

Retailing or etailing is the million dollar question

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AFTER a number of deliberations, retail India seems to have got the answer to the million dollar question — should India go e-tailing or not?

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

But he cautioned the Indian companies that the disadvantages for e-tailing in India are not the same for the western economies. He said that in western economies, 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, uncomfotability with online purchase and the low usage of credit cards.

Prof.Nirmalya was emphatic that the online customers should now have to pay for their shipping costs and that it could not be subsidised anymore.

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