A Study Online Retailing with Reference to Challenges and Opportunities

1M. Gernjit Darnish and 2Murugan Ramu
1Saveetha School of Law, Saveetha Institute of Medical and Technical Sciences, Saveetha University, Chennai. abidarnish@gmail.com
2Management, Saveetha School of Law, Saveetha Institute of Medical and Technical Sciences, Saveetha University, Chennai. muruganramu.ssl@saveetha.com

Abstract

E-Retailing or online is developing at quicker pace in India. It has seen consistent development of 50-60% throughout the years. E-retailing represents 10% of online business exercises in India. Despite the fact that there are development prospects for online retail in India we have challenges which should be tended to. The article centres around the openings and difficulties for online retailers in Indian business condition. Following or e-retailing or web based retailing is a type of electronic trade, which enables purchasers to straightforwardly purchase products or administrations from a dealer over the web middle person benefit. Basically, e-retailing is the offer of products on the web. Organizations like Amazon and Dell were the first to make the online retail industry by putting the whole client encounter, from perusing items to setting requests to pay for buys on the Internet. The accomplishment of these and different organizations urged customary retailers to make an online nearness to enlarge their physical outlets. This progressive method for offering products and ventures has additionally picked up notoriety in India. E-retailing has now been available in India for over 10 years. The late 1990s and mid 2000s saw the rise of a few players. Be that as it may, the vast majority of them couldn’t survive the dot-com blast and bust of 2000. The second rush of e-following, which developed in 2007, saw the passage of a few amusement changing players that offered stimulus to e-following’s development with the advancement and advancement of plans of action. Today, with players fighting it out for administration openings, master
players finding their furrow, biological community components beginning to become all-good, and financial specialists reaffirming their confidence in the part, the market is at an affectation point. E-retailing is a current advancement technology and shopping for the people. It is the result of financial components. India is remaining on the limit of retail unrest. E-retail, one of the speediest changing and energetic ventures that, has added to the financial development of our nation. Inside an exceptionally don traverse of time, E-retail industry has turned into the most appealing, developing retail showcase on the planet. Solid monetary development, changing statistic profile, expanding expendable salaries, changing customer tastes and inclinations are a portion of the key factors that are driving development in the e-retail advertise in India.

**Key Words:** E-retail, online retail, logistics, assortment, internet, mobile internet.
1. Introduction

AT Kearney's 2013 Global Retail web based business list expressed that India has unharnessed online retail potential. The development of online retail can increase the value of various partners of Indian retail segment. The development prospects of online retail are high in India, however alongside the development openings there are challenges which should be tended to E-retail or online retail is characterized retailing exercises done through web. We have numerous on the web or e-retailers in India who give an assortment of stock to clients. AT Kearney(2013) When all is said in done retail business is alluded as Business to Consumer (B2C). Online retail players are arranged into two kinds classification centered players and multi classification centered. Class centered players furnish specific stock with profound variety. Ex: - Myntra, Jabong (Apparels and Lifestyle items), Bigbasket, Local banya (Grocery portion) and Fabfurnish, Pepper broil (Furniture), Carat lane, Juvalia and you (adornments), First cry, my infant truck (child items). Multi classification players give assortment of stock constrained collection. Ex: - Flipkart, Amazon, Future bazar and Snapdeal and so forth. For better understanding we take a gander at a portion of the classes and the major online retailers in these classifications.

Retailers provide categories like books, stationery, hardware, furniture, clothes, individual care, staple, blossoms, sports products and enterprises moreover. Arora, J. (2013), The real players in book classification incorporate. Stationery things are sold by online players like Flipkart, Amazon, Stationery shop, Snapdeal and Homeshop 18 and so on. In Electronics fragment we have particular players like Croma (Tata gathering) and E-zone (Future gathering) alone with different players like Flipkart, amazon, Infibeam, Snapdeal, Future bazar, Naaptol who offer hardware things like cell phones, PCs, tablets, TV and different durables. In Furniture classification we have players like Fabfurnish, Pepper sear, Urban step, Home town, Zansaar and Homeshop18 and so forth. In Apparel and individual care fragment we have Myntra, Jabbong, Zovi, design and you, Flipkart, Amazon and Yebhi.com and so forth. In basic need class the significant players incorporate Bigbasket, Greencart, ekstop, Local banya, Nature's container and so on. We have specific players like Ferns n Petals, Tilia and Floraaindia for blooms and birthday cakes and so on. In sports merchandise the real class players incorporate Decathlon, Playground on the web, Khelmart and Sports 365 and so on. Administration retailers incorporate lenskart which give eye tests along eye focal point, glasses and well strength for some constrained restorative administration. BW (2014) A few retailers like Apollo drug store, Healhtkart and Buystack which do online offers of prescriptions. In the event that we take a gander at the entire deal showcase (B2B) we have players like best value (Wal-Mart) who is operational in online space. In C2C (Customer to Customer) we have E-sound, Olx which fill in as an on-line shopping space and for unloading of various items.
2. **Review of Literature**

- AT Kearney's (2013)-Global Retail internet business record expressed that India has unharvested online retail potential. The development of online retail can enhance diverse partners of Indian retail division. The development prospects of online retail are high in India, however alongside the development openings there are challenges which should be tended.
- Arora, J.(2013), in the title Of Prospect Of e-retailing in India. Said that the online retailing in India will get growth of e-retailing and increase the consumer satisfaction.
- Alba, J.W and a Hutchinson J.W(1987) in the title Of “Dimension Of consumer expertise” told in that in online shopping the consumer will be expertise to buy the products as soon as quick and cognitive effort.
- CRISIL (2014) – e-retail eats into retail, CRISIL research,P1-14 had finds that logistics in online shopping for shipping and delivery service is good but also there is no proper handle.
- ED and Y and Rai (2014)- Pulse Of Indian retail, market, has find that there is better working capital management and balance growth and profitability in online products.
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- D.Grewal ,G.R.Iyer “Internet Retailing” In journal of Business Research volume 57,PP (703-713) says that reaching out to a wider audience and improving operational efficiency.
- M.K.C. Chevng W.G.Chan “ A critical review of online consumer behaviour empirical research” In journal of e-commerce Volume no 3 No.4 PP 1-19 explains about dynamic inventory policy and technology capability.
- D.Q.Yao and J.J.Liu “Channel redistribution with direct selling” In European journal of operational research. Volume no 144 No.3 PP (646-658) says about that glorious success mixed with pathetic failure and steady state distribution between two channels.

3. **Objectives**

The major objectives of the study include:
- To understand the online retail market in India.
- To analyse the opportunities for online retailing in India.
- To study the major challenges for online retailers in India.
4. Hypothesis

H0: The present study show there is No association between online retail market opportunities, challenges and threats.

H1: It may have a relations with online retail market opportunities, challenges and threats.

5. Materials and Methods

The present study demands descriptive and doctrinal kind of research study.

Research Methodology

The scope of the research study is based on online retail market, the opportunities and challenges for the evolving online retail market in India.

Source of Data: This research data’s are basically collected from secondary sources such as Information from journals, Company websites, industry reports, newspaper and articles.

6. Opportunities of Online Retail in India

The present business condition in India can possibly upgrade the development of the online retail in India. A portion of the key factors that can add to the development of online retail in India such as

An Increase in the Quantity of Internet Clients and Online Purchasers

As per Google, India now have around 200 million web clients which is relied upon to achieve 500 million by 2018. Consistently there is an expected increment of 5 million web clients consistently. E&Y & RAI (2014) One of the key components added to the expansion in web clients is the spread of wide band network the nation over. In 2013, the wide band availability is around 15.13 million. Government is talking activities to build it by 214 million wide band associations by 2014. This will improve the openness of web for ordinary citizens. Forrester's Asia pacific retail predicts that online buyer population will reach 39 million by 2014 and 128 million by 2018 which can stimulate the growth of online retailing in India.

Smart Phone Revolution and Mobile Internet

India is one of the business sectors which is seeing development in advanced cell clients. In 2013, there were 51 million advanced cell clients in India which is relied upon to achieve 104 million by 2014. Be that as it may, this structures around 10 for each penny of the aggregate versatile clients at present. Forbes Online (2014) The accessibility of modest advanced mobile phone can upgrade the development rate in future. Access to 3G and 2G versatile information systems and accessibility of shoddy PDAs can improve the client exchange
utilizing mobiles. A large portion of the online retailers are building up their versatile applications to upgrade the shopping background. Amazon thought of their own 3D advanced cell "Fire telephone" to improve the versatile shopping knowledge of their clients. On the off chance that we look at the portable web clients we can watch expanding pattern as for versatile web clients. As indicated by 2015 projection, out of 300 million web clients 200 million clients will get to web utilizing cell phones which can upgrade e-retailing openings in India.

**Increase in Transaction by Debit Cards, Credit Cards, Net and Mobile Banking**

Retail electronic instalments was around INR 33.8 lakh crore in 2013 contrasted and INR 50,000 crore in 2004. Master-card instalments has grown seven times amid this period and achieved INR 1.2 lakh crore in 2013. On account of Debit card exchange there was an expansion in 15 times which is valued-around INR 74,300 crore in 2013. On the off chance that we examine the pattern electronic exchange has expanded amid 2013 which frames 57 % of keeping money exchange contrasted and 43% of paper exchange. Tripathi, S (2013) There was an expansion in enlisted web managing an account clients in India amid 2013 which was around 35 % for open area banks 25 % for private part banks and 5% for outside banks contrasted and 2012. Yet at the same time Internet managing an account exchange frames 2-8% of aggregate saving money exchanges for every single Indian bank. Portable managing an account is developing in India which saw a development with 30 million clients in 2013 thought about 22.51 million clients in 2012. From these patterns we can presume that Indian clients are step by step changing regarding the way they do money related exchanges. Credit, Debit cards and Net saving money can encourage speedy and advantageous exchange for clients which can expand the development of e-retailing in India. With the rise of secure exchange techniques like two factor validation, One Time Passwords(OTP) and instalments online has expanded. Alba, J.W and Hutchinson, J.W. (1987),This can improve internet retailing due to upgraded security and effectiveness in doing the exchange. A portion of the retailers are giving the office of money down choices (COD) to clients the individuals who are suspicious about the safe exchanges in online stages. This structures over 60% of the aggregate internet business exchange in India. Banks and web based business destinations are making proactive strides in improving on-line exchanges by tending to security and different issues concerning on the web exchanges.

### 7. Challengers for Online-Retailers in India

Despite the fact that India web based retailing has development prospects, there are numerous difficulties for e-retailers in India advertise. It incorporates

**Logistics**

Compelling coordinations assume a key part in deciding the operational achievement of e-retailers. On the off chance that we take a gander at the India
our nation is vast and divided with poor foundation offices. So convenient conveyance and other need administrations are the greatest difficulties for online retailers in our nation. Also cost of coordinations in India is high because of absence of framework. This has portion of the retail players like Flipkart and Amazon to construct their own particular coordinations arms. Flipkart has e-kart coordinations which takes look after their conveyance procedure. Prof. B. M. Hiremath Dr. C. R. Gudasi. A portion of the online retailers are tied up with coordinations organizations for satisfying client orders. One of the most serious issues looked by strategic organizations is the restricted carrier feet size of calculated organizations. We take a gander at the Indian situation we have restricted armada of cargo bearers which can obstruct the need administrations like same day conveyance for clients.

**Poor Internet Speed**

One of the most serious issues India confronting is the moderate speed web association which can influence the possibilities of online retail in long run. The normal web speed is under 1 mbps which makes it one of the low positioned countries in worldwide situation as for web speed. This can influence the availability to shopping destinations and online exchanges which will thusly decrease the client purchasing through online entrances.

**Customer Trust and Loyalty**

Some of Indian online retailers need trust among the clients. Despite the fact that we have trusted players like Flipkart, Myntra and Jabong, different retailers were not up to the stamp contrasted and different players. A.T.Kearney, Inc. 2004. The section of remote online retailers like Amazon has constrained Indian players to improve client faithfulness. Flipkart has begun an activity called Flipkart first which gives same day conveyance, need client administrations, free shipments and selective offers.

**Overcoming Touch and Feel Mental Boundary of Indian Clients**

Indian clients want to touch and feel items before they buy. The greatest difficulties looked by online retailers to beat this hindrance. Online retailers are endeavoring to beat this boundary by including more details and data about items. They additionally share client criticisms to upgrade the certainties of clients.

**COD and Returns Administration**

Money down has developed as the favored method of installment by online clients. This has made certain basic issues for online retailers. A portion of the coordinations suppliers collect additional charges from the clients which can influence the retail business in long run. Postponement in settlements of the Cash gathered by coordinations suppliers from clients can diminish the working capital for online retailers. Another essential issue looked by online retailers is the client returns and how to deal with it. A portion of the coordinations players don't have the ability to deal with the profits. More finished this can make an extra cost for the retailers which is a vital issue looked by online retailers.
Dr. M. Prasanna Kumar, This has constrained a portion of the retailers to begin their own strategic arm to address these issues in a superior way which can upgrade client trust and accommodation. Additionally this can give the cost favorable position to online retailers in long run.

**Complex Expense Administration**

One of the real limitations looked by e-retailers is the mind boggling charge administration in India. Non uniform VAT (Value included expense) are demanded by various states. For some situation state governments charge VAT for items sold within a state in which distribution centers are found. This has influenced the cost for sourcing and conveying for items and administrations for online retailers. Various point tax assessment, Octroi and section charges are other significant disadvantages in India which can influence the possibilities of internet retailing in India. It likewise constrained a portion of the retailers to open distribution centers in various states to decrease the passage and different charges. Online retailers taking a gander at execution of uniform Goods and Services charge (GST) which can add operational accommodation to online retailers.

8. **Review of Online Retail**

E-retailing or E-following or web based retailing is a type of electronic business, which enables buyers to specifically purchase merchandise or administrations from a dealer over the web without go-between benefit. Basically, e-retailing is the offer of merchandise on the web. Organizations like Amazon and Dell were the first to make the online retail industry by putting the whole client encounter, from perusing items to setting requests to pay for buys on the Internet. Poon, S. and Swatman, P.M.C. 1997. The accomplishment of these and different organizations urged conventional retailers to make an online nearness to increase their physical outlets. This progressive method for offering products and ventures has additionally picked up notoriety in India. E-following has now been available in India for over 10 years. The Hindu (2014) The late 1990s and mid 2000s saw the development of a few players. Be that as it may, the greater part of them couldn't survive the blast and bust of 2000. The second rush of e-following, which rose in 2007, saw the section of a few diversion changing players that offered driving force to e-following's development with the advancement and development of plans of action. Today, with players fighting it out for authority openings, master players finding their furrow, environment components beginning to become alright, and financial specialists reaffirming their confidence in the segment, the market is at an enunciation point.

9. **Indian Retail and E-tailing Market**

The above bar diagram represent the comparison of independent retail, organised retail B and M and organised retail, e-retailing in the year 2014 and will be in the year 2020.
10. SWOT Analysis of E-Retail

The general assessment of qualities, shortcomings, openings, and dangers is called SWOT investigation. SWOT Analysis is utilized by an e-retailer in the examination of key arranging. Dr. Prakash M. Herekar, e-Commerce in India

The SWOT investigation assembles the organization targets more practical. To comprehend future dangers it is fundamental to know qualities and shortcomings, openings and dangers.

11. Internal and External Challenges

The online retailing also has two types of challenges which can classified as A) Internal challenges and B) External challenges.

**The Internal Challenges are**
1. Organization Scaling
2. Tax and regulatory structuring
3. Risk, Fraud and cyber security
4. Compliance Of framework

**The External Challenges are**
1. Product and market strategy
2. Customer and digital experience
3. Payments and transactions
4. Fulfillments.

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<tr>
<th>Strengths</th>
<th>Weaknesses</th>
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<tr>
<td>Convenience</td>
<td>Security</td>
</tr>
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<td>Time saving</td>
<td>Fake websites</td>
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<tr>
<td>Price/product comparison</td>
<td>Fraud</td>
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<td>Cost effective</td>
<td>Long delivery timing</td>
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<td>Direct communication with consumer</td>
<td>No idea about quality and physical</td>
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<td>Improved customer interaction</td>
<td>condition of the product</td>
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<td>Flexible target market segmentation</td>
<td>Limitation of products</td>
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<td>Easy arrangement of products</td>
<td>Business opportunities</td>
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<tr>
<td>Easy transactions</td>
<td>More shipping cost</td>
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<td>Niche products</td>
<td>Limited exposure</td>
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<td>Customer’s satisfaction</td>
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<th>Opportunities</th>
<th>Threats</th>
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<tr>
<td>Changing trends</td>
<td>Competitors</td>
</tr>
<tr>
<td>New technology</td>
<td>Changes in environment, law and</td>
</tr>
<tr>
<td>Global expansion</td>
<td>regulations</td>
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<tr>
<td>High availability</td>
<td>Innovations</td>
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<td>Wide business growth</td>
<td>Privacy concerns</td>
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<td>Cut down on local competition</td>
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12. Conclusion

This chapter enables to understand the e-retail industry in India, also discusses opportunities and challenges to e-retail, strategic analysis of e-retail such as SWOT analysis, PEST analysis, Porter’s five forces analysis and attractiveness of e-retail industry. It focuses on opportunity factors to e-retail this study. Emphasises on the drivers for growth in the Internet-habituated and aspirational consumer base. Indian retail area is seeing dynamic changes throughout the years. With a consistent development rate of 50-60% online retail can influence huge commitment to retail to industry and economy of our nation. Be that as it may, to exploit these development patterns we have to enhance our physical foundation, approach structure and operational condition in our nation. Indian retail segment is seeing dynamic changes throughout the years. With a consistent development rate of 50-60% online retail can influence critical commitment to retail to industry and economy of our nation. In current situation, e-Retailing or internet shopping has progressed toward becoming an integral part of the general population in India. The new influx of consumerism combined with urbanisation with outlook changes in the statistic and psychographic flow have driven shoppers every now and again to utilise retail site to scan for item data and make a buy of items. There are a few things have been examined to consider when e-retailing begin, This present paper makes an endeavour to: manages the difficulties happening in the e-retailing, openings in Indian situation, the techniques that are being followed in exhibit situation in e-retailing.

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