



Digital Economy & E-Tailing

- E-tailing or Electronic retailing may be defined as use of internet to sell goods and services online.
- E-tailing is the practice of selling retail goods on the internet. It is the abbreviated version of “electronic retailing” which essentially constitutes business to consumer transaction.
- E-Tailing Models:
 1. General e-stores
 2. Specialized e-stores
 3. e-malls
 4. Direct selling by Manufacturer
 5. e-broker
 6. e-services
 7. e-auctions

Digital Economy & E-Tailing (Components)

- Basic features of e-tailing systems:
 1. Browsing facility
 2. Searching facility
 3. Method of selecting your purchase
 4. Mechanism for creating and submitting an order
 5. Secure e-payment facility
 6. Mechanism for customer service and feedback
 7. Product delivery

Digital Economy & E-Tailing (Usage)

- Sectors using e-tailing:
 1. Electronics
 2. Computer and Peripherals
 3. Toys and Games
 4. Travel & Tourism
 5. Hospitality
 6. Real Estate
 7. Employment
 8. Placement

Digital Economy & E-Tailing (Types)

- TYPES OF E-TAILERS
 - Pure Play E-Tailers
 - Bricks and Clicks E-Tailers

Digital Economy & E-Tailing (Types)

□ TYPES OF E-TAILERS

- Pure Play E-Tailers
- Bricks and Clicks E-Tailers

□ Pure Play E-Tailers

A pure play e-tailer uses the Internet as its primary means of retailing. Some of the pure play e-tailers are Buy.com, Amazon.com, etc.

Digital Economy & E-Tailing (Types)

□ TYPES OF E-TAILERS

- Pure Play E-Tailers
- Bricks and Clicks E-Tailers

□ Pure Play E-Tailers

A pure play e-tailer uses the Internet as its primary means of retailing. Some of the pure play e-tailers are Buy.com, Amazon.com, etc.

□ BRICKS AND CLICKS E-TAILERS

A brick and click e-tailer uses the Internet to push its goods or service but also has the traditional physical store front available to customers. Combining this new type of retail and the old of a general store is a new type of store which is part of the green economics movement, promoting ethical consumerism.

Digital Economy & E-Tailing (Benefits)

- Benefits of e-tailing (to customers):
 1. Convenience
 2. Better information
 3. Competitive pricing
 4. Customization
 5. Shopping anywhere, anytime
 6. Selection (wide range)

Digital Economy & E-Tailing (Benefits)

□ Benefits of e-tailing (to customers):

1. Convenience
2. Better information
3. Competitive pricing
4. Customization
5. Shopping anywhere, anytime
6. Selection (wide range)

□ Benefits of e-tailing (to business):

1. Global reach:
2. Better customer service
3. Low capital cost
4. Mass customization
5. Targeted marketing
6. More value added services

Digital Economy & E-Tailing (Trade-offs)

□ Advantages of E-Tailing:

1. Saves time and efforts
2. Convenience of shopping at home
3. Wide variety / range of products are available
4. Good discounts / lower prices
5. Get detailed information of the product
6. Able to compare various models / brands

Digital Economy & E-Tailing (Trade-offs)

□ Advantages of E-Tailing:

1. Saves time and efforts
2. Convenience of shopping at home
3. Wide variety / range of products are available
4. Good discounts / lower prices
5. Get detailed information of the product
6. Able to compare various models / brands

□ Disadvantages of E-Tailing :

1. Not sure of product quality
2. Cannot bargain/ Negotiate
3. Not sure of security of transactions / Credit card misuse
4. Need to touch and feel the product
5. Significant discounts are not there
6. Have to wait for delivery

Digital Economy & E-Tailing (Remarks)

- The e-retail revolution has come up with huge opportunities and advantages both for the marketer as well as the consumer.
- The consumer can now shop 24x7 from his home and at his convenience. He can search for a product from a hoard of online shops and deals available.
- According to an IMRB study, it states that shopping convenience, time saving and the availability of a wide range of products were the three major triggers of the e-tailing market.

Digital Economy & E-ReTailing

- Retailing is the process of selling products or services to consumers for their non-business use (Product and value satisfaction is essential).
- E-retailing is a B2C business model that executes a transaction between businessman and final customer
- Application of E-ReTailing:
 1. Shopping through the Internet and other media forms.
 2. Anything anywhere at the click of a button.
 3. Anything anywhere refers to products and services
 4. Commonly known as e-tailing, electronic retailing

Digital Economy & E-ReTailing (Classes)

- Classification by Distribution Channel:
 1. Mail-order retailers that go online
 2. Direct marketing from manufacturers
 3. Pure-play e-tailers
 4. Click-and-mortar retailers
 5. Internet (online) malls

Digital Economy & E-ReTailing (Classes)

- Classification by Distribution Channel:
 1. Mail-order retailers that go online
 2. Direct marketing from manufacturers
 3. Pure-play e-tailers
 4. Click-and-mortar retailers
 5. Internet (online) malls

Digital Economy & E-ReTailing (Model)

- Direct Sales by Manufacturers:
 - Sellers can understand their markets better because of the direct connection to consumers
 - Consumers gain greater information about the products through their direct connection to the manufacturers.

Digital Economy & E-ReTailing (Model)

❑ Virtual e-tailers

Firms that sell directly to consumers over the Internet without maintaining a physical sales Channel.

- Low overhead costs,
- General purpose or specialized

❑ Click-and-Mortar retailers

Brick-and-mortar retailers that offer a transactional Web site from which to conduct business.

- Sells in stores, via phones, over the Internet, mobile devices

Digital Economy & E-ReTailing (Model)

- Retailing in Online Malls
 - Referring Directories
 - Malls with Shared Services
- Representative B2C Services
 - Postal Services
 - Services and Products
 - Wedding Channels
 - Gift Registries

Digital Economy & E-ReTailing (Success)

❑ Characteristics of Successful E-Tailing:

1. High brand recognition
2. A guarantee provided by highly reliable or well-
3. known vendors
4. Digitized format
5. Relatively inexpensive items
6. Frequently purchased items
7. Commodities with standard specifications
8. Well-known packaged items that cannot be opened even in a traditional store

Digital Economy & E-ReTailing (Structure)

□ Elements of e-retailing:

- Combining new technologies with elements of traditional stores and direct mail models.
- Using new technologies to replace these elements.
- e-mail messages for communication.
- Transactions on on-line catalogues can replace printed catalogues.

Digital Economy & E-ReTailing (AIDA)

- AIDA is a direct mail marketing acronym:
 - Attention - grab the visitor's attention.
 - Interest - pique their interest in your product or site.
 - Desire - build desire for the product.
 - Action - Get them to follow a call to action.

Digital Economy & E-ReTailing (4C/4P)

- The 4 C's (4 P's) used in e-retailing are:
 - Convenience to the customer (Place)
 - Customer value and Benefits (Products)
 - Cost to Consumer (Price)
 - Communication (Promotion)

Digital Economy & E-ReTailing (retailers)

- Characteristics of an e-retailer:
 - Entrepreneurial spirit
 - Careful business planning and willing to take risks
 - Need for achievementFirst mover advantage
 - Competitive advantage - Price and Service features
 - Get fulfillment and customer service right
 - Explain the interactivity of the internet to your customers
 - Explore opportunities for new revenue streams

Digital Economy & E-ReTailing (Rules)

- Do's in e-retailing:
 - Make it easy to buy
 - Provide Good service and aftercare
 - Membership incentives
 - Human communication, chat rooms and bulletin boards
 - Make e-shopping an enjoyable experience

Digital Economy & E-ReTailing (Benefits)

- Benefits of e-retail (seller):
 - Increased sales opportunities and decreased
 - transaction costs
 - Ability to operate 24/7
 - Ability to reach narrow market segments
 - Increased speed and accuracy of information exchange
 - Ability to maintain strong customer relationships

○

Digital Economy & E-ReTailing (Benefits)

- Benefits of e-retail (buyer):
 - Wider product availability
 - wider buying options
 - Ability to shop 24/7 and easy comparison shopping
 - Quick delivery of digital products
 - Ability to create a one-on-one relationship

Digital Economy & E-ReTailing (Barriers)

- ❑ Bottlenecks of e-retailing:
 - Problems maintaining security and reliability
 - Global market issues of language, currency etc.
 - Increased instances of failure to pay or fraud
 - Inability to touch and feel products before purchase
 - Complicated legal environment

Digital Economy & E-ReTailing (Remark)

- ❑ Customers keep coming back only if earlier shopping experiences have been pleasant and successful.
- ❑ In this intricate business world, the e-retailing will become tremendous business strategic concept.
- ❑ Most profitable method of business process in coming decade to the textile and garment industries