

Trends of Retailing in E-Commerce – Product and Services

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Abstract

Today's retail market is going down and the new changes in the market searching for a significant shift in its development and the way the investment is done. Current players and emerging players are looking for new retail format. The current attractive pattern is Electronic retailing which is on a fast progress development. Internet access to the customer's changing and huge process is developing and also the peddlers take note and consumer right to make your design and traditional value approach you need to make. All the above increase of current attempts to paper:

E-commerce retail business's current description of tilt-in Indian conditions and services and discussed the worldwide electronic commerce current inclination.

Describe Indian conditions electronic retail sales in regards to customers at the time of purchase due to their attitude.

Research Design: Gathered secondary data for research study for the purposes of e-commerce in retail business products and services. With the help of secondary resources observation data is collected.

Keywords: e-retailing, e-tailers, C2C, internet, electronic commerce, electronic money, B2C, B2B

1. Introduction

All over the world for different reasons organizations are moving to electronic commerce. In E-commerce, many of the working conditions with work automation allows the minimum operating costs, by this time and creates organizations to cut costs, all processes are secured through data encryption. It is easy to communicate and trade globally as the cost of transmission is very less and affordable due to e-commerce. Electronic market system/mechanism, many sellers knowledge and the exchange of data relating to products or services are connected to each other, e-commerce mechanisms naturally arises incentives. Digital information systems and communication technology usage in electronic commerce makes trade activities and possible action.

E-commerce has changed the transaction abstraction and arrival but not physically but electronically, many of the ideas tangible in trades activities are conducted in the way can be sent across the Internet. Electronic commerce relates with buying and selling of services or goods between the individuals, business, government, households and other private or public organizations. Of any order or receipt an Internet or electronic transaction does that is not regulated by way of the distribution medium.

2. What is Internet?

The Internet operates as a network that logically linked to each other from all over the world through stand alone computer, independent computer networks and devices (such as routers, switches, software) in a system. The Internet has ability to collect, share, process it and Internet-driven manipulation of information in real time over the network (and to do so cost effectively) and thus the business use internet to do so. The development of new Internet products has opened opportunities for development:

- Electronic money
- Internet banking
- Electronic retailing (online trading)

3. Electronic Money

Payments by electronic money¹ (Welling & Rickman, 1998) are attractive to buyers and sellers as they can be exchanged over a network, take negligible time, and work equally well for transactions of a few cents and a few billion dollars (Peha & Strauss, 1997).

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There are three basic categories of electronic money:

1. An account-based notational system that uses conventional financial institutions and the transactions are recorded (for example, credit card payments on the Internet, ATM and EFTPOS facilities (Forder, Quirk, & Akindemowo, 2003)³. Issuer maintains an audit trail of transactions.
2. Traditional banking infrastructure can work out which banknotes and coins, to offer an alternative by small value retail payments made to a stored value facilitates tokenised system. Card-based products such as traditional currency, cheques and credit and debit cards are payment instruments for traditional retail options and they are intended to supplement. The card contains a chip that automatically deducts the purchase from the card and transfers it to the trader. For example, In India ‘Gift Card’ is a non-bank electronic cash card used to purchase gifts and make single purchases.
3. Software-based electronic cash is accumulated as a computer code on a plastic card or on the hard drive of a computer system.

4. E-Commerce around the World—Regional Round-up

Consumers all around the world shop online, but what they’re buying and how they use product reviews and social media to influence their decisions vary widely.

Figure 1 shows that in the year 2002 the percentage growth is 30% in comparison with year 2001 when the growth of e-commerce was 24%. This percentage growth rate vary every year and it drastically fell down in year 2008-2009 from 30% in 2001-02 to 1.88% in 2008-09 (Internet Retailer)

As per figure 2 online retail sales is growing every year. We can see that it is \$27 Billion in 2000 and continuously growing every year to \$134 Billion in year 2009, thus online retail sales grew with an average of 20% each year (Internet Retailer).

Figure 3 mentions that Electronic commerce is growing by 27 percent a year in Asia region; 29 Percent in US region and by 34 percent in Europe region in Global e-commerce sales as per data available in year 2010 and only 10 percent is covered by rest of the world (Internet Retailer).

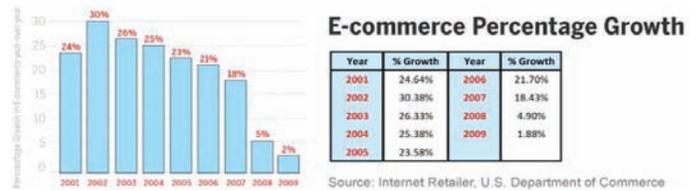


Figure 1. Notable e-Commerce-related Statistics – E-Commerce percentage Growth in United States - From 2001–2009



Figure 2. Notable e-Commerce-related Statistics – Online Retail Sales Growth from 2001–2009



Figure 3. Notable e-Commerce-related Statistics – global e-commerce sales growth percentage by region in year 2010

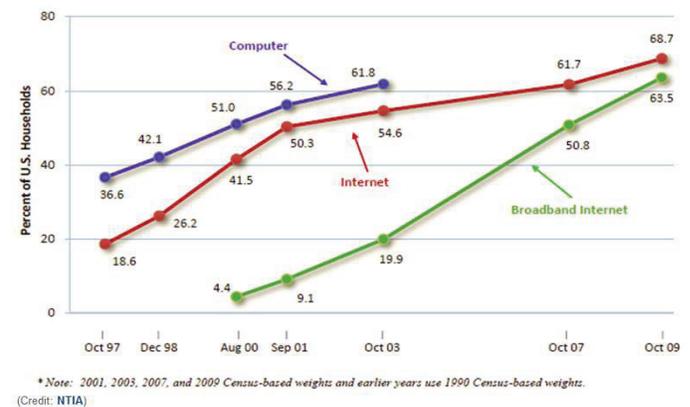


Figure 4. Notable e-Commerce-related Statistics – percentage of Households with computers and Internet connections, for 1997–2009

¹ Electronic money is also called e-money, e-cash or electronic cash, digital cash, digital currency, digital money and cyber payments.

³ An ATM (Automated Teller Machine) is an unattended terminal-type device that provides simple banking services such as cash withdrawals, transfer of funds between accounts and account balances at locations other than counters staffed by tellers in financial institutions. In an EFTPOS (electronic funds transfer at point of sale) transaction, funds are transferred electronically at a payment terminal within the premises of a trader.

5. Electronic Retailing Trends in India

In Indian society e-commerce has become an indispensable part of our daily lives. A large amount of goods and services are provided by many websites. There are those with specific services in e-commerce today provide certain branded products, which are also very important part in Indian culture/society and it became an important part of our daily lives. A large number of products and services are provided by many sites. It also combined to provide a particular product with many sites. Multi product e-commerce, these Indian e-commerce websites provide goods and services in vast/huge categories. To name a few: books and magazines, computers and peripheral, auto, men and women, software, real consumer electronics, health and beauty products, home appliances, jewellery, audio/video, entertainment, accessories, gift articles, apparel and accessories and services.

As we can see in figure 5 that usage of Ecommerce is mainly used for online Travel globally this is 80% of total Ecommerce Market Share in year 2010.

India purchasing online is electronic retailing or e-retailing as indicated and it is increasing day by day in India. Last House in many research studies the process slow and users have been thwarted, but now things are changing and the number of online users excellent e-tailing becomes supplementary to the Internet through massive purchases that are mentioned.

Sankarson Banerjee, Chief Executive Officer of the market of the future (future group of Chase enterprises) said: “in the future market of goods in FY09 120 crores, future group

sold 1.5 percent of total sales. This year we are hoping it will be more. Worldwide, it's the contribution of 7–10 percent of sales”.

According to a report released on September 2010, consumers spend appreciable amount of time researching about products before making acquisition. Of course, users are conscious about shopping through E-tailing but a number of them are coming back, thanks to huge discounts & deals retailers' offer to their online clients.

In 2008, the Internet and Mobile Association of India (IAMAI) stated that the e-commerce industry stood at Rs. 9,210 crore. Now, it is expected that e-commerce will grow 30% yearly. Travel portals are contributing 75–80% of the market contribution - the rest is made up by e-tailing, online classified, and digital downloads. Online classifieds such as matrimonial and job portals is constituted by 12% of the market.

6. Trends in Indian Online Shopping

- In the coming year, at least eighty out of hundred Indian consumers, this means nearly 80% of Indian consumers will make online buying.
- At present, more than one-fourth users acknowledge that they spend nearly 11% of their monthly income as shopping expenditure on procuring online.
- Almost 70% of Indians trust recommendations from family members while making an online purchase selection. 64% trust recommendations from friends and 29% trust online product reviews.

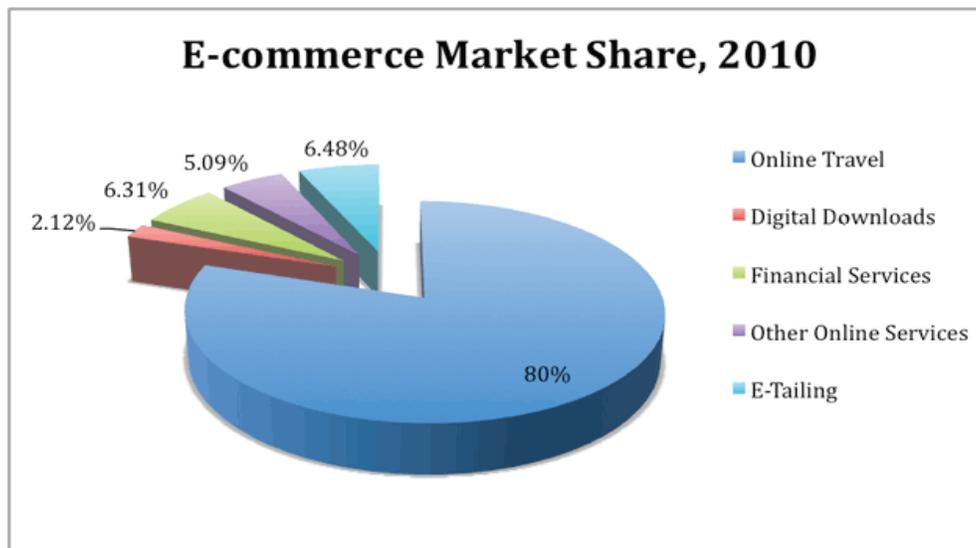


Figure 5. E-Commerce Market Share percentage in 2010

- Among Indian consumers nearly 50% consumers use and trust social media sites to make online purchase.
- Indian users rely heavily on online reviews and opinions while buying Electronics, software and other items (such as motor bikes).
- More than forty in Hundred Indians are likely to share (post a review) a negative experience of product or service online than those who share a positive experience.
- In future, nearly 41% buyers will purchase books, 40% buys airline tickets, and 36% buys electronic equipment such as TV, Cameras online.
- It is observed that while shopping online, maximum buyers usually shop from sites that allow them to select goods from many distinct shops.

7. A Promising Future for E-Tailing

In India, online shopping for retailers is gaining recognition as it leads to much assistance for them. Some of benefits include:

- No costs of real estate
- Intensify customer service
- Throng customisation
- Can reach Globally
- Specialised stores and cranny marketing

In future, E-tailing (online retailing) in India will intensify even further. However, long term existence and sustainability directly depends on factors like innovations by market players and also market changes. Electronic retailing in India has a promising growth due to increased infiltration of credit cards and

easy access of digital facilities to a wider community. However, Negotiation-hunting consumers are not comfortable on this trend as E-retailers are known to offer products at special prices with huge discount as compared to physical retailers.

As per figure 6 Indian user transacting is growing every year. We can see that it was 3 Million in 2007 and continuously growing every year to 9 million in year 2010 which is almost 3times, the compound annual growth rate as estimated is around 36% from 2011–2015.

8. Electronic Commerce Services

Electronic commerce services as compared with the brick and mortar retail stores, e-commerce services are varied and diverse. E-commerce options include payment services and transportation for customers and business options and promote management for traders. For customer support, e-commerce payment options are normally better than offline purchase options. In addition to debit card and credit card payments, cash on delivery, e-commerce often accept transfer money from online payment system. These systems accept safely deposit and quick, safe, and easy payment processing online to be able to buy goods and services. Link to the product or service on their sites and other services provided through benefits online can offer free payment system processing.

E-commerce offers a payments option which is not readily available in retail stores is a deferred payment options and payment options. E-commerce services sometimes gives option to buy now and payment can be done later with a small fee payment options. The buyer agrees to the terms and pays for the agreed date in future and allows using of a credit or debit card number



Figure 6. Usage of E-Commerce by Indian Users from 2007- 2015 (estimated in Millions)

or bank account information. Security and customer confidence is essential to gain a sense of security; most e-commerce websites do such for contact information, credit card details, bank account numbers and addresses as customers assure the security of personal data. Third-party data provided to the Organization's goes for encryption and provides these services. This encoding is there to prevent identity theft and privacy attacks.

In addition to secure payment option, retailers try to provide regularly usage of the easy site options and normally change their minds during the shopping process which helps the retailer to make customer's feel that they are highest priority for retailers. E-commerce services normally for selection of order quantity, color, style, and size, as well as checking and transport or shipping options of any product keeps one click Change options.

Retailers can also use e-commerce services to upgrade website development and solutions for complications, and can keep consumer choice to do so. These options of inventory tracking, cross-selling and shipping to customers, orders and notifications, are done to keep customers satisfied after purchasing any goods or services through e-tailing. It can also be done through automatic notifications and by suggesting additional products or services to the customers. Key features of e-tailing usually make a website linked to find a search feature and provide price/brand names within specific product comparison sites. These options are usually provided by dealers or website to create a viable retail unit webmaster using shopping cart software as part of the offer.

9. Best Type of E-commerce Product

E-commerce means online buying and selling. E-commerce product that depends on weird business and consumer base is the best type of e-commerce product. Like every other business, e-commerce companies have affordable and reasonable price what they want to offer their consumers. Consumers often can get better prices in online stores in comparison to a normal retail stores prices, the e-commerce industry often make this possible because of low overhead costs associated with e-tailers to do so. E-commerce products are the best type to attract customers and generate good revenue for e-tailers.

Keeping online customer wishes it is necessary to select the perfect e-commerce products and services to sell. Many e-commerce organizations on online purchase provide free shipping as an incentive for ordering through e-tailing. Online ordering products have the advantage over regular in-store shopping as that it is more convenient to customers as they need not have to leave the comfort of your own home. The most successful e-commerce website provides clear online product e-catalogue as well as a simple command format. Shopping cart software permits online consumers by clicking only on computer mouse if they want to buy particular products.

Once clicked, the selected item (s) that customer wants to buy go to a list known as shopping cart. Prices appear after this so that online consumer can quickly know the amount to be paid. A simple and intuitive ordering process should be a big part of e-commerce to support for offering good quality products. Unique products of each company with or without brand name and which are not competitive in price are usually good to sell online.

It's difficult for e-commerce organisations to do thorough research on their competitive. Larger organizations sell products in both ways in order to compete in the market and in terms of general revenue which is practically not possible for small e-commerce business to do. Finding market demand and supply the best products through a simple, clear, safe and secure website operating system is the best mechanism for small organizations which contributes to the operating model through an e-commerce product line.

As we can see in figure 7 people purchase many things few of them, what sells well on the Internet? are as mentioned below:

10. What sells well on the Internet?

- Computer hardware and software
- Consumer electronics
- Office supplies
- Sporting goods
- Books and music
- Toys
- Health and beauty
- Apparel and clothing
- Jewellery
- Cars
- Services
- Others



Figure 7. Products which people prefers to purchase online

11. Electronic Retailing

The electronic retailing (e-Tailing) is the perception or approach to sell retail products & services using digital/electronic media, in particular, the internet. E-retailing is synonymous with business-to-consumer (B2C) transaction model of e-commerce. Although electronic retailing is an autonomous trading model with certain specific concerns like; electronic transaction process, trust model etc, but in reality it is a part of e-commerce by nature.

Electronic retailing or e-tailing can include business-to-consumer and business-to-business sales. E-tailers are not dependent solely to the Internet; some brick-and-mortar businesses also operate through websites to reach customers. Online retailing in general is referred to as e-tailing. Revenue in E-tailing can be calculated from the sale of goods and services, through contribution to website content, or by advertisement.

The importance of electronic retailing is growing globally. Like e-Bay shopping and Rediff shopping, some e-retailers are building a platform for retailers to sell their products online and they do not take the responsibility of delivering the product to the buyer. They provide virtual shopping space for retailers. On the other hand, brands like Amazon, Wal-Mart and Flip Kart, keep stock products to their own warehouse and take the responsibility of distributing the products to the buyer. They have their own physical infrastructure and they can capture pockets of additional customer as follows, many of the brick and mortar stores are entering into electronic retailing. All major retailers are working through the online store and some online work. For example, Dell Company sells its products online through dell.com.

Electronic Retailing is developing by 29% CAGR in India, as per Euro-monitor report the CAGR is 48%. The report also forecast that the addition of electronic retailing is likely to be 46% till 2010 in comparison to non-store retailing.

12. E-Retailing Benefits Both Consumers and Marketers

E-retailing works in order to provide the right product with the right message to the right person and thus is a powerful marketing technique. But what makes the right combination? Why consumers shop online or react to TV offers? The short answer is the consumer benefits. It is to consumer's advantage to do so and so people respond to electronic retailing messages. It's their practical or psychological need which is addressed by this. Electronic retailing, TV or on the Internet, is all about motivation. How do you do something to someone so that wither he/she pick up the phone or log on to a Web site and then make a purchase? Customers consider their value or because it makes them look

better about self or feel better they use electronic retailing operation to buy a product or service. Consumers cannot investigate individual products and it may take four to six weeks to get the product through online shopping, still they do so.

13. E-Commerce Business Models

E-Commerce is a huge domain through which we conduct business through internet and electronic retailing is factor of it. When we review on digital/Internet facilitates, trading activities between corporations and individual persons using current network technologies and as per the strategies of the corporation it takes the form of e-business. At the moment, 'E' is developing and becoming part of most of our work and everything is getting digitally enabled. So, it is very necessary to precisely explain distinct forms of business or commerce commonly called as Electronic Commerce.

Types of E-Commerce models

As mentioned in figure 8 there are mainly three models of E-Commerce and they are B2B, B2C and C2C. Further E-Commerce Business models are explained below:

13.1 Business to Business (B2B)

This model is the biggest form of electronic commerce contributing trade revenue of millions of dollars. In this type, the customers and e-tailers are both trading/business entities and do not associate with any single customer. It is like the producer catering products to the agents, merchants or vendors. E.g. Flip kart shopping is an online store, which sells popular branded products to consumer, where its supply chain is directly linked to producers.

13.2 Business to Consumer (B2C)

This model includes customers as purchasers and corporations as trading houses. This is the prevalent model in electronic commerce. In this form, E-tailers (online vendors) trade with specific/ultimate customers. When B2C initiated, it was a small part in the market after 1995 its growth was exponential. This business model helps customers to make quick decisions on the Web business home, photo and Flash animation and compare similar products with other products with detailed information about all products which are listed in categories that will be available on e-commerce website. For example-An online Music website selling CD's/DVD's and streaming audio/video on the web. For Example- www.imusic.com

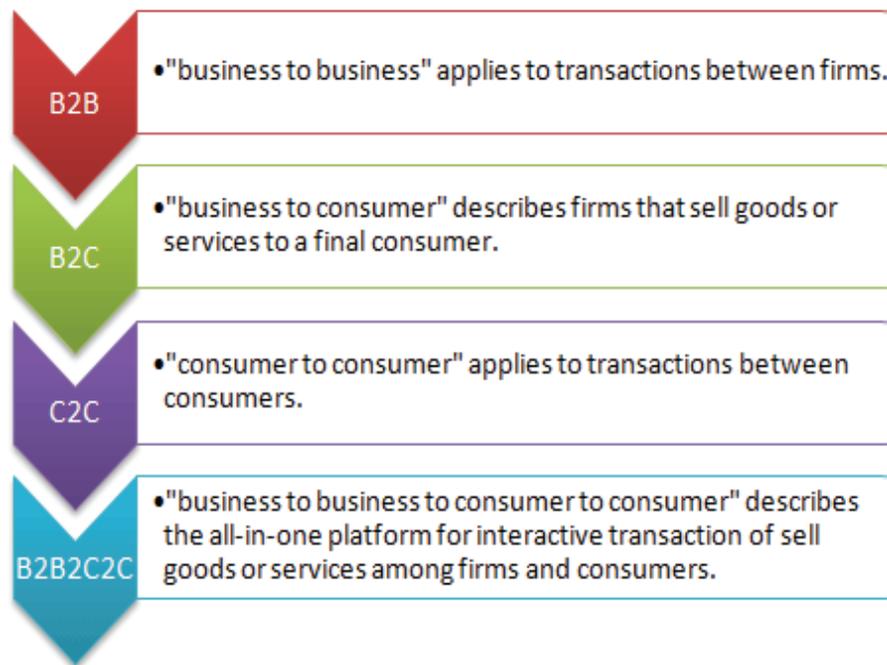


Figure 8. Types of E-Commerce models

13.3 Consumer to Consumer (C2C)

Olx Inc. is a suitable illustration for this model as an auction website where a customer can sell their ancient or old used items at discounted price to interested consumers, rest of the consumers who are all interested in those items can bid for that. This auction happens for a time period and then ends; now the highest bidder can make payment and purchase the product. Here Olx plays a role of facilitating platform where consumer to consumer transactions takes place.

13.4 Consumer-to-Business (C2B)

Consumer-to-business (C2B) is that model where an ultimate customer makes a product or service and provides to a corporation for business process or to get competing benefits. C2B model finally predicts that produced goods and services are from customers and not similar to the traditional business-to-consumer (B-2-C) model, as it totally changes that concept.

13.5 M-Commerce

M-commerce now a day's helping people to do all trade officials/ financial transactions without going to the Bank physically. Example: As due to e-commerce consumer mobile is provided new technology of mobile banking through which anyone in

this world can access their own banks facilities (for instance, HDFC Bank iMobile) i.e., pay insurance premiums, utility bills, telephone bills, income taxes, etc. In addition to this regular online stores are also trying to make a consumers shop through their mobile devices in order to optimize user interface design for their site viz., iPad, iPhone, Android phones, and Microsoft enable Windows Mobile 6.x devices.

There are some more forms of e-commerce business models like G2B (Government to Business), B2E (Business to Employee) and G2C (Government to Citizen) but actually all these are same as to the above discussed models. However, it is not compulsory that these types are followed in all the E-Commerce forms. It depends whether business is adopting some of the forms or only one of them or if possible all of them is adopted as per its requirements.

14. Conclusion

In India and in the worlds other countries –e-tailing (product and services online shopping) is having a fruitful future. Online shopping in India and other countries towards perception is getting better. With the use of the Internet, consumers, with easy and secure payment options can do anything and can shop any-time. Consumer can do comparison between shopping through electronic retailing and regular store. The Internet has changed

many aspects of life. Even though in regular stores we can touch the products and see them physically before shopping, but still it cannot beat the comfort of online shopping. A travel ticket booking or gig/singing (show) and some services like buy tickets online, have the ability to process much easier and are more than enough.

The dotcom/dot net bubble bursting is not as easy as it sounds too many companies as doing business on the Internet is not so simple as we predicts. Of course, to reach any part of the world is easy now, the power of the Internet has increased international trade and the global economy holds the potential to increase electronic retailing. However, just as every coin has other side; it is also doing business on the Internet risks and legal issues associated with it that has been observed. It now is affecting e-commerce on a global scale that approach to a social, cultural and economic conversion that is allowed and accepted by community. E-commerce is a new economic and social milestone. It is now acknowledged by society that electronic commerce is financial, cultural and social conversion approach that is affecting globally. E-commerce has built a new economic and social landmark.

With the rapid development of Internet e-commerce online business are clearly suitable to support emerging electronic payment systems (EPSs). An open challenge for novel Internet-based payment systems to meet users' expectations, needs, priorities and requirements in the exploitation of the design and payment systems for developers. Failure to meet the final result in denial Pay them less usable, insecurity and the inability of the system to even customers refuse to use such systems.

Finally, we can conclude that an electronic retailing is not only about creating a website. It's a procedure with an established management consulting firms that check profit revenue models,

to determine the skills needed for business planning and electronic commerce initiative and also integrates supply chain processes with electronic retailing initiatives. The role of the Government for e-commerce products and services in either domestic and/or international business are allowed to develop their approach in order to provide a statutory structure for e-commerce, intellectual property, fraud, privacy and security as the primary rights are with all development not only in India but all over the world. Nevertheless, with the rapid expansion of the Internet e-commerce in the 21st century electronic retailing is playing a very important role and will open up new opportunities which will be accessible for both small companies and large corporations.

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