E-tailing is the selling of retail goods on the Internet. Short for "electronic retailing," and used in Internet discussions as early as 1995, the term seems an almost inevitable addition to e-mail, e-business, and e-commerce. E-tailing is synonymous with business-to-consumer (B2C) transaction. E-Tailing is emerging as an attractive alternative to the traditional brick-and-mortar retaining.

TO retail or to e-tail? That sounds like a Shakespearean dilemma. You ask any retailer; chances are that he will say both. It all began a couple of years ago. Retailing as an attractive business was slowly emerging out of the shadows. Quite a few corporate houses began looking at retailing as one way to corporate salvation. Notable among them are: the R P Goenka group, the Tatas, the S Kumars, the Rajan Raheja group and the Ajay Piramal group. And many more are still in the process of finalising their forays into retailing.

Who knew that something as low-tech as a shopping cart would become a ubiquitous, instantly recognizable icon in the world of e-commerce? Today, most Web sites use the cart symbol and concept for easy check out. They've figured out how to do reliable and cost-effective shipping. And thanks to the likes of Google (GOOG) and Yahoo! (YHOO), a small shop owner in Vermont selling something as niche as antique teddy bears has the power to flash an ad in front of anyone in the world who types in "antique teddy bear" on a Web search engine.

Even as loose ends of retailing plans are being tied up, e-tailing has begun catching the attention of many entrepreneurs. Suddenly, you started hearing e-tailing names such as Rediff.com, Jaldi.com, Fabmart.com, Tsnshop.com and Satyamonline.com. This could well be the beginning of an e-tail revolution.

DISTINCT FEATURES

If one bothered to get down to the nitty gritty of retailing and e-tailing, the differences in the way business is conducted in both the segments should become clear.

A retailer is restricted to a particular location, retailing is location-driven. But, an e-tailer can go global. Being local in nature, a brick-and-mortar retailer has to identify a good location for his operations and wait for customers. On the other hand, an e-tailer has to virtually attract a customer to his site and offer him exemplary services. In fact, location is no longer the key to success if e-tailing is what we are talking about. Thus, while the target customer remains the same both in retailing and e-tailing, the mode of conducting business is changing dramatically.

There is another distinct feature of e-tailing that is challenging. In retailing, as much as 50 per cent of the initial investment could go towards acquiring real estate. Post-acquisition of real estate, a retailer has to spend considerable time, effort and money in setting up his shop, stocking inventory and creating display patterns. Thanks to web-driven retailing, an e-tailer has no such hassles. But, there is a challenge before him: retaining a customer who has shopped through his site.

THE BRIGHT SIDE...

Much wider choice at fingertips. With web search capabilities it is easier to find the types of goods a customer is searching for, catalogs are received passively, at the behest of the retailer.
Easy and comfortably-obtained info is another advantage that shopping on the Net offers. On the Internet, product information is just a few clicks away, all accessed in the comfort of a home. Traditional retailing stands out in stark contrast: the consumer searches frantically, runs up and down, grills a poorly trained store assistant who is unable to help him out. In the bargain, valuable time is lost.

**Price Discrimination**

E-tailers can use previous transactions to identify the likelihood of products being purchased at certain price points.

**Customized product placements**

It is easy for an e-tailer to make any change in product placement (user display) based on previous transactions, to increase the visibility of goods that the user is more likely to purchase based on their close relationship with previous purchases. Thus placement can be designed based in the context of the previous purchases.

**THE HURDLES**

*SHOPPING STILL A TOUCH FEEL HEAR EXPERIENCE*

Indians have always been great shoppers and enjoy shopping anywhere in the world. It is a great experience to walk into the market, Identify new products, taste them, watch them, touch them, feel them and buy them. Products like clothes and cosmetics involve high involvement.

Limited only to on line users. Not all customers have access to the web. E-tailer has no 100% access to customers. Even out of web users few make on line money transactions.

Ease of use is a problem, as the web design is still complex, or somewhat chaotic. E-tail stores are not standardized in design in the way catalogs and retail stores have become.

Trust, security and privacy concerns prevail. Consumers are concerned with the use of the data they provide during transactions. Low penetration of credit cards and the lack of popularity of debit cards, e-tailing might find it an uphill task to catch on.

Despite e-tailers' best efforts, lots of "eyeballs" out there still aren't necessarily translating into sales. According to Jupiter Research, less than 5% of people visiting a Web site ever turn into a paying customer. The rest? Some frustrated sites have coined a term for these visitors: "dumb surf." And if those folks have clicked through a paid search ad without buying anything, bringing them to the site actually costs the Web site money.

*The path ahead… E-tailing would have to co exist with traditional retailing. Even the biggies in the business such as Amazon.com have realised this and are setting up distribution warehouses for the same*

What we are witnessing at the moment is certainly a tip of the iceberg. Such is the growth potential in the e-tailing industry that it is not possible to put a figure against the industry's size or growth. Though it would be long time before e-tailing really catches up the trend has begun. The model rather the Mool mantra which will work in such an Indian context is an amalgamation- a peaceful and complementary co-existence of retailing and e-tailing.

*Fabmart Hopes to add value to the customer through the depth of its offering and other initiatives.*