



ISSN : 23474726(online)

ISSN: 2347-4076(print)



Vichaara

An International Journal of Management

Volume:7

December 2021

Number:1

A Study on Data Analytics – Financial Modeling Using 3 Statement Model And DCF

Valuation - Siemens

Dr CMA M V Alagesan, Associate Professor, Acharya Bangalore B School, Bangalore, Karnataka ,India

Infrastructure and Infrastructural Facilities Status of Indian Multi Modal Transportation

Sectors in Marine Trade –an Analytical Study

Dr. P. Gurusamy, Assistant professor of Commerce, Department of B.Com BPS, NGM College, Pollachi-642001.

Dr. A. Nagalaxmi, Associate Professor, Department of Commerce, Suguna College of Arts and Science, Cbe -641006.

A study on “The Impact of Online Shopping upon Retail stores”

Dr.D.Suganthi, Associate Professor, Department of Management, Hindustan College of Arts and Science, Coimbatore

Mr. J. Balakrishnan, Research Scholar, Hindustan College of arts and science, Coimbatore.

Utilization of Working Capital In BPCL: A Case Study

Dr. R. Shanthi, Research Supervisor, Kaamadhenu Arts and Science College, Sathyamangalam, Erode Dt

Mr. P. Boopathimaharaja, PhD Scholar in Management

Evaluation of Health Care Services at Private Hospitals During Pandemic-- A Servperf Approach

Dr. S. Umamaheswari, Associate Professor, Vivekananda Institute of Management Studies, Coimbatore

Mrs. S. Kalaivani Assistant Professor, Vivekananda Institute of Management Studies, Coimbatore

Food Recycling into On-Campus Composting–Green Campus Initiative in Educational Institutions

Mrs. Kiruthiga Mahalingam, Assistant Professor, Department of Business Administration, Hindusthan Arts and Science College, Coimbatore-641028.

Editorial Board

1. Dr. Geetha Suresh, Faculty, University of Louisville, Kentucky, USA
2. Dr. R. Manju Shree, Professor, Debre Tabor University, Ethiopia.
3. Dr. Renuka Herath, Professor, University of Kelaniya, Sri Lanka.
4. Dr. Latha Krishnadas, Associate Vice President & Distinguished Professor, Mother Teresa Women's University, Ontario, Canada.
5. Dr. S. Sathya Narayanan, Assistant Professor, Higher Colleges of Technology, Abu Dhabi, UAE.
6. Dr. A. Srinivasa Rao, Associate Professor (Management), BITS Pilani, Dubai Campus, Dubai Academic City, Dubai (U.A.E.)
7. Prof.(Mrs.) V. Maya Chakravarthi, Director, Symbiosis Institute of Media & Communication, Bangalore
8. Prof. Silendra Dasari, Professor, IBS, Bangalore
9. Dr. C. Manohar, Director-Strategy and Dean, ISBR (International School of Business and Research), Bangalore.
10. Dr. S. Prabakaran, Principal, Alliance Business Academy, Bangalore
11. Dr. R. Ramachandran, Associate Professor, Dept. of Commerce, Annamalai University, Tamilnadu.

Editor –in- Chief

Dr.C.Guna Sekaran, Chief Executive Officer, VIMS.

Editorial Advisors

Dr. Srinivasan R Iyengar, Associate Professor, Jannalal Bajaj Institute of Management Studies, Mumbai
Dr. R. Chandrasekhar, Professor /Consultant.

Managing Editor

Dr. A. Valarmathi, Director, VIMS

Executive Editors

Prof. K. Durai, Senior Assistant Professor, VIMS
Dr. S. Umamaheswari, Associate Professor, VIMS
Dr. M. Parimalam, Academician and Researcher.

Processing Fee

The journal does not charge any publication fee but a nominal fee for processing the papers would be charged.

For Indian authors:	For foreign authors:
Single author:Rs.1500 Two or more authors:Rs.1000 per author	Single author: USD75 Two or more authors: USD 50 per author

Subscription Fees

Indian Members	INR 1000/year	INR500/issue
Educational Institutions/ Corporate	INR 1500/year	INR750/issue
International Members from any Domain	USD100/year Plus Postal-Charges Extra	USD50/issue Plus Postal-Charges Extra

A STUDY ON “THE IMPACT OF ONLINE SHOPPING UPON RETAIL STORES”

Dr.D.Suganthi, Associate Professor, Hindusthan College of Arts & Science, Coimbatore

Mr.J.Balakrishnan, Research Scholar, Hindusthan College of Arts & Science, Coimbatore

ABSTRACT:

This paper is an attempt to highlight the impact of the increasing trend of online shopping over the various fixed shop retailers. Retailers comprise group of middle men facilitating the breaking bulk quantities and sell it in small quantities to retail customers¹. The entry of e-stores is providing multiple choice of products with attractive incentives which in greatly affecting the retailed doing business in off line mode. This study is intended to understand the various ways in which retail businesses are being affected. It is also aimed to know various recovery mechanisms adopted by the retailers to encounter such problems. This study is an attempt to enlighten the retailers to face current scenario and work proactively.

Keywords: E-stores, Retail outlets, On line shopping, Retail Strategies.

INTRODUCTION:

The growth of technology facilitates the seller in reaching the customer in faster, easier and in cost effective way. The emergence of online shopping has greatly influenced the profit margin and turnover of retail outlets². Now a day the internet holds the attention of retail market. The invention of the internet has created a new system shopping over traditional. Many customers like to experience shopping and go for purchasing from retail outlets. Still many consumers prefer offline shopping; some are using both mode of shopping. The focus of the study is to find out the impact of shift in buying behaviour on retail stores. There is a huge shift in online shopping, since it is easier and very faster to access the information and make choice among wide varieties. The consumers now have two choices whether to purchase through online shopping or offline. Consumer should decide the channel for them which can best suit to their need and wants and which can satisfy them. In this scenario the retail outlets need to understand the changing consumer behaviour and frame suitable strategies to retain their regular customers.

INTRODUCTION TO ONLINE SHOPPING:

Online shopping allows the consumers to directly buy goods or services from a seller over the Internet using a web browser. Consumers visit various websites through search engine and buy the products of their choice without delay and they can easily access various sites through computers, laptops, tablets and smart phones. Now there are many online retail stores which are coming up with large variety of products through various channels of distribution⁴. Flipkart, Snapdeal, Jabong, Myntra, Amazon are some of the leading online shopping websites currently in India. Internet makes our purchase very simple and satisfied. Purchases are made simple by reaching the target customers event in their hands through mobile phones. Websites and applications provide visual feast to the customers and thereby influence them to buy the products. Retailing is a service offered to the customers in accessing the products nearer to them at affordable price and at required quantity. The retail outlet is fixed at a place where it operates by selling variety of goods and at retail quantities to the nearby or floating customers. It may be small or big which deals same line of operations. The retail stores may be in the form of departmental stores, exclusive show rooms, discount stores, super market, Kirana store, organized malls, and unorganized malls. Indians will be purchasing through on line than any other people in another 10 to 15 years. In 2020 e-commerce sales were about \$16 billion, according to Morgan Stanley. Such sales are expected to grow faster in India than in any other market. This has attracted a flood of investment in e-commerce firms, the impact of which may go far beyond just displacing offline retail.

Purchasing products or services over the Internet, online shopping has attained immense popularity in recent mainly because people find it comfortable to shop from home or office and also eased from the trouble of moving from shop to shop in search of the good of choice.

Online shopping allows consumers to directly buy goods and services over the internet through virtual mode. The leading online stores in India are Amazon, Flipkart, Snapdeal, Homeshop18, Myntra etc.

Retail is a process of breaking the bulk and providing the service of convenience and comfort in availing the products or services⁵. Retail stores may be small or big but they mostly operate in the same line as “purchasing to sale”. Retail is the oldest form of business since

civilization and is the basic form for any business. Types of Retail Stores are like-

Departmental Stores - A department store offers wide range of products to the end-users under one roof. In a department store, the consumers can get all the products required for day to day living.

Discount Stores - Discount stores offer a wide range of products to the consumers at a discounted rate. The discount stores deal with limited number of items and the quality in certain cases might be a little inferior.

Supermarket – A type of retail store where they sell food products and household items which are properly arranged in specific section is called a supermarket. A supermarket is a grown up form of the small grocery stores and kirana stores.

CHARACTERISTICS OF ONLINE SHOPPING:

The following are some characteristics of online shopping are as follows;

- It is a store which operates through internet } Customer wide variety of choices of various brands
- It works through online payments through debit cards, credit cards, cash on delivery,
- It has flexible timings it operates 24/7.
- This shopping has terms and conditions and certain policies against return and refund.
- This involves shipping cost or it may be added to the cost of the product
- This include various suppliers of different locations

GROWTH OF ONLINE SHOPPING/RETAILING:

The Indian retail industry is the fastest growing among all the sectors in the world. India is mentioned as the fifth largest retail destination around the world. According to Google, India have more than 100 million internet users out of which 50% of the users do shop online and the percentage is increasing every year. With large size, many companies from the retail shops to consumable goods are entering the web and attracting large number of customers. The Indians are accepting online retail in a large way. There is 100% annual growth in online shopping registration a, many retail companies and FMCG companies are joining the web to hit the e

shopping market. The online shopping industry is growing faster in cities and also in rural. The increase in the number of sellers from foreign and private has boosted the Indian retail sector. The price consciousness in the Indian customers makes the difference and is focused while deciding on strategies. The global retailers are sourcing from India. Online sales continue to grow in spite of the pandemic and recession in the economy. Consumers are adopting online shopping which has minimized the difficulties of shopping since free delivery of goods and service are also becoming more attractive in on line. The Government of India also established many reforms to attract the foreign direct investment in retail sector. They approved 51% in multi brand retailing and 100% in single brand retail.

METHODOLOGY:

This study is descriptive in nature. The researcher adopted secondary sources like text books, journals, websites, and articles. The objectives of the study is to assess the online shopping for its impact on retailers, to analyze the advantages and disadvantages over online shopping to customers, and review strategies to be taken by the retailers to improve the business.. Fixed shop means a shop which sells their products by having a permanent physical existence .these shoppers so not have to move from one place to another place. This study also analyses the challenges in on line shopping.

CHARACTERISTICS OF FIXED SHOP RETAILERS:

Fixed shop retailers have large scale of resources for products and services.

It deals with variety of products like consumer's durables and non-durable goods.

It has more credibility among the customers they offers various services to the customers.

CHALLENGES FACED BY FIXED SHOP RETAILERS:

REAL ESTATE COST:

To establish a shop there is a need of land. But since land prices also increasing the retailers do not afford to buy the land to have their stores which affect them do their business. The rigid regulations of government are a big challenge to them.

HIGH RENT:

Many retailers who establish their shops in the malls have to spend more on rental expenses and other establishment expenses which could not afford if they could not generate adequate income.

HIGH PERSONNEL COST:

As fixed shop retailers have a physical shop they have recruit much human resource to sell their products and to handle the goods and services. It involves huge cost in terms of their salary and other benefits to the staffs who deal with sale of products.

LACK OF BASIC INFRASTRUCTURE:

The fixed shop retailers may suffer from basic infrastructural facilities. They are unable to get the resources if they do not have adequate fund. So many retailers go for shutdown.

HIGH COMPETITION:

Since there are many retailers available in the market, it is very difficult for Retailers to come up with different products to be unique and to cater the needs of large segmented market. Therefore because of this they may go for tie ups with other retailing companies.

DECLINE IN FIXED SHOP/ OFFLINE RETAIL BUSINESS:

Offline retailing is declining due the emergence of e commerce. Most of the customers visit the shopping malls after verification of details of availability, features, price and after some analysis on internet. So the customer who is going for retail shops have been declined over a period. According to the Google report we see many internet users and customers go for online even for consumable products. Retailers are facing many problems to have built the store due to raise in property price and land price. So the offline retailers finding more difficult to pay for rent. The following are the reasons for decline in offline retailing or fixed shop retailers.

CUSTOMERS:

The customers plays very important role in the market. The retailing business is declining due to the change in behaviour of consumers from buying fixed stores to online stores to purchase the products. The behaviour of consumers is changing day by day and mindset is also

changing very often. Consumers look for unique products from large variety of products through the online stores. Consumers compare the products through online where they get fashionable boutiques and all designers accessories⁷. This influences the offline stores to a greater extent in reduction of sales.

LARGE DEMAND OF VARIETY PRODUCTS AT ONE PLACE:

Online retailing has rapidly grown since past several years. In 2015 the top e retailer Amazon 97% increase in their sales over a year. This is because of one click online experience. This allows the customers to place large varieties of orders just by clicking, without wasting their time in going outside and leaving busy schedules. It makes the customer stop going to the mall which leads to decline in sales of retail mart.

OVER PROMOTION:

The offline retail may decline by making large promotional selling, this is because when they do more promotion it leads to decrease in price of the product by giving discounts and offers which makes the brand name as well as the quality down⁸. This may lead to negative behaviour among the customers and they may not prefer to go retail marts.

NEXT GEN SHOPPING:

Due to the emergence of technology, the mindset of the consumers also upgraded and they expect new and latest products as and when it introduced into the market .this opportunity will not be available in the offline marts wherein they don't get the innovative products immediately as and when it is introduced it will take time and customer with no patience, they just don't wait till the products appears in to the mart. Even this may cause lots of problem in reduction in offline sales.

STRATEGIES ADOPTED BY OFFLINE RETAILERS TO IMPROVE SALES:

Offline retailers are also upgrading their sites to be more visible in online and to trade and make their customer more convenient to purchase the products.

The offline retail sales could be improved by providing adequate information about the product, features, quality so that they feel happy and comfortable while shopping.

Retailers should develop certain new store formats in different locations to cater the needs of the customers.

Due to emergence of technology it is also any boon for the retail business to make virtual showrooms in their stores which can take them to a trip into the stores and the various products and so that they can easily make their decisions on purchase.

Pick up and drop points also can be implemented by the retailers' also the delivery of the products till the door facility should be improved.

BENEFITS OF ONLINE SHOPPING TO CONSUMERS:

The consumer behavior is changing day by day drastically people not using the internet not only to book the tickets, recharge etc but now they also prefer to buy all consumable goods, electronics goods also without much hesitation. The following are the some of Advantages of online shopping they are as follows:

MORE CONVENIENT:

Online shopping is very convenient customer can buy any product as and when they want without much delay they can easily access the website and get the product which they wish to buy.

OFFERS BETTER PRICES:

Online shopping gives better deals and reasonable prices because products come directly from the manufacturer or seller without middlemen involved. Many online shops offer discount coupons and offers.

LARGE VARIETY OF PRODUCTS:

Online shopping offers several brands and products from different sellers at one place. Customers are able to get all fashionable or branded products without finding any difficulty and can shop with any retailers throughout the world.

LESS EXPENSIVE:

Usually people spend more than what is to be spent on goods because of travelling, having food outside.

HELPS IN COMPARISON:

Online shopping enables people to easily access product details and compare the choices available with multiple brands. It also provides lots of information and reviews about the

products so that people make correct decision while purchasing the product.

NO RUSH:

If people want to buy any products they need not wait until someone responds it back there won't be any rush while shopping.

AVAILABILITY:

Online shopping helps the customers to shop for any products from any locations throughout a day .It operates 24 /7. It enables the consumers to place any product any time .

DISADVANTAGES OF ONLINE SHOPPING:

The following are the some drawbacks of online shopping are as follows:

NO PHYSICAL EXPERIENCE:

The products which the consumers buy through touch and feel experiences are not possible to buy through on line. The quality of products like textiles, clothing, furniture etc cannot be measured without having the contact of hands and ready garments cannot be measured for its fit without trails.

SHIPPING COST:

The cost of additional charges such shipping or delivery charges cannot be bargained by the buyers. This cost may likely to be same as how the others goods will be delivered to door steps when customers purchase fixed retail shops.

COSTLY TO RETURN:

The terms and conditions of purchasing a product and its return policy should be thoroughly understood by the consumers while buying a product through on line. Otherwise it will be very difficult for the customer to return their product if they do not like.

WAIT:

The waiting time to buy usual products is comparatively high in on line, where as they can buy instantly from a nearby shop if those products are available. The customers as soon as they place the order they will not get their product immediately.

UNKNOWN VENDORS:

The online shopping deals with many vendors around the globe, the customers may not aware of the sellers or the suppliers with whom they are dealing with. The selling company may or may not be reputed and the quality of their brand or their brand name will not be known to the

customers and they do not feel confidence upon the sellers when they go online purchases.

CHALLENGES IN ONLINE SHOPPING:

AWARENESS OF SITES:

Even though the number consumers using the internet but they do not know about certain online shopping portals which suits their needs to purchase their products according to their wish. Also they do not aware of which site is offering good quality products.

PAYMENT:

Some customer fear making payment in advance. The delivery of goods may not be not be available in rural areas. So they prefer payment on delivery option.

RELIABILITY:

Sometimes the products which are displayed on to the website and the product which they sell will be different that is why many customers do not have confidence on reliability.

DELAYED DELIVERY:

The consumers have to wait for 3 to 4 days delivery time for the products they have ordered. Sometimes it will not be delivered on time when they need it.

DELAYED SERVICE:

When the claim is been made towards replace or return or to refund the products, customers have to undergo some procedures to settle their claims.

DELIVERY CHARGES:

Sometimes cost of the product will be less but when it includes certain shipment costs or packaging or handling charges it will be same cost as offline stores.

CONCLUSION:

Thus with tremendous large population India is remarked for high growth potential. Growth of retailing sector mainly depends on consumer expenditure. The use of technology in both for fixed marts and online marts is very essential to expand their market share. It is necessary to all the sectors of retailers to consider their challenges to grow in the market. The fixed shop retailers must follow those strategies which are mentioned in the study in order to list themselves among the various competitive players. Whether it is through online or offline, India should grow in terms of its retail business and contributes still more towards GDP by creating trust, confidence

and satisfying various customers. This conceptual study helps to know about the online shopping or online retailing and it gives the some picture about how the purchasing pattern of the consumers shifted to online stores. It also highlights certain strategies to be followed by the fixed shop retailers to enhance their sales. So these Strategies may helpful for the retailers to increase their sales in coming years. As a result it can be concluded that, Companies involved in online retailing as well as fixed shop retail business should focus on building trustworthy relationship between producers and customers to improve the business which leads to economic growth.

References:

- Singh A, Meshram JN. The study of impact of online shopping on conventional shopping methods by today's youth with respect to clothing and accessories. J. Advances in Bus. Management 2016;2(3):149-153, DOI: 10.14260/jadbm/2016/35.
- Dr. Jaimin Patel(2018), "Study of Consumer Perception on Online Shopping" Research Guru: Volume-12, Issue-3, December-2018 (ISSN:2349-266X).
- Suvarna, Kavya, A Conceptual Study on the Impact of Online Shopping Towards Retailers and Consumers (December 30, 2016). International Journal of Advanced Trends in Engineering and Technology (IJATET). ISSN (Online): 2456-4664, 1(1), 25-29, Available at SSRN: <https://ssrn.com/abstract=2977181>
- Future of retail operations: Winning in a digital era January 2020, A Magazine published by McKinsey & Company.
- Amit Saha (2015) "A Study on "The impact of online shopping upon retail trade business"IOSR Journal of Business and Management (IOSR-JBM),74-78,
- According to a study by Boston Consulting Group (2021) "Indian Retail Industry Report" (September, 2021)
- Michael Mankins (2004), "Stop Wasting Valuable Time", Havard Business Review.
- Kavya, "A Conceptual Study on the Impact ofOnlineShoppingTowards Retailers and Consumers",International Journal of Advanced Trends inEngineering andTechnology, Page Number 25-29, Volume1, Issue 1, 2016.
- Firat, D. (2019). YouTube advertising value and its effects on purchase intention. Journal of Global Business Insights, 4(2), 141-155. <https://www.doi.org/10.5038/2640->

6489.4.2.1097.

- Ashish Bhatt (2014) - “Consumer Attitude towards Online Shopping in Selected Regions of Gujarat”, *Journal of Marketing Management*, 2(2), 29-56.
- Gagandeep Nagra, & Gopal (2013) “A study of Factors Affecting on Online Shopping Behaviour of Consumers.”, *International Journal of Scientific and Research Publications*, (IJSRP), 3(6), 1.
- Sajjad Nazir, Arsalan Tayyab, Aziz Sajid, Haroon Rashid, IrumJaved, (2012) “How Online Shopping Is Affecting Consumers Buying Behaviour in Pakistan?” *IJCSI International Journal of Computer Science Issues*, 9(3), 486-495.
- Dr. Sonal Kala & Rajesh Kumar Sharma,(2015),Behaviour of consumer towards Online shopping in India” 2(4),127-131.
- Solomon (1998), “A study of factors affecting online shopping behaviour of Consumer, *International Journal of Scientific and Research Publications*, 3(6),45-56
- Wikipedia – <https://en.m.wikipedia.org/wiki/onlineshopping>(Retrieved on 10 July,2016)
- Article about retail marketing. <https://www.quora.com/>(Retrieved on 10 July,2016)
- Retail traders in India-<https://www.yourarticlelibrary.com/reatiling/retail>(Retrieved on 11 July,2016)
- http://www.aarhat.com/amierj/wp-content/uploads/2017/12/oct_nov_2017_07.
- https://esource.dbs.ie/bitstream/handle/10788/3658/mba_mascarenhas_j_2019.pdf?sequence=1&isAllowed=y.