coming decade to the textile and garment industries.

11. References

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