

A Review on Hyper Local E-Commerce

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Abstract – This article gives the overall view of hyper local e-commerce, various models of ecommerce. It also explains. It also explains the role of hyper locale in IT Industry.

Index Terms – Hyper Local, e-commerce, IT industry trends.

1. INTRODUCTION

E-commerce has taken the world by storm, changing the way we shop. The e-commerce industry is projected to cross \$16 billion in revenue by the end of 2015, according to a recent study by Assocham and Deloitte. The industry has been growing phenomenally in the recent years. The new buzz in the e-commerce is “hyper local”. Hyper local means “extremely local”, it refers to news, needs and information within a community. In ecommerce this term means a platform to enable local offline services from anywhere, anytime[1].

2. DIFFERENT E-COMMERCE MODEL

Various types of e-commerce model can be seen in IT industry

2.1. Business-to-Consumer

When the business directly deal with end term customer it is termed as Business to customer or (B2C). Most common thinking about e-commerce is that it is a business selling anything to end customer through an online interface.. The most widely known ecommerce businesses, such as Flipkart, Amazon, etc. are ones where a retailer sells directly to a consumer

2.2. Business-to-Business

This category deals with business dealing with other businesses. i.e. (B2B). Wholesalers like Alibaba and IndiaMART typically sell B2B. Whenever the end user is itself a business that's using the products the retailer is selling to augment its business operations, the relationship is termed as B2B.

2.3. Consumer-to-Business

This is very interesting e-commerce model where In a consumers sell products and services to businesses. Example – Freelancing websites like elance.com, where the end-user lists jobs that businesses (either individual or larger businesses) can buy from them.

2.4. Consumer-to-Consumer

In a consumer-to-consumer (C2C) model, the ecommerce website serves to the transaction between two consumers. Auction sites such as eBay is a classic example of C2C e-commerce model.

2.5. Government - to - Business

Government uses B2G model to approach business organizations. These models support auctions, tenders and application submission functionalities.

2.6. Government - to - Citizen

Government uses G2C model to approach citizens directly. Examples for such models can be websites providing services like registration for birth, marriage, etc. A main objective of G2C websites is to reduce average time for servicing people's requests for various government linked services.

3. HYPER LOCAL E-COMMERCE MODEL

3.1. B2B (Business to Business)

E-commerce companies following such model are: RoadRunnr and Localegs.

3.2. B2C: (Business to Customer)

E-commerce companies following such model are Grofers, Swiggy and PepperTap.

4. ROLE OF I.T. IN HYPER LOCAL

The Hyperlocal model simply requires assimilating all possible service providers from the local vicinity onto the available platforms and giving customers instant access to the ones in their vicinity, as and when required. Whether you want to order milk, vegetables, grocery, stationery, or get your laptop repaired, laundry dry cleaned, suit altered or microwave repaired, you can easily get it done with a tap on your phone. The phone plays an important role in the success of the working and blooming of hyperlocal startups which are buzz in the town.

Different technology used in functioning of these hyper local are as follows:

4.1. GPS(Global Positioning System)

Satellite-based location services allow a high degree of physical location precision. When combined with a mobile device's access to the vast set of Internet data and services, hyperlocal takes on new dimensions. Realtime internet awareness of an individual's precise location in time allows people and entities to consume or deliver hyperlocal content that is relevant to specific individuals at very small time scales. For example : E-grocery services such as Grofers uses this kind of GPS functionality to locate local stores where it has tie ups and give options to the customer to choose from it. It helps customers to find retailers in their nearby area and retailers to find the correct location of their customer. It also helps in the tracking of the order places by the customer so that Delivery is ensured to customer.

4.2. ONLINE PAYMENT

The common aspect of every E-commerce model is use of E-wallets or online payment.

It helps in seamless exchange and purchase of goods. It is fast, reliable and easiest means to us

5. ADVANTAGES

Hyper local models are coined as win-win situation for all connecting local dealers ,e-commerce companies and customers. There are various advantages of hyper local model as follows:

5.1. NO WAREHOUSING

As in hyper local E-retailers tie ups with local stores or retailers three is no need to form warehouse. It just takes the order from the customer through mobile app contact the specified dealer and deliver it to customer. This makes it cost effective as there is no need to have a warehouse, it maintenance cost and also makes it flexible as there is no issue of space.

5.2. Faster Delivery

Hyper local model are fastest in term of delivery as it connects local retailers to its customers. It usually takes 1-2 hours in delivering stuff whereas in other models it takes 1-2 days. For example:

E-commerce giants like flipkart , snapdeal also take at least one day to deliver their stuff because they follow inventory model where they have made warehouses which are few and not in vicinity of customer so this is the big advantage of hyper local model e-grocers like Grofers , PepperTap and retailers like Zopper are gaining popularity due to this.

5.3. Customer Trust

As the whole purpose is local or in a close vicinity to the customer , customer know where from the products he/she orders is coming from. This helps to gain the confidence and

trust of the customer which in return makes this model easier to feasible and promote.

For example: if a customer is buying grocery or vegetables it will easier for him from where it is coming from.

5.4. Efficient

No need of warehousing, connection of warehouses or looking towards the customer need and demand makes it highly efficient. There is already sense of need of the market in particular area which requires lower level of logistics and analysis makes it even more efficient.

6. ACHIEVEMENTS

Apart from the above discussed advantages hyper local model has put forward many achievements such as:

6.1. WIN-WIN SITUATION

With e-commerce arrival, many thought local stores would have difficulty in existence but as the world moves again towards local this thing has been sorted out. E-retailer's collaboration with local stores and connecting them with their customer in a digital way has made everyone winner as all three of them are now connected to supply chain model.

6.2. ECO-FRIENDLY

Hyper local model has its environmental effect as well as it will significantly cut footfall of the customers to offline stores in particular to groceries and laundries because of home delivery facility available to them. So there will be lesser cars so lesser pollution.

7. DRAWBACKS

Hyper local model seems to be the perfect e-commerce model to go with at this point of time but it has its own pitfalls such as:

7.1. ERRATIC DELIVERY SERVICE

The major problem facing by the hyper local e-commerce based companies is that dearth of skilled delivery boys. For the success of this model a large fleet of trained and skilled delivery persons are required but currently there is shortage of them. If they are even present they are highly erratic or irregular. Apart from this there is no regulation of their payment.

7.2. NO CONTROL ON LOCAL RETAILERS

All the companies dealing on hyper model just provide the interface to the customer and get it deliver. They have no say over the quality of the products.

8. SCOPE

Hyper Local model is still in its initial stage. There is a shift from inventory system to hyper local model. This can be seen

by the move taken by the big players such as Flipkart and Amazon. Flipkart has started its pilot program” Flipkartnearby” in Bangalore which deals in grocery and Amazon has launched “AmazonKinara “. As surveyed there has been huge push in the hyperlocal startups namely Grofers ,Pepper Tap , Swiggy, Zopper ,Local legs etc with the existing ecosystem and interest of the venture capitalist hyper local model will spread across the e-commerce sphere and dominate this segment.

9. CONCLUSION

One of the main issue in hyper local e-commerce model is trained delivery service persons working on this problem will be an uphill task and partnership and working with the local

dealers will involve lot of flexibility between the two. Considering the advantages and achievement made by the hyper local model, its clear that is is the way forward in e-commerce and many more such hyper local startups will be coming in the future.

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