

19. E-TAILING IN INDIA -AN OVERVIEW

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ABSTRACT

The online retail market has evolved and grown significantly over the past few years. The Indian retail market is witnessing a revolution. The growth of internet has enabled the new retail format of the virtual retailer to emerge and forced the existing retailers to consider e-tailing model of retailing as well. The Internet has changed the consumer's shops in many ways not just in the digital domain, but also in the physical world. In the era of globalization, companies are using the internet technologies to reach out to valued customers and to provide a point of contact 24 hours a day, 7 days a week. In this paper, I have explained about an overview of e-tailing in India.

KEY WORDS

e-tailing, e-tailer, internet, consumer

INTRODUCTION AND DEFINITION OF E-TAILING

Online retailing or E-tailing is described as transactions that are conducted through interactive online computer system, which link consumers with sellers electronically. In this method of transaction the buyer and merchant are not present at the same physical location. In short, internet retailing or e-tailing has firmly established itself as a viable alternative to store based shopping. E-commerce and

E-Marketing are the two important terms in the new Internet-based business. E-Commerce can be defined as a way of conducting business by companies and customers performing electronic transactions through the Internet. E-Marketing can be defined as the promotion of products or services through the internet. Whereas, E-Tailing can be defined as selling products and services by using the internet.

The general definition of 'E-Tailing', 'Electronic Retailing' - 'E-tailing' includes the sale of goods and services through the internet. It can include business-to-business and business-to-consumer sales and online shopping websites for retail sales directly to consumers. Alternative names are: e-web-store, e-shop, e-store, Internet shop, web-shop, web-store, online store, online store front and virtual store.

According to Turban et al. (2006), e-tailing is defined as retailing conducted online, over the internet. Bauer et al. (2006) has compared the services of online retail service vs traditional retail services. They have identified that the online retail service are broken into two rather distinct phases: the client interaction phase taking place online and the fulfillment phase taking place offline. They also have suggested that web-site quality is a matter of delivering both hedonic and utilitarian elements.

E-commerce otherwise known as electronic commerce is trading in products or services using computer networks, such as the Internet ---Wikipedia. Wang (2002) has provided a broad definition of e-tailing by defining it as the selling of goods and services to the consumer market via the internet. Ratchford (2001) has told that through internet, consumers can gather information about merchandise and they can compare a product across suppliers at a low cost.

Over the past few years' technology brought the shopping information on the laptops, today it brought the products right to the doorsteps. With the use of internet as a medium a person can buy products from a virtual store.

E-TAILING IN INDIA

In India during 1955, the first wave of e-commerce began to flourish in the country. Economic liberalization after the launch of reforms in 1991 attracted MNCs and brought about the growth of the IT industry. The IT industry and SMEs were the early adopters of the internet. This led to the emergence of B2B, job searchers and Matrimonial portals.

In India online retail or e-tailing market represents a very small fraction of the total market in the country, but holds immense business potential driven mostly by growing internet penetration, increasing usage of smart phones, cost advantages and huge funding by private equity investors. The adoption of 3G and 4G coupled with the declining prices of smart phones is expected to further increase internet usage in the country.

With over 451 million monthly active internet users at the end of financial year 2019, India is now in the Second place behind China in terms of internet, assessed by Internet and Mobile Association of India (IAMAI). However, with only 36% internet penetrations,

there is still much headroom for growth. India will have more than 907 million internet users by 2023, accounting for nearly 64% of the population, according to Cisco Annual Internet Report. (Source—www.Statista.com)

In India online retail market and major e-tailing based firms like Flipkart, Snapdeal and Amazon have adapted asset light model and hence moved away inventory model to market place model. Flipkart received eight rounds of funding over the last seven years. The size of the e-commerce market (which encapsulates all financial transactions conducted on the internet) in India for 2012 is estimated to be USD10 billion and projected to grow at a CAGR of 45% to reach USD 200 billion by 2020. The nine fold growth came on the back of increasing internet penetration and changing lifestyles and primarily driven by books, electronics and apparel. Some larger e-tailing websites offer affiliate programs, where businesses can list goods on a ready-made platform in exchange for a percentage of sales. Although e-tailing is not ready to fully replace traditional sales outlets, it is growing at a much faster pace than brick-and- mortar stores.

TYPES OF E-TAILING

1. Business – to- consumer (B2C): Where the companies sell finished goods or products to consumers online .
2. Business-to-Business (B2B): Where the companies sell to other companies.

INDIAN TOP E-TAILERS

According to the study by International tracking about Asia's largest retailers, US retail giant Walmart ranked first in India during 2018, after it acquired internet retailer FlipKart last year in a \$16 billion deal, followed by another US giant retailer Amazon in Asia 2019 is India's Second largest retailers. Kishore Biyani's Future Group ranked third followed by Reliance Group and

in the fifth place is Tata Group. Other retailers in India's top ten ranking include: One97 Communications, Avenue Supermarts that runs D-Mart, Aditya Brila Group, Land Mark Group and K Raheja Corp. Some other retailers in India are Myntra, Snapdeal, Jabong, Yebhi, Infibeam, Naaptol, e-bay and India times shopping etc.

ADVANTAGES

1. Save time, fuel, energy.
2. Comparison of prices.
3. Availability.
4. Hate to waiting in lines.
5. Easy to search merchandise you want to buy.

DISADVANTAGES

1. Not able to check the item personally.
2. Diminished instant satisfaction.
3. Internet connectivity.

EFFECTIVE STRATEGIES ON E-TAILING IN INDIA

In order to develop the right e-tailing strategy, Feare (2002) has given five points:

1. Prompt delivery
2. Supply chain
3. Demand nature
4. Reverse logistics
5. Accuracy.

Some of the opportunities which e-tailing provides to business.

Selling with less investment:

It does not require the business to spend more amount of money. The retailers can easily utilize the online shop for promotion, advertising and processing purchase and other transactions with their customers.

More convenient

The retailer can easily provide complete information about his business, the services or products. The process in this method is much faster and convenient as compared to offline retailing.

Easy to locate

In offline retailing, the customers have to trek around to search and discover the physical store. But, in respect of

on-line retailing, the customers with just few clicks can search for their desired products and purchase them without any hassle.

Easy visibility

In offline retailing, the owners need to attract his customers spending significant amount of money to make his showroom more attractive. But in online marketing it's easily visible and accessible from anywhere through the internet connection.

THE RISE OF E-TAILING IN THE AD WORLD

The world's biggest online retailer, Amazon, made it's debut as a sponsor for the IPL (Indian Premier League) twenty-twenty cricket tournament. Other e-tailers in India like, Jabong, Snapdeal, Flipkart and Quikr too are going beyond the medium of digital marketing and have designed creative television and print advertisement to lure maximum numbers of their potential clients.

Extensive Television Campaigne

Category-Specific companies like furniture e-tailer Fab furnish have also started running its TV advertisement budget. Various researchers suggest that the advertisement budget of e-tailers now stand at 20% of their revenues.

Targeting Untapped Consumers

Now, e-tailers are using different mass media channels for reaching out untapped consumers and first-time buyers, usually they are targeting the Urban middle class. In fact, the studies have shown that due to the television campaigns the traffic of these e-commerce sites have increased almost two and halftimes and significantly enhancing their business. It is surely difficult for the e-commerce sites to define their target audiences, but they can surely help in building credibility and brand through advertising over various medium including television and radio.

SUGGESTIONS AND CONCLUSION

Online companies should give top priority to customer care, because consumers are always hungry for modern ways of shopping. Online customers are more aware and sensitive persons, so to attract and retain the customers, the retailers particularly the e-tailers have to take more efforts than to just attract. It is very easy to lose an e-customer. Therefore, the e-tailers of India need to improve convenience and value for consumers and assist them in overcoming their fears around security.

E-tailers need to revisit some basic retail functions and develop further competencies. The main aim of the e-tailer should be in new innovations, encouraging the talented people and removing onerous government regulations and red tape. It is time for the retailers to redefine their channel strategies and start looking at vital channel for the future.

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