

The Impact of e-Commerce on Traditional Retail Business

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Citation: Chaudhary, A. (2025). The Impact of e-Commerce on Traditional Retail Business. International Journal of Global Research Innovations & Technology, 03(03(II)), 19–22.

ABSTRACT

This research paper talks about the impact of e-commerce on traditional retail business. The research paper is to study and analyze the progress made by e-commerce in India. E-commerce stands for electronic commerce which provides a digital platform where you can buy or sell products online. E-commerce changes the consumers behaviour towards marketing. It is very innovating idea for retailing in India. India's most population lives in rural areas and e-commerce provide facility of market in that areas. E-commerce connect our country to new technologies and increases competition. E-commerce increases economic growth of our country by creating various job opportunities.

Keywords: e-Commerce, Retail Business, B2B, D2C, Mobile Wallet.

Introduction

E-commerce has revolutionized globally introducing innovative ways for business to reach consumer. According to recent reports by the internet the e-commerce market in India was \$ 147.3 billion in 2024.

The e-commerce is that medium of commerce which provide direct-to-consumer (D2C) or business-to-business (B2B) services with minimum cost because there is no mediator between business and customer who charge extra cost. That's also provide the facility of digital payment system like UPI, mobile wallet, debit and credit cards, internet banking, etc.

Objectives

- The study covers the objectives which can be listed as:
- To analyze how e-commerce has affected traditional retail business.
- To analyze the e-commerce growth in India.
- To examine the impact of e-commerce on traditional retail.
- To examine the changing behaviour of consumer.
- To explore how e-commerce creating employment opportunities.

Research Methodology

The current study attempts to explain the concept of the impact of e-commerce on traditional retail business and the changing behaviour of customer towards e-commerce or online shopping. The nature of research is descriptive. It is conceptual research which is based on review of previously done researches in this area. The data used in researched paper has been collected from primary and secondary sources e.g. -questionnaires, journals, and various e-resources.

E-commerce

• Overview of e-Commerce

E-commerce is a type of retailing in which we use mobile phone apps for shopping online by the help of many online mode of payment like UPI, internet banking, etc. as know, the internet has a vast affect on technology, although its early started in the 1990s. In 1995 internet retailing sped up more than \$ 300 million. E-commerce provide the opportunities to their customer anytime and anywhere 24x7 with a minimum cost and a lot of varieties of product at an platforms. It also saves customer time and energy from searching product on different shops, it provide every time of product at your home.

• Major Players

- Flipkart
- Meesho
- Amazon
- Myntra
- Others

The process of e-commerce

- Buy now
- Mode of payment
- Order is completed
- Order sent to warehouse
- Shipping Order
- Delivery to customer

Advantages of e-Commerce

- E-commerce helps business reach new market and expand the customers.
- E-commerce helps business provide a better customer experience.
- E-commerce makes the purchasing process quick, saving customer's time.
- E-commerce helps business reduce the cost of products, allowing more people to purchase these product.
- E-commerce offers 24x7 shopping convenience, allowing customer to shopping and anywhere-anytime.
- E-commerce provide a variety of product at a time, it helps customers comparing them.

Disadvantages of e-Commerce

- Cyber-attacks can harm e-commerce business.
- Some people are afraid to shop online.
- Some websites do not protect customer data.
- The main problem of e-commerce is security threats in online transactions, such as hacking, fraud and leaks customer personal information.
- Illustrate people do not know how to shopping online.

Globalization

Globalization is the root of online business or e-commerce. Without globalisation we not think about e-commerce in dreams. Globalisation is the process in which the economy, culture and society of other countries, allowing technology, goods, services and ideas to flow freely across borders through free trade area (FTA), custom union (CU), common market (CM) and other Regional Economic Integrated. Before globalisation an country is limited to our domestic nation boundary only.

The LPG model of 1991 refers to liberalization, privatization and globalization economic reforms, globalisation aimed to expand economic activity across international borders or at global markets. Globalisation plays a pivotal role in e-commerce by providing many benefits like increased foreign investment, creating employment opportunities, economic growth, advanced technologies and expanding access to global markets.

Traditional Retail Business

For India, the idea of traditional retail business is old as commerce. traditional retailing depends on offline retailing including primary selling or buying. They sell in a small quantity of items from their physical store and sales product depending on their current inventory. Traditional retail is not a direct selling, it has a long chain for providing their services from producers - wholeseller-middleman-retailer-customer.

Advantages of Traditional Retail Business

- In traditional retail we can check the quality of the product by touch, seen, etc.
- Every person easily purchase the product without any online formalities.
- Illiterate person, who do not know how to shopping online, also purchase product offline.
- Traditional retail can provide more personalize service to customer.
- Traditional retailers understand the name and preferences of customer and recommend products according to their requirement.

Disadvantages of Traditional Retail Business

- In traditional retail of rating costs are high.
- In traditional retail customers have limited access as they can only shopping by walking into a store.
- Traditional stores is usually open during a certain hours.
- Warehousing problem is also seen by traditional stores.
- Traditional stores is limited to a certain geographical areas, which presents them from reaching a wider market.

Impact of e-Commerce on Traditional Retail Business

E-commerce is very badly effect traditional retail. E-commerce increases their position in India's citizens by providing a variety of product with different brands. It provides facility of 24 hours and 7 days without any break. It also charges low cost because it sales directly to their customers.

From the recent years e-commerce frequently grows. The rise of e-commerce has led to foot traffic in physical stores. E-commerce attracts the more customers by offering discounts, coupons, preferring convenience, lower prices and variety of products. Traditional retailing have limited products and it was open for a fixed time only. For traditional stores to survive online competition, they need to improve their product variety, prices to be better than online competitors, better customers services. Traditional retailers faces many challenges after entry of e-commerce.

E-commerce and Rural Areas

E-commerce in rural India is like a miracle, even those who did not have access to the market can buy whatever they want from e-commerce without any problem. E-commerce facilitates various services to backward or rural areas and also improves their living standard by providing employment like delivery work and so many other work.

In India the e-commerce retailing is experiencing rapid growth, with rural areas between driving a significant portion of this expansion 2019 to 2026 the number of online shoppers in rural India is projected to increase by 88 million, with a compound annual growth rate (CAGR) of 22% according to business standard. E-commerce platforms can improve access to goods and services in rural areas, supporting more inclusive economic growth across different region.

E-commerce and Consumers Behaviour

The consumers behaviour is totally changed, they attract towards the online shopping. Nowadays people prefer online shopping because here we get many types of branded products with lower prices and improved quality. E-commerce gives consumers access to detailed information about the quality of product, uses of product, prices, brands of product, product images and videos, costumer review, also gives the facility of comparing the product at home without wasting costumer time and energy.

E-commerce platforms is good source of purchasing by which consumers save his money by receiving cashback on payment. It provide the best facility of door to door services, their is no need of carry a huge amount in you pocket with risk and load of shopping product from grocery to luxury. It

provides many choices to consumers at their home without going outside and offers 24x7 shopping convenience, allowing customers to shopping anytime-anywhere. The trend of online shopping has increased in the last few years, since the time of covid-19, e-commerce helped us a lot in purchasing necessities product, it has provide services at home and has saved us from deadly diseases like covid-19. The consumers are satisfied with the service of online shopping.

E-commerce and Employment

E-commerce plays a pivotal role in creating employment opportunities in India. E-commerce has generated 15.8 Million jobs including 3.5 Million for women, according to a report by Phale India foundation. E-commerce provide various jobs like online vendors, seller, delivery services and customer support etc. E-commerce is belong to India people, it increases the standard of people by providing 24X7 services to their people without any delay and proving employment. Employment is very essential for economic growth or development of India.

E-commerce and Competition

E-commerce is frequently increases the competition in market. E-commerce gives wings to our local business to reach at global level and boosting local products at global market place where thousands of brands with different product in many variety. E-commerce increased price competition in markets by providing consumers the ability to compare price across different platforms i.e. an consumer wants to purchase an dress but before purchasing he checks this same dress price on different platform like flipkart, amazon, myntra etc. Because consumers are rational. This creates cut throat competition among the markets who gives products at lower prices with best quality, consumer preferred that market. Todays world competition increased rapidly, the main role behind that is e-commerce. In this case sellers face very tough competition for survive in markets and doing every work very carefully from quantity to price of product because one mistake can prove costly and take you out of the market forever, therefore take every steps very carefully.

Conclusion

E-commerce is becoming an essential part of our daily life from the grocery to luxury. E-commerce actually changes the meaning of retailing before e-commerce retailing is bound over a geographical areas and a fixed time for market but e-commerce provide facilities of 24x7 with different variety of product and services to their door. It also famous for the market services door to door. E-commerce facilitates various services to rural areas or that persons who have no reach to market. E-commerce is bridging the urban rural divide.

E-commerce helps in economy growth of on country by providing employment to their citizens and increases living standard of people. E-commerce gives a new direction to the world of commerce. The root of e-commerce is globalisation that comes from LPG model 1991, without it we can't imagine about e-commerce. Globalisation plays an essential role in field of trading. It expand economic activity across international borders.

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