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A STUDY ON THE IMPACT OF ONLINE E - STORES UP ON RETAIL TRADE BUSINESS

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Abstract:

Retail trade being affected and also the various recovery mechanism to compete with E- commerce in their race of survival. It also reveals the emerging E-stores impacting on the retailer's Profitability and it also focuses on strategies need to be adopted by retailers to over the competition in the globalized world. The government's most prestigious digital India project could take sector to new heights. But it adversely impacting on various shop retailers, malls, supermarkets, departmental stores kirana shops etc. E- stores is transforming the offline shopping experience of customers to online by the help of new technological Devices like 3G, 4G, WIFI is helping to increase the number of online customers. Thus there has been an impact of the growing trend of online E-stores, on retail shops. This is because India slipped from 14th to 20th rank among the top developing Countries in 2016 as per the global retailers of development index [GRDI].

Key Words: E- Stores, E- Commerce & Retail Trade

Introduction:

More and more retailers are now opting for customer services to build up on loyalty and also retailers are now starting up with home delivery services in the same line of the online shops. Also After sale services are provided with a smile. Variety of stocks: online stores maintain a wide variety of stocks but retailers fail in this context to maintain wide variety of stocks. Retailers cannot maintain a large stock as they may have a negative impact upon unsold stock at the end of the year which in turn might bring in huge loses to the concern. Discount: the retailers are at an alarming rate increasing their discounts in order to stand with the online Stores who offer the customers with unbelievable discounts. But retailers cannot compete with online Stores in terms discounts rate. so it has to lower its prices to an extent to survive in the market. Profit margin: online shops have brought in a price war in the market and the main suffers of this Price war are the retailers. In order to survive, most of these retailers too have made an attempt to lower their Prices but considering their high cost of operation these retailers has to sacrifice on their margin. Retailers over a period of time under the study noticed a considerable decline in their Turnover as compared to years back. Some has reported if not decline but stagnancy in their growth which is a warning signal for the enterprise. Advertisement: the retailers now-a-days are more involved in advertisement campaign than even before In order to increase their sales. Retailers leave no occasions to take advantages of the situation to advertise their firm. Window shopping: there has been a trend in recent years for customers to browse the products in physical Stores and buy it from online stores at a reduced price. Retailers now have more prospective customers than actual ones. E-commerce is consistently taking up a larger proportion of consumer time and spending. There several driving factors for consumers to shop online with price, convenience in shopping and wide range of available products being the primary. The major findings of the study are as follows:

- ✓ Turnover and profit margin of the retailers has considerably decreased in the past few years. Retail stores are Now-a-days more engaged in services related to customer satisfaction.
- ✓ Although the retailers are not able to keep a wide variety in their stock, they attempt to keep the best of them so as to affect more sales.
- ✓ Customers are seen to make window shopping at an alarming higher rate to have a physical look at the product and buy that product online at a reduced rate.
- ✓ Retail stores are now starting up with home delivery services of their various products at the door step of their customers.
- ✓ The consumers become more comfortable with the experience of purchasing online with the convenience and product range become relatively more important as a deciding factor for shopping online. The retail stores needs to simply uplift its pattern of business and face the competitive world with a more positive outlook. E-stores and retail stores both have to survive, none at the cost of the other. It's not just about the livelihood it gives to the thousands of people but also the convenience and the steadfastness of a fixed retail store. Today retailing means going into shopping centers, going online and going mobile. In all these, small retailers miss out somewhere. But the nearby store is always the most important concern for all reason and seasons. It needs to revive not just survive. Additional services should be provided to the consumers to build upon a loyalty which in turn would ensure stable sales in the years to come. Online marketing is set of powerful tools and methodologies used for promoting products and services through internet. Retail shops are not upgrading as the technology changes. Online retail is hitting the business of Offline retailers through deep discounting

and deeper penetration Fashion brands have already noticed consumers adopting the practice of "show-rooming"— browsing merchandise at a store and then purchasing the goods online because of attractive discounts

Under pressure from offline retailers and wholesalers, brands like Lenovo, Toshiba have issued warnings that e-com sites are not their authorized resellers, several apparel brands are requesting e-retailers to reduce coupon discounts ranging from 20-40%. Canon has stopped selling its products on some websites. Adidas banned its dealers around the world from selling Adidas products on major e-commerce sites including eBay and Amazon .Not just cannibalization of sales, there is fear among brands that their image can get hurt if the prices are too low.

Objectives of the Study:

The research is carried with the following objectives:

- ✓ To know the variation in the sales turnover in the past two years.
- ✓ To understand the retailers approach in selling the products to the customers.
- ✓ To analyze the flexibility of the retailers in coping with the competition from the online trend.
- ✓ Methodology of the Study:-the Research Methodology consists of various data, sampling techniques and statistical tools for analysis, data interpretation etc. The data for the study have been collected from various primary sources like direct personal Interview with the 150 owners of different retail stores.
- ✓ Data Analysis Showing Different Aspects of Online Shopping Upon Retail Trade Particulars

Particulars	**Yes**	**Percentage (%)**	**No**	**Percentage (%)**
Decrease in average sales in the past three years	140	93	10	7
Decrerase in profit margin	142	95	8	5
Increased discount rates to customers in recent years	138	92	12	8
Discounts demanded by customers while making purchases	135	90	15	10
Variety of stock maintained	130	87	20	13
Timely after sales services of personalized nature to customers	100	67	50	33
Advertisements provided by dealers	120	80	30	20
Home delivery services to customers	50	33	100	67
Increase in window shopping now a days	148	99	2	1

The above table shows the response of the retailers:

- ✓ Alarming situation can be seen as there is an increase in window shopping (99%) in the last recent years. People are using physical retail shops for window shopping and purchased the same online. This is becoming a big threat to the present time retailer.
- ✓ Maximum retailers i.e. (95%) accepted a decrease in their profit margin in recent years because of the price war brought by online shops. The maximum discounts are offered to customers in order to retain them.
- ✓ The table value indicates that there has been a decrease of (93%) in the turnover in the past two years. The retailers felt that maximum customers (90%) still ask for discount before making purchases.
- ✓ A majority of (87%) of the retailers by choice or by compulsion had maintained a good variety of stock. Most of the retailers (80%) said that now day's they have to advertise their stock and variety, which in turn increased their cost of selling. Most of the retailers (67%) provide after sales services so as to attain & retain maximum customers.
- ✓ Due to the lack of funds & personal infrastructure, fewer retailers (33%) are providing home delivery services.

Findings:

- ✓ 99% of the retailers felt that more customers are seen on window shopping. Customers take a physical look of the product & buy that same product online at reduced prices.
- ✓ 95% agreed that the turnover and the profit margin of retailers have administered a falling trend.
- ✓ 93% of the retailers are of the opinion that the turnover has declined in the past two years in spite of the special care taken by them with regard to the availability of the product and the discounts and promotional activities done by them to push the product to the customer.
- ✓ 90% of the retailers agreed that it's very unfortunate that the customers are demanding for discount by comparing with the availability of the product at a discount price through online shopping so the retailers are unfortunately put in a critical situation.
- ✓ 87% of the retailers wish to keep a wide variety of stock for survival but space & cost constraint stop them from doing so.
- ✓ 80% of the retailers revealed that the selling cost has increased in the recent times.

- ✓ 67% of the retail stores are more engaged in providing customer satisfaction since the customers has a wide range of alternative option for purchase of the same product.
- ✓ 33% of the retailers have started home delivery services like the online shopping i.e. to make the product available at the door step of customer.

Suggestions:

- ✓ Retailers have to change the attitude towards customers and the market, fixing their priority as consumer satisfaction.
- ✓ A retailer should be in the good books of customer by providing better quality products, fair price and friendly after sales services.
- ✓ A loyal customer reduces the cost of retailer. All efforts should be put by retailers to build up the loyalty which in turn will bring a stable sale and stable customers like bonus points, free insurance, preferred customer status, cash back schemes and other special offers which satisfy the customer.
- ✓ A good and different variety of products in the retail stores acts as a major motivator for customers to visit a store again and again. For majority of customers variety comes in the form of having a bakery within the store, food section, private labels and national brands and finally a lot of fresh fruits and vegetables

Conclusion:

The retailers are having a tough time in coping with the online shopping trend which is spread like a virus among most of the people in our country. Thus the retailers have to cope with the ongoing distraction from the next wave of digital technologies and will need to prioritize investment in the technologies that will really add value for their customers or increase the efficiency of their operations. The retailers may have to implement a responsive approach across their business scale as they try and respond to structural change in the marketplace and improve innovation, responsiveness and the quality of their delivery. Both e-stores & retail stores have to survive in their own way. The firm has to be in the good books of the consumer. Better quality products, fair price and friendly after-sale services are the basic areas in which the business has to concentrate to a remarkable extent. Retailers have to change their attitude towards the market. Today's is a consumer market and as a result the priority is the consumer satisfaction.

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