

SPACE: THE NEW VIRTUAL MARKET PLACE, AN ANALYSIS & REVIEW

Dr. Mahima Prakashan Sahoo, (Professor in Management), GIET, Bhubaneswar, Odisha-752060

Abstract:

Today people could able to buy products, commodity by seating at home and at the time of travelling; reducing the visit to the market place. Organizations are attracting people to buy products and also invest capital for profit making through space market and created a virtual market. It's all possible through high speed internet and ICT system. All these activities are contributing towards increasing profitability, faster and innovative service provision, creating intelligent and effective manpower resources, new job opportunities and making business more productive.

Simultaneously it is anticipated the use of large shopping malls and retail outlets in near future become redundant and storage physical structure. The built up infrastructure will be re-engineered to high level protective, secured storage structure.

Versatile technocrats and effective time managers will lead the business world and the functions of production units, service units and ancillary units be redefined for faster business life cycle.

Key Words: Space Market, Space Marketing, Low cost business, On-line advertisements, On-line trading.

Introduction:

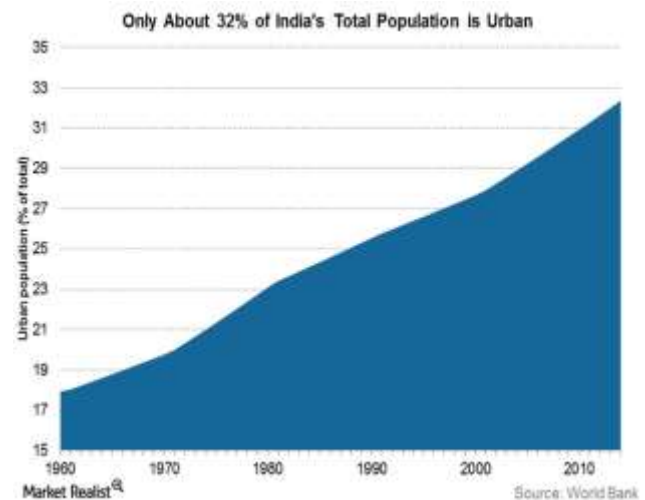
A story was learned by many of us in the past relating to the available resources with "Mahadani Bali" and "Bhagaban Bishnu". Bhagaban Bishnu came to kill the extreme proud feeling Bali in a pretending character of a Bramhin and asked Bali to give only 4steps of land in his own bare foot-step. Bali agreed for the donation. Rest is the story, how Bali had been pressed inside Patal.

Probably the greedy business world is running in that path, and slowly the business moving towards "Space" from earth to achieve its productivity in terms of profit, manpower, investment, legislation, delivery, technology and many hidden agenda for consumers.

The big promise gives hopes to many that India too can become a high speed internet territory; citizens will be empowered through wireless mobile networks at public spaces. It is also believed that connectivity can bring the desired change, such as bridging the gap between rural and urban India, boosting e-commerce and skilled youth. Developing digital infrastructure will not only help in technological advancement here but bring a large so untapped population on the same page as the rest of the world. The telecommunication connectivity with rural India will not only boost e-commerce or literacy, it will certainly enhance the dialogue between the citizens and government. Activities like selling FMCG products, banking, providing subsidies, other direct benefit transfer schemes, selling crops and other agro-products would become easy and efficient for the rural people.

Literature Review:

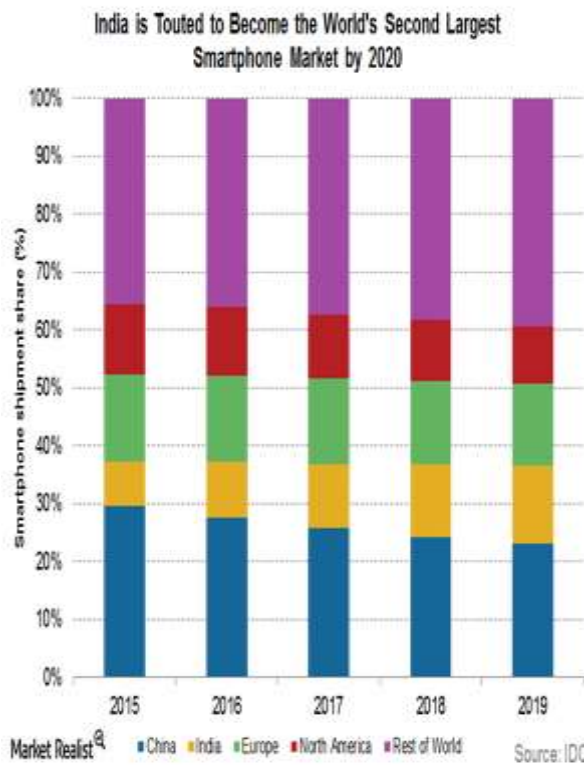
The sale of U.S e-commerce in the year 2012 was around \$225.5 billion and expected to be \$434.2 billion at the end of 2017. (Source: e-Marketer, April 2013). The research of Flurry Analytics says the mobile usages are growing very fast and the market still in beginning stage, to reach the saturation point after 10years. From shopping to gaming, in most of the cases people will use smartphones and tablets in future. Even the use of desk-top and laptop will not be considered for versatile application.



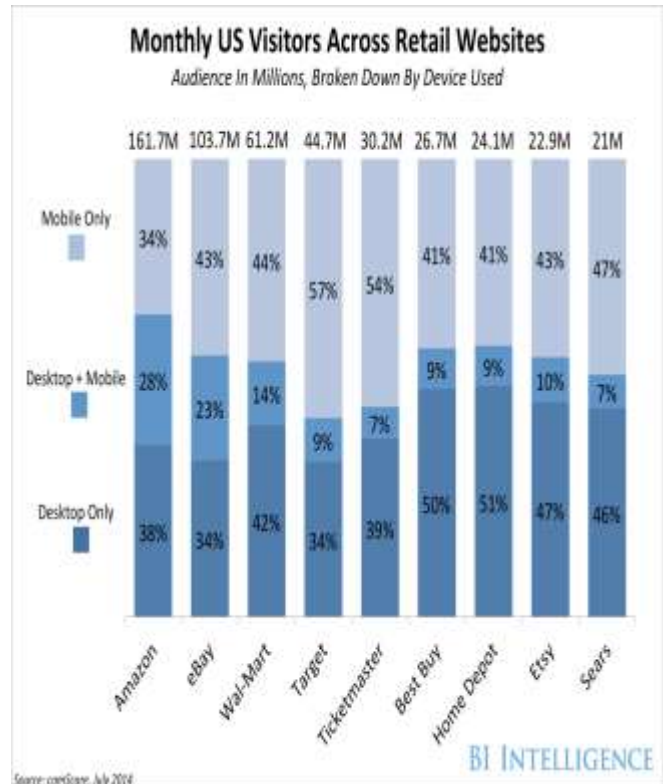
According to the mobile analytics company, mobile usage grew 58 percent in 2015, compared to 76 percent in 2014 and 103 percent in 2013. But that growth in usage is coming primarily from existing users as mobile devices meet more and more of our daily needs. The Indian digital market is a peculiar marketing structure of rural and urban composition.

done for purchase, banking, data search, first gaming, information sharing and other communication requirement. One of study find out by BI intelligence that, how people are using their different devices for the purposes of retailing with different leading on-line marketer. That is more clear from the below graph.

The above figure is the study of Market Realist and extracted from the World Bank data, where it indicates around 32% of population resides in urban area and their consumption is 70% market share in FMCG sector, also steadily increasing indicating the more wealth of opportunity to explore in the Indian retail sector.



It is seen in last year in India 40% of total on-line sales took place through mobile devices and usage grew by 80%. Similarly it is also seen gaming on mobile is down just a hair this year. The main reason is that, people are losing interest in pay of small amount towards playing advance games. New apps usage also more than doubled, with more people turning to apps for catching up on the latest events. The new mobile phones with increased screen size of the iPhone 6s Plus and Samsung Galaxy Note 5 are making consuming media more enjoyable for many users. Productivity and shopping apps also saw big use growth. Slack, Microsoft's Office 365 products and Google Docs helped people to get on-line work



Over allly it is seen, the online sales growth is increasing day by day and time is too long to reach at saturation point.



The above statistics is released by Market Realist from the source US Department of Commerce.

Virtual Market, Indian Prospective:

In any economy system it passes through a phase of implementation based on the population, employment generation, quality production and use of product, growth of GDP and many other parameters. It is first the principle of Market Economy where only sellers and buyers in role. Then the intervention of government plays a major role as part of the principle of Command Economy. When this business principle tends towards market saturation Global Economy is the only solution which speaks about all problems, what India adopted in the year 1991. We introduces globalization by 1991 and got the productive outcome by 2010-2015 and again being market slowdown due to many reason causing reduction in employment, quality employment, wage parity, GDP down and many other. Now our economy facing the challenges aroused out of global economy, whose solution lies only on the Digital Economy principle. So this is a step by step approach in maintaining balance in the economy system.

Therefore now India is in the process of adopting Digital Economy, which requires creation of digital infrastructure, skilled manpower and protection from cyber crime. As part of the initiation the Union Government launched the Digital India scheme, which aims to empower citizens with e-access to government services and livelihood related services in the month of July 2017. Hence around 68% people reside in the rural villages, unless until they are connected to the process of digitization, the success of digital economy is delayed. Therefore an innovative initiative had taken to connect 2.5Lakh villages through the National Broadband Network by spending a whopping four billion US dollars. This will bring a cascading effect on rural prosperity in form of farmer's portal, call centres and strengthening IT apparatus. This will transform India into a knowledge economy.

Global case-studies have demonstrated the key role of wireless broadband connectivity in the rural society in impacting GDP, productivity and employment. During the period 2003 to 2009 a study was undertaken across 26 Latin American countries, where it was observed that a 10% increase in broadband penetration resulted in an average increase of 3.19% in per capita GDP. In Africa, 90% of the total broadband penetration is mobile-based. E-commerce, e-health, e-education and e-governance are already the key applications in India. M-Pesa mobile banking service in Kenya carries 20% of the country's GDP.

Over the past decade internet has changed the way we work, socialize and how we share information. Internet today is considered as the driving economies around the globe and it has direct impact on GDP as it has greater magnitude and reach. India has seen a major shift in preferences of people and shifting to internet services as it is easily available and easily accessible to common man at reasonable prices. India has emerged as one of the major players in IT sector as also it is known as IT hub for various multinationals across globe.

India has a population of more than 1.2billion out of which 52% of the population is below 25years of age, having 900 million mobile connections, 130million smartphones and over 200 million internet users. The on-line population of India is growing steadily. Now, India has a total of 4.5lakh telecom towers, only 60% of which are located in rural areas. We need around another 60000 additional towers in order to achieve the goals of the "Digital India" programme, which will attract an investment of 20K crores without considering the backhaul cost. This only can possible through the PPP (Public Private Partnerships) mode. The "National Digital Literacy Mission" will make 10million people digitally literate in next five years and digitally empower at least one person in every family.

In health sector the introduction of 104 & 108 national ambulance service, tracking of blood bank distribution system, video conferencing surgery etc. are in prime focus. The union government intends to set up a National e-Health Authority to provide leadership in implementation of integrated health service.

The "Make in India" initiative focuses on job creation and skill enhancement aiming at high quality standards and minimizing the impact on the environment. Under this initiative government of India allows 100% FDI (Foreign Direct Investment) in all sectors of business except in the sector of Space, Defence and News Media. In the space, defence and news media sector maximum allowed FDI are 74%, 49% and 26% respectively as we can't sacrifice the independence and autonomy of these sector. These are the sector which relates to our nation security. May be we can think about this on the later part of the implementation of digital economy. The way by 1991, we liberalized white equipments at first phase and subsequently other sector, the same way it is designed accordingly. The Make in India objectives is to increase the share of manufacturing in the country's GDP from 16 to 25% by 2022 to create 100million additional jobs and to make the country a manufacturing hub.

Digital Market Introduction Phase:

Customer experience, product range, delivery, payment and customer service are the top five things Indian digital market will be looking for from the marketers. The way in globalization business focus was given to white equipments at preliminary phase; similarly the question aroused which products are focused at preliminary phase in digital marketing. The obvious answer is the Apparel sector. Apparel sector covers basic need-based purchases and occasion-specific purchases of consumers. Many new categories have been added to consumer's wardrobes today, including sports/gym wear, loungewear, occasion-specific ethnic wear, nightwear, party wear, formalwear, etc. Thus, the overall consumption, and average spending, has increased dramatically.

The domestic apparel market in India has shown a positive growth trend in the past few years, and is projected to grow at a CAGR of 9%.

The below statistics of corporatized retail shows, which only makes up 8% of the retail sector, accounts for 19% of apparel retail in the year 2013 and this contribution is expected to surge to an estimated 25%, over the next five years.

Growing Share of Corporatized Retail In Apparel Category, 2013



By now a large number of international brands have set up shop in urban India. Newer formats, larger stores, globally-relevant branded products, and visual merchandise have made an appearance across urban India. However, in the wake of the global economic uncertainty, consumers, especially youth, evaluate their purchases on various parameters apart from merely product fit and price.

The total apparel market share is projected more than 5.5lakh Cr by 2023. This is calculated based on the consumer demand and their psychological factors in digital market

purchasing. International lifestyle apparel brands which are present in India usually offer a complete fashion range, i.e. accessories, footwear and handbags apart from just apparel. Both men and women consumers are accepting this new trend of combining fashion accessories with their clothing. Traditionally, Indian women were the only customers for accessories, but this is gradually changing. As there is large availability of products available for men, e.g. tie, footwear, wallets, laptop bags, iPad covers, cufflinks, eyewear, etc. As a result, they are also experimenting with their overall look. There is thus an opportunity for retailers to expand their product portfolios beyond apparel.



Although the industry has registered optimistic growth, there are various challenges faced by fashion retailers in India. The Indian fashion retail industry is also adversely affected by poor infrastructure conditions, such as roads, highways, skilled manpower that can bring standardization in products, and especially power supply. The adverse condition of highways leads to additional merchandise carrying and holding time, and in return, an increase in operational cost. The acute power shortage in major manufacturing hubs stretches production time and operational costs beyond estimates. To compensate, most factories work on diesel-enabled generators, which is an added expenditure. Retailers need to focus on these, as well as other issues like high real estate costs and lack of skilled manpower in order to become profitable.

As consumption patterns differ across India, it is extremely important to maintain the right inventory through right product sourcing, at the right price and right time. Due to high real estate costs, there is usually limited space available at stores, leading to challenges of stocking and higher markdown costs arising from excess inventory. Retailers need to adopt a defensive strategy whereby they stock only appropriate levels. This can be done by adopting an optimal supply chain and sourcing strategy. By incorporating information technology systems across stores, warehouses, and corporate offices, retailers can regularly monitor stock levels and also understand the acceptability of the entire range of

merchandise. This will assist in maintaining optimum inventory levels, of only the required merchandise.

India accounts for less than one per cent of the total retail sales despite being the fastest digital commerce market in Asia. Due to the low Internet penetration in India, the country is leapfrogging the PC, and consumers are using mobile as the primary channel for online shopping. According to the study released by the Ali Research Institute affiliated with China's e-commerce giant Alibaba, the figure is expected to climb to 59 per cent by 2022 as the five countries -- Brazil, Russia, India, China, South Africa -- have great potential in e-commerce cooperation.

Legislation Requirements:

There is a legislation requirement for the protection of consumers, marketers, banking systems and distribution channels interest to do litigation free business. It is very much evident from the past that, there were lots of hacking, frauds, theft and wrong delivery happening continuously. These are questioning the reliability of the digital marketing. To safeguard the concerned people interest the legislators have to do lot of work. They have to pass many laws and bills in this regards keeping the international law into consideration. They must have to debate regarding these issues at different forums including the state parliament. WTO and World Bank have to play leading role apart from ICJ.

Now in India we are practicing IPRs like patent, copy right, GI, trade mark registration and little cyber crime protection legislations. Probably these are not sufficient and needs to be modified and amended very soon as a proactive action. Banking laws are also equally important to protect everybody interest. Stringent punishment must be designed to banking fraud. As part of initiation the BRICS nations agreed to push for reform of international governance and improve exchanges of governance experience to create a sound legal environment for broader BRICS cooperation. This type of agreement certainly is going to help in curbing illegality in the virtual market scenario.

Conclusion:

It can be concluded by accepting the fact that, virtual marketing is the need of the era to bring people closure reducing the concept of ruralisation and urbanization in India. This concept will create high skilled manpower and skilled manpower; who can brought standardization, customization and quality product to improve the life standard of people. The competitive price of the products will be an added advantage towards price stabilization and design of wage management

system in India. Certainly it will create quality and large employment for the people of India. FDI will be attracted to Indian market in many sectors. But we have to wait a long for the best output, if not accepting the fact, that it is the need of the era.

References:

- [1] E-Marketer, April-2013
- [2] Market Realist Research 2017
- [3] Flurry Analytics Research 2017
- [4] "Kurukshetra", Vol.64, No.04, Feb'2016
- [5] <http://economictimes.indiatimes.com/articleshow>
- [6] Research firm Gartner report 2017
- [7] Reports of Xinhua news agency 2017
- [8] Book Managerial Economics By ICAI University

Biography of the Author:

Dr. MAHIMA PRAKASHAN SAHOO had received his Bachelor Engineering (Electronics) degree from Bangalore University; PG Diploma Industrial Relation & Personnel Management from IPSAR, Cuttack; LLB from M. S. Law College, Cuttack under Utkal University; MBA from FM University, Balasore; and awarded PhD from Utkal University, Bhubaneswar, Odisha in the year 2015. To his credit he published 16nos. of papers; out of which five in International Journals of repute, one in the National Journal, two in International Conferences of repute and eighty in National Seminars/Conferences. He is also the author of a book title, "Skill Development of SC & ST people: A Desirable Social Challenge for Economic Reform of the Nation" published by New-Delhi Publisher in the year 2018. The author is a visiting faculty to SIDAC, Bhubaneswar, Govt. of Odisha; and trainer for different Govt. programs/projects of State and Central government employees. He also guided two research theses to MBA students and over 22years of invaluable experience in Teaching, Administration/HRM and project handling out of which seven and half years at Corporate world in the cadre of middle management. He is also one of the Certified National level Trainer and Motivator by EDI, Ahmedabad and NEN, Bangalore in the field of Entrepreneurship Development and Product Development. He was the founder Chief-Coordinator of ED cell and MSME Incubation Centre at SYNERGY Institute of Engineering and Technology, Dhenkanal, Odisha. He offers consultancies in the area of Project preparation, NBA (AICTE), NAAC (UGC), HR designing, OD intervention and Market Research. The author is holding the Life membership of ISTE & IAPQR society. Now Dr. Sahoo is working as Professor in Management, HOD-BSH and Registrar at Gandhi Institute for Education and Technology, Baniatangi, Bhubaneswar, Odisha. E-mail: mpsahoo@gmail.com