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# Trumble of E-Commerce on Indias Commerce Clicks V/S Bricks

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**Abstract:** *The Indian E-market industry in India has been spurred by the rapid penetration of internet and smart phones. As internet is becoming a part of life for the common man there exists a vast opportunity for the electronic retailers to use new forms of retailing besides traditional retailing. A growing user base in small towns and rural areas and the need for convenience and choice have become major drivers of the usage of electronic retailing by the country's young consumers. Online shopping serves as better alternative because consumer can avoid waiting in long lines to buy the products. This study focuses on understanding the background, current state, and future potential of electronic retailing in India. And this study is purely conceptual in nature. But the present situation Depicts that the companies are trapping the customers with discounts totally with app based selling*

**Keywords:** *Electronic Retailing, penetration, Smart phones, online shopping, Opportunities, Convenience.*

## I. INTRODUCTION

The E-retailing is a subset of e-commerce. E-Retailing refers to retailing over the internet. Thus an E-Retailing is a B2C (Business to customer) business model that executes a transaction between businessman and the final consumer. Online shopping is the process of buying goods and services from merchants who sell on the internet. Shopper can visit web stores from the comforts of their homes and shop as they sit in front of the computer, smart phones, and other electronics devices. Online buying, as an alternative to physical shopping offers more convenience to consumer because they can save time and efforts in searching for product information. In addition, consumer can also buy product from online store at anytime from anywhere in the country. In today's society, people are doing all kinds of their financial transaction ranging from buying holiday gifts to buying cars and paying their bills over the net. A large young working population with median age of 24 years, nuclear families in urban areas, alongwith increasing workingwomen population and emerging opportunities in the services sector are goingto be the key factors in the growth of the Electronic Retail sector in India. Therefore, consumer usually perceive that convenience is high in online shopping. These are online shops where a customer can choose from a variety of items like Appearels, accessories, mobiles/cell phones, cameras, computers, books, magazines, music's CDs and DVDs, electronics goods, shoes, furniture, health equipment, flowers etc. In the online shopping environment, consumers are free to shop at different web sites and they are able to switch from one web site to another in just a click. According to Techno Park (2016) Report "the Indian E-retailing market will emerge as a destination for highly skilled technology job employing nearly 0.3 million people by 2021". E-retailing can provide employment to 1.45 million people by 2021, and its growth will spur the creation of new capabilities and human skills in the area of logistics, packing and technology According to Online Shopping-Review & Outlook (2013), released by industry chamber ASSOCHAM showed that Indians e-commerce market rose from about \$2.5 billion in 2009 to \$6.3 billion in 2011, \$8.5 billion in 2012 and further to \$16 billion in 2013. It is expected to touch \$56 billion by 2023.

### A. Electronic Retailing In India

Online retail in India is directly related to the overall environment that has been conducive to internet usage, viz., an increasing young population of computer literates, the availability of the internet, active internet users and the utilitarian and hedonic dimensions associated with internet usage. Online shopping is rapidly picking up pace in India, and most of the retailers now understand the potential of online shopping. According to the Internet and Mobile Association of India (IAMAI), the Internet user base in the country stood at 195 million at the end of June, 2015-16 and it is expected to have 243 million Internet users by June 2017. According to , the online shopping estimated size of current e-commerce in India is approximately \$1.6 billion in sales, and this is expected to grow by 2 to 4 times in the next 2 to 3 years. The modern Indian consumer is technologically aware, often educated and comfortable. His/her attempts to shop online are due to an advancing technology as well as consumer characteristics in terms of demographic, psychographic, as well as situational influences. The lifestyles of urban young Indians which are becoming

increasingly hectic day by day, the increasing rise in the number of working women, as well as significant technical developments encourage consumers to go for online buying, primarily for convenience and saving of time and effort.

#### *B. Electronic retailing in India -past,*

Over the last ten years the history of online shopping has been shaped. While online shopping is commonplace now, it hasn't been around forever. The World Wide Web became popular around 1989 and 1990 and has since seen an e-commerce explosion.

- 1) Online Banking The second important step in the history of online shopping, beyond the invention of the Internet itself, was online banking. It was created and developing in 1994, making online transactions possible
- 2) The Unlikely Frontrunner Though surprising, Pizza Hut was the first online retailer. They were the first pizza chain to offer online ordering or home delivery during a 1994 test phase in Santa Cruz, California. Including India and All locations got the option in 2007.
- 3) Amazon's Entrance In 1995, Amazon launched as an online bookstore. Once the company realized other goods were also at high demand, they expanded to offer a bigger selection of merchandise. Amazon has launched its first shopping website in India named as Amazon. in. Amazon has started their project by launching jungle.com back in February 2012, using jungle.com customer can compare price based on dimensions of popularity relevance total price including shipping and other customer review. At present Amazon have 5 development centers in Asia out of which 3 are in India (Hyderabad, Bangalore and Chennai).
- 4) The First eBay Auction the online auction site, eBay, also began in 1995 and quickly grew in popularity. To these days, Amazon and eBay are the biggest online retailers.
- 5) The Explosion of technology today, most brick-and-mortar stores have an online counterpart. With faster connections and better technology, the online shopping sector has been growing and gaining popularity in the country. Many people favor shopping online over going to the store for convenience and price comparison opportunities.

#### *C. Status of electronic Retailing in INDIA*

In the present business scenario the E-tail market is increasing with several E- commerce options for shoppers to choose from a variety of innovate products and services are being offered to consumer for choice. Online shopping is no more a privilege enjoyed by friends and family in US or UK. Today, it is a reality in India. From last couple of years, the growth of e- commerce industry in India has been phenomenal as more shoppers have started discovering the benefits of using this platform. There is enough scope for online business in the future According to Amazon CEO online shopping has seen a lot of traction in the last 12-18 months. India has almost 130 million online users at present, out of which as many as 10% are engaging in online transaction. The online user base is expected to cross 300 million in the next 2-3 years and a larger percentage of people are expected to transact online by 2016-17. This large base will provide vast scope for E- commerce business to establish in India. And there is the several top online shopping factors to motivating to consumer to stay back to do online activities on internet. Followings are the top reasons for consumer to buy product through online are as follows

#### *D. Top reasons for Consumer to Buy Product Through Online*

- 1) Safety Reasons
- 2) Saves time and efforts to purchase the product through online
- 3) Convenience of shopping at home
- 4) Wide variety / range of products are available
- 5) Good discounts / lower prices available on online shopping
- 6) Get detailed information of the product on internet
- 7) Comparing price, various models / brands from different website
- 8) Cash on delivery (COD)

#### *E. Future Electronic Retailing in India*

"Consumer mentality and shopping patterns are changing very fast. Online shopping is going to become main stream in the India for coming five-six years. Over half a billion Indians will switch to Smartphone's in the next five to six years. That's going to be a big driver of E-commerce in India



According to Internet and Mobile Association of India (IAMAI), India to have 243 million Internet users by June 2014, with more and more people accessing the Web through mobile phones, the Internet user base in the country is projected to touch 243 million by June 2014, a year-on-year growth of 28 per cent. Internet and Mobile Association of India (IAMAI), as many as 19.2 million people have looked for information online, Out of these, 73% have bought either some goods or services from the internet. The number of people who shops online has doubled in mere two years and is a positive sign for the ecommerce industry in India. CEO of Flipkart depicted that e-commerce business in India is expected to reach around \$50-70 billion by 2020 on the back of a fast growing internet-connected population and improvement in related infrastructure like payment and delivery systems. Flipkart, online shopping is becoming increasingly popular in smaller cities. "Tier-II and Tier-III cities are opening up very rapidly. By 2020, there will have E-commerce penetrated everywhere, whether it is smaller cities or rural areas," and another challenging task for online shopper in India is Internet connectivity and other logistics infrastructure are still a big drag. This makes servicing in smaller towns a bit challenging, but with the entrant of reliance JIO all rural area people are surfing the net for online purchases..And the competition is neck – neck b/w Amazon and flipkart at the time of "GREAT INDIAN SALE" "IAMAI" on the report presented that around 10,000 out of the more than 150,000 pin codes in the country are covered by courier companies. The penetration of courier services is critically important to boost online shopping as deliveries are mostly done through them. The world's largest online retailer Amazon has launched its first shopping website in India named as Amazon.in, Amazon has started their project by launching jungle.com back in February 2012, using jungle.com customer can compare price based on dimensions of popularity relevance total price including shipping and other customer review. At present Amazon have 5 development centers in Asia out of which 3 are in India (Hyderabad, Bangalore and Chennai). According to Retailopia, Indian Retail industry will be worth 900bn USD, by 2014 and number of people below the age of 35years is going to be closed to 828mn by 2017-18,. Current trends show that India will have 450mn smart phone user and close to 100mn 4G user by 2017.

## II. CONCLUSION

In the current scenario of Indian Retail markets online shopping (or) E-Retailing has a great potential to meet the expectations of young and aspiring consumers in India. Today, the market is increasing with several E- commerce options for shoppers to choose from a variety of innovate products and services are being offered to consumer for choice. A large young working population with median age of 24 years, nuclear families in urban areas, along with increasing workingwomen population and emerging opportunities in the services sector are going to be the key factors in the growth of the online Retail sector in India. With faster connections and better technology, the online shopping has been growing and gaining popularity in the country. Over half a billion Indians will switch to Smartphone's in the next five to six years that's going to be a big driver of E-commerce in India. Therefore there is a need to improvement in related infrastructure, like payment and delivery system, and another challenging task for online shopper in India is internet network connectivity and logistics, Infrastructures are still a big drag to makes servicing in smaller towns a bit challenging for electronic shopper in India.

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