

Impact of Online Shopping On Retail Business (With special Reference to Haldwani city in Nainital District of Uttarakhand)

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ABSTRACT

The e-commerce industry in India is quickly growing. Online shopping has become highly popular with people who are always busy and seeking a quick way to purchase something. Consumers are continually devoting more of their time and money to online marketing. Consumers purchase online for a variety of reasons, the most important of which are price, convenience, and the large selection of items accessible. The current study was conducted on 50 retail store owners in the Nainital District of Uttarakhand's Haldwani city. Data was obtained using a well-structured questionnaire. The study revealed that a majority of retailers own medium-sized retail shops and have been in their respective businesses for more than 5 years. As a result of recent growth in online shopping, the average sales and the profit margin have not increased in the past few years. As a result, they've started to provide a greater choice of items in their store these days, and they also offer individualised after-sales services like return and replacement or home delivery of their numerous items.

Keywords: e-commerce, Online Shopping, Retail Stores.

I. INTRODUCTION

In this era of the internet, electronic commerce, popularly known as e-commerce, has become one of the most important aspects. Whether a child, adolescent, adult, middle-aged, or elderly person, almost everyone shops online. India's shopping paradigm has undergone a transformation as a result of e-commerce. The e-

commerce landscape in India has changed dramatically in recent years, and it is having a huge impact on consumer purchasing habits. E-commerce has grown as a result of the widespread usage of smart phones and the increasing number of internet users in India. The idea of e-commerce was originally introduced in India in 1991, at a period when the Internet was not available. However, by the late 1990s, an increasing number of individuals became aware of the Internet and were aware of the fact that transactions could be conducted over it. People can now practically get anything delivered at their doorstep, including everyday necessities such as pharmaceuticals, milk, groceries, clothing and lifestyle items, kitchenware, home decor items, as well as electronics, with simple return procedures.

Electronic commerce, or e-commerce, popularly known as internet commerce, refers to the purchasing and selling of products or services over the internet, along with the movement of money and data to complete these transactions. It allows users to buy products and services directly over the internet through a virtual store. Buying items through the Internet has received increasing attention in recent years, mainly because it is convenient and easy to shop online while sitting at home or office, and it also saves them the trouble of going from store to store in search of the good of choice. Some of the most popular online shops in India right now are Amazon, Flipkart, Jabong, Snapdeal, and Myntra, etc. One of the most significant benefits that customers perceive of internet shopping is that it is easy and can be used at any time and from any location. Online shopping has gained popularity in the twenty-first century,

particularly with the changing lives of people who are always busy and looking for a simple way to buy. Today, one can find an e-store with a large choice of items at various prices, as well as many incentives such as discount codes and appealing brands. Online shopping is a type of ecommerce that is mostly carried out by users that allows us to purchase and sell things of our choice at a reasonable price. E-commerce websites have a wide range of effects on various industries and merchants.

In very simple terms, the sale of products and services to consumers is known as retail. A retailer buys things in bulk from manufacturers, either directly or through a wholesaler, and then sells them in smaller amounts to customers for a profit. Retailers are the last link in the supply chain that connects manufacturers and customers. Basically, things are sold to consumers individually or in small quantities. There are various types of retail stores that are listed below:

- i. Departmental Stores- A department store provides a diverse selection of items to customers under one roof. Consumers can obtain practically all of the things they want to buy in a department store in one location. These stores sell a wide variety of goods and are well-known for providing items at various price points as well as a wide range of products.
- ii. Specialty Stores- Specialty shops are retail enterprises that specialise in one or two product areas. They are well-known for having a fairly limited product selection. Customers that shop at specialty stores tend to be less price-conscious. These stores specialise in a certain category of items, such as men's apparel, children's clothing, or sporting goods.
- iii. Supermarkets- FMCG items are the primary focus in supermarkets. It is a retail establishment that offers food and household commodities that are appropriately sorted and ordered into separate departments.
- iv. Convenience Stores- Also known as mom and pop stores and Kirana stores in India, are commonly found in residential areas. They provide a constrained or limited selection of items at premium rates owing to the additional benefit of convenience. These are usually small businesses managed by residents of the surrounding area to meet the everyday requirements of the people who live there. They just sell a few goods and are not well-organized.

- v. Discount Stores- As the name suggests, discount stores provide a wide variety of items to end-users at a discounted price. They provide substantial savings on the things they sell. Discount businesses often provide a restricted selection of products and compete by offering low pricing, a high turnover rate, and large volumes.
- vi. Hypermarkets- Also known as "super stores", hypermarkets have a competitive advantage over supermarkets. These stores are enormous and include a wide range of product categories.
- vii. E-Commerce Stores- E-commerce stores are virtual stores that allow customers to shop from anywhere at any time. The order is placed using the store's website, and the items are delivered to the address provided by the purchaser.

II. REVIEW OF LITERATURE

Pranitha and Soujanya (2020)¹ concluded that online and offline retailers should focus on building strong partnerships between producers and customers in order to strengthen their companies and drive economic growth. As internet shopping tendencies grow, the survey finds a drop in the number of steps people take to shop at grounded level stores.

C. Prakash and M. Muni (2019)² concluded that online shopping is the best thing to happen to customers. There's no need for buyers to schedule aside time to go shopping. There are no defined schedules. Buyers may shop whenever they want, and the item will be delivered to their home. Online business sites have also risen in popularity. Big Basket, an online retailer of vegetables and groceries, has entered the FMCG market in India.

Mitali (2019)³ states that the restaurant sector has evolved dramatically as a result of technological advancements. A technologically advanced online meal ordering system has significantly changed the restaurant's culture and provided consumers all over the world with a new spectacular comfort zone.

Raghavendra (2018)⁴ focuses on highlighting the influence of the growing trend of Internet marketing on a number of permanent store retailers. The findings stated that retailers' turnover and profit margins have both declined significantly in recent years, and that retail shops are more involved in customer satisfaction services these days. However, home delivery is becoming more common in retail businesses. But, on the other hand, people are becoming more comfortable with the experience of purchasing online.

Menal (2017)⁵ concludes that e-commerce is beneficial to customers because it offers them with a large range of items and services, as well as a wealth of information and appealing images, all at an inexpensive price, right at their doorstep. E-commerce has a negative influence on offline merchants since people buy at low prices from online stores, forcing them to decrease their prices as well, resulting in little profit. To entice clients, they must also spend more money on offline ads.

Vivek (2017)⁶ conducted his study on numerous store sellers in a specific geographical location, namely Pune. He stated that retailers must adjust their approach to the market. The findings of the study state that, nowadays, retail shops are more involved in customer satisfaction services. Although shops are unable to retain a vast selection of products in store, they make an effort to keep the finest of them in order to increase sales.

Amit (2015)⁷ concluded that the local shop is always the most crucial consideration. Nowadays, retail shops are more involved in customer satisfaction services. Although shops are unable to retain a vast selection of products in store, they make an effort to keep the finest of them in order to increase sales. Customers are spotted window shopping at an alarmingly high rate in order to have a physical look at something before purchasing it online at a lower price. With convenience and product selection becoming increasingly essential as decision factors for buying

online, people are becoming more comfortable with the experience of purchasing online.

III. OBJECTIVES OF THE STUDY

Following objectives have been formulated for the study-

- i. To learn about the effects of online shopping on retail businesses.
- ii. To examine the impact of e-stores on the profitability of retail stores.
- iii. To know the effect on sales of retail stores due to online businesses.

IV. RESEARCH METHODOLOGY

The sources of data, the methods used to acquire them, sampling procedures, statistical tools for analysis, and data interpretation are all part of the research methodology. The information for the study was gathered from primary sources. Primary data was gathered via the Direct Personal Interview approach, which involved conducting interviews with the owners of various retail stores and circulating an online questionnaire to these retail store owners. For the study, the 50 retailers were selected using a convenience random sampling method in Haldwani city, in the Nainital District of Uttarakhand. Secondary data was also gathered from journals, publications, and referring websites. Tables, percentages, pie charts, and bar diagrams were used to analyse the data.

V. DATA ANALYSIS

Table 1- Demographic Profile of the Respondents

	Category	No. of Respondents	Percentage
Gender	Male	32	64%
	Female	18	36%
	Total	50	100%
Age	21-30	08	16%
	31-40	06	12%
	41-50	19	38%
	51-60	13	26%
	Above 60	04	8%
	Total	50	100%
Educational Qualification	High School	00	-
	Intermediate	10	20%
	Graduate	32	64%
	Post Graduate	08	16%
	Total	50	100%
Marital Status	Married	40	80%
	Unmarried	10	20%
	Total	50	100%
Monthly Income in Rs.	Below 20,000	04	8%

	20001- 30000	04	8%
	30001-40000	16	32%
	40001-50000	18	36%
	More than Rs. 50,000	08	16%
	Total	50	100%

Source: Primary Data

The demographic profile of the respondents, who are the retailers, can be ascertained from Table 1.

According to the table, 64% are male and 36% of the retailers are female, among whom 38% belong to the age group of 41-50 years, followed by 26% who are under 51–60 years. 16% of the retailers surveyed belong to the 21–30 age group, 12% to the 31–40 age group, and the remaining 8% are senior citizens above 60 years of age.

64% of the retailers surveyed are graduates, 20% have intermediate educational qualifications, and 16% are post-graduates. As per the data gathered, 80% of the respondents are married, and 20% are unmarried. 36% of the retailers surveyed say that their income is between Rs. 40001 and 50000.

Around 32% of the retailers' monthly income lies between Rs. 30001-40000, 16% earn more than Rs. 50,000 per month, 8% earn 20001-30000, and the other 8% earn below Rs. 20,000.

Table 2- Retail Business Type

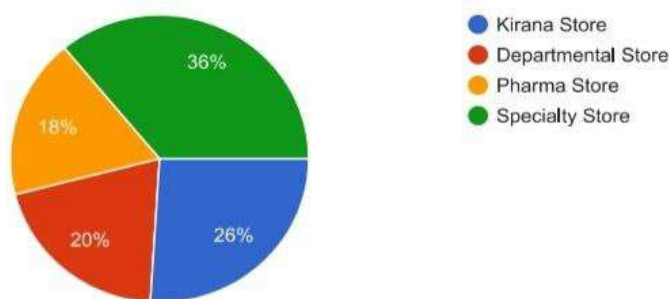
Sampling: Convenience Random Sampling used
Data Collection: Primary Data collected through structured questionnaire. The questionnaire divided into 2 parts, a questionnaire based on a 3 point Likert scale in which Agree=3, Neutral=2, and Disagree=1. The study also taken some secondary data from journals, magazines, and referring website

Type of Business	No. of the respondents	Percentage of the respondents
Kirana Store	13	26%
Departmental Store	10	20%
Pharma Store	09	18%
Speciality Store	18	36%
Total	50	100%

Source: Primary Data

What kind of business do you run?

50 responses



In Haldwani city, 36% of retail business owners run specialty stores. 26% of the merchants run a Kirana shop, 20% run a department store, and 18% of the store owners run a Pharma store.

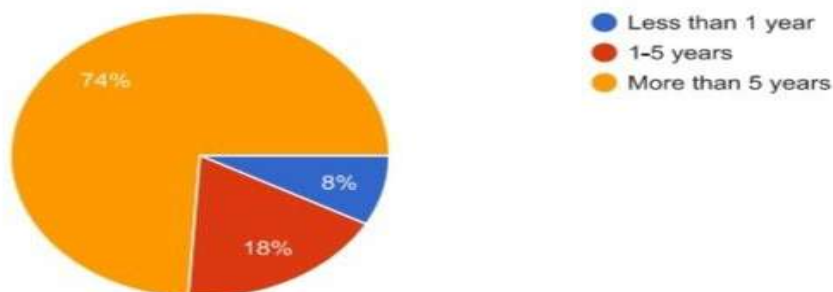
Table 3- The number of years in business

No. of years in own business	No. of the respondents	Percentage of the respondents
Less than 1 year	04	8%
1-5 years	09	18%
More than 5 years	37	74%
Total	50	100%

Source: Primary Data

You are in this business for how many years?

50 responses



As per the results of the study, 74% of respondents have been in their respective businesses for more than 5 years. Around 18% of respondents have been in their business for 1–5 years, while just 8% of respondents have been in their business for less than a year.

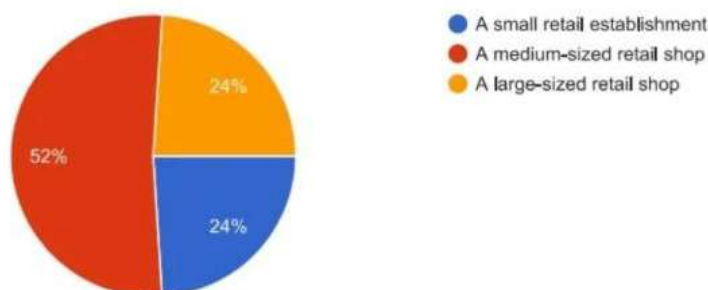
Table 4- Size of retail store

Size of retail shop	No. of the respondents	Percentage of the respondents
A small retail establishment	12	24%
A medium-sized retail shop	26	52%
A large-sized retail shop	12	24%
Total	50	100%

Source: Primary Data

What is the size of the retail store you own?

50 responses



According to the study, 52% of the retailers own a medium-sized retail shop, 24% of the respondents own a small-sized retail shop, and the remaining 24% own a large sized retail shop.

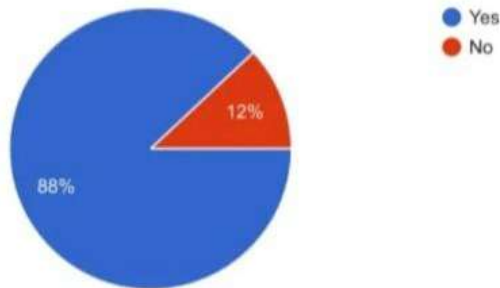
Table 5- Increase in competition due to online shopping

Is there increase in competition due to online shopping?	No. of the respondents	Percentage of the respondents
Yes	44	88%
No	06	12%
Total	50	100%

Source: Primary Data

Have you noticed an increase in competition due to online shopping in recent years?

50 responses



88% of the respondents agree that competition has increased in recent years due to online shopping, while only 12% of the respondents are of the view that competition has not increased due to online shopping in recent years.

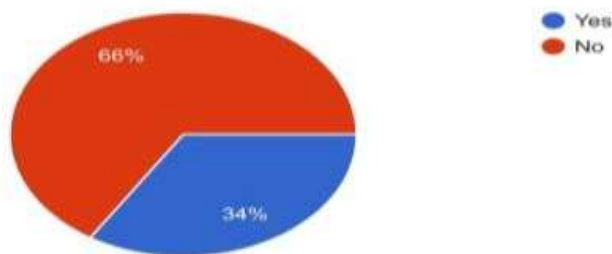
Table 6- Growth in customer base

Has consumer base grown in recent years?	No. of the respondents	Percentage of the respondents
Yes	17	34%
No	33	66%
Total	50	100%

Source: Primary Data

Has your customer base grown in recent years?

50 responses



The customer base of 66% of retailers has not risen over the years, while the consumer base of 34% has grown in recent years.

Table 7- Reasons for the declining consumer base

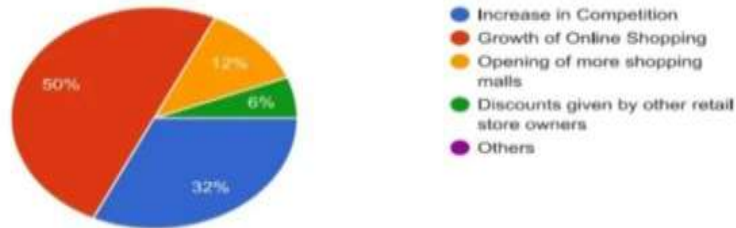
Cause of declining consumer base	No. of the respondents	Percentage of the respondents
Increase in competition	16	32%
Growth of online shopping	25	50%
Opening of more shopping malls	06	12%
Discount given by other retail store owners	03	6%
Others	00	-

Total	50	100%
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Source: Primary Data

What do you think is the cause of your declining consumer base?

50 responses



According to the results, 50% of the retail business owners believe that the growth of online shopping is the main reason for their declining consumer base, followed by another 32% who are of the view that their consumer base has declined due to an increase in competition in their respective

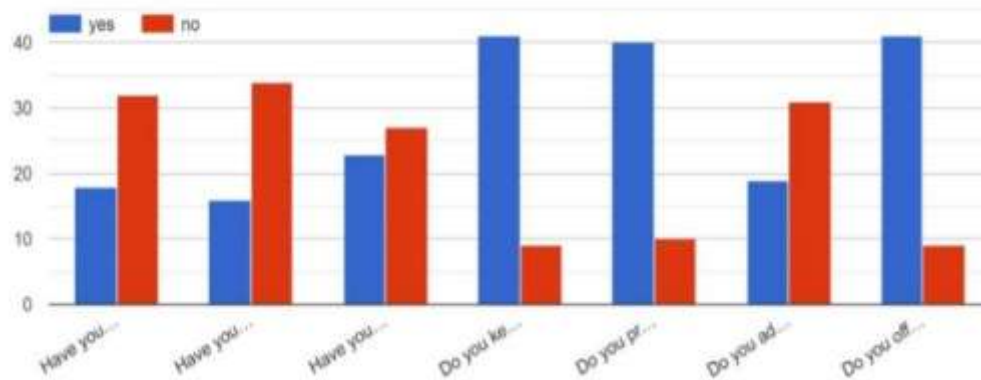
fields. 12% of the respondents say that their consumer base has declined due to the opening of more shopping malls in the city, and only 6% of the retailers believe that the reason for their declining consumer base is discounts given by other retail store owners.

Table 8- Classification of respondents according to various statements

SN		Yes	No	No. of the respondents
1.	Have you recently increased the discount rates you give to customers?	18	32	50
2.	Have you seen an increase in your profit margin in the last few years?	16	34	50
3.	Have you seen an increase in your average sales in the last few years?	23	27	50
4.	Do you keep a wider range of products in your store these days?	41	09	50
5.	Do you provide personalized after-sales service to your customers?	40	10	50
6.	Do you advertise your shop?	19	31	50
7.	Do you offer your consumers with home delivery services?	41	09	50

Source: Primary Data

Please answer the following-



64% (32 out of 50) of shopkeepers say they haven't raised their discount rates in recent years, while 36% have.

According to the findings, 68% (34 out of 50) of retail store owners have not witnessed an improvement in their profit margin in the last few years, whereas 32% of retailers think their profit margin has improved in the last few years.

54% (27 out of 50) of the retail shop owners haven't seen an increase in their average sales in the last few years, while, 46% of the retailers witnessed an increase in their average sales in the last few years.

As per the results, 82% (41 out of 50) retailers keep a wider range of products in their store these days as a result of an increase in competition and the growth of online shopping, while only 18% of the retailers say that they do not keep a wider range of products in their store.

80% (40 out of 50) of retailers offer personalised after-sales services to their customers, and only about 20% do not.

The results say that 62% (31 out of 50) of business merchants do not advertise their shop, whereas 38% of the merchants advertise their business to attract more customers.

Only 18% of businesses do not offer home delivery services to their customers, while 82% (41 out of 50) do.

VI. CONCLUSION

In India, the e-commerce business is rapidly expanding. 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.

The respondents are of the view that there is an increase in competition and their consumer base has not increased at all due to the increasing use of online shopping by consumers in recent years. Apart from this, the profit margin and average sales also haven't increased in the past few years. However, a majority of retailers who own a store in Haldwani city haven't increased the discount rates they give to customers and have not advertised their shop or business in recent years. However, they have started to keep a wider range of products in their store these days, and they also provide their customers with personalised after-sales services such as return and replacement or home delivery.

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