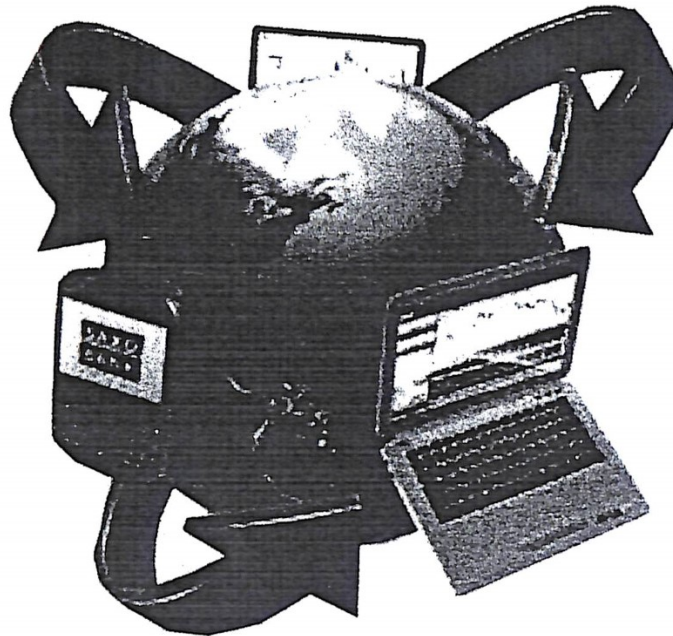




# Souvenir

ISBN 978-81-927305-6-1



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15-16

**National Seminar**  
**On**  
**"RECENT TRENDS AND IMPACT OF E-TRADING IN INDIA"**  
**12-13 February 2016**



**Organized by**  
**Department Of Commerce and Economics**  
**'Shirdi Sai Rural Institute's'**

**ARTS, SCIENCE AND COMMERCE COLLEGE, RAHATA**

Tal. Rahata, Dist. Ahmednagar (423107)

**"NAAC ACCREDITED "A" GRADE COLLEGE"**

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campaigns as it allows you to obtain detail information about customers traders producers and product etc.

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Retailing by Jaico Publishing House

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### **E-Trading : A Scope for Retail Industry**

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#### **I. INTRODUCTION**

With rapid growth of the Internet and globalization of market, the retail sector has become an increasingly competitive and dynamic business environment. Business and marketing activities are affected by the invent of Internet technologies and the Internet is revolutionizing commerce, marketing, retailing, shopping and advertising activities of products and services. There are several attractive attributes of Internet to not only e-customers but also companies on time and money saving, communicate, convenience, easy accessibility, selection from a wide range of alternatives, and the availability of information for making decisions and all marketing activities can be performed via the Internet efficiently. In the era of globalization, companies are using the Internet technologies to reach out to valued customers and to provide a point of contact 24 hours a day, 7 days a week. E-commerce and e-marketing are the two important terms in the new Internet-based business domain. E-commerce can be defined as a way of conducting business by companies and customers performing electronic transactions through the Internet. E-marketing, (also known as Internet Marketing, Web Marketing, and Online Marketing etc.) can be defined as the promotion of products or services through the Internet whereas; e-tailing can be defined as selling products and services by using the Internet. Wang (2002) has provided a broad definition of e-tailing by defining it as the selling of goods and services to the consumer market via the internet. According to Turban et al. (2006), e-tailing is defined as retailing conducted online, over the internet. In general, the activities of e-tailing encompass three main activities. They are: (i) a product search facility (often referred as a product evaluation or information gathering facility), (ii) an on-line purchase function

and (iii) a product delivery capability (Kolesar and Galbraith, 2000). Like general marketing activities of an organization, e-tailers have also stick to the same 4P's of marketing activities. They are: Product, Price, Promotion and Place. With regard to the right products, e-stores can offer a larger spectrum of product offering like traditional retailers in categories ranging from electronics to shoes. E-store is the Internet version of stores that set up electronic storefronts on the Internet. It provides all kinds of products and renders service to the e-customer at the click of a mouse button and makes money by selling products directly to e-customers. When it comes to the right price, e-stores can be operated with low profit margin because of the lower cost and higher sales volume. As for the right promotion, e-stores have unlimited direct marketing, advertising and selling opportunities. Finally, with regard to the right place; the location of e-stores is not important in the Internet and e-customer can connect and purchase products and services from the Internet at any time and place.

## II. OBJECTIVES OF THE STUDY

1. To explore the factors that amount to the growth of e-Retailing in India.
2. To study the benefits and challenges associated with the e-Retailing business setup in brief.
3. To suggests positive recommendations for futuristic growth of e-Retailing in India.

### Essentials of e-Retailing

There are certain essential components for an e-Retailing business to be successful. Before setting up an electronic storefront, one must consider these components well in advance. The important essentials of e-Retailing are as:

- E-Catalog
- Search Engine
- Shopping Cart
- Distribution of Digital Goods
- On line Customer sales person
- An order status Checking Facility
- Create Consumer Community

## IV. GRWOTH FACTORS OF E-RETAILING IN INDIA

As estimated by Euro-monitor report, Electronic retail growth of Indian market has already touched Rs. 2700 crores in the year 2010 from Rs. 400 crores in 2005. (<http://indianecommercestory.blogspot.com/2010/01/etailing-market-in-india.html>). E-Retailing,

which includes purchases of durable products such as electronic items, home and kitchen appliances, as well as personal items like apparels and jewelry, constitutes 8 per cent of the overall e-commerce market in India. The broadband and mobile penetration, 3G rollout, cash on delivery, internet banking has led to rise in online transactions. Indian e-Retail market is also expected to be more than INR 10,000 crores by 2015. India has seen some dramatic changes in the way internet has affected the lives of the people.

**Following are the essential factors which are responsible for significant growth of e-Retailing in India.**

**Provision of Anywhere Anytime Services:** People nowadays find it easier shopping online, as the products get home-delivered coupled with the facility to shop 24x7. Thus, an online buyer saves precious time, extra efforts and money while buying online as compared to buying from physical stores.

**(a) Best Price with Better Bargains:** e-Retailing eliminates the need to maintain expensive and fancy showrooms. Instead, what attracts customer attention to online stores is the 'great deals' 'best prices' and 'better bargains'.

**(b) Rising trend of cyber cities:** The rising trend of internet shopping has taken off more noticeably in metropolitans such as Delhi and Mumbai where both consumers and merchants have become equally net-savvy. There is also rise in internet shopping in small cities such as Chandigarh, Ludhiana, Jalandhar, puducherry etc.

**(c) Mobile Governance:** Moreover the growth of the mobile communication i.e. mobile governance has led to the growth of the online retailing as people are more accessible to internet 24 x 7.

**(d) Increased use of Net banking/credit cards/ debit cards:** The electronic transactions have been made secure by the use of various technologies. The banks (RBI and others) are bringing out new guidelines (like one time passwords, security questions) so that the online transactions can be made safe for the consumer.

**(e) Emergence of Nuclear Family in modern era:** In the present era, nuclear families are increasing and both husband and wife are working, as they have less time to go to the market for purchasing commodities.

**(f) E-Retailing attraction for NRI's :** Online shopping is a big attraction for the NRIs (non-resident Indian), the apparel and gifting business online has maximum NRI consumers:

**(g) Emerging Rural India:** With increased internet and broadband penetration and schemes like e Choupal for the convenience of farmers, the rural India is awakening. If farmers have to purchase

any such thing they have to come all the way to a nearby city. The online stores can offer them these products and many good deals in a convenient way.

**(h) Mechanism of Product Comparison:** Most of the websites are providing product comparison facility wherein shopper can choose the product which exactly suits him.

**(i) Government –Online Initiatives:** Online shopping trend is not just for consumer market. The Government is another rising user of the online buying under the overall theme of e-Commerce. A series of initiatives from the government, public sector banks and Indian Railways embracing the net, have helped to boost the confidence of users to trade online in this sector as well.

**(j) Latest trend of Social Networking:** In the age of 21st Century, everyone wants to be in touch with friends and latest trends of technology by using the social networking websites.

Major Benefits of E-Retailing to Consumer And Retailers

Consumer Convenience for business	Desirable Price and Selection Promotional tool Virtual showrooms bearing less cost
Better information for Customer	24×7×365 , Anywhere services.
Market Research On-line interactive customer service	

## V. FUTURE SCOPE FOR E-RETAILING IN INDIA

Currently e-retailers in India are focusing on producing sustainable and profitable business strategies for their Internet-based operations. Established retailers in India are using physical channels as well as the Internet to market their products. According to Dennis et al. (2004), online shoppers prefer shopping at web sites operated by established high-street retailers. Levy and Weitz (1995) have stated that generally retailers survive and prosper by satisfying customer needs more effectively than their competitors, addressing customer needs through effective. E-tailing in India has rapidly emerged, emulating non-store-based operations and demonstrate how the Internet can potentially completely redefine customer needs using the Internet and the web to create a virtual retail environment with extensive global coverage. For designing an effective e-tailing strategy in India, it is therefore needed to understand the needs of individual customers. Successful e-tailing are concerned with high velocity, flexible systems and procedures, extremely high service levels, and full electronic connections to the trading community (Forger, 2000). In order to develop the right e-tailing strategy, Feare (2002) has addressed five points. They are:

1. Prompt Delivery
2. Supply Chian
3. Demand nature

4. Reverse logistics

5. Accuracy

### **E-Retailing Companies in India**

Today, online shopping has become part and parcel of the people all over the world. Online shopping sites give a wide range of products and more stuffs to choose based on one's preference. Shopping online always has the advantage of price, many of the products will be discounted at a cheaper price. Customers will also be given online coupons, gift certificates, promotional offers based on special offers through which a considerable amount can be knocked off. One of the major advantages of online shops is that they provide complete information about the products such as features, product description, sizes, models, colors, prices and many more details, customer reviews and ratings and the best part is they are open 24/7 and one can shop at their convenience. Indiatimes, Fabmart, Rediffshopping give users a wonderful online shopping experience. Online shopping at these sites is quick and easy as the wide range of products are categorized in a very convenient and user friendly manner.

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.

### **VI. SUGGESTIONS AND CONCLUSION**

In a nutshell, the main suggestions of e-tailing business in India are:

- Customer care should be a top priority as with leading online companies. Online customers are more aware, more sensitive and therefore more difficult to retain.
- The industry should ensure that customers must feel safe and secure while transacting online.
- Consumer has to be served. A best 24x7x365 customer service through email, chat and toll free number facility is what the e-Retailers are providing.

Certifying and authentication authorities that have to come up as a sequel to the Information Technology (IT) Act need to be fully operational early.

□□ Consumer do not think twice before buying a clothing item from a trusted and tried out brand because the fit and touch is already known.

□□ The steps also need to be taken by sorting out the issues of security and payments. Banking laws and regulations thus need to be adjusted to the new formats and requirements so that electronic fund transfers and credit card culture evolves and sets in India.

In modern scenario, e-Retailing or online shopping has become part and parcel of the people in India . The new wave of consumerism coupled with urbanization with paradigm shifts in the demographic and psychographic dynamics have driven consumers frequently to use retail website to search for product information and make a purchase of products. And e-Retailing in India can be a success if the e-Retailers change their business models and understand their consumer more because consumer are the real Kings. It is inevitable to create a sustainable environment mechanism for futuristic growth of e-Retailing in India.

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### **E-Trading & Impact of E-Trading**

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**Algorithmic trading**, also called **algo trading** and **blackbox trading**, encompasses trading systems that are heavily reliant on complex mathematical formulas and high-speed, computer programs to determine trading strategies. These strategies use electronic platforms to enter trading orders with an algorithm which executes pre-programmed trading instructions accounting for a variety of variables such as timing, price, and volume. Algorithmic trading is widely used by investment