

**THE INFLUENCE OF THE ADVENT OF THE ONLINE RETAIL ON THE
PHYSICAL RETAILING**

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ABSTRACT

The information and communication technology has witnessed newer heights of the innovation and advancement. The Information Technology has led to change the dimensions of each and everything related to the business and trade/commerce. The IT has drastically changed the fortunes of the retailing business with the up-bringing of the online shopping websites and portals. This study analyses the influence of the online retailing on the physical or off-line retailing businesses. The study also studies the futuristic trends in the online retailing business segment and its pros and cons on the off-line retailing segments.

KEYWORDS: - Online Retailing, Online Shopping, E-Commerce, E-Tailing, IT in Business

BACKGROUND ANALYSIS

The online business activities are generated by the need of going global taking the advantages of the information and communication technology. The online shopping has picked-up the consumer accord taking its convenience factor in consideration. The increased share of the online selling has made some of its negative impacts in the non-online trade and commerce visible. Worldwide, the trends are showing increase acceptance and adoption of the e-channel of buying and selling due to facilities of information technology and internet. The paper has tried to focus on the influence of the online business segments on the off-line segment of the business and trade activities.

With the advent in Information and communication technology and the facilities of the internet has made the online trade and commerce much more accessible and cost efficient. The time factor and ease of access has made an environment for the increased avenues for trading online. The supply chain management has also seen progress and advancement as far as the technical applications in the business models are concerned. The IT usage in the business activities is called the digitization and the use of the IT in the selling and purchasing is known as E commerce or online trading. In the recent times the online retail market from the year 2008-2012 has shown following facts and figures in various countries.

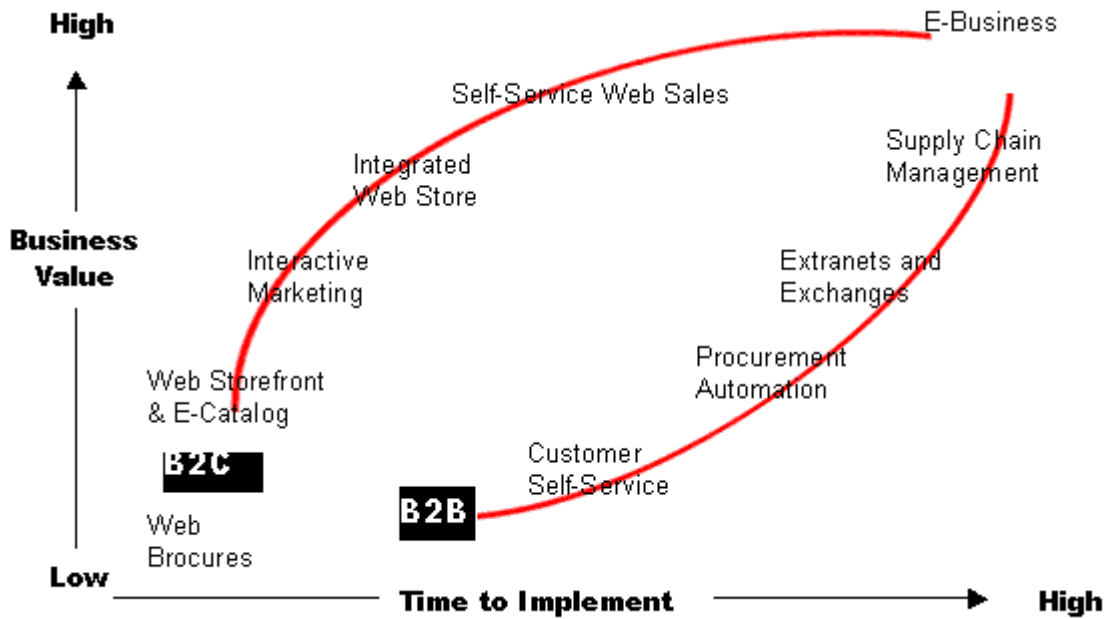


As shown in the above figure in the UK the online retail market share was 8.5% in 2008, it increased to 11% in 2010 and went up to 12.7% in 2012. In Germany the same figure was 5.8% in 2008, 7.8% in 2010 and 10% in 2012. In France it was 4.8% in 2008, 5.7% in 2010 and 8.7% in 2012. In Denmark the same figure was 5.5% in 2008 which increased to 7% in 2010 and went to 9.1% in 2012. In Norway the figure was 5.6% in 2008 and the same was 6.9% in 2010 and 9.1% in 2012. In Switzerland the figure was 4.8% in 2008, 7.2% in 2010 and 9.9% in 2012. In Sweden the figure was standing at 3.8% in 2008 and 5.7% in 2010 and 8% in 2012. In Spain the figure was 1.8% in 2008, 2.7% in 2010 and 4.1% in 2012. In Poland was the figure was standing at 1.8% in 2008 which increased to 2.4% in 2010 and reached to 3.8% in 2012. The same figure was 1% in 2008, 1.4% in 2010 and 1.6% in 2012 in Italy. On an average the online retail market

share was 3.9% in 2008, 5.8% in 2010 which was 7.6% in 2012. All these show the increasing trend in the online retail market worldwide.

TECHNOLOGY INSPIRED ONLINE MARKETING MODELS

The online retail market is composed of various business value services. All these value services forms part of the online trade over a period of time to implement the same. Higher the value of the business activities, more the time it takes to implement. The web store front known as B to C model includes the interactive marketing, integrative web store, self service web sales leading to the successful E business. In the B to B model customer self service to procurement automation and supply chain management activities are integrated together to form the successful E business model.



As shown above the value services are added by the online marketer over a period of time to take the advantage of the premium segment of integrated web stores. All this comes with the cost of time to implement all those business value features to the e model of the business.

ONLINE RETAIL VS PHYSICAL MODEL OF RETAIL

Although the E commerce sector is witnessing a growth rate in the recent past, the presence of the conventional mode of business cannot be ruled out. As discussed and depicted in the figure above, it can be said that online retail market share is just a pie before the offline consumer buying segment. As the offline consumer buying segment is enormous in size and cannot be ruled out by the online model of business.



The acquisitions by the online retail companies of the intermediate channel partners and technology provider companies are underlining the growth story of online trade of goods & services. This shows the online marketer's confidence in the digital market. The integration of the technology to the practical applications has also enabled the advent of the usage friendly technology. The increased subscriber base of smart phones, laptops and tablets has also paved the way for the demand generation in the digital segment of the market.

CONCLUSION

It can easily be concluded that the increase of the online retailing has witnessed an increased consumer accord and acceptance meanwhile the conventional type of retailing is also gaining momentum and the trends are depicting that with the increase in the IT applications and the increase awareness of the computer literacy and the provision of better internet services will affect the consumer paradigms and buying perceptions. The time factor and value added services are also the responsible factors for the advent of the online retailing and e commerce worldwide. The paper has concluded that the times to come with witness with greater market share as far as the online trade and including buying and selling and participating in the business activities across the board.

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