

The Systematic Review : A Study On Comparison Of Internet Retail Over Physical Merchandise Stores

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ABSTRACT

Internet retail emerged as sunrise sector offers growth and opportunities, the review study enlighten the actual position of internet retailing in India , The word internet retail evolve from e – business, involved in various activities of marketing, advertising, and sales merchandising etc. The internet retailing are the best internet medium for earning profitability , diversification and serve millions of customers. The Internet retail channel is extremely preferable in online consumers due its conveniences, easily accessible, low pricing, easy to bargain, etc. The research discussed the five online retail firm 's growth, expansion and their advancement. The internet retail is coordination of integrated technologies , faster communication , operation effectiveness logistic management and consumer response. The Indian retail market has largest internet online user base of 420 millions in June 2017 ,and expected to cross 720 millions in 2020 (www.indiatoday.in), it shows the high customer base and preferable channel. The internet retailing is part of digital marketing that includes the process of SEO (search engine optimization),blogging,direct marketing, email, content marketing and social media networking etc. to establish effective communication .

Key words: SEO, Blogging, Content, Merchandising, Paradigm, blog

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I. INTRODUCTION

The E-Commerce emerged as a host of new opportunities for online retailers exploring business opportunities and delivered products globally . Retailers are adopting online retail strategies for overcome the challenges of competitive pricing strategy , overstock , layout store design, an effective internet retail strategies increase the profitability , diversification , and increases ROI (Rate of return. The online product are available on basis of age , sex ,income , class , customer urgency , preferences , places are segregated into different categories. The past study on Internet retailing is undertaken explore innovation in technology for spatial variation and done in different part of world .D. Garewal , atall 2008) Internet retail offers platform for every global retailers to directly interact with customer and serves globally to create a intense competition among rivalry firms . For accessing digital knowledge ,transformation into different application , Internet retailing is the best medium that create award winning situation consider customers as top priority as per total quality management rule , The internet marketing provide speed, convenient, cost effective, time saving technology that reach millions of customers raise GDP and generate CAGR of 21% per annum, in coming fiscal years 2020. The mobile internet is implementing the market driven approach, penetrate the market, that raise internet subscribers at 46.20% approx and 500 million mobile internet subscribers, in the year 2018. The internet retailing firms easily convinced customer by offering home delivery , discount , replacement facilities customized product and developed the retail mitigation strategy , to control risk , over stock problem. The retailers adopt these strategy for high rate of return , diversification and expansion of business . The internet retail firms serve as vendor to deliver the quality services e.g. flip kart, snap deal, e-bay, Amazon etc. The vendor companies establish a relationship between manufacturer and customers for serving serve industrial buyers , knowing consumer preferences , and patronize e- firm facilities .

II. INTERNET RETAILING

Internet retailing referred as online retailing, e-tailing in global market, the information technology innovate different application software to facilitate the customers, provides the quality product and services in large

scale. The internet retailers approach millions of customers in a second through different internet medium, blogging, pay per click, social networking sites, email etc. Internet retailing is classified into three different categories [N. F. Doherty, 2006]. The first category is related with customer perspective; focus on customer perception towards online buying behavior. The second category identify from retailer prospect(i.e., e-company) emphasizes on the merchandise retailing management, retail business model design and internet retailing. The third category is used for technology perspective, considered the emerging innovative technology in the field of retail. For example, online booking is advanced method of internet sales strategy [D. Grewal, 2004].The internet application support e-firm for tacking customers who continuously visit their websites, for creating customer databases. The evolution of internet retailing as a new breed of high tech, create web savy entrepreneurs that attract the eyes of customers to dominate the retail industry. The adverse effect of internet retail on physical retail store, is to create low traffic, downfall of sales and paper catalogs would becomes obsolete .[lavyeitz, retail management]. Electronic commerce offers wide economy benefits to all countries. The gains of ecommerce are more adopted by the developed countries for short run and become benefit for the developing nation as long run, the import of goods is increased via e-commerce that directly increase the interationational trade.(Nuray Terziaa*2011), internet retail system is implementing the RFID Technology, to provide information of different retail store at one time and achieve optimization in operation and also investigate the mechanism of RFID technology, become as critical success factor for growth of sales. Online retail strategy include price product, selection, ware housing, and shelf arrangement etc. (Eun Jung Yoon1,atall 2011)

III. LITERATURE REVIEW

The review discussed different approach and practices applied by researcher to identify the gap between the internet retailing and the physical merchandise store services, and the challenges of internet retail. The researcher drawn different implications and approach of internet retailing, based on theoretical model determine, the relative importance of online store attributes on market response and their outcomes to examine the moderating effect of online purchase, experiences of product. There was direct impact of online store attributes on consumers psychology. (ByoungHo Jin, 2010) Consumer perceptions towards privacy and security risks related for online shopping and investigate, the direct impact on buying behavior of customers and provide the information related with security and privacy make a negative perception on consumer towards online shopping. (Anthony Miyazakiand, 2001).The impact of supercenters on traditional retailers identified the down fall in sales as well as less willing to chooses trade on physical location (Kathleen Seiders, , 2001) The research found “ There is direct response of internet technologies on store retail Attributes”. The retailers adopted advanced internet technologies for quick response to get the desired product (EunjuKo and Doris H Kincade,1997).The Assessment conducted on internet shopping as compares to store shopping, to find out the major changes in sales of small towns and mall shoppers related internet retailing (Soyeon Shim, at all 2008) .The study identify the consumer perception on privacy and security risk as important factor for online retailing ,supermarket make direct impact on the buying behavior of customer that reduces the sales of traditional store that generate quick response or feedback from customers, therefore retail firm adopted internet technology.

IV. THE DRIVERS OF INTERNET RETAILING IN INDIA

Internet retailing driving by certain factors are integrating technologies, prompt delivery of goods and services, effective logistic system ,adopting the digital marketing medium for promotion, brand building, support online apps ,secured transaction system, paytm facility, mobile wallets concept etc.

The Table show the five e-retail firms growth and expansion.

| Company Name | Company Profile | Major advancement done by e-Firm | Online User | Growth rate chart |
|--------------|--|--|---|--|
| FlipKart | The flip kart company had started by Sachin Bansal in year 2007. | Flipkart is top unicorns e-firm Dealing in 30000 assortments available in mobile apps. | 100 million online users registered. | Flip kart annual sales turnover is 500\$ and market value of \$5.54 billions in the year 2017. |
| Snap deal | Snap Deal is a e-retail firm, started by KunalBah, and Wharton . | Company, dealing in 30 million products. Crossing 6,000 towns and cities in India. | Snap deal have more than, 300,000 millions online users at present. | Snap deal has emerged one of most preferable online retailing websites. |

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|---------|--|---|--|--|
| Amazon | Amazon, is U.S. based, E-retail firm follow the cloud computing concept by Jeff Bezos in the year 1994 | Amazon is provides online retail services, and classified into four types of categories: consumers, sellers, enterprises, and content creators. | More 304 million online consumers and 14 millions mobile investors across the world. | Amazon's annual turnover will reach 107\$ billion, world wide and create immense opportunity. |
| Quicker | Quicker is E-retail based firm, founded by Pranay Chulet and jiby Thomas in 2008. | Quicker is an e firm is involve in online buying and selling of products. | Quicker online selling, buying e - firm, have more than millions of customer bases. | Quicker earned approx \$350 million in 7 rounds and become the fastest e-commerce market for trading of goods. |

V. COMPARISON OF INTERNET RETILING SERVICES OVER PHYSICAL MERCHANDISE STORES

The Physical merchandise stores are classified as organized and unorganized retail, provides the different categories of assortment, internet retail diversification. The internet retail technologies is available an application software that penetrate Indian market , and explore business. Therefore the small retailer require a strong conceptual parameter for improving product and services **a**, **conduct** SWOT analysis for Growth and development of physical stores **b**. merchandising layouts, attractive design to attract eyes of customers. **c** develop frame work structure for sustainable competitive advantages and resources **d**. Follow the advanced mechanism for making effective retail, zero stock, just in time , RFID technology for increasing shopper traffic for buying merchandise. Consumers' attitude and intentions for online retailing based on certain dimension as "usefulness of product", "ease of use" and "enjoyment of customer" . These dimension helps to identify the "consumer traits" changes in retailer 's approach . The major factor that makes variation in consumer behaviors are "situational factors", "product characteristics", "previous online shopping experiences", and "trust in online shopping". For online retailer it is important to identify the difference and similarity of online shopping, the relationship between consumers' attitude and their intentions, and evaluate the influencing factors, (Tonita Perea y, at all 2015)The internet retail offers a huge opportunity for entrepreneurship , a little investment is required, as compare to physical store, consumer responses and performance of product comparison easily . The major comparison on the basis of trade on internet retailing , as Profit margin causes the price war in the market that suffers the physical retailers, but for surviving retailers reduces the prices ,and due to high cost, operation mechanism retailer is sacrificing the margin turnover. Discount is another benefit availing by online customers, that causes alarming rate of increasing discounts by online stores. Although the physical store retailers cannot compete with internet retail firms in terms of discount. Variety of assortment, Repair, maintenance, installation and insurance facilities is the key facilities of internet retailing. (AmitSaha, at all 2015)

VI. THE INTERNET RETAILING ADVANCEMENT

The internet retail channels use RFID Technology to provide item level information, integrate the information from different channel and facilitate information exchange in order to achieve maximum optimisation of resources and implement the best sales strategy (Eun Jung Yoon, at all 2011). The internet retail domain, create intense competition with traditional retailer and exaggerated quality information, reduction in cost ,easier for new entrance. The high penetration of creative merchandising practices , along with competitive retail market become very hard to identify a consistent retail strategy work in all situation(Porter, 2001). Competitors price information, help internet retailer may project a positive impact on buying behavior of consumer towards internet retail firm(Trifts and Häubl 2003). It facilitate customers gives discount, fast delivery, customer care, innovate e-wallet, patyum facilities , for safe and secure payment. Internet retailing based on Integrated information technology for centralized controlling system. There are six major advantages for adoption of internet retail strategy for improving internal communications, improving operational efficiency, facing competition, enhancing customer services, and reaching out to a wider audience, to improving relations with manufacturing firms .The cost of Internet trading and consumer preference will make positive impact on the internet retail firm and negative impact on traditional merchandising stores , on that basis the retailer required more focused on certain factor of market position , internet based innovation , competitive product , rival firm , pricing strategy etc. The internet retailing developed the different model and online retail mitigation strategies for implementing product design , increase purchase frequency , product differentiation and reduces the risk factors of unpredictable demand , lack of warehouse

facility , supply chain management risk. The multi channel retail strategy adopted by firm to reduces the effect of frequency of tangible product and non tangible product . The zero inventory policy practice reduces the internet retailing inventory cost create the high value package and emergency transshipment to enhance the quality of logistics and delivery .(Tao Zhang, at all 2010). The e- word of mouth is another advantages for convening message from sender to receiver, the conceptual model had prepared to examine the relationship for identifying the impact of e-word of mouth from sender to receivers , the negative message has greater impact on of E-WoM as compare to positive message has less significant change in purchase intention and attitude of customers.(Sookhyun Kim, at all 2013)

VII. THE CHALLENGES OF INTERNET RETAILING

Internet retailing affects the demand and supply fundamentals of markets. On the demand side, e-retailers pre conclude how much purchase of good by potential customers, which is uncertain and can save from a heavy loss , for newer firm but may have lesser brand image or reputation capital signal on bond equity . These factors show insecure internet retail trading can lead to information asymmetries between buyers and sellers t.(Ethan Lieber at all ,2010).The online retailers suffer a heavy loss due to hacking , data leak, fake websites , virus , unsecure money transaction that create adverse effect on online users and reduces interest and trust . The bad experience of online buying also create negative perception in the mind of customers, problem of unemployment caused by a large number of internet retailer firm s, obsolete the role of intermediaries. The another challenges of internet retailer is un fulfillment of order and incapable delivery system, that suffer credit card holder and other merchant are unable to deliver the customer order accurately , and faces problem of security concern. The large data transfer create complexity in network that slow down the internet facilities. Socially the people are not very much concern for internet retailing , more preferred to physical merchandise stores .(accountlearning.com/disadvantages-or-limitations-of-internet.

VIII. FINDING

The Indian Internet retail firms capture the large market share and reach every segment , easily available in mobiles apps . The conversion rate of online merchandiser from physical store is reached up to 17.46 % in year 2018 (Amit.saha at all, 2015). The e- retailers requires a deep penetration for sustainable competitive advantage firm and covers the rural segments. Online retailers require merchandising activities, as result the firms successively increase the annual turn over the period of three years. Discount, variety of stock, advertisement is easily available for online customers . The physical retailers are more involved in advertisement and merchandising activities for increasing sales. (AmitSaha, at all 2015). Internet retailing firms build brand images by using different digital medium, and capture each segment , involve large volume data a. Internet search information will become the strongest predictor of online purchase intention and mediated relationships between purchasing intention develop attitude toward Internet shopping, perceived behavioral control etc are the other predictor(**Byoungho Jin, at all 2011**) .The direct impact on attitude towards Internet shopping from the previous online buying experience for Internet purchase intention.(Soyeon Shim*, at all 2001)

IX. CONCLUSION

The critical success factor for growth is based on global sustainable development, adaption of global culture, and financial resources, become the key attribute. The major advancement of internet retailing is market penetration, serve global customers, and provide safe transaction system. Internet retailing are diversified into different non store retail format and communicate customer via blogs, email, digital marketing, catalog, and social networking sites .These channels patronize the e-firms for better bargain ,product quality , merchandising facility. Customer attitude and intention become the important determinate for the success of e-retail firms. These determinate is based on three important categories customer perspective, retailer perspective and information technology. The internet retailer facing challenges as lack of trust, low quality goods , insecure payment, absence of physical observation reduces the interest and trust. The overall impact of internet retailing over the business of physical merchandise stores required to implement best retail merchandising practices, customer services developed sustainable competitive marketing strategies , retail format, and diversification of business. The internet retail firm, is cost effective & easily penetrate in the global market to serve billion of customers.(Amit sha , at all 2015).

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