Amity Business Journal
2017, Vol. 6, No.1

Copyright 2017 by ABS,
Amity University Uttar Pradesh, Lucknow Campus (ISSN 2278-0904)

Book Review on E-Retailing Challenges And Opportunities In The Global Marketplace

IGI Global, Hershey PA, USA, 2016.

Author: Shailja Dixit and Amit Kumar Sinha

Reviewed by: Nitin Shankar, Assistant Professor, Amity Business School, Amity University Lucknow, Email: nitinshankar@gmail.com

Abstract

When the famous Fama-French formula included asset value who would have thought fastest growing companies in this century will have a fraction of asset backing when compared to correct balance sheet of their traditional blue chip counterparts have, it's flummoxing and very intriguing for a researcher . So to understand what make these companies tick one has to understand their business model. This was when I started to scout for any literature which can give insights in to e commerce/e-industry. Fortunately my esteemed colleagues Dr Dixit and Dr Sinha were making noise about their newly published book titled 'E-Retailing challenges and opportunities in the Global Marketplace' so I planned to read the book. It was pleasant surprise to find the contributions from across the continents from Europe to America to Africa to Asia along with generous contributions from two of the fastest growing economies China & India. In conformity with the book, the review has been divided in to five sections for easy understanding.

SECTION I: E-Retailing Global challenges and Opportunities

Chapter I encapsulates the tremendous potential of e commerce. Author emphasizes on innovation as the DNA of e-commerce platform. The author has advocated the new ways in which b2b, b2c or even c2c models have evolved with the usage of ICT platform. E commerce has be-come essential commercial activity to take it to global scale. The ICT platform gives E commerce a fluid structure enabling it move in tandem with market requirements and challenges. The multifaceted applications of e business for both business and consumer are well highlighted in this chapter.

Taking up from the previous Chapter II talks about E commerce as a tool to expand business. The author has wonderfully described the importance of delivery channels for success of e commerce business model. The stakeholders like SME's and postal system can achieve goal of profit maximization with the help of this affordable and sustainable structure of e commerce platform. This proposed theory seems to be holding its ground at least in case of Indian postal services which has got new lease of life due to influx of e commerce companies; it has gone in to agreements with more than 400 e commerce companies as a delivery partner.

The chapter also touches an integral component of e commerce structure regulation in particular Data protection legalities. As client information is exposed to these e tailing companies any loose ends on their part will lead to heavy litigation and breach of client trust which is the very bed rock of e tailing setup.

SECTION II: E-Retailing Opportunities and Challenges in Emerging Economies

Chapter III embodies the theme of the book in defined circumference of the emerging economies. The author has very prudently laid down the challenges e commerce firms face in establishing delivery channels, the dilemma to pick an emerging channel and cannibalizing the traditional ones. The chapter very clearly lay downs consumer expectations from the logistics/delivery channels. Further the author has rightly pointed that in absence of human inter-face the User Interface of the e commerce site becomes very critical juncture in creating customer experience.

Chapter IV deals with the biggest and the fastest growing e tailing market of the world 'China' and any book on e-commerce has to have this covered.

"eBay is a shark in the ocean. We are a crocodile in Yangtze River. If we fight in the ocean we will lose, but if we fight in the river we will win." These are famous words by Jack Ma and the authors did

analyzed Yangtze in this chapter. E-Retailing sales contribution to GDP is an astonish-ing 9% compared to US 2 %. This draws nice comparative contours of the Chinese and US e tail-ing companies as well as e-retailing ecosystem in their respective market places. Like a bullion big sales day in India, China has a Singles day and US has Cyber Monday. The sales achieved by Alibaba on Singles Day in China as compared to US e-retailing companies in US on a Cyber Monday was five times just reflecting the phenomenon rise of China's e-tailing market. This chapter covered the cultural & social influence, Protection of consumer's regulation and taxation aspects of China's e-retailing market.

The strong growth of China's e-retailing market has been contributed to mobile internet penetration of 83.4% in 2014 which 2.4 % more than that of PC internet penetration; another very interesting contribution to this growth has been Chinese consumers collective behavior which is a sharp contrast to individualistic online behavior on westerners. The chapter covers both the C2C and B2C market space.

Chapter V talks about the strides made by the Indian e-commerce market visa-vis global commerce market. E commerce being a platform fuelled by internet its infrastructure plays an imperative role in its growth and establishment. From 1% internet penetration in 1999 to 40% in 2014 the world has made galloping strides. India has lowest penetration at 19 % amongst top 20 countries but highest yearly growth rate of 14 %. With the government initiatives like digital India having one of its core objectives as creation of board band highways along with the explosion of affordable smartphones to free smartphones as announced some state government the presence of e commerce market will increase.

The authors have explained the various types of e commerce models with its model frame work and various components.

Chapter VI discusses about the Indian e-retailing market and try to see the structure from inside rather than comparing it to any external market. Authors believe that Indian e tailing market can contribute to the current market instead of overtaking or destroying the retail traditional markets. As per the study done by Techno-pack, mentioned by authors, Indian e tailing market will grow by hundred times by 2021. E-retailing has been described as an third alternative to the current market set and it is believed that a fresh approach from the e-commerce promoters can really bring boom to the micro and small sector industry of India. Justin model has been proposed by the authors which is based on in your robust business model deriving its value propositions from the collaborations of customer needs and business delivery systems within secure security ecosystem.

SECTION III: Virtual Communities: The People Power in E-Retailing

Chapter VII illustrates E-commerce as a wonderful platform which gives its users an interface to get Time bound views and feed backs regarding their product. The relief from long waits for the results through the costly surveys regarding products are all work for e-commerce Company, they create forums, and they get feedbacks using various platforms. It has become such a powerful tool that major algorithms are developed and written on virtual community is on a representation of a similar platform this chapter deals with the ways of harnessing virtual Communities. The Author explains the ways for harnessing virtual communities potential by creating strategic approach, where organizations create virtual communities facilitating discussions around their goods and services monitoring and moderating them. This immensely helps corporations in building relationships, getting feedbacks and views which leads to product and service innovations. Thus virtual communities have become an important medium for companies to sustain market leadership.

Chapter VIII emphasizes the social influence as a growing area of the importance particularly for E-retailing companies as it seems to have a major impact on online buying behavior of consumers. Authors have chosen to address this issue while focusing on the role of opinion leaders. In this chapter authors have tried to analyses if the buying behavior off opinion leaders are any different from others when it comes to smartphones. The propensity of opinion leaders and market movements to be effected by the attributes of the product and inter personal relationships has also been tested in this chapter to validate the claims laid.

Authors specify the utility of engaging opinion leaders to evaluate the concept of the product before its further development, or to re-evaluate promotional campaigns. The various doors of interactive marketing could be very effective in persuading opinion leaders to persuade or sway other consumers towards a specific brand. Opinion leaders can also stimulate consumer interest and attention by emphasizing product uniqueness and

newness. Hence authors have established how decision-making processes have a greater impact through personal influence than via Mass communication during the By Choosing process off non-leaders.

SECTION IV: Hybrid Consumer Behavior in Digital World

As a natural progression Chapter IX deals about changing face of shopper behavior and E-retailing. The author talks about Basic interest in e-commerce owing to savings on Real estate cost, on store staff and lower operating cost spread over a large coverage of the market. Chapter also discusses Basic Business model approaches like inventory led model and market Place ap-proach model which is also used to by Amazon. Shoppers' revolution have also been contributed to higher level of income levels and greater media exposures. Owing to big data analytics revolution in wearable devices, virtual wallets, social media platforms revolution of shopper is moving markets towards an integrated approach where boundaries between retail and E-retail is blurring.

E-commerce being a technology driven platform draws generation next towards it, Chapter X illustrates a model based on E factors like relationship, perceived value, efficiency, fulfilment, privacy, information, trust leading to satisfaction and loyalty. In this chapter authors test relationship between E-loyalty and E-satisfaction AND E-loyalty and E-trust in reference to youth. Authors used a comprehensive questionnaire to do an extensive survey randomly distributed across Malaysia, India and Oman of 408 respondents. Brands spent so much to create Space and recognition and focus on customer interface, delivery channels to establish satisfaction and trust amongst the Customers which can lead to brand loyalty, the results of the survey clearly support the aforesaid statement. Thus E satisfaction and E-trust has a substantial impact E loyalty as per the 'e-loyalty' model proposed in this chapter.

SECTION V: Communication and Delivering Value Online

Leveraging social media to understand customer needs and requirements and to forge a relationship with customer has become the bedrock on which e-commerce companies our building their technology. The same is explained in Chapter XI using case study of Roxy a brand for Ac-tive wear for Woman. Based on the 'REALLY' framework strategy Roxy introduced 'Dare your-self' campaign using a multilayered social media platform. It turned out to be a rousing success for Roxy pulling participation from more than 4000 Woman from varied nations and inducing another 100,000 participants as voters. Roxy determined an opportunity in the marketplace to leverage social media to establish their brand by engaging various types of social media users. The social internationalization has evolved from being a mere platform for Exchange of information and ideas to an interface where the users reveal information's about themselves and e trailers can leveraged this information for user generated Brand (UGB).

Chapter XII identifies the significant role of Media cannot be denied in the overall marketing of online retailing. Most of the social Medias are maximizing the utility of online retailers in cur-rent Market.

Chapter XIII discusses the relevance of Omni channel retailing in order to satisfy and retain the customers of online retail. The author suggests that to adopt Omni channel, it is necessary to understand the psychology of digital shoppers, customer touch points, and actionable channels preferred by the customers. Authors analyses and compares the various logistic e-retailing logistics management companies in China. It discusses how the success of e retailing depends on the successful logistics of the company. The author suggests that E-commerce companies or logistics companies should focus on 3 networks: physical logistics network, virtual network and customer marketing network.

There are two ends for any E-retailing business; one end focuses of on building a user interface which can create a positive customer experience further e commerce companies are evolving their platforms/interface based content destination through various social media platforms all this has been discussed in previous chapters. However the end which has remained enigma for most of the e commerce start up's is 'LOGISTICS', so finally a chapter which discusses the prevailing models in the most dynamic economy in terms of business numbers 'CHINA'. The authors compare Logistics models of leading e tailing companies like Taobao, JD, Dangdang and Suning. The authors talk about outsourced delivery channels to last mile delivery networks basis companies' product offering and their business requirements. The authors use 'SERVQUAL' instrument based on six dimensions Transparency, Completeness, Timeliness, Economy, Reliability, Empathisation to analyze delivery channel based customer satisfaction. Using JD as case study pros cons of SELF BUILT and

Third party logistic channels are put forward by authors.

Chapter XV talks about a very interesting factor something which has made Singapore stand out as an international financial center and India's lose out huge business volume in financial services market 'TAXATION'. The author talks about internet taxation, E-tailing laws and regulation in global context. Being a market facilitator E-retailer's companies' fall out of CST or VAT net only in cases where E-retailer purchases or stores the goods for sellers they are subject to taxation basis existing regulations in India. The current Indian tax regime has quite loop holes which looks much wider when author talks about Marketplace Fairness Act 2013 of evolved economy like U.S. Uncertainty and ambiguity can stop the growth and even destroy markets so defined tax regime is required to keep the healthy market ecosystem intact.

Chapter XVI, the last chapter is case study on 'E-Retailing Health Services in India'. This case study concludes the book on a real high note with illustration of how the tools, concepts stated in the previous chapters are applied by alexa.com to place their product there in the market and then fine tuning their model with the help of various factors to create a successful business model serving a large pool of of happy and satisfied customers.

Conclusion:

It has been an endearing read and certainly touched contours of E-RETAILING ecosystem. All aspiring entrepreneurs who are looking to leverage e-commerce platform to a leash their business ideas 'E-retailing challenges and opportunities in the Global Marketplace' can be a startup guide to it. The book is though lopsided towards discussions on one end of the E-commerce setup the other important aspect which has been the death bed of many tech startup ideas 'Logistics' find a single chapter to it, important aspects like Delivery systems, Warehousing systems, inventory systems, refund & re-delivery systems and crucial decisions like outsourcing entire logistics management system to third party or partial outsourcing to building ones delivery channels should have more pages to its name in the book. Having said the book is well thought of with contribution from such varied geopolitical areas that a complete picture emerges in our minds and builds strong concepts to build sky scrapers of E-retailing ideas.