

EMERGING TRENDS IN ONLINE RETAILING

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Abstract

Businesses with an interest in online retailing can go any one of several routes. Some businesses, such as Amazon and Netflix, dispense with the cost and staffing requirements of a brick-and-mortar store and exist only on the Internet. Other companies, such as Barnes & Noble, use their store and their website as two separate sales channels. In addition to conventional retail, online sales also include business-to-business transactions and consumer to consumer sales, such as eBay offers. The old thinking said that online retailing would spell the death of the high street, and the retail store. But increasingly the idea is gaining sway that stores are the future of online retailing. While it's convenient to buy online, it's not always convenient to collect or take delivery online. That's set to change, however, as more retailers use local convenience stores as collection points. Hence, the present study focuses on Emerging trends in Online Retailing and the study based on secondary sources of data collection.

Keywords: *Online Retailing, Conventional Retail, Business -To-Business, Consumer To Consumer Sales, Future Of Online Retailing And Convenience Stores As Collection Points*

Introduction

Purchasing via Internet is one of the most rapidly growing forms of shopping, with sales growth rates that outpace buying through traditional retailing. Several factors have contributed to the growth of the Internet market, some connected to technological advances, some related the way the corporate world has changed its perceptions, and some related to changing lifestyles of consumers. The increasing number of company that offer Internet access are providing consumers with a convenient and inexpensive way to become members of the Internet community.

Internet - the Enabler of Online Retailing

Internet is changing the way consumers shop and buy goods and services, rapidly evolving into a global phenomenon. Many companies have started using the Internet with the aim of cutting marketing costs, thereby reducing the price of their products and services in order to stay ahead in the highly competitive markets. Companies also use the Internet to convey, communicate and disseminate information, to sell products, to take feedback and also to conduct satisfaction surveys with customers.

Marketing on the Internet

Marketing on the Internet for the foreseeable future will remain principally about getting the right information to the customer at the right time and in the form that will enable the customer to move one step further along in the purchase consideration process.

The emergence of the World Wide Web and related technologies has allowed businesses to transmit and receive data in an inexpensive, simple and easy manner. Apart from supplying needed information, companies can also market and sell products and services more easily.

At the same time electronic commerce carries an underlying promise of being a great equalizer exposing small enterprises to a number of novel and cost-effective ways to promote their goods and services on a global level. The emergence of the internet has created opportunities for firms to stay competitive by providing customers with a convenient, faster and cheaper way to make purchases. Moreover, purchasing via the internet is one of the most rapidly growing forms of shopping.

Organizations currently using the Internet for their marketing activities, collaboration and competitor research are already using e-commerce tools. After the initial pioneering experience most are now interested in reassessing their Internet, Extranet, and Web strategy as an integral part of their electronic commerce activities.

The prospect of a seamless, interconnected global marketplace of goods and services is stimulating unprecedented interest in the business community as well as among various national governments.

Global Medium

Being a global medium, the internet removes many barriers to communication with consumers and employees created by geographical boundaries, time zones and distances within the same geographical territories enabling a “frictionless” business environment. It helps to simplify business operations, because it allows companies to handle transactions electronically, thereby reducing their dependence on agents and distributors. This process of disintermediation enables the organization to deal directly with customers, eliminate or reduce middlemen or agent’s cost and ultimately reduces the final cost paid by the customers. It also permits the organization to improve feedback system and customer services by monitoring visits to their web site.

The Emerging Trend in Retail Sector

The proliferation of online shopping has stimulated considerable research examining consumer acceptance of the internet as a shopping channel. The development of better navigation software and search engines are making Internet visits a more pleasant and exciting experience. The increase in the quantity and quality of the available

information on the Internet and the presence of well-known corporations and brands on the Internet are also generating higher interest among consumers.

In addition, the developments of secure systems that allow secure monetary transactions are accelerating Internet shopping. The increased globalization of the world economies has created many opportunities for marketers.

At the same time, this has also intensified competition among businesses so that many companies are looking towards unconventional forms of marketing. Marketing through the Internet is one such unconventional form of marketing that many companies have turned to.

Benefits of Online Shopping to Consumers

When compared to the brick-and-mortar shopping environment, Internet offers relatively easy access for the consumer to buy products. As shopping in the offline environment is constrained by time (opening hours) and geographical location, on the Web consumer can buy at any time from almost anywhere in the world. As a result, the consumer can buy when the shopping urge comes. Thus online retailing offers consumers temporal and spatial convenience. Studies have revealed that one of the main reasons for online shopping is competitive price. Some online retailers frequently use price promotion to attract consumers and influence their purchasing decisions

In the physical shopping environment, visiting a store requires the costs of getting to the store, including costs for using the car or other types of transport, costs of parking etc. However, it is usually costless or nearly costless for the consumer to visit an online store site. One of the most promising potential benefits of such personalization is that it allows prospective buyers to screen large sets of products very efficiently and effectively.

A common example of personalization in the context of customer interfaces is the presentation of a set of available products in the form of a list in which products are sorted in descending order of their predicted attractiveness to the shopper. We refer to the arrangement of products in this fashion as Personalized Product Recommendations (PPRs).

The Internet offers more privacy and anonymity in shopping than traditional, offline shopping environment do. Due to the social anonymity on the Internet, consumers can indulge in such impulse buying that otherwise would be considered embarrassing offline. Hence, the privacy and anonymity offered by the Internet can be considered as a factor encouraging impulse purchases.

Online Retailing Barriers

Potential consumers are often prevented from shopping online by their concern for security. However, perceived risk can be reduced by knowledge, skill, and experience on the Internet, computer, and online shopping. In another study, Bellman and colleagues

propose that people living a wired lifestyle patronize e-stores spontaneously. These consumers use the Internet as a routine tool to receive and send emails, to do their work, to read news, to search information, or for recreational purposes. Their routine use of the Internet for other purposes leads them to naturally use it as a shopping channel as well.

Other barriers to online shopping include the loss of privacy of personal data, difficulty in assessment of product, difficulty of returning and exchanging products, shipping charges and discomfort with seller anonymity

Conclusion

Online shopping behaviour refers to the process of purchasing products or services via the Internet. Depending on their experience, skill or cultural background, consumers are likely to evidence differing perceptions, attitudes and behaviour in online contexts.

Since purchasing from online stores can be considered as a choice between the internet and traditional stores, it is reasonable to assume that consumers will go with the channel that has the lower transaction cost. There are positive relationships between online shopping behaviour and five categories of factors, which include e-stores. logistical support, product characteristics, websites, technological characteristics, information characteristics, and homepage presentation.

Despite economic predictions, price dispersion exists on the web. Dispersion is present even within internet based shopping malls like Amazon, where conditions are close to almost perfect price information and most of the products are standardized.

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