

SWOT ANALYSIS OF ONLINE PURCHASE IN INDIA

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ABSTRACT

It is essential to make analysis of online Purchasing process by SWOT. Strengths shows the favorable and advantages of online Purchasing, while weakness shows limitations of online purchase, Opportunities shows if we decrease the weaknesses than opportunities increases. Threats show possible problems in online purchasing process. E-tailing has now been present in India for over a decade. The late 1990s and early 2000s witnessed the emergence of several players. However, most of them could not survive the dotcom boom and bust of 2000. The second wave of e-tailing, which emerged in 2007, witnessed the entry of several game-changing players that gave impetus to e-tailing's growth with the innovation and evolution of business models. Today, with players battling it out for leadership slots, specialist players finding their groove, ecosystem elements starting to fall into place, and investors reaffirming their faith in the sector, the market is at an inflection point.

Keywords: SWOT, E-tailing, Inflection Point, Leadership Slots, Investors.

Introduction

e-Retailers are moving towards enhancing the convenience factor and thus attracting the shoppers to use this channel. Moreover, the growth of the mobile communication has led to the growth of the e-retailing as people are more accessible to internet 24 x 7. Like in the case of purchasing from the physical market, we have to wait for the shop to open and certainly we try to get our merchandise before the shop closes, but in case of online retailing there is no time limits involve all you need is an internet connection and money in your pocket to pay the price. A shopper saves a good amount of time by shopping online. In the metros and even in the smaller towns which are growing fast, the life of an average person has become very fast. He has very little time after his normal routine office schedule to go to the market and purchase even the daily needed items.

Chart 1: SWOT analysis of Online Purchase in India.

Strengths	Weaknesses
Time saving	Security
No time constraints	Fake websites
Direct communication with consumer	Fraud
Simple and easier exchange of information	Fewer discounts and bargaining
Lowers transaction cost	Long delivery timing
Easy arrangement of products	No idea about quality and physical condition of
No physical company set up	The product
Easy transactions	Limitation of products
Niche products	Lack of personal services

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Low operating cost	More shipping cost Limited exposure Limited advertising Customer's Satisfaction
Opportunities Changing trends New technologies Global expansion High availability (24 hour and seven days a week) Wide business growth Car down on local competition Advertising	Threats Competitors Changes in environment, law and regulations Innovation Privacy concerns Fraud Risk

Source: Research Report of Gujarat University for Consumer Behavior about Online shopping

Table 1 : Number of Retail Ecommerce Sales in India (in US billion Dollar)

Year	Total Retail Sales	Total Retail Ecommerce Sales	Percentage Ecommerce sales to Total sales of India
2015	818.33	13.31	1.62%
2016	941.08	23.39	2.49%
2017	1,082.24	37.5	3.65%
2018	1,244.58	52.54	4.22%
2019	1,418.82	65.09	4.58%
2020	1,599.01	79.41	4.97%

Source: E-Retail marketer Survey Report

Table 1 data shows comparison of total sales and total Ecommerce sales of India. The above table shows that there is continuous increase in retail ecommerce sales in India. In 2015 ecommerce sales constituted 1.62% of total retail sales whereas the same figure in 2020 is 4.97%. the analysis of which shows that year on year the consumer is preferring ecommerce retails.

Graph 1: Total Retail sale and Retail Ecommerce sales in India



Source table 1

Bar graph 1 data shows comparison of total sales and total Ecommerce sales of India. The above Graph shows that there is continuous increase in retail ecommerce sales in India. In 2015 ecommerce sales constituted 1.62% of total retail sales whereas the same figure in 2020 is 4.97%. the analysis of which shows that year on year the consumer is preferring ecommerce retails.

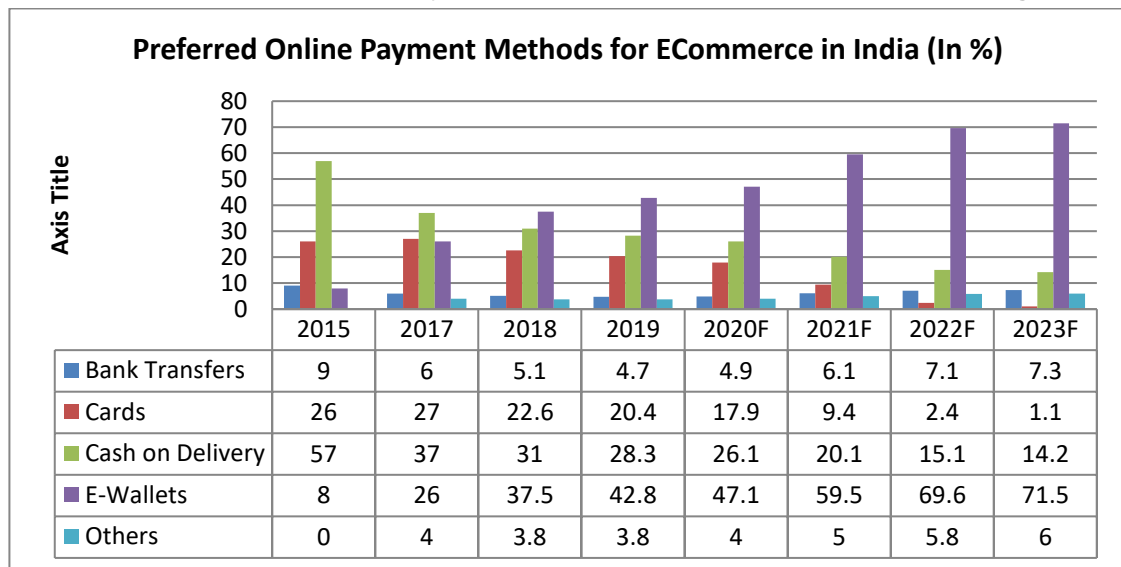
Table 2: Preferred Online Payment Methods for Ecommerce in India (in %)

Year	Bank Transfers	Cards	Cash on Delivery	E-Wallets	Others
2015	9	26	57	8	0
2017	6	27	37	26	4
2018	5.1	22.6	31	37.5	3.8
2019	4.7	20.4	28.3	42.8	3.8
2020F	4.9	17.9	26.1	47.1	4

Source: ECommerceFoundation.org Report 2019

Table 2 shows data regarding preferred online payment methods for ecommerce in India in percentages. It has been observed that year on year consumers are reducing the use of cash on delivery and Bank transfers. On the other hand consumers have shown a positive trends towards use of E-Wallets and other online payment methods due to ease and comfort of payments. It can be concluded that consumers are moving towards cashless payment methods.

Graph 3.5: Preferred online payment methods for Ecommerce in India in percentage



Source Table 2

Conclusions

Strengths shows the favorable and advantages of online Purchasing, while weakness shows limitations of online purchase, Opportunities shows if we decrease the weaknesses than opportunities increases. Threats show possible problems in online purchasing process. Several game-changing players that gave impetus to e-tailing's growth with the innovation and evolution of business models. Today, with players battling it out for leadership slots, specialist players finding their groove, ecosystem elements starting to fall into place, and investors reaffirming their faith in the sector, the market is at an inflection point.

References:

1. E-CommerceFoundation.org Report 2019
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