

A DEPTH STUDY OF ONLINE RETAILING TREND IN PRESENT SCENARIO IN INDIA

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ABSTRACT

The Online retail is a new business in India, comparing the bureaucracy barriers of other developed countries such as the US, Japan, and the UK, the slow growth in technologies such as online infrastructure, digital payments on online shopping, and consumer knowledge. There are a number of reasons why online retailing has taken place. Development in India is slow. The main purpose of this article is to examine the current trend of online retail market in India and its future growth opportunities in present scenario. This shows that online retailing is still a new business in India, but the competition in the market is increasing. Due to the release of foreign direct investment (FDI) policies, foreign online retailers such as Amazon, Alibaba, are already in the market, competing with local retailers such as Flipkart and Snapdeal have been also, due to the digital payments revolution and the increasing use of smartphones, in the near future, the online retail market will become a huge hub. Consumers are becoming more familiar with digital and online payment systems. It also turns out that within 2-3 years, Amazon will be the leader of the Indian online retail market. Distinguish yourself by focusing on niche product categories, market segmentation and building a strong brand image. Index Terms Online Retail, India, Consumers, Payment System, Competition.

Keywords: *Online Retail, Digital Payments, Online Shopping, Market Segmentation, Foreign Direct Investment (FDI).*

Introduction

Online retailers are changing the way goods and services are purchased, and are rapidly evolving into a global phenomenon. With the advent of time and technological innovation, there has been a gradual development of formats ranging from traditional businesses to advanced formats such as supermarkets, malls, convenience stores and now online retailers. Online retail refers to the sale of goods and services on the Internet on B2B or B2C platforms. Nowadays, with extensive modernization and technological advancement, the retail market has been significantly revolutionized. New, innovative strategies have been developed to dominate the market, allowing the Internet to be used as a medium for direct and ongoing relationships with consumers. The online retailer is channelled through the use of the web by establishing a communication link between retailers and their customers. A large variety of online retail stores such as Amazon.com US, Rakuten.com Japan, Alibaba.com China, and Flipkart.com India have experienced rapid growth in their business resulting in large-scale online shopping. Uses have exploded number of customers.

Online retailers attract a large number of consumers because they are exposed to many products and services. People can do it whenever they want, with incredible ease and convenience. In a few days, the physical goods are sent directly to their homes. It is also beneficial from a business point of view as information technology and software systems provide better forecasting as well as control

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inventory costs. Eliminating intermediaries from the supply chain reduces complications as well as avoids unnecessary costs, thus improving the merchandise system. Many offline retailers have launched their online stores with the aim of reducing marketing costs, thus reducing the prices of their products and services in order to stay ahead in highly competitive markets. When online retailers were introduced, one of the frustrations of these online retailers was predicted that stores would damage these stores. To a certain extent, online shopping has really tackled physical store sales, however, the emerging fact suggests that online retailing has become an additional shopping channel for consumers. It has made it easier and faster for consumers to shop and trade around the world. Many experts are optimistic about the potential of online retail.

Review of Literature

According to E. Turban, J. Whiteside, D. King, and J. Outland (2017), The success of online retailers depends on efficient website design, efficient shopping and prompt delivery. Other online storage services are provided in real time, return and conversion process, online order filling time, speed of answering questions from online customers.

According to K. Mahesh and V. Sanjeev (2012), In the International Journal of Engineering and Management Sciences, Online Retail in India: Opportunities and Challenges, the researcher finds opportunities and challenges in online retail. The results show that in the next 5 years, online retailing in India will be even stronger.

According to D. Narges, L. H. Paim, and A. Khatibi (2010), Analysed that there were four main factors that affected consumer convenience, price and wider choice. They discussed three other things that affected online retailer sales. They were consumer personalities, perceived benefits of online shopping, and content on shopping sites. If an online marketer wants to be useful to his customers, he should be work-oriented, and if he wants headlines as his customers, he should pay attention to the attractive and user-friendly features of his shopping sites.

According to W. Candace and M. Christophe (2010), The most important condition for successful online retailing in a developing country is a strong institutional standard where governments are ready to adopt modern technologies.

According to R. L. Keeney (1999), In online retail settings, not only the products themselves but also the website, internet channel and the process of finding, sorting and receiving products are important to the customer.

Present Scenario of Online Retailing Trend in India

Retail in India has undergone a driving shift in focus. Traditionally, Haats and Melaa were organized for retail activities, which gradually turned into neighbourhood grocery stores. The Indian retail sector is still largely due to the presence of small unorganized retailers. However, over time, retail formats such as supermarkets, convenience stores, and now online retailers have evolved. With the rapid growth of the Internet and the globalization of the market, the retail sector has become increasingly competitive. The impact of the reshuffle on the retail sector has radically changed the lifestyle of Indian consumers. Developed countries like USA, UK, Japan have already started taking advantage of online retail by changing the old format of retail but this is still a new business in India. Flipkart, which was launched in 2007, has changed the history of retail in India by introducing online retail. As the number of online shoppers is increasing worldwide, the governments of developing countries like India have also started taking special interest in liberalizing their foreign direct investment (FDI) policies, including telecommunications and Investments have been made in retail infrastructure. India has relaxed several key FDI regulations, such as 100% FDI in single brand, 51% in multi brand retail. In addition, in e-commerce, the government now allows 100% FDI for online markets. Overall, the changing policies are expected to boost market penetration in the online space.

Therefore, it is interesting that the Government of India has taken a big step by allowing 100% FDI in the online marketplace model. Amazon, which entered the Indian market in 2013, dominated the online retail scene mostly with local players. However, companies like Alibaba have a stake in the electoral field through Paytm, but these reforms come as a welcome surprise to foreign online retailers who look to the Indian market to find their business. Have been India currently has over a hundred national and international online retailers such as Flipkart, Myntra, Snapdeal, Amazon, eBay, Jabong, Rediff and many more. With the growth of the retail industry, the competition is also increasing and many new online retailers are coming to India with unique new ideas. Traditional and modern retail stores are also being helped to do business online. Online retailers are focusing on understanding the needs of

consumers and their purchasing practices in order to better serve them with innovative products and services. In addition, the growth of Internet and smartphone users has replaced traditional shopping methods. However, due to the relatively slow penetration of the Internet, negative tax rules, secure transactions, and a small number of credit or debit cardholders, it is limited to large metros. Also, many Indian online shoppers are reluctant to disclose their financial information online, which hinders the growth of online business. Many people still search for information online but buy their products from their stores. This means that people lack the ease of shopping online.

According to the analysis, India ranks 2nd annual globally in the Global Retail Development Index (GRDI). Due to GDP growth, ease of doing business, and better clarity on FDI regulations, China is now the world's fastest growing major economy, surpassing China. Foreign companies have always seen India as a potential mega market, especially since the adoption of globalization policies in 1991. The opening up of the Indian market has led to a large influx of foreign capital, which has made more choices with its new brands. A new wave of consumer and competition for domestic players.

Online Retail Growth Factors and Opportunities in India

Online retail in India is experiencing phenomenal growth, successfully transforming people's transactions, online retail is a very small part of India's total retail market i.e. 16 billion out of 641 billion US dollars in 2016 Represents the US dollar, but has a lot of business potential. It is driven by increasing internet penetration, increasing use of smartphones, cost and time benefits. Modern purchasing methods, the popularity of cash on delivery (COD) and the increasing acceptance of online payments, favourable demographics are the main reasons for this, increase in online retail in India some of them are:

- **Favourable Demographics:** Appropriate demographics provide a unique opportunity for online retailers in India. The country's productive age group is higher. Half of India's approximately 1.2 billion people are under the age of 26, and by 2020, with an average age of 29, it is projected to be the world's youngest country. This means a growing pool of buyers for goods and services, and a growing middle-class people are busy with their daily life schedules and start looking for that facility to save their time.

According to the survey, about 68% of young people in India shop online. The survey was conducted during the nationwide Tata Consultancy Service IT program between July and December 2013. It was delivered to 14 states of India including Pune, Nagpur, Mumbai, Lucknow, Kolkata, Kochi, Indore, Delhi, Hyderabad, Bangalore, Chennai, Ahmedabad, Bhubaneswar and Coimbatore. The survey was conducted with the aim of studying and advancing students digital preferences. The survey found that seven out of ten urban youth are involved in online shopping. The number of teen shoppers has increased dramatically. In 2012-13, 37% of respondents shopped online and in 2013-14, that number increased by 68%. This is a great opportunity for online retailers.

- **Product Comparison:** Without having to go from one store to another to compare products, consumers are now going online to compare product information, features and prices and then shop online. Most online sites offer this feature so that buyers can choose the product that suits them best. In Japan, for example, the online website Call is www.kakaku.com, which allows consumers to compare the prices of the same product from different retailers with one click.
- **Cost and Time Saving:** The main benefit is the huge savings in time and money earned by both buyers and sellers. An online shopper can save a considerable amount of time and money. Online shopping is more convenient, when you can choose to shop and you are not limited to store hours. To stay competitive and encourage online shopping, many online retailers offer free shipping and free coupon points. In India's fast-growing metros and even in small towns, the average person's life has become very busy. People who work to go to the market and even to buy everyday necessities have very little time as usual. Therefore, online shopping would be the best solution for busy Indians.
- **Smart Phone Revolution and Mobile Internet:** India's Internet user population is growing at a rapid rate. According to the joint study, the number of mobile subscriptions has increased by more than 100 million a year, mainly due to the entry into Reliance Jio. Most Indians access the Internet through mobile devices. And it's the great use of mobile broadband, high-speed third-generation and 4G networks that are accelerating penetration rates. India's mobile share in online shopping will continue to grow in a few years. Implementing a strong 4G network through mobile carriers will increase digital purchases made through smartphones. In addition, the falling costs of 4G devices and services plans will make it much easier for consumers to research, browse and purchase smartphones, which will make it easier to increase online shopping.

- **Changing Payment Systems:** The increase in electronic payments depends on appropriate approval infrastructure, including ATMs, point-of-sale terminals. The Government of India is also promoting progress in the infrastructure of card acceptance. It has increased the use of debit and credit cards with the continuous development of online shopping tools and increasing consumer acceptance and stability. The biggest driver of this growth is the Internet spread of smartphones and tablets, Internet Mobile Access which is serving through an easy, cash free and card free foreign transaction. New payment concepts and business structures based on mobile infrastructure have been launched by online retailers and payment service providers. It has the ability to transfer traditional cash from other electronic payment methods to help make customers more comfortable with electronic payments. In terms of volume, about 97% of transactions in India are still done in cash, with rapid growth towards electronic and digital methods.

Conclusion

There are different views on the future of online retailing in India. But from these studies, it can be concluded that online retail business in India will grow significantly, although much remains to be achieved. Most of the developing drivers such as demographics, economy, changing lifestyles, payment systems, increase in internet users and mobile users are in favour of India. In addition, the Government of India has eased further restrictions on foreign investment in telecommunications networks and has taken steps to effectively reduce communication costs. India has a large population with a relatively young average. As the group joins the labour force, it will also add to the country's new and expanding consumer class. Online retailers offer consumers many options and offers in products and services that were unable to do the traditional brick and mortar business. The convenience and sheer convenience of browsing and buying whatever consumers want to get from any place at any time has increased the popularity of online retail. Knowledge of secure payment systems can encourage consumers to transact online with less hesitation. And the unique offer of Cash on Delivery (COD) has proved to be the best alternative for those who are worried about online payment in India.

Convenience, selection, discounts and payment options are all tailored to the following requirements. With all this, online is bound to be the next trend in India. Trends will continue to follow the trend of increasing the use of smartphones and tablets for shopping. Supply lead time can be reduced with the development of new warehouses and logistics networks. With tremendous potential and opportunities, there are many pitfalls and challenges along the way and it is time to examine the trends, challenges, and innovations that are emerging in the online retail business in India. The potential for further research in the area increases.

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