

Consumer-Driven Trends in Online Retail

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Abstract

Web based business has been relentlessly developing for quite a while, and it's relied upon to hit \$327 billion by 2017, up from \$202 billion in 2011. With the internet becoming the part of life of a common man, there exists a vast opportunity for the retailers to use new forms of retailing besides traditional retailing. Among these new forms, E-Retailing is all set to become the most common & popular form. Almost every major retailer is striving to use e-retail more and at the earliest to grab more of the market share. The customers shopping behaviour has witnessed a sea change over the last couple of years. Convenience, choice, options, flexible mode of payments, doorstep delivery and customization are among some of the key concerns for customer's expectations while shopping. Consequently E-Commerce has made it happen for the retailers. This paper focuses on the growth of Online Retailing and its growing trends. The data for the study is based on secondary sources.

Key Words:- E-Commerce, Growing Trends, Online Retailing and Shopping.

Introduction

Virtualization of retailing comes true due to emergence of digitalization of world. Online retailing is a form e-commerce in which consumer can buy goods and services using web browsers. It happens because of expanding internet base, increasing recognition of purchasing online and the mushrooming e-commerce sites. The Indian retail sector is now moving from the brick-and-mortar model (physical retailing) to click-and-mortar model (online retailing) with the rapid adoption of internet by the typical population.

The Indian retail industry has emerged as one of the most dynamic and fast-paced industries as it accounts for over 10 per cent of the country's Gross Domestic Product (GDP). India's retail market is relied upon to almost twofold to US\$ 1 trillion by 2020 from US\$ 600 billion in 2015, driven by wage development, urbanization and attitudinal shifts. While the general retail market is expected to grow by 12 %. Online retail is expected to be at par with the physical stores in the next five years. India is expected to become the world's fastest growing e-commerce market, driven by robust investment in the sector and rapid increase in the number of internet users.

Retail industry has seen significant transformation due to innovation and growth of e-commerce, Web has contracted the whole world. The E-Retailing site is the front entryway of the online store that interfaces between the e-retailer and customers. The electronic retailing (e-Tailing, e-Retailing, web retailing and so forth.) is the model of offering of retail merchandise utilizing electronic media, specifically, the web. E-Retailing is a subset of internet business. E-Retailing represents around 10% of the general development of eCommerce market. The

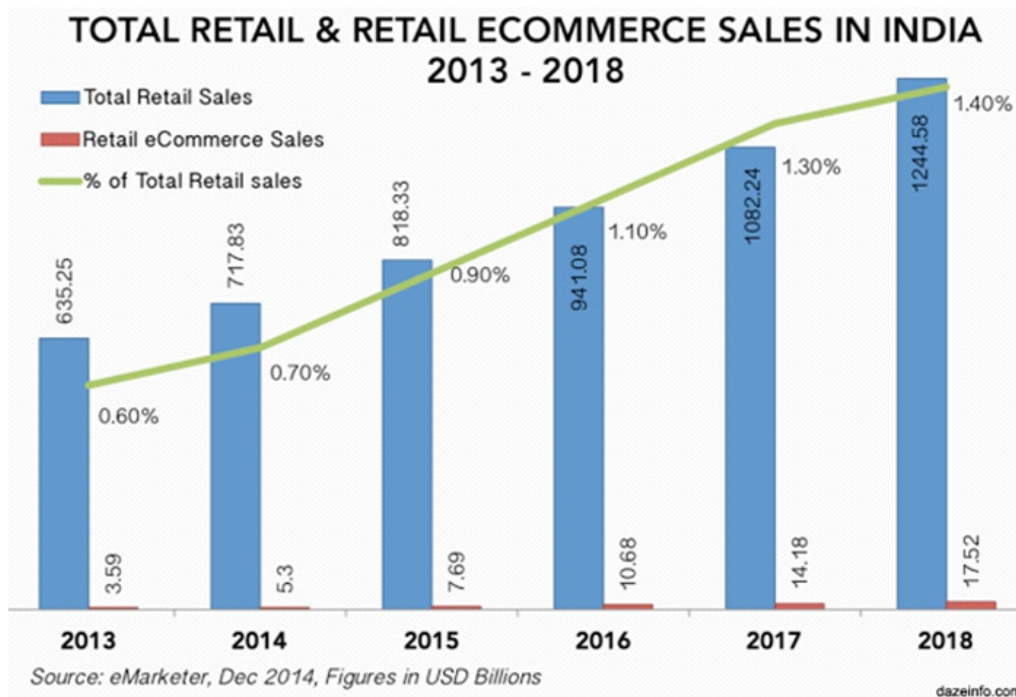
development in the E-Retailing business sector is driven by the need to spare time by urban India. It is evaluated that 2.5 billion web clients, access to web has assumed a noteworthy part in developing the business markets. The Internet gives retailers an instrument for: widening target markets, upgrading buyer connections, developing product offerings, enhancing cost effectiveness, enhancing purchaser correspondences, and conveying tweaked offers. Evolving socioeconomics (young India), changing ways of life and presentation to the created markets give a fillip to E-Retailing industry

Online Retailing Defined According to Kotler et al. (2009) retailing includes all activities in selling goods or services directly to final consumers for personal, non-business use. Retailing can be broadly divided into two categories store and non-store retailing. Store retailing refers to all forms of retailing through physical establishments. It includes standalone retail stores or small convenience stores in residential areas, the specialty stores with narrow product lines, the departmental stores with wide product lines, supermarkets involving very large product lines with low cost, low margin high volume, self-serving stores like Walmart operational worldwide, Big Bazaar and Spencers in India. The other forms of stores may be discount stores, off-price stores and super stores etc. Non-store retailing could fall under three categories:

Objectives of the Study: The objectives of the study are two fold. Firstly, to study the growth of online retailing. Secondly, to explore the latest online retail trends in India.

The data for the study is based on secondary sources collected through journals, research studies, articles, business magazines, newspapers and internet websites.

Growth of Online Retailing



The Total retail sales and online retail sales in India is measured from 2013 to 2018. For the year 2013 the total retail sales stood at 635.25 USD billions correspondingly for online retail sales were at 3.59 USD billions. It picked up pace in retail business from 2015 and 2016, expected to grow rapidly in the year 2017 and 2018. The total retail sales stood at USD 941.08 billions congruently for online retail sales were at 10.68 USD billions for the year ended 2016. The growth in the upcoming years for 2017 and 2018 on the basis of the current scenario seems to be positive and contribute significantly to the growth of online retail business. The total retail sales stood at USD 1082.2 USD billions congruently for online retail sales were at 14.18 USD billions for the year ended 2017. The total retail sales stood at USD 1244.58 USD billions congruently for online retail sales were at 17.52 USD billions for the year ended 2018.

The reasons behind the phenomenal growth of retail has been contributed by the factors such as: localization of content as a innovative tool, growth of internet facilities beyond metros, growth of mobile marketing, promotion of cashless transactions and increasing investments in logistics and warehouses.

Trends of Online Retailing in India

The retail industry has witnessed significant transformation in the past year, be it innovating with technology, optimizing operations or experimenting with new retail formats. Some of the latest trends are mentioned below

- **Personalisation** -Customers today expect unique and customized shopping experiences – be it being greeted with personalized welcome messages, receiving tailored loyalty programs or intelligent preference based product recommendations.
- **Predictive Analytics and Machine Learning**-Predictive analytics helps determine and deliver data-driven insights from the past and predict future customer behavior, so that retailers can precisely cater to customer needs. It can prove to be an invaluable tool that retailers can leverage for a host of functions from optimizing pricing, to perfecting delivery, to personalizing customer service, to even improving the bottom line. Machine learning is already being used by some leading global retailers.
- **Social Shopping**-The rise of the on-demand economy, where customers feel the need to purchase products that they see almost instantaneously has led social media platforms to incorporate instant shopping opportunities. The year 2015 saw popular social platforms open up shopping opportunities for their users. Pinterest, Twitter, Facebook, and YouTube all made their sites and apps more suitable for online commerce with the introduction of buy buttons.. Augmented Reality
- **Augmented Reality (AR)** -is one of those technological advancements that is envisaged to have massive potential in the retail space. It allows retailers to connect with customers in the most immersive manner, be it inside the store or outside. From shopping aisles to product displays to even fully immersive stores, AR can help create a series of virtual assets for retailers, like never before
- **The subscription economy**
The subscription model is changing consumers' approach to ownership – for younger shoppers in particular, attitudes towards owning things are changing, and a significant

number say they are interested in renting clothes and other products from high street brands.

- **Delivery**

Crowdsourcing is helping to make delivery cheaper providing new services that tap into a freelance workforce or make use of journeys consumers are already making. Retailers are offering ever-quicker deliveries – as little as an hour for many.

- **Personal Commerce**

People-centric retail models are emerging, specifically online-based services that are designed carefully around a particular individual. This idea of building an experience around a shopper's tastes is moving into the store environment.

- **Social Influence**

A particularly fast-moving area - in the last six months, use of social media has continued to become more visual with pictures and video becoming more important. Networks are starting to provide consumer with ways to do buy directly on social channels, integrating commerce in a much more successful way.

- **TV shopping reinvented**

Television is set to play a big role in commerce in the future, and the line between being a huge retailer and being a huge media company will blur. The growing use of video online means retailers are starting to use tools like live-streaming to boost their online proposition and engage consumers.

- **Internal re-organisation**

Retailers are working hard behind the scenes to make these changes happen. Companies have begun to fundamentally restructure their organisations in response to omnichannel retailing - they are now designing the businesses around customer experience rather than by channel, and are bringing traditionally disparate departments together in order to enable real-time trading.

Conclusion-

Online shopping is a new experience and has greatly impacted the lives of consumers in its short time of existence. It is expected to grow constantly in years to come with advancements in technology. Online shopping has made consumers more effective and efficient in their shopping behaviour and has driven businesses to a new level, forcing many to make the necessary adjustments and changes to reach the new market of knowledgeable consumers. The trends that would be followed in future would be increased use of smart phones for shopping, increase of vertical in e-tailing, extension of product categories from durables and apparels to groceries and big home appliances. Physical retailers have to beef up and extend their operations to online channels. Increasing competition is one of the most immediate challenges that e-tailers have to face and carve out a niche for themselves.

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