

## E-COMMERCE: A NEW NORMAL TO RETAIL MARKET

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### ABSTRACT

*The retail segment is perhaps the most crucial area of the economy of any country and its focus of its growth and strength. The Indian retail industry is no exception to this rule. Since independence, in the 7 decades of India, the industry has passed through different stages of development in all areas of the industry and service and there are a lot of changes in this retail sector. Starting from the biomed system in India, it has advanced in e-commerce from the uncounted retail and now organized retail in the various stages. E-commerce is booming in today's world and with extension of e-commerce mobile commerce (ie. m-commerce). Now with the strong hold of e-commerce in the retail market, and other online platform such as mobile market growth, digital India etc. organized retail is more likely to be impacted by e-commerce and m-commerce. Due to this capacity in this e-commerce and m-commerce, different large business houses also entered in the retail market. Some of them are with Big Bazar, Reliance Fresh and D-Mart etc. even JIO is preparing to enter into online sector. Entering into the retail sector, and competing for a share of the business with such a large population of about 125 Crores of India. With the establishment of large outlets in metropolitan and urban areas, they have to some extent given competition to the smaller and existing players in the market. The full purpose of these businesses is to prepare a strategy where the manufacture arrives directly and minimizes the levels in the middlemen and distribution cycles and offers many products under the same roof with heavy discount. Now such retail business houses as well as manufacturers have started their own outlets in urban cities. Organized retail areas are called. With the Indian economy opening up to all retail sectors, India has now started increasing foreign investment by tweaking its foreign direct investment (FDI) policy. Wal-Mart, such as the International retail chain outlet has entered India to become part of the large potential retail segment. This study focuses on the influence of online e-commerce and m-commerce segments on retail businesses with detection of global effect on Indian economy and its gross domestic income.*

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**Keywords:** Retail Business, Mobile Commerce, Intermediaries, International Trade, Competition.

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### Introduction

The retail segment is perhaps the most crucial area for any country's economy and its growth and development outlook. A business is a financial system or an organization where the goods and services or sometimes both are changed in order for some monetary return or for some time of business of other product or business service. Each business is based on two columns that are called investment and the customer or consumers to whom its production is sold to generate income and benefit. The product distribution cycle of any business is of that type that the manufacturer of that product is a place and wherever he supplies or serves many customers at the entire country or place through retail shops.

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However, there are different middlemen between the manufacturer and the customer like, retailers, dealers, wholesaler, distributor, C&F agent, etc. apart from this, a large amount of marketing cost is also spent to introduce people to product. Due to long series, the manufacturer and customer does not get the full benefit and it is distributed between the middlemen. E-commerce and m-commerce set up has been done for this reason. The final benefit will be passed on to the consumer by reducing the cost on intermediaries. It is now being part of the business because both important components of the business cycle are benefited from it. The term electronic commerce or e-commerce was introduced in 1996 by the marketing and internet teams of IBM Company. They determine it as the application of details and communication technologies for business activities.

### **E-Commerce: A Revolutionary Step in Indian Business**

E-commerce is a bounce in modern business it is an ideal change that affects both marketers and customers. Rather, e-commerce is another way to promote existing business practices. It is leading full change in the business model is watching tremendous development worldwide and India is not an exception. In addition, e-commerce has the full potential to reduce pollution and thus creating significant impact on the environment. Buying accessories and services through e-commerce gives the freedom to choose consumers who have to go and where to shop and have the chances to research on the product, seller and any other available options, the revolutionary change in shopping through availability of online details has come. Nearly anything that can be purchased in a merchandise store, can be purchased through e-commerce, even the grocery accessories such as worse and consumers have adopted these possibilities around the world. The impact of e-commerce is already visible in all sectors of trade, from customers service to new product design. It provides new types of information based professional for online advertising and marketing, online orders and online customers service and access to customers and interact. In the present days e-commerce transactions use WWW at least at some point in the lifecycle. It can also reduce the cost in the management of the order and negotiating with a wide range of suppliers and business partners, sectors that typically add important overhead to product's cost and services. E-commerce provides significant opportunities for developing countries like India. It is still in the initial stage in India, but the most pessimistic estimates also indicate the bounce. In recent times, the number of companies adopting e-commerce has increased. The major Indian Portal sites are also moved towards e-commerce instead of depend on advertising revenue. Many sites are now selling a variety of products and services from flowers, greeting cards and movies tickets to groceries, electronic devices and computer etc. e-commerce has reached such an extent that even cow dung patties are sold like hot cake in India online.

### **Objective of Study**

As far as organized and unorganized retail area are concerned, it was seen that when the organized retail sector was getting rich, then this perception was that it will probably slow down the development in the unorganized retail sector, but all these perceptions became the myth after the time it was found that there is no effect of the organized retail area on the unorganized retail sector. However, In the case of e-commerce, the situation is not similar. As far as the benefits of e-commerce are concerned, the availability of internet access, smart access to smart mobile phones, emergency of e-commerce on the organized retail area is the broad potential effect. However, with increasing competition with e-commerce, permanent profitability for the existence of organized retail sector and mall culture can be difficult in the coming years. Keeping this aspect in mind the other objectives of the research, his study has been carried out keeping in mind.

Evaluate the different categories of consumer preferences for e-commerce.

Evaluate the connection among the annual income of the consumer and their spending on online purchases:

- To evaluate preference among different tools used for e-commerce.
- To evaluate the different major factors affecting the growth of e-commerce.
- To assess the potential effect of e-commerce business on the retail sector.

### **Review of Literature**

**Dr. K.V.S.N. Jawahar Babu, S. Kalesha Masthanwal (2017)** the role of customer retention strategies in the paper area of retail as the name is revealed, focusing on customer retention. Gone are the days when once the customer is won, he will remain loyal throughout his life. Now the customers need satisfaction at all levels while dealing with the seller. Apart from this, I have generally said that maintained customers have high levels of alleged quality of service.

**Rizwan Ahmed, Mushtak Ahmed Shaikh and Dr. Dilip, B. Shinde (2017)** in the paper strategies implemented in organized retail sector, the authors relate strategies to enhance organized sales in organized retail and shopping malls. Basically retail in India is increase very fast, the biggest increase from the organized retail shopping mall has been seen, which is one of the most attractive channels for organized retail, which starting from 3 malls in 1999 to 190 in 2010 and presently scenario where the number is approximately 280.

**B. Kusum, N. Durga Prasad and M. Srinivasa Rao (2013)** researchers study on organized retailing and its challenges and retail customer services 8 with purpose 1. To explore the growth and development outcome of the organized retail area in India and to understand the major players of organized retailers and customer services provided by retailers. Second, Understand the challenge coming in front of the Indian organized retail area. To recommend the overcoming challenges in front of the last but at least organized retail sector.

**Veenu Jain (2016)** has highlighted very interesting data in her article on challenge for organized retailing in India as published "International Journal of research in commerce and management". Data points highlighted in the paper A. the number of outlets per capita is the highest 7 per 1000. B. the retail location per person is a minimum of 2 sq. ft. C. the highest retail density is 6% she found that the Indian area of retail is the fifth largest in the world.

**Rajib Bhattacharya (2012)** by his paper on opportunities and challenges of FDI in retail in India, FDI opportunities and challenges in retail in India 10 by Rajib Bhattacharya focuses on the observation of the current retail market in India, its elaboration chances and challenges in the same from FDI perspective.

#### **Rational of Study**

Considering the shortcoming observed in the above literature review it is clear that all the studies have been made on e-commerce, internet usage in e-commerce, organized and unorganized area of retail, etc. no studies have found on evaluating the effect of e-commerce. Organized e-commerce and retail area on high investment, keeping in mind the fast speed of e-commerce, it is necessary that the people's feelings, research and detailed retail area in the e-commerce area should be researched and the organized retail area also studied in the company, so that the system can provide a second levitation power without any effect on the overall country's development. Keeping in mind the consumer e-commerce aspect from trade only, the scope of research has been limited and the aspect of the business from e-commerce has been completely out of the business. All other aspects of e-commerce, including the service aspect of e-commerce, are out of the scope. The study therefore covers only a part or section of the e-commerce business.

#### **Hypothesis for Study**

**H<sub>01</sub>: Null Hypothesis:** The consumer-based product category is not important for e-commerce purchases.

**H<sub>02</sub>: Null Hypothesis:** There is no bad effect or decline in retail sector profit due to E-Commerce.

**H<sub>03</sub>: Null Hypothesis:** There is no Negative effect or decline in retail area business due to E-Commerce.

#### **Research Methodology**

For any research or any thesis, the key factor is the data based on which the hypothesis is determined and tested. Conclusion is taken into consideration of research results received by applying the research method on the data. These qualities of the data that finally determines the level of quality of conclusion and finally provides the quality of research work, all answers to the research hypothesis are calculated and data is detected. Therefore, a researcher always focuses on the availability of primarily correct, reliable and relevant data.

#### **Source of Data**

There are two types of data used in the above research. The first is primary data and second is secondary data is mainly collected from interview and survey methodology. Survey has been organized using online ways and Google forms. Aside from, personal interviews of the customer's diverse nature have also been received to ensure diversity in the nature of the data.

#### **Sampling Technique**

Random sampling method is used because it provides a fair data and trend results. The population used to take sample is homogeneous. Hence, random sampling was considered for data collection. Also pilot studs the scale credit questionnaire has also been used at its optimum level.

### Sampling Design

Sample has been designed using random number table and block sampling method.

### Results and Analysis

The result obtained from questionnaire and surveys has been put into the following table and hypothesis has been checked after calculating the there summarized Z and P values.

**Table 1: Maximum Amount in INR you are Okay to spend for Online Purchase at One Time**

	$\geq 1,000$	Sample Proportion	Z Statistic	P value	Significance
Others	509	0.9454	20.56	0.00000	Significant
Home Furnishing	499	0.9185	19.58	0.00000	Significant
Baby Care Products	481	0.9658	21.11	0.00000	Significant
Basic Home Needs	511	0.9656	19.87	0.00000	Significant
Cosmetic Attires	508	0.9879	21.15	0.00000	Significant
Electronics	488	0.9315	22.59	0.00000	Significant
Mobiles and Related Products	510	0.9783	18.70	0.00000	Significant
Computer and Related Products	491	0.8951	19.10	0.00000	Significant
Entertainment	495	0.9795	24.56	0.00000	Significant
Books and Magazines	489	0.9154	23.23	0.00000	Significant

The above table shows the sample selected and the proportion of the sample. Their Z Values along with P Value has been obtained by applying the statistical methods. The sample results are significant in each selected block which is tested. Based on above result the following hypothesis has been checked.

**Hypothesis:** There is no negative impact or drop in profit of retail Sector due to E-Commerce.

The responses of the various respondents obtained from survey and questionnaire are analysed and following results are obtained

**Table 2: Impact of E-Commerce on Retail Business with Respect to Profit**

Frequency (Total - Nil)	Sample Proportion	Z Statistics	P Value	Significance
253	.7154	4.07	0.0000	Significant

**Hypothesis:** There is no negative impact or drop in Turnover of retail Sector due to E-Commerce.

The responses of the various respondents obtained from survey and questionnaire are analysed and following results are obtained

**Table 3: Impact of E-Commerce on Retail Business with Respect to Turnover**

Frequency (Total - Nil)	Sample Proportion	Z Statistics	P Value	Significance
250	.5154	4.98	0.0000	Significant

Various overviews is obtained based on the above results and table. The respondents offer priority to the e-commerce website for basic home read and mobile related products. After they give cosmetic costume and other preference, although baby care products, books and magazines and electronics, they offer preference to the retail market, not e-commerce. Almost all the sections have both mode i.e. mobile app and website has been preferred. From above, it clearly appears that expect for some category, the customer's preference has been given to e-commerce, not the retail area. The reason behind this is the easy way of shopping facilities and payment. Other benefits are also like, while offering salary and time flexibility and time of different offers, with easy returning policy. Another crucial reason is the availability of large diversity that makes many options for the consumer.

### Conclusion

A progressive country can try modernization if it presents e-commerce effectively and efficiently. This will improve its production and take towards its competitive advantage. Information technology has regenerated e-commerce worldwide. Now it is easy to enter the new market and marketers can easily evaluate the performance of their product and company. The growing numbers of firms in different industries like education, banking, tourism, commerce etc. have improved their services by incorporating technologies in their services distribution process. Integration of technology in services is very common. However, very few academics research has been made to investigate its effect. Issues related to e-

commerce are also increasing, which is creating serious danger for its long future and therefore demands the right strategy from the marketers. Although this fact is not ignored at all that both markets have its own significance. The consumer finally depends on the retail market for the consumption of and consumer's day-to-day needs. For any urgent requirement it can only be completed only through the retail market. The second factors are e-commerce or online market cannot serve in every area, including rural and ultra-rural. The consumer is dependent on the local market for it. However, on the other hand, the attraction of heavy discounts and the availability of diversity in almost all categories, users were attracted to e-commerce or online shopping, which could never be available in retail market. But there is no doubt that the retail market has been successful in the retail market and has largely dismantled its existence. With retail investors, their changes can be raised in the strategies adopted for their business and with the removal of the interface of the middlemen, the racket market can be made and part of competition with e-commerce or online market.

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