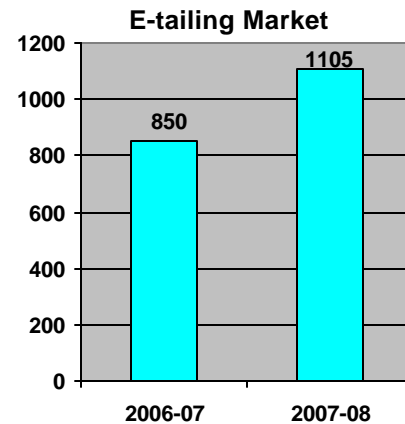


India – A Developed RE-tailing country?

RE-tailing trend

E-tailing – the online version of retail shopping has finally come of age. With online community growing in strength there's a larger platform for retailers to scout for potential e-shoppers. One can buy anything from stereos to iPod's without stepping out. They serve 24 hours x 7 days, in trouble free manner. E-tailing accounts for about 10% of the overall e-commerce market.

RE-tailing market was @Rs 850 Crore in F.Y. 2006-07 & is expected to grow 30%, to @Rs 1,105 Crore in 2007-08. Global market for online shopping increased by 40% in last 2 years according to a latest Online Survey on Internet Shopping. ASSOCHAM expects volume of products sold online to grow by 150% in 2008. Increasing PC & Internet penetration helps further accelerates e-commerce in India



Security for Online Shopping

Many online malls believe "The biggest barrier is lack of trust". Customer skeptical of online transactions should be educated that there's more security when it comes to purchasing online. When customers purchase offline, there's possibility of misuse. When it comes to online shopping, all sensitive information like password, credit card number, etc. is encrypted & cannot be read. The site directs to an encrypted payment gateway which is highly secure. According to global online survey over 85% of internet users in the world purchase goods or services online & credit card has emerged as the most used payment method for such purchases

Advantages of e-tailing – as stated by renowned personalities

☞ "Operating costs don't grow with sales and hence online shops offer cheaper rates , "notes K Vaitheeswaran Chief Operating Officer Indiaplaza.in

☞ One of the biggest advantage of online shopping is pricing – be it in online or direct retail -they can offer better deals & bargains offers compared to retailers in stores

☞ "Though people believe convenience is the biggest driver in e-tailing it is a fact that impulse acts as a major catalyst & impulses are driven by with best deal/price available for a product that one is looking for," says Arindam Nag, Portal Head, Store Guru

Do Indians purchase online?

Indians have emerged as the third biggest credit card users globally for online purchases, next to Turkish and Irish e-shoppers !! In the survey as many as 84% of online shoppers from India said they have used credit cards for such transactions, next only to 91% in Turkey and 86% in Ireland.



Successful journey of few online merchants

Indiaplaza.in is one of the largest book store selling over 3 Million titles. In 2003, 25% of their sales were for books and 15% for electronics. In 2007 there was a drastic drift from books & music to gadgets & electronic items. Today with E-commerce, their market for books is intact with @60% of their revenue from gadgets with market for electronics increasing significantly

Sify technologies kept pace with the market & witnessed more than 70% growth year on year. Gadgets account for much of their sales, says S. Rajaram, Head – Ecommerce, Sify technologies, adding that lot of purchase happen around events. Books bought online increased by 7% in past 2 years & clothing, accessories, shoes increased from 20% to 36% to witness the largest growth

Recommendations for booming online industry

Customer care should be a top priority as with leading online companies. Online customer is more aware, more sensitive and therefore, more difficult to retain

The industry should ensure that customer has the right information, right mechanism & feels safe and secure while transacting online

E-stores should capitalize on bullish trend & try new concepts to retain the customer base. "Try & Buy' concept would be a killer proposition," says Nag of Store Guru

Focus on backend inventory & fulfillment systems to compare with world-class ones