



THE IMPACT OF E-COMMERCE ON TRADITIONAL OFFLINE BUSINESS IN RETAIL SHOPS WITH REFERENCE TO BANGALORE CITY

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ABSTARCT

Over the past two decades, e-commerce, or the computerized purchase and sale of products and services, has grown rapidly. This phenomenon has had a significant impact on traditional brick and mortar retail establishments. With a focus on many factors that affect their strategies, operations, and overall profitability, this study intends to analyze the multiple effects of e-commerce on offline retail firms. We can learn a lot about how the dynamics between these two retail paradigms are changing the way the retail business is organized-commerce, short for electronic commerce, has revolutionized the way businesses and consumers engage in buying and selling goods and services. This digital phenomenon encompasses a wide array of online transactions, from major corporations selling products globally to individuals offering their services on freelance platforms. E-commerce's allure lies in its convenience, enabling people to shop and conduct business from virtually anywhere at any time.

Key words: E-commerce, offline retail business, Online transactions. Global Economy.

INTRODUCTION

E-commerce, also known as electronic commerce, has completely changed how consumers and corporations conduct business. It involves using the power of the internet to purchase and sell goods and services online. Business-to-consumer (B2C), business-to-business (B2B), consumer-to-consumer (C2C), consumer-to-business (C2B), and business-to-government (B2G) transactions are just a few examples of the several types of e-commerce. It offers numerous advantages, such as a global reach, cost-effectiveness, convenience, personalization, and efficient inventory management. However, it also presents challenges like intense competition, security concerns, logistics complexities, the need to build customer trust, and compliance with various regulations. Payment methods range from traditional credit cards to digital wallets and cryptocurrencies. E-commerce platforms and mobile commerce (M-commerce) play pivotal roles in enabling businesses to establish and manage their online presence. As technology advances, e-commerce continues to evolve, with emerging trends like augmented reality shopping, voice commerce, and sustainable practices shaping its future. E-commerce, short for electronic commerce, has revolutionized the way businesses and consumers engage in commerce. It's about buying and selling goods and services online, making transactions simpler and easier than ever before. In this digital age, e-commerce transcends geographic boundaries, allowing businesses to reach a global customer base and consumers to shop 24/7 from the comfort of their home.

TYPES OF E-COMMERCE

- **Business-to-Consumer (B2C):** Examples of this type of e-commerce include Amazon, eBay, and online clothing retailers, where companies directly provide goods or services to consumers.
- **Business-to-Business (B2B):** Businesses offer goods or services to other businesses through B2B e-commerce. Bulk purchases and Specialized procurement procedures may be involved. Alibaba and IBM's B2Bmarketplace are two examples.
- **Consumer-to-Consumer (C2C):** Individual consumers can sell goods or services to other customers via C2C e-commerce platforms. The two most well-known C2C websites are eBay and Craigslist.
- **Consumer-to-Business (C2B):** Individual consumers sell goods or services to businesses through C2B e-commerce. These include, for instance, freelance marketplaces like Up work and Fiver.
- **Business-to-Government (B2G):** Businesses that sell to government organizations engage in business-to-government (B2G) e-commerce. Compliance with particular rules and procurement processes are frequently involved.

LITERATURE REVIEW:

Cardona, 2015 - There are many things that the internet has given us. The ease of ordering products online and having them delivered to us is a significant factor. The internet not only has everything one might want, but it also tells you where to buy it at the cheapest price. This thesis does an empirical investigation of the e-commerce phenomenon. The major goal is to investigate the impact of e-commerce on the Scandinavian retail market (Sweden, Norway, and Denmark).

Dustin Schroder, 2016 - The concept of business has been revolutionized by the rise of the Internet. It is believed that the notion of online purchasing began in India around the year 2000, with eBay and Rediff Shopping among the very first to make electronic items obtainable at discounted rates. In the years succeeding, many enterprises have strengthened their presence in the domain of the digital space, like Flipkart, Amazon, and a lot more. Essentially, e-commerce entails buying and selling products over a virtual system, like the web or smartphone applications.

Dahiya, 2017 - The internet is a significant part of our daily lives. Almost all of our everyday tasks include using the internet. Before e-commerce, buying and selling were done physically in the markets without the use of the internet, but since e-commerce has arrived in India, our lives have been more convenient due to its many benefits. Due to Indian e-commerce websites that enable us to purchase and sell things of our choice at reasonable prices, most users engage in online shopping, which is a subset of e-commerce. Numerous markets and businesses are impacted by e-commerce websites.

Lakshmi, 2018 - The internet has become an essential part of our daily lives, as almost all of our day-to-day activities require the use of the web. Before the emergence of e-commerce in India, buying and selling would take place through physical markets without the use of the internet. Nevertheless, ever since the introduction of e-commerce to the country, our lives have been made much easier as it offers various advantages. Nowadays, many customers prefer to shop online, which is a part of e-commerce, as there are numerous Indian e-commerce websites that offer products and services at reasonable prices. Therefore, it can be said that a plethora of markets and businesses are affected by these e-commerce websites. In this essay, we will be discussing the different markets, merchants, and the consequences of e-commerce on them.

Dr. Ambika Bhatia, 2019 - The new trendy expression of 21st century is Internet business. Just expressing Internet business alludes to trading utilizing a web-based stage. With the wonderful development of online business, shoppers have been furnished with additional choices of purchasing and the difficulties of disconnected stores have increased. The tremendous limits, simple entry, advantageous of purchasing, nonstop buying choice accessible to shoppers at online stores have prompted savage contest for disconnected stores. Be that as it may, staying up with the unique world, physical firms need to embrace innovation alongside custom strategies for business. Making of a site for a disconnected store is an unquestionable necessity in this cutthroat world. Arrangement of data on all items and administrations presented by an organization should be transferred on a computerized stage for charming the consideration of the clients. Nonetheless, not just disconnected retailers need to take on strategies and innovation of online stores. It is the alternate way round too. One such crossover model of business is Omni channel retailing.

P.R., 2019 - Online business is buying and selling of items and adventures over the web. Before online business buying and selling were managed without web genuinely in the business sectors anyway after the arrival of online business in India our life has become more helpful due to its number of benefits. The paper talks about the benefits presented by web based business connected with web based shopping of anything at whatever point and at any place, clients can find the things on online business sites which is no accessible in actual business sectors, it decreases cost and time, without venturing out from home we can get our thing at home. Close by internet business there is moreover a notable term called e-business because of which the matter of undertakings has expanded electronically with the assistance of web by which they can reach to various clients which builds their deals.

Kumar, 2021 India is one of the non-industrial nations having a monster populace with confined assets. Indian discernment is generally being customary methodology toward a purchasing conduct which is the retail business for shopping as they knew all about actual shopping designs. Be that as it may, because of cutting edge innovation, individuals were drawn to the virtual world. This likewise shown the web based business, which consistently upgraded the online business market in India. Moreover, the pandemic emergency, which is generally spread in India and the world, additionally prepares for India's internet business development and potential open doors as opposed to the retail business. Coronavirus affects business overall as it changes or impacts the idea of the business. The primary target of the review is to completely investigate the effect of Coronavirus on the economy with the wonderful convergence of the web based business and retailer area of the business.

Shukla, 2021 - In the present current world web-based business has changed the purchasing behavior of clients as well as deals techniques of retailers. In this study I will zero in on the effect of web-based retailing and web-based business sites selling electronic merchandise over the disconnected retailers or businesspeople that are selling electronic items. In this study I have distinguished some examination holes and the entire exploration will be defocused around research questions. This study will be a quantitative report and I will break down the purchasing conduct of clients who will purchase electronic items through web-based stores as well as the disconnected stores and especially concentrate on the variables that are liable for the change in the purchasing behavior of these clients. The review will finish up with the investigation of the effect that web-based retailing had on the deals of disconnected retailers including every one of the benefits that internet retailing has over disconnected retail locations.

Nainawat, 2022 - The meaning of online business to the Indian economy is talked about in this review. India's economy is one of the world's quickest developing, obviously, so it is urgent to having an administration mediation and a critical expansion in speculation stream unfamiliar interest in a created country like India will keep up with and speed up the improvement of its web based business area. As per measurements information, web utilization in India has move to 429.23 million clients and is expected to arrive at more than 830 million constantly 2021 because of the country's solid extension in advanced entrance. Web based business can possibly assist creating provincial regions in countries with enjoying India jump into the information worldview, which is one of the main advantages of the business. "Online business is incredible stage not exclusively to foster foundation yet additionally increment work rates in India and in this way generally influence in expanding monetary and social development in Indian economy.

Ratchford, 2022 - The internet is a significant part of our daily lives. Almost all of our everyday tasks include using the internet. Before e-commerce, buying and selling were done physically in the markets without the use of the internet, but since e-commerce has arrived in India, our lives have been more convenient due to its many benefits. Due to Indian e-commerce websites that enable us to purchase and sell things of our choice at reasonable prices, most users engage in online shopping, which is a subset of e-commerce.

Dr. K. Kiran Kumar Varma, 2022 - Internet business sites can run constantly. According to the retailers' perspective, this expands the quantity of orders they get. According to the client's perspective, an 'consistently open' store is more advantageous. Purchasers and dealers of specialty items can find it hard to find each other in the actual world. Consequently, web based business is just a question of the client looking for the item in a web crawler. In this reason information was assembled from 450 retailers of three significant urban communities in Andhra Pradesh, Visakhapatnam, Vijayawada and Guntur through a poll. Since, the primary point of this exploration paper is to figure out the effect of internet business on Indian retail area concerning retailer perspective.

Thanuja G M, 2023 - The internet plays a vital role in our daily lives. There are many things that the internet has given us. We use the internet for practically all of our daily tasks. Prior to the introduction of e-commerce in India, buying and selling were done manually in markets without access to the internet, but as a result of its many benefits, life became more comfortable. Due to Indian ecommerce websites that allow us to purchase and sell items, online shopping is a component of e-commerce that is primarily used by consumers. The internet not only has everything one might want, but it also tells you where to buy it at the cheapest price. This article discusses the issues facing

retail as a result of the emergence of e-commerce, as well as the expanding phenomenon known as e-commerce, its impact on the offline retail business in India. Previous research on the subject indicates that e-commerce has primarily had a detrimental impact on businesses in the offline retail sector. However, the results vary between the retail subsectors.

NEED FOR THE STUDY: The emergence of e-commerce has drastically changed the retail environment everywhere, including in India. It is crucial to comprehend how this change will affect conventional offline retail enterprises for a number of reasons. Economic Importance market conversion the retail industry has seen significant changes as a result of the revolution in consumer shopping brought about by e-commerce. For traditional retail enterprises to be viable and competitive, they must comprehend these developments. Employment Market The workforce is largely employed by traditional retail firms. Gaining insight into the effects of e-commerce can help prevent job losses and generate new ones. Strategic Planning for Business Adaptation and Survivability Retailers that operate offline must create plans to adjust to the shifting demands of the market. Analysing the effects of e-commerce aids in determining practical survival and adaptation tactics.

SCOPE OF THE STUDY: This study focuses on examining the effects of e-commerce on traditional offline retail businesses operating in the retail sector. The scope includes analyzing changes in consumer behavior patterns, market dynamics, and operational strategies prompted by the growth of online shopping. The study aims to provide insights into the challenges faced by offline retailers and the strategies they employ to remain competitive in an evolving business landscape.

OBJECTIVES OF THE STUDY

To understand the impact of e-commerce on offline business.

To examine the impact of e-commerce on offline business with reference to retail business.

To measure the impact of e-commerce on offline business with reference to retail business.

RESEARCH METHODOLOGY

RESEARCH DESIGN:

The research method used in this study is descriptive research. The goal of descriptive research is to precisely and methodically describe a population, circumstance, or phenomena. It can respond to inquiries about what, where, and how, but not why. A descriptive research strategy can study one or more variables using a wide range of research techniques.

SAMPLING TECHNIQUE:

sampling technique: Simple random technique is adopted to pick up the sample from the given population.

Sample unit: - The sample units for the research are Retail business operations.

Sample size-The sampling size for the research is 101 respondents.

SOURCES OF DATA

PRIMARY and SECONDARY sources are adopted to collect the data.

Primary data is collected through structural questionnaire from the respondents.

Secondary data is collected from the following sources:

Previous research papers

Journals

Company websites.

STATEMENT OF THE PROBLEM

This study aims to investigate the influence of e-commerce on offline retail businesses within the context of the retail sector. It seeks to understand how the rise of online shopping is reshaping consumer behavior, market dynamics, and operational strategies for traditional brick-and-mortar retailers. The study also aims to uncover the challenges faced by offline businesses and the strategies they are employing to remain competitive in an evolving business environment.

RESEARCH QUESTIONS

1. How important are returns and exchange policies when deciding to shop online?
2. Recent percentage of your overall retail purchases are made through e-commerce channels?
3. Do you think physical retail businesses should adopt e-commerce strategies to remain competitive?

HYPOTHESIS

H0: There is no significant impact of e-commerce on offline business.

H1: There is significant impact of e-commerce on offline business.

RESEARCH AND DISCUSSION: - This research provides a clear breakdown of the age distribution within the sample or population being studied. The largest age group is "25-34," which accounts for 33.7% of the population, followed by "35-44" at 31.7%. The age groups "18-24" and "Above-55" have the smallest proportions, with 13.9% and 5.0%, respectively. In total, there are 101 individuals in the sample or population. Valid Percent is representing the percentage of respondents who fall into each gender category out of the total sample size. 67.3% of the respondents are male, 32.7% of the respondents are female. The "Percent" column expresses the percentage of individuals within each education category relative to the total sample size of 101. For instance, 28.7% of the surveyed individuals have an education level of "High School or below," while 17.8% have "Some College/Associate's Degree, 44.6% of the surveyed individuals are Bachelor's Degree Daily: 24 respondents, which represents 23.8% of the total sample, shop for retail products in physical stores on a daily basis. Weekly 37 respondents, or 36.6% of the total sample, shop for retail products in physical stores on a weekly basis. Monthly 25 respondents, accounting for 24.8% of the total sample, shop for retail products in physical stores on a monthly basis. Rarely 12 respondents, which is 11.9% of the total sample, shop for retail products in physical stores rarely. Never Only 3 respondents, constituting 3.0% of the total sample, never shop for retail products in physical stores. The survey asked respondents whether their shopping behavior had changed due to the availability of e-commerce. Out of a total of 101 respondents, 79 respondents believe that changes in shopping behavior due to availability of E-commerce whereas there are 22 respondents says no changes in shopping behavior due to availability of E-commerce. Descriptive Analytics is the method of finding trends and connections utilizing both recent and old data Because it only describes trends and associations without going any further, it is frequently referred to as the most basic type of data analysis. ANOVA is a category of statistical models created by R.A. Fisher that are used to evaluate differences, such as variation within and between groups. In the anova context, the observed variance in a given variable is divided into components that can be attributed to various sources of variation. Chi-Square: The term "chi-square" refers to a statistical test and distribution commonly used in statistics and research to assess the relationship between categorical variables. It helps determine whether there is a significant association or independence between two categorical variables by comparing the observed frequencies of categories to the expected frequencies.

Age			
		Frequency	Percent
Valid	18-24	14	13.9
	25-34	34	33.7
	35-44	32	31.7
	45-54	16	15.8
	Above-55	5	5.0
	Total	101	100.0

Gender			
		Frequency	Percent
Valid	Male	68	67.3
	Female	33	32.7
	Total	101	100.0

How often do you shop for retail products in physical stores			
		Frequency	Percent
Valid	Daily	24	23.8
	Weekly	37	36.6
	Monthly	25	24.8
	Rarely	12	11.9
	Never	3	3.0
	Total	101	100.0
How often do you shop for retail products in physical stores			
		Frequency	Percent
Valid	Daily	24	23.8
	Weekly	37	36.6
	Monthly	25	24.8
	Rarely	12	11.9
	Never	3	3.0
	Total	101	100.0
Important are returns and exchange policies when deciding to shop online			
		Frequency	Percent
Valid	Very important	20	19.8
	Important	43	42.6
	Neutral	26	25.7
	Not very important	9	8.9
	Not important at all	3	3.0
	Total	101	100.0

Descriptive Statistics						
		Statistic	Bootstrap			
			Bias	Std. Error	95% Confidence Interval	
					Lower	Upper
VAR00004	N	101	0	0	101	101
	Minimum	1.00				
	Maximum	5.00				
	Mean	2.3366	.0053	.1048	2.1287	2.5446
	Std. Deviation	1.0609	-.00708	.06763	.91782	1.18259
VAR00006	N	101	0	0	101	101
	Minimum	1.00				
	Maximum	5.00				
	Mean	2.5545	-.0029	.0976	2.3564	2.7426
	Std. Deviation	1.0146	-.01034	.06290	.87723	1.12714
Valid N (list wise)	N	101	0	0	101	101

ANOVA						
VAR00004	Sum of Squares	df	Mean Square	F	Sig.	Bayes Factor ^a
Between Groups	6.813	4	1.703	1.546	.195	.005
Within Groups	105.742	96	1.101			
Total	112.554	100				

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	27.745 ^a	16	.034
Likelihood Ratio	24.886	16	.072
Linear-by-Linear Association	.722	1	.395
N of Valid Cases	101		

From the above table, we can be observed that the test value is more than 0.05 we can infer that the alternative hypothesis is accepted, the null hypothesis is rejected.

FINDINGS

- Many retailers have adopted an Omni channel approach, where they integrate both online and offline sales channels.
- Showrooming is when customers visit physical stores to examine products but then purchase them online.
- E-commerce has introduced new challenges in supply chain and inventory management.
- Customer data and algorithms are frequently used by e-commerce platforms to offer individualized recommendations and shopping experiences.
- Small, independent retailers may face challenges competing with large e-commerce platforms.
- To stay competitive, offline retailers have invested in technology, including point-of-sale systems, mobile apps, and contactless payment options.
- Social media platforms play a crucial role in e-commerce marketing. Providing exceptional customer experiences is essential for offline retailers to retain customers.
- E-commerce businesses heavily rely on data analytics to make informed decisions.
- E-commerce presents regulatory challenges related to taxation, privacy, and consumer protection. impact of e-commerce on offline retail businesses is complex and multifaceted.
- While it poses challenges, it also offers opportunities for growth and innovation.
- Successful retailers are those who adapt to changing consumer preferences, leverage technology, and create a seamless shopping experience that integrates both online and offline channels.

CONCLUSIONS

Web-based shopping is earning respect among retailers in India due to its numerous advantages, such as being cost-effective, providing enhanced customer service, and allowing for mass customization and an increased global reach. Furthermore, it is anticipated that, over the course of the next five years, the popularity of online retailing in India will continue to grow. However, the sustainability of this trend largely depends on factors such as market changes, advancements, and strategies employed by market players. Credit and debit card use has increased among Indians, and this, along with the easy availability of computers, has contributed to the ascent of online retailing in India. Many bargain shoppers are taking advantage of the unique, discounted prices that web-based retailers often offer, and the general public can now expect a highly streamlined, efficient, and premier shopping experience. This is all supported by advance.

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