

# A STUDY ON “THE IMPACT OF ONLINE SHOPPING UPON RETAIL TRADE BUSINESS”

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## ABSTRACT

*Up to 10% of GDP may be attributed to the retail sector in the Indian economy. In the retail industry, a retailer is either a merchant, an agent, or a commercial company that specializes in selling products and services directly to customers. Increasingly, businesses throughout the globe are turning to internet commerce as a new means of doing business. As the number of e-stores grows, this research aims to find out how it will influence businesses. Hosting their own websites and offering a wide range of services to their customers was a popular way for many businesses to get into retailing. Customers in huge retail malls may now buy at small businesses via a single platform. In addition to clothing, shoes and installation materials, it also includes furniture, jewelry, and food. As a consequence, we now have an online shop that is up to snuff. According to the findings, as the popularity of online shopping grows, consumers are taking less trips to brick-and-mortar stores.*

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

## INTRODUCTION

In e-commerce, e-commerce in e-commerce, or e-commerce in e-commerce, customers may buy and manage things via virtual storefronts directly over the internet. Among the most popular online retailers in India today are Amazon and Flipkart as well as Snapdeal, HomeShop18, Myntra, and more. Delivery of products and services to clients through various sales channels is known as retail. Small retail establishments are possible. However, in most circumstances, "closing a transaction" is the same thing. One of the oldest and most significant forms of business is retail. Customer purchases products and services through a variety of retail channels. Regardless of their size, most retail establishments follow the same business model as buy-for-sale businesses. These include department shops, supermarkets and shopping malls.

As a result of the convenience and simplicity of purchasing from the comfort of one's own home or workplace, internet shopping has gained a great deal of traction recently.

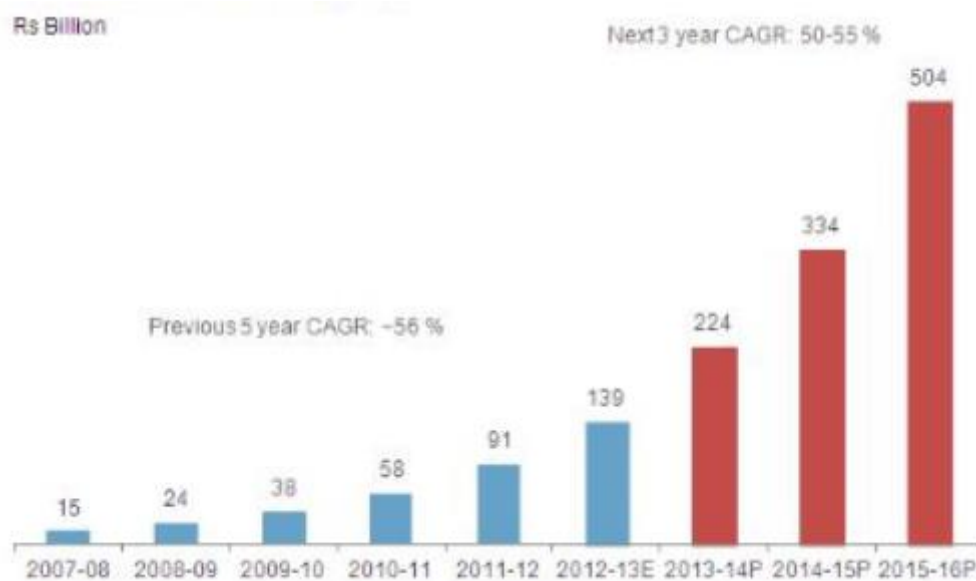
Retail establishments have a number of disadvantages when compared to the Internet. To begin with, Amazon provides a far wider selection than the corner bookshop or the local clothing store, which may only stock 5,000 titles or 20 variations on a single style of clothing in the same size. More items are available online than the ordinary brick-and-mortar business could ever hope to stock. As opposed to the expenses of holding and referring products in "physical" businesses, the costs of an e-commerce website

are just a tiny fraction of the expenditures. A tremendous influence is being made on retail establishments by the customer satisfaction and availability of services that may be found online.

Online shopping is a kind of e-commerce that lets customers use a web browser to purchase products or services directly from a retailer over the Internet. Consumers may quickly and easily access a variety of websites using search engines, and they can do so on PCs, laptops, tablets, and smartphones. In today's world, there are several online retail businesses that provide a wide selection of items via a number of distribution methods. Top online retailers in India today include Flipkart (18), Snapdeal (7), Jabong (8), and Myntra (9). The Internet simplifies and innovates our lives. The internet has made it easier and quicker for people to do commerce and trade. All businesses now use websites to exhibit their wares and services online, and it also serves as a hub for all of the industry's rivals. In retail, products and services are sold to clients through a distribution channel. The retail outlets will be fixed establishments that operate in a certain location, providing a wide range of products and services to a big number of people at a set location. Whatever the size of the showroom, they all follow the same business model. In the retail industry, there are a wide range of options: department shops, discounters, supermarket chains, unorganized shopping malls, and others. People in India will be more likely to get online in the next 10 to 15 years than any other nation. Morgan Stanley, a bank, predicts that the internet retail sector will be more than seven times bigger by 2020 than it was in 2013. As a result, such sales are projected to outpace those in any other country. Because of this, investors have been pouring money into e-commerce companies, which might have a far-reaching influence on the retail industry as a whole.

## **GROWTH OF ONLINE SHOPPING/RETAILING:**

The retail sector in India is developing at one of the world's quickest rates. From 2015 to 2020, the retail sector in India is predicted to develop at a CAGR Compound Annual Growth Rate of 16.7%. The fifth-largest retail market in the world is India. Google estimates that there are over 100 million internet users in India, with half of them doing their shopping online, a number that is rising year after year. There are a vast number of businesses, ranging from brick-and-mortar stores to those selling consumables, that have branched out online. The Indian public has embraced internet shopping in a big manner. Many retails and FMCG firms are jumping on the e-commerce bandwagon as India's online buying sector continues to develop at a rate of 100 percent each year.. India's e-commerce economy is booming, and it's not only in the big cities that it's exploding. From US\$ 6 billion to US\$ 70 billion, the internet retail business is predicted to increase over the next several years. The expansion of foreign and private firms in India's retail market has been a boon. Indian consumers' attention to cost forces merchants to rely on this tactic to boost profits. Wall Mart, Tesco, and other major international retailers are all importing their products from India. Despite the downturn in the economy, internet sales are on the rise. Customers are increasingly turning to internet purchasing due to the reduction in the hurdles to doing so. As a way to keep a wide number of consumers, free delivery of products and services is becoming an increasingly appealing marketing strategy to businesses of all sizes. The Indian government has also implemented measures to encourage FDI in the retail industry. Single-brand retail was accepted 100%, while multi-brand retail was approved by 51%.



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

## LITERATURE REVIEW

Nebojsa Vasic, Milorad Kilibarda and Tanja Kaurin (2019) in their study entitled, Customers' pleasure with online shopping is closely linked to a variety of characteristics, according to a study titled "The Influence of Online Shopping Determinants on Customer Satisfaction in the Serbian Market. When it comes to consumer happiness, there is a perpetual debate in the marketplace. Underdeveloped markets, where internet commerce isn't as prevalent, need to pay special attention to this problem. Research and analysis of the link between consumer happiness and many variables is required to promote online commerce participation. This work thus constructs a research model to examine the influence on customer satisfaction in the Serbian market of specific online purchase factors. Twenty-six components are grouped into seven categories: safety, information accessibility, shipping and quality, price, timeliness, and customer satisfaction in the conceptual model. Surveys and relevant Internet technologies were used to gather input model parameters.

Porinita Banerjee and Vasimraja Sayyed (2017), "A Study on Impact of Demonetization on E-Commerce Industry," describes demonetization as "the act of depriving a monetary unit of its status as legal tender. Removing a certain kind of cash from the general circulation is another name for this process. The old Rs. 500 and Rs. 1,000 notes are no longer in use as a result of the government's decision. Consumers' online buying habits are being affected as well as e-commerce itself by the unusual action taken by Prime Minister Narendra Modi. It is thus vital to investigate the influence of the e-commerce business on demonetization. The study's primary goal is to examine the impact of demonetization on consumers' frequency of product purchases and their preferred method of payment through online shopping.

Kavya (2016), Online shopping has the potential to affect both retailers and consumers in a significant way, according to research titled "A Conceptual Study on the Impact of Online Shopping on Retailers and Consumer." In the retail industry, a retailer is either a merchant, an agent, or a commercial company that

specializes in selling products and services directly to customers. Increasingly, businesses throughout the globe are turning to internet commerce as a new means of doing business. More and more businesses have begun their retail operations by launching their own websites, which include an extensive selection and enticing discounts for clients.

Subhalakshmi and Ravi (2015), Using data from Subhalakshmi and Ravi's "The Impact of Perceived Risk on the Online Shopping Attitude of Cosmetic Products in Tirunelveli City," the researchers found that financial risk, information risk, and time risk were the most important factors influencing customers' attitudes toward online shopping for cosmetic products. Customers are deterred from shopping online because of the time it takes to choose the right product and the time it takes to wait for it to arrive. "Online Shoppers Satisfaction with Online Purchasing" has attempted to examine the satisfaction of online shoppers with online shopping. The ease of online shopping has emerged as the most important factor in influencing consumers' inclination to purchase and support online retailers.

Smitha.V.G. and Asha Chauhan (2012) found that clients who wanted greater convenience and less time spent more money on the e-grocery market than they did on the traditional grocery market. E-popularity grocery's is influenced by demographic factors such as age, education, and wealth, according to the study. E-rise groceries has been aided in part by the availability of free delivery, according to the findings of this research. According to Ujwal Lanjewar, a framework for business intelligence has been designed based on the main motivating elements that affect the purchasing choices of Indian customers and to identify their unintended consequence. Indian Railways website users were used to examine the impact of the motivating elements. The results showed a good association between online services and customer behavior.

## 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

H<sub>0</sub>: There is no significant difference in sales after implementing online business.

H<sub>1</sub>: There is a significant difference in sales after implementing online business.

## SIGNIFICANCE OF STUDY

Because this research indicates the efficiency of internet retailers in retail stores, it is quite relevant at this time. Thousands of small business owners who seldom sell live things are alarmed by the sudden

acceptance of rapid shopping and internet purchasing. This research examines the dangers presented by tiny traders in real-world circumstances. As a consequence, shops that intend to restructure are more likely to be affected by this research than those who don't. It's time for marketers to pay more attention to this and devise more sophisticated methods as a result of doing so.

## CONCEPTUAL FRAMEWORK

e-tail (from "electronic retail" or "e-shopping") is a sort of electronic commerce that allows customers to buy particular products or services from a vendor via the Internet using a web application. Alternate names include: e-web-store, e-shop, and e-store. Other options include: Internet shops and web-shops; web-stores; online stores; and virtual stores. An online retailer's flexible sophisticated internet website or application is an example of a versatile business. Buying goods and services online is referred to as business-to-shopper (B2C) internet shopping because of the physical resemblance of buying at a brick-and-mortar store or strip mall.

B2B online shopping is used when a company buys from another business, and the process is referred to as such. Amazon.com, Snap deal, and eBay are the three most prominent online commerce partnerships.

## 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>Year of business</b>	<b>Frequency</b>	<b>Percentage</b>
Less than 1 year	5	6.67%
Between 1-5 years	17	22.67%
Between 5-10 years	18	24%
More than 10 years	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>Nature of business</b>	<b>Frequency</b>	<b>Percentage</b>
Electronics	23	30.67%
Garments	19	25.33%
General Stores	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.

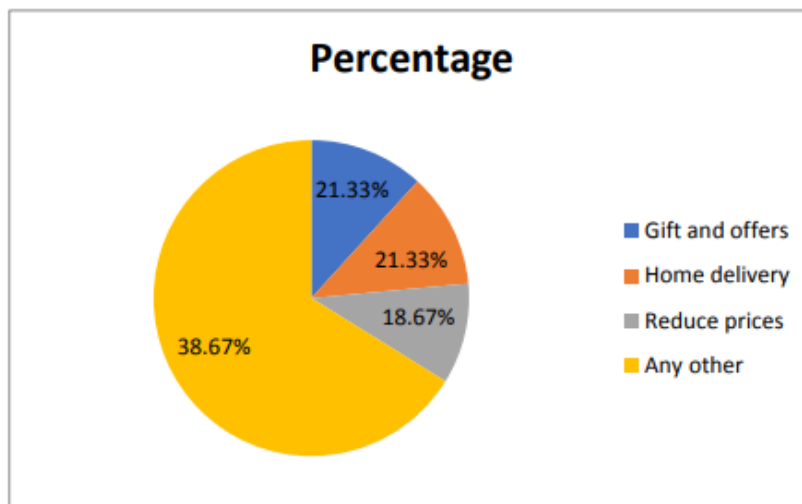
**Table-4: Table showing effect on turnover of the respondents**

<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**

Impact on business	Frequency	Percentage
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%
<b>Total</b>	<b>75</b>	<b>100%</b>

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%

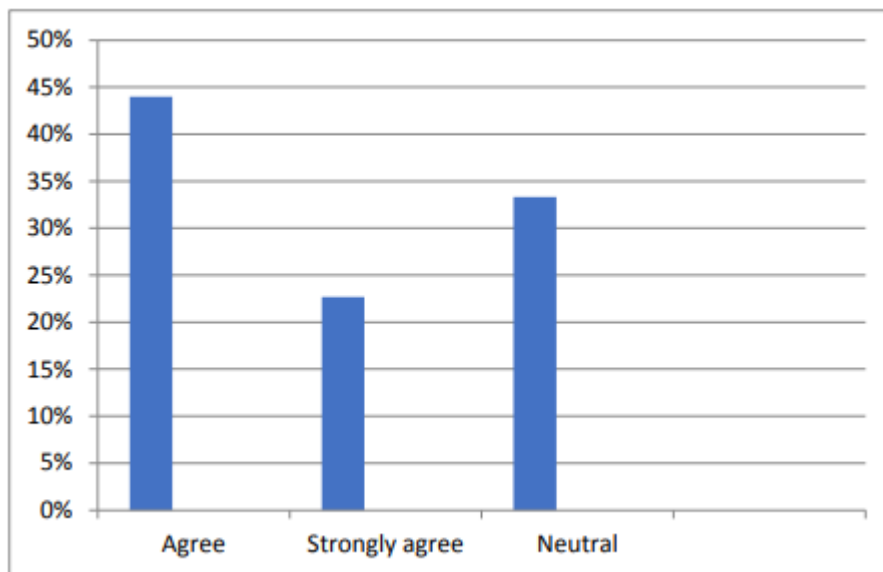
Though there is competition, profits are decreased sales are affected due to online business majority of the retailers still want to continue in the same spirit.

**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-square value	Table value	Significance
4.07	9.49	No significant

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

As a result of its large population, India has a reputation for rapid expansion. Consumer spending is the primary driver of retail growth. Market share can only be increased if fixed and online services are made more efficient via the use of technology. There are a number of issues that need to be taken into account if the retail industry is to flourish. The approach indicated in the survey must be followed by fixed-line shops in order to register a variety of rivals. In order to develop confidence, trust, and contentment for its different clients, India has to increase its retail industry and contribute to GDP. Conversions and changes in client behavior are examined in this conceptual study of online transactions or conversions. Additionally, it explains how to boost sales at brick-and-mortar establishments by using certain tactics. Over the next several years, merchants may benefit from a well-thought-out strategy. When it comes to improving your company, online and offline merchants may decide that they should concentrate on developing long-term connections with manufacturers.

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