



---

## THE IMPACT OF ONLINE SHOPPING UPON RETAIL TRADE BUSINESS

Swati Dayal

Research Scholar, Sunrise University, Alwar

**Dr.DheerajAggarwal**

Research Supervisor, Sunrise University, Alwar

### Abstract

The retail industry in India might account for as much as 10% of GDP. A retailer may be a merchant, an agency, or a commercial enterprise whose primary business is the direct sale of goods and services to end users. Internet commerce is rapidly replacing traditional company models throughout the world. This study intends to provide light on how the proliferation of online shops may affect existing enterprises. A common entry point for many companies into the retail sector was to host their own websites and provide a broad variety of services to their clients. Shoppers at mega-malls now have a streamlined way to support local companies near them. Furniture, jewellery, and food are all included as well as the usual suspects like clothes, shoes, and installation supplies. This resulted in the development of a fully functional e-commerce platform. The results indicated that customers are decreasing their visits to traditional shops as the use of internet shopping increased in popularity.

**Keywords:** Online Shopping, Retailers, Retail Stores, Sale.

### INTRODUCTION

In electronic commerce, often known as e-commerce, m-commerce, or m-commerce, consumers make and manage purchases and inventory entirely online. Amazon and Flipkart, along with Snapdeal, HomeShop18, Myntra, and many more, are two of India's most visited e-commerce websites. Retail is the business of selling and delivering goods and services directly to consumers through many distribution channels. Stores on a smaller scale are feasible. However "completing a deal" often means the same thing. In terms of economic impact, retail is one of the most time-tested and fundamental business models. The customer makes purchases via a number of different distribution channels. Most stores, no matter how big or little, operate on the same principle as wholesalers and dropshippers. Department stores, supermarkets, and shopping centres all fall within this category.

Internet shopping has exploded in popularity as of late because of the ease and comfort of making purchases from one's own home or office.

There are a lot of drawbacks to shopping in a physical store rather than online. First of all, Amazon offers a far larger variety than your neighbourhood bookstore or clothes boutique, which may only have 5,000 titles or 20 different styles in the same size. Online retailers often carry many more products than their brick-and-mortar counterparts. The overhead of an e-commerce website is negligible compared to the costs of storing and promoting things in "physical" firms. The level of client satisfaction and the accessibility of services that can be accessed online are having a significant impact on brick-and-mortar stores.

E-commerce takes the form of "online shopping," when consumers utilise a computer's web browser to make a purchase from an online merchant. Users may use search engines on their desktops, laptops, tablets, and smartphones to swiftly and conveniently access a wide range of websites. There are several e-commerce sites now offering a diverse array of products sent via various channels. Flipkart (ranking 18), Snapdeal (7), Jabong (8), and Myntra (ranking 9) are the most popular online stores in India right now (9). Internet technology improves and streamlines our daily life. Trade and business in general have been facilitated by the widespread availability of the internet. Websites are used by all companies to showcase their products and services online, and they also act as a central meeting place for competitors in the same market. Distribution channels play a crucial role in the retail industry, facilitating the sale of goods and services to customers. These stores will be brick-and-mortar operations, open during certain hours, and catering to a large clientele in one central place. The business concept is the same for showrooms of all sizes. Department stores, discounters, supermarket chains, disorganised shopping malls, and many more all compete for customers' retail dollar. In the next 10–15 years, people in India will become more likely to get online than those in any other country. Online shopping will be almost seven times larger in 2020 than it was in 2013, according to a forecast by the bank Morgan Stanley. Hence, it's expected that the country's sales would far outstrip those of any other nation. As a result, capital has been flowing into e-commerce firms, which might have far-reaching effects on the retail sector generally.

### **Growth of Online Shopping/Retailing:**

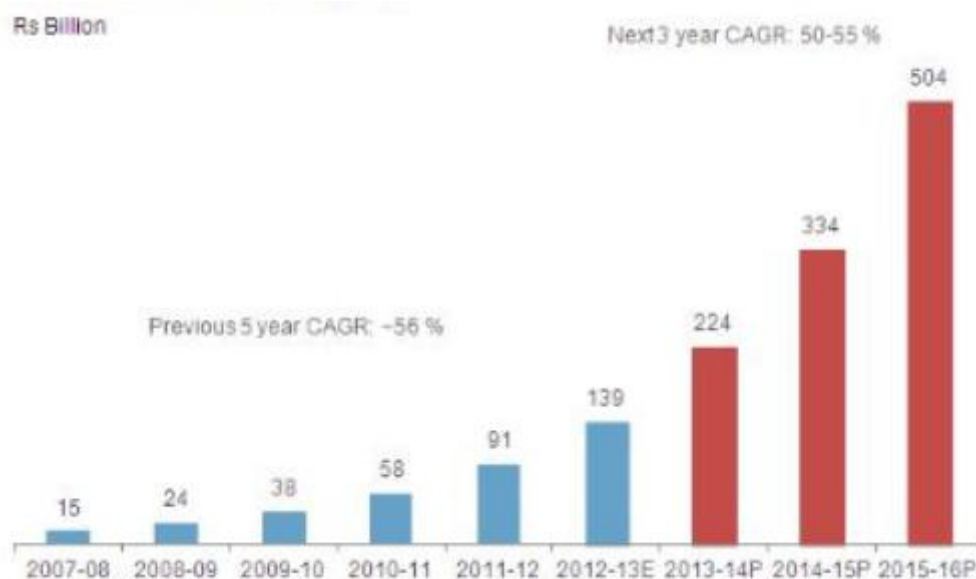
India's retail industry is expanding at a rapid pace, making it one of the world's top destinations for business. The retail industry in India is projected to grow at a CAGR of 16.7% from 2015 to 2020. India's consumer market is the fifth biggest in the world.

According to Google, there are already over 100 million internet users in India, with half of them making at least one online purchase every year. Several traditional retailers and manufacturers of consumer goods have established internet presences. Online purchasing has become quite popular in India. As India's e-commerce market grows at a pace of 100 percent annually, more and more traditional retailers and fast-moving consumer goods companies are joining the fray.

The growth of the Indian e-commerce market is phenomenal, and it is not limited to the country's major metropolitan areas. The online shopping market is expected to grow from US\$ 6 billion to US\$ 70 billion during the next several years. Having more international and private companies compete in India's retail business is a positive development. Merchants in India are compelled to resort to this strategy in order to compete with their customers' price-consciousness.

Products are being imported from India by large merchants such as Wal-Mart, Tesco, and others. Internet sales are growing despite the overall economic crisis. Consumers are increasingly making purchases through the internet as a result of the lowering of barriers to entry. Free shipping is a popular marketing tactic for companies of all sizes since it helps them retain a large customer base without incurring any additional costs.

The Indian government has taken steps to attract foreign direct investment (FDI) to the country's retail sector. All customers approved of stores selling a single brand, but just 51% approved of stores selling many brands.



**Figure 1: Online retail market and Growth**

## LITERATURE REVIEW

Nebojsa Vasic, Milorad Kilibarda and Tanja Kaurin (2019) According to a research titled "The Impact of Internet Shopping Determinants on Consumer Satisfaction in the Serbian Market," there is a strong relationship between a number of factors and customers' enjoyment of online shopping. There is always discussion about how to make customers happy in the marketplace. This issue is particularly pressing in less developed economies where online shopping is still in its infancy. In order to increase people's use of online stores, we need to study the factors that affect customer satisfaction. In light of this, this paper develops a theoretical framework to analyse the factors affecting online shopping experiences in Serbia. The conceptual model divides its twenty-six elements into seven classes, including security, ease of access to information, shipping and product quality, cost, speed to market, and customer happiness. Input model parameters were gathered using surveys and appropriate Internet technologies.

Porinita Banerjee and Vasimraja Sayyed (2017), "The Effects of Demonetization on the Electronic Trade Sector: A Research. A monetary unit is "demonetized" when its status as legal tender is removed, as defined by. This process is also known as "demonetization," which refers to the elimination of a particular currency from circulation. The government made the decision to

stop using the old 500 and 1000 rupee notes. Prime Minister Narendra Modi has taken an unprecedented step that is having an effect on both consumers' propensity to shop online and the growth of the e-commerce industry. As a result, studying the impact of the e-commerce sector on demonetization is crucial. The primary purpose of this research is to analyse how demonetization affected consumers' propensity to shop online and their preferred method of payment.

Kavya (2016), A study titled "A Conceptual Research on the Effect of Internet Shopping on Retailers and Customer" reveals that online shopping has the potential to significantly influence both merchants and consumers. A retailer may be a merchant, an agency, or a commercial enterprise whose primary business is the direct sale of goods and services to end users. Internet commerce is rapidly replacing traditional company models throughout the world. More and more stores are starting their operations online, drawing customers with a wide variety of products and attractive sales prices.

Subhalakshmi and Ravi (2015), Financial risk, information risk, and time risk were found to be the most important factors influencing customers' attitudes towards online shopping for cosmetic products, according to data from "The Impact of Perceived Risk on the Online Shopping Attitude of Cosmetic Products in Tirunelveli City," written by Subhalakshmi and Ravi. Consumers are put off by the online purchasing experience due to the time commitment involved in finding and receiving the desired item. The purpose of "Online Buyers Satisfaction with Online Buying" was to investigate the level of contentment experienced by online buyers. Shoppers' propensity to buy from and show support for online stores has been shown to be most influenced by the convenience of online purchasing.

Smitha.V.G. and Asha Chauhan (2012) discovered that customers who valued speed and ease spent more money in the online grocery market than they did in the brick-and-mortar variety. The research found that demographic variables including age, education level, and income level all play a role in the rising popularity of online grocery shopping. This study concludes that the provision of free delivery has contributed to the growth of e-grocery stores. UjwalLanjewar claims that in order to better understand the factors that influence Indian consumers' buying decisions, a framework for business intelligence has been developed. A sample of visitors to the Indian Railways website was utilised to analyse the effect of various incentives. There was a significant correlation between the use of online services and positive customer outcomes.

## **RESEARCH METHODOLOGY**

For this article researcher use both primary and secondary data.

**Sources of data:** The data for the study has been collected from primary sources. Primary data have been collected through direct personal interview method where interview took place with the owners of different retail stores.

**Sample Size and Sample Unit:** For the present study a sample of 75 retail stores of Udupi City has been selected on the basis of convenient sampling method.

## HYPOTHESIS

H0: There is no significant difference in sales after implementing online business.

H1: There is a significant difference in sales after implementing online business.

## SIGNIFICANCE OF STUDY

This study's timely significance stems from the fact that it provides empirical evidence for the effectiveness of online merchants in brick-and-mortar establishments. The growing popularity of fast shopping and online buying has concerned thousands of small company owners who seldom sell living things. The risks that small traders pose in real life are the focus of this study. So, this study is more applicable to businesses who are contemplating a reorganisation than to those that are not. It's about time that marketers started paying more attention to this, so that they can start using more nuanced approaches.

## CONCEPTUALFRAMEWORK

E-tail, short for "electronic retail" or "e-shopping," is a kind of electronic commerce in which a vendor's clients make purchases of goods and services using a web-based interface. E-store, e-web-store, and e-shop are all synonyms for this concept. Internet shops, web-shops, online stores, virtual stores, and others are other alternatives. One example of a flexible business is an online retailer with a highly customizable, feature-rich website or application. Due to the similarities between B2C internet shopping and shopping in a traditional store or shopping mall, the former is more often used.

When a business makes a purchase from another business, the practice is known as business-to-business (B2B) e-commerce. The three most well-known online retail agreements are with Amazon.com, Snap deal, and eBay, respectively.

## FINDINGS OF STUDY

Out of 75 respondents, 33 from General Stores, 23 from Electronics and 19 from Garments.

**Table-1: Table showing majority of the respondents**

Age of respondents	Frequency	Percentage
18–25	6	8%
25–30	9	12%
More than 30	60	80%
<b>Total</b>	<b>75</b>	<b>100%</b>

The above table indicates that majority percentage (80%) of the respondents is in more than 30 years age group. The lowest percentage of respondents (8%) is 18 – 25 years old.

**Table-2: Table showing year of business of the respondents**

<b>Yearofbusiness</b>	<b>Frequency</b>	<b>Percentage</b>
Lessthan1year	5	6.67%
Between1-5 years	17	22.67%
Between5-10 years	18	24%
Morethan10years	35	46.66%
<b>Total</b>	<b>75</b>	<b>100%</b>

The above table presents the number of years retailers are into business. The average experience for doing business of the respondents considered comes to 10 years.

**Table-3: Table showing the nature of business of the respondents**

<b>Natureofbusiness</b>	<b>Frequency</b>	<b>Percentage</b>
Electronics	23	30.67%
Garments	19	25.33%
GeneralStores	33	44%
<b>Total</b>	<b>75</b>	<b>100%</b>

The retailers surveyed for the purpose were – 44% General stores, 30.67% Electronics and 25.33% Garments.

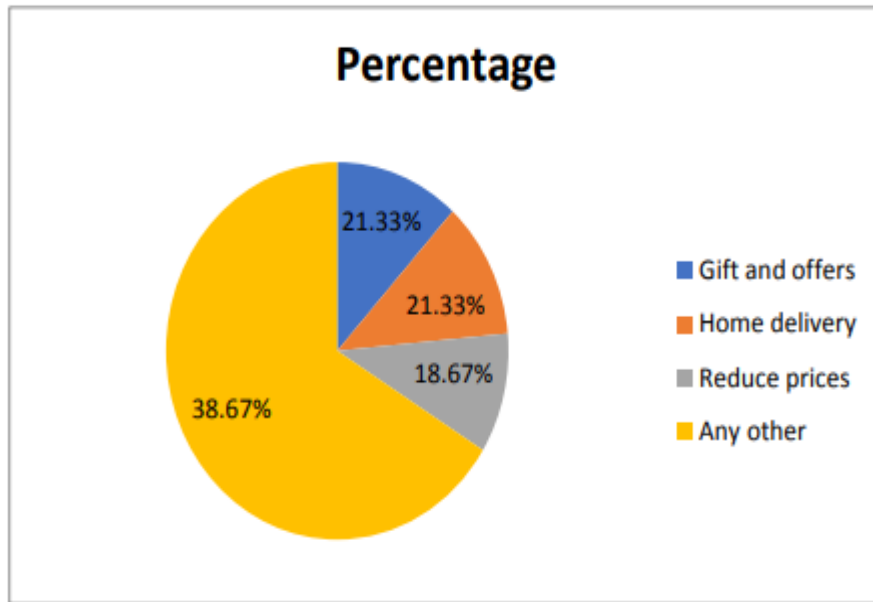
**Table-4: Table showing effect on turnover of the respondents**

<b>Effect on turnover</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	53	70.67%
No	22	29.33%
<b>Total</b>	<b>75</b>	<b>100%</b>

**Table-5: Table showing impact on business**

<b>Impactonbusiness</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	60	80%
No	15	20%
<b>Total</b>	<b>75</b>	<b>100%</b>

According to above table majority of the respondents i.e. 80% agreed that their business has been affected by online shopping.



**Figure-2: Remedies taken by the respondents**

The above shows undertaken the remedies taken by conventional retailers. 38.67% of respondents use other methods, 21.33% of respondents home delivery, gift and offers and remaining 18.67% of reduced they are prices.

**Table -6: Table showing intension to convert offline to online business**

Like to convert offline stores	Frequency	Percentage
Yes	23	30.67%
No	52	69.33%
Total	75	100%

Traditional retailers are facing a slew of issues as a result of the rise of internet shopping, one of which is lower profit margins. 30.67 percent of businesses said they plan to open an online version of their brick-and-mortar location in the near future. Most of them, on the other hand, choose to continue marketing their goods the old-fashioned manner.

**Table-7: Table showing shutting down offline business in future**

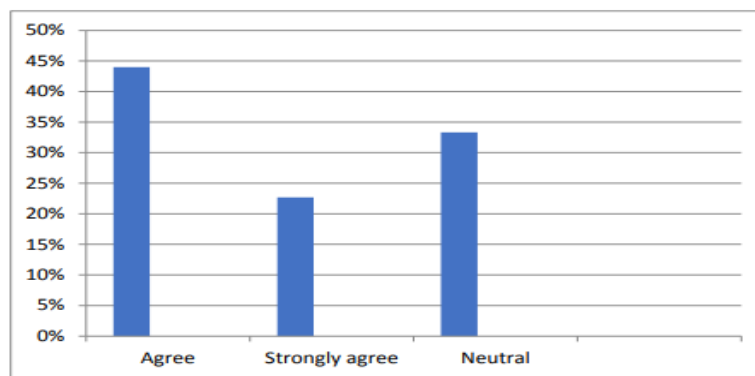
Shut down of business	Frequency	Percentage
Yes	30	40%
No	45	60%
Total	75	100%

Though there is competition, profits are decreased sales are affected due to online business majority of the retailers still want to continue in the same spirit.

**Table-8: Table showing effect on sales of the respondents**

Effect on sales	Frequency	Percentage
Agree	43	57.33%
Strongly agree	10	13.33%
Neutral	22	29.34%
Total	75	100%

Table showing perceptions of respondents on effect on sales. Majority of respondents (57.33%) agree, 13.33% of respondents strongly agree and 29.34% of respondents neutral.



**Figure-3: Negative effect of retail shopping**

Internet shopping has a detrimental impact on brick-and-mortar stores, according to 44% of respondents; 33.3% disagree, while the remaining 22.67% are firmly convinced that online shopping has a negative impact.

## TESTING HYPOTHESIS

**Table-9: There is difference in sale after implementing online business**

Perceptions of respondents	Types of business			Total
	General Stores	Electronics	Garments	
Agree	16	8	6	<b>30</b>
Strongly agree	7	10	8	<b>25</b>
Neutral	10	5	5	<b>20</b>
<b>Total</b>	<b>33</b>	<b>23</b>	<b>19</b>	<b>75</b>



## HYPOTHESIS

H0: There is no significant difference in sales after implementing online business.

H1: There is a significant difference in sales after implementing online business.

**Table-10: Chi-square analysis**

Chi-squarevalue	Tablevalue	Significance
4.07	9.49	Nosignificant

The null hypothesis, that there is no substantial change in sales after the implementation of online commerce, has been refuted via chi-square analysis. The installation of internet business has no effect on retail sales, therefore we can draw this conclusion.

## CONCLUSION

India's reputation for quick development is sometimes attributed to the country's vast population. Retail expansion is mostly driven by consumers' discretionary spending. Increasing market share requires optimising both offline and online services via the use of technology. For retail to succeed, several factors must be considered. Fix-line businesses must use the survey's recommended strategy to accurately record a plethora of competitors. India has to grow its retail sector and add to its GDP if it is to earn the trust and satisfaction of its many consumers. This conceptual investigation of online conversions or transactions looks at conversion rates and client behaviour shifts. It also details methods that may be used to increase revenue for traditional stores. When we look forward many years, businesses could do well to have a plan in place. Building lasting relationships with suppliers may be prioritised by certain retailers both online and off if they want to see their businesses thrive.

## REFERENCES

1. Nebojsa Vasic, Milorad Kilibarda and Tanja Kaurin (2019). The Influence of Online Shopping Determinants on Customer Satisfaction in the Serbian Market. *Journal of Theoretical and Applied Electronic Commerce Research*, Vol.14, No.2, pp.70-89.
2. Porinita Banerjee and Vasimraja Sayyed (2017). A Study on Impact of Demonetization on E-Commerce Industry. *International Journal of Engineering Applied Sciences and Technology*, Vol. 2, Issue.3, pp.66-72.
3. Kavya (2016). A Conceptual Study on the Impact of Online Shopping Towards Retailers and Consumers. *International Journal of Advanced Trends in Engineering and Technology (IJATET)*, Vol.1, Issue.1, pp.25-29.

4. Subhalakshmi, R., and Ravi, P. (2015). The Impact of Perceived Risk on the Online Shopping Attitude of Cosmetic Products in Tirunelveli City. *International Journal of Scientific Research*, January, Vol.4 (1), pp.231-233.
5. Smitha.V.G. and Asha Chauhan (2012). Penetration of E Grocery in India: An Empirical Study on Perception of Working Women in Delhi. *Envision - Apeejay's International Journal of Commerce and Management*, Vol.6, pp.139-150.
6. Juao C Cost (2016), "Impact of online shopping on conventional retails stores in South Goa (India)", *J A Social Sci Humanities*.
7. JyotiMeshram (2016), "Study of online shopping on conventional shopping methods by today's youth with respect to clothing and accessories".
8. RavjotKaur, Gurmeetkaur, Aman Kumar, Gaurav Kumar (2015), "Customer Attitude towards Online Shopping in Chandigarh", *International Journal of Management and Social Sciences Research (IJMSSR)*, 4(3), 1-3.
9. Sajjad Nazir, ArsalanTayyab, Aziz Sajid, Haroon Rashid, IrumJaved, (2012) "How Online Shopping Is Affecting Consumers Buying Behaviour in Pakistan?" *IJCSI International Journal of Computer Science Issues*, 9(3), 486-495.
10. Dr. Sonal Kala & Rajesh Kumar Sharma,(2015),Behaviour of consumer towards Online shopping in India" 2(4),127-131.
11. . GagandeepNagra, &Gopal (2013) "A study of Factors Affecting on Online Shopping Behaviour of Consumers.", *International Journal of Scientific and Research Publications, (IJSRP)*, 3(6), 1-4.
12. JayendraSinha (USA), Jiyeon Kim (USA), (2012) "Factors affecting Indian consumers' online buying behaviour." *Innovative Marketing*, 8(2), 48-57.
13. NCSC, Annual Research, (2013) "Online Retail – Threats and Opportunity for shopping centres", *NCSC, Annual Research*, 3-33.
14. William Steel Toby Daghish Lisa Marriott Norman Gemell Bronwyn Howell (2011)"E commerce and its effect upon its retail industry and Government Revenue.", *New ZealandInstitute for the study of competition and Regulation*, 2-25.