

E-Pawn Shop: The Untouched Territory in India

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ABSTRACT

E-commerce is changing our economy and affecting all aspects of business. It has become a part of core business functions. There are various things like clothes, home appliances, electronic gadgets, etc available online for buying and selling. Just like clothing, electronic and IT industry, the Pawn shop industry is a considerable business today. Many business analysts assumed that their business is not fitted for incorporating information technology such as Internet. This belief often proves to be incorrect, making the business less effective and thus less competitive. This paper is focused towards Pawn shop in India, interested in setting up its products online for sale inspired from the TV show Pawn shops on History channel. Online Pawn shop is untouched territory for that business in India. Part of the project also includes use of better search engines to increase site's organic search traffic. This Ecommerce tool, along with providing basic online shopping features, also provides various innovative features such as customer-to-customer direct selling-buying, credit points or direct cash back option. The Web technologies used are JQuery 2.0 and backbone JS, Ajax 3.5, JavaScript 1.8.5, CSS3 and HTML 5. Designing widget feature and template based UI for maximum customization of portal is most challenging part of the project.

Keywords - E-Pawn shop, E-commerce, Online Auction, Experts, Website, Historical items.

I. Introduction

1.1 Objectives

- To study the growth of E-commerce in India
- To put forth the new idea for E-commerce in India
- To show how E-Pawn shop in India will prove effective in near future

1.2 Research Methodology

The findings of the research paper related to e-commerce were reached by conducting secondary researches, collected from the published newspapers, journals, websites and primary research papers. We have added and put forth the unique and innovative idea of setting up E-Pawn shop inspired from the TV show "Pawn Stars" about pawn shops on History channel.

II. Background to research

2.1 Concepts and definition

^[1]Commerce is a basic economic activity involving trading, buying or selling of goods. For example, a customer enters a bookshop, examines a book, and pays for it. To fulfill the customer requirement, the bookshop needs to carry out other commercial transactions and business functions such as managing the supply chain, providing logistic support, handling payments, etc. As we enter \

electronic age, an obvious question is whether these commercial transactions and business functions can be carried out electronically. In general, this means that no paperwork is involved, nor is any physical contact necessary. This is often referred to as Electronic Commerce. The earliest example of this is fund transfer which allows financial institutions to transfer funds between one another in a secure and efficient manner.

2.2 Different types of E-commerce

^[2]The different types of E-commerce from the perspective of buyer and seller relationship are shown below:

- Business to Consumer
- Business to Business
- Consumer to Consumer
- Consumer to Business

	Consumer (individual)	Business (organization)
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Business (organization)	Seller: Business organization Buyer: Consumer Example. Amazon	Seller: Business organization Buyer: Business organization Example. TPN
Consumer (individual)	Seller: Consumer Buyer: Consumer Example. eBay, OLX	Seller: Retailer Buyer: Consumer Example. Priceline

Fig (1)

2.3 E-commerce in India

^[3]In past 3-4 years, there has been tremendous increase in E-commerce in India. Currently over 250 million internet users and 900 million mobile subscribers are using it and its going to increase further. Some of the top and famous online sites which customers prefer for shopping are Flipkart, OLX, Myntra, Jabong, snapdeal and so on. Digital commerce is at a nascent stage in India. However, "India is one of the fastest-growing e-Commerce markets in the Asia-Pacific," said Praveen Sengar, research director at Gartner. "India represents a \$3.5 billion market, growing at approximately 60-70 % every year. It represents less than 4% of the total retail market. B2C (business to consumer) E-Commerce leads the market in India, while B2B (business to business) is limited to organizations that drive online channels to integrate with their partners and distributors."

[4]

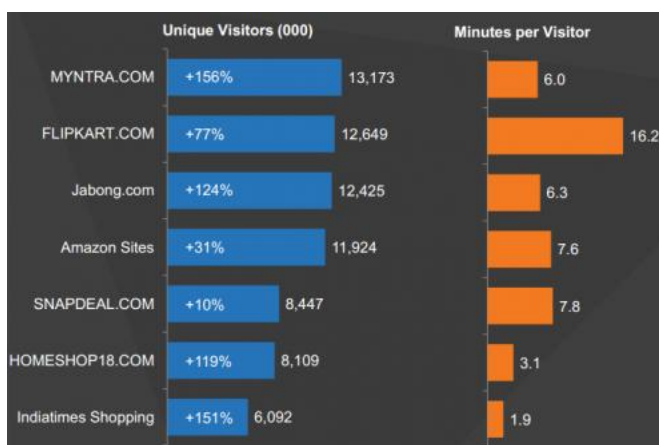


Fig (2)

2.4 Need of change in traditional E-commerce in India

In many of other countries, some of people prefer to sell their goods online while many of our customers sell in Pawn shops, their extra gold coins, silver, platinum, jewelry, tools, musical instruments, guitars, electronics, antiques, computers, DVD players, electrical power tools, antiques, farm equipment, cars, motor homes, tractors, ATVs, trailers, boats, collectibles and other merchandise because it is a faster way to get some extra money. However in India, we don't come across Pawn shop easily. E-Pawn shop is untouched territory for that business in India. Some people fail to evaluate price of things they want to sell. Some of them fail even to recognize if those things have any or some historical value. Pawn shop is basically a place where one can sell any antique item which has some historical value; typically things which one would like to see in museums. Also, these antique pieces are available to buy in such Pawn shops.

III. What is a Pawn shop?

It is basically a shop where customers bring in a variety of artifacts to sell or pawn and who are shown haggling over the price and discussing historical background of those items. ^[5]When the buyer is unable to evaluate an object, they consult with a knowledgeable expert who can evaluate it to determine its authenticity and potential value and in the case of items needing repair, the cost of restoration or preparing the item for sale. Whoever is evaluating the object goes over the potential value with the customer, including the expert's opinion, if one is given, often interspersed with an interview in which he explains the basis of his decision to the viewer. A price tag graphic at the bottom corner of the screen provides the ever-changing dollar amount as the two haggle over the item's price. On occasion, buyer will purchase items in need of restoration before determining its restoration costs, thus taking a risk on such costs. ^[6]An important factor of pawn shop is the Pawnbroker who provides outstanding customer service while conducting merchandise buying, selling and pawn activities for customers. Team Members work with supervision; follow business standards for accurately appraising customer goods, pawn loans and purchase approvals; adheres to industry regulations and Company policy in order to comply and to prevent losses or damage to Company and customer assets.

[7]



Fig (3) Pawn shop illustration

IV. Steps for creating E-pawn shop:

4.1 Developing Your Product and Business

Plan

^[8]While setting up an E-Pawn shop, one needs to figure out cost of operation and map out a marketing strategy. Initially, inventory containing few antique and vintage items is needed in order to initiate the store. These items should be unique and should contain historical value. Following things need to take into consideration in initial stage:

- If a physical product that needs to be shipped, or if user wants to send digital product through the Internet, then appropriate facility should be available.
- Shipping costs.
- Taxes.
- Employee wages.
- Fees for reserving your domain name and web hosting service.

4.2 Building Your Own Online Store

4.2.1 Register a domain name.

Choose a name that's short, catchy, and easy to remember. It should also be unique, since the most obvious names are already taken.

4.2.2 Choose a web hosting service.

It's worth finding a good service for your website, since the site is the backbone of your online store. If it's finicky, sales will certainly suffer. Free web hosting services are available, but since you're selling products online, you'll need to pay for a service that offers the options you need.

4.2.3 Design your website.

Perfect Pawn website should consist of following things:

4.2.3.1 Online Inventory

Customers bring in a variety of vintage or antique items to the store, but initially it should have at least 1000 items in its inventory.

4.2.3.2 History behind an item

Website should contain information which explains the history behind the object.

4.2.3.3 Evaluating exact cost according to historic importance of an item

When the buyer is unable to evaluate an object, they consult with a knowledgeable expert who can evaluate it to determine its authenticity and potential value, and in the case of items needing repair, the cost of restoration or preparing the item for sale. Whoever is evaluating the object goes over the potential value with the customer, including the expert's opinion, if one is given, often interspersed with an interview in which he explains the basis of his decision to the viewer. Facility should be provided that customers can communicate with these experts on website through chat sessions to clear any doubts if they have regarding product they want to buy or sell. For this online pawn shop we need to appoint few experts in following areas that will evaluate objects and tell exact value of it.

- Handwriting expert and Forensic document examiner
- Expert in stringed instruments
- Expert in guns and weapons
- Expert in weapons and antique arms
- Expert in sports memorabilia and cards
- Metal artist and antique restorer
- Antique firearms expert
- Master watchmaker and clockmaker
- Expert in 20th century artifacts and history of India
- Expert in vintage toys
- Motorcycle and automobile restoration expert
- Expert in rare books, manuscripts and documents from the 15th to the 21st centuries
- Expert in coins, paper currency and stamps
- Professional magician and magic historian



Fig (4) Diagram showing items in the Pawn shop

4.2.4 Price of an item

A price tag graphic at the bottom corner of the screen provides the ever-changing dollar amount as the two

haggle over the item's price. On occasion, buyer will purchase items in need of restoration before determining its restoration costs, thus taking a risk on such costs.

4.3 E-Commerce Service

Companies like Flying Car and Yahoo Stores will allow you to set up professional-looking online storefronts when you ship your own inventory. Hosted e-commerce solutions go further to provide storefront design, secure payment, hosting, mailing lists, selling statistics and customers support. This is attractive for those who don't want to do their own programming.

The important factor needs to be considered in setting up online Pawn shop is "online auctions". Sometimes, many users demand for one unique product. In such situation online auction and bidding is used. The most impressive bidding sites offer marketing tools, resolution centers and plenty of help and support. We can incarnate any auction method for our E-Pawn shop. There are varieties of auction methods.

Types of Auctions:

4.3.1 English auctions:

- Easiest to understand and most common
- Single item up for sale to single seller
- Highest bidder wins

4.3.2 Traditional Dutch auction

- Uses a clock visible to all that displays starting price, ticks down until buyer stops it

4.3.3 Dutch Internet auction

- Public ascending price, multiple units
- Final price is lowest successful bid, which sets price for all higher bidders

4.4 Attracting and Retaining Customers

Social media platforms are an important way for businesses, especially online businesses, to market themselves. Start an account and encourage people to "like" and "share" your store's page to spread the word. "Pawn Stars" is already very famous show on history channel and there are number of Indian fans of this show who would love to see and visit this E-Pawn shop in India.

V. Conclusion:

With the increasing demand of E-Commerce in India, the online Pawn shop is an effort to develop effective way for people who are willing to buy or sell antique items online. The contribution of this paper is to put forth new idea of E-pawn shop which is untouched territory in India. In doing so it aims to provide easy and efficient way to give steps for designing online site for the same. Future work should target increased functionality and efficiency of this E-Pawn shop.

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