



Impact of e-commerce on retail business

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Abstract: In this paper an attempt has been made to highlight the impact of the increasing trend of online shopping over the various fixed shop retailers: Retailers comprise of a large section of the population and a larger population is dependent upon these retailers. But the advent of e-stores with their attractive incentives and wide variety has stepped on their face the fear of uncertainty and helplessness. This paper looks into the various advantages of e-commerce over traditional business and various recovery mechanisms they are coming up with to counter those e-stores in their race of survival.

Introduction:

Purchasing products or services over the internet, online shopping has attained immense popularity in recent mainly because people find it convenient and easy to shop from the comfort of their home or office and also eased from the trouble of moving from shop to shop in search of the good of choice. Online shopping (or e-commerce) is a form of e-commerce which allows consumers to directly buy goods and services over the internet through a virtual shop. Some of the leading online stores currently in India are Amazon, Flipkart, Snapdeal, Homeshop18, Myntra etc. A supermarket is an advanced form of the small grocery stores and caters to the household needs of the consumer, Mom and Pop Store (also called Kirana Store in India) - Mom and Pop stores are the small stores run by individuals in the nearby locality to cater to daily needs of the consumers staying in the vicinity, They offer selected items and are not at all organized. Malls - Many retail stores operating at one place form a mall, a mall would consist of several retail outlets each selling their own merchandise but at a common platform, The Internet has many advantages over retail stores. Firstly, the choice, whereas the bookstore at the corner of the Street or the nearby cloth store hardly offers 5000 references on its stalls or so designs of a particular garment of same size, Amazon has got hundreds of thousands of variety, Internet is full of online retailers offering 10 times or even 100 times more products than the average retailer can possibly dream of, For an e-commerce website, the costs of storing and referencing a product represent a small fraction of the cost as compared to the cost of storing and referencing a product for physical stores, From the customer satisfaction and availability of services, online shopping is creating a major impact upon the retail stores.

Gain New Customers with Search Engine Visibility: Physical retail is driven by branding and relationships, In addition to these two drivers, online retail is also driven by traffic from search engines. It is not unusual for customers to follow a link



in search engine results and land on an e-commerce website that they have never heard of, This additional source of traffic can be the tipping point for some e-commerce businesses.

Lower Costs: One of the most tangible positives of e-commerce is the lowered cost. A part of these lowered costs could be passed on to customers in the form of discounted prices. Here are some of the ways that costs can be reduced with e-commerce:

Advertising and marketing: Organic search engine traffic, pay-per-click, and social media traffic are some of the advertising channels that can be cost-effective,

Personnel: The automation of checking, payments, inventory management, and other operational processes lowers the number of employees required to run an e-commerce setup.

Real estate: This one is a no-brainer; An e-commerce merchant does not need a prominent physical location.

Locate the Product Quicker: It is no longer about pushing a shopping cart to the correct aisle or scouting for the desired product. On an e-commerce website, customers can click through intuitive navigation or use a search box to narrow down their product search immediately. Some websites remember customer preferences and shopping lists to facilitate repeat purchase.

Eliminate Travel Time and Cost: It is not unusual for customers to travel long distances to reach their preferred physical store, e-commerce allows them to visit the same store virtually, with just a few mouse clicks.

Provide Comparison Shopping: e-commerce facilitates comparison shopping. There are several online services that allow customers to browse multiple e-commerce merchants and find the best prices.

Enable Deals, Bargains, Coupons, and Group Buying: Though there are physical equivalents to deals, bargains, coupons, and group buying, online shopping makes it much more convenient. For instance, if a customer has a deep discount coupon for turkey at one physical store and toilet paper at another, she may find it infeasible to avail of both discounts, But the customer could do that online with a few mouse-clicks.

Provide Abundant Information: There are limitations to the amount of information that can be displayed in a physical store, It is difficult to equip employees to respond to customers who require information across product lines. E-commerce websites can make additional information easily available to customers. Most of this information is provided by vendors and does not cost anything to create or maintain.

Create Targeted Communication: Using the information that a customer provides in the registration form, and by placing cookies on the customer's computer, an e-commerce merchant can access a lot of information about its customers. It, in turn, can be used to communicate relevant messages. An example: If you are searching for a certain product on Amazon.com, you will automatically be shown listings of other similar products. Also, Amazon.com may email you about related products.



Remain Open All the Time: Store timings are now 24/7/365. E-commerce websites can run all the time, from the merchant's point of view, this increases the number of orders they receive. From the customer's point of view, an "always open store is more convenient, mo, Create Markets for Niche Products: Buyers and sellers of niche products can find it difficult to locate each other in the physical world, Online, it is only a matter of the customer searching for the product in a search engine. One example could be the purchase of obsolete parts. Instead of trashing older equipment for lack of spares, today we can locate parts online with great ease. The sky is blue, server's crash, and websites go down, when people's need for instant gratification are derailed, it can be hard to win them back, and broken site sends the message that you're not reliable.

Not only can the architecture that holds a site together fail, but there's also the looming presence of identity theft. Sharing your credit card number, even on a trustworthy-looking site, is still scary for a lot of people.

The disadvantages of c-commerce can be broadly classified into two major categories:

- Technical disadvantages
- Non-Technical disadvantages

Technical Disadvantages:

- There can be lack of system security, reliability or standards owing to poor implementation of ecommerce.

The software development industry is stilevolving and keeps changing rapidly. In many countries, network bandwidth rnight cause anissue.

Special types of web servers or other sft'ware might required by the vendor, setting the ecommerce environment apart from network servers,

Sometimes, it becomes difficult to integrate an ecommerce software or website with existing applications or databases.

There could be software/hardware compatibility issues, as some ecommerce software may be incompatible with some operating system or any other component.

Non-Technical Disadvantages

- **Initial cost** — the cost of creating/building an e—commerce application in-house may be very high. There could be delays in launching an e-Commerce application due to mistakes, and lack of experience.

- **User resistance** — Users may not trust the site being an unknown frceless seller. Such mistrust makes it difficult to convince traditional users to switch from physical stores to online/virtual stores.

Security? Privacy: It is difficult to ensure the security or privacy on online transactions.



- Lack of touch or feel of products during online shopping is a drawback.
- E-commerce applications are still evolving and changing rapidly.

Internet access is still not cheaper and is inconvenient to use for many potential customers, for example, those living in remote villages.

Remedial measures to overcome the impact of e-commerce on traditional retail business

- Retailers have to change their attitude towards the market, Today's is a consumer market and as a result the priority of the traditional business should focus on consumer satisfaction.

The firm has to be in the good looks of the consumer.

Better quality products, fair price and friendly aftersale services are the basic areas in which the business has to concentrate to a remarkable extent,

Additional services should be provided to the consumers to woo them and build upon a loyalty which in turn would ensure a stable sales in the years to come.

Conclusion

The face of retail has changed. The advent of technology in recent period being the primary reason for it, Today, retailing means going into shopping centers, going online and going mobile, In all these, small retailers miss out somewhere, But the nearby store is always the most important concern for all reason and seasons, it needs to revive not just survive, The retail stores needs to simply uplift its pattern of business and face the competitive world with a more positive outlook. Estores and retail stores both have to survive, none at the cost of the other, it's not just about the livelihood it gives to the thousands of people but also the convenience and the steadfastness of a fixed retail store.