Online Shopping: The Growth

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Abstract

In the upcoming years, e-commerce is expected to boom in the Asian region. The number of digital buyers in Asia Pacific is projected to pass the one billion mark for the first time in 2018, which will account for 60 percent of all internet users in the region. In line with the regional growth, India, a fast-growing emerging Asian market, shows optimistic projections for the e-commerce industry.

The internet has become a preferred place for the shoppers to carry their businesses. The number of shoppers and the volume of business continue to surge.

E-Shopping: The act of purchasing products or services over the Internet. Online shopping has grown in popularity over the years, mainly because people find it convenient and easy to bargain shop from the comfort of their home or office. One of the most enticing factor about online shopping, particularly during a holiday season, is it alleviates the need to wait in long lines or search from store to store for a particular item.

Online contracts are classified as distance contracts, which means that the trader (service provider, seller) and the consumer (natural person who is acting for purposes which are outside his trade, business or profession), in lack of their simultaneous, actual and physical presence enter into contract not by meeting in person (e.g. in commercial premises, market, open-air market, via trade agent etc.), but only in an electronic way.

Online shopping trend in India: Online shopping has become a common feature these days and India is not an exception. It provides various facilities like booking tickets online for travelling, movies, etc.

In the upcoming years, e-commerce is expected to boom in the Asian region. The number of digital buyers in Asia Pacific is projected to pass the one billion mark for the first time in 2018, which will account for 60 percent of all internet users in the region. In line with the regional growth, India, a fast-growing emerging Asian market, shows optimistic projections for the e-commerce industry. Current active e-commerce penetration in India stands only 28 percent, with lots of room for improvement - India's retail e-commerce CAGR is projected to reach 23 percent from 2016 to 2021.

A new study by Forrester Research has stated that approximately a fifth of total retail sales will take place online by 2021 in Asia Pacific, 78 per cent from smartphones. The study adds that online retail via mobile will grow at a CAGR of 15.6 per cent, to reach $1 trillion in 2020.

The study further goes on to say that Asia Pacific will be the largest region for online retail sales in the world, with China being the largest market for e-commerce with $681 billion in sales. However, the fastest growing e-commerce market in the world, according to Forrester, is undoubtedly India.

The Indian Institute of E-commerce states that by 2020, India is expected to generate $100 billion online retail revenue out of which $35 billion will be through fashion e-commerce. Online apparel sales are set to grow four times in coming years.

Once no one had an idea on what, how and where to buy items from online service, is it reliable or not, is it trustworthy or not etc. those days are gone and most of the people in this busiest life would like to seek some relax and save their time and energy from direct shopping. Thus they try to just order an item online either from office or at home by browsing required stuff and pay online. There are some advantage and disadvantage also in online shopping that are:

Advantages of online shopping:

(A) Saving time from online shopping

One can order the required items from online service which takes max five to ten minutes and get SMS and email confirmation from shopping website. They also do follow up by SMS and email till reach the product to that particular customer. The customer can turn into member in their shopping sites as one time registration which they saved our personal detail that would help member's to use it again whenever they needs to buy any product without entering personal detail or contact/address detail in it. The customer has to lose timing in case if they would like to do offline shopping which help in this way better.

(B) Saving energy from online shopping

Since a person already lose energy from his/her work or business and no time to relax during off work or off business or holidays, so, customer not necessary to lose more energy just for shopping their required items. There is no physical tense to move here and there, no tired of checking the items here and there from online shopping except few minutes spend online to choose the right product. Once people used to travel or fly here and there across India just for shopping as per choice of items. Now, it is not required and everything is online available, just browse and order by click.

(C) Saving money from online shopping

Some branded product or competitor product might be cheaper in a particular far location than ours, thus we can do online shopping from Bangalore itself to a product available in Delhi or Kolkata to save the cost when we compare the same product extra price in Bangalore. We can also avoid the other MRP price tag that earned by whole-seller and retail-seller from business process so we can save money. In addition, you will get items with discount in selected products. Yes, it is a smart purchase online.

(D) Comparison from online shopping

One of the best part from online shopping is, we can compare the products, compare the prices, compare the models, compare various designs, compare the different product specifications, compare the delivery time, compare the shipment charges like free or paid delivery etc.

(E) Convenience from online shopping

You can buy any products at any time (24/7) and no issues of holidays or any emergency situations arises etc. You are not necessary to wait till the morning to open a shop and anticipate for seller to assist you on this until things done. You may also avoid the crowd and other expenses.

(F) Varieties or ranges of products from online shopping

You will find different brand products from many sellers at one place. You will also know which product is available and which is out of stock to avoid disappointment which happens sometime in offline when you reach the shop to buy something and says out of stock or you have to pay in advance and get the product later when seller receive it. You may also buy some products from other parts of the world through online shopping, that is the big advantage of the service.

(G) Gifts from online shopping

In case if you would like to send a gift to your near and dear then no issue to roam offline for buying it, rather you can do it via online shopping and give them delivery address and contact person name with mobile number so that they will deliver it accordingly by saving your time, money, energy and courier from your end etc.

(H) Money saving from online shopping

Beside travel, crowd, comparing products and roaming here and there for offline shopping, you may avoid unnecessary extra expenses like travel, having food over there, other items purchasing etc. from online shopping service. This service helps us to avoid buying different items than required one. Other than this, there will be no issue from online shopping in case if you are ill health, still you can shop from home.

(I) Privacy from online shopping

It is not necessary that you need assistance to do shopping and let them know what you are shopping for. You can buy any item online as required as privacy. This service help also for ladies since they can buy privacy items like under garments and lingerie etc.

Disadvantages of online shopping:

There are few disadvantages too from online shopping which is negligible. There is no any process which has pros and cons and one of them is online shopping as well that has cons too.

(A) Return it in case mismatch or defects from online shopping

In rare occasion, we might get mismatch items from online shopping website which can be returned it if it is having substantial proof. However, this will take time which includes our disappointment on not receiving the ordered item on time to use it.

(B) Unable to see the product live to decide from online shopping

Though the image / photo with specification we see online may or may not be as same as we imagine before receiving it handy. So, it sometime dishearten us from online shopping, however, this is very rare case for rare products. Online shopping companies are avoiding doing so.

(C) Delay due to shipment / arrival process from online shopping

There could be many reasons for delay in receiving the ordered items from online shopping, one of them is either process takes max 7 to 15 days but receives within 3 to 4 days for some product and sometime it takes 7 to 12 days to deliver it. They all are depending on the order, pack, ship, courier and deliver. However, you will get SMS and email alert on this. Other irritating delay is due to courier delivery boy issue where they don't like to search the home/ address and reach home to deliver it on time and make it next day or next person to do so which irritate online buyers.

Online and Offline Shopping (Clicks Vs Bricks):

Gadgets 360 CEO, Bhawna Agarwal says there are plenty of reasons for this this monumental growth in e-commerce in India. "The Internet and mobile usage has increased tremendously over the last five years. Today, there are 100 million Internet users, a number which immediately creates an easy reach for all e-commerce sites. There is a very large base of active Internet shoppers, facilitated by the Cash on Delivery (CoD) service offered by e-tailers in the country."

Agarwal states that CoD literally exploded the entire Indian e-commerce market. CoD - which accounts for 67 per cent of the total e-commerce transactions in India - gave the online market an artificial push. The initial inertia of the consumers turned into trust when they realized that they could buy online and pay only when they were satisfied with the product.

She also adds that the rising disposable income in the largest class in India - the middle class - and an increase in the standard of living in Tier II cities has further aided the e-commerce boom in the country.

Agarwal says that the growing popularity (and convenience) of e-commerce is affecting offline retail, mostly because retailers are transitioning to better pricing - which is more readily available online and promotional strategies, which have a wider reach on the Internet. The online channel also provides customers the convenience of shopping anywhere in the world, as long as they are connected to the Internet. These are some of the main reasons that offline retail chains are entering the online segment.

There is also a lot of reverse pressure on offline players to adopt similar discounting strategies. Brands preferred to sell discounted items online, over offline, creating more pressure on traditional retailers.

"Also, there are millions of products online compared to offline so yes, there has been a slight dip in footfalls, affecting sales. The great discounts and flash sales online further affect brick-and-mortar players,".

However, she admits that the reverse also holds true for a market as diverse as India. Indian e-commerce players are expanding to brick-and-mortar outlets.

"As a country, we can accommodate good, healthy competition between online and offline. Online players should look at developing their physical presence mainly to enhance the customer experience. The idea is not to do this from the perspective of competition, but to take it to the next level differentiating and innovating. If online retailers can improve and master their Omnichannel strategy and optimize their m-commerce experience, they will be in winning a position," she says.

Sustaining the High Growth Momentum

Agarwal says if online retailers stay consumer-centric and plan their strategies around what the customer wants, sustaining the stupendous growth which the sector has witnessed in recent times is not a tough task.

"Offline retailers need to effectively keep reinventing their strategy to enter the Omnichannel market. They need to become more consumer-centric and use big data to plan for the whole supply chain, all the while keeping their corporate strategy in mind. Brands with physical stores need to opt for an integrated approach that will take the whole organizational structure of the retailer in its fold," says Agarwal.

"At the same time, pure play online portals also need to be agile, reinvent themselves. They will have to develop sustainable business models, keeping the consumer at the heart of it," she adds.

The Future Belongs to Everyone

"In 2017, we will see that there will be no such thing as online vs offline experience. There will be a single touchpoint, focusing on the consumer. Not just brands, but hyperlocal delivery networks will also evolve. Consumers will be able to order online and then pick up their package from an offline touchpoint. These offline stores will actually be an extension of online businesses. And vice versa, traditional retailers will tie up with bigger, horizontal

players to extend their brand reach like Croma with Snapdeal and dozens of brands with Flipkart and Amazon," she says.

"People are not competing anymore they are co-opting. Shoppers Stop is also in the process of revamping their entire platform. Everyone is understanding that online has a further reach and so it cannot be looked at as a competing channel," she adds.

Key E-Commerce Trends for 2017-18

Aggarwal says mergers & acquisitions will lead the way this fiscal-"it is better unit economics" Retailers will focus on better business models.

"Certain market leaders will evolve and their models will change from the current aggressive strategies to more balanced, sensible ones. They will be less discount centric for starters. There will be more room to evolve. Growth will come from beyond metros in terms of high engagement experience," she says, adding, "With the rise of AI, companies will be able to market their products a lot more effectively using data analytics. They will be able to run targeted campaigns. Companies and brands will understand where their consumers will be and target them specifically through the channels that they are consuming."

For existing players to grow, a lot more effort towards higher consumer engagement is needed. This will help in building consumer trust, not only in terms of pre-sales experience, but centered around the entire value chain.

"Retailers need to involve consumers at every step of the way and to keep them coming back. They need to be able to attract and retain new customers and effectively communicate with them. They also need to localize the content of the Internet to better target consumers. Itâ s about delivering quality, value and efficiency all at the same time," she concludes.

Online retail is continuing to grow at an astounding rate, yet the majority of people still actually prefer to shop in-store, so there are still great opportunities for retailers to take advantage of both. Which option you choose will depend on your business, the product you sell and how you want to interact with customers.

(A)Pros of Online and Offline shopping:

There are some fantastic benefits to selling online. Setting up an online store comes with significantly lower startup costs than a traditional physical store, with no need to pay for a large physical space and all of the ongoing costs that can entail. As a result, you can get started quickly, with less capital investment and start selling straight away.

Customers also appreciate the convenience of E-Commerce. Being able to shop from home without direct sales pressure, and with the ability to browse in your own time can make the process much more appealing to some customers. Then having

products delivered straight to their door, within a few days and even at a time to suit the customer, can be even more attractive.

From a retailer's point of view, being able to accurately track the customer's interactions with your store across multiple different platforms gives you access to data that can elevate marketing efforts above anything a traditional store could manage.

The advantages of offline retail are well cemented. It remains the most popular shopping channel for consumers and can't currently be matched by online when it comes to customer experience. With a traditional bricks-and-mortar store, you can craft a unique experience for your customers and express your brand in a creative way.

Having an offline store also gives you instant access to passing trade, without having to invest in a marketing budget. Having a great store location can make you easily visible to your target market and can build your brand locally.

Even for an E-commerce retailer, having a physical store is a brilliant way to express a vision for your brand, sell an experience to your customers and reach new markets.

(B) Cons of Online and Offline shopping:

While an online store can be quicker and simpler to set up than a physical one, not having a location can make it more costly to drive customers through to your store. You'll have to accept that a larger marketing budget is required, compared to a bricks-and-mortar store. You'll need to allocate more resources and time to marketing in order to let customers know you exist and are open for business.

It's also more difficult to build meaningful interactions with your customers as there's no face to face interaction. You'll need to go the extra mile to give customers confidence in your store and assure them you're a trustworthy brand.

Just as the pros of offline retail are well known, so are the cons when compared to E-commerce. Higher setup and running costs are very likely. Traditional stores generally have higher running costs than online retailers, with electricity, water, rent and more to pay for every month. This allows less room for error when it comes to your initial financial investment. With an offline store, you can see funding dry up very quickly if you're not careful.

Also, just as location can be a virtue, it can also be a curse for some bricks-and-mortar stores. Not picking the correct location could seriously hamper your success, no matter how great your product offering is. You also have no control over what goes on around your store. A competitor could open next door and eat away at your business or the up-keep of the area might not be desirable and potential customers could move away.

Choosing between offline and online retail is still a challenge. However, perhaps the more pressing challenge for retailers is to evaluate how they can begin to create an omni-channel strategy and meet the changing expectations of consumers. It's not feasible for every retailer at the moment, but it's certainly something to think about.

Conclusion:

In this modern era of online shopping and E-commerce, retail stores are getting the backlash of the mobile applications. The growing use of mobile applications is transforming the shopping industry. But a large number of customers still cannot rely on online shopping due to unavailability of prior inspection of a particular product. And retail stores can use this gap to bridge a better communicative way between customers and offline shopping.

In recent days, retail stores are taking the help of different mobile devices to enrich the process of shopping. For the betterment of offline shopping, retail stores are seeking various online ways to meet their demands. So, in this article, I will summarize different ways, how retails stores are using mobile applications to engage in-store customers. Let us have a look quickly.

Online reviews/opinions have become a significant factor for the Indian consumer crowd. In the next promising six months, 41% of the Indian online consumers will buy books, 40% will book tickets and 36% will buy gadgets and likes. Quite evidently, the online market in India is growing at a rapid rate and hence the future looks optimistic.

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