

# The impressive growth of e-tailing in India

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**Abstract -** The Present day consumers enjoy huge comfort in ordering the products online with click and thanks to fast shipping system; they get their products delivered at the doorsteps in a day. The retailers are taking digital websites to different level by providing all necessities to their tech-savvy consumers. Over the past few decades the online retailing is seen expanding like “a palace high up on a hill” to meet customers’ satisfaction. E-Tailing is selling of goods through internet; widely known as ‘Electronic Retailing’. E-Tailing is where the retailers sells his own goods to consumers whereas E-Commerce involves selling of various brands to consumers and also acts as E-Retailing platform. For Example: Wal-Mart, Pizza Hut, Titan, Fastrack are the few famous E-Tailing websites, where we can buy directly from retailers with or without any third party websites. E-Retail market size has grown at 2.5 times in 3 years. E-Tailing follows the Business-to-Business (B2B) and Business-to-Consumer (B2C) model. It has witnessed steady growth and provides 24 / 7 hassle free shopping experience.

According to technopak, E-Tailing in India will have a potential growth of USD 76 billion by 2021 and will provide employment opportunity to 1.45 million people by 2020. In current day scenario Consumer electronics and apparels have more number of buyers followed by furniture, food and groceries, the next big online segment. Internet technology is available everywhere at work, home and elsewhere via mobile anytime.

**Keywords:** electronic retailing, consumers, evolution.

## I. INTRODUCTION

Online retailing or E-tailing is a subset of E-commerce, where the customers select the goods and purchase the goods directly from retailers over the internet. It is the splendid invention which allows consumer to buy things from their comfort zone. Certainly changed the way we shop for the better. E-tailing is an integral channel utilised by retailers as a route to reach consumers and satisfy their needs. Now with the invention of smart phones and tablet technology, consumers are altering their shopping behaviour. It is a worldwide phenomenon which differs from geographical locations. Online retailing in India has tripled more than three times since 2015, but the growth rate yet to catch up with other countries like China and Indonesia in Asia Pacific market. Amazon, Flipkart, and Paytm mall are expanding into new sectors including groceries and with recent acquisition of Flipkart by Walmart for \$16 billion. Customers now have more alternatives and categories for selection of products. Electronic devices and fashion labels plays larger role in E-tailing. According to eMarketer report, quarter of India’s population will become digital shoppers by the end of 2018 and 41.6% in 2022, the rate tends to grow higher and higher as consumer prefers transparency in prices, quick delivery options, variety of goods, discount and offers, reliability. In China online retail makes up more than 16% of overall retail market, is expected to set big target in omni-channel retailing whereas India still remains in last mile logistics.

## II. TYPES OF E-TAILING

Two major models of E-Tailing are 1.Merchant model and 2.Affiliate model.

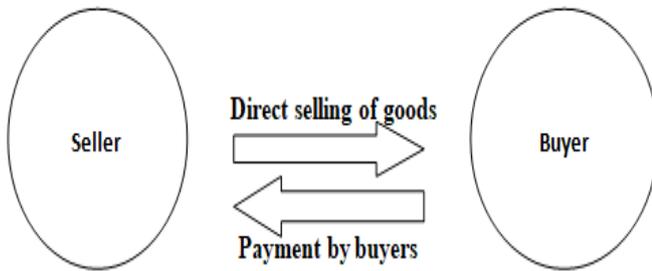
1. Merchant model:
  - Virtual Merchant: or e-tailor is a retail merchant, they operates business over the web.
  - Catalogue Merchant: here retailers use printed pamphlets and sends the catalogue directly to mails, phone.
  - Brick and clicks: traditional brick and mortar retail shop with web store front.
  - Clicks and Bricks: both online and offline stores.
  - Bit vendor: e-retailer who deals with digital goods and services.
2. Affiliate model:

Business model which generates revenue from thousands of items, without inventories, packaging, managing orders, shipping.

### **Business-to-consumer model (B2C):**

Business-to-consumer refers to business between a retailers and individual customers; they are the end-users of the product or services. This model is known as internet retailing or E-retailing. It was expanded in late 1990’s. Example: Facebook, Twitter, Starbucks, Pizza hut, UBER, OLA, Taco bell, McDonalds’, Pepper fry, Ford, Audi etc,

these companies directly sell products to customers at storefront or over the internet. Payment is made either with debit or credit card, net banking. It helps buyers in dealing with retailers without any third party.



### III. ADVANTAGES OF E-TAILING

- Availability:**  
 No more travelling to multiple stores to get specific products. With one click all products are displayed, works each and every day.
- Internet banking:**  
 Online payment has made a way easier, so we do not have to stand in long queues at the cash counter for hours. As internet users are increasing day by day, they prefer digital payments.
- More comfortable:**  
 Shopping can take place anywhere and everywhere. People feel comfortable in buying online. Within a second they can place the order without any help. Consumer convenience is enhanced.
- Time saving:**  
 In normal routine life consumers have no time to shop, E-Tailing saves a good amount of time by shopping online.
- Price comparison:**  
 Consumers can compare prices without moving from one shop to another. E-Tailing websites shows the price difference by knowing consumer preference.
- Faster buying procedure:**  
 Due to absence of intermediaries, the process in ordering goods is easier. Better and quick selling and buying. Choose the product, click to buy and pay via net banking.
- Global expansion:**  
 E-tailing business can be operated anywhere around the world, and goods are delivered within 7-10 days.
- Advertisement:**  
 Advertisement creates product awareness to consumers. Newspaper, radio, television and social media help in marketing the products.

### IV. DISADVANTAGES OF E-TAILING

- Traditional method:**  
 Brick and mortar retailers have taken up online retailing. So there will be no bargaining and interaction. The consumer cannot touch, smell, taste, see and hear.

- Quality issues:**  
 Sometimes Electronic products will be damaged or fake products sold. The return policy and replacement are not available in some websites.
- Delivery and logistics:**  
 The products will be delivered when there is stock, so buyers have to wait for longer period.
- Feedback:**  
 Reviews are not always reliable and research can't assure the product's guarantee. A retailer arranges paid users to write a positive comment to attract consumers.
- Lack of interaction:**  
 Sizes vary from brand to brand, since we cannot try the products before buying, selecting a size is always at risk. There is no bargaining power.
- Digital payment failures:**  
 Due to slow internet connection, the payment process will be late or error occurs. The money will be returned only after 14 days.
- Lack of security and privacy:**  
 Web platform stores customers' name and bank details, person having unfair means uses the details in fraudulent way.
- Consumer lifestyle changes:**  
 Buying from physical shop is reduced day by day, due to invention of new technologies and online shopping websites.

### V. ONLINE SALES PERCENTAGE OF TOTAL RETAIL SALES

Rank	Countries	Year 2017	Year 2018
1	UK	16.9%	18.0%
2	China	15.5%	16.6%
3	Finland	11.2%	11.5%
4	Norway	12.1%	12.7%
5	South Korea	11.3%	12.0%
6	Denmark	10.4%	10.8%
7	Germany	10.4%	11.2%
8	USA	8.3%	8.9%
9	Canada	7.4%	8.2%
10	Japan	6.2%	6.7%
11	France	5.8%	6.2%
12	Netherlands	5.1%	5.3%
13	Australia	5.3%	5.6%
14	Spain	6.0%	6.5%
15	Brazil	4.6%	4.8%
16	Sweden	4.4%	4.6%
17	Russia	2.8%	3.0%
18	Italy	2.2%	2.3%
19	Argentina	2.2%	2.5%

20	Mexico	2.2%	2.6%
21	India	1.3%	1.4%
22	Indonesia	1.2%	1.4%

Source: eMarketer

**Leading online stores in India: (2017)**

1. Amazon	USD 561.4 million
2. Flipkart	USD 553.5 million
3. Myntra	USD 342.7 million
4. Bigbasket	USD 192.7 million

Source: statistica

Amazon tops first in annual sales in India and followed by Flipkart, Myntra, Bigbasket, Jabong (USD 159.7 million), Snapdeal(USD 144.9 million), Ebay(USD 83.2 million), Paytm mall (USD 46.5 million), Firstcry (USD 40.6 million), Shopclues (USD 39.2 million)

**VI. HOW TO RETAIN CUSTOMERS IN ONLINE SHOPPING**

- Know yourself:**  
Get frequent details of competitors in the market. Know the consumer choice and Send frequent Emails and SMS to customers about the discounts and offers. Follow the rules and regulations. Attract the consumers by advertising and designing the websites colourfully. Give detailed information of the products.
- Know your consumers:**  
Consumers’ satisfaction is important for any type of business. Interact with consumers in online and know their choice. Give them rewards and gifts, send samples and cut down shipping charges if they are regularly buying from your website. Be quick in resolving the issues.
- Product awareness:**  
Sell products at cheaper price. Increase brand awareness by advertising and build a loyal relationship among buyers.
- Privacy:**  
Keep away the details of consumers’ from hackers. Provide a security pin to consumers and ask them not to share with anyone.
- Improve the way of selling:**  
Sell collectible goods, such as antique items which are rare to find. Display more and more product categories.

**VII. CONCLUSION**

It is difficult for any e-tailing business to keep the shopping process fast, simple, and reliable. The average time consumed by the buyers is less than five minutes. Basically consumers prefer the site, which has lot of information and fast to load, retailers way of displaying the products and price comparison. With the invention of new technology,

the shopping behaviour changes. In developed countries the goods are delivered by drones and it reduces man power, everything is done by a machine, which causes unemployment. In these days everyone depends on internet, it is not a good sign in developing young generation. They should have environmental exposure and good interaction skills. The technology is boon and ban. There are good and bad in everything, we should know how to overcome the bad things. Create awareness of purchasing in physical shops.

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