A STUDY ON PROMISING TRENDS IN E-COMMERCE WITH REFERENCE TO E-RETAILING IN INDIAN CONTEXT: A CONJECTURAL APPROACH

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ABSTRACT

Indian Retail Industry is ranked among the ten largest retail markets in the world. The attitudinal shift of the Indian consumer and the emergence of organized retail formats have transformed the face of Retailing in India. With the sign of re-emergence of economic growth in India, consumer buying in retail sector is being projected as a key opportunity area. Consumer's perception regarding shopping has been changed with the introduction of internet media. Retail industry has witnessed major revolution in the changing technology oriented business scenario of 21st century in India. Internet has shrunk the entire World. The rules of the game in retailing are fast changing with the introduction of Information Technology. The e-Retailing website is the front door of the online store that interacts between the e-retailer and consumers. The electronic retailing (e-Tailing, e-Retailing, internet retailing etc.) is the model of selling of retail goods using electronic media, in particular, the internet. E-Retailing is a subset of e-Commerce (Electronic Commerce). E-Retailing accounts for about 15% of the overall growth of e-Commerce market. The growth in the e-Retailing market is driven by the need to save time by urban India. It is estimated that 3.5 billion internet users, access to internet has played a significant role in growing the business markets. The Internet gives retailers an instrument for: broadening target markets, enhancing consumer relationships, extending product lines, improving cost efficiency, improving consumer communications, and delivering customized offers. Changing demographics (youthful India), changing lifestyles and exposure to the developed markets give a fillip to e-Retailing industry. One can buy anything from stereos to iPod's without stepping out through internet media. Along with advantages of e-Retailing some major issues are associated with e-Retailing such as lack of personal touch; cyber crime; bargaining is not possible and e-illiteracy among rural India. But with all, we can say that Prospect of e-Retailing market is bright in India. Consumer's cognizance; internet literacy of consumer and wider use of internet with cyber security are some of the noteworthy factors which are vital for the sustainable development and growth of e-Retailing in India.

KEY WORDS: *Consumer Satisfaction, e-Retailing, e-Tailing, Information Technology, Online Retailing,*

INTRODUCTION

As a consequence, Indian corporate houses are refocusing its strategic perspective in retail marketing with the idea to use resources optimally in order to create core competence and gain competitive advantage. The paper theme is to analyze finer strategic perspective for the retail sector in India and suggest measures so that the corporate strategists could incorporate the same both qualitatively and quantitatively. Based upon the qualitative judgment, a retail unit may be given an overall understanding about the expected performance that can further be corroborated by quantitative analysis. Retail trade has emerged as one of the largest industry contributing to employment generation, revenue generation, increased turn over and many more. Organized retailing is showing signs of enormous creativity. It. has emerged as one of the most dynamic and fast paced industries with several players entering the market. As a matter of fact retailing in India is gradually edge its way towards becoming the next boom industry. This paper provides detailed information about the growth of retailing industry in India. It examines the growing awareness and brand consciousness among people across different socio-economic classes in India and how the urban and semi-urban retail markets are witnessing significant growth . The paper includes growth of retail sector in India, strategies, strength and opportunities of retail stores, retail format in India, recent trends, and opportunities and challenges. This paper concludes with the likely impact of the entry of global players into the Indian retailing industry. It also highlights the challenges faced by the industry in near future

Retailing goes back to centuries; it started as a very primitive business but today has grown tremendously. First people were doing businesses with their neighbours. Goods were exchanged between them. Gradually people began to collect themselves to a given neighbourhood, which provides a geographical place to do the exchange. This not only increases the exposure of a given good but also helps a lot towards the development of a more formalized system. Gradually, a few more start to get together to a place that in turn creates a need for a common place. Later this common place was called a fair. With the passing of time the number of people doing businesses in a given fair increased, issues like security, transportation becomes a matter of concern. This semi-formalized system then gave birth to small-scale groceries, where people start to provide more combinations in their own neighborhoods. Then came the issue of choice in given grocery, the choices the customer had was limited, this was the beginning of the concept of "Everything under one roof". As time passes, joint family changes into nuclear family. There too both members started earning which resulted into a new way of lifestyle. From then instead of mom-and-pop type of stores organized retail stores came into existence.

OBJECTIVES

The Objectives of the Paper are:
 1. To study about the various strategies, trends and opportunities in retailing.
2. To study the growth of retail sector in India.

BACKGROUND

E-commerce also called electronic commerce is the buying & selling of goods & services by consumers & businesses through electronic channels without using any paper document .It is the type of segment of a larger business model, that enables an individual to conduct business over electronic channels typically the internet .In its simplest form e-commerce is the buying and selling of products and services by businesses and consumers over the Internet. Online shopping is rising quickly as consumers take benefit of lower prices offer by wholesalers retailing their products. The popularity of Ecommerce is tremendously improved both globally & regionally due to the quick & suitable way of exchanging goods & services in the last decades. E-commerce represents a totally new way of doing business over an average that changes the very system of doing business. E-commerce is the buying & selling of goods & services or the transmitting of funds or data ,over an electronic network, primarily the internet. E-commerce plays an important role in selling products & services directly to the customer from internet using the digital shopping cart, for instance, E-mail is the best option on how people communicate on the internet to exchange information & find solutions to problems. In order to create a transaction, transform & redefine relationships for value creation between organizations & individuals, the role of electronic communication & digital information processing technology becomes even more vital. In order to attract more & more customers ,E- commerce provides source or medium by which retailers sales & advertise their products &share information regarding their respective products & brands & publish information on the internet (source) using I.T technologies like EDI (electronic data interchange). Today E-commerce plays a vital role in Indian society & has become an integral part of our social life. Rediffmail.com is the first E-commerce site in India. It allows different payment modes like

debit cards, credit cards of EFT (electric fund transfer) .It provides multiple benefits for users like it is time-consuming ,have multiple choice & low cost.

E-commerce as anything that involves an online transaction. E-commerce provides multiple benefits to the consumers in form of availability of goods at lower cost, wider choice and saves time. The general category of ecommerce can be broken down into two parts: E-merchandise: E-finance. E commerce involves conducting business using modern communication instruments: telephone, fax, e-payment, money transfer systems, e-data interchange and the Internet. Online businesses like financial services, travel, entertainment, and groceries are all likely to grow. Forces influencing the distribution of global e-commerce and its forms include economic factors, political factors, cultural factors and supranational institutions. This paper is outcome of a review of various research studies carried out on E-commerce. This paper examines different opportunities of e-commerce viz., E-business, E-learning, E-commerce education integration, E-insurance, E-commerce for the WTO and developing countries and future media of e-commerce. It raises key challenges that are being faced by consumers relating to e-commerce viz., Ethical issues, Perceptions of risk in e-service encounters, challenges for e-commerce education, It act 2000 and legal system. Finally many companies, organizations, and communities in India are beginning to take advantage of the potential of e-commerce; critical challenges remain to be overcome before e-commerce would become an asset for common people.

LITERATURE SURVEY

Nir B. Kshetri (2001) reported that the twin forces of globalization and the Internet have the potential to offer several benefits to individuals and organizations in developing as well as developed countries. Apart from economic benefits such as more choices and the convenience of shopping at home, the twin forces can make progress on educational and scientific development, mutual aid, and world peace; foster democracy; and offer exposure to other cultures. To fully exploit the potential of the Internet and ecommerce, policy makers in developing as well as industrialized countries are taking initiatives to develop the global information infrastructure (GII) and connect their national information infrastructures to the GII (Gore 1996). All countries are not likely to benefit equally from the virtuous circle of Internet diffusion created by globalization and multiple revolutions in Communication technologies (ICTs). Forces influencing the distribution of global e-commerce and its forms include economic factors, political factors, cultural factors and supranational institutions.

Economic factors mainly influence perceived relative advantage of Internet use whereas political and cultural factors influence the compatibility of the Internet with a society.

Elizabeth Goldsmith and Sue L.T. McGregor (2000) analyzed the impact of e-commerce on consumers, public policy, business and education. A discussion of public policy initiatives, research questions and ideas for future research are given. Andrew D. Mitchell (2001) examined the key issues that electronic commerce poses for Global trade, using as a starting point the General Agreement on Trade in Services (GATS), the World Trade organization (WTO) agreement most relevant to e-commerce. Nir B.kshetri(2001) This paper attempts to identified and synthesized the available evidence on predictors of magnitude, global distribution and forms of e-commerce. The analysis indicated that the twin forces of globalization and major revolutions in ICT are fuelling the rapid growth of global e-commerce. Jackie Gilbert Bette Ann Stead (2001) reviewed the incredible growth of electronic commerce (e-commerce) and presented ethical issues that have emerged. Security concerns, spamming, Web sites that do not carry an "advertising" label, cybersquatters, online marketing to children, conflicts of interest, manufacturers competing with intermediaries online, and "dinosaurs" were discussed. Mauricio S. Featherman, Joseph S. Valacich & John D. Wells (2006) examined whether consumer perceptions of artificiality increase perceptions of eservice risk, which has been shown to hamper consumer acceptance in a variety of online settings. Young Jun Choi1, Chung Suk Suh(2005)examined the impact of the death of geographical distance brought about by e-marketplaces on market equilibrium and social welfare. Prithviraj Dasgupta and Kasturi Sengupta(2002)examined the future and prospects of ecommerce in Indian Insurance Industry. (Arvind panagariya,2000) examined Economic issues raised by e-commerce for the WTO and developing countries. E-commerce offers unprecedented opportunities to both developing and developed countries.

Zabihollah Rezaee, Kenneth R. Lambert and W. Ken Harmon(2006) reported that the rationale for infusion of e-commerce education into all business courses is that technological developments are significantly affecting all aspects of today's business. An e-commerce dimension can be added to the business curriculum by integrating e-commerce topics into existing upper-level business courses. Students would be introduced to e-commerce education and topics covered in a variety of business courses in different disciplines e.g. accounting, economics, finance, marketing, management, management

information systems. To help assure that all related business courses in all disciplines such as e.g., accounting, finance, economics, marketing, management, information systems pay proper attention to the critical aspects of e-commerce, certain ecommerce topics should be integrated into existing business courses.

Prithviraj Dasgupta and Kasturi Sengupta (2002) reported that the recent growth of Internet infrastructure and introduction of economic reforms in the insurance sector have opened up the monopolistic Indian insurance market to competition from foreign alliances. Although the focus of e-commerce has been mainly on business to consumer (B2C) applications, the emphasis is now shifting towards business to business (B2B) applications. The insurance industry provides an appropriate model that combines both B2C and B2B applications. Traditional insurance requires a certificate for every policy issued by the insurance company. However, paper certificates encumber problems including loss, duplication and forging of the certificate. The conventional certificate is now replaced with an electronic certificate that can be digitally signed by both the insurer and the insurance company and verified by a certifying authority.

Mauricio S. Featherman, Joseph S. Valacich & John D. Wells(2006) reported that as companies race to digitize physical-based service processes repackaging them as online e-services, it becomes increasingly important to understand how consumers perceive the digitized e-service alternative. E-service replacements may seem unfamiliar, artificial and non-authentic in comparison to traditional service processing methods. Consumers may believe that new internet-based processing methods expose them to new potential risks the dangers of online fraud , identity theft and Beside many an advantages offered by the education a no. of challenges have been posed to the recent education system. Zabihollah Rezaee, Kenneth R. Lambert and W. Ken Harmon(2006) reported that E-commerce Integration assures coverage of all critical aspects of ecommerce, but it also has several obstacles. First, adding e-commerce materials to existing business courses can overburden faculty and students alike trying to cope with additional subject matter in courses already saturated with required information. Second, many business faculty members may not wish to add ecommerce topics to their courses primarily because of their own lack of comfort with technology-related subjects. Third and finally, this approach requires a great deal of coordination among faculty and disciplines in business schools to ensure proper coverage of ecommerce education.

Diana Oblinger(2001) found that E-business can provide education with insight new ways to create greater efficiencies and economies of scale as well as practices that ensure learners stay with the institution for their lifetime. Bette Ann Stead and Jackie Gilbert (2001) found that rapidly changing technology is continually bringing new products/services to the market accompanied by new strategies to sell them. Therefore, it may also conclude that new ethical issues will emerge. Prithviraj dasgupta and Kasturi Sengupta(2002) found that that e-insurance offers a potentially vast source of revenue for insurance companies that venture to go online. E-insurance offers new channels of income through service niche creation, first mover's advantage, and online promotions. Nir B kshestri (2001) indicated that the twin forces of globalization and multiple revolutions in ICT (communication technologies) are fuelling the growth of global e-commerce.

IMPLICATIONS

Fulfillment is an important part of the e-retail business. Fulfillment refers to all processes/activities from the moment a customer places the order till it is packed. It includes the process of inbound logistics, storage management, picking and packaging of products. Fulfillment costs form a significant portion of the operation costs of an e-retail company. Fulfillment costs impact the service quality provided by the company. If fulfillment is not done properly then the chances of error in delivery in the form of order mismatching and damaged products increases. This further leads to increased returns and thus increased return costs. So, it is a very important process of an e-retail company. Fulfillment is a very complex and labor intensive process. As the number of orders processed increases, the fulfillment costs increases with it as the labor required increases. Indian e-retailors are facing scalability problems in a fulfillment as the number of orders are rapidly increasing. This is due to manual processes involved and limited space of fulfillment centers. The order fulfillment costs consistute a significant portion of the operating costs of Indian e-retail companies and so, there is a need to reduce it. Technology can play a significant role in the reduction of fulfillment costs. While some Indian companies have started pilot runs using high end technology systems such as automated storage and retrieval system (ASRS), Automated guided vehicles (AGV) and Hand held devices (HHD) in their operations. There is huge scope for further improvement using automation practices.

The market for unique products has not been created in the e-retail space. Most of the products provided by the Indian firms are standard in nature

having a pre-determined price. Indian e-retail market caters to generic and mass-produced branded products and the online market for unique products has not been exploited. Unique products on the other hand due to their unique selling proposition, have higher prices compared to standard products. Examples of unique products include geographical indications such as special handicrafts, textiles etc. These products have a high demand by people belonging to that particular area to which the product belongs. This market presents a huge opportunity for the Indian e-retailers to cater to. Unique products even if listed on the platform are not easy to find for the customer. The e-retailers need to create separate product categories for unique products so that the customer can easily find what he is looking for. This will facilitate the searching by the customer and reduce the searching time. Seller Support Services such as seller on boarding, training, and financing needs to be offered by firms to bring onboard small sellers who operate in a niche market. Many smaller sellers do not have the capital required to scale their businesses. Providing capital to these sellers will help it to increase its sales both online and offline.

Due to marketplace model of E-commerce companies, there are a number of sellers listed on websites from different regions of the country. So seller from one state can reach to a buyer from another state. So this reduces difficulties faced by buyers while purchasing from a far place. There is also huge migration happening due to employment reasons, and people have to move to place away from home. So they can't buy items that are famous at their hometown. Also, there are items that are a specialty of one place and people from other place face difficulties buying these items. These items can range from unique items, arts from one part of the country. E-commerce websites can help to bridge this gap. Such items can be listed on websites, and if they are already listed then, also they are not easily visible to customers. Hence, proper categorization needs to be done on the website so that customer can find these items easily and proceed with the purchase. Also, artists from one part of the country can list their items on websites and showcase their products to the whole country. This will open up a niche market for gift products, paintings.

CHALLENGES

While more pessimistic forecasts peg their projections at barely a third of that figure, the fact is that the volume of online transactions is increasing. Segments such as B2B have shown rapid growth. And in certain sectors, such as finance, travel services, software, information and other e-services, online transactions have been growing much faster. For instance, in the developed countries, online banking already represents between 5 and 10% of total retail banking transactions. Much of the growth has occurred in Asia. The region's export-oriented economies, particularly in manufacturing, are exposed to pressure from customers in developed countries to adopt e-business methods. China's population of Internet users is already the world's third largest, and is growing much faster than India's. China's going online may lead to yet another source of competitive advantage for that country as e-business tools for procurement, inventory and supply chain operations are used to improve productivity for its already formidable enterprises. This has important implications for India's manufacturing sector, and it is important that policies that provide an environment for encouraging e-commerce are adopted. As the Report points out, e-finance and e-commerce will succeed only if they create a stable physical and virtual infrastructure of trust. But it is equally important to localize existing software and make the right decisions about the kind of software to be purchased (whether proprietary or open source) for the benefit of the local business sector and the government.

CONCLUSION

As millions of web pages jostle for the consumer's attention, only a few top sites are getting most of the hits while the vast majority languishes in oblivion. The web is not a place where 'some offer' will get you 'some businesses. Success is absolutely non-linear and the winners would take all or most of the potential revenue while the rest will soon go under. The only way to catapult an e-business among potential winners is through the traditional device of brand building and brand management. As in the offline world, online brands are also reserved slots in the minds of the potential customers and this keeps bringing them back to these favored sites. Brand building and brand management on the Internet, however, is quite a different proposition from that in the offline situation though the general principles continue to be the same. News travels much faster over the Net than off it, and a single public relations fiasco can drive hosts of online customers away. A large part of the brand consists of the customer's perception of the seller's quality, integrity and reliability - in a word "trust'. Established offline brands enjoy a clear edge in the online battle for customer attention and acceptance, precisely because customers trust them. There is very huge potential for the growth of organized Retailing in India. By following some of the strategies it can rise tremendously and can reach each and every nock and corner. Open communication should be established between functional departments. A balance should be maintained between brand building and promotion.

Non-marketing factors like gas prices, weather etc. should be avoided and new schemes should always be launched. The Retail Industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. But all of them have not yet tasted success because of the heavy initial investments that are required to break even with other companies and compete with them. The India Retail Industry is gradually inching its way towards becoming the next boom industry.

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