

A STUDY ON EFFECTS OF E-COMMERCE ON RETAIL INDUSTRY IN INDIA

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Abstract

Retail sector continues to be the most blooming and powerful sector in India. In Indian economic system the contribution of the Retail quarter up to 10% of GDP is high-quality. A store is a service provider or an agent or a commercial enterprise corporation, whose major enterprise is promoting the goods and offerings immediately to customers thru various distribution channels the fame and fortune of the sector changed completely after the invasion of internet to the retail sector. Prior to the involvement of internet buying and selling was done physically through direct retailing but after the invasion of internet its E-commerce that's ruling the traditional retail sector in India. Online shopping is a part of e-trade which is accomplished commonly by way of the users due to e-commerce web sites in India which lets in us to purchase and promote the products according to our choice at less expensive charge. E-trade internet site has loads of impacts on extraordinary markets and shops. Many corporations began retail business thru website hosting their very own websites together with large form of products and services together with attractive offers to the customers. This platform works as a consortium which avails all the goods which can be available in petty shops to the big buying department shops. It incorporates apparels, shoes, plumbing substances, fixtures, jewelry and food gadgets and so forth. It allows the customers to buy the goods in keeping with their want in time without tons put off. As a result, as a result E-stores have emerged to fulfill the needs of massive segments of clients. On line shopping has experienced a rapid growth throughout the recent years due to its flexibility in operations. This study includes analysis about the benefits of online buying to the clients, Impact of increasing traits, challenges and threats faced by way of the fixed save stores. This paper puts up how E-commerce has changed the traditional retailing in India through the literature gathered from different experts and also suggest steps to improve traditional retailing in hand with E-commerce in India on due analysis.

Keywords: Retailing, E-commerce, Internet, Online shopping.

INTRODUCTION

Retail is the sale of goods to cease customers, not for resale, but for use and consumption by means of the purchaser. The phrase retail is derived from the French word retailer, meaning to cut a piece off or to interrupt bulk. In simple phrases, it implies a firsthand transaction with the patron. Retailing may be defined as the buying and promoting of goods and services. It can also be defined because the well-timed delivery of products and services demanded by means of consumers at charges which might be competitive and low cost.

Electronic commerce is a kind of enterprise model, or segment of a larger business version, that enables a firm or character to conduct business over a digital network, usually the net. E-trade is the shopping for and selling of goods and Services, or the transmitting of budget or facts, over a digital community, in the main the internet. These commercial enterprise transactions are enterprise-to-enterprise, enterprise-to-patron, consumer-to-client or consumer-to-business. The term e-tail is utilized in reference to transactional techniques around on line retail. E-commerce is carried out the usage of a diffusion of programs, inclusive of e-mail, fax, online catalogs and buying carts, electronic facts Interchange (EDI), file transfer protocol, and web offerings. It could be notion of as a greater superior shape of mail-order buying thru a catalog.

E-Commerce is the motion of business onto the sector huge internet. The effects of e-commerce are already acting in all areas of enterprise, from customer service to new product design. It facilitates new varieties of data based totally enterprise methods for accomplishing and interacting with customers like on-line advertising and marketing and marketing, online order taking and on line customer service.

Nowadays e-commerce has turned out to be a critical a part of everyday life. Accessibility to e-commerce platforms isn't always a privilege however instead a necessity for most people, particularly within the urban areas. There are alternative ecommerce

structures to be had (rather than the usual physical structures) for nearly every factor of our lives, starting from buying of ordinary family gadgets to on line brokerage.” As in twenty first century as net has emerge as most important and regularly and most necessity tool, it's going to truly race to attain extra growth and income through net.

Accessibility to E-trade systems isn't a privilege however rather a necessity for most people, especially in the urban areas. These days the variety of net users in the global is near to a few billion, out of this; India has a total of 259.14 million internet and broadband subscribers. This penetration of internet coupled with the growing confidence of the net customers to purchase on-line. This ends in a large increase within the E-commerce area, with an increasing number of clients registering on E-commerce web sites and purchasing merchandise through the use of cell telephones. India is in a prime function for the boom and development of the E-trade region. With the invent of digitalization the Indian economy has undergone multiple changes. The traditional retail sector irrespective of its contribution to the GDP and growth rate has been getting devastated with the outbreak of technological innovations like E-commerce.

OBJECTIVES

1. To understand the influence of E-commerce on traditional retail outlets in India.
2. To validate the impact of internet and online shopping on retail outlets.
3. To provide possible suggestions to support retail sector alongside the E-commerce developments.

REVIEW OF LITERATURE

Retailing is one of the most powerful sectors in India. After liberalization the wind of technology has changed the pattern of retailing in the country to an unexpected extent. The E-commerce is that new wave technology that has changed the pattern of retailing in India. The present section discusses in brief the opinion and outcomes of different studies taken up by experts with regard to how E-commerce has changed retailing in India.

(Abhijit, 2013) in his paper opined that e-trade has unleashed yet every other revolution, which is changing the way corporations buy and promote the products and services. New methodologies have advanced. The position of geographic distances in forming commercial enterprise family members is decreased. With the improvement of 3G and 4G wi-fi communication technology, the net economy will continue to grow robustly.

Chatterjee, (2016) studied the “E-commerce in India: A evaluation on subculture and demanding situations” and the look at located that E trade commercial enterprise at some point of the arena has delivered a first rate trade within the enterprise landscape and it additionally has redefined the commercial enterprise scenario via appreciably converting contours of space and time and it has reshaped the idea of nature of enterprise management. India having massive populace with net customers is expected to be one of the essential players in E-commerce surroundings.

Mallikarjun Rao (2006) at the same time as analyzing the “Factors affecting growth of e-commerce in India” stated that there has been a near affiliation among on line buy and availability of records about the vendors, subsequently, suggested that greater statistics will boom respondent's consolation level for online change.

After a detailed analysis on “e-commerce in India: Evolution and Revolution of on line retail”, Kalia, Kaur & Singh, (2017) inferred that India is third largest kingdom in terms of net customers. India will pressure e-trade in Asia pacific region after China and Indonesia and the study also concludes that there can be a prospective growth of digital commerce in India is extremely nice.

(Madhukar Sarode, 2015) in his paper concluded that e-commerce is destiny of purchasing and gap has been reduced between producer and consumer due to e-trade. There's great scope for e-commerce in India however due to susceptible cyber regulation, human beings are dealing with demanding situations in India.

Das & Ara (2015) study in “Growth of E-Commerce in India ”that though on-line journey and lodge bookings still manage the lion’s proportion of e-trade market, their proportion has comparatively fallen through the years because of the current augmentation and consequent upward thrust of e-tailing services. There was a wonderful surge inside the quantity of investment on this sector. With the e-commerce markets within the west attaining their saturation, investors see terrific capability in the Indian market, in the mild of which, many ventures begin to acquire funding from project capitalists and personal fairness companies.

In a study on “Antecedents of on line shopping conduct in India”: An exam, Rakesh and Khare (2011) tested that a survey of 325 college students reading in Indian universities became performed. The effects suggest that Indian students' aim to shopping for On-line is stimulated by using utilitarian value, attitude towards on-line buying, availability of records and hedonic values. Male college students have a more high-quality mindset toward online buying in comparison to woman college students.

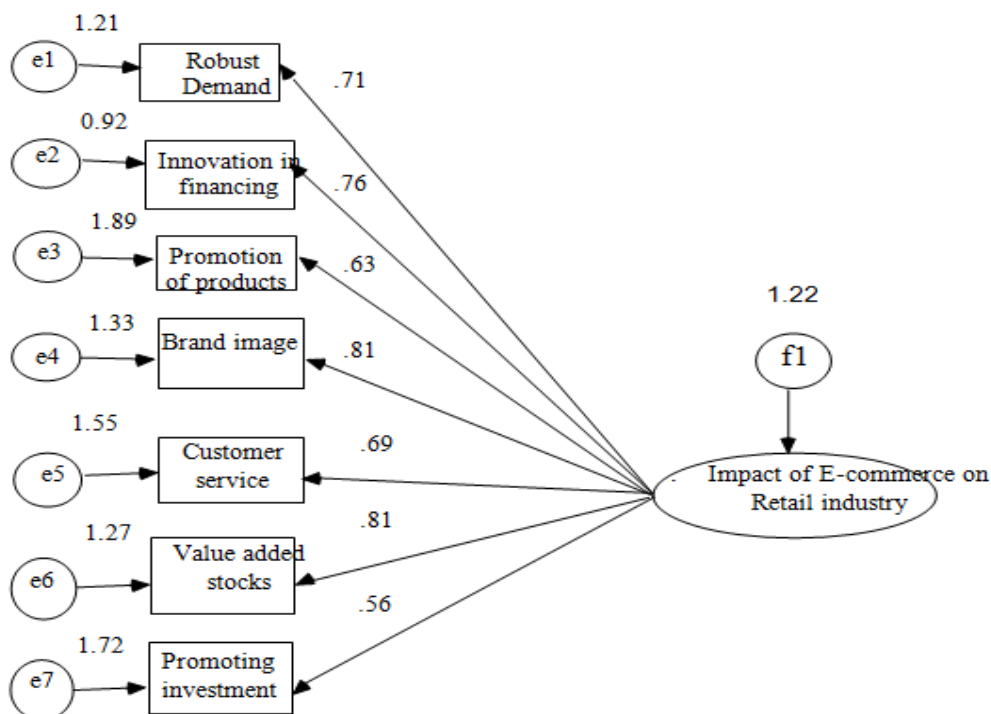
(Raghunath & Panga, 2013) concluded that initially, new net customers could be reluctant to behavior any kind of commercial enterprise online, mentioning protection motives as their foremost issue. With a purpose to boom patron adoption of e-services, the supply of patron confusion, apprehension and threat want to be recognized, understood and extended. E-trade affords awesome opportunities in one-of-a-kind regions but it calls for cautious utility for consumer safety troubles.

RESEARCH METHODOLOGY

For the conduct of this study Retail shop owners and online sellers were selected as a target population. To meet the research objectives, Retail shop owners and online sellers were selected on a random sampling basis. The sample size of 1536 was determined by using Sekaran and Bougie (2010) sample size table. The data was collected by using structured questionnaire and the analysis was made based on the response from the respondents.

ANALYSIS AND INTERPRETATION

The following diagram shows the relationship between latent variables and impact of E -commerce on Retail Industry. From the diagram it is revealed that, the latent variables Robust Demand, Innovation in financing, Promotion of products, Brand image, Customer service, Value added stocks And Promoting investment shows the relationship between the impacts of E -commerce on Retail Industry



Empirical results of the proposed model

Covariance relationship estimate			Beta estimate	C.R.	P
Impact of E-commerce on Retail Industry	--->	Robust Demand	0.71	7.321	***
Impact of E-commerce on Retail Industry	--->	Innovation in financing	0.76	6.487	***
Impact of E-commerce on Retail Industry	--->	Promotion of products	0.63	5.925	.021
Impact of E-commerce on Retail Industry	--->	Brand image	0.81	6.264	***
Impact of E-commerce on Retail Industry	--->	Customer service	0.69	4.611	***
Impact of E-commerce on Retail Industry	--->	Value added stocks	0.81	5.216	.013
Impact of E-commerce on Retail Industry	--->	Promoting investment	0.56	7.321	***

Structural diagram of the analysis presented in Figure 1, depicts the standardized model based on the seven latent variables Robust Demand, Innovation in financing, Promotion of products, Brand image, Customer service, Value added stocks and Promoting investment shows the relationship between the impacts of E-commerce on Retail Industry. Table 1 represents the results of the Covariance relationship estimate among the latent variables and observed variable. The critical value, which is more than 1.96, is considered to be significant (David Garson, 2016).

The critical value of latent variables Robust Demand (7.321), Innovation in financing (6.487), Promotion of products (5.925), Brand image (6.264), Customer service (4.611), Value added stocks (5.216) and Promoting investment (7.321) have a positive association with the impacts of E-commerce on Retail Industry.

SUGGESTIONS

1. Salesmen portray an important role in attracting customers in retail outlets in India. It's the responsibility of the shopkeepers to educate and train the salesmen at their outlets such that they are able to attract more customers to their outlets.
2. Retailers must avoid intermediaries and buy directly from the manufacturers to avoid unnecessary expenditure.
3. Good ambience and physical environment attract the customers to enter the shop to grab a view which possibly adds seeds to a purchase.
4. Variety attracts customers over the online availability of limited options hence variety may assure better results for traditional outlets.
5. Promotional offers like sales, discounts, coupons can boost sales in retail outlets by attracting customers.
6. Apart from generating or increasing sales the retail outlets also need to be focused on the after-sale service beyond E-commerce efforts in order to retain the customers.
7. The traditional retail sector must pool in better technology to promote its business and reach the customers.
8. A board or committee should be framed to address the needs and grievances of the retailers and take the necessary steps if required.

CONCLUSION

In our recurring existence internet plays an important position. We use internet day by day almost for each and every task. Earlier than e-commerce purchasing and promoting were managed without internet bodily within the enterprise sectors however after the arrival of net based totally enterprise in our existence has come to be increasingly beneficial due to its wide variety of factors of interest. E-Commerce business alludes to any sort of business trade directed on internet. The maximum prominent

case of e-commerce is net primarily based shopping, that's characterized as purchasing and selling of merchandise by the web on any machine. The factors of Interest presented with the aid of e-trade are on-line shopping of whatever each time and at anyplace, customers can discover the items on web Primarily based commercial enterprise sites which is not any on hand in bodily markets, it decreases price and time, without venturing out from home it could get our object at home. Retail sector has been left far behind after the invasion of the E-commerce into the Indian market. Internet continues to rule the world so does the E-commerce trade in country. It's important for the traditional retail sector to boost up better strategies to develop the position and impact that the retail sector in India leaves on the customers and retain them over the years to go and beat the E-commerce at a stretch.

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