



A STUDY ON IMPACT OF ONLINE TRADING ON RETAIL SECTOR WITH SPECIAL REFERENCE TO TAMILNADU

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ABSTRACT

In this paper an attempt has been made to accentuation the force of the increasing trading of online shopping over the various fixed shop retailers. Online trading is trading in products or services using computer networks, such as the Internet. Retailers comprise of a large section of the population and a larger population is dependent upon these retailers. But the display of e-stores with their smart incentives and wide varieties has ill-treated on their face the fear of uncertainty and exposure. In India the retail sector accounts for 22% of the country's Gross Domestic Product (GDP) and contributes to 8% of the total employment. This study appearance into the various aspects about how retail businesses are being affected and also the various recovery mechanisms they are coming up with to counter those e-stores in their race of survival. This paper also unravels the effect upon the profitableness of the various concerns due to increasing trend for online shopping. Although the periodicity of the study is less yet an effective attempt has been made to enlighten the state of affairs along with concrete suggestions.

KEYWORDS:

Fixed Retailers , Customer Perception, Service Quality

INTRODUCTION

Online shopping (or e-tail from electronic retail or e-shopping) is a form of e-commerce which allows consumers to directly buy goods and services over the internet through a virtual shop. Some of the leading online stores currently in India are Amazon, Flipkart, Snapdeal, Homeshop18, Myntra etc. Retail is a process of selling goods and services to customers through multiple channels of distribution. Retail stores may be small or big but they mostly operate in the same line as “purchasing to sale”. Retail form of business is as old as civilization and is the most basic form of business. Types of Retail Stores are like- Departmental Stores - A department store is a retail store which offers wide range of products to the end-users under one roof. In a department store, the consumers can get almost all the products they aspire to shop at one place only.

In India, the information technology act, 2000 governs the basic applicability of e-commerce. It is based upon UNCITRAL Model but is not a comprehensive legislation to deal with e-commerce related activities in India. Further, e-commerce laws and regulations in India are also supplemented by different laws of India as applicable to the field of e-commerce. For instance, e-commerce relating to pharmaceuticals, healthcare, traveling, etc. are governed by different laws though the information technology act, 2000 prescribes some common requirements for all these fields. The competition commission of India (CCI) regulates anti competition and anti trade practices in e-commerce fields in India. Some stakeholders have decided to approach courts and CCI against e-commerce websites to file complaint about unfair trade practices and predatory pricing by such e-commerce websites.

OBJECTIVES

1. To analysis the problems of the retail traders who resist the online trade.
2. To study the difficulties faced by the middlemen due to growth of online trading in retail sector.
3. To examine the view of customers in respect of online trading.

METHODOLOGY OF THE STUDY

The principal method used was Personal Interviewing of the respondents. In-Home interviews were conducted by us at various locations in Tamil nadu. The users include the old and the young population.

Sample Size: In this study, primary data is collected from the people who belong to Tamil nadu. There are 120 respondents were selected for this study. Convenient sampling method is used in the present study.

COLLECTION OF DATA

Both primary and secondary data have been collected for the research work.

PRIMARY DATA

A well – structured questionnaire schedule was prepared for the purpose of collection of data. The questionnaire related towards the major satisfaction factors considered by the consumer while impact of online trading on retail sector.

SECONDARY DATA

Secondary Data was collected from the journals, magazines, research reports and from the companies' websites. He also visited the dealer premises and had a discussion with the dealers, manager and consumer care executive regarding consumer preferences and satisfaction over the online trading on retail sector. Their ideas are taken into consideration for drafting final questionnaire.

Percentage analysis:

The frequency distribution (Descriptive/Percentage analysis) of the variables were calculated with the help of simple percentage, by writing the formula

$$fd = f/n * 100$$

Where, fd denotes frequency distribution, f denotes the number of respondents, and n denotes the total number of sample population

PERIOD OF STUDY

The study has been conducted during six month period from January to June – 2017.

LIMITATIONS OF THE STUDY

- The study is limited to tamil nadu only.
- Time is also a limiting factor as the study is conducted in a very short span of time.
- The major limitation of the study is that the results may not be universally applicable as it is an empirical study.

REVIEW OF LITERATURE

Bell Ho and Tang (2011) found that location no longer explain most of the variance in store choice decisions. Rather store choice decisions seems to be consistent with a model where consumers optimize their total shopping costs, effort to access the store location being one component of their fixed cost of shopping.

Philip Kotler et.al (2015) states that “Retailing includes all the activities involved in selling goods or services to the final consumers for personal, non-business use. A retailer of retail store is any business enterprise whose sale volume comes primarily from retailing. Any organization selling to final consumers whether it is a manufacturer, wholesaler or retailer is doing retailing. It does not matter how the goods or services sold (by person, mail, telephone, vending machine or internet or whether they are sold in a store, on the street or in the consumer in home)”.

Prof. Prem Vrat et al: study attempted to present an in-depth study of retail sector of India, organized and unorganized, and identifies parameters for defining competitiveness in the context of Indian Retail. Integrating Quality Function Deployment (QFD) analysis with the Kano model the paper highlighted major technical issues related to Kirana and Apparel Shops. A model for optimizing product assortment in a small unorganized store has been presented, with the introduction of the concept of linear cross elasticity. It highlights the managerial insights gained through the study. Most of the earlier studies were related to the analysis of impact of unorganized retail sector and comparison between organized retail sector and unorganized retail sector in India. Hence based on the research gap, the present study attempts to understand importance of unorganized retail sector and their reasons of existence also with opportunities and challenges in India.

Reutterer and Teller (2008)80 found that the objective of the paper is to identify store format attributes that impact on store format choice when consumers conduct fill-in or major trips to buy groceries. By doing so, consumers patronize multiple (store based) formats depending on the shopping situation operationalised by the type of shopping trip. The paper adopts the conceptual framework of random utility theory via application of a multinomial logit modelling framework. The results reveal a considerable moderating effect of the shopping situation on the relationship between perceived store format attributes and store format choice. Consumers' utilities are significantly higher for discount stores and hypermarkets when conducting major trips. To the contrary, supermarkets are preferred for fill-in trips in the focused retail market. Merchandise-related attributes of store formats have a higher impact on the utility formation regarding major-trips, whereas service- and convenience-related attributes do so with regards to fill-in trips. The findings can only be generalised to retail markets with similar characteristics to the one under study. It is highly concentrated contains a considerable share of small size retail stores, it is urban and has clear cut boundaries due to its geographical location.

DATA ANALYSIS AND INTERPRETATION

Table 1

Classification Of The Respondents Based On Gender

Particulars	No. of respondents	Percentage
Male	62	52
Female	58	48
Total	120	100

Sources: primary data

Interpretation:

The table shows that 52% of the respondents belongs to male categories and 48% of the respondents belongs to female categories.

Table 2

Classification Of The Respondents Based On Visit of retail outlets

Particulars	No. of respondents	Percentage
Weekdays	10	8
Weekends	65	54
Holidays	45	38
Total	120	100

Sources: primary data

Interpretation:

The above table shows that Majority of the respondents (54%) went to organized retail for shopping on weekends , 38% of the respondents visited retail shop on holidays only and 8% of the respondents are weekdays.

Table 3

Classification Of The Respondents Based on Discounts demanded by customers while making purchase

Particulars	No. of respondents	Percentage
yes	90	75
No	30	25
Total	120	100

Sources: primary data

Interpretation:

The table shows that 75% of the respondents are Based on Discounts demanded by customers while making purchase .

Table 4

Classification Of The Respondents Based On Customer Service quality

Particulars	No. of respondents	Percentage
Strongly agree	44	37
Agree	37	31
No response	20	17
Disagree	12	10
Strongly disagree	7	5
Total	120	100

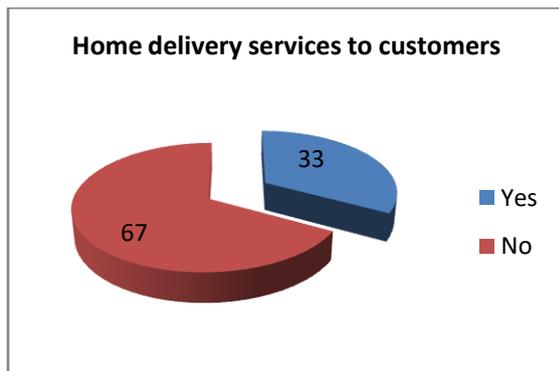
Sources: primary data

Interpretation:

the above table shows that majority of the respondents (37%) agree the customer , 38% of the respondents visited retail shop on holidays only and 8% of the respondents are weekdays service quality strongly agree ,31% of the respondents are agree and 10% of the respondents are strongly disagree.

Chart 1

Classification Of The Respondents Based On Home Delivery Services To Customers



FINDING

1. The majority of (52%) the respondents are male.
2. The majority of (54%) the respondents are weekends Visit of retail outlets

3. The majority of (75%) the respondents are say Discounts demanded by customers while making purchase
4. The majority of (37%) the respondents are strongly agree the Customer Service quality.
5. The majority of (67%) the respondents are Home Delivery Services To Customers.

SUGGESTIONS

- Retailers have to change the attitude towards customers and the market, fixing their priority as consumer satisfaction.
- A retailer should be in the good books of customer by providing better quality products, fair price and friendly after sales services.
- Retailers should help customers to explore the store. For this shopping should be made more adventurous by continuously upgrading the product portfolio, by changing the layout and by providing the touch and feel experience.
- Today's is a consumer market and as a result the priority is the consumer satisfaction.
- Additional services should be provided to the consumers to woo them and build upon a loyalty which in turn would ensure a stable sales in the years to come.

CONCLUSION

The advent of technology in recent period being the primary reason for it. Today, retailing means going into shopping centers, going online and going mobile. In all these, small retailers miss out somewhere. But the nearby store is always the most important concern for all reason and seasons. It needs to revive not just survive. The retail stores needs to simply uplift its pattern of business and face the competitive world with a more positive outlook. E-stores and retail stores both have to survive, none at the cost of the other. It's not just about the livelihood it gives to the thousands of people but also the convenience and the steadfastness of a fixed retail store. However in 2017 retailers will need to focus on accelerating change in their businesses. The best managed retailers can succeed and manage the peak demand, so it's vested on the retailer not only to upgrade the shop with different varieties of products but also to satisfy the customers by all means. The retailers may have to implement a responsive approach across their business scale as they try and respond to

structural change in the marketplace and improve innovation, responsiveness and the quality of their delivery. Both e-stores & retail stores have to survive in their own way. They both are providing livelihood to thousands of people.

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