

A BUSINESS REVIEW OF E-RETAILING IN INDIA

Anjali Gupta

Assistant Professor in Commerce

CCAS Jains Girls College

Ganaur, Sonapat (Haryana), India

E-Commerce is a huge domain on conducting business over internet and e – retailing is part of it. When we discuss on digitally e-retailing is part of it. When we discuss on digitally / Internet enabled commercial transactions between organizations and individuals using latest web technologies as per the policies of the Organization it takes the form of e-business. Nowadays, 'e' is gaining momentum and most of the things if not everything is getting digitally enabled. Thus, it becomes very important to clearly understand different types of commerce or business commonly called as e-Commerce.

There are mainly five types of e-commerce models:

1. Business to Consumer (B2C):

This model involves organizations as business houses and consumers and customers. This is the most common model in e-commerce. In this model, online businesses sell to individual consumers. When B2C started, it had a small share in the market but after 1995 its growth was exponential. In this business model the business house will have a e-commerce website which will list all their product categories with detailed information about products with photographs, flash animation and comparing similar products etc., for quick decision making over web. E.g. An online Music portal selling CD's / DVD's and streaming Audio on the web e.g. www.imusti.com.

2. Business to Business (B2B):

It is the largest form of e-commerce involving business of trillions of dollars. In this form, the buyers and sellers are both business entities and do not involve an

individual consumer. It is like the manufacturer supplying goods to the retailer or wholesaler. E.g. www.indiaplaza.in is a online store, which sells popular branded products to consumer, where its supply chain network directly linked to Manufacturer. Hence Business to business model.

3. Consumer to Business (C2B):

It is the most recent E-Commerce business model. In this model, individual customers offer to sell products and services to companies who are prepared to purchase them.

C2B has come about as a result of two major changes. Unlike traditional media, which are unidirectional, the Internet is bidirectional, making this type of relationship possible. In addition, the decline in the cost of technology means that individuals now have access to technologies such as powerful computer systems, audio and video capture systems and other digital technologies that were once the exclusive province of large companies.

4. Consumer to Consumer (C2C):

E-Bay is an excellent example for this model an auction site where a consumer can sell their antique or old used items at discounted price to others, rest of the consumers who are all interested in those items will bid for that. This auction will happen for a time period and ends; now the highest bidder will make payment and buy the product. Here e-bay plays a role of having / facilitating a platform to make consumer to consumer transactions.

5. M-Commerce (Mobile Commerce):

Now a day's all business executives were busy and want to do financial transaction without going physically to bank. Example: Consumer want to pay their utility payments viz., Insurance premium, Telephone bills, Income taxes etc., Transfer money to anybody in this world via mobile banking (e.g. ICICI Bank iMobile) opens up the new technology of ecommerce as Mobile commerce. Further the regular online stores were also optimizing their site user interface design in order to make consumers shop from their mobile devices viz., iPad, iPhone, Android enabled phones, and Microsoft windows mobile 6.x enabled devices.

There are other types of e-commerce business models too like Business to Employee (B2E), Government to Business (G2B) and Government to Citizen (G2C) but in essence they are similar to the above mentioned types. Moreover, it is not necessary that these models are dedicatedly followed in all the online business types. It may be the case that a business is using all the models or only one of them or some of them as per its needs.

E-RETAILING: A BRIEFING

To start an e-Retailing business, an organization or an individual should have the below.

1. A Unique Idea / Product to sell:

When all Personal computer assemblers sell PC's and Servers in a traditional way, Michael Saul Dell, founder CEO of Dell Inc., got a unique idea of selling PC's over web. Beyond this he allowed users to choose all components one by one based on their interests and requirements and delivered a assembled PC over web, which was a grand success.

2. A Perfect Business Plan:

Is all about the e-Retailing business idea, Product or services, people involved, their expertise, a Project report with all standard projected statements prepared by a professional team, Competitor analysis, Capital investment, Loans, Business location, Government regulations & policies, Technology plans, and IT infrastructure required.

3. Technology Plans:

Organization may start off in a small way and then based on the response they can get more funding and grow in a big way.

- They need to finalize an attractive easy to remember domain name e.g. www.dell.com .

- Need to finalize a hosting server to book web space from their various plans e.g. www.Hostmonster.com to start with and later go for their own scalable IT infrastructure setup based on the response and growth.
- Need to Acquire IT team for developing e-Commerce website or to outsource the work. Also we can think of using Open source like OS Commerce a popular e-Commerce application and Open source CRM application for customer relationship.
- If we are going to develop from the scratch on our own technology, the below website development process will be followed as per Fig. 3. Web site development process.
- Compare and finalize Payment gateway based on their initial setup fee / transaction fee the popular payment gateway service providers are CC Avenue, ICICI, Bill desk, Pay pal and few more players.
- Once the website is launched, related internet marketing, popularly called as SEO (search engine optimization) work to be started to increase the popularity and visitors of the site.
- Plan and organize supply chain management to deliver product or service to the online users who place orders.
- Post sales support plans.

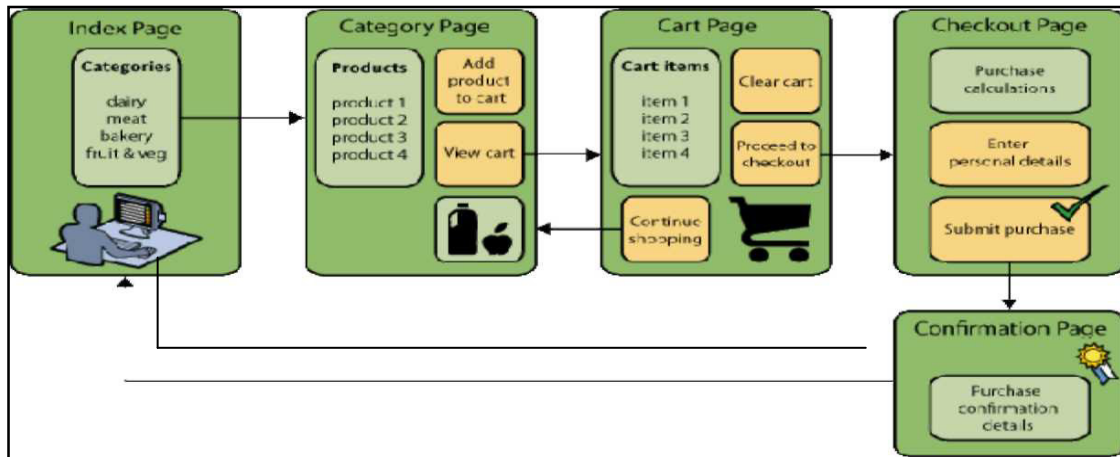
4. E-RETAILERS BACK OFFICE MANAGEMENT:

There will be a huge team working on the back end systems of the web site which is called as control panel / system admin.

In which a group of people will be updating the product categories, products, prices, specifications and many other information before it's getting listed in the website.

Other than this to attract more users, the Marketing team will often send mailers / newsletters by giving more offers.

For a basic idea below image depicts the minimum required pages for a e- Retailers web site.



5. Payment Gateway:

Now the e-Retailers web site is ready with products listed and when the online users orders the product online, the Retailers should link the Bank account with 3rd party payment gateway, to which the payment will be credited.

6. HOW AN E-COMMERCE SITE WORKS:

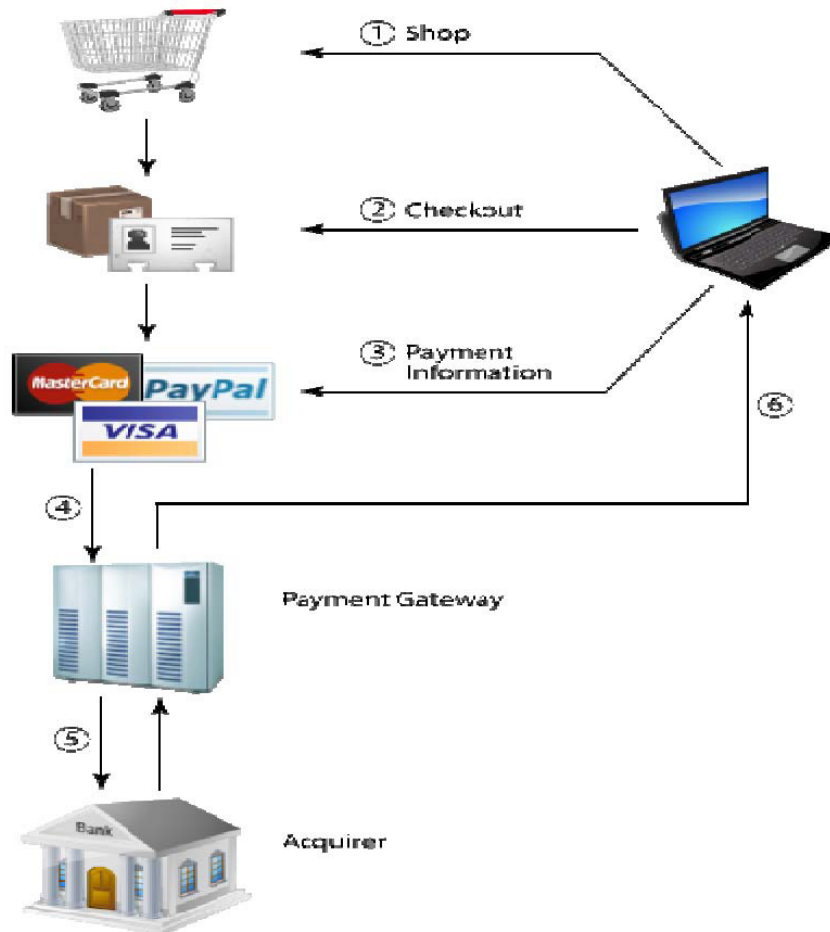
Normally a user will get to know about a online shopping web site through many ways, most frequently all online users will find websites on the go by using Google search or any other search engines.

When they see the web site information link, they click to it, complete the website registration process if any, choose the products they are interested, compare similar products specification cost etc., and confirm the items selected and finalize the invoice and make payment via their debit card / credit card bank account or via Pay Pal or Google checkout.

Once the payment is received the merchant will receive the payment, start processing the order, and ship the product to the user's delivery / shipping address.

Further if the product is carrying warranty, post sales support and service should be facilitated to the customer in order to create good word of mouth and get a good returning customer base which is the key success factor for the e-Retailer.

Let me illustrate the buying process in the image below:



- Online visitor of the site will pick up the items to be purchased.
- Confirming / finalizing the item list selected and checkout.
- Enter the credit / debit card / Pay Pal information to make the payment.
- User payment information is getting checked with banker via payment gateway and once its authenticated.
- The payment will be credited to retailer account and an Order confirmation is shown to the visitor along with order details and shipping information.

The visitor will also be notified on the purchase made via email.

The visitor will be able to track their order status and an SMS / email update will be frequently sent to visitor on the product or service delivery.

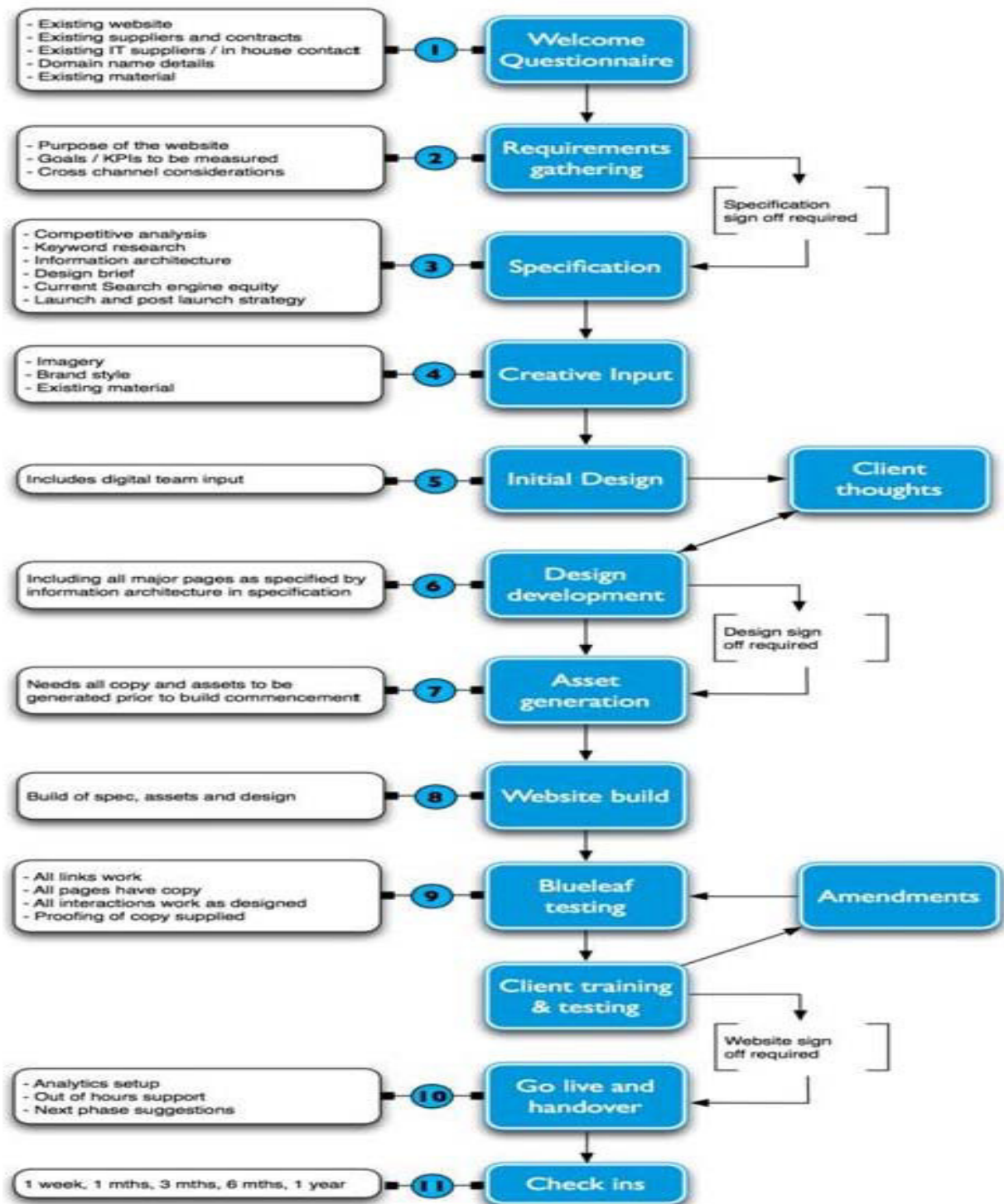
E-RETAILING WEBSITE DESIGN AND LAUNCHING PROCESS

Once the Retailers business model and web site design layout is finalized. The software consulting and development team will start developing the site.

International Refereed Journal of Reviews and Research
 Volume 2 Issue 1 January-February 2014
 International Manuscript ID : 23482001V2I101022014-06
 (Approved and Registered with Govt. of India)

They will create all product categories, price, specifications and other details; put it in a test site for unit and integration testing.

Once the testing is over, it's being handed over to retailer for their acceptance testing. Once the retailer is satisfied with the performance of the web site; upon getting acceptance; the web site is moved to production server. Now the Retailer will initiate the web site promotional activity in order to get more visitors and generate revenue.



GOVERNMENT REGULATIONS IN RETAIL

For the growth e-commerce, Indian government is taking necessary steps through effective Telecom policies, introduced Information Technology IT ACT to create necessary legal and administrative framework.

To build the confidence among common public to increase online business, The CCA (Controller of Certifying Authority) has created PKI (Public Key Infrastructure) i.e. for electronic authentication via digital signatures. This will avoid cyber space crimes and don't let anybody unpunished.

To increase the use of internet, our government has taken various steps to reduce cost and offer attractive plans for corporate and end users with high speed communication services getting increased day by day based on the demand. This will drive e-commerce transactions to huge growth in e-Retailing sector.

For goods or services delivered still there are few confusions in customs duty, State and central sales tax, VAT, excise etc., This has to be clearly spell out by the government.

To make e-commerce successful on regional level, we require mutual trust worthy environment. All the countries are having independent and separate Legal Framework in place. To enable mutual recognition of various countries Legal Framework, an International Legal Framework is necessary. Electronic commerce security planning and management calls for identification of the users, better risk assessment and evaluation, application specific security identification, better and appropriate network security policies, information resources protection, better security management policies, retransformation and re-skilling human resources in terms of identifying roles and responsibilities and improving physical and environmental security.

The trans-border data flow also cause serious concerns about authorization control, better audit trails, the country's legal laws and secure technology restrictions for developing nations, calls for supporting e-laws, better consumer education, better network management, cooperative regional and multilateral agreements between nations.

The delivery mechanisms and transportation should be tuned with appropriate modernization of clearing services of goods and products within and across the nations.

Other difficulties associated with the IT Act relate to the cyber crimes which are not fully covered are an area of concern for the growth of e-commerce. In this context it is also

argued that Law Enforcement Agencies are not fully equipped and trained to deal in cyber crimes. Safeguards to protect privacy of personal and business data collected over the Internet are not covered under the Act. Also the IT Act is silent on the issue of protection of intellectual rights (patents, trademarks, copyrights) including domain names. Finally, payment gateways have to evolve to a level that inter-bank settlement should be enabled through Real Time Gross Settlement (RTGS).

These are some of the barriers that have been identified and have to be overcome, in addition to achieving higher Internet and PC penetration, for the growth of e-commerce.

Despite all these economical, political and social situations, Indian Retail Sector is growing and becoming huge. Here is a list of top retailer in India. Day by day the list is growing and there is a heavy competition in improving their operations and service to customers.

- Lifestyle
- RPG Retail
- Pantaloon Group
- Provogue
- Reliance Fresh
- Globus
- Reliance World
- Spencer's Retail
- Trent (Westside)
- Crossword

INTERNET MARKETING FOR E-RETAILING / SEARCH ENGINE OPTIMIZATION

Around the world all organizations have their websites; few of them generate more visibility and revenue.



For a web store / e-Retailing site, we need to study the business and marketing goals, and then pick / find the best keywords matching the products and services listed in our website.

Based on the Keyword analysis we need to build quality unique content for the store which will make the store to gain good ranking among the search engines. While publishing the content blended with product listing, we need to ensure that competitor web store strategies are analyzed and considered.

Now it's the time to plan for the sitemap, which is all about when a visitor is browsing our site, they should feel easy to navigate to all pages of the site without any difficulties. On the other side the site navigation should be developed as a RSS feed which is search engine friendly i.e. the site map will be read by the search engine crawler and got indexed, which results in good search results.

After building the sitemap, we start building the static and dynamic web pages with unique content. Each page should be optimized (On page optimization) so that search engine ranks the page; on completing this process. We need submit our site URL / sitemap feed to all popular search engines viz., Google, Yahoo, MSN etc.

After submitting the site, we need to have plans to index our site in popular directories, classified sites. And then start indexing in social book marking sites.

Now a days the most popular sites Face book, Linked in and Twitter were few and there are 1000's of other book marking sites, in which we need to update our store information in relevant categories or Tags.

There are few sites which offers code snippet e.g. www.addthis.com by which we display links which will make the visitors to index a specific page to all popular social book marking sites, then email this page to friend, link to face book and twitter...

While doing this book marking, another unique promotional activity is to create blogs for the site and submit n. number of articles about our site / products / services in www.articlebase.com, www.ezinearticles.com and many others. This will also drive more inbound traffic to our website.

Beyond this Link exchange (inbound / outbound links) to our site will decide our page ranking i.e. our site is listed in 1st search result page of Google, Yahoo and MSN and others.

To ensure maximum success, we need to review the above processes often and keep on working will be a proven organic search engine optimization work; which will bring in more traffic to our website.

By implementing free Google Analytics in our site, we can generate excellent SEO report as and when required and be updated with our effort vs. results. Below process will elaborate further on the same with key information's.

International Refereed Journal of Reviews and Research
 Volume 2 Issue 1 January-February 2014
 International Manuscript ID : 23482001V2I101022014-06
 (Approved and Registered with Govt. of India)

