

## **E-Retailing and Brick-and-Mortar Stores in India**

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### **Abstract**

E-tailing or E-retailing refers to the practice of selling, and retail goods through the Internet. People are able to go beyond the market area where they live and are able to access and/or sell the things of their interest. Internet functions as the crucial medium. Through the use of this medium, more customers are reached. There is increase in visibility of goods for sale and purchase. And the medium offers excellent convenience to the customers. Even though there are growth prospects for online retail in India, we also have challenges that need to be addressed. This study compares e-retailing and brick-and-mortar stores and explore the status of e-commerce in India, constraints faced by it and what could be done to attract people from rural areas, etc.

**Keywords:** E-commerce, E-retailing, Brick-and-Mortar stores, constraints faced by e-retailing, Indian retail sector, Consumers.

### **Introduction**

E-commerce is defined as “business that is transacted by transferring data electronically, especially over the internet” (<https://www.dictionary.com/browse/e-commerce>). E-retailing refers to the practice of selling retail goods through the Internet. In general, retail business is referred to as Business to Consumer (B2C) and also Business to Business (B2B). Use of the Internet and growth of the use of smart phones have made Indian e-retail sector as one of the top-five retail markets. Some reports suggest that the Indian e-commerce market “is on its way to becoming the third largest consumer *market in the world*” (<https://retail.economictimes.indiatimes.com/news/e-commerce/e-tailing/indian-e-commerce-market-to-touch-84-billion-in-2021-report/68167996>). About 10% of the overall growth of the e-commerce market is E-retailing.

The increase in the E-retailing market is popular in urban India. Middle-class consumers and salaried class in India are frequent users of e-retailing market. Greater disposable income and comfort and convenience seem to guide their preference. New products and brands and the patronizing behaviour of urban middle-class provide a base for the retail sector's growth.

In addition, the increasing number of working women, changing lifestyles, growing size of urbanization of economy, etc. also help. The success of e-retailing depends on the influential website design, return and replacement process, quick and convincing responses to e-customers' queries, prompt delivery, etc. A descriptive analysis of the websites of leading e-tail companies such as *amazon*, *Flipkart*, etc. would reveal the basic elements that any e-retail company should have.

Malls have become an essential feature of every town in most states in India. In particular, in Tamilnadu, Malls are very common in every district and taluq headquarters. It is important to recognize that the stores in the Malls (**Brick-and-Mortar** stores) also offer competition to online retail. "Brick and mortar refers to a physical presence of an organization or business in a building or other structure. The term brick-and-mortar business is often used to refer to a company that possesses or leases retail shops, factory production facilities, or warehouses for its operations" ([https://en.wikipedia.org/wiki/Brick\\_and\\_mortar](https://en.wikipedia.org/wiki/Brick_and_mortar))

Around the world, 5 Reasons were identified why shoppers continue to prefer Brick-and-Mortar stores. These are the major reasons:

- "Personalized Shopping Experience. ...
- Ability to Preview Products In-Person – Before Purchase Commitment. ...
- Quick, Hassle-Free Returns. ...
- Easy, Quick and Detailed Customer Service. ...
- Ability to Take Items Home Immediately."

(<https://www.starmicronics.com>)

In Brick-and-Mortar stores, **Store design** is more attractive, and the goods are well organized for easy access. The customers are attracted to go through all the rows, looking for their goods they want to buy or want to check. Assistants are all around to help the customers to identify and choose what they want. There is always a coffee/tea restaurant also within the store or adjacent to it. Discounts are offered in most goods on display and such discounts have become a very popular feature in the brick-and-mortar stores. In general, the organized retail stores are getting well organized with customers in mind. Seasonal discounts, periodic discounts, selected goods discounts, etc. are all found in the brick-and-mortar stores on a regular basis. Festive seasons are frequent in a multireligious country like India with a variety of regional festivals. Marriage seasons are another important milestone. People do wait for such opportunities and are willing to spend money to buy what they have been planning for the occasion.

Credit cards and debit cards play an important role in both e-retail and brick and mortar retail.

Online retail offers more variety of goods, but the customer may do well if he or she plans in advance when they want the goods. On the other hand, a visit to a local Mall and the local brick-and-mortar store enables the customer to get what he or she wants almost immediately. While ready-made garments look good and may be preferred by young customers, women especially need and desire a personal visit to the brick-and-mortar store to choose their sarees and blouse pieces. In addition, they may even be able to try the clothing they want to buy, and check the colour matching, design, etc., and take an important and instant decision. In addition, we have now several brick-and-mortar large stores even on the same street. This helps the customer even to compare the goods available and their prices in different stores. In fact, families visit brick-and-mortar stores almost as if it were a picnic. Cafes and restaurants in the Mall offer a picnic atmosphere. People from rural areas come to the town to visit the Malls periodically even in non-festive and non-marriage seasons.

The following factors have helped the growth of online retailing:

1. Growth in the possession of mobile phones. Accessing the Internet is easier 24/7.
2. Variety of goods in different brands are seen online and accessible to the customer. We can compare the items using the links provided.
3. The opinions of customers who bought a particular item are available and could guide the prospective buyer in taking a decision.
4. We can either pay instantly using our debit/credit cards or wait for the item to arrive and make the payment on delivery of the goods. This facility is available in most online retail services. Some online retailers have introduced monthly instalments facility without any interest charged for the due amounts.
5. Goods once sold will not be taken back continues to be basic principle adopted in brick and mortar stores. On the other hand, leading online retail companies have some provisions to return the goods purchased.
6. Offering a variety of products is an important element of online retailing. On the other hand, brick-and-mortar stores are somewhat constrained because of space and other problems. They do overcome this problem by carefully choosing what could be the customers' preferred brands and offering frequent price cuts.

7. **amazon**, Flipkart and Alibaba have massive online product catalogues. While **amazon** and **Flipkart** focus more on the individual buyers buying items for their personal and family use, etc., **Alibaba.com** describes itself as “manufacturers, suppliers, exporters, and importers from the world’s online B2B marketplace.”

8. Comparatively speaking, Online stores can be launched more quickly than starting a brick-and-mortar business.

9. Order fulfilment is often a problem faced even by large e-retailing corporations. This situation became more evident during the covid-19 pandemic period. Brick-and-mortar stores are no exception to this condition.

10. Although the Internet and smart phones provide easy access to e-retailers round the clock, a good number of people in India are yet to get acquainted with the process. Growth of Indian e-retail will be still larger and much quicker, if prospective customers are trained through visuals by the e-retailing companies. Such an effort by Indian e-retailers seems to be conspicuous by its absence. Schools in rural areas and first-generation learners may be focused upon by the Indian e-retail companies.

11. Payment through debit/credit cards and payment on delivery of the goods sound easier, still many have great difficulty with this process. By tradition, most Indians are used to cash payment or purchase through installments. Leading e-retailers such as **amazon** and **Flipkart** will do still better if they have either a good number of agents or their brick-and-mortar stores in towns where their goods are delivered and from where the customers who ordered goods may collect their goods by making cash payment. Cash payment on delivery is a good strategy, no doubt. But delivery system sometimes is found to be very unfriendly. There is a need to look into these problems with greater attention by leading e-retailing corporations.

Customer security and privacy, Capturing the attention of the consumer through multi-channels, and Maintaining growth and profitability in the long-term are some of the other important items.

## Conclusion

The Indian retail sector and its employment capability are developing fast. Retaining the e-consumer is a difficult challenge. The new wave of consumerism and urbanization with paradigm shifts with inside the demographic and psychographic dynamics has pushed the retail purchasers regularly to use the website to look for product data and buy products. The on-line customer is not the same as the everyday consumer. To attract and keep on-line retail customers, the retailers, especially the e-retailers, need to take extra effort. It is easy to lose an e-consumer. A

sturdy mix of marketing tools which includes public relations, advertising, promotions, direct marketing, and Internet advertising need to be used to keep on-line customers. E-trade is making gradual and consistent progress in India. With increase in computer use, more people are turning to online purchases. Infrastructural bottlenecks, monetary disparity, vulnerabilities of the charge gateway structure, insufficient legal framework, etc. are situations that need to be addressed to promote e-trade in the country.

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