



E-Retailing -An Analysis

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KEYWORDS :

Introduction**Meaning of e- retailing**

Retailing is the set of business activities that adds value to the products and services sold to consumers for their personal or family use. Internet retailing is the retailing business on the Internet. That is to say, on one side, providers sell products or provide services on their online website; on the other side, consumers buy products or services by accessing such website via connected computers (i.e., Internet). Digital products will be delivered to customers by Internet directly and non-digital products will be delivered by logistics.

Review of literature

"With the watchdog comment as an additional aspect of consumer word-of-mouth, there are many avenues for future research. Studies find that internet shoppers skew as more impulsive than the average consumer (Doherty & Ellis-Chadwick, 2010), which makes them more likely to purchase on a whim—but may make them more likely to attack on a whim as well. Future research can uncover whether there is a link between level of individual impulsivity and propensity to prosecute perceived fraudulent reviews." "The internet now shapes nearly every aspect of a consumer's purchasing decision (BDC, 2013:2). It offers variety goods and services such as; information, collect market research data, promote goods and services and ultimately to support the online ordering of merchandise, provides retailers with an extremely rich and flexible new channel both of retailers and consumers (Doherty, 2010). Due to the rapid growth of the Internet and its use as a channel for shopping, today's consumers are able to shop from anywhere at any time with just a few clicks of their fingers.

Research methodology-this is descriptive study and analysis of secondary data.

Data collection- secondary data has been taken for the study.

Objectives of study

1. To know the current trends of e-retailing
2. Future of e-retailing

Trends of E-retailing in 2016

The retail market is expected to reach a whopping Rs. 47 lakh crore by 2016-17, as it expands at a compounded annual growth rate of 15 per cent, according to the 'Yes Bank - Assocham' study.

The retail market, (including organised and unorganised retail), was at Rs. 23 lakh crore in 2011-12. According to the study, organised retail, that comprised just seven per cent of the overall retail market in 2011-12, is expected to grow at a CAGR of 24 per cent and attain 10.2 per cent share of the total retail sector by 2016-17. In terms of sheer space, the organised retail supply in 2013 was about 4.7 million square feet (sq ft). This showed a 78 per cent increase over the total mall supply of just 2.5 million sq ft in 2012.

"Favourable demographics, increasing urbanisation, nuclearisation of families, rising affluence amid consumers, growing preference for branded products and higher aspirations are other factors which will drive retail consumption in India," said DS Rawat, Assocham Secretary General.

Unfazed by slowdown, average online purchases are expected to increase by 78 per cent in 2016 from 66 per cent in 2015 due to attractive deals and aggressive marketing of ever-expanding range of merchandise from clothes to jewellery, from electronics to books,

according to an ASSOCHAM-PwC study.

Average online purchases are expected to increase by 78 per cent this year. About 55 million consumers purchased something online in 2015 and the number is expected to grow to 80 million this year with better infrastructure in terms of logistics, broadband and Internet-ready devices, it pointed out.

The overall e-commerce industry, valued at \$25 billion has been growing at a compounded annual growth rate of about 35-40 per cent each year, the study said, adding that it is expected to cross the \$100 billion mark in five years. In 2015, it showed that a higher amount was being spent on average for popular categories such as bags by 110 per cent, apparel by 68 per cent and cosmetics by 25 per cent, when it comes to online shopping. There was also a significant increase in spending on categories such as watches by 126 per cent and artificial jewellery by 65 per cent.

"The smartphone and tablet shoppers will be strong growth drivers. Mobile phones already account for 11 per cent of e-commerce sales, and their share will jump to 25 per cent by 2017, adds the joint study.

Commenting on the findings, Mr. D S Rawat, Secretary General ASSOCHAM said, "E-commerce is big business and getting bigger every day. Online shopping has been embraced by Indians with close to 8-10 million adults making a purchase via the internet in the last year".

Computer and consumer electronics, along with apparel and accessories, account for the bulk of India's retail e-commerce sales. These will contribute 40 per cent of the total retail e-commerce sales in 2016 from the current level of 35 percent, said the study.

India's travel and tourism are second fastest growing travel and tourism industry in the world. Nearly 75 per cent of total travel related business has migrated to e-commerce. With nearly one-third of Internet users already making purchases online, the e-commerce growth will rely more on increased spending from existing buyers than first-time online buyers, it said. Other factors contributing to the growth of e-commerce include aggressive merchandising and discounting from flash sales and daily deals, more online loyalty programmes and increasing popularity of smartphones and tablet computers among consumers, the study added.

Event tickets, music, consumer electronics, games and consoles, sports equipment, flowers, insurance, home appliances and furniture saw strong growth in the last year, added the paper. Even with efficiency improvements in individual performance and productivity (IPPs) in the delivery networks, it is estimated that there will be an additional employment of close to 1,00,000 people in these two functions alone by 2017-2020, representing an increase in employment.

Top reasons buying through Internet:

- Good discounts
- Saves time and efforts
- Convenience of shopping at home
- Wide range of products are available
- Get detailed information of the product
- You can compare various brands
- Emergence of nuclear families
- An increase in the double-income households trend
- Large working population
- Reasonable Real estate prices
- Increase in disposable income and customer aspiration

- Demand as well as increase in expenditure for luxury items
- Growing preference for branded products and higher aspirations
- Growing liberalization of the FDI policy in the past decade
- Increasing urbanization,
- Rising affluence amid consumers

Bottlenecks Faced By E-Retailing in India

- A long way to meet international standards
- Lack of efficient supply-chain management
- Lack of required retail space
- No fixed consumption pattern
- Shortage of trained manpower
- Lack of proper infrastructure and distribution channel
- **Problems with the Payment System**
- **Problems with Shipping**
- **Offline presence**
- **Products offered at discounted rates**
- **Language Problem**

Suggestions

1. Digital tools and channels can both extend a retailer's reach and increase revenue.
2. Customer awareness
3. Need for highly reliable vender
4. Available commodity in digitized format
5. Need to deal in purchased item like grocery, commodity with standard specification like books and air tickets& in expensive item like office supplies

Future of e- retailing The Road Ahead...

India, the opportunities in food and grocery retail in India are immense, given that it constitutes about 69 per cent of India's total retail market. The Indian retail market, currently estimated at \$490 billion, is project to grow at a compounded annual growth rate of 6 per cent to reach \$865 billion by 2023. Modern retail with a penetration of only 5% is expected to grow about six times from the current 27 billion USD to 220 billion USD, across all categories and segments.

Organized Retail is emerging as the new phenomenon in India and despite the slump, the market is growing exponentially. As economic growth brings more of India's people into the consuming classes and organized retail lures more and more existing shoppers, by 2015, more than 300 million shoppers are likely to patronize organized retail chains.

Consumer markets in emerging market economies like India are growing rapidly owing to robust economic growth. India's modern consumption level is set to double within five years to US\$ 1.5 trillion from the present level of US\$ 750 billion.

The growing middle class is an important factor contributing to the growth of retail in India. By 2030, it is estimated that 91 million households will be 'middle class', up from 21 million today. Also by 2030, 570 million people are expected to live in cities, nearly twice the population of the United States today.

Thus, with tremendous potential and huge population, India is set for high growth in consumer expenditure. With India's large 'young' population and high domestic consumption, the macro trends for the sector look favorable.