Challenge to Indian Retail Industries, E-Commerce
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Abstract
Electronic Business is not only than just buying and selling products online. It also includes the entire online process of product development, marketing strategy, selling process, deliver process and services and paying for products and services. India has an over 100 million internet users. India is yet to witness a breakthrough E-commerce success story particularly in online retail industries. E-commerce creates new opportunities for business; it also creates new opportunities for education and academics. E-commerce is mainly subdivided into three categories: B2B, B2C, and C2C. M-commerce is a term that is used for fastest growing procedure of conducting financial as well as promotional activities with the use of a smart phones and tabs. The term M-commerce is short for mobile commerce, and recognizes that the transactions may be conducted using Smart Phones, personal digital assistants and other hand held devices that have operate via Internet. Security of E-commerce is a part of the Information Security framework and is specifically designed for the mechanism that affects e-commerce that includes Computer Security. The online retail segment has evolved and grown considerably over the past few years. Cash-on-delivery has been one of the key growth drivers and is touted to have accounted for 50% to 80% of online retail sales. Companies are now adopted new business models including stock-and-sell and group buying that concerns nearby inventory management, location of warehouses and in-house logistics capabilities are posing teething issues.

1. Introduction
Internet is one component which has now a day become the key ingredient of daily lifestyle. Internet growth has led to host of novel development, as decreased limits for companies as consumers turn more and more to the internet to buy at the best prices. The internet means that traditional businesses will change because in market the companies don’t have the benefits issues just by virtue of being their first or by being of big. The implication of perfectly competitive world as the world will observe is that market will produce an efficient allocation of resources. Internet is an efficient medium in changing the way of business. Electronic commerce (or E-commerce) means all business conducted by through Internet.

Advancement in communications and computer technologies in recent years has made internet an integral part of the economic infrastructure. E-commerce consists all types of activities such as banking, retail shopping, rentals and investing. Small businesses houses that provide personal services, such as automobile shop, electrical shop, hotels, can benefit from ecommerce by providing a website for the sale of related products that normally are available only for local clients.

E-commerce based on technologies such as electronic funds transfer, supply chain management, mobile commerce, online transaction processing, record management systems, electronic data exchange, and also automated data compilation systems. E-commerce normally uses the World Wide Web at least once in the communication life-cycle, though it may include a wider range of technology such as e-mail, mobile device, social media etc. E-commerce and E-business are differs in commercial transaction, an exchange of value transversely organizational or individual limitations, takes place in E-business.

The trade of products, services and customers through an electronic means, without using any paper
documents. Industry trained by IAMA2 I specify that online travel dominates the E-commerce trade with an expected 70% of the market share. Conversely, e-retail in both form; online retail and market place, has become the fastest-growing fragment, raising its share from 10% in 2009 to an probable 18% in 2013. Calculations based on industry benchmark approximate that the number of parcel check-outs in e-commerce portal exceed 100 million in 2013. However, these shares represent a miniscule proportion of India’s total retail market, but are poised for continued growth in the coming years. If these vigorous growths continue over the next few years, the size of the e-retail industry is raised to be 10 to 20 billion US Dollar by 2017-2020. This expansion is predictable to be led by increased consumer-led purchases in all kinds of accessories, as well traditional products such as books and audio-visuals.

2. Literature Review
In E-Retailing, producer or vendor directly deals with the end user or customer thereby eliminating the series of middleman concerned in the conventional trade system. In this process the series of logistics firms involved, such as transporters, CF agents, bankers, etc. This significantly reduces the overhead costs involved in the safeguarding of manpower also for infrastructure. After the revolution of dot-com in the year 2000, the E-commerce in its various variants is now in advance recognition not only in the urban world but also in the rising nation.

With the use of Smartphone, Tabs Mobile commerce fast catching up, people are no longer dependent upon internet for the virtual transactions. Through smart phones and WAP application, expansion of banking it is easy to make transaction through mobile or internet banking. There are basically five parties that are involved in the E-retailing, Government and Technology Providers. The rapid encroachment of this channel of trade and supply in use because of customer time scarcity, buyers wanting more control over time and place of contract, the technology convergence allow changes to take place, and rising practice of the benefits accessible by this standard.

E-retailers have been classified in three ways:

a) Virtual Retailers: These have not any physical stores, shops.
b) Two Channel Retailers: These are recognized retailer having stores and activate through online channel to confine supplementary market.
c) Multi channel Retailers: These are retailers who serve customer’s requests through various ways ordering some of the issue that have contribute to the fresh growth of E-Retailing in the rising economy.

Why E-retailing is gaining popularity

a) Advancement in information and communication Technology
b) Traffic congestion
c) Secured online economic transactions
d) Customized shopping practice without any constraint of timing or location
e) Virtually unlimited shopping space and product assortment

Drawbacks of E-Retailing

a) Security risk involved in revealing individual information, credit card or bank account details
b) Absence of Social experience and entertainment
c) No touch and feel of the product
d) No immediate satisfaction

Despite drawbacks, large proportion of shopper consider online standard suitable in few product & service categories such as books, mobiles, computers, apparels, cameras, gift items, bill payment, travel, entertainment tickets, banking, etc. In result, most retailer chains also operate through click and mortar
medium. Firms from diverse industries range from Food Beverages to Apparels, Electronics to Automobiles.

3. Types of E-Commerce

**B2B E-Commerce:** Companies doing business together such as manufacturers selling to distributors and wholesalers selling to retailers.

**B2C E-Commerce:** Businesses selling to the general public typically through utilizing shopping cart software.

**C2C E-Commerce:** There are many sites offering free classifieds, auctions, and forums where individuals can buy and sell thanks to online payment systems like PayPal where people can send and receive money online with ease.


4. E-retailing

The E-retailing is one of the components of E-commerce with its ability to transcend physical boundaries and reach customers in a manner different from the traditional stores, to their very doorstep. The base of the E-retailing model provides technology and logistical solutions that facilitates the customer requirement and the final ‘reach’ process. E-commerce further brings customer orders accompanied with difficult scenarios such as cash-on-delivery free delivery, order rescheduling, returns and, cancellation with an expected feedback which will potentially lead to word-of-mouth publicity, opinion, customer withholding to the website.

An network information which share revised information like demand schedules and forecasts, inventory status, schedules of shipment etc., among all stakeholders of the supply chain will form the backbone of an E-retailer.

5. Broad Differences between Traditional Retailing and E-Retailing

In India, at present, most retailing occurs through physical supplies, with accessible operators. The physical location of a store gives advantage to attract the customer. Now the web based retailing is growing all over the world. They provide virtual shopping room to the customers. With the help of the power of internet through large and accurate data warehouses, both traditional retailers and E-Retailers are able to manage account and react accurately to customer demand.

The difference between traditional retailing and E-Retailing is the replacement of human-to-human interaction with human-to-machine interaction. In case of retailing, store layout is one of the major factors in, screen depth, browse and search functions, image maps, indices and in case of E-store design quality are integral parts of E-Retailing. Moreover, many buying functions seem personal and have no communication in the e-store, which should drive us to terminate that E-customer approval is one of the major concepts in e-tailing industry in this Internet Age.

Traditional uses the aesthetic design to create a desired possible design aspect that would help generate a favorable atmosphere to attract customers. E-retailers use the visual aesthetics. To get these things, they use and designs better sites. The sites are considered mainly significant because lack of aesthetics manner in the portal customers may switch to another retailer. Secondly, manipulate sites is comparatively cheaper, easier and can be done more flexibly.

Traditional retailing system both the vendor and producer control over the presentation of the product. The producer controls the packaging, but the retailer executes the illustration merchandise and signage that
provide the context for the package. E-retailer controls the product representation as the product is not actually present in front of the consumer. Instead, the e-retailer decides how to represent the existence of the product as part of the information like image, text and hyperlinks among other elements. The E-retailer depends on distribution of screen, window size and screen resolution.

6. **Conversional Retailing**

Our retail industry witness far accomplishment changes. The modernization process has started by large retailers. Independent stores are promoting in terms of assortments, ambience and delivery. The growth in income and consumption across the country, including the rural areas, the demand is increasing day by day. While customers are getting better assortment impact of retailer in driving consumption is still limited. The modern retailers would like to make substantial savings through efficacy and pass this benefit to producers and end consumers. A conventional retail has to bring in innovative procurement and distribution systems provided for bringing more stability.

Our retail industries take a long time and would require a sustained effort before the profit reach the target due to its own characteristics. Firstly the country is very large and heterogeneous in terms of cultures, demand patterns and consumptions. Even the back-end challenges are different in parts of the country. The extent of localization required by the retailers would be daunting task.

7. **Suggestions and Conclusion**

Consumers are always hungry for modern ways of shopping. Indian retail sector is growing fast and its employment potential is growing fast. The retail scene is changing really fast. Retaining the E-customer is a tough challenge. The internet customer is very hard to predict and is different from the normal customer. While a normal customer expects strong loyalty, such a loyalty on the Internet is difficult to obtain. To attract and retain the customers, the retailers particularly the E-Retailers have to take more efforts than to just attract. It is very easy to lose an E-customer. To retain, a mix of marketing tools such as public relations, advertising, promotions, direct marketing and Internet advertising should be used. Customer loyalty programs should be initiated.

In addition to this, the E-Retailers in India must attract a growing segment of customers who are technologically competent, place a high emphasis on convenience, and are willing to pay a premium price if they find the product they are looking for. Therefore, the E-Retailers of India need to improve convenience and value for consumers and assist them in overcoming their fears around security. They must also provide reluctant consumers with compelling reasons for accepting the Internet as a new way to shop. Some of these reasons might include the use of consumer assurance brands and enhanced levels of convenience, customization, selections, service and pricing. While skills like speed, differentiation, and branding are very important in the digital world, it is the ability to transform core operations and practices to this new medium which might make the difference between success and failure. Retailers of India need to examine the viability of such a transition, and look into the synergies of using the new channel of E-Retail. E-Retailers, on the other hand, need to revisit some basic retail functions, and develop further competencies in the areas of merchandising and demand forecasting. In a nutshell, the main suggestions of E-tailing business in India are:

- Customer care should be a top priority as with leading online companies. Online customers are more aware, more sensitive and therefore more difficult to retain.
- The industry should ensure that customers must feel safe and secure while transacting online.
References:


[5] Community Sandbox, New York Information Technology Center, 55 Broad St, 10 July.


