

SWOT Analysis on E-Tailing

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Abstract - The online retail market has evolved and grown significantly over the past few years. Asia Pacific is emerging as the fastest growing region for online retail with China showing tremendous potential. In India, online retail or E-tailing market represents a very small fraction of the total retail market India, but holds immense business potential driven mostly by growing internet penetration, increasing usage of smart phones, cost advantages and huge funding by private equity. Consumers are always hungry for modern ways of shopping. Indian retail sector is growing fast and its employment potential is growing fast. The retail scene is changing really fast. Retaining the e-customer is a tough challenge. The present paper critically examines the strength, weakness, opportunities and threats on E-Tailing in India.

Keywords: SWOT, E-Tailing and E-Commerce.

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INTRODUCTION

India has an internet user base of about 420 million as of June 2017. The penetration of e-commerce is low compared to markets like the United States and the United Kingdom but is growing at a much faster rate with a large number of new entrants. The industry consensus is that growth is at an inflection point. The online retail market has evolved and grown significantly over the past few years. Asia Pacific is emerging as the fastest growing region for online retail with China showing tremendous potential. In India, online retail or E-tailing market represents a very small fraction of the total retail market India, but holds immense business potential driven mostly by growing internet penetration, increasing usage of smart phones, cost advantages and huge funding by private equity.

REVIEW OF LITERATURE

There are a number of research works have been done by researchers but only a few has been given, related to the paper.

Brown (1987) has suggested that the costs of a retail format refer to consumers' costs. Consumers incur non-monetary costs - time, effort and psychological costs - as well as monetary costs. Savings in non-monetary costs are especially emphasized by non-store formats. Their appeal to consumers has been the ease and convenience of shopping, freed from location and other constraints.

According to Rao (1999), E-commerce offers increased market activity for retailers in the form of growing market access and information and decreased operating and procurement costs. The consumers can gain better prices due to the competition and also can enrich their knowledge on goods and services.

Zhang and von Dran (2000) have found that certain aesthetic elements of a web-site are considered as purchase motivators, while other aesthetic elements serve as hygienic factors (i.e., necessities) in purchase decisions from e-retailers. The colour and background images of web-page are also found to affect consumer choice.

Namita Bhandari and Preeti Kaushal (2013) in their study on online consumer behaviour using factor analysis and found the reasons for using online shopping like trust, information about the product and services, convenience, effortless shopping.

OBJECTIVE OF THE STUDY

- To understand the trend of e tailing
- To made swot analysis on e tailing

FACTORS FOR THE GROWTH OF E-TAILING IN INDIA

Electronic Payment System

E-Tailing encourages the buying and selling products, information and services on the internet and other online environment. In this environment, payment take the form of money exchange in an electronic form, and are therefore called Electronic Payment.

Enhanced communication with the client

E-tailing enables personalized interaction with customers.

No rent or land costs

E-retailers do not require sophisticated showrooms in prime locations, and operate through their websites or portals. This significantly saves the store maintenance costs, which are pretty high for physical store retailers.

Effortless and joyful shopping

Online shopping saves time. Shopping in the comfort of your home through the Internet is a huge attraction for customers.

Universal reach

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.

Any time accessibility

The online store is accessible 24×7 and delivers your products home. That saves time and effort. Prices can be compared. Online shoppers can compare the prices of the products they want to buy with competitive sites, and then go for the purchase.

No duplication of products

Branded products are sold at competitive prices on credible online portals. This reassures the consumer that no duplicated, low quality products will be sold on these sites.

CURRENT SCENARIO OF E TAILING

There are three types of destinations that address retail sales in any market:

- Traditional Retail: Brick & Mortar
- Corporatized Retail: Brick & Mortar
- Corporatized Retail:

E-tailing In India, the retail market is, at present, primarily served by traditional brick & mortar stores which make up 93% of the total market. Corporatized brick & mortar retail caters to 7%, while e-tailing's share is 0.1%. In the coming decade, these three retail destinations will behave differently in terms of their share of total retail sales. Technopak estimates that, by 2021, the share of total corporatized retail, even in the best-case scenario, will increase from the current 7% to 20%. This implies that, on one hand, private

consumption will continue to grow annually at 6%, in real terms (or 13% in nominal terms), while on the other hand traditional retail will still capture the bulk of the increase in consumption. In absolute terms, traditional retail will grow from USD 455 billion in 2012 to USD 1152 billion in 2021. The growth of traditional retail, in the current form, implies the growth of neighborhood convenience stores in new urban centers and clusters, and the continued growth of informal retail

SWOT ANALYSIS ON E-TAILING

The overall evaluation of strengths, weaknesses, opportunities, and threats is called SWOT analysis. SWOT Analysis is employed by an e - retailer in the analysis of strategic planning. The SWOT analysis builds the company objectives more realistic. To understand future risks it is essential to know strengths and weaknesses, opportunities and threats.

STRENGTH	WEAKNESSES
Convenience	Security
Time saving	Fake websites
Price/product comparison	Fraud
Cost effective	Long delivery timing
OPPORTUNITY	THREATS
Convenience	Competitors
Price and selection	Changes in environment,
Market research	law and regulations
Online customer service	Innovation
	Privacy concerns
	Fraud

STRENGTHS

An e-commerce company's strengths are unique points which show their difference from their competitors which are competitive advantages can increase a company's strength.

Convenience

E-Retailers are moving towards enhancing the convenience factor and thus attracting the shoppers to use this channel. Moreover the growth of the mobile communication has led to

the growth of the e-retailing as people are more accessible 125 to internet 24 x 7. Like in the case of purchasing from the physical market, we have to wait for the shop to open and certainly we try to get our merchandise before the shop closes, but in case of online retailing there is no time limits involve all you need is an internet connection and money in your pocket to pay the price.

Time saving

A shopper saves a good amount of time by shopping online. In the metros and even in the smaller towns which are growing fast, the life of an average person has become very fast. He has very little time after his normal routine office schedule to go to the market and purchase even the daily needed items.

Price/Product comparison

Helps consumers to compare prices and product without having to move from one shop to another for comparing the benefits of the product, the shopper gets the benefit of comparing the features and cost analysis at one place. Most of the sites are providing this facility where in shopper can choose the product which exactly suits him.

Cost effective

Reduces logistical problems and puts a small business on a par with giants. Lowers transaction cost can be automated in a well implemented online store. If an online download facility is available, then distribution cost can be cut off. E-Retail business start up costs is more economical because both kinds of new start ups have low income at the start.

WEAKNESSES

Security

Security matter confuses customers especially about the integrity of the payment process. In an electronic environment where market needs, technology requirements, and security challenges change very rapidly, proactive risk-handling is essential. Unfortunately, no matter how strong your extranet defenses are, it is always possible that a new exploit could defeat your best efforts to secure the web.

Fake websites

Fake websites can not only disgrace e-retail but bring bad name to e commerce also.

Fraud

Concerns about misuse of financial and personal data are a great weakness in e-retail. Long delivery timing:

Delivery time

It can be in days or weeks which one cannot wait for. Supplier selection is extremely important in purchasing management to enhance quality, reduce delivery time, and to curtail purchasing cost.

OPPORTUNITIES

Convenience

Normally, online stores are usually available 24 hours a day, and many consumers have internet access both at work and at home.

Price and selection

One of the biggest advantages of online shopping is to find out quickly deals for items at services with many different vendors. Search engines, on-line price comparison services and discovering shopping items can be used to find out sellers for a particular products or services. Some retailers also offer free shipping on sufficiently large orders. Searching an online catalogue can be faster than browsing the physical catalogue of a brick and mortar store.

Market research

Retailers can use their online presence as a tool to gain valuable customer information to forecast future customer demand. Baker (2005) has pointed out that online market research has some powerful advantages, such as monitoring real-time buying decisions. In addition, online customers have the knowledge and experience necessary to answer the questions, which produces more accurate and reliable data.

Online customer service

In India, websites are becoming new channels for conducting customer service; therefore their general acceptance level will increase, due to the benefits provided to customers. For example, a customer could ask for a product introduction or a personalised product in the pre-purchase stage, and could also check the delivery status online. All such services can be available uninterrupted online.

THREATS

Competitors

Competition is increasing day by day big companies have already entered in this field. They are making people habitual at the cost of their companies. The threat from online competitors is leading more traditional retailers to consider embracing even seemingly outlandish technologies.

Changes in environment, law and regulations

Change in trends, fashion and fad can distress e-retail side by side change in law and regulations can also affect. E retail

industry usually cannot influence or change the macro environment and must adapt to changes as they arise. Government policies can also hinder e-retail businesses by imposing regulations that increase costs, such as requiring the development and integration of new systems or procedures.

Innovation

Customers now days are always in a search of innovative products. Innovation can be either in product, place, promotion and even price. If e-retailer doesn't innovate, its survival is at stake. Innovation in leveraging technology that 129 needs updated or replaced. Technology and system capabilities are changing and innovative solutions leave IT departments scratching their heads as to how to keep up.

Privacy concerns

Fears that information can be misused lead to spam e mail or identity fraud. Many consumers have ceased purchasing goods online or have never started because of concerns over the privacy and security of their transactions and click habits.

Fraud

Persons using unfair means to operate e commerce can damage the confidence and faith of common people. E-retail so heavily on the Internet, many fraud examiners are consulted for fraud information

CONCLUSION

Consumers are always hungry for modern ways of shopping. Indian retail sector is growing fast and its employment

potential is growing fast. The retail scene is changing really fast. Retaining the e-customer is a tough challenge. The internet customer is very hard to predict and is different from the normal customer. While a normal customer expects strong loyalty, such a loyalty on the Internet is difficult to obtain. To attract and retain the customers, the retailers particularly the etailers have to take more efforts than to just attract. In addition to this, the e-tailers in India must attract a growing segment of customers who are technologically competent, place a high emphasis on convenience, and are willing to pay a premium price if they find the product they are looking for. Therefore, the e-tailers of India need to improve convenience and value for consumers and assist them in overcoming their fears around security.

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