

**A STUDY ON “THE IMPACT OF ONLINE RETAILING ON
TRADITIONAL RETAIL BUSINESS WITH REFERENCE TO
ELECTRONIC PRODUCT RETAILERS OF BARAMATI”**

Miss. Archana U. Suryawanshi (Author)

Lecturer, B. Voc Retail Management, Tuljaram Chaturchand College of Arts, Science and
Commerce, Baramati

Email address: archu.academic2021@gmail.com

Mobile No. : 9665774609

Prof. Dr. Madhulika A. Gupta (Author)

Professor, Dr. D.Y. Patil Centre for Management and Research, Pune

Email address: madhulikagupta123@gmail.com

Mobile No.: 9970754184

Abstract: This study examines the effects of internet retailing in relation to Baramati's electrical goods. Online retailing has greatly risen in recent years because of digitalization and subsequent covid. Because of its large population, India has a greater than average number of retailers. However, the broad variety of products available on the internet presented a challenge for conventional merchants due to the tempting incentives. The use of electronic products has expanded because of people's growing technological sophistication. It's important to concentrate on how digitization will affect existing electronic device stores. This study examines several topics, including the impact of online merchants on traditional stores and what. This paper also covers the impact of digitalization on profitability of traditional retailers.

Key Words: -Online Retailers, Traditional retailers, Electronic Products, Profitability.

Introduction

Online retailing means electronic trade. It involves selling and purchasing of products by using technology through online method (Dr. Shahid Amin, Prof. Keshav Kansana, Jenifur Majid, 2016). Online business is growing not just brand but also chains across India. Total numbers of shoppers expected grow up to 175 million. Variety in products with categories is available on online platform. Online fashion is fastest growing category Retail Market with the backbone of technology and strategies. From 2020, it is expected to make 100 US Dollar revenue from online retailing. Government also taking initiative to support online retailing by framing new policies and strategies (Gaurav Khurana, 2020). Customer response is positive for e-tailing. It saves time offer varieties with flexible price and products of across the world. There is minimum investment to entry on this platform, easy Entry and Exit. Save fixed cost of retailer (Dr. Naresh Kumar Sharma, 2017). With digitalization in India, people are also started using online platform for buying products. Youth of India is main force, who use internet more and do online purchases in more quantity (Oly Mishra, Dr. A. Prasad 2014). There is need to study how online retailing affecting on traditional retail business.

Need of the Study

This study is more relevant to current scenario of retail market. It studies the impact of online retailing on traditional retailing of electronic products. Every sector is affected by digitalization and started using digital technology. Retail sector also have great impact of online retailing. Many small retailers, who sell product in very small quantity which is the source of their livelihood, are affected. There is need to study at what it affects and what strategies they are adopting to overcome from its threat and to survive in it.

Scope

This study is conducted of traditional retailers of electronic products in Baramati. It covers the impact of online retailing specifically on electronic Products. It reveals the impact on profitability and sale of electronic products. It also examines strategies adopted by traditional retailers in this digital scenario.

Literature Review

- 1. AmitSaha, 2015**, conducted a Study to analyze the impact of e-tailing on retail trade business. Online retailers offer variety of products with reasonable price, so it created competition for traditional retailers. This study conducted to know how retailers surviving in this tough competition. Traditional retailers started to implement new strategies like home delivery, concession etc. to survive in competition. Research reveals that there is impact of online retailing on traditional retail business.
- 2. Dr. Amy Leahy, 2009**, investigated impact of E-commerce on Traditional Retailers. He conducted study on Nordstrom. He studied how Nordstrom survive in this competition. Researcher revealed that there is impact of E-commerce on traditional retailers. Their sale and profit deciles from 2006. He concluded that management of inventories is very important on both platforms online as well offline.
- 3. Dr.K.R. Dhana Lakshmi, S.Shayena, 2018**, conducted study on E-Commerce and its Impact on Markets and Retailers. He evaluate types of market and retailers as well impact of E-commerce on retailers. He found that E-commerce have good impact on market, it reduced advertisements and developed new brands. But it has bad impact on retailers as they can retain variety of stock at lower price like online retailers.
- 4. Pranitha V. Shetty , Soujanya , 2020**, conducted study on Impact of Online Shopping on Retail Business in Udupi District. Online retailers provide variety in stock with minimum price. Number of businessman also started selling on online platform by creating their own website. All the products are available on one single platform with

variety and big discount. Researcher revealed that execution of online business affect on sales of retailers.

Objectives

1. To study the impact on sale of retail stores due to the entry of online retailers.
2. To evaluate the effect upon profitability of traditional retail stores in recent times
3. To examine the change in business strategies to divert customers from online platform to traditional platform.

Hypothesis

H0: There no impact of online retailing on Traditional Retailers of Electronic products

H1: H0: There impact of online retailing on Traditional Retailers of Electronic products

Research Methodology

Sources: -Primary and Secondary Data

Tools: -Ms Excel and SPSS

Universe: -30

Sample Size: -30

Data Collection Techniques: -Questionnaire

Data Representation:-Tabular and Graphical Form

Data Analysis and Interpretation

Presentation of data Table: Table showing the analysis of the various aspects of the impact of online retailing upon Traditional retailers of Electronic Products.

| Sr. No. | List of questions: | Yes | No |
|----------------|--|------------|-----------|
| 1 | Is there any change in average turnover in recent years due to online retailing? | 30 | 00 |
| 2 | Is there any decline in profit margin? | 30 | 00 |
| 3 | Do you increase any discount margin for customers in recent days? | 30 | 00 |
| 4 | Do customers ask for concession at the time of purchase? | 30 | 00 |
| 5 | Do you started to keep more variety of in products in recent days? | 30 | 00 |
| 6 | Do you started to give after sale services of personalized nature to your customers? | 24 | 06 |
| 7 | Do you made any change in promotion strategies about | 17 | 13 |

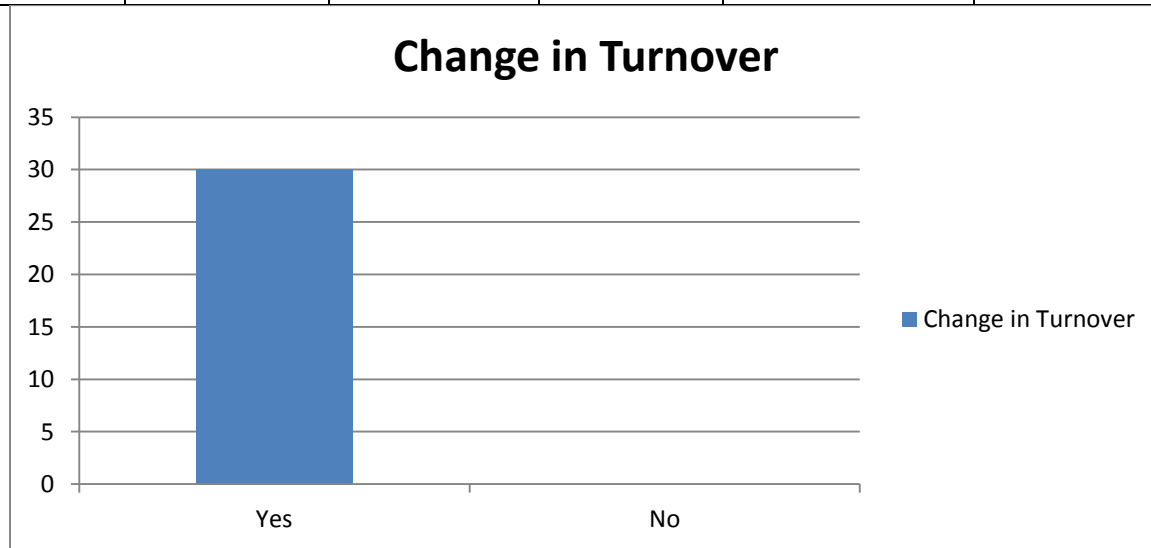
| | | | |
|---|--|----|----|
| | your enterprise in recent days? | | |
| 8 | Do you started to offer home delivery services for your customers? | 30 | 00 |
| 9 | Is there raise in window shopping in recent days? | 13 | 17 |

1. Change in average Turnover:
Statistics

| | |
|-----------------------|------------------|
| <u>Valid</u> | <u>30</u> |
| <u>Missing</u> | <u>00</u> |

Table 1: Change in average Turnover

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid | Yes | 30 | 100.0 | 100.0 | 100.0 |
| | No | 00 | 0.0 | 0.0 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |



Interpretation: From the total respondents 100% respondents stated that their average turnover changed with invention of online trading.

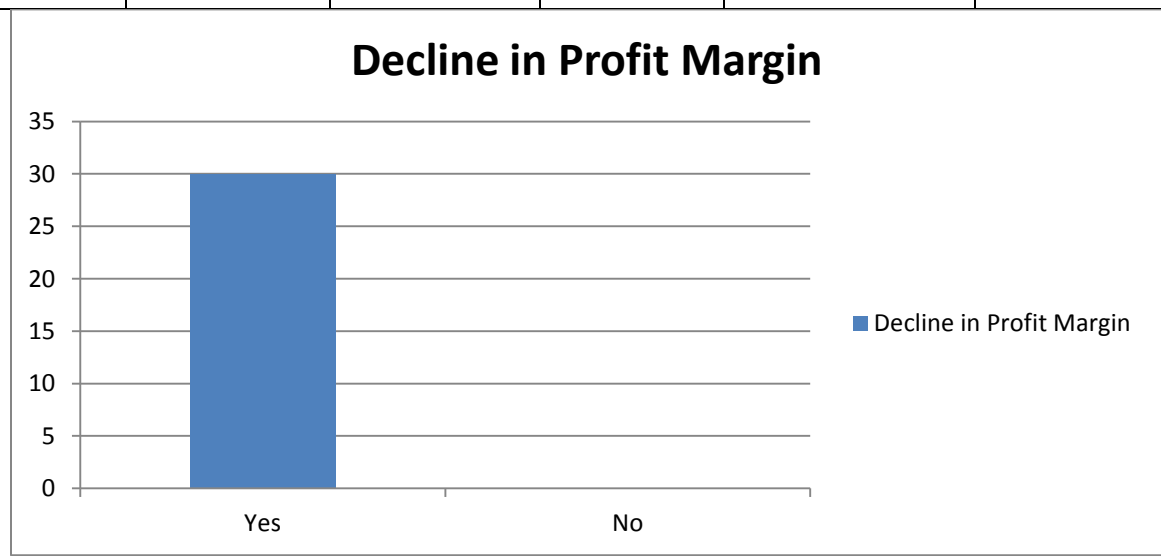
2. Decline in Profit Margin:

Statistics

| | | |
|--|-----------------------|------------------|
| | <u>Valid</u> | <u>30</u> |
| | <u>Missing</u> | <u>00</u> |

Table 2: Decline in Profit Margin

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid | Yes | 30 | 100.0 | 100.0 | 100.0 |
| | No | 00 | 0.0 | 0.0 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |



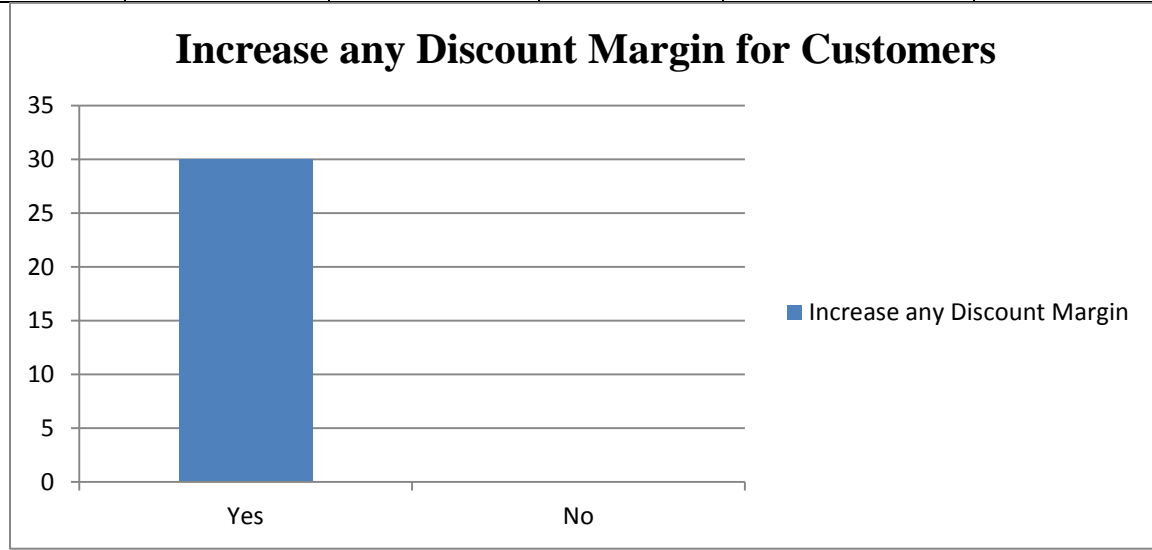
Interpretation: From the total respondents 100% respondents says their Profit Margin declined due to online trading.

3. Increase any Discount Margin for Customers:

Statistics

| | | |
|--|-----------------------|------------------|
| | <u>Valid</u> | <u>30</u> |
| | <u>Missing</u> | <u>00</u> |

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid | Yes | 30 | 100.0 | 100.0 | 100.0 |
| | No | 00 | 0.0 | 0.0 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |



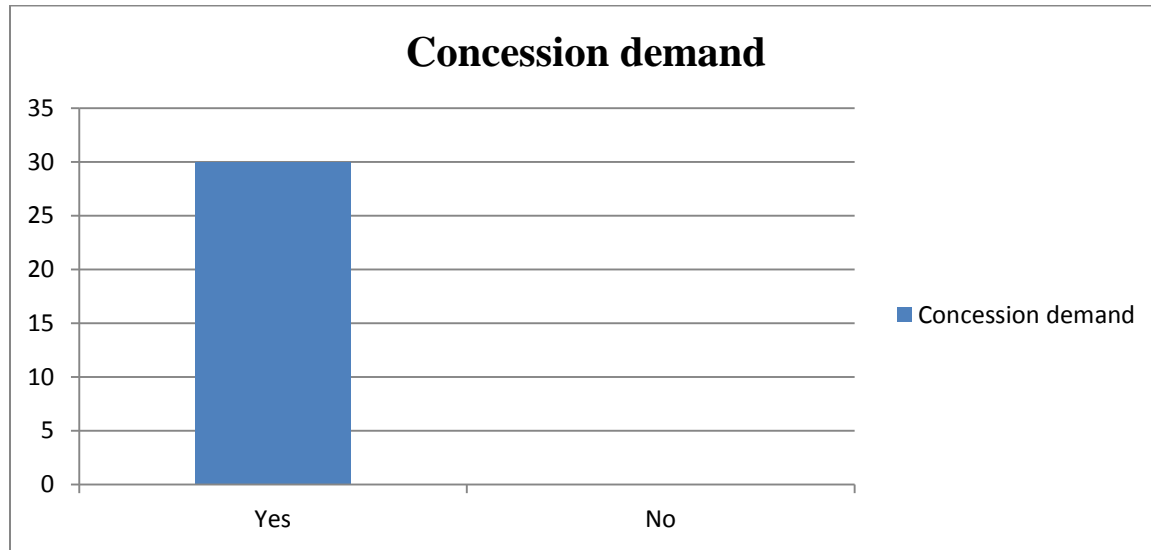
Interpretation: As per the above graph, 100% shoppers increase discount margin to attract more customers towards traditional retailers.

4. Concession demand from customers:

Statistics

| | |
|-----------------------|------------------|
| <u>Valid</u> | <u>30</u> |
| <u>Missing</u> | <u>00</u> |

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid | Yes | 30 | 100.0 | 100.0 | 100.0 |
| | No | 00 | 0.0 | 0.0 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |



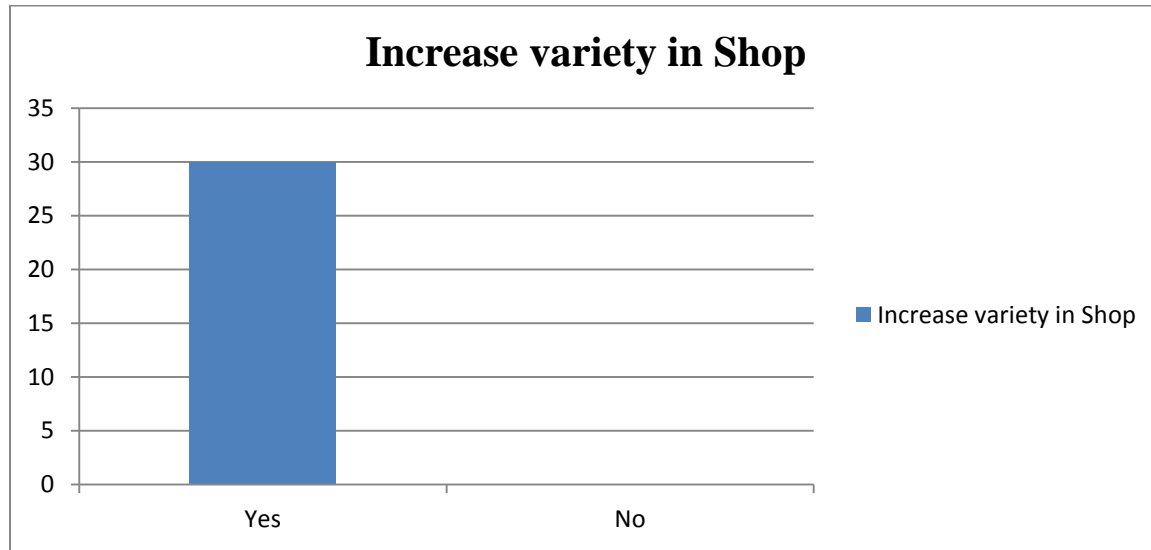
Interpretation: As per the above graph, 100% shoppers says that customers started demanding concession at the time of purchasing by comparing prices with online trading platform.

5. Increase variety in Shop:

Statistics

| | |
|-----------------------|------------------|
| <u>Valid</u> | <u>30</u> |
| <u>Missing</u> | <u>00</u> |

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------|------------------|----------------|----------------------|---------------------------|
| Valid | Yes | 30 | 100.0 | 100.0 | 100.0 |
| | No | 00 | 0.0 | 0.0 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |



Interpretation: as per above graph, 100% Tradition retailers started to keep more varieties in their shop to retain in online trading competition.

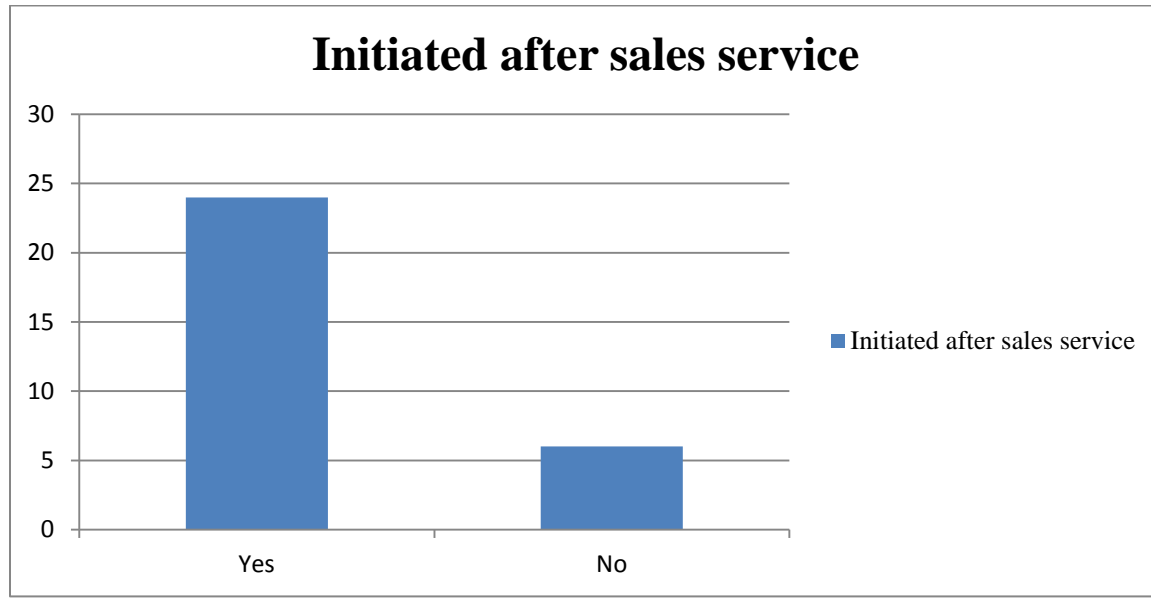
6. Initiated after sales service:

Statistics

| | |
|-----------------------|------------------|
| <u>Valid</u> | <u>30</u> |
| <u>Missing</u> | <u>00</u> |

Table 6: Initiated after sales service

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------|------------------|----------------|----------------------|---------------------------|
| Valid | Yes | 24 | 80.0 | 80.0 | 80.0 |
| | No | 06 | 20.0 | 20.0 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |



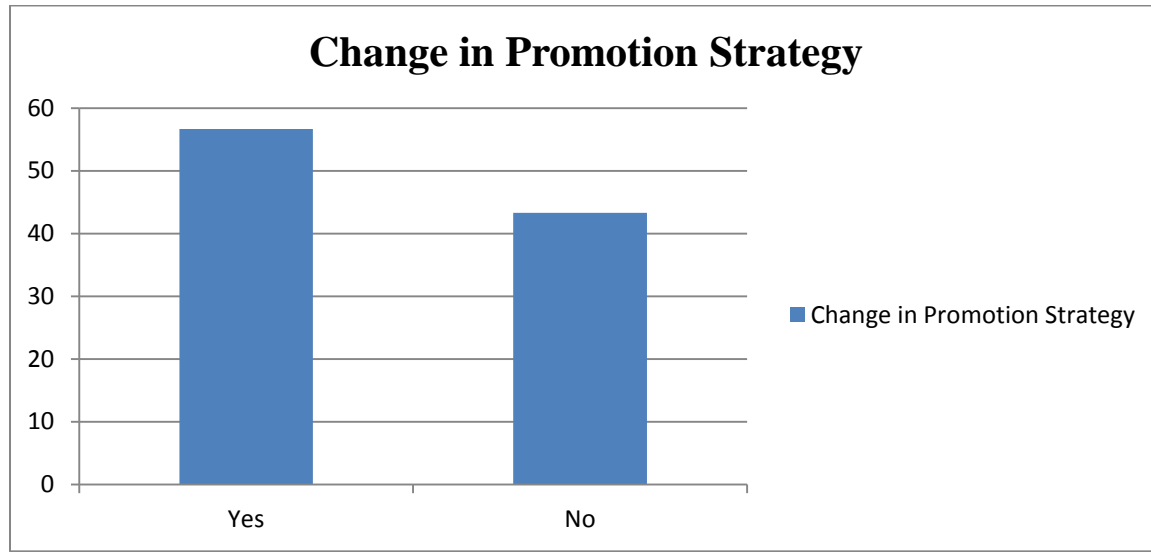
Interpretation: As per above graph, 80% Tradition retailers initiated after sales service. It means 80% retailers started adopting strategies as like online retailer.

7. Change in Promotion Strategy:

Statistics

| | |
|----------------|-----------|
| <u>Valid</u> | <u>30</u> |
| <u>Missing</u> | <u>00</u> |

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid | Yes | 17 | 56.67 | 56.67 | 56.67 |
| | No | 13 | 43.33 | 43.33 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |



Interpretation: as per above graph, 56.67% Tradition retailers changed their promotion strategy.

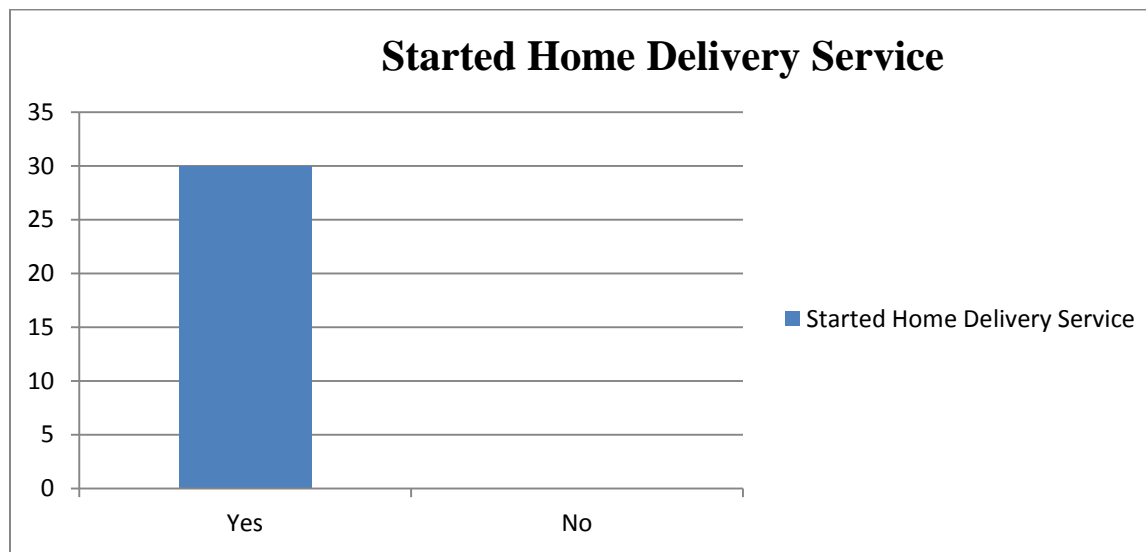
8. Started Home Delivery Service:

Statistics

| | |
|-----------------------|------------------|
| <u>Valid</u> | <u>30</u> |
| <u>Missing</u> | <u>00</u> |

Table 8: Started Home Delivery Service

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------|------------------|----------------|----------------------|---------------------------|
| Valid | Yes | 30 | 100.0 | 100.0 | 100.0 |
| | No | 00 | 0.0 | 0.0 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |



Interpretation: as per above graph, 100% Tradition retailers started to provide home delivery service for customers.

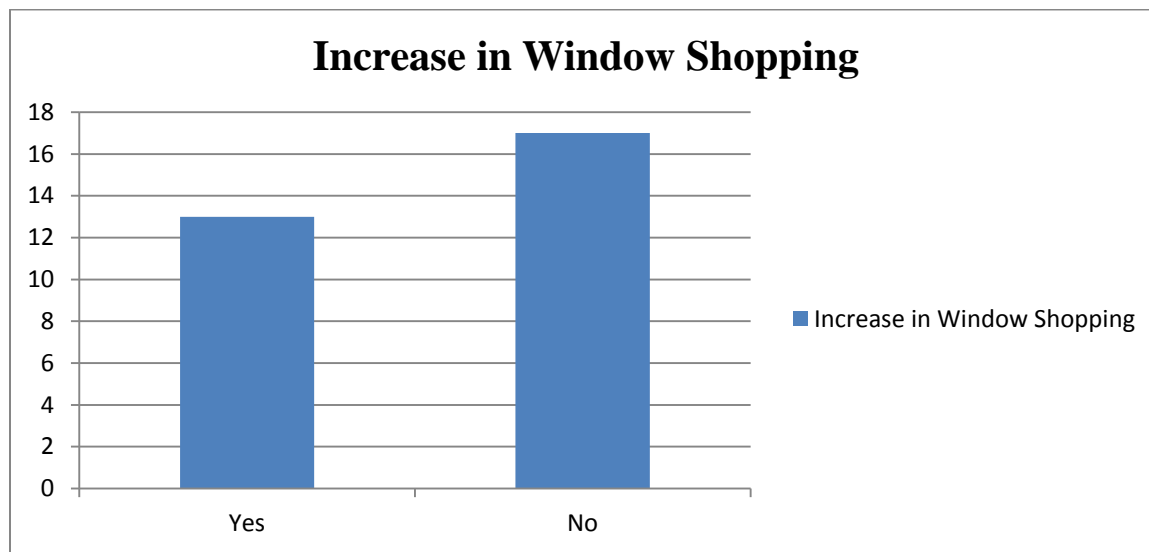
9. Increase in Window Shopping:

Statistics

| | |
|-----------------------|------------------|
| <u>Valid</u> | <u>30</u> |
| <u>Missing</u> | <u>00</u> |

Table 9: Increase in Window Shopping

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------|------------------|----------------|----------------------|---------------------------|
| Valid | Yes | 13 | 43.33 | 43.33 | 43.33 |
| | No | 17 | 56.67 | 56.67 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |



Interpretation: as per above graph, 56.67% Tradition retailers says there is no raise in window shopping in recent days.

Findings:

1. The study discloses that online trading have impact on traditional retailers of Baramati Electronic Products.
2. There is decline average turnover and profit margin with the entry of online trading platform in electronic products.
3. To survive from this threat, traditional traders started implement strategies as like online retailer. These are discount margin, after sales service, more variety in shop etc. .
4. Traditional retailers slowly started to make change in promotional strategies.
5. As per some retailer there increase window shopping nowadays.

Limitations:

- Study is limited to Baramati City only.
- Total universe is 30, so it is considered as sample.
- Study is conducted of only electronic products.

Conclusion:

There is impact of online retailing on traditional retailing. To survive from this threat more traditional retailer started adopting strategies as like online retailers. These strategies are home

delivery, concession, discount, variety in products etc. These strategies will help to retailers to survive in this external environment threat. Traditional retailers increased discount margin, started to provide after sales service as well started to keep more variety in store as like online retailer. There is impact of online retailing on electronic product retailers of Baramati city.

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