



E-TAILING- BOOMING OR BUSTING - A CONCEPTUAL APPROACH

Dr. A. Marcus* S. Maria Selvi**

* Asst. Professor, Dept. of Commerce, Loyola College, Chennai.

** Research Scholar, Dep.t of Commerce, Loyola College, Chennai

Abstract

The Indian shopping has witnessed a revolutionary change in the consumer buying behaviour. The basic premise of the entire shopping format is witnessing a drastic shift, as the time warrants. 'E-tailing', being another expression for 'Online shopping' is growing with full vigour, at par with the development in the IT sector. The internet has made an apt entry in all the business activities, keeping phase with the technological advancement. The sudden increase of web communities has trapped the conventional businessmen who are compelled to come to the ground reality of e-tailing.

Over the centuries, Traditional marketing has been focusing to create a positive impact on the designated segment of customers through publicity and advertisements. Also, this had disabled them from getting instant response to take alternate measures. This mode of operation has become obsolete in this modern era of ICT, as the market is dominated by next-generation customers, seamless marketing, and electronic gadgets. It is the fact that, despite the greater access to E-tailing in the age of information, not all the customers are benefitted by e-commerce.

The study attempts to understand whether the e-tailing is booming or busting, by identifying its potentialities and advantages on one side and challenges and concerns on the other side. It is the fact that the brick and mortar market is loosing its space to virtual marketing, due to globalisation and spurt in the technology. Yet, with the given Indian situation, which has a larger labour force, huge number of illiterate population, sleek infrastructure base, century old conventional marketing and traditional rural economy, it is too early to come to judgment about the theme of the study.

INTRODUCTION

The Information and Communication Technology (ICT) is widely supporting the customer centric market with variety of products and services in a cost-effective way. This has influenced the design, structure, strategy and the behaviour of the marketing forces which in turn attempted to change the method of marketing also. This paved way to the conceptual marketing called 'e-tailing' which breaks the barriers of time, distance and myths of traditional marketing. This seamless marketing tries to extend the entire market at the doorsteps of the customers and has made them to access with the click of the button.

One of the uniqueness of e-tailing is 'personalised marketing', which provides wide ranges and options to the customers, at any point of time to any products and services. It is a great boon to the budding customers whose preference is altered by the moving trends. Transparency and hassle-free dealing makes the customers to give priority to this modern marketing tool in the place of brick & mortar market. Thus the conventional market faces a tough time because of it. Also, the technological boom provides booster and makes the young customers, turn towards the e-tailing. Time and the distance are the two main constraints faced by the modern customers, which aptly filled by the e-tailing, effectively and efficiently.

E-tailing can be simply defined as 'retailing of products and services on electronic media'. It is one of the latest and emerging tools in the electronic world. It includes the creative use of internet technology including use of various multimedia, graphics, text etc., with different languages to create attractive advertisements, forms, e-shopping where product can be viewed, promoted and sold. It is a very cost effective tool where customization is very easy and affordable along with less criticality of managing the retailing efforts. It is one of the phenomena that has its impact on the advertising industry, conventional marketing and on the consumer behaviour pattern. It involves attracting and retaining the right customers and business partners. It permeates many business processes, and includes digital communication, e-commerce, and online research, and is used in every business discipline. In simple, E-tailing is the subset of e-business focused on transactions.

The Age of E-verything

In the mid 1990s, when the Internet tsunami hits the industry, it submerged every existing business model and left behind a surplus of the vowel 'e', just as a real tsunami would leave seaweed. Assuming, a company has no suffix as '.com', then it is termed as old and conservative company. Thus, the small letter 'e' makes the spelling magical with more life, vibration, trend, and energy. It revolutionize the theme of marketing and push the traditional setup of marketing into the modern phase. E-tailing keep everyone in an alert mode, be its customers, or suppliers or the manufacturing industry, due to its time, speed and logistical surveillance. It also tries to maintain customer-relationship and supplier-relationship through its inbuilt mechanism that monitors the issues and weed them, instantly.

Following are some of the categories that prefer to be called with the prefix 'e', to attract the eyes of the audience –

E-Auctioning	E- Supply	E-Engineering
E-Mailing	E-Gambling	E-Marketing
E-Learning	E-Directories	E-Franchising
E-Banking	E-Trading	E-Operational Resources Management

A famous example of an e-tailer is Amazon.com. Founded by Jeff Bezos in 1994 as an online bookstore, the name has become synonymous with e-commerce itself. Amazon now sells everything ranging from wireless phones to DVDs and from cosmetics to computer software. It also runs its own online auctions. It is worth to mention that, Amazon.com will be underlined as a major trend setter in the history of the Internet.

Thus, the space occupied by e-tailing is ever-increasing, which is evidenced by the survey undertaken by Forrester Research. According to its report, out of 500 corporate leaders, around 71 percent of them have major plan to extend their internal business processes to e-market places within five years. More than half of the US \$ 2.7 trillion worth of B2B trade conducted online will go through e-market places. Around 25 percent of the corporate prefer to sell US \$ 10 million worth of goods and services via online. Also, e-marketing paves way to small businesses to affiliate themselves with the major business houses to manifold their trade and customer base. As an instance, Amazon has 260,000 affiliates, which are guaranteed with the turnover ranging from 5 to 15 percent.

E-Marketing Landscape

The hardware corporate Dell learned the hard way that companies must listen to individual customers online or pay a dear price. In the e-marketing age, 'listening the customer' is an important ingredient that pulls the customers towards the organisation, whatever may be the price, product or quality the company offer. This stands as the fundamental principle in this setup and companies improve in the 'listening' process always cut a good market share over its competitors. Apart from the brand image and the range of products and services provided, customers always prefer the readiness from the marketers which are assured by the blog concept, wherein the abundant choice is offered to the customers. Given well-structured data base and comfortable infrastructure and upgraded technologies, it could be aptly said that e-tailing will be one of the greatest innovation of this century.

Positive Implications of E-tailing for Developing Countries

Following are some of the potential and favourable areas, where e-tailing stands beneficial to the developing nations:

- Exponential growth in e-commerce trade will lead to overall increase in world trade;
- About 80% of e-commerce growth will be in B2B trade. There is a great opportunity for businesses to link to other chain of operation;
- E-tailing could lead to faster transfer of technology and growth of IT industries;
- Giant corporations will emerge, but only to support the small enterprises and improve their market share in their trade;
- Access to information on markets, opportunities and supply chains will increase;
- E-tailing can help overcome the drawback of distance from developed markets;
- Exporting SMEs can establish virtual shops more cheaply than actual stores abroad;
- SMEs need not rely on the middlemen due to the virtual connection;
- SMEs are open to generate new business by expanding into digital commerce;
- Companies will locate their services wherever they have access to competitive skills;
- Developing nations have competitive advantages of receiving the back office under various facets;
- Employment opportunity, increase in the skilled labour force, flow of fund, improved infrastructure are other gifts the developing nations, would receive from e-tailing;
- The entire market is open that guarantees the quality and ranges, benefiting the domestic market and the customers;
- Education through information, efficiency through transparency and improved standard of living through better amenities are some of the added advantages of e-tailing;
- Also, e-marketing adds value to the economy through the spontaneous development in E-commerce, achieving professionalism and avoids brain drain.



Negative Implications of E-tailing for Developing Countries

Despite the positive implication, following points are noteworthy to understand its negative side:

- The entire concept of e-marketing stands on the technology and infrastructure which needs enormous fund, which is the major handicap of any developing nation;
- E-tailing survive only when there is larger turnover and big customer base, which is not guaranteed by the poor nations, for now;
- The larger business houses will try to cannibalise the small enterprises and aggregate poverty, widening the economic gap;
- There is a fear that e-tailing confuses the innocent customers with abundant information and wide variety of goods;
- Culture-base of the nation will have its beating due to globalisation and liberated market, thus affects the sentiment of the society;
- Without creating a suitable premise, venturing into the e-tailing, will do more harm to the economy, than of giving benefits;
- Conventional market space will not pave way to the modern e-tailing industry, thus creates turmoil in the economic and political system;
- In the name of standardisation, the branded goods may wipe out the indigenous and customary products and would kill the traditional business;
- In the name of skilled labour force, there is a chance of import of labour force from other place and lead to unemployment of son of the soil;
- Even transparency happens to be the niche of the e-tailing, still there are certain grey areas which is hard to understand by the consumers;
- In the long run, multinationals will join hands with the big indigenous business houses and take over tiny entrepreneurs and aggravate unemployment;
- Education level need to be increased to understand and react with the changes of e-tailing, for which most of developing nations are not prepared;
- The product life cycle of the goods offered in e-tailing is too short and thus disturbs the manufacturing pattern of the developing nations;
- In the name of outsourcing, no one take responsibility to respond to the customers need, and leave customers in the frustrated situation;
- The strength of E-tailing, not only depends on the logistics but also on the strong banking technology, for which the developing nations are not prepared yet.

CONCLUSION

It is the known fact that, all the applications through internet like E-business, e-tailing and e-commerce need constant updation. Thus e-business effort is a continuous process that takes place only through technology and strong infrastructure. Along with perennial fund flow, electricity and adequate resource allocation, safety and security of the data base need to be taken care. Without information, nothing happens in the world of technology and so small mishaps would create a major disaster and erode the base of the given enterprise.

The adoption of e-tailing in a fast growing economy like India, is like arranging wedding between two odds. It is not a one day event, but a continuous process that takes the space of the nation, society, industry and the market. Research & Development in this scientific world is too fast, that every second day, new products and services are introduced in the market and immediately taken over by the other. E-tailing needs no space to lodge in, but should plan to update itself and be ready to market and catch new customers. It is surely a strenuous venture which needs lot of planning, infrastructure and updation process.

There is a conception that understands that, E-tailing is a force and not a fact; it is a bubble not bane and it is a virtue and not real. Not going to the finest details of the above phrase, e-tailing need to be understood in the application to the Indian context. Taking the customer as a base of the nation, with more than one billion population, hardly, two percent of them have the capacity to understand and interact with e-based commerce.

1. Will the economy leave, concrete infrastructure of bricks and mortar be replaced by contemporary market in the form of e-tailing?
2. Do the 95 percent of retail market in the unorganised sector, kneel down before 5 percent of organised market?



3. Will digital technology take over the dominant land of shops and malls?
 4. Will roads and transport ply empty, if customers settle in their home and order for goods and services with click of the mouse?
 5. Will the manufacturing industry settle with product with less life cycle to spurt in the e-marketing industry?
- These questions need the answer to understand 'E-Tailing- booming or busting?'

REFERENCE

1. K.G. Hemalatha, K. Ravichandran, Sona Journal of Marketing Research-Vol.1, Issue 2-July 2009, pg-36.
2. Manish Kumar, International Journal of Emerging Markets, Vol.8, No.2, 2013, pg-108.
3. Paul Baines, Chris Fill, Kelly, Essentials of Marketing- (2013), pg-325.
4. R. Shehadrinathan, ITM Journal of management Research, Vol.8. No.2, 3 August, December -2014, pg-45.
5. Preeti Mittal, Business for All, Vol.2, Issue-11, Feb-2015, pg-30.
6. Pankaj Srivastava, Governance Now, Vol.6, Issue-15, Sept 1-15, (2015), pg-22.