A Study on the Challenges and Avenues of E-Retailing in Haryana

Dr. Manoj Kumar, Dr. Harish Kumar, Ms. Indra Sharma, Dr. Vicky Likhar

Jaipur National University, Jaipur

ABSTRACT

E-retailing has changed the retail environment in India. Consumer's attitude towards shopping has been changed with the introduction of internet. Due to Internet world has become a small village. The e-retailing website is the primary door of the online store that interacts between the e-retailer and consumers. The electronic retailing (e-retailing, internet retailing etc.) is the way of selling goods using electronic media, in particular, the internet. Providing the customers more comfort and convenience to purchase the goods. In India, the use of mobile phones, internet adoption, and the availability of low cost data plans have contributed in the growth of e-retailing. The close of physical stores in COVID-19 epidemic has also increase the growth of eretailing in India. As a result, customers start shopping through online. However, the expansion of e-retailing has also brought many difficulties, such as the effect on conventional brick-and-mortar merchants, worries about data privacy, and the requirement for a strong logistics and supply chain infrastructure. In this research paper the authors propose to explore the profile of e-retailing customer's and to investigate conceptually the challenges and the avenues involved in e- Retailing.

Keywords: - E-commerce, Internet, E-Retail, E-Shops.

INTRODUCTION

Indian retail sector is undergoing a process of transformation. Indian retail has been dominated by small retailers, and most Indians prefer to purchase their products from these outlets. The Indian retail sector can be divided into two categories: organized and unorganized. The organized retailing includes supermarkets, hypermarkets, and malls. These are professionally managed stores and provide variety of products and services under one roof. These retail stores are operating their business on self-service model (Sengupta, 2008; Ramkrishnan, 2010).

The unorganized retail stores dominates the market of Indian retailing which includes the small family-owned stores (Halepete, Iyer & Park, 2008; Ramkrishnan; 2010). Unorganized retailing in India is operated and managed by family members and these stores do not have corporate kind of management (Kalhan, 2007; Saraogi, 2006). These retailers offer products at reasonable prices to the consumers (Halepete et al., 2008; Ramkrishnan, 2010; Srivastava, 2008;).

Retail Scenario in India

Retailing is the business activities involved in selling goods and services to consumers for their personal, family or household use (Berman & Evans, 2001). It is business activity that put value to the products and services and sold to consumers for their personal and family use (Levy & Weitz, 2007). Retail scenario in India is changing with the increasing awareness of consumers. This is evident from the growth of organized retail sector. The Indian retail sector is the second largest employer after agriculture (Sinha & Uniyal, 2007).

E-Retailing

With the growing adoption of Internet and E-Commerce, E-Retailing is emerging very fast as an convenient way of retailing in Indian market. Considering that website is an inexpensive way of doing businesses and thus creating differentiation in products is very difficult for E –Retailer's as compare to store retailers. Kalia (2017) states that E-Retail market place is very competitive. This leads E-Retailers to work very hard in order to get

customer's satisfaction by providing customer's preferred goods and services. As stated by Kotzab and Madlberger (2001), Internet has become a channel for doing retail. In other words, success of E- Retailing depends on the efficiency of services provided by E–Retailers and resolving customer's issues efficiently occurred either during, before or after an order is delivered to customers Bhattacharjya, Ellison, & Tripathi (2016).

In Support of E - Retailing adoption by customers, Razak, Ilias., & Rahman (2009) states that E -marketers need to enhance customer's online experience by providing them differentiated services in terms of web site atmospherics, timely processing of order, pricing strategies , CRM services in order to gain customers's attention towards E-Retailing.

REVIEW LITERATURE

The electronic retailing (e-retailing, internet retailing etc) is the way of selling products through electronic media with the help of internet. There is a growth in the online retailers, which provide consumers a varity of alternatives and new information (Merrilees & Fry, 2009). E-retailing offers opportunities not only to developed but developing countries also (Panagariya, 2000). Fenech and Cass, (2011) inspected the variables like products, price, website, customer satisfaction, web security. The use of information technology has improved the way consumers search for information and how they purchase (Heim and Sinha, 2005, Ranaweera et al, 2008). Maintaining a competitive advantage for retailing companies rely on the firm's investments in new information technology (Roussos et al; 2003 & Saura et al., 2009). Technological developments in e-retailing will improve the use of computers by using sensors and microchips (Murakami and F ujinuma, 2000; Pfeifer, 2003; Roussos et al., 2003; Acauisti, 2006; Kurkovsky and Harihar, 2006).

The online shopping market is shared by pure e-retail players and multi-channel retailers. Pure players are the e-retail companies that do not have physical presence and sell their products through internet (Rao et al., 2009). On the other hand multi-channel retailers, have the physical presence with online services (Burt and Sparks, 2003). Enders and Jelassi (2000) and Chen and Leteney (2000) predict that pure players will be recognise the importance of physical presence and conventional stores and will venture into a multi-channel mode.

There is very limited research is available which focus on e-retailing in India. One study showed that proper information about the online shopping such as product features, warranties, customers feedback, complaints are the important factors that affect the confidence among Indian consumers (Kiran et al. 2008).

Indian consumers were more willing to disclose their personal information on internet as compared to US consumers (Gupta et al., 2010). Beyond traditional shopping orientation, researchers aimed at developing a demographic profile of shoppers (Gillett, 1970). Other studies examined attitudes towards non-store shopping (Bickle and Shim, 1993). Monsuwe (2004) proposed that online shopping intentions are not only affected by usefulness and enjoyment but also by situational factors, previous online shopping experience, and trust with the E-Retailers. On the other hand, Bonera (2011) stated that online purchase intention is influenced by ease of playfulness, security and usefulness. Kazemi, Belenj, & Dolatabadi (2012) revealed that product information, trained sales force, handling order, technical services, timely delivery and complaint handling, as the main factors to provide satisfaction towards E-Retailing. The study also suggested that E- Retailers has to increase participation, interaction and engagement for customers in their E-Retail websites. Rowley (1996) proposed that still a lot of work need to be done to improve services delivered through E -Retailing including financial security , protection of customer database and the overall service quality. Therefore, providing quality services through E-Retailing should be the priority of marketers to gain customer's confidence and satisfaction.

RESEARCH METHODOLOGY

This chapter contains the research methodology used in conducting the study. The purpose, significance of the study, sampling method, collection of data, area of the study and statistical techniques used to analyze the data as well as classification of chapters have explained. Hacker and Sommers (2011) defined research methodology

as a description of what the activity of research is, how to carry it on, how to measure its progress and what constitute its success.

Area of study and sampling

Government of Haryana has divided the state into six administrative divisions or zones (Rohtak, Hisar, Ambala, Gurgaon, Karnal and Faridabad). Each administrative division has following districts in it.

Rohtak: - Rohtak, Jhajjar, Sonepat, Bhiwani, Charkhi Dadri.

Hisar Division: - Hisar, Jind, Fatehabad and Sirsa

Ambala Division: - Ambala, Kurukshetra, Panchkkula, Yamunanagar.

Gurgaon Division: - Gurgaon, Rewari, Mahendargarh.

Karnal Division: - Karnal, Panipat and Kaithal.

Faridabad Division: - Faridabad, Palwal and Nuh.

All the six administrative zones of the state have been covered and from each zone two cities have been selected by using random sampling for the purpose.

Objectives of the study

1. To find out the profile of e-retailing customers

2. To find out the opportunities of e-retailing

3. To find out the challenges faced by e-retailers

Data Collection

The study was based on primary data collected through a questionnaire. Data was collected from respondents with knowledge of online retail by interacting and contacting them at their residence and working place. Data was collected with an assumption that they would provide right and complete information about E-Retailing. Before filling the questionnaires the respondents were made clear about the objective of the study. While conducting the survey, the respondents from all walks of life were included like gender, age groups, income levels, occupation, residence, marital status and of educational level. Data from 200 respondents were collected but only 170 responses were found fit for the further analysis.

Statistical tools used for data analysis

To achieve the objectives of the study the following statistical techniques have been used.

Frequency and percentage

Frequency is the simplest statistical technique which describes the number of responses on one part of the scale. Frequency table simply explains the distribution of respondents of different categories. The number range of the percentage method is zero and maximum is hundred (Malhotra& Das, 2011). Both frequency distribution and percentile method were applied in the present study to know the demographic and geographic profile of the respondents.

Profile of e-retailing Customers

Demographic variable	Categories	Frequency	Percentage
Gender	Male	110	64.70
	Female	60	35.29
Age	up to 20	18	10.58
	20 and 30	35	20.58
	30 and 40	70	41.1
	40 and 50	25	14.7
	50 and 60	22	12.94
	Above 60	-	-
Education	up to 12	30	17.64
	Graduation	75	44.11
	Post-Graduation	65	38.23
	Doctorate	-	-
Occupation	Govt. service	20	11.76
	Private service	50	29.41
	Agriculture	10	5.8
	Business	15	8.8
	Student	75	44.11
Income per month	up to 10,000	35	20.58
	10,000-20,000	35	20.58
	20,000-50,000	75	44.11
	50,000-100000	25	14.70
Residence of the Respondents	Urban	130	76.47
	Rural	40	23.52
Marital Status of the	Married	120	70.58

Respondents	Unmarried	50	29.41
	Total	170	100

Source: Primary Data

The demographic information includes gender, age, education, occupation, income, status of residence and marital status of the respondents and is furnished in table 4.1. Out of the 170 respondents, there are 110 (64.70 %) male and 60 (35.29 %) female respondents in the survey. The maximum respondents are in the age group of 30-40 (42 %) followed by the respondents of age group of 20-30 (20.58 %). The respondents of age group of 40 to 50 years comprises (14.7 %) and the age bracket 50-60 years make 12.94 percent of the total survey. The younger lot of up to 20 years of age, comprises only 10.58 percent of the total respondents. As far as education level of the respondents is concerned, majority of them are graduates (44.11 %) followed by post-graduates (38.23 %) and up to 12th standards are only 17.64 percent.

In case of occupation, students (44.11 %) dominate the profile followed by private sector employees (29.41 %) and government sector employees contribute (11.76 %). The respondents in form of business contribute 8.8 percent while farmers (5.8 %) have a meager number. The middle income respondents i.e. the bracket of Rs. 20,000 to 50,000 comprise 44.11 percent of the total respondents whereas the income group of up to Rs.10,000 and Rs. 10,000 to 20,000 contains 20.58 percent respondents. The income bracket of Rs. 50,000 to 1,00,000 comprises 14.70 percent respondents. In case of location of residence of the respondents, it is heavily skewed (76.47 %) towards urban people whereas only 23.52 percent respondents belong to rural areas. Majority of the respondents (70.58 %) are married and (29.41 %) respondents are unmarried as far as their marital status is concerned.

Opportunities of e-retailing

• Increase in the number of Internet users and online buyers

 India now have around 200 million internet users, every year there is an estimated increase of 5 million internet users every month. The important factors that contributed to the increase in internet users is the spread of broad band connectivity across the country. In 2013, the fast internet connectivity is around 15.13 million. Government is talking initiatives to increase the spread of broad band connections. This will improve the accessibility of internet for common people.

• Lower Operating Costs

Online stores save money on rent, electricity, staff, and physical inventory display. These savings increase profit margins and help retailers offer competitive pricing.

• Data-Driven Decision Making

Retailers can analyse customer behaviour, buying patterns, reviews, and preferences to plan marketing, pricing, and product strategies.

• Personalised Shopping Experience

Using data analytics, e-retailers can offer personalised recommendations, targeted promotions, and customised ads, improving customer engagement and loyalty.

• Smart phone revolution and Mobile Internet

The smartphone revolution and mobile internet have opened major opportunities for e-retailing by enabling customers to shop anytime, anywhere with just a few clicks. Easy access to mobile apps, digital payments,

and social media has expanded the customer base and increased online sales. Together, they make online shopping faster and more convenient.

Challenges faced by e- retailers

• Logistics

Logistics plays a key role in the success of e-retailers. Timely delivery and other priority services are the biggest challenges for online retailers in our country. Moreover cost of logistics is also high due to lack of adequate infrastructure.

• Poor Internet speed

One of the major problem in e-retailing is the slow speed of internet connection which can affect the prospects of online retail in long run. . This may compromise users' access to shopping platforms and online transaction systems, ultimately leading to a decline in customer engagement and purchase activity on digital retail portals

• Customer Trust and Loyalty

Indian online retailers lack trust among the customers. Even though we have trusted players like Flipkart, Myntra etc, other retailers were not up to the mark. The entry of foreign online retailers like Amazon has forced Indian players to enhance customer loyalty. Flipkart has started an initiative called Flipkart first which provides same day delivery, priority customer services, free shipments and exclusive offers.

• Cash on Delivery and Returns management

Cash on delivery and Returns management has emerged the mode of payment by online customers. This has created certain issues for online retailers. Some of the logistics providers extra charges from the customers which can affect the retail business in long run. Delay in remittances of the Cash collected by logistics providers from customers can reduce the working capital for online retailers. Another important issue faced by online retailers is the customer returns and how to handle it.

REFERENCES

1. Acquisti, A. (2006). Ubiquitous computing, customer tracking and price discrimination in Roussos. Ubiquitous and Pervasive, Springer, London, 115-132.
2. Berman, B., & Evans, J.R. (2001). Retail Management (8 th ed). Upper Saddle River: Prentice Hall.
3. Bickle, M.C., and Shim, S. (1993). Usage rate segmentation of the electronic shopper: Heavy versus non-heavy dollar assume purchases. International review of retail, Distribution and Consumer Research, 3(1), 1-18.
4. Bonera, M. (2011). The propensity of e - commerce usage: the influencing variables.
5. Burt, S. and Sparks, L. (2003). E-commerce and the retail process: a review. Journal of Retailing and Consumer Service, 10, 275-286.
6. Chen, S. and Leteney, F. (2000). Get real! Managing the next stage of internet retail. European Management Journal, 18(5), 519-528.
7. Customers of Mobarakeh Steel Company. International Journal of Academic Customers' Satisfaction Using INDSAT Model; Case Study: House hold Appliances'
8. Enders, A. and Jelassi, T. (2000). The converging business models of Internet and bricks-and-mortar retailers. European Management Journal, 18(5), 542-550.
9. Fenech, T., & O'Cass, A. (2001). Internet uses' adoption of Web retailing: User and product dimensions. Journal of Product and Brand Management, 10(6), 361-381.
10. Gillett, P.L. (1970). A profile of urban in –home shoppers. The journal of Marketing, 40-45.
11. Green, S., Salkind, N., & Akey, T. (2000). Using SPSS for Windows: Analyzing and Understanding Data (2nd ed.). Upper Saddle River: Prentice-Hall.

12. Gupta, B., Iyer, L. S., & Weisskirch, R. S. (2010). Facilitating global e-commerce: a Comparison of consumers' willingness to disclose personal information online in the US and in India. Journal of electronic commerce research, 11(1), 41.

13. Hacker, D., and Sommers, N. (2011). A Writer's Reference with Writing in the Disciplines, Macmillan.

14. Hair, J.F., Anderson, R.E., Tatham, R.L., & Black, W.C. (1995). Multivariate Data Analysis (4th ed.), Engelwood Cliffs: Prentice-Hall.

15. Halepete, J., Iyer, K.V.S., & Park, S.C. (2008). Wal-Mart in India: success or failure? International Journal of Retail and Distribution Management, 36 (9), 701-713.

16. Heim, G. R., and Sinha, k. k. (2005). Service product configurations in electronic business to consumer operations a taxanomic analysis of electronic food retailers. Journal of Service Research, 7(4), 360-376.

17. Kalhan, A. (2007). Impact of malls on small shopkeepers and hawkers. Economic & Political Weekly, XLII, (22), 263-266.

18. Kalia, P. (2017). Service quality scales in online retail: methodological issues. International   Journal of Operations & Production Management, 37(5).

19. Kazemi, A., Belenj, A., & Dolatabadi, H. (2012). Evaluation of the Effective Factors on

20. Kiran, R., Sharma, A. and Mittal, K.C. (2008). Attitudes, preferences and profile of online buyers in India:

21. Changing trends. South Asia Journal of Management, 15(3), 55-73.

22. Kotzab, H., & M adlberger, M. (2001). European Retailing in E - Transition? An empirical

23. Kurkovsky, S. and Harihar, K. (2006). Using Ubiquitous computing in interactive mobile marketing.

24. Personal and Ubiquitous Computing, 10(4), 227-240.

25. Levy and Weitz, Retailing Management, the 6th Edition, McGraw-Hill, (2007).

26. Malhotra, N.K., & Dash, S. (2011). Marketing Research: An applied orientation (6th ed.). New Delhi: Pearson Education. Management Research Review, 34(7), 821 -837.

27. Merrilees, B. and Fry, M. (2009). Corporate branding: a framework for e-retailers. Corporate Reputation Review, 5(2), 213-227.

28. Monsuwe, T. P., Dellaert, B. G. C., & Ruyter, K. D. (2004). What drives consumers to shop

29. Murakami, T. and Fujinuma, A. (2000). Ubiquitous Networking: Towards a New Paradigm. Nomura Research Institute, Tokyo.

30. Nunnally, J.C. (1978). Psychometric Theory (2nd ed.) New York: McGraw Hill.   of Physical Distribution & Logistics Management , 31(6).

31. Pallant, J. (2007). SPSS Survival manual: A Step by Step Guide to Data Analysis using SPSS for Windows (3rd ed.) Berkshire: McGraw Hill: Open University Press.

32. Panagariya, A. (2000). Preferential trade liberaliztion: the traditional theory and new developments.

33. Journal of Economic liter, 38(2), 287-331.

34. Pfeifer, T. (2003). Ubiquitous computing. Computer Communications, 26, 1129- 1130.

35. Ramkrishnan, K. (2010). The competitive response of small, independent retailers to organized retail: study in an emerging economy. Journal of Retailing and Consumer Services, 17, 251-258.

36. Ranaweera, C., Bansal, H., & McDougall, G. (2008). Web site satisfaction and purchase intentions: Impact of personality characteristics during initial web site visit. Managing Service quality: An International Journal, 18(4), 329-348.

37. Rao, S., Goldsby, T.J. and Iyengar, D. (2009). The marketing and logistics efficacy of online sales channels. International Journal of Physical Distribution & Logistics Management, 39(2), 106-130.

38. Razak, M. Z., Ilias, A., & Rahman, R. A. (2009). Differentiation Strategies of Internet   Research in Business and Social Sciences, 2(12), 150 - 160. Retailing (Unique, Value and Return): A Focused Web Evaluation into Airline.

39. Rowley, J. (1996). Retailing and shopping on the Internet. Internet Research , 6(1), 81 - 91.

40. Roussos, G., Kourouthanis, P. and Moussouri, T. (2003). Designing appliances for mobile commerce and retailtainment. Personal and Ubiquitous Computing, 7(3), 203-209.

41. Saraogi, P. (2006). Growth of retail in India with pantaloons as a case study. Dissertation, Nottingham University, Nottingham, available at:http://edissertations.nottingham.ac. uk/785/2/edissertations.pdf.

42. Saura, I., Contri, G. and Molina, M. (2009). Information and communication technology in retailing: a cross-industry comparision. Journal of Retailing and Consumer Services, 16, 232-238.

43. Sengupta, A. (2008). Emergence of modern Indian retail: an historical perspective. International Journal of Retail and Distribution Management, 36 (9), 689-700. Service Provider. International Business Research, 2(2), 40 - 47.
44. Sinha, P.K. & D.P. Uniyal (2007), Managing Retailing: Oxford University Press, New Delhi.
45. Srivastava, R.K. (2008). Changing retail scene in India. International Journal of Retail and Distribution Management, 36 (9), 714-721.