Retailing or etailing is the million dollar question

Our Chennai Bureau

After a number of deliberations, retail India seems to have got the answer to the million dollar question — should India go etailing or not?

Well, Nirmalya Kumar, professor of marketing and e-commerce at IMD, Switzerland decided the race in favor of the 'click and mortar' status. He said it was not sufficient being a 'click and order' or a 'brick and mortar' company.

But he cautioned Indian companies that the disadvantages for etailing in India are not the same for the western economies. He said that in western economics, the challenge is 'building the last mile' as it is very expensive.

In India, he said, while the 'last mile delivery and pickup costs' are cheaper, the challenges actually are low net penetration and the slower access, uncomfortability with online purchase and the low usage of credit cards.

Prof. Kumar was emphatic that the online customer should now have to pay for their shopping costs and that it could not be subsidised anymore.

'Choose your customers carefully' was his advice to the retailers so as focusing the system on one-time shoppers would not prove to be beneficial.