

## COMPARATIVE STUDY OF DIGITALIZATION ON RETAIL STORES (WITH REFERENCE TO D-MART AND RATNADEEP NEAR KUKATPALLY STORES)

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### ABSTRACT

*Digitalization is a major technological change in growth, and the way countries adopt this technology will lay the substratum for years to come. It will ensure economic efficiency and competitiveness, create new jobs and products and solve problems related to fund raising, improving governance and reducing inequality. Digitalization is particularly important for India, as its large population, over 60% of which live in rural areas, can bridge the economic divide by connecting the country, allowing the people to be more productive and efficient in today's economy. The Indian retail industry is undergoing a rapid transformation due to various factors such as nationwide digitalization Smartphone adoption and internet connectivity. In addition to ensure that our country has digital capabilities in the use of technology. the Indian retail industry has seen phenomenal growth over the past few years as many players enter the market. To study the opinions of the retail stores regarding the impact of digitalization on their stores a survey was conducted. The study is to see how digital worked in their stores. our research study is limited to D-Mart and Ratnadeep stores. The primary data of this research paper is collected through questionnaire method from the Managers of D-Mart and Ratnadeep stores near Kukatpally.*

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**Keywords:** Digitalization, Capabilities, Economy, Governance, Technology.

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### Introduction

**"Digital transformation is not about Technology at all. It's about people".**

Digitization is defined as the socio-economic transformation that resulted from the vast adoption of digital technologies to produce, process, and circulate information. It has been seen in various nations that digitization has become a crucial economic driver nowadays as it provides economic growth and creates abundant job opportunities. Digitization is a reformation of data and processes. More than just making actual data digital, digitalization grabs the competency of digital technology to collect data, build trends and make greater business decisions. Today, digitalization is one of the most important tools for business success. It has helped in automating marketing operations and order processing that is fully backed up with digital technologies, which subsequently improve business efficiency. The central aspect of digitalization that is e-commerce is growing steadily in developing countries such as India. While the majority of retail stores still rely on physical stores, some organizations have begun to adopt the practice of an online store. There was a drastic shift from physical stores to digital stores, especially after Covid. Most retail stores nowadays provide both physical and digital services. The customer decides which mode to use based on their convenience. Digitalization has resulted in more and better information being available about a product, larger assortments, greater transparency across vendors from the consumer's perspective, and potentially lower prices because of lower fixed-cost operations.

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### **Purpose of Research**

The purpose of Research was to find out the effects on sales of two stores setup in same location in Hyderabad.

### **Research Objectives**

- To study about the concept of digitalization
- To compare the effects on sales of two stores before and after digitalization. (setup in same locations in Hyderabad)
- To study about the positive and negative impact of digitalization.

### **Limitation of Research**

This research was carried out for 2 stores (D-mart and Ratnadeep) in the same location Kukatpally.

### **Research Methodology**

#### **Data Collection**

The data for our research is collected in two ways

#### **Primary Data**

Primary data is collected from two stores located in two different places in same area Hyderabad.

#### **Secondary Data**

It is collected from various books, magazines, journals and websites.

#### **Sample Size**

The sample size includes two stores (in same locality) and their customers.

#### **Techniques**

The technique used to collect the survey is questionnaire method.

### **Review of Literature**

**M.Maiti and P.Kayal (2017) Digitalization: It's Impact of Economic Development and Trade:** Digital transformation has become an inseparable factor and an important component of the business. This study sought to investigate how digitalization began in India and how it is affecting the operations of various organizations. The observation is that digital transformation has taken place due to competitive pressure, organizational mindfulness, and IT readiness. Firms are motivated to convert their operations to digital format because of the benefits gained from doing so.

**R.Mohan Kumar (2019) Impact of digitalization on economy of India:** Digitalization is a tool for innovation, new job opportunities, and development within the economy. It facilitates the execution of tasks. With this introduction, there is transparency within the system. However, the organization must not forget to focus on how to attain monetary funds. It must focus on continuously increasing the target audience.

**J.O. Christensen (2020) The Influence of Digitalization and New Technologies on Psychosocial Work Environment and Employee:** According to the findings, digitalization has both positive and negative effects on the workplace. However, if the digitalization process and goal are favorable, negative influence can be reduced. Workers find it difficult to adapt to a change made in the functioning of the business. However, once the worker gets the trick of using it, digital technologies are of the best use to them.

**Gourab Ghosh (2021) Adoption of Digital Payment System by Consumer:** The study was focused on finding out the progress made on the digital payment systems introduced in the Indian markets. The author believes that it is very important to have digitalization and it is soon going to be an unavoidable phenomenon. There are cashless transactions going on throughout the globe. In comparison with other countries, India is trying its best to shift from cash payments to cashless payments.

**Laura Broccardo (2022) How Digitalization Supports a Sustainable Business Model:** This research has ended with the conclusion that digitalization is very useful for small and medium industries. It brings out a lot of opportunities for them. The key concept is to strengthen the investments made in digitalization so that there are sufficient returns and the company is capable of reinvesting in digitalization in the future.

**Deborah Agostino (2022) Digitalization, Accounting and Accountability:** Digitalization processes are causing extraordinary changes to public services, the ways in which governments and citizens interact, and how knowledge and information are produced, shared, interpreted, and used. They are also being used to support decision-making and accountability processes. It is also posing new challenges to accountants, managers, and citizens. Digitalization is currently successful because people have put their trust in it. It has helped in the availability of data, analytical power, and interactive session.

**Introduction to Digitalization**

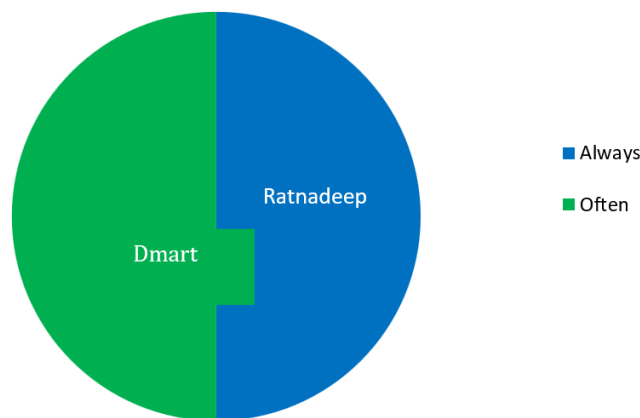
The anticipated enormous advancements in information technology and increasing globalization are causing a rapid change in the business environment. The opening of new markets and industries has a long-lasting effect on the competitive environment. A recent development in information technology called digitalization has aided in the foundation of several new enterprises and helped in the quick expansion of established ones.

Today, digitalization plays a key role in the success of a business. It begins when the business starts using digital technologies to bring about changes in its business model and provide new opportunities that create value. Digitalization is the integration of technology that transforms the way organizations operate in different areas, such as the services they and other stakeholders. A true digital transformation process goes beyond buying and using new tools and software. It requires an honest commitment from the entire organization to appraise provide, their channels of distribution, and their relationships with customers, challenge, and rearrange business processes at a pace that helps in the functioning of the company, clients, and suppliers.

Looking at the companies that are working on implementing digital business strategies highlights not only the organizational initiatives but also shows how technology is affecting the total turnover of an organization. The ongoing digital transformation shows the deep and accelerating transformation of different functions in a company. It is a game changer because it has demonstrated improvements in productivity, sales, value creation, and customer interactions. Today, digitalization is one of the most important tools for business success. It has helped in automating marketing operations and order processing that is fully backed up with digital technologies, which subsequently improve business efficiency. In digitalization, there are only direct interactions with the customers. The customer either selects the product they require or order it through telephonic conversations. The sales and selection of goods takes place in the store itself. Paper archives of documentation and customer bases are being converted into electronic formats. It also aids in the implementation of programs for cost accounting, warehouse accounting, electronic journal receipts, returns, the emergence of online magazines of parties deliveries and sale of goods, programs that allow for the automatic fixing of arrivals and expenses, and guarantee maintenance.

**Data Analysis and Interpretation**

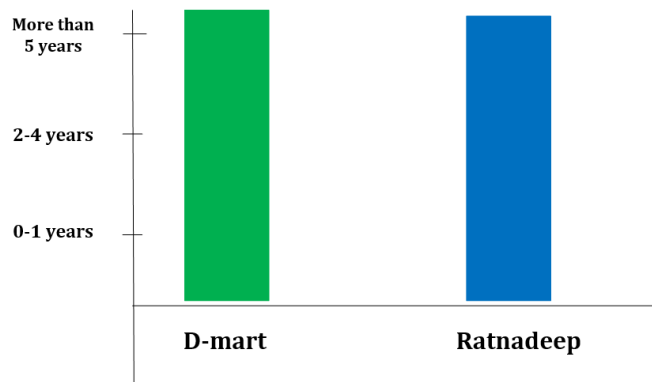
- **Does your organization focus on digitalization?**



(Source: Primary data)

According to the survey analysis, we can ensure that both Ratnadeep and Dmart stores are focusing on digitalization. Ratnadeep always follow up on digitalization whereas Dmart often focus on digitalization.

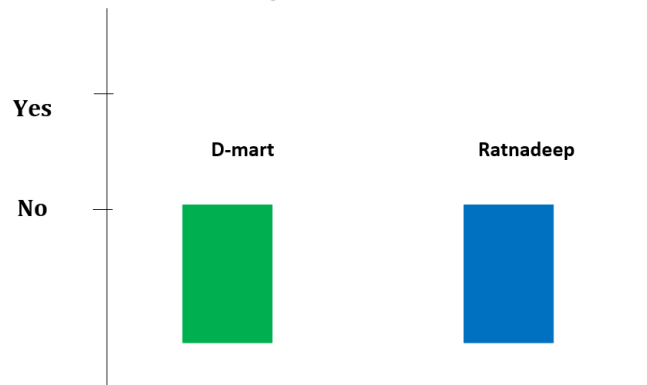
• **How many years has your firm been working towards digitalization?**



Source: Primary data

According to survey analysis, Ratnadeep and Dmart have been working towards digitalization for more than 5 years.

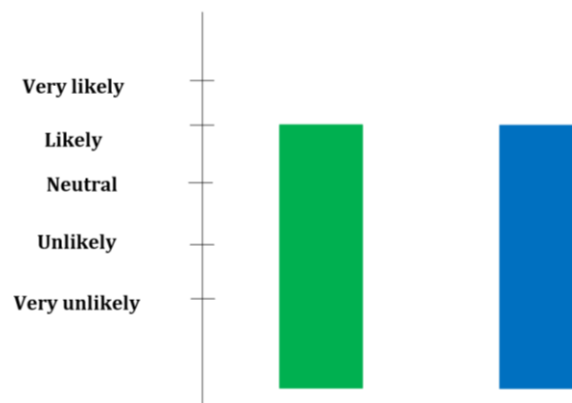
• **Did you find it difficult to adopt digitalization?**



(Source: Primary data)

Based on the survey, Dmart and Ratnadeep did not face any difficulties for adopting digitalization.

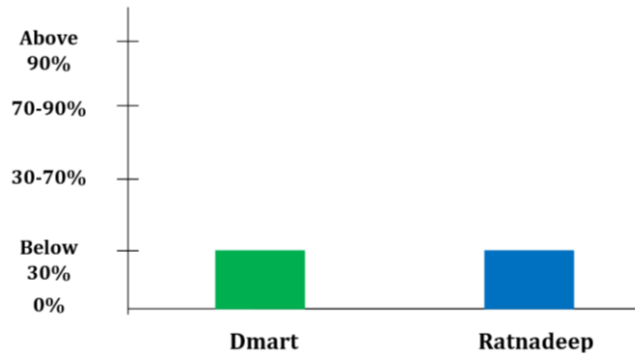
• **Have you noticed a major change in sales of the organization after digitalization?**



(Source: Primary data)

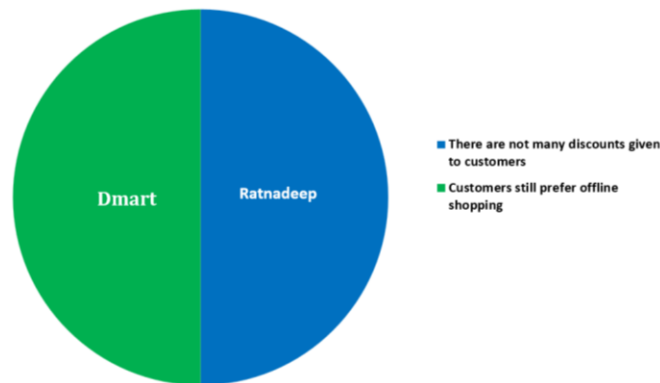
Both Ratnadeep and Dmart saw a major change in the sales of the organization. Both the stores selected for likely increase in the sale of the organization after digitalization.

- **By what percentage the sales of your organization have increased after digitalization?**



According to the survey analysis, Ratnadeep and Dmart did not find major increase in the sales after digitalization. The increase in percentage of sale for both the stores was below 30% which is average.

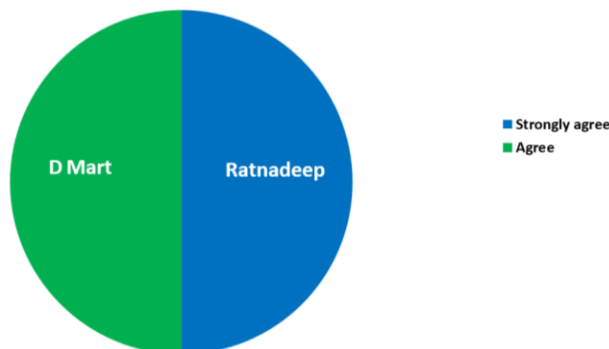
- **If not, what are the reasons that your organization is not able to increase sales after digitalization?**



(Source: Primary data)

According to Dmart there is not much increase in sales after digitalization because customers still prefer offline shopping because they like to see variety of goods in the stores. In Ratnadeep there is not much increase in sales because there are not many discounts given to customers using online facilities.

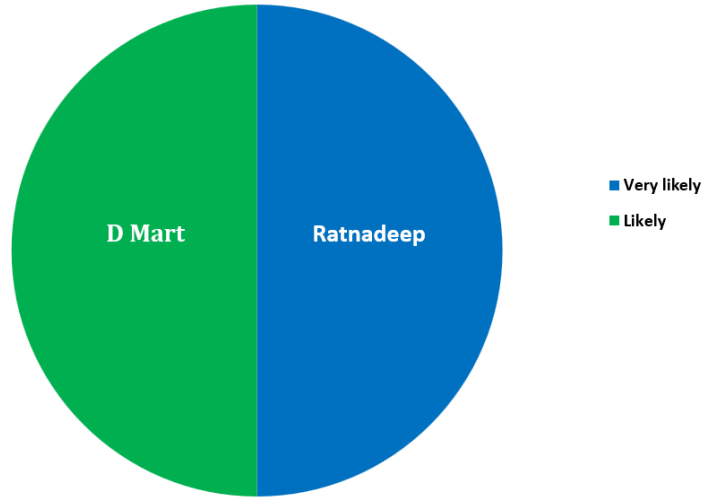
- **Did you find increase in production process of your organization with help of digitalization?**



(Source: Primary data)

According to the survey analysis, both the stores found increase in the production process. Dmart agreed to it and Ratnadeep strongly agreed to increase in production process after digitalization.

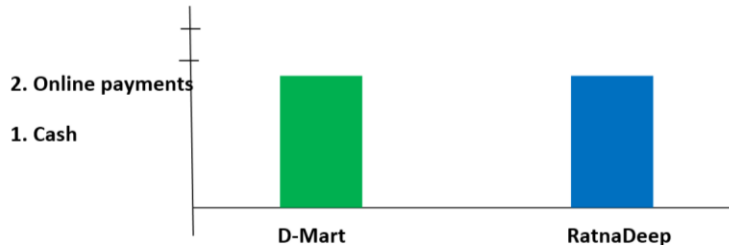
- **Do you find change in the payment method by the customer after digitalization?**



(Source: Primary data)

Ratnadeep and D mart found major change in the payment method by the customer after digitalization. In Ratnadeep very likely there is change in the payment method whereas in Dmart there is likely change in the payment method by the customer.

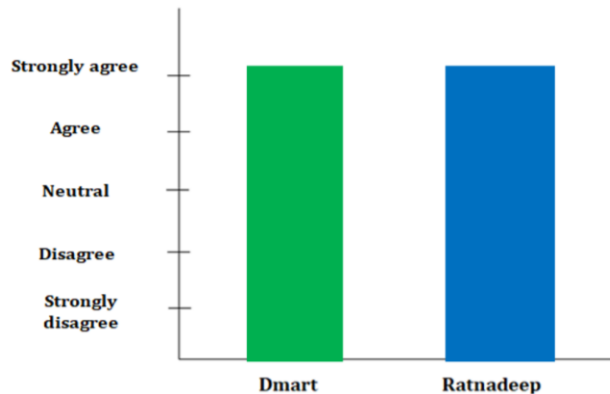
- **Which payment method is mostly preferred by your organization?**



(Source: Primary data)

Based on the responses, online payment is preferred by Dmart and Ratnadeep. Because it is convenient to pay through online payment rather than paying through cash.

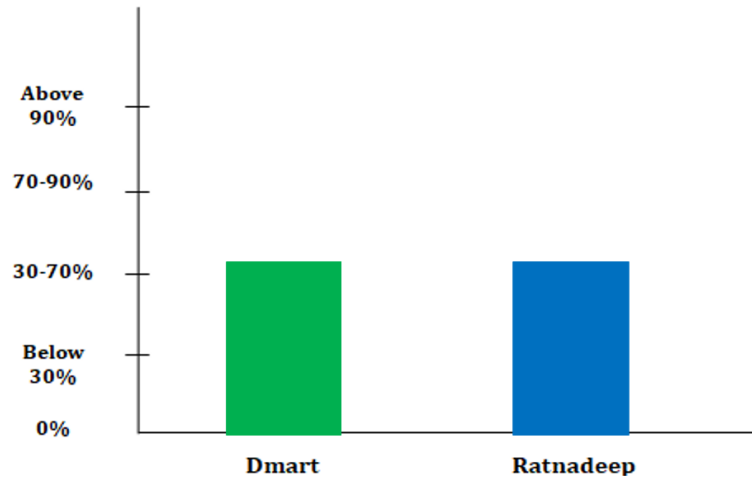
- **Did you experience increase in the number of customers after your organization has adopted digitalization?**



(Source: Primary data)

According to the analysis, Ratnadeep and Dmart have strongly agreed to increase in the number of customers after the organization has adopted digitalization.

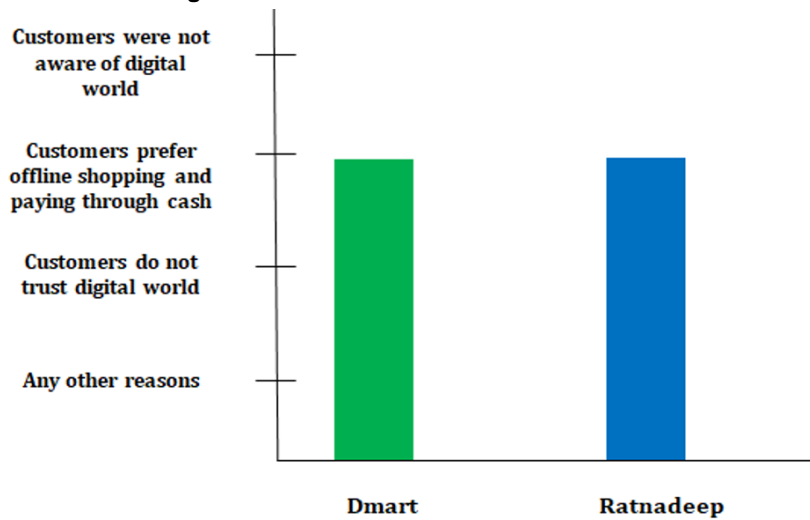
- **By what percentage did the number of customers increase after digitalization?**



(Source: Primary data)

Both the stores have seen good number of increase in number of customers. Dmart and Ratnadeep saw 30 – 70% increase in the number of customers.

- **If not, what do you feel the reason behind why there was no much increase in the number of customers after digitalization?**



(Source: Primary data)

The main reason why Dmart and Ratnadeep did not see much increase in the number of customers was because customers still prefer offline shopping to do shopping very leisurely.

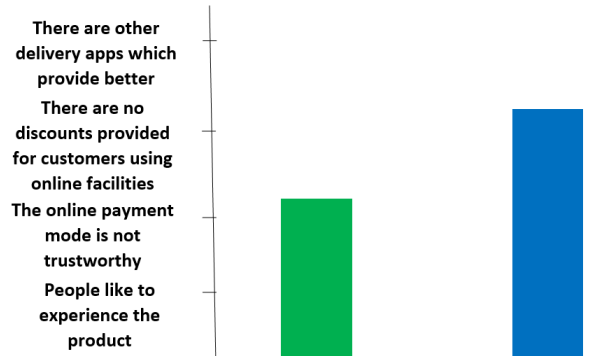
- **By adopting digitalization, do you feel the business cost has increased?**

Name of the Stores	D-mart Responses	Ratna Deep Responses
Strongly Agrees	45	5
Agrees	5	40
Neutral	---	---
Disagree	---	---
Strongly Disagrees	---	---

(Source: Primary data)

Based on the analysis, Ratnadeep agrees the increase in business cost but Dmart strongly agrees that there was a rise in business cost after digitalization.

- **Why do customers prefer other stores or apps even if the store is providing online facilities?**



(Sources: Primary data)

According to Ratnadeep customers perception - there are other delivery apps such as Swiggy Instamart, Blinkit, etc which provide better facilities to their customers. According to Dmart customers perception -- people like to experience the product before buying therefore their prefer going to other stores.

- **What is the main reason that customers prefer online facilities?**

Reasons	D-Mart Responses	Ratna Deep Responses
Reduce time invested in travelling	05	05
People should not carry cash for paying.	10	10
There is a sense of safety especially after Covid	1	20
Extra purchase of products which are not required	20	7
People like to avoid rush in the stores.	7	5
Reduce time invested in travelling	7	3

(Sources: Primary data)

According to D mart customers prefer online facilities because when people purchase in store they tend to purchase even those products which are not required by them resulting in paying cash more. In Ratnadeep, customers feel safe to shop online especially after Covid.

**Positive Impact of Digitalization**

- Based on the survey conducted, D mart Kukatpally saw a major change in the sales after digitalization as compared to Ratnadeep Kukatpally post covid period.
- All the stores agree to the fact that they always focus on digitalization. This is because customers especially after Covid period are giving utmost importance to safety and therefore they prefer to pay online and use the online facilities provided by the store.
- Most of the stores found it easy to adopt digitalization because of the available technologies.
- After the stores adopted digitalization, customers found it easy to make payment without carrying cash. If the store was far away from their home, they could get the delivery within their doorstep from their desired store. It is because of these reasons there was increase in the sales after digitalization was implemented.
- The stores found increase in the production process which indicates there was increase in the demand for the store's products after digitalization
- Manual processing delays, human mistakes, delay in accepting and returning of cash has been reduced to a great extend after digitalization.
- Digitalization ensures automation of processes and therefore customers are assured about the same quality assistance and support is provided every time from the organization.
- With the rise of digitalization, the companies are able to face the intense competition in the market. Organizations are able to cater even those customers who live far away through their online services.



- Before digitalization, if the customer would pay through credit and debit cards a minimal amount was charged by the bank for each transaction. However, after digitalization especially after the introduction of UPI transactions the stores are receiving the entire amount paid by the customer directly to their bank account without any deductions.

#### **Negative Impact of Digitalization**

- Most of the organizations started appointing those employees who have practical knowledge and skill on using various technologies. Therefore, the unskilled labors that lack technical knowledge are fired from the job.
- After the digitalization has been implemented, it has been an important factor for every organization to set up an IT Department who handles all the online tasks. Therefore, it increase the operation cost for the organization.
- Digitalization depends on the technology. Therefore, any error in the technology can lead to huge losses in the business. Technological devices and gadgets require maintenance and therefore any errors or bugs have to be solved by a professional itself.
- The employees need to train on adopting digitalization which is an extra cost for the organization. The organization has to keep its online facilities up to date to face the intense competition in the market.

#### **Conclusion**

In the modern age of the internet and smart phones, users are always connected to online, even in real life. From making a purchase to ordering food online, people use online facilities to fulfill their needs. Over the past ten years, retail consumers have undergone an incredible amount of change. With the growing popularity of the retail digital transformation market, the consumer journey has been revolutionized. After digitalization, there was a major change in the payment mode of the customers, from cash to online transactions. The demand for online shopping has increased especially after Covid as customers are now able to save their travel time, avoid the rush in the store, and get the essentials within a few minutes at their doorstep. The retail industries are continuously working on updating the online facilities, i.e., the payment mode and online shopping facilities, to meet the intense competition in the market as well as cater to the best needs of the customers. An effective digital transformation strategy has to be implemented by the retailer to meet the changing demands of the consumers and the market place. The digitalization journey may be long, but choosing the right digital roadway can help the industry reach great heights.

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