E-Tailing: Challenges and Future Prospects
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Abstract— Retail industry has witnessed major revolution in the changing technology oriented business scenario of 21st century in India. If few years back technology brought the shopping information on to the laptops, today e-tailing brings the products right to the doorstep. With the use of internet as a medium a person can buy products from a virtual store (shopping website). Companies like Amazon and Dell were the first to create the online retail industry by putting the entire customer experience from browsing products to placing orders to paying for purchases on the Internet. Online retailing portals such as ebay.in, Snapdeal.com, and Naaptol.com are registering anywhere between 40 and 60% of their sales from rural areas apart from the tier II and III cities. The status of e-tailing in India as well as the challenges and future prospects have been discussed in this paper.

Key words: E-Retail, Online Retail, Logistics, Internet, Mobile Internet

I. INTRODUCTION

A. Meaning of E-Tailing
The word E-tail has its roots in the word ‘retail’. Here the letter E stands for ‘electronic’. The e-tailing (e-Retailing,) is the concept of selling of retail goods using electronic media, in particular, the internet since the shopping process happens through the electronic media (internet). With the use of a web-space a virtual shop is created and the products are displayed through images in this space with the features and price tags. E-retailing is synonymous with business-to-consumer (B2C) transaction model of e-commerce. But in reality it is a subset of e-commerce by nature. Electronic retailing may also be referred to as Internet retailing, online retailing and e-tailing.

B. Major E-tailers in India

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<thead>
<tr>
<th>Major E-tailers in India</th>
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<td>Flipkart.com</td>
<td>Infibeam.com</td>
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<td>Amazon.in</td>
<td>Naaptol.com</td>
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<td>Snapdeal</td>
<td>Yeibhi.com</td>
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<td>Jabong.com</td>
<td>Shopping.rediff.com</td>
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<td>Ebay.in</td>
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<td>Futurebazaar.com</td>
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<td>Askmebazaar.com</td>
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<td>Fashionara.com</td>
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<td>Alibaba.com</td>
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Table 1: List of major e-tailers

II. STEPS INVOLVED IN E-TAILING
The shopping process through internet media happens in 5 steps generally.

A. Visit the website
The customer accesses the website of the e-tailer through his/her mobile or PC or laptop.

B. Choose a product
On the basis of information like price tag, details about the product, availability/deliverable time span and even customer reviews on the product the customer choose a product by clicking on the image of that product.

C. Payment Online
After choosing product the next step is to make payment. Payments to the product can be made online through net banking, credit or debit card or even cash on delivery basis.

D. Delivery of product
Once the order is placed with the e-tailer the next process would be the delivery of products. The delivery of the product would be based on the availability of the product in the inventory closest to the customer’s delivery address. This process may also involve shipment of the product.

E. Customer feedback
Once the product is delivered to the customer the feedback from the customer is very much important. The entire experience of the customer during the process would be an indicator of the efficiency of e-tailing. Late delivery, wrong product, damaged product etc. can be some of the customer complaints which the e-tailer would have to sort out.

F. Market Size and Growth
According to Google India, there were 35 million online shoppers in India in 2014 Q1 and is expected to cross 100 million mark by end of year 2016; CAGR vis-à-vis a global growth rate of 8–10%. Electronics and Apparel are the biggest categories in terms of sales. By 2020, India is expected to generate $100 billion online retail revenue out of which $35 billion will be through fashion e-commerce.

G. Investment Scenario
The Indian retail trading has received Foreign Direct Investment (FDI) equity inflows totaling US$ 537.61 million during April 2000–March 2016, according to the Department of Industrial Policies and Promotion.

III. MAJOR CHALLENGES OF E-RETAILING IN INDIA

A. Lack of internet Access
Internet is the backbone of e-tailing. But in India internet penetration is disappointingly inadequate especially in the rural and backward areas. There is also lack of smart phones and personal computers or laptops.

B. Branding & Marketing
To get people to come on an e-tailing site and make a purchase involves heavy cost due to branding and
marketing. This cost is significant and can be brought down to cost per customer, if the volumes permit to do so.

C. Declining Margins
With the introduction of a large number of players in the already competitive e-retailing market, the returns and margins are declined due to offering huge discounts and sale offers.

D. Logistics & Supply Chain
Logistics failure in any area can mean detrimental to an e-retailing company's future and can hurt the brand overall. Getting this right is a challenge.

E. Tax related issues
Tax rate system of Indian market is another factor for lesser growth rate of e-tailing in India in comparison to other developed countries. Tax structure of India varies from sector to sector. This factor creates accounting problems for the Indian online business companies.

F. Touch and Feel
Companies dealing with products like apparel, handicrafts, jewelry have to face challenges to sell their products as the buyers want to see and touch before they buy these stuffs.

G. Cybercrime
There is weak Cyber security Law in India that is why Indian People are facing challenges toward online shopping.

IV. FUTURE OF E-TAILING
Social Media: Social network like Facebook, LinkedIn, Twitter, Google+, Pinterest etc have become a medium for easy log-in for purchasing and taking buying decisions. Recent update via posts, advertising & promotions on these social sites has increased the chances of success of e-tailing.

A. Drone Delivery
Many Companies have been working to innovate the delivery process to reduce human effort as well as time. Aviation regulator, the Director General of Civil Aviation (DGCA), has started the process of making guidelines for the civil use of drones, also known as small unmanned aircrafts. The guidelines are expected to be finalised in the next few months, and companies like Amazon and Flipkart might be able to use drones for delivery, by next year.

B. App only Approach
Experts say more than 580 million people in India will use the Internet by 2018, and 70-80% of them will access the Web on mobile phones. This will cause all major e-tailers to switch to app only model.

C. Google's Buy Now Button
Google is reportedly working on its own “Buy Now” style button. It's important to note that Google will not be handling the stocks in its warehouses, but will merely function as the middleman between retailers and shoppers. Considering the popularity enjoyed by Google in the retail segment, a move like this certainly makes sense.

D. Artificial Intelligence (AI)
Ever logged onto an e-commerce website and felt confused on what to buy or where to go? To ease the process and deliver a better shopping experience, companies are investing heavily in artificial intelligence (AI) and machine learning.

V. CONCLUSION
In modern scenario, e-Retailing or online shopping has become part and parcel of the people in India. In 2016, the realm of e-commerce competition will be shifted to deliver ever-shortening delivery timeliness. ?India has a vast scope for e-tailing because currently in India only 19% people using internet for selling & buying goods & services so remaining percentage we can considered that e-tailing having scope in Indian Market. The current Government’s initiative to set up well defined regulatory framework for ecommerce sector will prevent fraud and malpractices in the industry. Also the Digital India program of Indian Government will improve the internet penetration in remote corners of our country. E-tailing companies must focus on the challenges to grab the future opportunities available in the Indian market.

REFERENCES