A Study on Impact of E-Commerce on Indian Retail Market Opportunities And Challenges

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Abstract

E-commerce market plays anvital role in our everydayexistence. We use the Internet almost every day for every job. Before e-commerce, buying and selling in the markets was done physically without internet, but after the advent of e-commerce in India, our life has become more convenient as it has many advantages. E-commerce enables customers to overcome geographical barriers and allows them to purchase products anytime and from anywhere. Online shopping is a part of e-commerce which is done mostly by the users due to the e-commerce websites in India which allow us to buy and sell the products of our choice at an affordable price. E-commerce websites have many impacts on different markets and retailers. In this article, we will discuss the main impact of e-commerce on the markets and retail industry in different ways and e-commerce opportunities, growth, challenges and issues.

Key words: e-commerce, Retail Market and Retailers, Portfolio Management Systems, Internet Marketing, Supply Chain Management

Introduction

E-commerce is the action of purchasing or vending of goods on online facilities or over the Internet. Electronic commerce pulls on expertise such as electronic funds transfer, mobile commerce, Internet marketing, supply chain management, online transaction processing, electronic data interchange (EDI), portfolio management systems, and computerized data gathering systems.

India's e-commerce business will grow 84 per cent to $111 billion by 2024 as it gains from call created by the corona virus epidemic's impact.

Today E-commerce in Indian culture has become anfundamental part of normal life. Openness to E-commerce stages is not a pleasure but rather ainevitability for utmost people, particularly in the metropolitan areas.

Today the number of internet users in the world is close to 3 billion, out of this; India has a total of 259.14 million internet and broadband subscribers. This penetration of internet coupled with the increasing confidence of the internet users to purchase on line. This leads to an enormous growth in the E-commerce space, with an increasing number of customers registering on Ecommerce websites and purchasing products through the use of mobile phones. India is in a prime position for the growth and development of the Ecommerce sector.

E-Commerce

Electronic commerce is an innovativenessexemplary that allows a corporation or unit to function on the automated network or a part of a wider business ideal. E-commerce means the acquiring and transaction through an electronic network, in specific through Internet of goods and amenities or the transmission of properties or papers. These trades include community, business-to-consumer, consumer-to-commercial or consumer-to-commercial contacts.

The expression retail is used in relation to online shopping purchase procedures. Electronic data interchange, EDI, File Transfer Protocol and Web Servers are used to manage the e-commerce utilizing a range of technologies such as e-mail, fax, online catalogues and shopping carts.

It can be used by resources of a directory as a more refinedmode of mailingacquisitions. E-commerce is the commerceinclination on the global web. In all tradearenas, from customer

livelihood to new product conception, the belongings of e-commerce are now obvious. It has the ability to meet and interconnect with consumers, such as internet advertisements, commercial, ordering and working customer support in alphanumericinformation business procedures.

Recent times have seen an escalation in the number of e-commerce firms. In addition, chief Indian websites have stimulated to e-commerce relatively than trailer sales. Many websites also offer a variation of merchandises and facilities from roses, greeting cards and movie tickets to yields, mobile devices, etc.

Markets and Retailers in India

Markets

- **Physical Markets** Physical Arcade is a marketplace where clienteles come actually in the shop and face-to-face intermingle with the supplier and acquisitions the product and service in the give-and-take of cash. Examples of physical markets are shopping malls, subdivision stores etc.
- **Non Physical Markets/Virtual Markets** Non-Physical Market is the arcade in which customs does not go actually to the seller and do not cooperate face-to-face. Consumer buys the product on internet and interchanges the money automatically. Examples of these arcades are Flip kart, Amazon, eBay etc.
- **Auction Market** Auction market is the market in which the belongings are traded to the uppermost bidder and worse bidders are ignored.
- **Market for Intermediate Goods** In these market raw supplies are sold by consuming them final merchandise is made
- **Black Market** In these market illegal goods like drugs, weapons, and alcohol is sold which is administered by illegal sellers.
- **Knowledge Market** In this market Data and information based products are sold.
- **Financial Market** In this market runny assets or currency is traded. There are three varieties of financial markets Stock market, in which stocks are exchanged; Bond market, in which Debt securities is exchanged in the form of the bond; Foreign exchange market, in which currency exchanges and it is also called currency market.

Retailers

- **Department Store** Departmental store is a store which is a mix of multiple little stores under one organization which offers a wide variety of items. It includes value for the customers due to offer a wide variety of items at a place.
- **Supermarkets** Supermarkets generally sell nourishment and beverages however now due to customers need it additionally sell design, electronic related items. It has a decent purchasing power that why it sells at low prices.
- **Warehouse Retailers** Warehouse retailers are situated at the place where the premises rent is very low with the goal that they can store, show and sell large measure of items.
- **Specialty Retailers** Specialty Retailers sell a special service or item and provide expert knowledge and great service to customers. They include values by including accessories and related items in the same outlet.
- **Convenience Retailer** These retailers are accessible in domestic areas and sells narrowfoodstuffs at aexceptional price since they add charge of handiness.
- **Discount Retailer** Discount retailers are those stores which offerconcessions on less trendybrands by taking it starting the providers and resell the merchandise till end of line and yield the left goods at the cheap price to the supplier

Impact of E-Commerce On Markets And Retailers

Impact on Markets

- **Promotion of Products-**Through Ecommerce merchandise can be endorse in an thought-provoking way and with lots of evidence directly to the clients which reduces the cost of disconnected promotion because internet can relate a lot of customers and protect amount of cost of announcements can be used in diversezones of business.
- **Customer Service-**Customer service can be boosted because customers can pursuitthorough information about merchandise or marketplace which plans the product and can equate the prices of dissimilar market places.
- **Brand Image-** New manufacturers can start their brands on internet by using strikingimaginings at an inexpensive price.

- **Advertisement**-Usually the ads were one- way to appeal customers and let them know almostabout the new product or arcade but now over e-commerce commercials are two-way in which buyer can browse the advertise place and product, can link the prices and also can ask questions to the online vendors.
- **Customization**-Customized products can be prepared according to the desires of customers. It will make a virtuous place of corporate in market and new clients will be engrossed.
- **Order Making Process**-Traditionally to take instructions from customers, mediators are used which profits a lot of phase and expenses but with ecommerce the direction taking is so easy which lessens a lot of time and outlays and they can make more deals.
- **Customer Value**-Traditionally attaining a big value from the customers was the main interest. Only customers were attracted and it was the biggest target but now sellers make long term relationships with customers to attain long term value by offering them special discounts

Impact on Retailers

- **Turnover-**Due to e-commerce the throughput of offline sellers has reduced which is a threatening signal for the enterprise.
- **Profit Margin-**On the coming of online shops in the flea market offline retailers are anguish from pricing. To survive in market, they have to sell merchandise in law prices which covers only their effective costs and they do not get any revenue margin.
- **Discount-** Online stores offer substantial discount to the customers therefore offline retailers sell their products at sale rates because and to stay in the arcade and to attract the customers they have to sell the goods at discounts.
- **Variety of Stocks-** at the end of year the left over stock can give a huge loss to the retailer as variety of goods is offered by online stores to which offline retailers cannot compete.
- **Customer Services**-Offline retailers are providing different services at which online stores fails. Repair and goods of services, home delivery and after sales services also like online shops.

- **Window Shopping**-Low prices offered by online stores leads to window shopping by customers at physical stores and they buy product online. Due to which they have prospective customer's more than actual customers.
- **Advertisement**-Normal retailers emphasis only on the commercials so that they can draw customers and rise their sales. They do not leave a single chance to advertise.

Opportunities for Ecommerce

Reports indicate that Internet growth has given rise to the electronic marketplace, already a seed for electronic trading in the 20th centuryalso recognized as e-market (e-commerce). An e-business is an artificial environment where merchants and customers compete as a conventional market. In e-market sites contributemany forms of trades of products, financial transfers and amenities and documents. Centers for e-commerce have become an optional venue for commerce. Finally, an online business centre will serve to affordconsumers and retailers with acquaintance about belongings and the numerousproprietors. [The Colonial Colonel, 2012]. These features shaped the economy by shaping the actions of buyers and traders. Internet based commerce inspirations the whole industry. It enables a much more organized collaborative collaboration between different sections of the value chain than ever before. Additionally, Opting E-business enables companies to lower expenses and improve customer response. Many recent technology results help organizations who update their corporate practice. E-commerce is a broad concept, ranging from putting orders on the internet to providing online payments, and money transfers, for instance, between bank accounts. Financial services are anrange in which there are decentpointers of e-commerce. During broadband dissemination the online stock exchange sponsored growth.

Reasons behind The Growth of E–Commerce

Busy Lifestyle

The lives of people are so fast that they cannot transportable to the circled retail markets every day. Individuals just want to works in a relaxedatmosphere.

High Disposable Income

With increased occupationopenings the income has become advanced and thus giving more expenditure power to characters. Thus they are enthusiastically ready to pay for the items on internet.

Awareness of Products

These days' people are much more of the new foodstuffs, their provisions, costs etc through the aid of media like TV, radio, news paper etc. So they shop online with sureness.

Rising Computer Educational Level

Computer education is moving into new skylines because of the efforts of government and educational institutions in India. People have a greater accepting of software design tools and submissions. Not only urban pupils, but also rural persons and housewives as well as specialists are also drawn to e-commerce and e-business know-hows. Consequently, there is an incredible demand in new yields [Jain and Kapoor, 2012].

Increased Usage of Internet

There are currently over 100 million internet subscribers. In reality, these fundamental Web consumers have begun to become Web clients in the last few years through sophisticated Internet travel operators, thereby increasing the domination of the ecommerce sector.

Challenges for E- Commerce

Indian businesses, especially e-commerce companies that rely on multinational and scalable business models, are becoming more desirable. The growing volumes of e-commerce in India draw the world's interest. India is home to 1.2 billion inhabitants, the second most populated nation in the world. India is a vast area with an increasingly growing middle class, increasing Internet

connectivity and a stunning cell phone penetration. In developing Indian markets, there are five major hurdles e-commerce companies face.

1. Indian shoppers refund a large part of the goods they buy online. In India, ecommerce has several customers for the first time. So you haven't even spoken of what you should get from ecommerce pages. This often causes customers to be prone to rough selling. Yet they show regret and refund the items by the time they are shipped. While customer remorse is a global phenomenon, in a country such as India, where a large amount of growth comes from new consumers, it is all the more prevalent. Returns for ecommerce players are costly and reverse logistics pose special problems. In cross-border ecommerce, this becomes much more complicated.
2. The alternative method of payment is cash on arrival. Low penetration of credit cards and low confidence in online purchases have contributed to the favoured payment method in India becoming cash on arrival. Collecting manual currency, unlike electronic transfers, is difficult, dangerous, and costly.
3. High loss rates in gateways of payment. The Indian payment gates have an extraordinarily large failure rates according to global benchmarks as if the preference to receive cash was not poor enough. The company of ecommerce firms that use Indian payment gates is lost when many clients refuse to re-establish their payment.
4. Not uniform postal codes. You would probably get a call from the logistics firm if you put an order online in India, to ask your exact address. Your address obviously isn't sufficient. This is how the way postal addresses are published is poorly standardised. Last century challenges contribute to the logistical problems in ecommerce.
5. In thousands of Indian cities, logistics is a challenge. The problem of logistics in India is not just the absence of standardisation of postal addresses. Given the country's population, it is not easy to reach thousands of cities. There is a very extensive logistics system in metropolitan cities and other large urban centres. The logistical problem is exacerbated by the fact that distribution in cash is India's preferential payment choice. The logistics issue is resolved valiantly by international logistics contractors, Indian private firms and government-owned postage operation. If anyone will transform the challenge into an advantage, we might soon learn of the Indian logistics industry's great success storey.

Issues in E-Commerce

The reasons impeding the acceptance of e-commerce by companies and customers are significantly different. The reasons why trade between companies is slowly adopted are:

Impediments to Business-With-Business

Organizational matters

- Aversion to some form of systemic transition
- Overlapping business and management agendas
- Challenging communications between management, management and staff who have specific professional knowledge
- Nervousness over debt collection and continuity of distribution and performance of facilities

Inter-organizational matters: Resistance to various incompatible conditions in so-called "hub and back" systems, enforced by large industry players, who eventually put a little stress on their mostly smaller "company partners" as well as mainly have their own protocols and charge less businesses exclusive to a specific partner, rather than exchanges between many parties, costly problems of achieving:

Investment matters

- Long cycles for re-investing in organizational infrastructure
- Limited apparent payback on the investment required
- Difficulties in establishing a compelling business case

Technological matters

- Insufficient facilities, technology or operation
- Patented infrastructure, technology and/or facilities dependent on the opening criteria that threaten 'locking-in' the original providers in the future because of unnecessarily large conversion costs to alternate providers
- Badly adapted to the requirements and activities of the enterprise and sector in which this provides operations
- Limited access to technological competences, unreliability, and costs.

Conclusion

In a nutshell, e-commerce is just the process of buying and selling produce by electronic means such as by mobile applications and the Internet. Ecommerce refers to both online retail as well as electronic transactions. Ecommerce has hugely increased in popularity over the last decades, and in ways, it's replacing traditional brick and mortar stores.

Thus, E-commerce has a major impact on the markets & retail industry in a variety of ways. E-commerce will eliminate mediation process as producers can sell direct to consumers. It will also help small and medium sized enterprises to gain greater market reach for their products and services.

Indian e-commerce and online shopping together are an important tool for holistic growth and would certainly see more developments in the years to come. It has played a major role and gained prominence in the economy owing to the rapid growth in the field of IT. Become more and easier to compete with the dynamic demand for quality products, because of the growing internet population. However there are still protection and privacy issues among users, along with growth and improvements to e-commerce. Researchers in this area would then have to learn further about protection and important e-commerce topics.

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