

## **A STUDY ON THE IMPACT OF ONLINE SHOPPING ON RETAIL SECTOR WITH SPECIAL REFERENCE TO TRIVANDRUM DISTRICT**

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### **Abstract**

The introduction of the Internet in the mid-1990s was an unprecedented event in the history of information and communications technology. Likely overlooked at the time as a life changing event, nevertheless, the Internet has forever changed the way many individuals and firms on a daily routine. Businesses every day operations now are completed through online mode. One reason the Internet has developed so quickly is because it serves as a substitute for many other services, products, and traditional forms of interaction. Online retailing is one such substitute, which offers consumers a new outlet for making purchases. The new entrant in retailing in India signifies the beginning of retail revolution. India's retail market is expected to grow tremendously in next few years. The origins of retailing in India can be traced back to the emergence of mom-and-pop stores. These stores used to cater to the local people. Retailing includes all the activities involved in selling goods or services to the final customers for personal, non-business use. The retailer performs many activities like anticipating and forecasting customer requirements, developing an ideal assortment of products, acquiring and processing marketing information, and bulk breaking to suit individual customer requirements and sometimes performs the financing function. In this study, the researcher would like to analyze the Impact of Online Shopping on Retail Sector in Trivandrum District of Kerala State. The primary aim of this study is to understand the customer Demographic factors, level of Impact of online retail and Customers' Perception towards Online Trading or Shopping. For that researcher circulated 90 samples in the study area and researcher used percentage, Garret ranking method and chi-square test used for analysis the collected data.

**Key words:** Electronic Commerce, Electronic Shopping Attitude, Perception, Behavior, Promotional Activities.

### **Introduction**

E-commerce is buying and selling of goods and services over the internet. Before e-commerce buying and selling were done without internet physically in the markets but after the arrival of e-commerce in India our life has become more convenient because of its number of advantages. The advantages offered by e-commerce are online shopping of anything at any time and at any place, customers can find the products on e-commerce websites which is no available in physical markets, it reduces cost and time, without stepping out from home we can get our product at home. Purchasing products over Internet called as online shopping has now attained enormous popularity mainly because customers find it convenient and simple to purchase from the comfort of their home and also has relieved the trouble of going from shop to shop in search of the good of their choice. Online shopping is also called as electronic retail or e-shopping. It is a kind of e-commerce that allows consumers to directly buy goods from the internet through a virtual shop. The leading online stores currently in India are Flip kart, Amazon, Snap deal, Myntra etc.

It should be noted that online purchases will remove money from the local retailer and economy. If a customer purchases a gift from Amazon instead from a local retail business, that money goes to the

national retailer and not the local community. Online retailers are able to offer customers more options with regard to home delivery, pricing and coupons. The online retail stores renders more brands to the likely customers the wider range of products, a privacy shopping, and a convenient shopping with just a click. Online shopping allows the customers review thousands of products in one place and make the payment from the comfort zone. This convenience has affected offline retail shops to meet the competition with retailers and online retail stores. It affects the offline retailers because customers buys at a low price from online retail shops and does not get any profit. Even though online retail shopping provides a lot of advantages to consumers, like convenience, lower price, more detailed information and knowledge of review etc. On the other side, it has some disadvantages too, like online fraud and security issues, disclosure and privacy. In addition to the above points, online retail business also reflects that trust which will have great impact on the consumer decision to buy the products in online or not.

### **Need For the Study**

With a very high retail rent for building and other costs and with declining sales and financial constraints, retailers are left with no choice except to find alternative to increase sales and profit. Online retail store can be one of the attractive modes. In fact most companies use the online mode to reduce the marketing costs and to improve competitiveness. It is important for retailers to understand the opportunity in online retailing shopping opportunity. It is to be noted that the setting up a portal site can be costly and time consuming. The need of this study is to identify the impact of online retailing on traditional retailers. It is to be noted that little bit of information is known about rural internet users and the retailers' attitude towards shopping online. With regard to this, there were some studies undertaken in both the urban and rural areas about the online retailing in India. But, they did not help the retailers to identify the impact of online retailing on traditional retailers. In order to identify the impact of retailers, the researcher selected this study.

### **Scope of the Study**

The study covers the retailer's impact of online retailing in the study area towards online purchase. This study also covers the challenges faced by the traditional retailers, competitive factors faced by retailers due to online trading in the retail sector and success factors influencing the effective sales in the traditional retail sector. The advantages offered by online shopping is that anything you can buy at any time and at any place, customers can find the products online websites which is not available in traditional physical markets, it of course, reduces cost and time, without moving out from home customers are able to get product at home. Due to which the enterprises has increased the usage of internet by which they can reach to many customers which increases their sales and profit. Definition of the terms E-commerce, online and E-business, they are used interchangeably. E-commerce or online business is that part of E-business which focuses on external activities while E-business focuses on both internal and external activities of a business. Online shopping has a lot of good and bad impacts on different areas. The study is all about how it impacted the traditional retailers.

### **Review of Literature**

**DrRekha Joshi & Aditi Sahni (2022), "Impact of Online Shopping on Retail Business - With special Reference to Haldwani city in Nainital District of Uttarakhand"**, their study concluded that the Online shopping has become extremely popular these days, especially with the changing lives of people who are always busy and looking for a quick way to shop. One of the most appealing aspects of internet shopping for customers is that it is easy and can be used at any time and from any location. Online shopping is having a significant influence on retail shops in terms of customer happiness and service availability. Although e-commerce is beneficial to us in many ways, it has many disadvantages for retail store owners. The goal of the study was to see how online purchasing affects retail businesses. The survey included 50 retail business owners from the Haldwani city of Uttarakhand. Based on the outcomes of this study, it may be inferred that males aged between 41 and 50 years of age are mostly the owners of retail businesses, and most of them are graduates. 80% of the retailers surveyed are married and have a monthly income of up to 50,000 Rs. A number of business people own speciality stores in Haldwani city,

followed by kirana stores, departmental stores, and pharma store owners. A majority of the respondents have been in their respective businesses for more than 5 years and own a medium-sized retail shop.

**Dr. S. Mani (2019), “A Study on “The Impact of Online Shopping”**, His study denoted that the initiation of technology in recent period being the primary aim for it. Nowadays, retailing means going into shopping centers, going online and going mobile. In all these, small retailers failure out somewhere. But the nearby store is continually the most important concern for all reason and periods. It desires to revive not just survive. The retail stores desires to simply uplift its arrangement of business and face the competitive world with a more confident outlook. E-stores and retail stores both have to endure, none at the cost of the other. It’s not just about the livelihood it gives to the thousands of people but also the suitability and the determination of a fixed retail store.

### **Challenges in Online Shopping**

From the Different perceptions of customers, Increase in internet users and growth in online shopping but it is necessary to consider the various challenges faced by the online retail sector to absorb various potentials.

### **Awareness of Sites**

Even though the number consumers using the internet but they do not know about certain online shopping portals which suits their needs to purchase their products according to their wish. Also they do not aware of which site is offering good quality products.

### **Payment**

Some customer fear about payment .the delivery of goods not available in rural areas so if they want to purchase first they have to pay then they only have collect the products this creates a problem for them. And creates anxiety among the customers.

### **Reliability**

Sometimes the products which are displayed on to the website and the product which they sell will be different that is why many customers do not have confidence on reliability. Delayed Delivery: the customer may place the order but it will be delivered only after 3 4 days .it make them to wait for a longer time to get their product. Sometimes it will not be delivered at the time when they need it.

### **Delayed Service**

When the claim is been made towards replace or return or to refund the products, customers have to undergo some procedures to settle their claims. Delivery Charges: sometimes cost of the product will be less but when it includes certain shipment costs or packaging or handling charges it will be same cost as offline stores.

### **Objectives of the study**

- ❖ To study the Challenges in Online Shopping
- ❖ To know the Impact of Online Shopping on Retail Trade
- ❖ To find the Customers’ Perception towards Online Trading or Shopping
- ❖ To analyze the Level of Impact and Socio-Economic Characteristics of the sample respondents

### **Research Design**

The present study is of Descriptive in nature. Sample size selected for the study was 90 respondents in Trivandrum District of Kerala State. Convenience sampling technique was adopted in the selection of the respondents. Researcher used percentages, Garret Ranking method and chi-square test for analyzing the data.

### **Limitations of the Study**

- ❖ The study covered only Trivandrum district. Hence the findings and conclusions of the study are entirely applicable to this district only and it may not hold good for other areas.

- ❖ The study was based on the impact of the retailers, whose attitudes may change with the change of times. Therefore, the responses reflect only their contemporary views on the prevailing conditions.

## RESULTS AND DISCUSSIONS

**Table 1: Analysis of Socio-Economic Characteristics of Retailers**

Variables		No of Respondents	Percentage
Age	Below 25	26	29
	26-45	29	32
	46-65	18	20
	Above 65	17	19
	<b>Total</b>	<b>90</b>	<b>100</b>
Gender	Male	55	61
	Female	35	39
	<b>Total</b>	<b>90</b>	<b>100</b>
Educational Qualification	Illiterates	14	16
	Below HSC	19	21
	Graduation	20	22
	Post - Graduation	21	23
	Professional	16	18
	<b>Total</b>	<b>90</b>	<b>100</b>

### Sources: Primary Data

Table No.1 shows demographics wise distribution of the respondents. It reveals that majority of respondents age group were 26-45, majority of the respondents were male and Post - Graduation were high as compared to other Educational groups.

**Table 2: Type of Retail business of the retailers**

Nature	No of Respondents	Percentage
Departmental store	17	19
Specialty store	21	23
Super Market	27	30
Malls	25	28
<b>Total</b>	<b>90</b>	<b>100</b>

### Sources: Primary Data

The above table indicated that the Type of Retail business of the retailers. Out of the total respondents, 27 respondents were doing the Super Market, 25 respondents were doing the Malls, 21 respondents were doing the Specialty store and 17 respondents were doing the Departmental store.

**Table 3: Nature of Business**

Sources	No of Respondents	Percentage
Electronic Appliances	9	10
General Stores	14	16
Food items	21	23
Book Store	12	13

Garments	14	16
Foot wear	11	12
Groceries shops	9	10
<b>Total</b>	<b>90</b>	<b>100</b>

**Sources: Primary Data**

The above table shows that the Nature of Business. in which, the number of retailers who have been running Food items were 21, the number of retailers who have been running Garments were 14 respondents, the number of retailers who have been Book Store were 12 respondents, the most of the respondents were General Stores, the number of retailers who have been running Foot wear were 11 respondents, the most of the respondents were doing the Electronic Appliances and Groceries shops.

**Table 4: Impact of Online Shopping on Retail Trade**

<b>Impact</b>	<b>No of Respondents</b>	<b>Percentage</b>
Increased discount rates to customers	11	12
Home delivery services to customers	19	21
Increase in window shopping now a days	12	13
Decrease in profit margin	8	9
Decrease in average sales	13	14
Discounts demanded by customers while making purchase	9	10
Variety of stock maintained	5	6
Advertisements provided by dealers	7	8
Timely after sales services of personalized nature to customers	6	7
<b>Total</b>	<b>90</b>	<b>100</b>

**Sources: Primary Data**

The above table indicated that the Impact of Online Shopping on Retail Trade. Most of the respondents were Home delivery services to customers, 13 respondents were Decrease in average sales, 12 respondents were Increase in window shopping now a days, 11 respondents were Increased discount rates to customers, 9 respondents were Discounts demanded by customers while making purchase, 8 respondents were Decrease in profit margin, 7 respondents were Advertisements provided by dealers, 6 respondents were Timely after sales services of personalized nature to customers and 5 respondents were Variety of stock maintained.

**Table 5: Customers' Perception towards Online Trading or Shopping**

<b>Attitude</b>	<b>Mean Scores</b>	<b>Rank</b>
It is easy	20.61	<b>I</b>
Time saving	19.44	<b>II</b>
Reliable	19.26	<b>III</b>
Quick purchase	19.17	<b>IV</b>
It is more technological	18.91	<b>V</b>

Discount	18.66	<b>VI</b>
Easy payment	18.45	<b>VII</b>
No transportation cost	18.23	<b>VIII</b>
More variety of products	18.12	<b>IX</b>
Easy comparisons	17.91	<b>X</b>
Quick delivery	17.48	<b>XI</b>
No transportation cost	17.16	<b>XI</b>

**Sources: Computed Data**

The above table shows that the Customers' Perception towards Online Trading or Shopping. Most of the respondents were stated that the It is easy, it is the first rank. Other factors like Time saving, Reliable, Quick purchase, It is more technological, Discount, Easy payment, No transportation cost, More variety of products, Easy comparisons, Quick delivery and No transportation were the following rank.

**ASSOCIATION BETWEEN LEVEL OF IMPACT AND SOCIO-ECONOMIC CHARACTERISTICS OF THE RESPONDENTS**

The non-parametric chi-square test is applied to find the association Level of Impact and Socio-Economic factors such as Age and Education.

**Table - 6: Results of chi-square test on Age and Level of Impact**

Chi-Square test	Calculated value	Df	Table Value	Result
	10.20	9	16.92	<b>Accepted</b>

The table above indicates the chi-square analysis and it is inferred from the table that the Chi-Square value of  $\chi^2$  with 9 degree of freedom is 16.92. Since  $10.20 < 16.92$ , it is accept the null hypothesis and conclude that the Age is not depends on Level of Impact at a 5% level of significance.

**Table - 7: Results of chi-square test on Education and Level of Impact**

Chi-Square test	Calculated value	Df	Table Value	Result
	19.38	12	21.03	<b>Accepted</b>

The table above represents the Chi-Square tabulation analysis. The result shows that the Chi-Square value 19.38 has its p value 21.03 greater than 5% significance level. Hence, the null hypothesis is accepted and there is a no significant difference between Education and Level of Impact.

**Findings**

- ❖ It reveals that majority of respondents age group were 26-45.
- ❖ Majority of the respondents were male.
- ❖ Post - Graduation were high as compared to other Educational groups.
- ❖ 27 respondents were doing the Super Market.
- ❖ The numbers of retailers who have been running Food items were 21.
- ❖ Most of the respondents were Home delivery services to customers.

**Suggestions of the Study**

- ❖ Retailers can take effort to bring technology in-store. Technology can be used in different ways to balance real-world experiences, making them more meaningful and personal.
- ❖ Store retailers can provide guides, articles, advice or recipes digitally by photo capture, QR code or SMS, so the customer right away has the information on their phone.
- ❖ Consumers try to Google to find stores and products. Retailers should make sure that they showing up whenever consumers conduct a search relevant to their business.
- ❖ Mobile ordering can be encouraged by the traditional retailers to boost up the sales.
- ❖ Retailers can keep multi-dimensional in store display. Which is very attractive and customers are very much attracted towards multi-dimensional displays.

### **Conclusion**

This study concluded that the online retailing gives so many ways retailers can reach consumers and carry out business without the need for a brick-and-mortar storefront. when researcher compared with level of impact and socio economic characters of Age and Education, the null hypothesis is accepted and there is a no significant difference between Age and Education and Level of Impact. At the same time, the researcher find the Customers' Perception towards Online Trading or Shopping. Most of the respondents were stated that the It is easy. So, online retailing is currently one of the most important emerging sectors of web marketing. It has enable businesses to grow faster, more convenient and less costly. From the customer perspective, online retailing are very convenient to purchase products and services online. The process is often quick as the customers can place orders in a short period of time, without having to leave their homes or offices. Customers can purchase from several businesses without having to physically move around. Customers and potential buyers can be provided with a lot of information that make their shopping experience quicker and easier as well as improved customer service. Allowing customers to shop for the comfort and convenience of their own homes at any time can increase business sales and potentially the customers' loyalty. Online retailing keep consumers happy and constantly change to adapt to their strategies according to their lifestyle and technological changes.

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