E-TAILING IN INDIA

SVG Apoorva, V. Chandrasekhar Rao

1Research Scholar, Acharya Nagarjuna University
2Professor in Commerce, Director, International Students Cell, Acharya Nagarjuna University

Abstract: Internet these days have become a very colloquial criteria for everyone living in this technologically upgraded era. So the growth of online marketing like e-tailing and other concepts have become very obvious. All the consumers have become very much addicted to the comfort provided by e-commerce. Though e-tailing (electronic form of retailing) is in an inception form in developing countries like India, we cannot push aside the impact it is having on the heavy population. These populous countries have a great human potential which is a boon to the retailers but they should exactly tap on proper resources to convert their business to profit mode. Many factors like trust issues, security issues to avoid heists, online payment facilities and credit card availabilities etc., are affecting the penetration of e-tailing to a deeper perspective in our country where the prospective buyers are of a suspicious nature and resistant to change. In jammed countries like India customer satisfaction plays a heavy role for the success of any new business or any new entrepreneur. The retailers should concentrate simultaneously on customer feedback and also reverse logistics along with their sales. E-tailing has the capacity to serve both the rural and urban areas of our country and help in the easy access of different commodities for all people at the same time and In a cost effective way. This paper discusses vividly the opportunities, threats and challenges faced by E-tailers and e-tailing in the Indian scenario.

Keywords: e-commerce, e-tailing, online heists.

INTRODUCTION:

The term E-Tailing has been derived from the roots of retailing. E-Tailing is nothing but electronic form of retailing. In leman language the business or buying and selling of goods and services using the internet is called as E-Tailing.

With the available electronic paraphernalia and also internet facilities E-Tailing have been occupying a very large space in the human lives. In E-Tailing a virtual shop is created where the customers can checkout various varieties of goods according to their tastes and needs and also their economic flexibility.

Goods ranging from kids nappies to the electronic gadgets are available through e-tailing in different websites with different price ranges. A customer has a simple task of just clicking through all the available options and select the particular good which suits all of his prerequisites.

The customer also have the comfort of making payments for the goods which he/she purchased or shopped through various methods like debit cards, credit cards, cash on delivery and also gift vouchers which are provided by that particular website to encourage the continuous purchase flow of consumers.

E-tailing have been a regular practice in many of the developed countries like US, UK, Japan, Australia etc., Webistes like Amazon, ebay, jabongg etc., have made their way into lives of the customers making their shopping sprees easy and comfortable reducing the complexity of physical shopping and saving the most important and precious thing of mankind “TIME”.

II. REVIEW OF LITERATURE:

“Online shopping has shown a handsome growth while brick-and-mortar malls are witnessing a slowdown. The growth in e-commerce looks impressive because of a low base and rising penetration of the Internet,” Assocham Secretary General D S Rawat said.

According to ZHAO Qianqian and QIN Jin “Reliability is an important aspect of service quality in the online retail environment. However, research on e-tailing service reliability is limited.”

Lu-Lien Tan and Beatty (2004) in their study opined that phenomenal advancement of internet technology happened to be a beneficial alternative shopping spectrum for time constrained consumers.
According to Lavie and Tractinsky (2004) the wide spread popularity of retailing over internet is chiefly contributed by the aesthetic value of website design which reflects uniqueness and innovative thoughts and this aesthetic web design finds importance specially when shopping for specialty goods because of their unique characteristics that emphasized the shopping experience. This aesthetic appeal of website design as per Zhang and von Dran (2000) motivates people to purchase online.

Tractinsky and Rao (2001) have found that computer savvy users seeking online substitutes to the physical shopping experience, would value aesthetic designs just like consumers of other commodities. Eroglu et al. (2001) have identified the two major online constraints of e-tailing that are screen resolution and the hardware that exists at the consumer end of the channel. The hedonic factors as per them in designing the web-site interface can be enhanced with symbolic, nonverbal elements, which can be created by images, colours, fonts, videos, and music.

E-Tailing In India:
E-Tailing in India is still in an immature stage but the retail marketing in India is witnessing a revolution. The growth of internet population has enabled such a drastic change in the fate of e-commerce. It is proved through recent surveys that internet and mobile phones are much more addictive in nature than drugs and alcohol.

In the battlefield of customer-savvy business, one of the most pioneering GDP boosting sectors of India, retail has started harnessing the power of ‘going digital’ through mobile and internet to materialize the twin mottos of ‘customer convenience’ and ‘user friendliness’ at their fingertips. Many online stores or websites like Flipkart.com, eBay.in, Futurebazaar.com, snapdeal.com, Timtara.com, 99labels.com, Beststylist.com, have made their mark in the Indian markets and due to the digitaholic shoppers, there is no doubt telling that traditional ‘brick & mortar’ types businesses and the people who own them are facing a greatest challenge of survival and competition in innovation.

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronics</td>
<td>36%</td>
</tr>
<tr>
<td>Fashion</td>
<td>25%</td>
</tr>
<tr>
<td>Consumers durables</td>
<td>14%</td>
</tr>
<tr>
<td>Home furnishing and furniture</td>
<td>10%</td>
</tr>
<tr>
<td>Sports and accessories</td>
<td>7%</td>
</tr>
<tr>
<td>Books</td>
<td>5%</td>
</tr>
<tr>
<td>Food and grocery</td>
<td>1%</td>
</tr>
<tr>
<td>Others</td>
<td>2%</td>
</tr>
</tbody>
</table>

Role of logistics in etailing:

**Logistics management** is the part of supply chain management that plans, implements, and controls the efficient, effective forward, and reverse flow and storage of goods, services, and related information between the point of origin and the point of consumption in order to meet customer's requirements. The complexity of logistics can be modelled, analyzed, visualized, and optimized by dedicated simulation software.

Logistics is a core component to etailing business because that is the factor which plays a key role in delivering the goods to the right person at right time and at a right place with no damage and with exact specifications.

Without an effective logistics management the whole etailing process would be at chaos and a complete failure in meeting the expectations of the customers there by drastically dropping the sales volumes which directly show their effect on the survival of the company as a whole.

There are many challenges faced by logistics in developing countries like India some of them are mentioned below:

- As the internet users and etailers have increased greatly in the past few years, this situation creates need for wider network of new branches and also number of delivery points even making them available to the core rural areas in India.
- Cash on delivery(COD) is the option which is utilised by lots of users due to security reasons of revealing their pin numbers of debit and credit cards respectively. But this option has been posing a huge problem of managing cash, not only collecting them from consumers but also accounting the same amount to the producers.
- The logistics departments of respective organisations need many delivery boys who would cater their needs exactly with complete local knowledge. The problem here is the delivery staff should be reliable and honest so as to trust them with most important goods of customers.
Reverse logistics, the main point which is attracting most of the customers to the etailing phenomena is to be properly managed. Reverse logistics should include not only bringing the goods back but also cash for that good should be paid back to the consumer on the spot itself and again promptly replacing the good within stipulated time limit.

Many special goods like medicines, jewellery, handi crafts etc., should be delivered to the customers in a perfect form without any scratch on them which proves to be difficult with the prevailing infrastructural facilities which leads to dissatisfaction of consumers.

Different tax structures in different areas of the country create an additional headache to the logistics management whereas the prices of goods change accordingly which clash with original prices of the product shown online which results in consumer resentment towards the producer and website where they are and simultaneously bring the goods to their door step.

Time constraint: This is the major factor which is giving life to online shopping units. In the present competitive world all the works are being stipulated to time. So the consumers instead of doing physical shopping and killing the valuable time are preferring to go for online shopping which helps them to save lot of their time and also give them scope for utilising the same time for some other productive things.

Opportunities:

Demographic Structure: Countries like India and China are a blessing in disguise for business firms due to their population. If the firms properly concentrate on the needs and necessities of even half the population of these countries they would have a great break through in their sales.

Young domination: It is recently surveyed that 35% of Indian population is youngsters below the age group of 30. This proves to be a great opportunity for the e-tailers to attract the youngsters with relevant advertisements of goods provided by them creating the need to purchase. Unlike elders the youth doesn’t compromise on spending money to cater their needs.

Internet usage: Compared to the situation before 10 years in India there is a drastic change in usage of electronic gadgets today. Mostly three-fourths of the Indian population today is using internet which gives a chance for the e-tailers to present their products through various websites.

Customers thought process: Customers thought process have been changed. They are showing resentment of going physical shopping and spending most of their time. They are preferring to online purchases which would make them comfortably stay in a perfect form without any scratch on them which proves to be difficult with the prevailing infrastructural facilities which leads to dissatisfaction of consumers.

Challenges:

Poor knowledge and awareness: Though internet is being used by many people still there is the problem of illiteracy lurking in Indian scenario. Many illiterate people even don’t know what is internet and its usage in the rural areas. This is a major obstacle for etailing because india mostly comprises of rural background.

Online transactions security: Many educated people are also averse to online transactions due to their complexity and also mostly due to security reasons. People think that revealing their pin numbers and also credit and debit informations would cause to heists for which they donot know whom to consult in particular for their repayments.

Logistics and shipment: As mentioned before logistics management should be effective inorder to maintain a smooth business. But many complaints regarding fraud, wrong products, quality of products, delivery of products and damage to the products have been registered which is making many of the consumers to rethink their decisions of shopping online.

Touch and feel factors: Mostly Indian consumers does not compromise on the quality of the product. They does not believe unless when they physically see, feel and touch the product with their own hands and
conclude that the product is fit for usage and also upto their expectations.

**Poor infrastructure:** one more important roadbloc to the etailing concept is infrastructural facilities are very poor in India when compared to western countries which hinders the effective delivery and also it is very difficult to stop goods from spoiling due to rugged roads and very poor transportation facilities.

**Recommendations:**

- The etailers should provide full information regarding the product without hiding any of its disadvantages.
- Logistics should be greatly improved inorder to maintain timely deliveries and qualitative deliveries to the consumers to win their trust.
- Consumers should be assured about the security of personal information they are going to reveal to the websites for payment purposes.
- Rural areas should concentrated more in creating internet awareness and also making internet operations less complex for their easy understanding and also payment options shold be accessible to them.
- The pricing details should be clear and also precise including the shipping charges charged to the place of order to avoid the feeling of consumers that they are cheated in case of prices.

**REFERENCES :**


