



A Study on Resent Trends of online Retailing in India

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❖ Abstract:

Online retail business transactions are established with electronic equipment and technology. The growing dominance of online shopping is part of recent online retail sales. In this research, an attempt has been made to find out the effect of retail sales. The size of the Indian vegetable market is virtually the opposite of the retail market. Also, many farmers are created in manufacturing retail industry. This research paper analyzes various challenges in online retail exhibition, changes in retailing in India. Reports, journal researcher essays are being used for this.

Key words: Online Retailing, Retailing, Challenges, Growth of E-Retailing.

❖ Introduction:

E-retailing or online retailing is growing rapidly in India. Online retailing is becoming an important part of India's economy. Because the Indian online retail sector is changing rapidly with the influence of technology. Consumers are increasingly connected to online retailing due to the increasing convenience of smart phones and the Internet. Electronic retailing (e-tailing) refers to the purchase of goods or services over the Internet. E-tailing can include business-to-business (B2B) and business-to-consumer (B2C) sales of products and services. Traditional sellers sell items like books, stationery, electronics, furniture, groceries, sporting goods and services but online sellers like Amazon, Flipkart, Naptol, and Feature Bazaar have emerged along with them. They are also attracting customers to us on a large scale. Online retail penetration is expected to grow from 4.7% in 2021 to 10.7% by 2024, according to a new report from Forrester. A large part of the industry's growth can be attributed to increased internet and smart phone use. India's internet users expanded to 784.59 million by July 2021 due to the 'Digital India' program implemented by the government. Wireless internet connections made up 97% of all internet connections in metropolitan areas, accounting for 61% of all connections. The bulk of consumers shopping online are between the ages of 26 and 35, accounting for 37%, and 18 to 25, accounting for 26%, with 72% males and 28% females. According to the data intelligence company's survey on the state of E-Commerce in India, which was done across Tier 1, 2, and 3, usage of beauty e-commerce applications increased by 64% over the last year, while fashion e-commerce increased by 368%. The festive season has only fueled the growth of the two e-commerce domains. The rapid expansion in the size of online retail could be attributed to the increase in the market



size of e-commerce, a favorable government policy of 100 percent FDI flows into e-commerce, and an increasing base of digital buyers in India. The market size of the e-commerce industry is estimated to reach 200 billion U.S. dollars by 2027, a massive jump from 2014. Additionally, the number of digital buyers in the country has been on the rise since 2014. Affordable mobile internet, mainly from Reliance's Jio has been a catalyst for change and led to a drastic growth in the value of mobile retail e-commerce in 2020.

❖ Objective of the Study:

1. To study the impact of online retailing on the Indian retail industry.
2. To study the factors responsible for the growth of online retail sales.
3. To study of challenges faced by the online retail industry.

❖ Research Method:-

The research method used for this research study is descriptive in nature. This is based on secondary information. Which includes published reports (IBEF: India brand equity foundation, industry, CARE Rating, Economics Times report etc.) international journals, national journals and existing literature on the subject including published research papers.

❖ Limitation of the Study:

This research study is based on information available on important government websites as well as sources related to retail industry in India. The presented research covers the impact of e-commerce on the retail industry, the growth of the e-commerce industry in India and the challenges faced by e-commerce. This research essay is intended for educational purposes only.

❖ Review of literature:

1) Ms. Ruby (2016)

In their study on to retain customers, public relations, advertising, promotion, every marketing and internet advertising or marketing tools must be used. A customer loyalty program should be started. E-retailers must also instill confidence in online consumers with prompt delivery; Discounts for bulk purchases, reduced delivery charges etc. They also provided consumers with the compulsion to adopt the Internet as a new way of shopping. Continuously, the Indian market will acquire a security approach. The future of e-Retailing in India requires creating a sustainable ecosystem.

2) Jayakrishnan. S (2015)

According to the study of Indian retail sector is witnessing dynamic changes over the years. With a steady growth rate of 50- 60% online retail can make significant contribution to retail industry and economy of our country. But to capitalize on these growth trends we need to improve our physical infrastructure, policy framework and operational environment in our country.



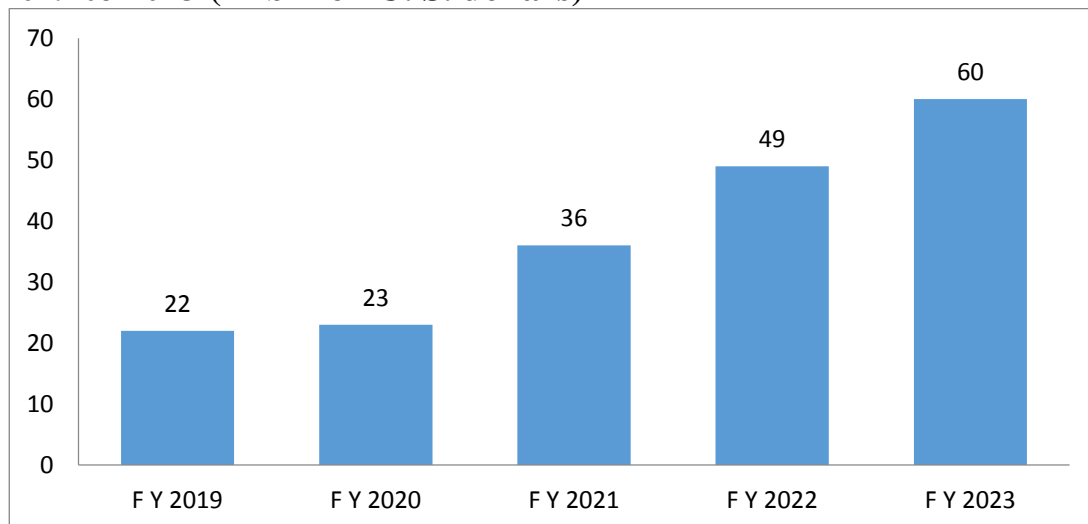
3) Dr. Suman Pamecha and Jasleen Sethi.

Social networking, mobile banking and e-commerce have changed the dynamic between consumers and sellers. In addition, consumers' expectations about service, price and these are increasing. He discussed the revolutionary changes that have taken place in the modern retail sector. The study points to the benefits of retail sales due to rapid economic growth, young India, availability of skilled labor, potential markets and low cost operations. Finally Dr. Suman Pamecha and Jasleen Sethi concluded that the future of retail sector is bright due to rising income, young generation, use of modern technology, changing culture and many more.

4) Rashmi Bansal (2013)

The purpose of this article is to examine how numerous social cultural elements. This article concludes that there are several factors like increasing vehicle, Migration of rural people to the urban will grow internet and broadband penetration in the future and will be helpful in connecting people to the online platform, secure payment policy and intervening step by the government of India regarding security will develop confidence and trust in them. It is hoped that these impediments will be removed, allowing India's e-commerce sector to shine.

❖ Market size of online retail industry across India from financial year 2019 to 2023 (In billion U. S. dollars)



References: -Indian Retail industry Report, Dec 19, 2023 www.statista.com

❖ Impact of Online Retailing on Traditional Retail Industry:-

- 1. Increase in online shopping:** The growth of online retailing has had a huge impact on the retail industry. Consumers now have more options than ever before when purchasing products online. This seems to have a big impact on the retail industry.
- 2. Increased Competition:** One of the most significant effects of online retailing on the retail industry is increased competition. Online sellers offer products at lower prices



than traditional sellers and offer facilities such as 24-hour shopping facility, priority selection of products and attractive discounts. Obviously, this has reduced the profit margins of retailers.

3. **Use of modern technology:** Traditional retailers have to adapt to the digital age to survive in the competition. E-commerce has to be adopted which will make it easier to reach the customers and help increase the sales.
4. **Changing Shopping Habits:** E-commerce has also changed the way consumers shop. With the convenience of online shopping, consumers are now able to purchase goods and services from the comfort of their own homes. This has resulted in a decrease in foot traffic for traditional stores, as more and more consumers opt to shop online instead.

❖ Factors contributing to the growth of online retail sales:-

1. **Increase in income:** A large increase in consumer income increases the purchasing power of consumers, raises the standard of living and consequently increases the demand for goods and services.
2. **Increasing number of internet users:** Since 2007 the number of people using internet in India has grown exponentially which naturally shows the increase in online retail shopping.
3. **Low Cost:** These retailers do not have to pay any rent or cost of land to sell the product. One can buy and sell goods through their websites and portals, hence the growth in the online retail industry.
4. **Universal:** A supermarket has a limited geographical area of operation. It caters only to a limited number of customers of a particular locality, but a website can be accessed from any part of the globe, which increases its market multifold. Such websites also serve as a good medium of advertising at a minimum cost, and reach out to the world.
5. **Time saving and better shopping experience:** Online shopping saves time of the customers and shopping from the comfort of their own home through internet is becoming a big attraction for the customers.
6. **Discounts and various offers:** While shopping online, one can compare the prices of the desired products and buy products with discounts and various offers.
7. **24 Hours Service:** When buying products online, customers can purchase products 24 hours anytime and also get the products at home, saving time and effort.
8. **Increasing Use of Net Banking:** Electronic transactions are secured using various technologies. Also due to the increase in facilities like Phone Pay Google Pay, there is an increase in online retail shopping.

❖ Challenges facing the online retail industry:-

1. **Payment Problems:** Customers often face payment problems while purchasing products online. Company should protect their system from hackers as customers are



likely to steal their personal information like debit card, credit card number. Both technical and legal means should be used to increase the security of online shopping.

2. **Problems in Shipping:** After purchasing the product online, many times the product is delivered after the order date. It is necessary for the company to make efforts to get the products on time.
3. **Low Trust:** Online shopping shows less trust qualification. Indian consumers probably prefer to buy goods from traditional retailers because of the discount on borrowings there as well as their preference for in-person transactions. Consumers fear fraud while shopping online.
4. **Preference for physical goods handling:** In the case of Indian consumers, it is observed that consumers prefer physical goods handling while purchasing products. Online retailers have a big challenge to overcome this obstacle.
5. **Slow Internet Speed:** One of the biggest problems customers face while shopping online is slow internet speed.

❖ Conclusion:

The Indian retail industry is fast growing and will continue to grow. E-tailing requires companies to tailor their business models to capture internet sales, which can include building out distribution channels such as warehouses, internet web pages, and product shipping centers. Notably, strong distribution channels are critical to electronic retailing as these are the avenues that move the product to the customer. Consumers use retail websites to use technology to find and purchase product information. Therefore, sustainable retailers must emphasize continuous change with a strategic orientation. Marketing tools like advertising, public relations prompt delivery of goods, low delivery charges, various attractive discounts should be used to retain customers. The rise of e-commerce has had a profound effect on the retail industry. Traditional retailers have had to adapt to the changing landscape or risk being left behind. By embracing e-commerce and offering online shopping options, retailers have been able to remain competitive and reach a wider audience.

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