

Study of Development and Occurrences E-tailing in India- Conflict and Adequate opportunity.

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Abstract: Talent Sourcing at Bajaj Allianz Insurance requires the organization to remain flexible and responsive to changing market conditions and emerging trends. To strengthen its Talent Sourcing capabilities, it's crucial to stay updated on the latest techniques, trends, and methodologies. This involves creating a solid sourcing policy and developing a well-organized plan, as any lack of planning could hinder the achievement of organizational goals. In today's competitive landscape, it's important to consistently assess staffing needs and ensure the timely recruitment of qualified individuals.

The project aimed to collect data from sourced candidates, analyze its significance, and draw meaningful conclusions. It begins with a broad overview of Talent Sourcing, followed by an introduction to the company's history, objectives, products, and capabilities. This project provided a valuable opportunity to connect my theoretical knowledge with the practical realities of the industry and market. To meet the project's goals, 176 candidates were sourced.

Key words: Internet, Retailing, E-retailing, Challenges and Opportunities

Introduction

India had an internet user base of approximately 270.2 million as of June 2015. While e-commerce penetration is still relatively low compared to markets like the United States and the United Kingdom, it is growing at a much faster pace with numerous new players entering the market. Industry experts agree that this growth is at a crucial turning point. The online retail sector has expanded significantly in recent years, with Asia Pacific emerging as the fastest-growing region for e-commerce, particularly China, which shows immense potential. In India, the online retail market, or e-tailing, still represents a small portion of the overall retail sector but holds tremendous business potential, fueled by increasing internet access, rising smartphone usage, cost advantages, and significant investments from private equity firms. Other driving factors include the popularity of cash-on-delivery (COD), the rise of working women, growing acceptance of online payments, favorable demographics, and the lack of organized retail in the country. Major e-tailers like Flipkart, Snapdeal, and Amazon have adopted an asset-light model, shifting from inventory-based models to marketplace-based models. Private equity and venture capital firms continue to invest heavily in India's online retail sector, with Flipkart receiving eight rounds of funding over the past seven years.

However, despite the promising growth opportunities, the online retail sector faces challenges, especially regarding logistics. The ability to deliver products on time is key, but issues such as inadequate logistics services, high warehouse maintenance costs, expensive intermediaries, and errors in online payments remain bottlenecks.

Problem Statement: This study primarily aims to examine the development and trends of e-tailing in India, along with its challenges and opportunities. The focus of the study is on understanding e-tailing in the Indian context.

Objectives of the Study:

1. To study the growth of e-tailing in India and its impact on modern marketing.
2. To examine the challenges and opportunities of e-tailing in India.

Review of Literature: Several research studies have been conducted on e-tailing, with some providing insights relevant to this paper:

- Brown (1987) emphasized that retail format costs include both monetary and non-monetary costs for consumers, with non-store formats offering savings in time, effort, and psychological costs.
- Rao (1999) pointed out that e-commerce increases market access and reduces

operational costs for retailers, providing consumers with better prices and valuable product information.

- Zhang and von Dran (2000) noted that certain aesthetic elements of websites can influence purchase decisions, with colors and backgrounds affecting consumer choices.
- Bhandari and Kaushal (2013) explored online consumer behavior, highlighting trust, product information, convenience, and effortless shopping as key reasons for choosing online shopping.
- Nagesh (2011) predicted significant changes in Indian retailing, driven by modernization, resulting in sustained growth.
- Mohanty & Panda (2008) discussed India's retail boom, fueled by urbanization, increasing middle-class purchasing power, technological advancements, and globalization.
- Akash (2009) emphasized the potential of Indian retail, with the sector set to add value to the economy and generate significant employment opportunities.
- Sahu (2010) suggested that consumer confidence, profitability, and expansion plans indicate positive growth in the organized retail sector.
- Turban (2006) and Wang (2002) defined e-tailing as the sale of goods and services online, highlighting its increasing importance in modern retail.
- Zeithaml (2002) stressed that e-tailing success depends on efficient website design, prompt delivery, and customer service.
- Delone and Reif (2004) found that customers with more online shopping experience are more likely to continue shopping online.
- Bauer et al. (2006) compared online retail services to traditional retail services, noting that both phases (client interaction online and fulfillment offline) play key roles.

Hypotheses: Based on the objectives and literature review, the following hypotheses can be drawn:

1. The growth of e-tailing in India, along with the formalization of the sector, will contribute to long-term sustainability and economic viability.

2. E-retailing must be viewed objectively, as it is a strong driver of sustainable economic development in India.

3. Retaining e-customers requires a combination of marketing tools like public relations, advertising, promotions, direct marketing, and internet advertising.

Need for the Study: E-retailing has emerged as a significant avenue for consumers to shop, with rapid internet penetration across India driving the attractiveness of online shopping. Despite challenges and increased competition, e-retailers are keen to capitalize on this growing trend. This study aims to assess the factors driving the growth of e-tailing in India and identify the barriers it faces.

Meaning of E-tailing: E-tailing, or e-retailing, refers to the online selling of goods and services. The term gained popularity in the 1990s and is now commonly used alongside terms like e-commerce and e-business. E-tailing typically involves business-to-consumer (B2C) transactions and can be classified into three main categories:

1. **Online-only businesses:** These operate exclusively through online channels, such as Dell, Amazon.com, and eBay.
2. **Click and Brick:** Businesses that combine both online and offline retail channels.
3. **Brick and Mortar:** Traditional businesses that rely on conventional retail channels without using modern e-retailing methods.

E-tailing provides consumers with access to vast amounts of information and the ability to compare products. While the convenience of shopping from home or office is a major advantage, issues like fitting challenges, return policies, and shipping costs can deter consumers. E-tailing also requires customers to be tech-savvy, limiting its reach. Despite these challenges, e-tailing continues to rise as a key force in the retail industry.

Structure of the E-Retail Market in India

The e-retail sector in India can be broadly categorized into two main types of players:

- **Vertical-focused players:** These retailers specialize in specific categories of products, such as apparel, electronics, or baby items.
- **Multi-category players:** These retailers offer a wide range of products across multiple categories.

Evolution of E-Tailing in India

E-commerce has undeniably established itself in India, with even small and medium retailers seeking to capitalize on the online marketplace. While online shopping is popular today, e-commerce in India dates back to the late 20th century.

1991: Introduction of E-Commerce In 1991, e-commerce began to take root in India as businesses explored the commercial potential of the internet. At the time, few could have predicted that online trading would become a global trend, and India would play a significant role in this success.

2002: IRCTC Makes Online Ticket Booking Mainstream India's first significant interaction with e-commerce was through the Indian Railways Catering and Tourism Corporation (IRCTC), which introduced online train ticket bookings, revolutionizing the way people traveled.

2003: Air Deccan Introduces Online Airline Booking Following the success of IRCTC, Air Deccan and other airlines such as Indian Airlines and SpiceJet began offering online ticket booking to bypass traditional travel agents, exposing a wider audience to e-commerce.

2007: Flipkart's Deep Discount Model In 2007, Flipkart introduced its deep discount model, which significantly boosted the popularity of e-commerce in India. Other platforms like Amazon, Flipkart, and Jabong followed suit, contributing to the growth of e-tailing.

2015: Current Scenario In recent years, online shopping has evolved from a simple, basic shopping platform to a much more user-friendly and attractive experience. Today, online shopping is a trend in India, with an increasing number of users drawn to its convenience, appealing websites, and intuitive interfaces.

The Internet Economy Watch Report (April 2015) by the Internet & Mobile Association of India (IAMAI) indicated that 28.84 million people visited e-tailing websites, generating over 2.4 billion page views. Job and matrimonial websites attracted 16.28 million and 9.27 million users, respectively, while online travel sites saw a reach of 14.10 million users.

Managerial Implications of the Study

By FY 2018, India's E-learning industry is projected to reach USD 1.29 billion, driven by changing educational methods and technology

advancements. This rise in e-learning is a direct result of the increased use of digital technologies in schools and colleges, allowing for more flexible, customized learning experiences.

India's e-commerce market grew from USD 3.8 billion in 2009 to USD 12.6 billion in 2013, with e-retail alone reaching USD 2.3 billion in 2013. India has nearly 10 million online shoppers, with electronics and apparel driving the majority of sales.

Key Drivers of Indian E-Commerce:

- Increased broadband and 3G penetration
- A rising middle class with greater disposable income
- A wider product selection compared to traditional stores
- Time constraints and urban traffic congestion making offline shopping less appealing
- Lower prices due to reduced overheads, such as the elimination of intermediaries and physical store costs
- The growth of online classified ads for buying and selling second-hand goods

India's retail market is expected to grow from USD 470 billion in 2011 to USD 850 billion by 2020, with e-commerce growing at an estimated CAGR of 57% between 2012 and 2016.

Factors Behind the Growth of E-Tailing in India

- **No rent or land costs:** E-retailers save significantly by not needing to maintain expensive physical storefronts, as their businesses operate through websites or portals.
- **Enhanced communication with clients:** E-retailing allows for personalized interaction with customers, leading to better customer service.
- **Global reach:** E-retail websites can be accessed from anywhere, greatly expanding their customer base compared to physical stores.
- **Effortless shopping:** Online shopping is convenient and saves time, as it allows consumers to shop from home.
- **24/7 accessibility:** Online stores are always open, providing convenience for customers across different time zones.
- **Price comparison:** Shoppers can easily compare prices across various sites before

making a purchase.

- **Avoiding product duplication:** Well-known online portals sell authentic, branded products, which reassures customers of the quality.
- **Internet boom:** Improved broadband and 3G internet services have made e-retailing accessible to a larger audience.
- **Improved living standards:** Rising disposable incomes have made online shopping more attractive to a broader segment of the population.
- **Wider product selection:** Online stores offer a much larger variety of products than traditional retail outlets.
- **Time and traffic constraints:** Busy lifestyles and urban traffic congestion make online shopping more appealing.
- **Increased competition:** The growing number of online shopping platforms has led to competitive pricing and better deals for consumers.
- **Discounts and offers:** Online platforms often provide discounts, making products more affordable for consumers.

Challenges and Opportunities of E-Retailing in India

Challenges:

- **Product experience:** Consumers can't touch and feel the products before purchasing, which can deter some buyers.
- **Delivery times:** Shipping can take several days, which might be an inconvenience for customers.
- **High shipping costs:** Excessive shipping charges can discourage consumers from completing their purchases.
- **Customer service issues:** Inconsistent or poor customer service can harm the customer experience.
- **Returns:** Returning defective or unwanted products can be a hassle.
- **Payment issues:** Online payment systems, such as credit cards, can be unfamiliar or untrusted by many consumers in India.
- **Lack of full cost disclosure:** Hidden costs, like shipping fees, may be revealed only after the purchase, leading to customer

dissatisfaction.

- **Offline presence:** Many Indian consumers still prefer to touch products before buying, and the lack of offline presence can reduce trust in e-retailers.
- **Language barriers:** English is the dominant language on many e-retail platforms, which can alienate a large portion of the population.

Opportunities:

- **Convenience:** Online stores are available 24/7, offering convenience for consumers.
- **Price comparison:** Consumers can quickly compare prices from different vendors to find the best deals.
- **Market research:** Retailers can use online platforms to gather valuable consumer data, which can inform future business decisions.
- **Online customer service:** Websites can provide a wide range of customer services, such as order tracking and personalized product recommendations.
- **Promotions and marketing:** The internet allows businesses to run cost-effective promotions and reach a large audience with targeted ads.

E-Retailing Prospects in India

E-retailing in India is expected to grow significantly over the next few years, with the market potentially reaching USD 76 billion by 2021. This growth will be driven by a rise in internet users, with approximately 180 million broadband users and millions more accessing the internet via mobile devices.

E-retailing will also generate substantial employment, with an estimated 1.45 million people employed by the sector by 2021. It will also create new opportunities in logistics, technology, and other related industries. The growth of e-retailing will complement the traditional retail sector, improving efficiency and reducing transaction costs for both manufacturers and service providers.

Suggestions and Conclusion

E-tailing has become an integral part of modern life in India. The rapid growth of online shopping, driven by changing consumer preferences, urbanization, and technological advancements, shows promising potential. If e-retailers adapt their business models and understand consumer behavior

more deeply, e-tailing can continue its upward trajectory.

To retain customers, e-retailers should use a mix of marketing tools, such as advertising, promotions, and customer loyalty programs. Providing compelling reasons for hesitant customers to embrace online shopping, such as reliable delivery and better customer service, will also be key to success.

By focusing on these aspects, India's e-retailing sector will not only continue to grow but can also become a key driver of economic development, with a lasting impact on employment and infrastructure.

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