

# THE ADVANCE OF E-COMMERCE AND THE EFFECT ON RETAIL STORES.

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## **Abstract**

This Paper tries to analyse the impact of the increasing trend of Online Shopping and its effect on the Retail Shops. In the past decades a large portion of customer base were dependent upon retail shops, but with the advent of Online Shopping and E-Stores, and with their exciting and attractive offers on a wide range of product, has placed a sense of fear and uncertainty in their minds. In this paper we try to look into the various problems the Retail Stores are facing today and ways to counter those problems. Although the method of Study and Data Gathering are secondary, we have tried to present a concrete solution to the problems faced by the Retail Stores.

Keywords

E-stores, Retail Shops, E-commerce platform, Wholesalers, Department stores.

## **Introduction**

A retail sale occurs when a business sells a product or service to an individual consumer for his or her own use. The transaction itself can occur through a number of different sales channels, such as online, in a brick-and-mortar storefront, through direct sales, or direct mail. The aspect of the sale that qualifies it as a retail transaction is that the end user is the buyer. Online shopping (E-tailors) is an E-Commerce platform that allows the user to directly buy goods and services over the internet from the company itself or from around the globe. Some

of the leading online stores in the country are: Amazon, Flipkart, Snap Deal and Big Basket.

Retail stores are small business that sells goods and services to the customer in relatively small quantities for use and consumption rather than for resale. These stores act as the end line of the retail business. They acquire the goods in small quantities from the wholesalers or warehouses and sell it to the consumers. They can be small or big, but they all work in the same way - "purchase and sell". Retail stores can be of different types. Some of the most common types are -

" Department Stores - the oldest, and often largest, place for consumers to shop for a variety of product in one shop.

" Big Box Store - major retailers that specialize in one type of product, such as electronics.

" Discount Stores - department stores that stock discounted items and lower priced brands.

" Warehouse Stores - these no frills warehouses often require you to be a member to access their low prices.

" Mom-and-Pop Stores - smaller, often niche stores run by small business owners. These are your corner stores and local storefronts. Online shopping has attained immense popularity in the last decade or more precisely in the last five years, mainly because people find it convenient and easy to shop from the comfort of their home or office and

also free from the hassle of going from shop to shop.

Shopping through E-Commerce Platform has its own advantages; it offers wide varieties of goods, large quantities, amazing discount, offers, coupons, cashback offers and gifts as well. It is also full of online retailers offering 10 times more products than the Retail shop itself.

A consumer expects quality, availability of service and service satisfaction from a Retail Business. Online Retail platform checks all the three boxes and that's why it's creating a significant impact on the Retail Stores.

#### Literature Review

Some of the Research works that came across during the data gathering are as follows:

" An article on "The rise of online shopping and the effect on Retail stores" was posted on Reonomy Blog in January 2017. It states that the E-commerce sales are growing at a constant rate of 4.2% every year.

" Amit Saha published a Research paper on "A study on the impact of online shopping upon retail trade business" issued in IOSR Journal of Business Management, Page 74, e-ISSN: 2278-487X, p-ISSN: 2319-7668. It states that due to increase in online shopping the annual turnover and profit margin of retailers have decreased.

" An article published on

Wikipedia on "Online shopping" states that the most common reason consumers are attracted towards the E-commerce websites is that, it provides convenience, valid information and reviews and a wide range of products on variable prices with discounts.

### Research Methodology

The method used to gather essential Data, that is used in this paper is secondary. All the resources from where the data is collected and reviewed are mentioned at the end of the paper.

### Results

After an extensive studying and analysing of the secondary data gathered from various sources we came to a conclusion that the online Retail Sector is expanding day by day, and it's going to continue to drive the next era of retail. This new retail sector surely is mesmerizing and expanding at an incredible rate, but it is not just only disadvantageous to the retail stores. Like the sides of two coins, E-commerce also has two sides. It can become a Boon for the retail store or remain as a Bane for the retail stores. In the end, it all depends upon how the retail store owners use it. The retail shops need to be ready to embrace these technologies as a means of meeting customer Demands. Some solutions we came up with are

as follows:

" The retail shops need to incorporate the new technologies into their business as efficiently as they can.

" They need to focus on Value Selling over Price Selling.

" The Retail Shops located in the same neighborhood can cooperate and merge into a localized Super Market, giving their customer a wide variety of Products.

" They can start their own Online Marketing Platform, which enables them to reach all over the country and increase their customer base, which will in turn increase their revenue.

" Retail store should change the way they look towards today's Market. Because the market has evolved, and now a days good quality, reasonable price and satisfactory services are the top priority of the business.

### Future Scope

The scope of the Indian retail market is immense, for this sector is poised for the highest growth in the next 5-10 years. India's retail market is expected to grow at a Compound Annual Growth Rate (CAGR) of 10 per cent to US\$ 1.6 trillion by 2026 from US\$ 641 billion in 2016. While the overall retail market is expected to grow at 12 per cent per annum, modern trade would expand twice as fast at 20 per cent per annum and tradi-

tional trade at 10 per cent. India's Business to Business (B2B) e-commerce market is expected to reach US\$ 700 billion by 2020. Online retail is expected to be at par with the physical stores in the next five years. India has replaced China as the most promising markets for retail expansion, supported by expanding economy, coupled with booming consumption rates, urbanizing population and growing middle class. India is expected to become the world's fastest growing e-commerce market, driven by robust investment in the sector and rapid increase in the number of internet users. Various agencies have high expectations about growth of Indian e-commerce markets. The retail sector has changed dramatically after the introduction of online shopping. Today retailing means going into super market, online shopping or going mobile. But in all these situations the small retail shops miss out somewhere. But it is the most important concern and they need to be revived.

The retail shops need to uplift their business and we believe our solutions may just help it in doing so. As staying up to date with the technologies, considering quality over price and cooperating with other retail shops to increase their customers ease, can save them and revive their business in the future.

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