ONLINE SHOPPING SCENARIO IN INDIA: LESS BRICKS AND MORTAR RETAIL SPACE

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ABSTRACT

Shopping era in India has undergone drastic changes over fast decades. It is no more curbed bazaars, street market or malls. Now-a-days people have begun browse the website to make their purchase. Online shopping is the act of purchase products or service with the help of internet. This paper is focus some light on the current rage over online shopping in India, The derivers behind the reason contributing towards it and the recent trend and future of online shopping in India.

Keyword *Online Shopping, Retail, Niche Market and Social Network*

1. INTRODUCTION

Virtualization of retailing comes true due to emergence of digitalization of world. Online retailing is a form E-Commerce in which consumer can buys 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. It also helps the people to avoid lot of incontinence involved in travelling to multistory mall or busy market.

1.1 Milestone of E-Commerce in India

In 2002, the journey of online shopping is started when IRTC introduce online ticket reservation system. With the help of this system passenger can book their ticket at anytime from anywhere and make easy payment. Today India stands number five in e-commerce throughout the world. In a way, e-Commerce in India was started in 2004 when eBay started its operations in India by acquiring Avnish Bajaj's Baazee.com, which was India's largest online auction portal. In 2007, Sachin Bansal and Binny Bansal starting Flipkart by investing 2 lakh rupees each as an online book retailer. In the same year, Mukesh Bansal, Ashutosh Lawania and Vineet Saxena started an online portal to customize goodies called Myntra In the year 2010, Flipkart pioneered the Cash on Delivery (CoD) model, which results increasing e-commerce and reach dramatically. At the same time Myntra expanded its catalogue to retail fashion and lifestyle product. In 2013 Myntra.com has acquired San Francisco based virtual fitting room startup Fitiquette and Baby product-seller Babyoye.com merged with Hoopos.com, which also sells baby products. In 2014, the sector attracted the attention of investors, including top global firms and leading Indian industry leaders like Azim Premji and Ratan Tata, said Assocham-PwC study, adding that brands like Flipkart and Snapdeal are enjoying edging over global players like Amazon in the country. As of June 2012, India has the base of 137 million internet users and the leaning towards online shopping in youth will help the online retail industry to reach a score of 7,000 crore by 2015.

2. FUTURE PROSPECTS OF ONLINE SHOPPING

According to Google, India have more than 100 million Internet users, out of which around half choose for online purchases and the number is growing every year. With such a large market size, companies, from retail shops to

consumer goods, are entering the Web space to attract potential customers. According to a new report by Google and Forrester Research e-commerce market in India is worth around $15 billion by 2016, up from $35 million in 2014. With millions of Indians shopping online, the e-commerce industry is witness a massive boom and will continue to see exponential growth. The number of online shoppers in India is expected to reach 100 million by the end of 2016, and the number of Internet users is set to reach 300 million by the end of 2014. A recent report by Juniper Research exposed that over two billion users of smart phones or tablets will be making more e-commerce transactions through mobile before 2017 comes to an end. Payments made through mobile in 2015 are expected to grow at a rate of 60.8 percent, another report revealed. From the word of Google India Managing Director Rajan Anandan .The online shopper base will grow 3 times by 2016 and over 50 million new buyers will come from tier I and II cities. The confidence to shop online is on the rise as 71 per cent non-buyers (respondents) from tier I and II cities said they plan to shop online in the next 12 months.

According to the Associated Chambers of Commerce and Industry of India (Assocham) retail industry is expected to spend an additional $500 million to $1 billion on logistics functions, leading to a cumulative spend of $950 million to $1.9 billion till 2017-20, it said. Currently, over 25,000 people are employed in e-retailing warehousing and logistics. It is estimated that there will be an additional employment of close to 1,00,000 people in these two functions alone by 2017-20

2.1 Mainsprings behind online shopping in India

- ➢ **Broadband internet:** Later than 2005, a rapid growth has been seen in the people using internet and currently there are more than 65 million people log-in on to web .India's internet user base grew over 17% in the first six months of 2015 to 354 million, according to the Internet and Mobile Association of India. This is due to increased internet services and penetration of 3G and 4G services that has given faster internet access.

- ➢ **Retail based social networks:** Online retail has seen heavy overlie with social networking due to aggressive marketing on such platforms Social networks will form an crucial part of the E-commerce evolution in 2013 as more than 25 per cent of the total time spent by the user on the internet is used to top social networking websites such as Face book and Twitter. Moreover, retailers are busy to track social networks for product development and customer service too.

- ➢ **Mobile integration:** According to Google, currently 30 per cent of all shopping queries in India come from mobile phones. Further, 43 percent of retailer surveyed note that mobile and tablets are among their top three priorities for 2013. Most retailers are coming to terms with the need for a smart phone or tablet solution because of mobile-optimized site or dedicated app. While creating their marketing strategies companies are investing in new or improved mobile apps and mobile-optimized sites, analytics, and traffic and conversion growth have become a must.

- ➢ **Improved online banking services**: With improved and safer online banking services people are now less afraid to make payments online which in turn gave them faith to shop online.

- ➢ **Multi-channel commerce strategy:** India's diverse online buying population presents challenges to retailers interested in serving all parts of the country effectively. According to Sandeep Jaglan, Owner, Purehomedecor.Com, "As smartphones and tablets continue to proliferate, companies will need to embrace multi-channel commerce strategy in 2013,"

- ➢ **Rising demand from tier 2 and tier 3 cities:** The year 2013 is expected to see increased contribution from non-metropolitan cities. A recent study by Google India reveals that 51 per cent of transfer for its Great Online Shopping Festival held last December (12-12-12) came from outside the top four metros, and predicts that online shopping will nurture exponentially in 2013 with apparel and accessories being the hottest categories. Shoppers Stop too says more than 20 per cent of its online business come from consumers residing at tier II cities and neighborhood

- ➢ **Standard of living and lifestyle:** The living standard of the people has made them tending towards online shopping. The increased per capita income has also played its part in this leaning. Due to the busy lifestyle, lack of time for offline shopping and urban overcrowding of traffic has led the online shopping market to step up itself.

- ➢ **Buying behavior:** Tracking the buyer behavior based on loyalty points are comes to end. Nowadays, online retailers acquire huge volumes of data on both their potential and existing customers based on user browsing habits. It seems buyers are willing to make their purchase on online.

- ➢ **Discounts, Coupons and cheap rates:** Through offers, online sellers sell the products to customers at lesser price than the offline markets and not compromising the quality. Availability of different discount coupons on the sites proves to be a great profit for the customers.
- ➢ **Recent Government initiative:** The Indian Government recently allowed 51 per cent foreign direct investment in organized retailing sector. This opened doors to many foreign players to open online retail stores in the world's largest democracy. Digital India programme, the government is taking a big step forward to transform the country into a digitally empowered knowledge economy. This result higher growth on online shopping.

3. SOME ONLINE SHOPPING TRENDS TO BE FOLLOWED IN FUTURE

Over the last couple of years, a substantial growth in the online shopping industry has been noticed, especially in India. The industry is continuously designing and executing newer trends that allow them to attract the masses. Online shopping companies, collaborate with leading sites like Snapdeal, to offer their consumers best deals and offers. This has been one of the dominant trends of 2015 and will surely continue to be so in the coming year as well. In-store pickups are already quite a deal in the western countries with one or two leading brands. Her business allows clients to make their orders online and pick it up while passing through them. This can surely be a great trend to follow, especially for the super markets. . Local businesses can also offer Special Snapdeal Promo Codes to regular clients to enjoy a discount or offer. Now-a-days we can also get groceries from e-grocery sites such as Localbanya.com, Ekstop.com, and Atmydoorstep.com that are few seller sell grocery online. The Major online players are launching their private label brand like flipkart launch Digiflip, Myntra has also launched in-house brands such as dressbessy, shersingh, Mast & Harbor. An another noticeable trend is raise of niche stores.these stores are sell specialized product.babyoye.com sells baby products, pepperfry.com sells furniture are some example of online niche stores. Among the entire e-commerce market fashion is growing at an exponential rate.

4. CONCLUSION

The online retail market in India is expected to grow immensely, given India's rising middle class, growing disposable income and busy lifestyle in metro cities. People are turning to the Internet to buy everything from slippers to jewels, houses and groceries, close to e-commerce revenues in the country. The ecommerce market in India is currently estimated to be worth about USD three billion. It shows that e-tailing sector is to boom in coming days.

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