



## A Study On The Impact Of E-Retail Business On Small Traditional Retail Shops In The Metropolitan City Of Guwahati, Assam.

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### Abstract

Millions of small retailers in India, and even more employees working under them depend on the traditional way of selling goods and selling through their bricks and mortar shops for their livelihoods. While retail in India has been dominated by the offline retail market, and it still forms the majority chunk of the retail business in India, E-Retail, meaning to sell retail goods and services through the internet, is fast taking up its place. With an estimated growth rate of 25-30% per annum, it is soon to become the future of retailing in India. The present study aims to study the issue both from the shopkeepers' point of view as well from the consumers' perspective. It also aims to analyze whether any remedial measures are being taken by the shopkeepers themselves in order to cope with the problem.

**Keywords:** Small Retailers, E-Retail, Offline Retail Market

### 1.1 INTRODUCTION

A market can be defined as a composition of systems, procedures, infrastructures, social relations, or institutions whereby people engage in exchange. The exchange may occur through barter, but most sellers sell their goods and services in exchange for money. Historians argue that markets have existed since ancient times. Around the world, markets have evolved in different ways depending on local conditions like weather, culture, traditions, etc. Nowadays, markets can also be accessed on the internet through e-commerce platforms. As of today, based on physical format, markets can be divided into- online e-commerce markets and offline conventional markets.

Conventional shopping or traditional shopping refers to the activity of purchasing goods or services by directly visiting the physical shop or vendor. The physical shop gives customers the opportunity to physically see, touch, and compare the products. From the dawn of human civilization, this traditional offline mode of business has been used to satisfy the needs and demands of society. But since a few years ago, a new platform, e-commerce, has been gaining momentum among the masses and is fast taking up the place of traditional shopping.

E-commerce, also known as electronic commerce, refers to the activity of buying and selling goods and services, or the transferring of data or funds, over an electronic medium, particularly the internet. E-commerce business has several models, like Business to Consumer (B2C), Consumer to Consumer (C2C), Business to Business (B2B), and Consumer to Business (C2B).

Another important and related term to e-commerce is online shopping. Both of these terms are used interchangeably in everyday life, but there is a slight difference between the two. While e-commerce refers to all aspects of a business operating online, like setting up an online website, processing data, deploying the product to the consumers, etc, online business refers only to the specific activity of a consumer buying items on a merchant's website and having them delivered to their homes.

### How did e-commerce come into being?

The beginnings of online shopping and e-commerce can be traced back to the 1960s when IBM's Online Transaction Processing (OLTP) was developed, and it was used to computerize ticket reservation systems. In OLTP, different travel agencies were connected to an IBM mainframe computer, and it processed transactions almost simultaneously so that all the travel agencies could gain access to the same information at the same time.

However, online business emerged when the internet was widely adopted in 1991 with the introduction of the World Wide Web.

Michael Aldrin, an English Entrepreneur, is credited to be the inventor of online shopping in 1979. He connected a domestic television, which was modified, to a real-time transaction processing computer through a domestic telephone line.

However, Online Business became widely popular with the adoption of the Internet in 1991, when the worldwide map server and browser developed by Tim Berners-Lee was introduced to the world. Initially, it served only as a platform for

advertising products, but with the creation of secure transmissions and web pages specifically since 1994, it transformed into an online shopping platform. One of the first things that were sold on internet-powered online shopping was the Sting album 'Ten Summoner's Tales'. By 1995, Amazon.com and eBay, two of the most popular online shopping applications of today's time, were already launched.

### **E-commerce and online shopping in India**

The Internet was first introduced in India in 1995, and it soon started the first wave of ecommerce in India. Initially, most of the transactions were Business to Business (B2B) type, which were mainly made by MSMEs (Micro and Small enterprises). The activities included under B2B are purchasing, procurement, inventory and supply management, payment management, and support management amongst the organizations. 2002 was the first breakthrough year in the history of online business in India. In 2002, the government of India launched the IRCTC online reservation system, through which the public could book tickets online from anywhere at any time. Due to this, the Indian public started to see the advantages of online platforms, and soon Amazon became popular in India. Soon many other prominent online websites like Flipkart, Snapdeal, MakeMyTrip started to make huge profits in India. In 2018 Amazon became the largest online retail shopping platform in India.

Another breakthrough year in the e-commerce history in India came when Mukesh Ambani announced the free internet scheme by his company Reliance Jio. The internet user base in India exploded after this, and with much better internet access, online shopping also became greatly popular in the country. From ordering daily items such as groceries to buying expensive gadgets, people started using e-commerce platforms for buying almost anything.

E-commerce platform deals with various kinds of transactions- retail business ( selling a product to a customer without any intermediately), wholesale business (when products are sold in huge quantities), drop shipping (when a business sells a product to the consumer via a third party, subscription services, Marketing business, Financial online exchanges like exchanges of currency, etc.

On the nature of the buyer and the market's place within the distribution system, markets can be divided into wholesale and retail markets The present study will focus on the retail sector of the market. Retail Business refers to the sale of goods or services to the consumers directly without any intermediaries. A retail business owner purchases large amounts of goods either from manufacturers or through retailers and then sells them directly to customers in smaller quantities for a profit. They are different from wholesalers in the sense that wholesalers sell their commodities either to other businesses or institutional customers, generally for the purpose of reselling. A retailer forms the final link in the chain of supply.

### **Retail business is divided into three categories: Unorganised retailers, Organised retailers, and E-Retailers.**

1. Organised retailing- refers to the process of selling goods and services by licensed retailers, who are registered for income tax, sales tax, etc. Their employees are governed by the minimum wages Act. Organized retailing in India includes privately owned retail businesses, supermarkets, retail chains, etc.
2. Unorganised retailing- this sector of the retail business in India is not registered with the government. Since they are not registered with the government, they don't follow any rules and regulations of the government, pay no taxes, and don't follow any regulations of the government. This sector comprises of small sector enterprises with unskilled labor, with comparatively less productivity. The unorganized sector in India includes local corner shops, convenience stores, mom-and-pop stores, hand cart vendors, etc. The unorganized sector forms the majority part of the retail sector in India.

The major difference between the organized retail sector and the unorganized retail sector is that while the organized sector has a formal license, the unorganized sector does not.

3. E-Retailing- also known as e-tailing, refers to the process of selling retail goods and services on the internet. According to the Times of India, Amazon, which entered India in 2013 is by far the largest retailing company in the world. In 2019 alone it earned a revenue of Rs. 280 billion or a profit of \$11.6 Dollars.

### **Types of retailers on the basis of products or services they sell:**

Retailers can be classified on the basis of many criteria- products or services, ownership, variety of products, level of service, etc. Classification of retailers according to the products or services they sell is the simplest kind of classification of them. Some of the types of retailers according to this Classification are-

1. Apparel retailing- The apparel section in India includes businesses selling menswear, women's wear, and kids' wear. According to an article, published by Invest India, apparel is one of the largest sectors of retailing in India and is expected to have an annual growth rate of 12 to 15 percent.
2. Home decor and furnishing- this sector of retailing refers to the businesses that sell movable contents of a room, household decorations accessories, gardening, and soft furnishings like draperies and curtains.
3. Electronics- It refers to the business dedicated to selling or repairing electronic products such as televisions, telephones, computers, mobiles, tablets, radios, etc.

4. Groceries- it refers to the retail business that primarily sells a range of food products, which can be either fresh or packaged.
5. Medicines/ Pharmacy- retail medicine shops or also called pharmacies refer to the stores that are involved in selling non-prescription and prescription medicines and other items including pharmaceuticals, drugs, etc.
6. Stationary/ Books- it refers to the business that is involved in selling books and stationery items including paper, markers, copies, pens, colors, etc.

The present study focuses on apparel retailing, home decor and furnishing, electronics, and groceries.

According to 'Competitive strategies for unorganized retail business: understanding structure, operations, and profitability of small mom and pop stores in India' published by Sangvikar, B., Kolte, A., and Pawar, A. (2019), the retail industry is one of the most dynamic industries in India and accounts for over 10 percent of the Gross Domestic Product of India. It provides a total of 8 percent of employment. The Indian retail market was worth 883 Billion Dollars in the year 2018 and comes among the four largest retail markets in the world. The retail market in India was dominated by offline retailing, also known as the Brick and Mortar retailing, for the longest time. But now with an Internet penetration rate of 47 percent of the population, another sector of retail, e-retail, is giving them tough competition.

According to a report published by the Statistical research Department the share of e-retail, the organized and the unorganized sectors in the retail business of India are as follows-

**Table 1.1** Distribution of retail industry in India,2019-2021

Retail sector	Percentage share in 2019	Percentage share in 2021
E-Retail	3%	7%
Organised	9%	18%
Unorganised	88%	75%

Secondary Source: Statistical Research Development

From the above table it can be seen that the share of e-tail in the retail business in India increased from 3% to 7% only in 2 years from 2019 to 2021.

Also, according to another report published by India Brand Equity Foundation in 2021, the E-retail industry in India is estimated to grow to 120 to 140 US Billion Dollars by the Financial year 2026, increasing at the rate of 25-30% per annum over the next 5 years. But this comes at the cost of the 70 million small merchants in India who earn their bread and butter through offline retail business. Hence the present academic research project has made an attempt to study the impact of the e-retail business on the small offline retail business in India.

## 1.2. SMALL OFFLINE RETAIL BUSINESS

To define a business that is offline, retail, and small, a definition that is generally accepted is "the activities involved in selling goods and services to ultimate customers for personal consumption through bricks and mortar store" and the criteria for 'small' being

"independently owned and operated but is not dominant in its field of operation", as given by the U.S. Small Business Administration (SBA). According to this definition, a small business can be defined on the principle of their existence on singularity, meaning to say, they should not be a part of departmental shops, supermarkets, and shopping malls.

However, there is no exact definition of a small retail business in Economics. Many other criteria except the criteria of singularity can be used to define a small retail business. The present study defines a small offline retail business as a business involved in selling goods and services directly to customers through a brick and mortar store, which is independently owned and has an annual profit of less than 7 lakhs.

## 1.3 TIME PERIOD OF STUDY

To accurately calculate the impact of online business on the traditional retail market, the annual profits of two threshold years needs to be compared. According to the Cambridge dictionary, a threshold is a limit or level on a scale and when the threshold is reached, something happens or changes.

The present study will take 2013 as the first threshold year as in 2013, e-retail had just started to take off in India, especially in Guwahati. Firstpost.com published an article on September 05, 2013, entitled 'Online Shopping on the rise in North-East, Guwahati leads'. The biggest online shopping app in India, Amazon had just entered the market in 2013 and the retail business in India was ready to witness a change.

The second threshold year in the present study will be the year 2017, because firstly, from the year 2019, retail business in India was undoubtedly affected by the COVID-19 pandemic. To eliminate the impact of the pandemic from our study, a time period before 2019 needs to be considered.

**Table 1.3** Total Retail and Retail e-commerce sales in India,2013-14

Total Retail and Retail Ecommerce Sales in India In Billions, % and % of total retail sales						
	2013	2014	2015	2016	2017	2018
Total retail sales	\$635.25	\$717.83	\$818.33	\$941.08	\$1,082.24	\$1,244.58
—% change	10%	13%	14.00%	15%	15.00%	15%
Retail e-commerce sales	\$3.59	\$5.30	\$7.69	\$10.68	\$14.18	\$17.52
—% change	55.60%	47.60%	45.20%	38.90%	32.80%	23.50%
—% of total retail sales	0.60%	0.70%	0.90%	1.10%	1.30%	1.40%

Secondary source: www.eMarketer.com

According to the statistics as seen in the table above, the percentage change of e-retail business in India out of the total retail sales in India were as follows- 0.6 percent in 2013, 0.7 percent in 2014, 0.9 percent in 2015, 1.1 percent in 2016, 1.3 percent in 2017, and 1.4 percent, in 2018. The percentage from the year 2014 was increasing by 0.2% till 2017, but the percentage change from 2017 to 2018 was only 0.1%. This means after 2017, the rate of increase of the share of E-retail in the total retail sales of India began to reduce.

The Economic Times in its article titled ‘Retail: If 2017 was the year of the online- Will 2018 be the year of the offline’ stated that “2017 was the year that put Bharat online” and “Online retail will get a reality check in 2018”.

Thus, it can be concluded that 2017 was an important year in the history of e-retailing in India and after that, the rate of increase of its share in the total retail business in India began to slow down.

Thus, in the present study, the years 2013 and 2017 will be taken as the threshold years and the annual profits between the years 2013 and 2017 will be compared to study the impact of e-retail on the small offline retail businesses.

## CHAPTER 2: REVIEW OF LITERATURE AND RESEARCH GAP

### 2.1. LITERATURE REVIEW

Few reviews of the existing literature related to the present study are as follows:

**(Doherty, N. F., & Ellis-Chadwick, F, 2010, Internet retailing: the past, the present and the future. *International Journal of Retail & Distribution Management*)** This was one of the earliest studies which were made to critically review and examine the literature that addresses the impact and application of internet technologies, by offline retailers for the sale and promotion of merchandise. The study concluded that while the retailers are trying, there are still many challenges that should be overcome. Developing strategies by retailers is the need of the hour.

**(Jibril, A. B., Kwarteng, M. A., Pilik, M., Botha, E., & Osakwe, C. N., 2020, Towards understanding the initial adoption of online retail stores in a low internet penetration context: An exploratory work in Ghana.)** This study was done to investigate the factors that motivate the customers to opt for online shopping, specifically in a developing country. The study was done in Ghana. Its findings were that prices and traveling time formed the two most important factors pulling customers towards online shopping.

**(Saha, A., 2015, A study on the impact of online shopping upon retail trade business.)** The aim of the study is to find out and highlight the impact of the increasing trend of e-retail over fixed shop retailers. The findings of the study showed that turnover and profit margin of the retailers had decreased and consumers become more comfortable with the experience of online shopping.

**(Prakash, C., & Kumar, M. M. J., A Conceptual Study on The impact of online shopping upon retail trade business and customers)** This study was made with the aim of studying the impact of online business on consumers as well as retailers. The study concluded utilizing technology is the need for both online as well as offline businesses in order for them to grow. Also, web-based retailing companies and offline shops should focus on forming a connection.

(Andocsova, A., GeciI, A., & Kubelikova, A., 2017, **The Impact of Online Marketing of Selected Retail Stores on Consumer's Behaviour of the Young Generation.**) This study found out that there is a distinctive difference between the current sale of goods and services and selling the goods and services in the past. The major difference is the consumer is more sophisticated now and is oriented towards the internet.

(Bhatnagar, A., & Syam, S. S., 2014, **Allocating a hybrid retailer's assortment across retail stores: Bricks-and-mortar vs online.**) This paper aimed to develop a model to determine a retailer's item allocation. The study concluded that products that have low carrying costs should be distributed between online and offline shops, and products with high carrying costs can be sold at online stores.

## 2.2 RESEARCH GAP

The researcher has gone through several research papers and found that very few studies have been conducted on the topic in the metropolitan city of Guwahati. The few pieces of research that have been done focus either only on shopkeepers' perspective or only on consumers' perspective. The present study has tried to focus both on shopkeepers' perspective as well as on consumers' perspective and has also attempted to shed light on the measures adopted by the shopkeepers' to compete with the online business to survive in the market.

## CHAPTER 3. OBJECTIVES OF THE STUDY

### 3.1. OBJECTIVES OF THE STUDY

The three objectives of the study are -

1. To study the impact of e-retail on the profitability of small traditional retail shops.
2. To compare consumers' preferences towards online retail shopping and offline retail shopping and to understand the factors that influence consumers' preferences towards online retail shopping.
3. To analyze what measures have been adopted by the small traditional retail business owners in order to compete with the online business.

## CHAPTER 4: RESEARCH METHODOLOGY AND STUDY AREA

### 4.1 RESEARCH METHODOLOGY

The methodology adopted for the study involves both primary and secondary data. The sample size of the study is 90, out of which, 60 respondents are shopkeepers and 30 of them are consumers

#### Primary Data

The primary data was collected by conducting an offline survey using detailed questionnaires. The Direct Interview method was used for the same. Questionnaires were divided into three sections, each section catering to each of the three objectives of the present study. Each of the questionnaires had 51 questions in total. A copy of the questionnaire is attached in the annexure. A mixture of direct questions, multiple choice questions, and polar questions (yes/no type questions) were used to get detailed information from the respondents.

#### Secondary Data

The secondary data used in the study have been collected through different articles, websites, journals, newspapers, international and government Records, and previously conducted researches. These statistics have been used to support different points throughout the different chapters of the study.

#### Sampling Method

For the first and third objectives, information from 60 different shopkeepers has been collected by using deliberate sampling. The four different types of retailers considered for the study are- Apparels retailers, Electronics retailers, Home Decor and Furnishings Retailers, and Grocers retailers. 15 respondents from each of the groups have been selected so that every group has equal representation in the study.

For the second objective, responses from 30 consumers were recorded, for which the method of Convenience Sampling, also a type of non-probability sampling, was used.

#### Method for analysis

Statistical analysis has been to analyze the data collected to understand the topic and draw out conclusions from the data. Various information has been presented through graphical representation techniques such as pie charts, bar diagrams, multiple-bar diagrams, etc.

## 4.2 THE STUDY AREA

The study has been conducted in the metropolitan city of Guwahati. Also known as the gateway to the northeast, Guwahati is the biggest city of Assam and the only metropolitan city in North-East India.

#### History of Guwahati

Inscriptions found in the Nilachal Hills near Guwahati, suggests the city being more than 1500 years old. How the city originated has been a subject of debate but many believe it to be founded by King Naraka. After that, the region came

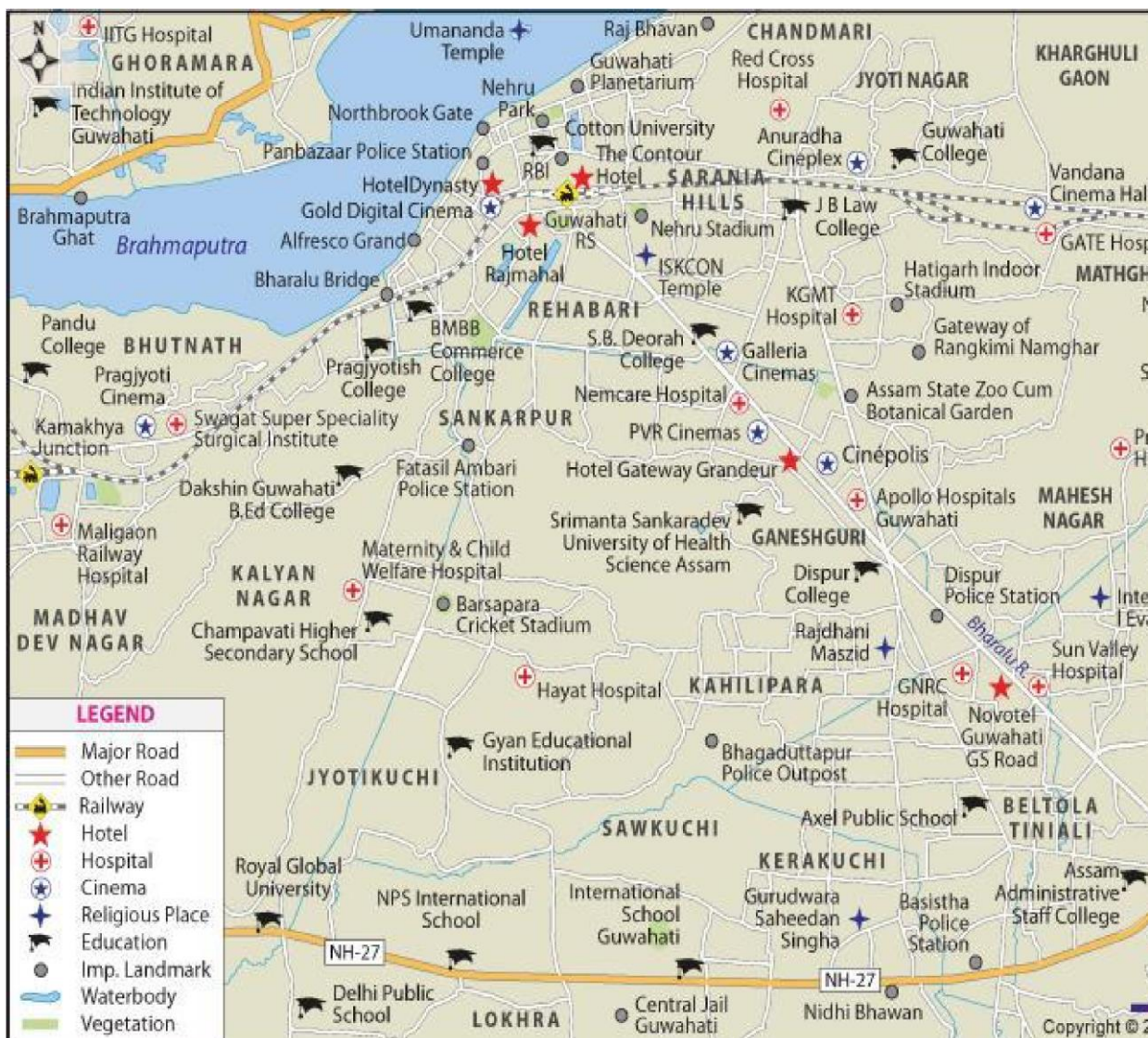
under several rulers and kingdoms. Earlier the region was known as ‘KAMRUP’, the rebirth place of lord ‘KAMDEV’. Another of its popular name which finds a lot of mention in ancient Puranas is ‘PRAGJYOTISHPUR’ or the light of the East. It is believed to be ruled by many kings, and rulers, like king Bhagadatta and Naraka, Kamrup Dynasty, Varman Empire, Pala Empire, Kamata Kingdom, and finally the AHOM KINGDOM. The Mughals tried to invade it 17 times but did not succeed. British took control of the city before it finally gained its independence when the Britishers left India. It is also known as the seat of the ‘Borphukan The military need of the Ahom Kingdom’.

### Guwahati at present

The name Guwahati is combined of two Assamese words- ‘Guwa’ which means ‘Areca Nut’ and ‘Haat’ which means ‘Market place’. Currently, it falls under the Kamrup district. The capital of the state of Assam, ‘Dispur’ is located within the region of Guwahati. Situated on the Ghats of the mighty Brahmaputra, the city boasts the ancient Kamakhya Maa temple and has other important tourist places like Umanada Temple and Island, Shree Tirupati Balaji temple, Guwahati Zoo, etc. According to official statistics, the estimated population of the city by 2025 is 2.8 million. It has a literacy level of 91.4 percent and a GDP of Rs.0.48 lakh crore, as of 2020-21. It has a high HDI of 0.703 and is one of the 98 cities that have been selected for the smart city mission.

### Online shopping in Guwahati

The North Eastern part of India is considered to have the highest conversion rate in terms of consumers visiting online shopping websites, translating into purchases. The city of Guwahati has also featured in the Economic Times’ list of top 15 online shopping destinations in India. As of 2022, Guwahati boasts several giant e-commerce companies like Amazon, Flipkart, JioMart, Nyka.com, etc, as well as many indigenously developed ecommerce sites like Bara Bazaar, Assam Kart, Kiba Kibi Point, Assam Bazaar, etc.



Map of the city of Guwahati Secondary source: [www.mapsofindia.com](http://www.mapsofindia.com)

## CHAPTER 5: SIGNIFICANCE OF THE STUDY

### 5.1 SIGNIFICANCE OF THE STUDY

The Indian retail business is the fourth largest retail market in the world. For centuries, it has provided employment to millions of small merchants and the employees under them. At present, there are about 70 million small merchants who are engaged in the offline retail sector. The reason it provides livelihood to such a huge population is because it is comparatively easy to open and run a small retail store, one needs less investment, no special education, and no specific skilled labor force. Also, it not only provides means of livelihood to these small merchants but also to millions of untrained unskilled laborers working under them.

But today, when the World Wide Web is almost an inseparable part of our lives, the retail industry in India has redesigned itself. E-commerce has emerged as an important sector of retailing and online shopping is constantly materializing as a more convenient and cost-effective way of shopping.

But not everyone has the skills, knowledge, or investment to sell online. Thousands of families have been involved in the traditional ways of selling for generations, many have spent their entire lives in their Brick and Mortar stores, and is not possible for them to suddenly change their mode of business and become equally successful in the e-commerce domain. As a result, these small offline retailers are going through tough times and the situation is only going to worsen in the future, if the current trends are to be believed. This research study has made an attempt to study and analyze the impact that the e-retail domain is having on the small offline retail trade section.

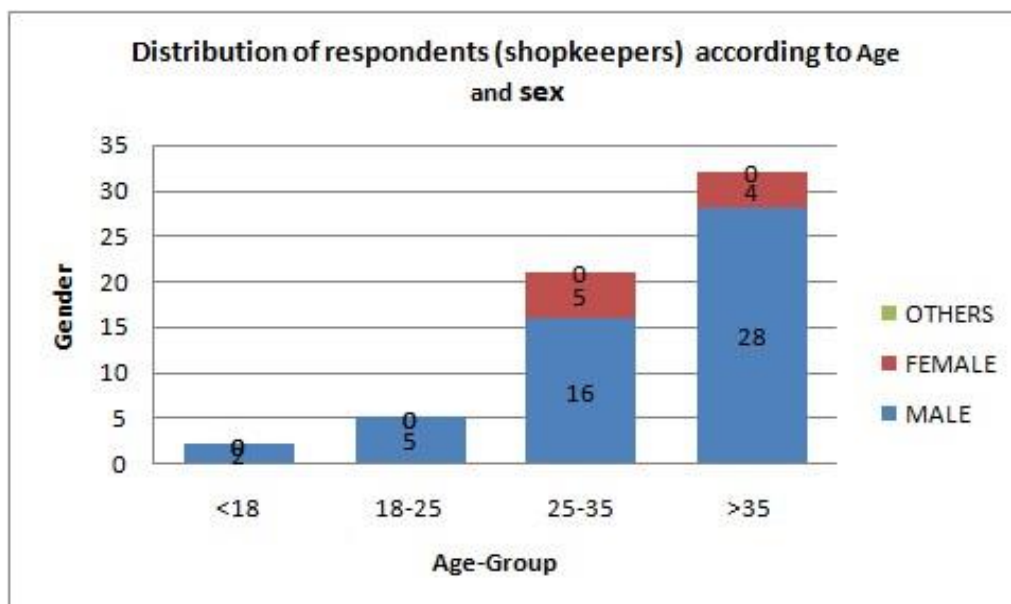
## CHAPTER 6: DEMOGRAPHIC INFORMATION OF THE RESPONDENTS

### 6.1 Demographic information of the shopkeepers (respondents for objective 1 and objective 3) is as follows:

#### 6.1.1. Distribution of respondents according to their age and sex.

**Table:6.1.1.** Distribution of respondents(shopkeepers) according to their age and sex.

AGE GROUP	MALE	FEMALE	OTHERS	TOTAL
<18	2	0	0	2 (3%)
18-25	5	0	0	5 (8%)
25-35	16	5	0	21 (35%)
>35	28	4	0	32 (54%)
TOTAL	51 (85%)	9 (15%)	0 (0%)	60 (100%)



**Fig. 6.1.1.** Distribution of respondents (shopkeepers) according to Age and Sex.

The above table and figures represent the distribution of respondents according to their age and sex. The total number of respondents is 60. Out of 60, 85 percent of them are male and 15 percent are female and 0 percent belong to the other category. Out of 60 respondents, 3 percent of them are below 18 years of age, 8 percent of them belong to the age group 18-25, 35 percent of them belong to the age group 25-35, and 54 percent of them are above 35 years of age. The maximum number of respondents is male and above 35 years of age.

6.1.2. Distribution of respondents according to their marital status.

Table:6.1.2. Distribution of respondents (shopkeepers) according to their marital status.

Marital Status	Number	Percentage
Married	46	77%
Unmarried	14	23%
Total	60	100%

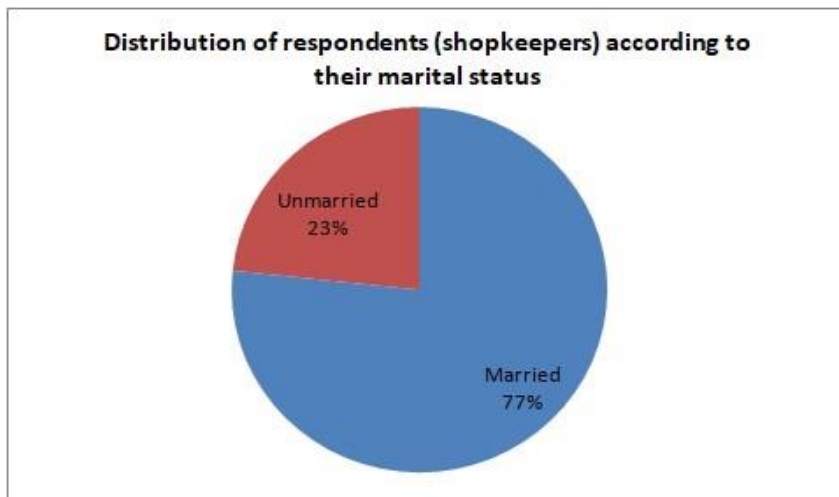


Fig. 6.1.2. Distribution of respondents (shopkeepers) according to their marital status.

The above table and figure represent the distribution of respondents according to their marital status. Out of the 60 respondents, 77 percent are married and 23 percent are unmarried. The maximum number of respondents is married.

6.1.3. Distribution of respondents according to their educational qualifications.

Table:6.1.3. Distribution of respondents (shopkeepers) according to their educational qualifications.

Educational Qualification	Frequency	Percentage
Not completed class 10	5	8%
class 10	4	7%
class 12	18	30%
Graduation	24	40%
Post Graduation	9	15%
Total	60	100%

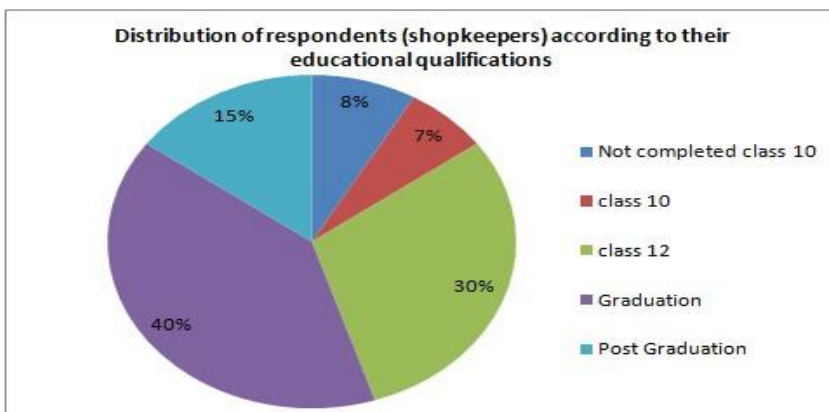


Fig:6.1.3. Distribution of respondents (shopkeepers) according to their educational qualifications.

The above table and figure represent the distribution of respondents according to their educational qualifications. 8 percent of the 60 respondents have not completed class 10, 7 percent of them have completed class 10, 30 percent of them have



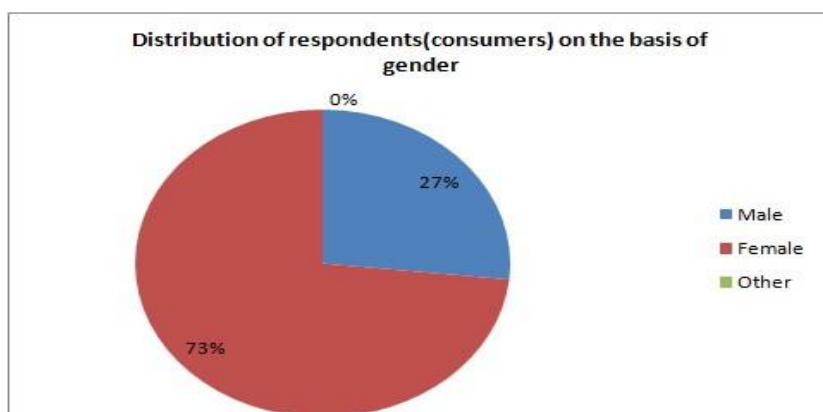
completed class 12, 40 percent of them are graduates and 15 percent of them are postgraduates. The maximum number of respondents is graduated here.

**6.2. Demographic Information of consumers (respondents for objective 2)**

**6.2.1** Distribution of respondents on the basis of gender.

**Table 6.2.1.** Distribution of respondents(consumers) on the basis of gender.

Gender	Frequency	Percentage
Male	8	27%
Female	22	73%
Other	0	0%
Total	30	100%



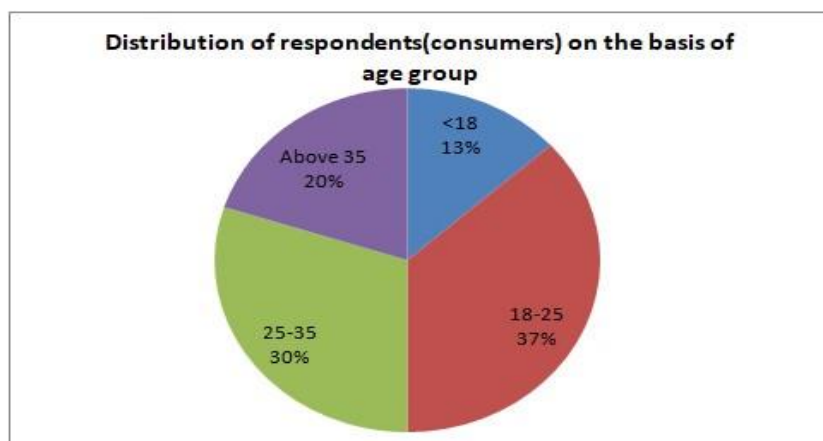
**Fig. 6.2.1.** Distribution of respondents(consumers) on the basis of gender.

The above table and figure represent the distribution of respondents on the basis of Gender. Out of 30, 27 percent, that is 8 of them are male, 73percent, that is 22 of them are female and 0 percent of them belong to the other category. The maximum number of respondents is female.

**6.2.2.** Distribution of respondents on the basis of age group.

**Table.6.2.2.** Distribution of respondents(consumers) on the basis of age group.

Age-group	Frequency	Percentage
<18	4	13%
18-25	11	37%
25-35	9	30%
Above 35	6	20%
Total	30	100%



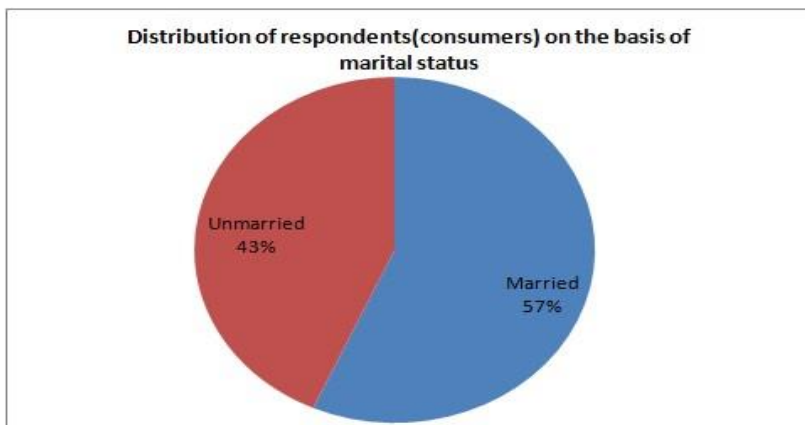
**Fig.6.2.2.** Distribution of respondents(consumers) on the basis of age group.

The above table and figure represent the distribution of respondents on the basis of age group. Out of 60 respondents, 13 percent of them are below 18 years of age, 37 percent of them belong to the age group 18-25, 30% of them belong to the age group 25-35, and 20 percent of them are above 35 years of age. The maximum number of respondents belong to the age group 18-25.

**6.2.3.**Distribution of respondents on the basis of marital status.

**Table:6.2.3.** Distribution of respondents(consumers) on the basis of marital status.

Age-group	Frequency	Percentage
Married	17	57%
Unmarried	13	43%
Total	30	100%



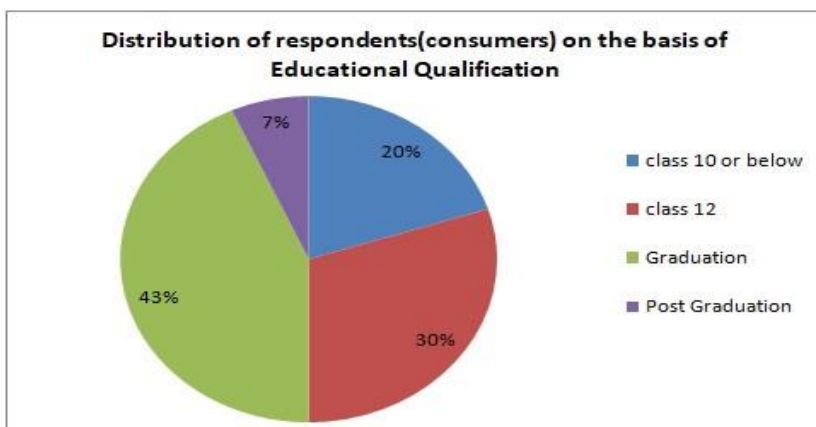
**Fig:6.2.3.**Distribution of respondents(consumers) on the basis of marital status.

The above table and figure represent the distribution of respondents on the basis of marital status. Out of 30, 17 of them, that is 57 percent of them are married while 13 of them, that is 43 percent of them are unmarried. The maximum number of respondents is married.

**6.2.4.**Distribution of respondents on the basis of Educational Qualification.

**Table:6.2.4.**Distribution of respondents(consumers) on the basis of Educational Qualification.

Educational Qualification	Frequency	Percentage
class 10 or below	6	20%
class 12	9	30%
Graduation	13	43%
Post Graduation	2	7%
Total	30	100%



**Fig.6.2.4.** Distribution of respondents(consumers) on the basis of Educational Qualification.

The above table and figure represent the distribution of respondents on the basis of Educational Qualification. Out of 30 respondents, 20 percent of them belong to the category class 10 or below, 30 percent of them have completed class 12, 43 percent of them are graduates, and 7 percent of them are postgraduates. The maximum number of respondents is graduated here.

**CHAPTER 7: DATA ANALYSIS AND INTERPRETATION**

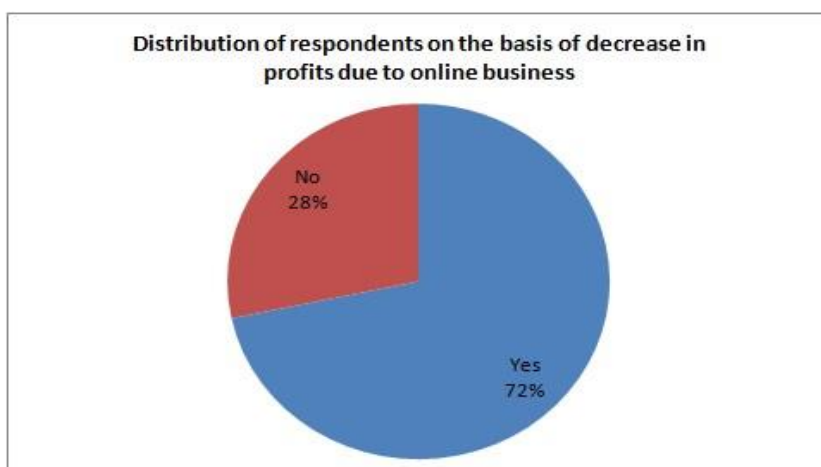
Analysis and explanation of data collected are as follows:-

**7.1. OBJECTIVE 1-To study the impact of e-retail on the profitability of small traditional retail shops.**

**Question 7.1.1.** Do you agree that your profits have decreased due to online business?

**Table:7.1.1.** Distribution of respondents on the basis of decrease in profits due to online business.

	Frequency	Percentage
Yes	43	72%
No	17	28%
Total	60	100%



**Fig.7.1.1.** Distribution of respondents on the basis of decrease in profits due to online business.

The above table and diagram represent the number of people who agree that their profits have decreased due to online business. A large number of respondents, 43 to be exact, that is 72 percent, agreed that their profits have gone down due to the effect of online business, and only 17 of them, that is 28 percent of respondents, said that their profits have not decreased due to e-retail business. These statistics alone give an idea about the impact that e-retail has caused in traditional retail stores.

**7.1.2. Range of Decrease in the annual profits of the shopkeepers.**

To analyze the impact of online retail business on the annual profit of the shopkeepers, the simple calculation of, annual profit= annual income- annual expenditure, was used. The shopkeepers were asked the following questions-

- a. Annual income and annual expenditure of the year 2013
- b. Annual income and annual expenditure of the year 2017

Then Annual profits of both the years, that is 2013 and 2017, of all the shopkeepers were calculated by subtracting annual expenditure from annual income. Then the respondents were distributed according to the decrease in their annual profit from the year 2013 to 2017. The distribution of respondents according to the range of decrease in annual profit from 2013 to 2017 is as follows-

**Table 7.1.2.**Distribution of shops on the basis of the range of decrease in annual profits from 2013 to 2017.

Range of decrease in annual profit	No. of shops	Percentage
Less than 1 lakh	20	46%
1-2 Lakhs	9	21%
2-3 lakhs	11	26%
More than 3 lakhs	3	7%
Total	43	100%

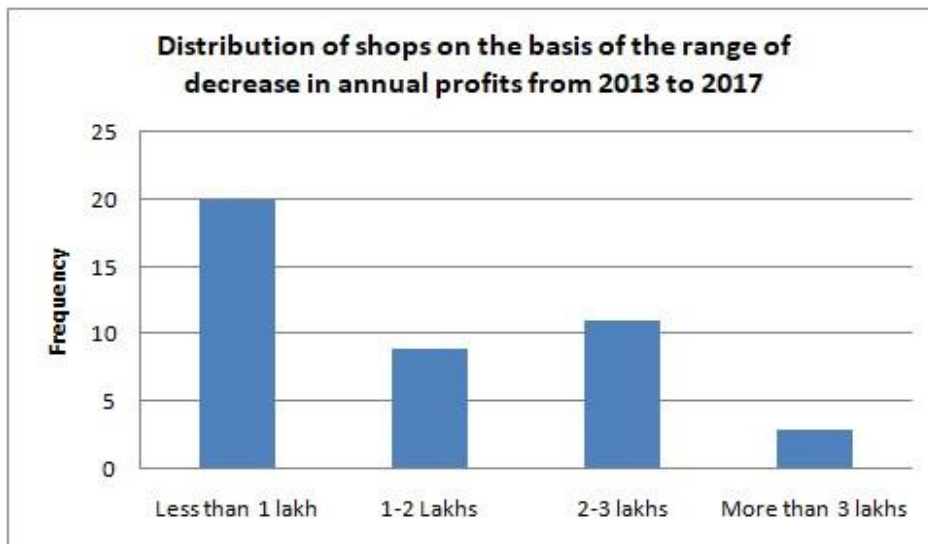


Fig 7.1.2. Distribution of shops on the basis of the range of decrease in annual profits from 2013 to 2017.

Out of 60 shops, 43 shops’ annual profit had decreased due to online business over the years. In the above diagram and figure it can be seen that out of these 43, 46 percent of the shops’ annual profit had decreased by less than 1 lakh, 21 percent of the shops’ annual profit decreased by 1-2 lakhs, 26 percent of the shops’ annual profit decreased by 1-2 lakhs, and 7 percent of the shop’ annual profit decreased by more than 3 lakhs.

**Question 7.1.3.** Have you decreased the number of employees under you due to less profits?

**Table.7.1.3.** Distribution of respondents on the basis of decrease in employees due to less profits.

Employees	Number	Percentage
Yes	16	27%
No	44	73%
Total	60	100%

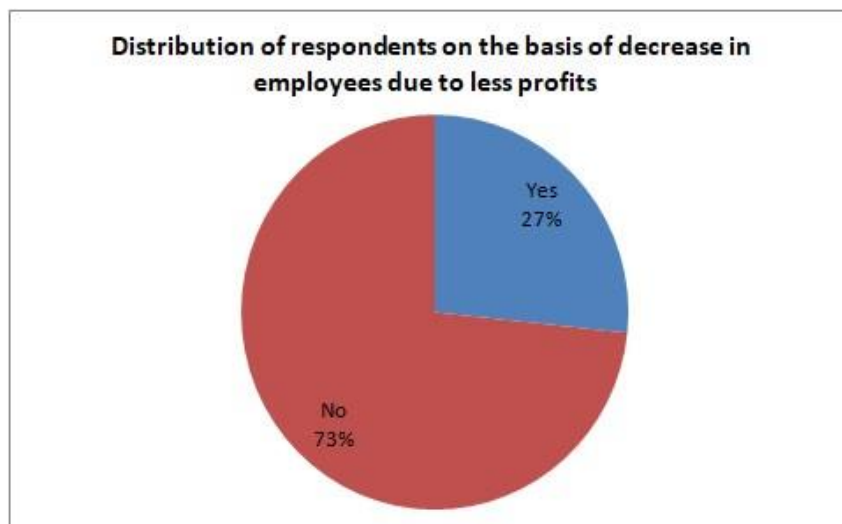


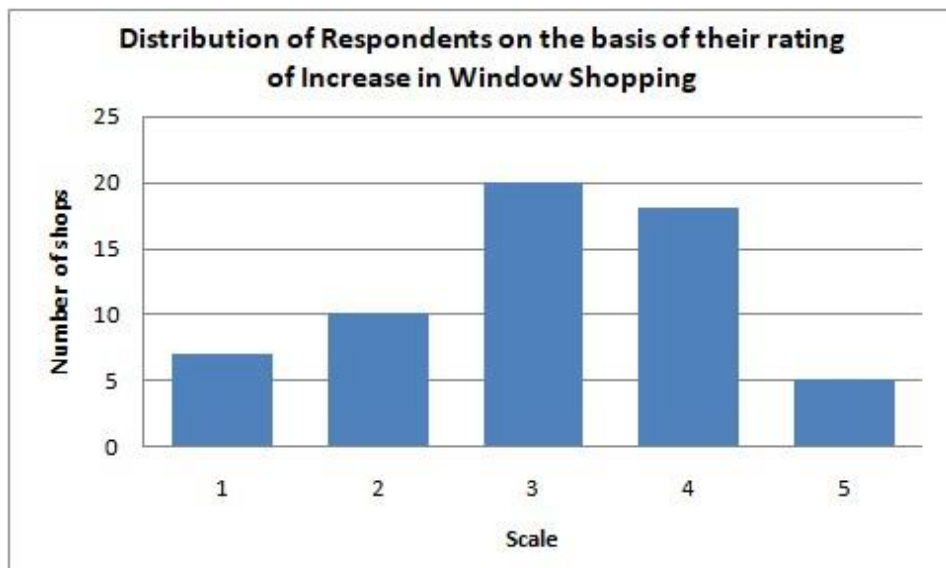
Fig.7.1.3. Distribution of respondents on the basis of decrease in employees due to less profits.

The above table and figure represent the number of shops that have decreased their employees due to the impact of online business. 27 percent of the respondents have decreased their employees and 73 percent of them did not. Those who have decreased their number of employees may have done so because due to their comparatively lower levels of sales, they no longer require the number of employees that they had and they were only adding to the total expenditure of the shop.

**Question 7.1.4.** On a basis of 1 to 5, rate the increase in the number of people coming only for window, with 5 being a very high increase and 1 being did not increase.

**Table.7.1.4.** Distribution of Respondents according to their rating of Increase in Window Shopping.

Scale	Frequency	Percentage
1	7	12%
2	10	17%
3	20	33%
4	18	30%
5	5	8%
Total	60	100%



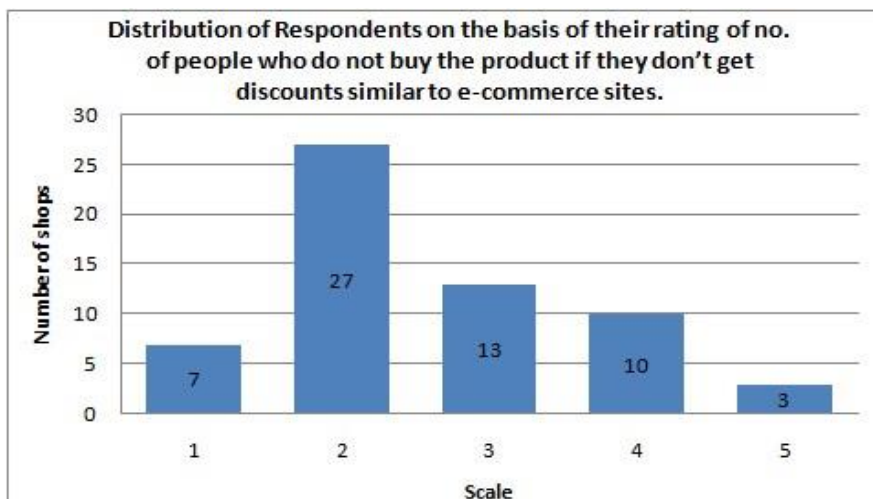
**Fig..7.1.4.** Distribution of Respondents on the basis of their rating of Increase in Window Shopping.

As seen in the above table and figure, out of 60 respondents, 12 percent of the respondents chose scale 1 (scale 1 being did not increase), 17 percent chose scale 2, 33 percent chose scale 3, 30 percent chose scale 4, and 8 percent chose scale 5 (scale 5 being very high increase). Most of the respondents chose scale 3. This could be because more customers now offline visit shops to only try the products and compare the prices and then buy the same products online at lower prices.

**Question 7.1.5.** On a scale of 1 to 5, rate how many customers do not buy the products when you do not give them discounts similar to e-commerce sites, with 1 being a low number of people and 5 being a high number of people.

**Table 7.1.5.** Distribution of Respondents on the basis of their rating of no. of people who do not buy the product if they do not get discounts similar to e-commerce sites.

Scale	Frequency	Percentage
1	7	11%
2	27	45%
3	13	22%
4	10	17%
5	3	5%
Total	60	100%



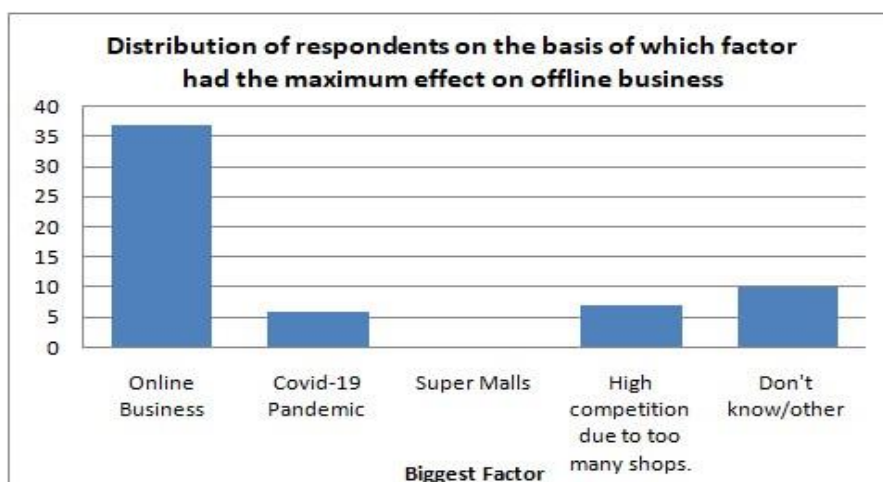
**Fig 7.1.5.** Distribution of Respondents on the basis of their rating of no. of people who do not buy the product if they do not get discounts similar to e-commerce sites.

Out of the 60 respondents, 11 percent of the respondents chose scale 1 (scale 1 being less number of people), 45 percent chose scale 2, 22 percent chose scale 3, 17 percent chose scale 4, and 5 percent chose scale 5 (scale 5 being high no. of people). Most of the respondents chose scale 2. This may be because the customers know that they would not be able to find the exact same product (the exact quality or exact price or exact fit etc) online. This is in favor of offline retailers.

**Question 7.1.6.** Amongst the following options- online business, Covid-19 pandemic, which factor according to you had the maximum impact on the offline business?

**Table 7.1.6:** Distribution of respondents on the basis of the factor that had the maximum effect on offline business.

Biggest factor	Frequency	Percentage
Online Business	37	62%
Covid-19 Pandemic	6	10%
Super Malls	0	0%
High competition due to too many shops.	7	11%
Do not know/other	10	17%
Total	60	100%



**Fig. 7.1.6:** Distribution of respondents on the basis of the factor that had the maximum effect on offline business.

The above figure and table represent the distribution of respondents according to which amongst the following options Online, Business, Covid-19 Pandemic, Supermalls, High competition due to too many retail shops, and do not know/others, do they consider the biggest reason for the decline in their increase. A huge 62 percent of the respondents chose Online Business, 10 percent of them chose Covid-19 Pandemic, 0 percent chose super malls, 17 percent chose high

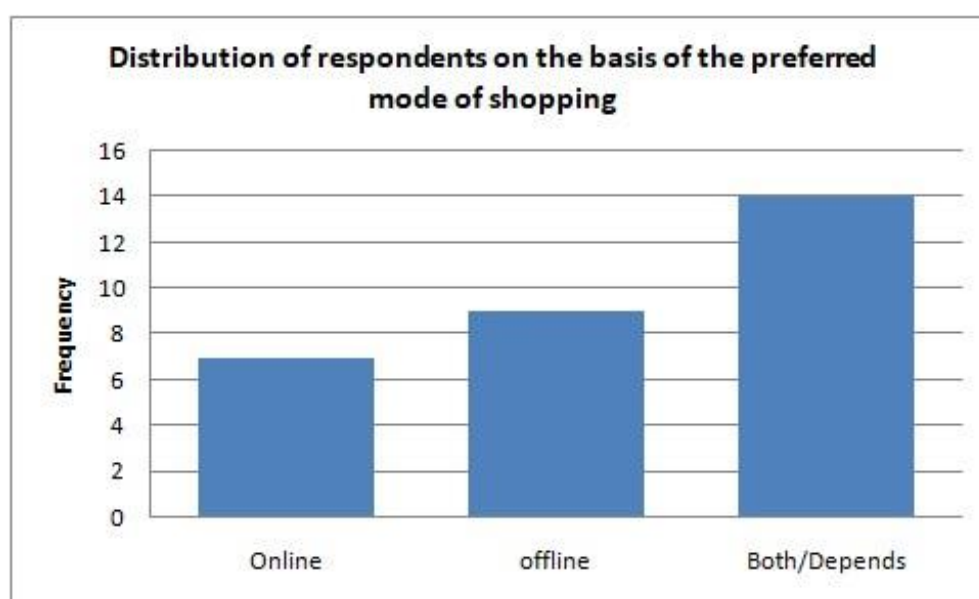
competition due to too many retail shops and 17 percent said they do not know. This must be because the effect of coronavirus is just a matter of time, but what online business has done to them is irreversible and is only going to increase in the future.

**7.2. OBJECTIVE 2-To compare consumers' preferences towards online retail shopping and offline retail shopping and to understand the factors that influence consumers' preferences towards online retail shopping.**

**Question 7.2.1.** Do you prefer online shopping or offline shopping?

**Table 6.2.1.** Distribution of respondents on the basis of the preferred mode of shopping.

Online/Offline	Frequency	Percentage
Online	7	23%
offline	9	30%
Both/Depends	14	47%
Total	30	100%



**Fig 7.2.1.** Distribution of respondents on the basis of the preferred mode of shopping.

The above table and figure represent the distribution of respondents on the basis of what mode they prefer for shopping, their options being offline mode, online mode and both/depends. Out of 30 respondents, 23 percent chose online, 30 percent chose offline and 47 percent chose both/depends. It can be seen that the percentage of people opting is still more than online, but the difference is not so big.

**Question 7.2.2.** Which of the factors pull you towards online shopping-No need to travel, Convenient shopping timings, No need to physically interact, Wide variety, easy return/exchange, discounts and offers, or others?

**Table 6.2.2.** Distribution of respondents on the basis of factor that pulls them towards online shopping.

	Frequency	Percentage
No need to travel	1	3%
Convenient shopping timings	0	0%
No need to physically interact	2	7%
Wide variety	6	20%
Easy Returns/exchange	0	0%
Discounts and Offer	19	63%
other	2	7%
Total	30	100%



Fig 7.2.2. Distribution of respondents on the basis of factor that pulls them towards online shopping.

The above table and figure represent the distribution of respondents on the basis of factors that pull them towards online shopping. Out of the 30 respondents, 63 percent of them chose Discount and Offers, 3 percent of them chose No need to travel, 0 percent of them chose Convenient shopping timings, 7 percent of them chose No need to physically interact, 20 percent of them chose Wide variety of options, 0 percent of them chose Easy returns/Exchange and 7 percent of them chose the others category. A huge chunk of the population, 63 percent chose discounts and offers. The majority of the people choose to shop online to avail discounts and offers, but the retail shops are unable to provide such discounts due to their already low-profit margins.

Question 7.2.3. What items do you prefer to buy online?

Table 7.2.3. Distribution of respondents on the basis of products they prefer to buy online.

Items	frequency	Percentage
Clothes	18	60%
Medicines	2	6%
Books/stationery	0	0%
Ready-made food/groceries	3	10%
Makeup/skin care	4	14%
Shoes/bags	0	0%
Electronics	3	10%
Total	30	100%

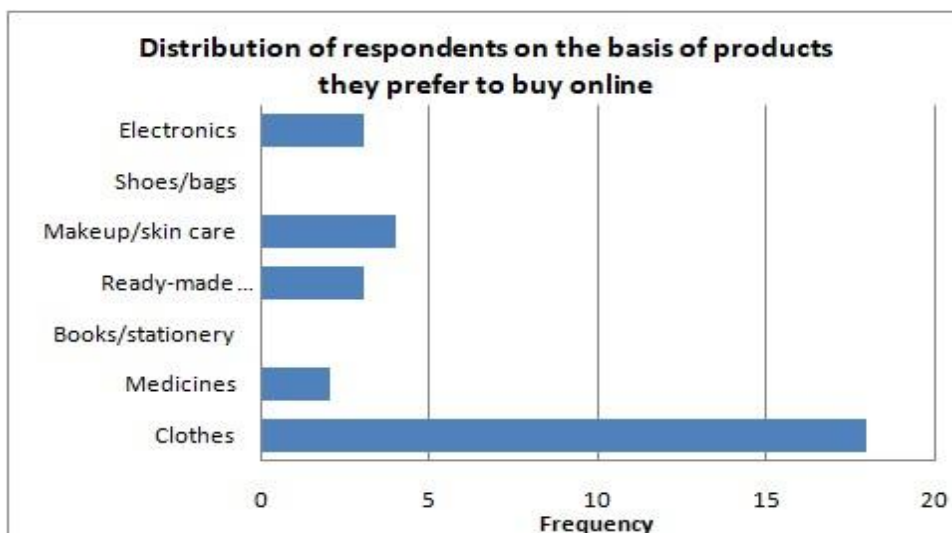


Fig 7.2.3. Distribution of respondents on the basis of products they prefer to buy online.

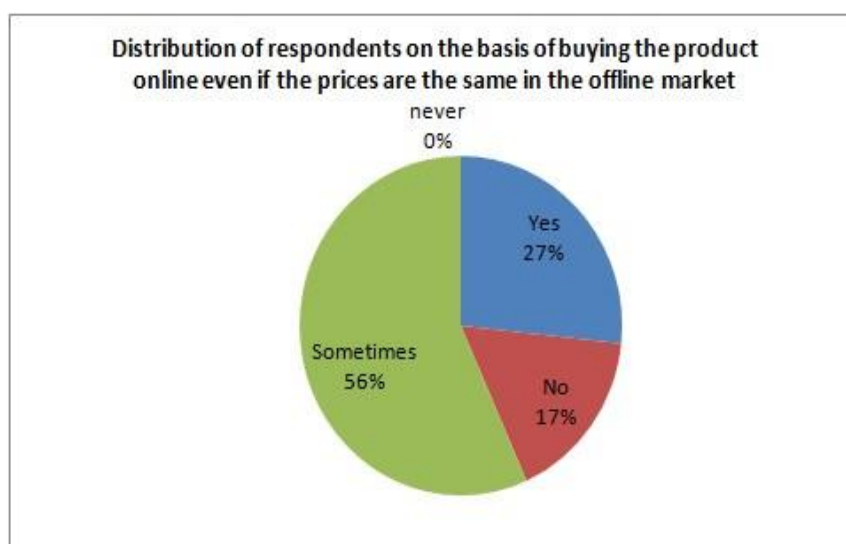


The above table and figure represent the distribution of respondents on the basis of items that the consumers prefer to buy from online sites. Out of the 30 respondents, 60 percent chose clothes, 6 percent chose medicines, 0 percent chose books and stationery, 10 percent chose readymade food/groceries, 14 percent chose makeup/skincare, 0 percent chose shoes/bags, and 10 percent chose electronics. According to the present analysis, the retail sector that is most affected by e-retail is the apparel sector.

**Question 7.2.4.** Will you shop online even if the price of the product is the same in the offline market?

**Table 7.2.4.** Distribution of respondents on the basis of buying the product online even if the prices are the same in the offline market.

Yes/no	Frequency	percentage
Yes	8	27%
No	5	16%
Sometimes	17	57%
never	0	0%
Total	30	100%



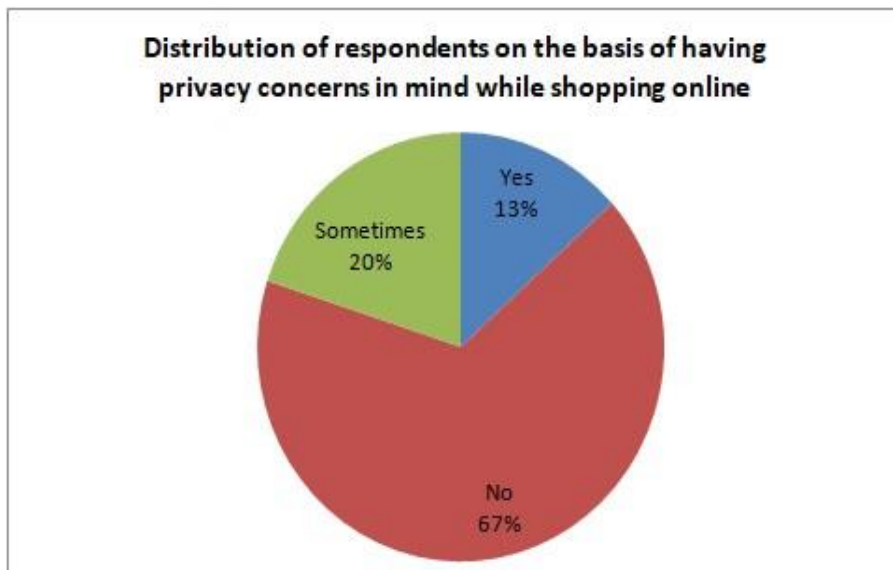
**Fig 7.2.4.** Distribution of respondents on the basis of buying the product online even if the prices are the same in the offline market.

The above table and figure represent the distribution of respondents on the basis of shopping online even if the price of the product is the same in the offline market. Out of the 30 respondents, 27 percent chose yes, 16 percent chose no, 57 percent chose sometimes, and 0 percent chose the Never category. As seen in the table and figure, 27 percent will still choose to buy online, even if the prices are the same in the offline market, this could be because, although discounts and offers is the popular reason for choosing to shop online, but only providing discounts and offers will not be substantial enough for offline retailers attract customers towards them.

**Question 7.2.5.** Do you have privacy concerns in mind while shopping online?

**Table 7.2.5.** Distribution of respondents on the basis of having privacy concerns in mind while shopping online.

Yes/no	Frequency	percentage
Yes	4	13%
No	20	67%
Sometimes	6	20%
Total	30	100%



**Fig 7.2.5.** Distribution of respondents on the basis of having privacy concerns in mind while shopping online.

The above table and figure represent the distribution of respondents on the basis of having privacy concerns in mind while shopping online. Out of the 30 respondents, 13 percent said yes, and 67 percent of the respondents said no. As shown in the figure, the majority of the people do not have privacy concerns in mind while shopping online. This could be unlike a decade ago, people of India have grown very comfortable using the internet and this could be one of the important factors that have increased e-retail shopping in recent years.

**7.3. OBJECTIVE 3- To analyze what measures have been adopted by the small traditional retail business owners in order to compete with the online business.**

**Question 7.3.1.** Have you started providing home delivery to your customers?

**Table 6.3.1.** Distribution of respondents on the basis of the retail sector and home delivery provided by them.

Home Delivery	Electronics	Apparels	Groceries	Home Décor and Furnishing	Total	Percentage
Have Always provided Home Delivery	11	0	6	0	17	28%
Started Providing due to online Business	1	4	4	1	10	17%
Do not provide	2	5	3	0	10	17%
Depends on the product	1	6	2	14	23	38%
Total	15	15	15	15	60	100%

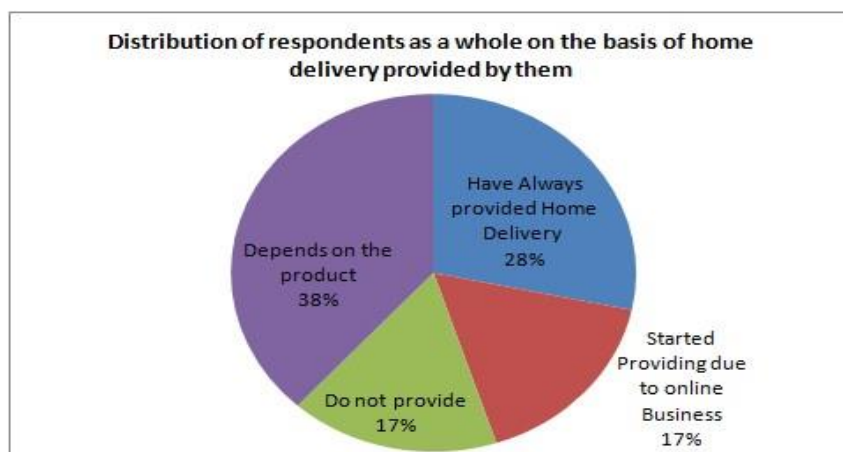
The above table represents the distribution of respondents on the basis of their retail sectors and whether they provide home delivery, with the options being- have always provided home delivery in order to cope up with online business, Do not provide home delivery and Depends.

As seen in the table, in the Electronics sections, out of 15, 11 of them have always provided home delivery, 1 of them have started in order to cope up with online business, 2 of them don't and for 1 it depends.

For the Apparels sections, out of 15, 0,4,5,6 number of shops have always provided home delivery, Have started in order to cope up with online business, Do not provide, It depends respectively.

For the Groceries section, out of 15, 6,4,3,2 number of shops have always provided home delivery, Have started in order to cope up with online business, Do not provide, It depends respectively.

For the Home Decor and Furnishing sector, 2,7,0,6 number of shops have always provided home delivery, Have started in order to cope up with online business, Do not provide, It depends respectively.



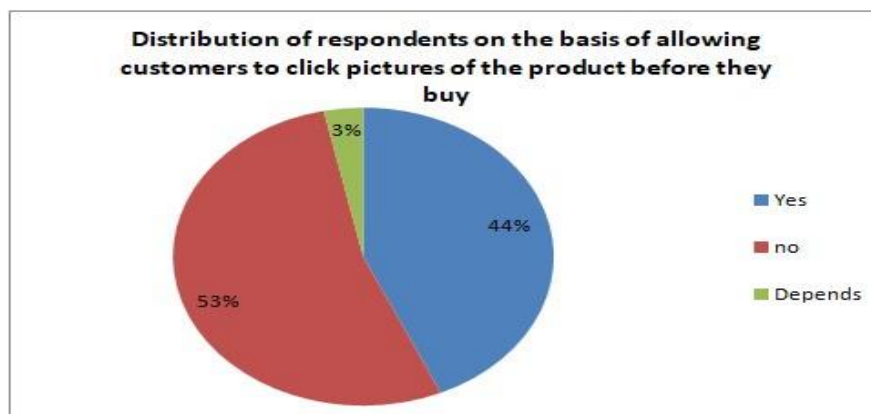
**Fig 7.3.1.** Distribution of respondents as a whole on the basis of home delivery provided by them.

If we look at it as a whole, as shown in the figure above, 32 percent of them have always provided, 26 percent have just started in order to cope with the online business, 17 percent of them do not provide, and for 25 percent it depends. 58 percent (32 percent and 26 percent) of the big reasons people like to order online, which is a good thing for online business.

**Question 7.3.2.** Have you stopped allowing customers to click pictures of the product before they buy?

**Table 7.3.2.** Distribution of respondents on the basis of allowing customers to click pictures of the product before they buy.

Have you stopped allowing customers to click pictures before they buy?	Frequency	Percentage
Yes	26	44%
No	32	53%
Depends	2	3%
Total	60	100%



**Fig 7.3.2.** Distribution of respondents on the basis of allowing customers to click pictures of the product before they buy.

The above table and figure represent the distribution of respondents on the basis of allowing customers to click pictures of the product they buy. 44 percent of the respondents said yes, 53 percent said no and for 3 percent, it depends. The reason for stopping consumers from clicking pictures before they buy the product can be because nowadays what customers do is they click the pictures of products they like from offline stores, and then try to buy similar products from online platforms at cheaper rates.

**Question 7.3.3.** Have you increased offers and discounts given to customers?

**Table 7.3.3.** Distribution of respondents on the basis of increased offers and discounts given to customers.

Have you increased offers and discounts given to customers?	Frequency	Percentage
yes	27	45%
no	33	55%
Total	60	100%



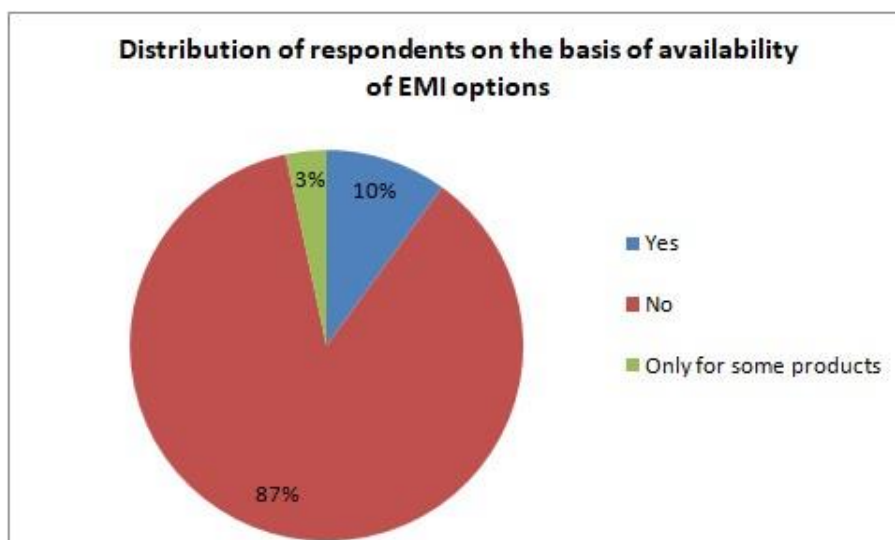
**Fig 7.3.3.** Distribution of respondents on the basis of increased offers and discounts given to customers.

The above table and figure represent the distribution of respondents on the basis of whether they have increased offers and discounts given to customers. 45 percent of the respondents said yes, and 55 percent said no. The reason for the increase must be that they do not want to lose customers even though it means selling the products at a lower profit margin. For those who did not increase their offers and discounts, the reason must be that their profit margins must be so low that they cannot afford to decrease them further.

**Question 7.3.4.** Do you have EMI options like e-commerce?

**Table 7.3.4.** Distribution of respondents on the basis of availability of EMI options

Do you have EMI options like e-commerce	Frequency	Percentage
Yes	6	10%
No	52	87%
Only for some products	2	3%
Total	60	100%



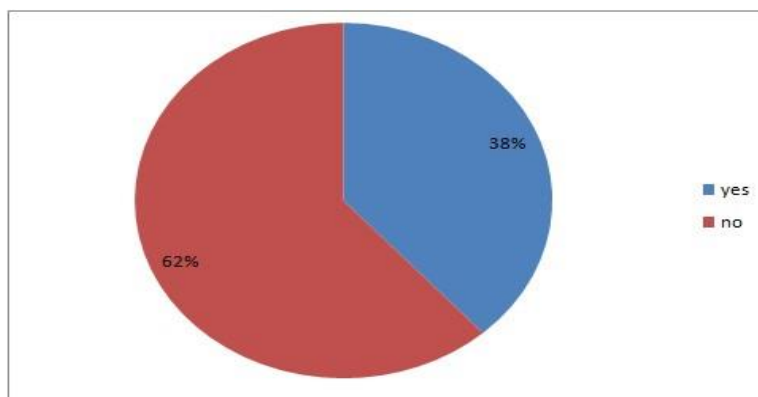
**Fig 7.3.4.** Distribution of respondents on the basis of availability of EMI options

The above table and figure represent the distribution of respondents on the basis of the availability of EMI options in their retail sector. As seen in the table and figure, 9 respondents, i.e. only 10 percent of them have an EMI option, 2 of them have only for some products, and 87 percent of them do not have an EMI option. In this era of online business, when the EMI option is available for a purchase of a product worth rupees 10 only, this point needs to be pondered upon by offline retailers if they want to compete with the online business.

**Question 7.3.5.** Have you started doing social media marketing?

**Table 7.3.5.** Distribution of respondents on the basis of social media marketing.

Have you started doing social media marketing?	Frequency	Percentage
yes	23	38%
no	37	62%
total	60	100%



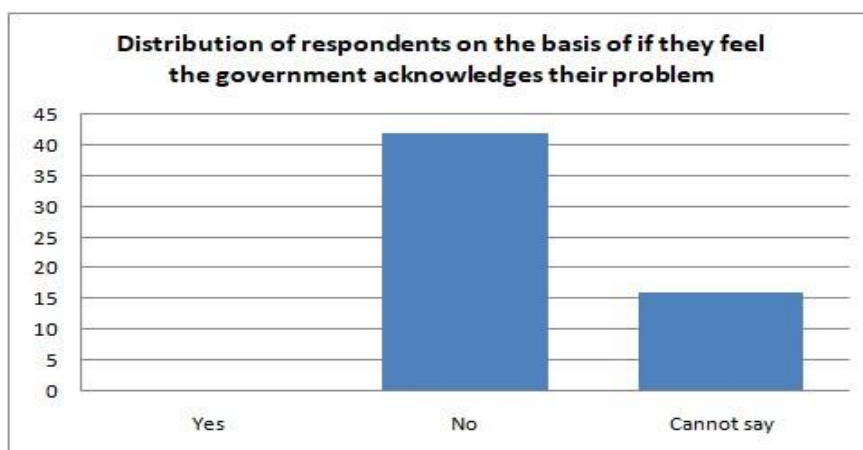
**Fig 7.3.5.** Distribution of respondents on the basis of social media marketing.

The above table and figure represent the distribution of respondents on the basis of social media marketing. Out of 60, a good 38 percent said that they do social media marketing and 62 percent of them said they do not. The remaining 62 percent of the respondents must consider doing media marketing in some form or the other, even being as simple as uploading a Whatsapp status.

**Question 7.3.6.** Do you feel the Government acknowledges your problem?

**Table 7.3.6.** Distribution of respondents on the basis of if they feel the government acknowledges their problem.

Do you feel the government acknowledges your problem?	Frequency	Percentage
Yes	0	0%
No	42	72%
Cannot say	16	28%
Total	60	100%



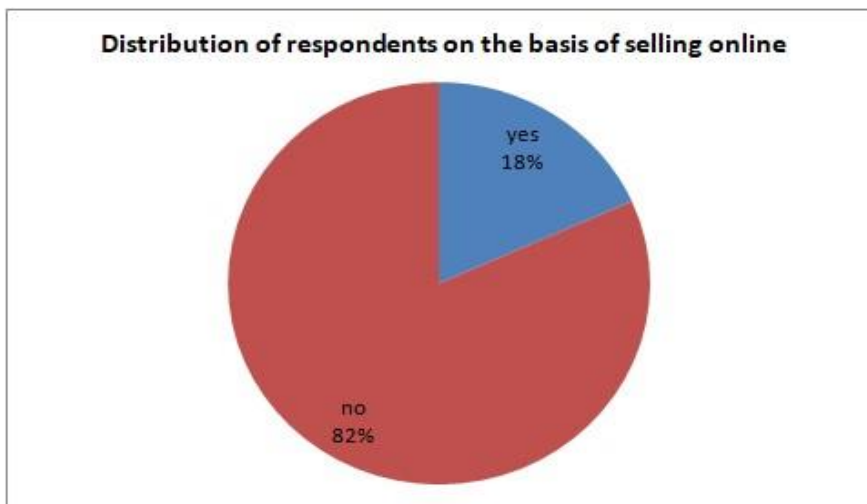
**Fig 7.3.6.** Distribution of respondents on the basis of if they feel the government acknowledges their problem.

The above table and figure represent the distribution of respondents on the basis of whether they feel the government acknowledges their problem. A huge 72 percent of them said yes, 28 percent of them said that they cannot say but not even 1 of the respondents said yes. Out of the 17 shopkeepers who initially said that their profits have not increased due to online business, 16 of them said that they cannot say whether the government acknowledges this problem or not, as they themselves are not affected by the problem, and only one of them said that the government does not acknowledge this problem for the ones who suffer from it.

**Question 7.3.7.** Have you started selling your products online?

**Table 7.3.7.** Distribution of respondents on the basis of selling online.

Have you started selling your products online?	Frequency	Percentage
yes	11	18%
no	49	82%
total	60	100%



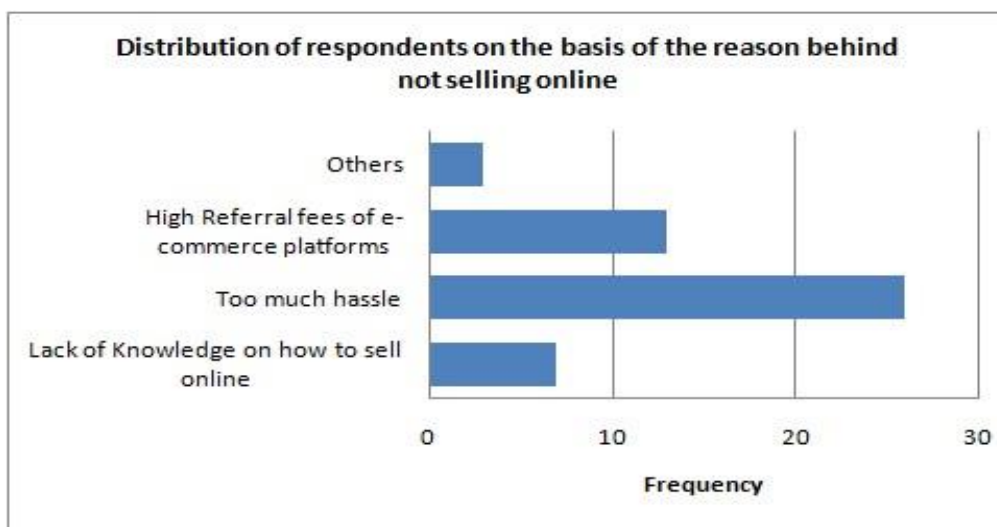
**Fig 7.3.7.** Distribution of respondents on the basis of selling online.

The above table and figure represent the distribution of respondents according to selling the products online. Only 18 percent of them said they sell the products online and a large 82 percent said they do not sell the products online.

**Question 7.3.8** If you have not started selling the products online, then what is the reason?

**Table 7.3.8.** Distribution of respondents on the basis of the reason behind not selling online.

Reasons	Frequency	Percentage
Lack of Knowledge on how to sell online	7	14%
Too much hassle	26	53%
High Referral fees of e-commerce platforms	13	27%
Others	3	6%
total	49	100%



**Fig 7.3.8.** Distribution of respondents on the basis of the reason behind not selling online.

Out of 60 respondents, as seen in table Table 7.3.7, only 11 of the respondents have started selling online and 49 of them do not sell online yet. Out of these 49 respondents, as seen in the table and figure above, 14 percent chose lack of knowledge on how to sell online, 53 percent chose too much hassle, 27 percent chose high referral fees of e-commerce platforms, and 6 percent chose the category. The Majority of the respondents chose too much hassle involved as their reason for not selling online, followed by high referral fees of e-commerce platforms as the second most popular reason. The shopkeepers must not have enough manpower to get involved in online business. For those who chose high referral fees as their reason, it must be because the profit margin of offline retailers is already very low and so they cannot further afford to pay high referral fees to the e-commerce platforms.

## **CHAPTER 8: FINDINGS OF THE STUDY, SUGGESTIONS AND RECOMMENDATIONS**

### **8.1 FINDINGS OF THE STUDY**

The findings of the study are as follows-

#### **Findings related to the first objective:**

- A huge 73 percent of the respondents agreed that their profits have decreased due to the online businesses. This could be because of a decrease in profit margin, a decrease in sales, etc.
- Offline retail does not only feed 70 million small merchants but also several laborers/employees working under them. But according to the survey, 27 percent of the shopkeepers have already reduced the number of employees working under them because they could no longer afford to spend so much on their staff.
- Out of the 43 shops whose annual profit had decreased from 2013 to 2017, 46 percent of the shops' annual profit had decreased by less than 1 lakh, 21 percent of the shops' annual profit decreased by 1-2 lakhs, 26 percent of the shops' annual profit decreased by 1-2 lakhs, and 7 percent of the shop' annual profit decreased by more than 3 lakhs.
- 33 percent of the shopkeepers agreed that there has been a good increase in the number of people coming in only for window shopping, possibly because what consumers do nowadays is they examine the product in person, and then try to buy the same product online at much cheaper prices.
- Most of the respondents said the number of such customers who once liked a product, leave it only because of less discounts in offline stores as compared to online platforms, is not so high. This could possibly be because the customers know that they would not be able to find the same exact product online. This is one of the findings of the survey that goes in favour of offline retailers.
- Recently the world saw a deadly pandemic, which also hit the offline retail market very hard. But 62 percent of the people choose e-retail over the pandemic, as the factor which had the most hard-hitting impact on their business. This finding can be backed by the data issued by IBEF (India Brand Equity Foundation) which states that "According to the RAI (Retailers Association of India), the retail industry achieved 96 percent of pre-covid sales in September 2021, because of the rising demand from customers".

#### **Findings related to the second objective:**

- According to the data collected and its analysis, 23 percent of the respondents prefer online shopping over offline shopping, 30 percent will choose offline shopping over online, and 47 percent it depends. It is in favour of offline stores that more people chose offline shopping over online, although, according to the survey, the difference is not much.
- The majority of the respondents (63 percent) chose offers and discounts as the main reason for shopping online.
- But 27 percent of the people, in another question, also agreed that they will still buy the product online, even if the prices are the same in online and offline markets. This goes on to show that apart from discounts and offers, offline retailers will also have to concentrate on other facilities like providing free home deliveries, easy return (exchange options), etc. if they want to compete with the online business.
- The majority of the respondents (60 percent) chose apparel as the product they prefer to buy online.
- Earlier people used to fear doing any transaction online due to the fear of their privacy getting tempered with, but now according to the survey conducted, a vast 67 percent of people do not have privacy concerns in mind while shopping online.

#### **Findings related to the third objective:**

- 28 percent of the respondents said that they cannot say whether the government acknowledges their problems or not and 72 percent of them said that the government does not acknowledge their problems.
- About the steps that shopkeepers themselves have taken to deal with the problem, only 27 percent of the 60 respondents started home delivery in order to cope with online businesses.
- Nowadays what customers do is click pictures of products from offline stores and then buy the products online at cheaper prices, so when asked if they have stopped allowing customers to click pictures before they buy the product to cope with this problem, a good 44 percent of them said yes.
- About 45 percent of the respondents have increased their offers and discounts and the rest 55 percent did not, possibly because the profit margin of retail is not so high and it is not possible for every retailer to increase their discounts and offers.

- The EMI option is one of the unique advantages of e-retail. But 87 percent of the offline retailers do not have an EMI option and whatever little EMI option is available, it is only in the electronics sector.
- In today's era, online marketing plays a pivotal role in determining the success of a business, be it an online business or offline business, and a good 38 percent of the respondents said that they have started doing social media marketing in one form or the other.
- To survive in business, one of the most effective things that can be done by offline retailers is they themselves enter the online market as well. But it is not practically possible for everyone. According to the survey, only 18 percent of the people have started selling online but the rest 82 percent have not entered the online market yet due to various reasons like lack of knowledge on how to sell online, too much hassle, high referral fees of online sites, etc, with too much hassle being the most popular reason, closely followed by high referral fees of e-commerce platforms.

## 8.2 SUGGESTIONS AND RECOMMENDATIONS

The research further aims to suggest that offline retailing should take into account the changing consumer behaviour patterns and set its goals accordingly. It is suggested that small retailers incorporate facilities like free home deliveries, EMI options, provide easy and hassle-free exchange /return options, prolong the time period of exchange/ returns, give lucrative discounts and offers to customers, whenever possible. Social media plays an important role in today's time, so efforts should be made by retailers to properly advertise their businesses on social media platforms. One does not need to hire professionals for it, they can start by posting a simple Facebook story, sending messages on WhatsApp, etc. Also, one of the most important points the shopkeepers must understand now is that in today's world of digitalization, e-retail is the future. So efforts must be made to spread their business online as well. If paying the huge referral fees of the big e-retail sites is not possible, maybe a Facebook store or an Instagram store would be a more practical option. The customer on their part needs to understand that it is not just possible for the small retailers to provide them with the same discounts and offers as online sites, and should stop harassing and excessively bargaining with the shopkeepers. Also buying from online platforms is not essentially bad, but sometimes customers need to keep in mind that the livelihood of millions of people depends on Brick and Mortar stores, so whenever possible, they should make an effort to buy from small offline retailers, especially when the prices are more or less same in offline and online markets. The government on its part can also provide respite to the small merchants. It can try and educate the small merchants on how to take their business online and encourage them to do so. It can also make strict laws for e-retail companies to have compulsory tie-ups with small local retailers.

## CHAPTER 9. CONCLUSION

### 9.1 CONCLUSION

For the longest period of time, the retail business in India has been dominated by the offline sector. The majority portion of the retail business is still controlled by offline retailing. Still, e-retail is fast claiming its share in the retail market, and with the estimated growth rate of e-retail (25% to 30% per annum from the year 2021), it is soon going to be the future of retail of India. But this is happening at the cost of offline small retailers. The impact of e-retail is huge on the offline market but the percentage of offline retailers who have started taking measures to cope up with the problem is comparatively less. These merchants need to understand that instead of just complaining about the situation, they need to take remedial measures, and need to update their policies according to the consumer behaviour pattern of today. Remedial steps can include providing free home deliveries, whenever possible and giving offers and discounts (festive offers can be, end-of-season sales, etc can be introduced) to consumers. Investing in social media marketing and providing EMI options for smaller sales will also help increase their customer reach. A more viable option would be taking their business to online platforms, but it is easier said than done. A lot of barriers such as lack of knowledge on starting an online business, huge referral fees of online retail sites, too much hassle involved, need to be tackled before this centuries-old traditional way of shopping is shifted online

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## 11. ANNEXURE: QUESTIONNAIRE

Please spare a few minutes of your valuable time to answer the following questions:

### Questions related to 1<sup>st</sup> Objective are as follows:

Demographic details of shopkeepers (Respondents)-

- 1.Name :
- 2.Gender :  Male  Female  Other
- 3.Age :  Below 18  18-25  25-35  Above35
- 4.Educational Qualification :
- 5.Marital Status :

Details of the sample shops-

- 6.Name:
- 7.Ward No. of the locality where the shop is located:
8. How old is your shop?
9. Type of products/services offered by you:
10. No. of days your shop is open in a week:
11. How many employees do you have?
12. Do you have a trader's license?  Yes  No
13. Do you have GST no. ?  Yes  No

Questions:

14. Do you agree that your profits dipped after the online business became popular?  
 Yes  No
15. In which year did you first see a major decline in turnover due to online business?  
Ans.
- 16.a. What was your yearly expenditure in the year 2013?  
b. What was your yearly expenditure in the year 2017?
- 17.a. What was your yearly income in the year 2013?  
b. What was your yearly income in the year 2017?
18. a. An Approximate number of customer footfall in your shop daily in 2013:  
 Below 20  20-40  40-60  Above 60  Not Sure
- b. An approximate number of customer footfall in your shop daily in 2017:  
 Below 20  20-40  40-60  Above 60  Not Sure
- 19.a. Have you decreased the employees under you due to less profits after 2013?  
 Yes  No
20. On a scale of 1-5, rate the increase in the number of people coming only for window shopping, 5 being a very high increase and 1 being did not increase.  
 01  02  03  04  05

21. Have you decreased your profit margin due to the effect of online business?

- Yes       No       Only for a few products

22. On a scale of 1-5, rate how many customers do not buy the product when you do not give them a discount similar to e-commerce sites, with 1 being the less no. of people and 5 being more no. people( 1 being less number of people and 5 being a high number of people).

- 01       02       03       04       05

23. Amongst the following option, which factor do u majorly hold responsible for the decline in profits over the years:

- Online Business  
 Covid-19 Pandemic  
 Increase in the number of Super malls  
 Customers getting divided because of huge numbers of shops  
 Others/Don't know

**Questions related to 2<sup>nd</sup> Objective-**

Demographic details of customers (Respondents)-

24. Name :

25. Gender :  Male       Female       Other

26. Age :  Below 18       18-25       25-35       Above 35

27. Educational Qualification :

28. Marital Status :

29. City ;

Questions:

30. What do you prefer for shopping?

- Online       Offline       Both/Depends

31. Which of the factors pull you towards online shopping?

- Discounts and offers  
 No need to travel  
 Convenient shopping timings  
 No need to physically interact  
 Wide variety of options  
 Easy returns/exchange  
Other

32. Which among the following factors stops you from opting for conventional shopping?

- Less variety  
 less discount/offers  
 Fixed shop timings  
 Need for physical interaction

33. What items do you prefer to buy from online sites-

- Clothes  
 Medicines  
 Books/stationery  
 Readymade food/groceries  
 Make-up/skincare products  
 Shoes/bags  
 Electronics  
 Tickets for traveling

34. How do you pay for online shopping

- UPI  
 credit Card  
 Debit Card  
 Cash on delivery  
 Net Banking

35. Do you have privacy concerns in mind while shopping online?

- Yes       No       sometimes

36. Are most of the products available online, also available offline around you?

- Yes     No     Majorly available     Majorly Non-available

37. Will you shop online even if the price of the product is the same in the offline market?

- Yes     No     Sometimes     Never

38. Will you decide to buy online when the price of the product is less than the offline market price?

- Yes     No     Sometimes     Never

**Questions related to 3<sup>rd</sup> Objective-**

39. Have you started providing home delivery to your customers?

- Have always provided home delivery  
 Have started home deliveries in order to cope up with online business  
 Do not provide home delivery  
 only sometimes

40. Have you stopped allowing customers to click pictures of the products at your shop?

- Yes     No     Depends

41. Have you increased offers and discounts given to customers?

- Yes     No

42. Have you started doing social media marketing for your business?

- Yes     No

43. Do you have EMI options like e-commerce platforms?

- Yes     No     Only for some products

44. Have you increased the variety of products under you in order to cope up with ecommerce platforms?

- Yes     No     Only to some extent

45. Do you allow the exchange of products?

- Have always allowed the exchange of products  
 Have started allowing exchanges in order to cope with online business  
 Do not allow the exchange of products  
 only sometimes

46. Do you allow the return of products?

- Have always allowed the return of products  
 Have started allowing returns in order to cope up with online business  
 Do not allow the return of products  
 only sometimes

47. Have you increased the deadline period for returns and exchanges?

- Yes     No

48. Do you feel the government knows about and acknowledges your problems?

- Yes     No     Cannot say

49. Do you feel the government has done something to help you?

- Yes     No

If yes, then please specify:

50. Have you considered selling your products online as well?

- Yes     No

51. If not, then what is the reason:

- Do not have the knowledge of doing it  
 too much hassle  
 High referral fees charged by e-commerce platforms  
 Others