

E-TAILING – A PARADIGM SHIFT IN RETAILING

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Abstract : The World Wide Web or the internet came into this world during 1980s. On line shopping or E- tailing came few years after internet. And as online shopping gained importance the way of marketing had to change from traditional bastion to new technology of the networked world. Organizations were forced to reinvent their marketing strategies to envelope this new virtual world.

With on line shopping gaining its grip in late 90's today major brick-and-mortar brands in the country are developing an online sales strategy. It hasn't worked vice-versa.

Online shopping is growing at a very fast pace. For companies to succeed they need to be present in the virtual world and create a balance between traditional marketing and online marketing. India's e-commerce market was worth about \$2.5 billion in 2009; it went up to \$6.3 billion in 2011 and to \$14 billion in 2012. About 75% of this is travel related, i.e., for hotel bookings, flight tickets, railway tickets, online mobile recharge etc. Online retailer e-tailing comprises about 12.5% (\$ 300 Million as of 2010). India has close to 10 million online shoppers and is growing at an estimated 30% CAGR vis-à-vis aglobal growth of rate of 8-10%. In terms of sales Electronics and apparel form the major chunk.

INTRODUCTION

Traditional marketing are limited in terms of how many people can be reached at a single time. Online marketing on the other hand has a global reach. Marketer can provide content that is both complex and rich and also overcome the traditional trade-off between reach and richness. The paper is a peep into the trend in online shopping and how it can be used by entrepreneurs for more sales and thus more profits.

DEFINITION

Electronic retailing (e-tailing) is a new buzzword for any business-to-consumer (B2C) transactions undertaken through internet. It includes the sale of goods and services through the Internet. Virtually any product or service can be sold online. And the principles involved in good business practices apply here also. Products are displayed in an online store, and potential customers can read information about the products, see them on the website and also have the opinion to purchase them online. Corporations like Amazon and Dell created the online retail industry by putting the entire customer experience - from browsing products to placing orders to paying for purchases - on the Internet. Their success and the success of many other companies stimulated traditional retailers to create an online presence to expand their brick-and-mortar outlets. Electronic retailing is also referred as Internet retailing or online retailing. It is a part of e-commerce.

OBJECTIVES OF THE STUDY

- ✦ To get an overview of e-tailing.
- ✦ To get an understanding of e-tailing trends.

METHODOLOGY

The present paper is prepared with the help of secondary data and information available through various sources and analysis has been projected accordingly. E-tailing topic cannot be covered entirely; hence the paper will limit itself to the broader overall view.

E-TAILINGSCENARIO

There is no need to doubt that every business has become an online business. In other words every business needs to have an online presence of some way or other. Internet has become the primary means by which the consumers inform about their buying decisions.

World's retail penetration has been around 72.3 % among the internet users of the whole world and in India it is around 60% among online users. However the worldwide growth rate has been 13% and India has seen a whopping 43% growth in E-tailing. A 43% growth in comparison to a 13% growth worldwide shows that there is a great scope as far as online retailing in India is concern.

Online ratings and comments are the most significant factor in consumer buying decisions. And large number of shoppers, whether buying a service or product online or in person, do research online first.

RECENT TRENDS IS E-TAILING

Whether a business conducts the majority of their transactions online or not, staying ahead of the curve is essential. The trends to be seen in this direction are as follows:

1. Increasing use of mobile

Today there are more mobile instruments on earth than the population. People are doing more of their work on mobile and this has changed their requirements in many ways. Most of the mobile devices have web browsers and most users depend on the custom apps to get the required information like business nearest location, highest-ranked Italian restaurant nearby etc. E-tailing is gradually adapting to mobile computing trends.

2. The mobile wallet

Mobile is now increasingly being used for making payments. This mode of payment is popular along with cash and credit cards. Pizza express has developed a mobile application which allows the diners to view menu, book a table and also pay through mobile. This payment can be used when the diner forgets his wallet.

3. Social media for shopping

Social media too has its impact on shopping habits. A large number of customers depend on social network when researching for a new product or services. The concept of democratic shopping has become more relevant due to integration of social media. Social coupons, following sites on social media to qualify for exclusive products offerings and buying the products suggested by social media peers are the social shopping trends that e-tailers are now depending on. Consumers increasingly "like" or "follow" a favorite retailer and this helps them discounts or tips on deals offered by the retailer.

4. Data analysis and mining

Data analysis is the utmost important trend in e-tailing. Its strength has increased over the years. The rich data mined gives e-tailing corporates better insight into what visitors to their site are looking for, the frequency with which they buy from the site, when they are leaving, what they are skipping, and the like. As the system can process substantial data, Data mining has become more complex but it is worth the efforts as it helps in better targeting and service to the customers.

5. Search engine

Optimization of Search engine is a matter of concern for e-tailing business. Though Search engines are improving they cannot go out of the way to help the legitimate businesses that are not search

savvy. This requires e-tailors to learn the rules of search engines.

6. Localized technology

For e-tailors collection of data about customers, who visit their sites, is much easier. Information relating to customers like their location, what they are looking for, how they reached the site and hurdles encountered by them during the shopping process. All this enables e-tailors to adjust their strategies and technology accordingly. This type of facility is difficult to be applied for brick-and-mortar stores.

7. In-store pick up

In Florida farm stores allows shoppers to order groceries online and pick them up at a drive through. Small retailers who do not have vast network of stores have designated pick-up points for goods ordered online. This allows online purchases to receive their goods out to their cars.

8. User-generated Video at retail sites

Retailers are allowing customers to upload video clips of customers modeling their new purchases. This is one development which will without any doubt pick up speed.

9. International e-tailing

There is an increase in cross border or international e-tailing. Small niche online retailers are doing 10% to 20% business outside their own country, even though their store base grows more slowly.

10. Deal aggregators

There are deal sites which are cutting through many sites and sales. They bring customers only the information they are interested in. In-store experience is becoming better as online shopping is increasing. This is because it is easier to compare prices and therefore stores will be compelled to create better physical experiences meaning that more knowledgeable sales staff and proprietary items will be stored which are hard to find anywhere else.

11. Omni channel retailing

Retailers have realized that they must connect with the customers through many channels and touch points simultaneously or even interchangeably. Customers will be able to interact and complete the transactions on their own terms i.e. a customer can view an item online, purchase it using his phone and return it on the store. This can be done in a smooth manner.

12. Shoppers will get more personalized in-store experiences

One-size-fits all marketing is replaced by solutions that personalize each customer's experience. For example users who have MLB's app can get personalized message depending on their location in the stadium, i.e., if they are near the gate, the app gives them directions towards their seats. If they are near a particular shop they can get store-specific deals. The deal will depend on whether they are first-time visitor or a long-time fan.

E-tailing has become customer-centric marketing. Through technology retailers can return to early days of retailing, where the shopkeeper knows each and every individual customer but at a large scale.

Apple stores have armed all of its associates with iPhones. This helps the associates to assist customers and process payments anywhere in the store which in turn enabled to shorten lines and open up space. It also lets associates to interact freely with the customers.

Make Up For Ever is a cosmetics company which has put Pods in some of its stores to allow shoppers to browse products and virtually try various make-up combinations by uploading their own photos.

13. Customers' requirement for speed

Customers expect quick answers to queries, requests and questions. The business will have to work extra hard to get in touch with these "always connected" customers as quickly as possible. Businesses have already started doing this via live chat, SMS alerts, 24x7 hotlines, and social media. Brick-and-mortar retailers will bring out solutions that would enable salesmen to give instant, real-time information to shoppers.

Flipkart started operations in 2007, when most deliveries took a few days. Now, the three top online retail firms in India- Flipkart, Amazon India and Snapdeal offer same-day delivery in big cities for a fee. Faster delivery could become game-changer in the countries for fiercely competitive e-tailing space. Flipkart plans to deliver goods in 3 hours in few cities.

13. Privacy concerns for consumers

Customers become uncomfortable when they realize they're being tracked. The customers are finding ways to stop businesses from "stalking" them. "Do not disturb", "Do Not Track" and more such solutions will come up. The data gathered by businesses should be used to improve shopper's experiences and not to steal information. Businesses need to create trust by enhancing transparency and empowering users to take control of their information.

CONCLUSION

Online business is quite far away from maturity, and may never mature as new capabilities are being added to the Internet continuously. The challenge for businesses is that it should not be left behind by these trends. It means companies will have to pay more attention to new opportunities and put their time and resources into making the most of it. But then, that will hardly be unique to the Internet; that's just what successful businesses do to stay on top.

With e-tailing there will be more choices for consumers. For consumers there will be more items to buy, more ways to compare products and prices, and more methods to evaluate goods.

Sometimes in this busy world of retail, it's hard to know everything that's happening now. It is more difficult to know what will happen next. Retailers are learning that their survival depends on how well they adapt to this customer-centric reality.

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