Study of E - Com Retail Models in India

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ABSTRACT

The E-Com business sector is prospering and balanced for a solid development in Asia. There are players who made a decent start. Their prosperity relies on upon their comprehension of the E-Com sector and offerings. This paper gives an outline without bounds of E-Com in India and talks about the future development verticals in India's E-Com. It likewise discovers different elements that would be fundamental for future development of Indian E-Com. A primary survey of consumer purchase behaviour has also been done. The results reveal that convenience and discount offers play a very important role in the buying decision of the consumer. The study concludes that inventory based model, marketplace model and hybrid model are the three prominent models that help a retailer sustain in the market.

Keywords--- E-Com, online retail, strategy.

I. CONCEPT DEFINITION

E-Com: It relates to a broad assortment of online E-tail for products and organizations. It moreover identifies with "a business trade in which the social affairs interface electronically rather than by physical exchanges or direct physical contact." (Amit and Schoemaker,1993)

II. INTRODUCTION

As an eventual outcome of globalization and troublesome conduct and from various perspectives its component, the term E-Com addresses the edge of accomplishment in this front line age PCs and development. E exchange stays for E-Business. It infers overseeing in items and organizations through the electronic media and web. On the Web, it relates to a website of the dealer, who offer things or organizations particularly to the customer from the entryway using an automated shopping crate or propelled shopping wicker holder structure and allows portion through Mastercard, platinum card or EFT portions. E-Com incorporates carrying on a business with the help of the web and by using the information development like EDI. At the point when all is said in done words, E-Business is the development of buying and offering of the stock and organizations over the world through the World Wide Web.

III. NEED OF THE STUDY

1) To study India's prospects in ecommerce
2) To focus on the distinctive models in e-tailing in India.
3) To discover which model gives an edge to the e-tail industry.

Retailing as a division in India has a basic spot in the money related improvement of the country. Improvement of E-tail in India is immense yet in the meantime has some portion of blocks which are the impediments in the technique for E-Comm. It needs an inside and should be sorted out to make the country in the lines of E-Comm. We should explore these limits and steps
customers who are authoritative prospects as online showcasing approach that suits the necessities of Internet trade. It furthermore helps the sponsors to devise Internet can choose the likelihood of a man for online access to the Internet or the amount of hours spent on the online interchanges with potential customers. The spot of fathom the present status of the Internet usage as an acquiring inspecting the usage sample of the Internet is basic to instance, India is still a starting development, hereafter phones. Internet, extranets, email, ebooks, databases, and cell electronic communications advancement, for instance, the data exchange, modernized stock organization systems, e-sponsors remembering the deciding objective to organize on that the Internet usage plan holds great massiveness for where this miracle has yet to get power. It can be focused medium; particularly in states, for example, Rajasthan, on the internet, online trade taking care of, (EDI) electronic exchange in Indian's state of mind about E-Com. (Gupta, 1983)

India is expanding in order to see retailing impact being moved urbanization, rising obtaining power equity (PPP) of constantly adding to India's working class, changing demographic profiles vivaciously tilted young masses and increased disposable incomes. The essential variable of E-Com grasping in India and the result of the study shows that the main problems standing up to E-Com in India are the issues of security and national's pay and in like manner the execution of present day endeavors to build up wellbeing could have any sort of impact and change in Indian's state of mind about E-Com. (Mohanty and Panda, 2008)

IV. REVIEW OF LITERATURE

E-Business or E-Com contains basically of the appropriating, acquiring, offering, promoting, and changing of products and services or organizations over electronic structures, for instance, the Internet and other PC frameworks. The information development industry might consider it to be an E-Business application went for business trades. It can incorporate electronic resources trade, creating system organization, e-publicizing, Promos on the internet, online trade taking care of, (EDI) electronic data exchange, modernized stock organization systems, and robotized data gathering structures. It frequently uses electronic correspondences advancement, for instance, the Internet, extranets, email, ebooks, databases, and cell phones.

Internet shopping in a making nation, for instance, India is still a starting development, hereafter inspecting the usage sample of the Internet is basic to fathom the present status of the Inter use as an acquiring medium; particularly in states, for example, Rajasthan, where this miracle has yet to get power. It can be focused on that the Internet usage plan holds great massiveness for e-sponsors remembering the deciding objective to organize online interchanges with potential customers. The spot of access to the Internet or the amount of hours spent on the Internet can choose the likelihood of a man for online trade. It furthermore helps the sponsors to devise showcasing approach that suits the necessities of Internet customers who are an authoritative prospects as online buyers. The web shopping process incorporates a couple practices running from information request to making portions opines(Sumanglarathore, 2011)

Diverse socio-social variables, for instance, urban-rural propelled parcel, regional lingos, customs, geographical ranges and transport and logistics that impact the change of the E-Business (E-Com) in India is the overall circumstance opines (Rashidibanal, 2012)

The circumstance of E-Com in India shows a concentrate interestingly as a result of around 69 for each penny people living in the towns. Nevertheless, the segment of the masses living in metros and sub-metros are furthermore altogether broad and well off and surpasses the total e-markets of various made countries. As a result of this reason, the web shopping in India is compensating for lost time. (Sugandhamitta, 2013)

Things being what they are, there are unmistakable fundamental driving forces and moreover obstacles which have been perceived. The most vital central purpose for e-shopping is productive while the most obvious limit is the instability about the way of the thing. Delicacy of the electronic trade is in like manner a crucial inhibitor. (McGregor, 2000)

E-Com has revealed yet another change, which has definitely changed the way associations buy and offer products and organizations. E-Com stays for E-Business and identifies with trading items and organizations through the e-medium. India is showing stupendous improvement in the ecommerce sector (Sharma, 2013)

The simplicity of using the PC and the creating the need of the Internet is one of reasons behind that. There is a creating care among the E-Comm bunch in India about the open entryways offered by ecommerce. The future looks marvelous for ecommerce in India with even the Stock Exchange Boardalso giving an online stock portfolio and status with a 15 minute deferral in expenses. (Lallana, 2000)

V. E-COM: CURRENT STATUS IN INDIA AND RECENT TRENDS

E-Com is an adage in Indian society and it has transformed into a key bit of our step by step life. There are locales giving any number of stock and organizations. By then there are those, which give a specific product close by its joint forces organizations. India has a web customer base of around 243.2 million as of January 2014. The penetration of ecommerce is low stood out from business divisions in the US and the UK however is creating at a much faster rate with endless members. The E-Comm understanding is that improvement is at an explanation point with key drivers being: Increasing broadband Internet (creating at 20%MoM) and 3G entrance now 4G. (Sai Om Journal, 2015) Rising lifestyles and an up and coming, upwardly adaptable cushy class
India's greatest industry, speaking to more than 10 percent of the country's GDP and around eight for each penny of the occupation would right now be e-tailing. Retail industry in India is at the intersection. It has ascended as a champion amongst the most volatile and brisk paced organizations with a huge number of players entering the E-Comm area. Be that as it may, subsequent to to of the significant starting hypothesis required, breakeven is difficult to finish and a robust segment of these players have not tasted accomplishment accordingly.

Availability of a great deal more broad thing broaden (tallying long tail and Direct Imports) appeared differently in relation to what is open at square and mortar retailers Busy lifestyles, urban development obstruct and nonattendance of time at logged off shopping Lower expenses stood out from piece and mortar retail controlled by disintermediation and decreased stock and land costs. Extended utilization of online orchestrated destinations, with more customers buying and offering utilized items makes it even more easier for customers to opt for online shopping. There is much improvement of the online business focus model with destinations, for example, eBay, Snapdeal, and Flipkart. India has a web customer base of around 137 million as of June 2018. The passage of e-business is low when stood out from business divisions like the United States and the United Kingdom yet is creating at a much speedier rate with a broad number of new members. Down payment is a stand-out thing to India and is a favored portion strategy. In spite of the hindrances, most nations have solid virtual commercial centers. Indeed, the greatest e-comm commercial centers could be greater, and more profitable, than the greatest unadulterated play ecommerce players. Be that as it may, the death rate of commercial centers will stay high.

(Dr. Mukesh, 2012) India has a vivacious cash economy as a result of which around 80% of Indian e-business tends to be Cash on Delivery. E-business in India is still in flourishing stage anyway it offers expansive open entryway in making countries like India. Uncommonly exceptional urban locales with high training rates, monstrous masses with speedy extending capability rate, are rapidly developing.

VI. RESEARCH METHODOLOGY

Exploratory Study- The exploratory study was done by circulating the questionnaire within the educational campuses which included an age group of 20-50 years. Quantitative research in the form of a structured questionnaire was carried out. Sampling was done through non probability convenient sampling. Questionnaires were mailed and circulated in the form of handouts. The scope of this study is confined to the organized retail sector. The respondents belong to the Pune region of Maharashtra. The study examines primary and secondary data. The researcher collected data by using a convenience-sampling method. The researchers mailed 66 people. The researcher conducted the survey in the two months of December and January 2016. A five point Likert scale was also incorporated in the questionnaire.

The survey was done for a sample size of 66 respondents out of which 42 were females and 57 were male. It was done to derive a conclusion as to why consumers prefer online shopping these days. The survey throws light on which are the most preferred online shopping sites and why consumers opt for the same. Which were the most visited sites and why they preferred them. The sites in comparison were-

- FLIPKART
- JABONG
- PAYTM
- SNAPDEAL
- AMAZON

VII. FINDINGS

1. The respondents were between the age group of 20-50. Out of which 87% were of the age group of 20-30 and the rest 13% were between the age group of 41-50.
2. Out of the 66 respondents, 40% went shopping more than thrice on an average, 21.5% twice, 21.5% thrice and 16.9% only once. These responses were collected excluding the food shopping.
3. The respondents were also asked about the frequency of shopping. 25% of them shopped 2-3 times in a month. The remaining 25% shopped once in a month. 50% said that they shopped at least once a week on online stores such as flipkart, jabong and paytm.
4. Most of the respondents shopped online. The reasons of shopping online were many but the most likely reason for the respondents to shop online were reduced prices, COD and convenience.
5. 25% of the respondents said that convenience was their main reason to shop. An equal amount of them shopped due to reduced prices. A majority of them, 50% shopped for the cash on delivery option most e-commerce sites offer. The sites for comparison were amazon, flipkart, snapdeal, paytm and jabong.
6. The most preferred online site for most of the respondents was Flipkart & Paytm. The likely division was an equal 50% for both these sites.

The 66 respondents were asked questions on 8 parameters while they shopped online-

- Ease of Navigation = 30 %
- Fast Delivery = 12 %
- Discount offers = 18 %
- Secure payment options = 8 %
- Customer support pre sales = 2 %
- Customer support post sales = 10 %
- Cash on Delivery option = 10 %
- Return/ Exchange policy = 10 %
VIII. SUGGESTIONS

As per the above data we found that there are so many reasons behind the E-Com. E-Com is performed in India but very slow there is not a single factor responsible for it so many factors are responsible for it. And if we can remove these factors we can change the performance of the ecommerce in Indian market these are some below: When we talk about the E-Com then we say that only those people can use the ecommerce those are literate. But it’s not true E-Com can use only those people those are it literate. So if we want to increase the size of E-Com than we should focus on the skill. The main reason of the little growth of E-Com is the internet. Here people don’t know about the E-Com they don’t have the availability of internet. Normally we found that in small or backward city's internet facilities is not there. As soon as internet access will increase the size of E-Com will increase. There are so many fraud cases with online customer that’s why they don’t want to again use E-Com and one more thing some time they confused what we should do and where we should do they complain. So to remove all the problem government should issue the clear guideline regarding this. Security of the funds also of the main reason of the behind the E-Com. Sometimes, online customer faces the problem of the refund of the funds. So government as well as facilitators of the E-Com should make the clear guideline regarding this. In rural areas or small cities people don’t about the benefit of the E-Com. So banks and others E-Com companies should tell about the E-Com and its advantage that’s why people can use it and take the advantage of the E-Com. Security is the one of the major issues with the E-Com. India has so many controlling authorities regarding E-Com in India still people feel less secure with E-Com. So government should more clear the security regarding the E-Com.

While in India the market initially started off as an inventory-led model, the price sensitive public and capital sensitive nature of business, players like Amazon have led to a new class of e comm. Namely “Managed Marketplace Model”

India is one of the fastest growing e-tail market in the Asia-Pacific region including China. The increase in internet penetration with the advent of 4G technology, extensive and vast use of smartphones and lower and lower data rates, how India shops has completely changed the scenario. The increasing demographics and the growth in the internet user base aid to the further growth of E-tail in India. From the customers and prospective investors viewpoint, Flipkart, Snapdeal and Amazon have done a considerably good job to gain attention and loyalty. The potential of these companies to become profitable is extremely big. However, the suitable sustainable business model has to be put in place for future growth. Their success depends upon the ROI’s on the huge investments on the infrastructure and logistics which also add to the ingredients of success.

IX. LIMITATIONS OF THE STUDY

1. Due to shortage or less availability of time it was not possible to have intensive study, hence study was limited to a small area with a sample size of 100 out of which 66 gave appropriate responses.
2. Many other factors might also affect the performance of the E-Com which was not considered in this study.
3. The result of this study is mostly secondary data, so it covers the limitations of the secondary data; however all care has been taken to include the relevant data.
4. All the analysis done in this study is limited to the availability of data.

X. CONCLUSION AND DISCUSSION

From the outline, it is evident that the potential points of interest offered by E-Com are far from made sense of it. The perception that trading on electronic channels can't benefit is tried as erroneous, in any occasion in E-tail-To-Business zone. There is in like manner some yearning that, Although trading on electronic channels may take longer on the customer zone as a result of the trading limits on the Internet, this, too, will soon take after. Electronic channels are compelling associations to reevaluate genuine parts of the way they are sorted out and cooperate. E- tailers raises real key issues and is stimulating changes in locales, for instance, Globalization, stamping, customer organization, and creation system. Markets are being changed as obstacles to area are torn down. This survey exhibits that the usage of ecommerce and the Internet particularly, extend past promoting to all parts of the store system.

The online retail segment is dependent upon to report strong improvement in the coming years inerable from creating Internet purchaser base because of extended use of PDAs, tablets/PCs and openness of Internet in the remotest part of the country.

“E-Com space is an impacting space as Internet group are at risk to twofold in the accompanying two-three years and this industry will require capacity from various parts, for example, development, examination, sourcing, general organization capacity, advancing and showcasing,” (Ernest A. Capozzoli,2007)

Either because of the administrative standards or the capital shortage of the model suited for Indian e comm players are regularly changing to suit the customers needs and requests attempting to comprehend their particular needs. Globally 3 kinds of model dominate the ecommerce industry–

1. Pure Inventory model
2. Pure Marketplace model
3. Hybrid model- a mix of both

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