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E-TAILING IN INDIA-AN OVERVIEW

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Abstract

        The Indian Online Retail segment is changing rapidly by the impact of technology. Smart phones and internet enabled customers to connect e-tailing in a huge manner. E-Tailing has become extremely popular over the last decade. Today is the Era of Globalization and the consumer is not bound within a particular place to access products available anywhere in the world. Now he can go beyond the boundaries of any market area where he lives, to access the things of his interest. The medium holds many virtues favorable for the retail industry including a higher customer penetration, increased visibility, and convenient operations. The current web-based models for e-tailing are part of an embryonic phase preceding an era of rapid transformation, challenge, and opportunity in Indian retail market. The Indian retail market is witnessing a revolution. In this context, the present paper makes an attempt to identify the factors growth for e-tailing in India, to examine the barriers to growth of e-tailing market in India and to study the future for on-line retailing.

Keywords : Internet, Retailing, E-tailing, E-commerce.

INTRODUCTION :

        The acronym e-tailing is electronic retailing or e-retailing. It is the concept of selling of retail goods using electronic media particularly through the Internet media. There are thousands of store fronts or e-commerce sites on the internet that are extensions of existing retailers or start-ups. Penetration of computers and proliferation of the Internet has given rise to many new forms of businesses, such as business process outsourcing, call centre based customer relationship management, remotely managed educational and medical services and of course, electronic retailing. E-retailing is an independent business model with specific process involved in it. The apparel retailing business can be categorized in several models pertaining to the business.

        E-Retailing, either as an extension of the existing retail/distribution business or an altogether new start-up, has many advantages. Traditional brick-store retailers are placing more emphasis on their electronic channels and evolving into multi-channel retailers to increase their reach and support their retail channels. The new start-ups in e-retailing can be launched from a small room with one PC attached with the outside world through the Internet.

RETAILING CONCEPT:
      The word "Retail" is derived from the French Word "Retaillier" meaning to'cut a piece off' or 'to break bulk'. In simple terms this means a firsthand transaction with the customer. Retailing thus might be understood as the final step in the distribution of merchandise, for consumption by the end consumers. It thus consisted of all activities involved in the marketing of goods and services directly to the consumers for their personal, family or household use. Retailing involves a direct interface with the customer and the coordination of business activities from end to end- right from the concept or design stage of a product or offering, to its delivery and post-delivery service to the customer. Retailing forms an integral part of the Marketing Mix. In this marketing mix "Place" refers to the distribution and availability of the products at the various locations. Customers were first introduced to the product through the retail stores. Organizations would sell their products and services through these stores and also simultaneously get a feedback on the performance of the product and the customer's expectations of the product. Retail stores would also serve as the communication hub of the customer. At the point of sale or the point of purchase, the customer would transmit information to the Marketing Manager through the retailer.

DEFINITION OF 'ELECTRONIC RETAILING - E-TAILING'
      The sale of goods and services through the Internet. Electronic retailing, or e-tailing, can include business-to-business and business-to-consumer sales. E-tailing revenue can come from the sale of products and services, through subscriptions to website content, or through advertising.

What is e-tailing?
      E-tailing or e-retailing refers to the selling of retail goods electronically over the Internet. The term is a short form for "electronic retailing", and surfaced in the 1990s for being frequently used over the Internet. The term is an inevitable addition to other similar terms such as e-business, e-mail, and e-commerce. E-tailing usually refers to the business-to-consumer (B2C) transactions. E-tailing is gaining ground. Online retailing is classified into three main categories:
1. Click – The businesses that operate only through the online channel fall into this category. Prominent examples in this category include: Dell, Amazon.com and e-Bay.
2. Click and Brick – The businesses that use both the online as well as the offline channel fall into this category.
3. Brick and Mortar – This is the conventional mode of retailing. The businesses that do not use the latest retailing channels and still rely upon the conventional mode belong to this category.
E-tailing offers the consumers huge amounts of information in the form of web sites with useful links to similar sites that allows consumers to compare products by looking at individual items. The convenience of online shopping is unmatched indeed. Shopping out of your home or office reduces the stresses of waiting in lines and dealing with irritating sales people. However, E-tailing causes problems with fit, since the consumer cannot try the items on. Return policies may also act as turn offs and items can be difficult to return. The shipping and handling costs may turn the customers away. E-tailing requires technology savvy customers and this puts a limit on its potential reach. We can see that E-tailing is emerging as an interesting phenomenon in the retail industry that is on a rise despite the disadvantages associated with it.

OBJECTIVES OF THE STUDY:
1. To identify the factors growth for e-tailing in India.
2. To examine the barriers to growth of e-tailing market in India.
3. To study the future for on-line retailing.

FACTORS FOR GROWTH FOR E-TAILING IN INDIA:
Reasons for e-tailing becoming a hot opening can be attributed to many factors viz.

• No real estate costs

e-tailers do not have to maintain expensive showrooms or warehouses in prime locations, they operate through their web sites and thus save drastically on the real estate costs. The real estate costs in the metropolitan cities are sky high. Besides this, maintenance costs of a virtual store vis-à-vis a physical store are much less.

• Easy and comfortably

Easy and comfortably -obtained info is another advantages that shopping on the Net offers. On the Internet, product information is just a few clicks away, all accessed in the comfort of a home. Traditional retailing stands out in stark contrast: the consumer searches frantically, runs up and down, grills a poorly trained store assistant who is unable to help him out. In the bargain, valuable time is lost. Simply put, shopping on the Internet for, say 15 minutes could save a two-hour trip to the mall. Consumers prefer to save this time so that they can devote more time for their professional and domestic priorities.

• Better interaction with the customers

The greatest benefits of online commerce is its ability to establish interaction en-masse. Interaction refers to the ability of reaching customers on an individual basis and react appropriately to responses of individual customers. Interaction is a vital tool for mass customization. Examples are many and include online marketing of flowers, software books and education. This has also led to greater satisfaction among the online buyers. According to a research agency, 82% of the online buyers have been found to be satisfied with their purchases.

• Mass Media

A supermarket has limited area of operation. It caters to customers of a city (and/or its suburbs), but a web site can be accessed from any part of the country or for that matter from any part of the world, thus increasing the potential customer base.

Barriers to E-Tailing in India:

• Most E-tailing business use English as their mode of communication. Indian people facing language problem of English may not be comprehensible to the majority of the Indian population. E-tailer should communication content description of product e-tail shop in local language.

• Indian customer facing major problem in distribution. E-tailers are not allowing customers to track the correct status of the transaction mode of delivery of the product in websites of e-stores. E tailers should provide better customer services enhance fast delivery and satisfaction the e-tail customers.

• Problem with shipping e-tailing business in India, e-tail customers are ordered would reach them in due time. Postal and couriers services are not delivery the product at customer service point because address is most important for any services. Customer will give wrong address. Miss places the product through this problem.

• Indian E-tail customer do not feel quite comfortable with the online mode of payment through a credit card and debit card because people do not avail of this transactions offered by the cards.

• Problems in promotions: we are trying to change the buyer mind which is not very easy to do. Promotional actives can create to push and pull sales for e-tailers but it is too weak in e-tailing business in India. E-tailers can run a promotion today and you will get customers. You stop the promotion tomorrow and obviously the customer forgets.

• E-tailing is not showing for in family shopping experience which the Indian customers enjoy at the weekends, and particularly during festive seasons and marriage marketing e-tailing in India.

• Internetworking, is important of e-tailing. Net services should support the e-business, India is facing major problem in internet.

• A successful business requires a lot of auxiliary services which supports the main business. Internet based businesses are no different. In effect, the E-tailers providing these services necessarily become your business partners and that too, interestingly, in revenues and not profits.

• Indian e-tailing customers facing on facility are not provided on multi-brand out lets, it big issue in e-tailing in India.
• Security issues will come on the center stage in e-tailing in India. When it comes to consumer concerns while shopping through the E-tail media. A lack of trust and privacy concerns prevents a lot of consumers from making online purchases.

FUTURE OF E-TAILING IN INDIA:

The most important cost advantage of e-tailing comes from whittled down shop front costs and elimination of intermediaries and economical distribution. For example, book e-tailing means giving out with big shops replete with slow-moving stock. Consider the case of Amazon.com, where the orders go straight to the wholesaler. That means the working capital costs are cut down drastically. Not just that, an e-tailer is paid before he pays his distributor. The implication: need for lower working capital.

Collaborative commerce (e-commerce) – An E-tailer may collaborate with some manufactures and suppliers. Something that Easybuymusic.com has done. It has hooked up with warehouses of music companies and their distributors. Therefore, every time an order is placed with asybuymusic.com, it scans the warehouse closest to the customer. In most cases, the distribution costs are substantially lower since fulfillment is done locally.

Create economic value- E-tailers should create economic value for the customer rather than a curiosity value. They should find out reasons, as to why customer should buy from a web site rather than a brick and mortar store and try to communicate this reason effectively.

CONCLUSION:

E-tailing in India seeing a tremendous growth as it has proven by the flipkart billion day 600 cr worth sales. Now many organizations are focusing on Indian online market. Retaining the e-customer is a tough challenge. The internet customer is very hard to predict and is different from the normal customer. While a normal customer expects strong loyalty, such a loyalty on the Internet is difficult to obtain. To attract and retain the customers, the retailers particularly the e-tailers have to take more efforts than to just attract. They must also provide reluctant consumers with compelling reasons for accepting the Internet as a new way to shop. Some of these reasons might include the use of consumer assurance brands and enhanced levels of convenience, customization, selections, service and pricing. While skills like speed, differentiation, and branding are very more important in the digital world-tailors are need to focus about challenges and legal issues of online retailing.

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