



Impact Of E-Shopping On Small Businesses

Saksham Lamba

Computer Science and Engineering

Chitkara University, Punjab, India

Dr. Priyanka Gupta

CUIET

Chitkara University, Punjab, India

ABSTRACT: The impact of e-commerce growth on small enterprises has been astounding. On the one hand, it has enabled them to connect with more people outside of their immediate community, which made it possible for them to grow their clientele and boost revenue. Online platforms provide small firms with an affordable alternative to costly brick-and-mortar establishments for showcasing their goods and services. Online buying has, meanwhile, also posed difficulties for small companies. It may be challenging for businesses to stand out in the competitive online marketplace due to increased competition from regional and international retailers. Additionally, handling online orders, shipping, and inventory management can provide logistical and operational issues for small firms.

Consumer expectations and behaviour have changed as a consequence of the rise in online sales, with consumers now expecting seamless and customized experiences across digital platforms. In order to fulfil these changing demands, small firms must embrace digital transformation, make investments in customer service and technology, and set themselves apart through distinctive value propositions and focused marketing campaigns.

Key Words: Online Shopping, offline, offline retailers, small business

Introduction: Small firms have been significantly affected by the growth of online purchasing. On one hand, it helped them to establish connections with individuals beyond their local community, thereby expanding their customer base and growing their revenue. Online platforms allow small businesses a more cost effective way to display their goods and offerings than expensive brick-and-mortar stores. An era of unmatched convenience and choice has arrived as an outcome of the recent transformation in the way customers interact with businesses—the expansion of online purchasing. This dramatic change in customer behaviour has not only completely changed the retail industry, but it has also had a significant influence on small companies, which are the foundation of all economies. Small businesses face enormous obstacles as the digital economy continues to be dominated by e-commerce behemoths. Online buying has, meanwhile, also posed difficulties for small companies. It is challenging for businesses to stand out in the competitive online marketplace due to increased competition from regional and international retailers. Additionally, handling online orders, shipping, and inventory management can provide logistical and operational issues for small firms.

Online buying has presented a number of difficulties for small enterprises, despite the promise of more exposure and reach. The most significant of these difficulties is the increased competitiveness in the digital sphere, where small businesses have to fight for customers attention with plenty of competitors, both large and tiny. Large e-commerce companies and online marketplaces frequently eclipse smaller competitors, making it harder for them to establish a niche and draw clients. Moreover, small firms encounter logistical challenges when handling inventory, shipping, and online purchases, especially when they lack a strong digital infrastructure and experience.

Consequently, it requires pressing need for thorough study to identify important drivers, obstacles, and success factors to fully comprehend the complex effects of internet purchasing on small enterprises.

Policymakers, industry stakeholders, and small entrepreneur owners can develop focused policies and actions to help small businesses' resilience and growth in the digital era by acquiring a greater understanding of these dynamics.

LITERATURE SURVEY:

In order to better comprehend the research on how online shopping has impacted offline customers and their experiences, a literature analysis was carried out. The review streamlines the key factors that consumers take into account when making an online purchase, which affects small company owners in a number of ways. More precisely, the study looked at how quality, value, and customer happiness are related to one another when it comes to online shopping.

Prajapat Vishnu, Sushmita (2018), Comparative Analysis of Online and Online Shopping, authors said that the goal of the study is to pinpoint the variables that affect internet buying and how it affects traditional shops. The findings also demonstrate how much external factors have an impact on customer behaviour. Factors can have a positive or adverse effect based on how individuals act to the circumstances. Pricing and amount purchased have a negative correlation, although the size of the correlation varies depending on the type of product.

Khatwani Aniket, A Comparative Study of Online Shopping and Traditional Shopping, author said that individuals prefer online shopping occasionally rather than using it frequently. People claim that it's very dependable but can't rely on it entirely for anything. Thus, it is evident that offline purchasing is preferable than online shopping.

Kaur Sukhwinder, Kaur Vikramjit (2018), Comparative Study on Online vs. Offline Shopping, author said that in the short time that it has been offered, online shopping has transformed lives and is an unusual experience. Overall, the findings indicate that respondents had a favourable perception of internet purchasing. This amply supports the country's projected expansion in e-commerce.

Kadir and Shaikh (2023), The effects of e-commerce businesses to small-medium enterprises: Media techniques and technology, author examined the impact of e-commerce on SMEs, focusing on media techniques and technology. Their study, published in AIP Conference Proceedings, highlights how digital tools and online marketing enhance SME operations, competitiveness, and growth, emphasizing the importance of adopting innovative technologies for business sustainability.

Zappalà and Gray (2006), Impact on E-commerce on Consumers and Small Firms, examine how ecommerce affects small businesses and customers, emphasizing how it might change consumer behaviour and how businesses operate. They looked at how e-commerce improves consumer choice and small businesses' ability to compete, highlighting important changes in the way the economy functions. Yan (2018), Impact of Online Shopping on Small Malls, author looks at how the development of internet shopping has affected foot traffic and sales in malls. The study emphasizes how malls have adapted to compete with e-commerce's ease, variety, and affordable prices by using techniques like experiential retail and technology integration.

Hardilawati, Sandri, and Binangkit (2019), The Role of Innovation and E-Commerce in Small Businesses investigated how e-commerce and innovation affected small enterprises. Their study focuses on how online platforms and technical improvements help small businesses become more competitive, reach a wider market, and run more efficiently—all of which promote growth and sustainability in the digital economy.

Mehta and Shah (2001), E-commerce: the next global frontier for small businesses, the authors talk about how e-commerce can be a game-changer for small firms worldwide. Their study, which was published in the Journal of Applied Business Research, demonstrates how ecommerce may boost competitiveness, expand market reach, and lower costs—all of which can help small businesses succeed in the global economy.

PROBLEM STATEMENT:

The emergence of internet marketing channels has changed the game for small businesses in recent years, bringing with it both opportunities and challenges. For small enterprises, the development of online buying has brought benefits as well as obstacles. It has altered consumer purchasing behaviour and corporate product sales. Online marketing can help small firms access a larger audience at a lower cost, but its effect on overall business success is still up for dispute.

Small businesses, frequently limited by fund and expertise, encounter several difficulties while navigating the environment of digital marketing. Even while internet marketing can have positive effects on brand awareness and consumer interaction, many small businesses find it difficult to use digital channels to their

full potential in order to expect growth and profitability. These issues are made worse by a lack of precise guidelines and tactics that are customized to the particular requirements and limitations of small firms. This results in lost opportunities and underuse of digital marketing tools. As a result, research on the effects of online marketing on small businesses, obstacles to success, and practical suggestions for assisting small firms in thriving in an increasingly digital economy is desperately needed. This study aims to give small businesses with actionable insights and practical advice, a guidance to improve the impact of their online marketing efforts and prosper in an increasingly digitally centric business climate by getting a deeper awareness of these problems.

Objective & Learnings:

- ✦ To investigate the impact of e-shopping on traditional retailers
- ✦ To unveil the challenges faced by retailers in the era of online purchasing.
- ✦ To examine problems including scarce resources, technical obstacles, and the requirement for specialized solutions.
- ✦ To explore the particular challenges that are being faced by small businesses.

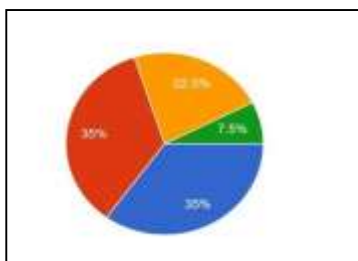
Methodology:

It provides the sample plan's description, the research tools used to gather data via the questionnaire pretest, the usage of statistical tools and techniques, and the methods for analysing the collected data.

- Scope: The boundaries of the Haryana district of Ambala served as the primary scope.
- Need of Study: Determining the effect that online buying has had on physical stores is an extremely challenging issue. To compare online and offline shopping, I decided to organize a survey.
- Research Design: A set of plans that directs the gathering and processing of data. Ensuring the accuracy and relevance of the results obtained is the objective of the research. For any research project to be completed successfully, the objectives must be clear. The survey was conducted using a descriptive design.
- Selection of Population: The Ambala region has been the study's site. The offline merchants contributed to the population under research.
- Research Instruments: Respondents were interviewed using a questionnaire for research purposes. The aim of creating the questionnaire was to gather information pertinent to the study's goals. Every effort was made to make sure that the questionnaires were precise during design in order to minimize the amount of time needed to complete the responses. A questionnaire was created to ascertain people's overall attitudes, perceptions, beliefs, and intentions regarding their perceptions. A systematic questionnaire was administered to the respondents with the sight of gathering primary data.

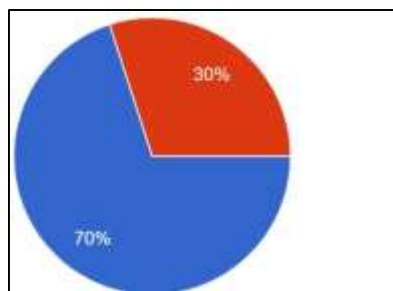
Data Analysis and Interpretation:

- 1) How long have you been operating your small business?



Options	Respondents	Percentage
<5 Years	14	35%
5-10 Years	14	35%
10-15 Years	9	22.5%
>15 Years	3	7.5%
Total	40	100%

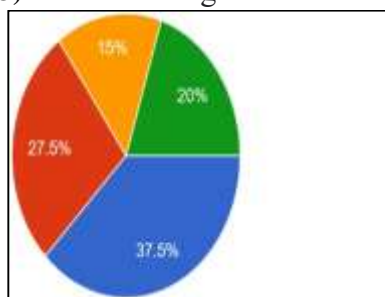
2) Have you noticed any changes in customer behaviour since the rise of online shopping?



Options	Respondents	Percentage
Yes	28	70%
No	12	30%
Total	40	100%

70% percent of business owners have noticed a major change in client behaviour since the emergence of e-shopping. This change shows up in a number of ways, such as a tendency for ease of use, comparison shopping, and higher standards for individualized interactions. Online shopping has changed the dynamics of traditional retail by driving customers to want smooth transactions, personalized recommendations, and an interactive relationship with businesses.

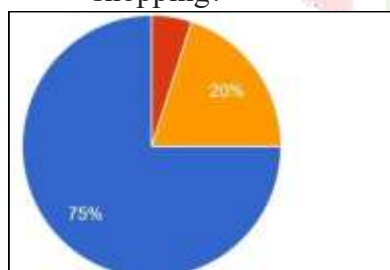
3) Has the growth of online shopping affected foot traffic to your physical store?



Options	Respondents	Percentage
Strongly Agree	15	37.5%
Agree	11	27.5%
Neutral	6	15%
Disagree	8	20%
Strongly Disagree	0	0%
Total	40	100%

Out of the 40 respondents, 37.5% strongly concur that the rise in popularity of online shopping has affected foot traffic to their physical stores. Another 27.5% concur with this finding. This indicates that a sizable portion—65%—acknowledges the effect of e-shopping on foot traffic. In the meantime, 15% are indifferent and 20% disagree. These results highlight a significant shift in customer behaviour, as more individuals choose the ease of online buying, which has impacted on the conventional foot traffic dynamics of physical establishments.

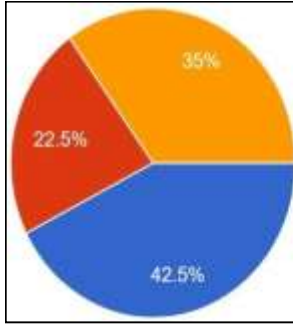
4) Have you noticed changes in customer preferences towards online shopping versus in-store shopping?



Options	Respondents	Percentage
Yes	30	75%
No	2	20%
Maybe	8	5%
Total	40	100

Seventy-five percent of entrepreneurs have observed shifts in their clients' preferences between online and in-store purchasing. This suggests that the practice of online buying platforms is on the rise. Five percent of business owners, however, said they saw no discernible changes. Furthermore, 20% of owners say they don't notice a difference, suggesting a market niche where in-store and online options coexist without appreciable differences in preferences. Considering everything, these results show how the retail industry is changing and how consumer choices are being greatly influenced by internet purchasing.

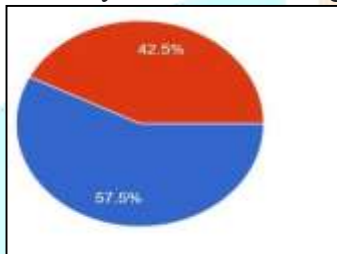
5) Have you adjusted your pricing strategy to remain competitive with online retailers?



Options	Respondents	Percentage
Yes	17	42.5%
No	9	22.5%
Maybe	14	35%
Total	40	100

42.5% of business owners have changed their pricing methods to remain competitive with online merchants, based on the analysis, which shows that they are taking a proactive approach to addressing the issues raised by e-commerce. In contrast, though 22.5% stick to their initial pricing, maybe because they cater to niche consumers or offer special value propositions. Furthermore, according to competition and product demand, 35% of respondents have selectively changed their rates, indicating a calculated approach to pricing optimization. This emphasizes how pricing tactics are dynamic in the context of online buying, as companies must adjust to be competitive and relevant in the virtual marketplace.

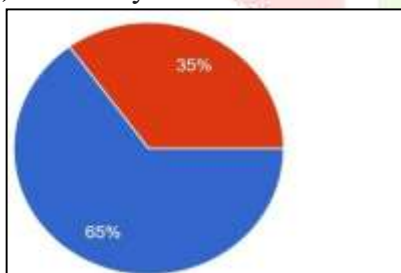
6) Have you invested in digital tools or technologies to enhance customer experience



Options	Respondents	Percentage
Yes	23	57.5%
No	17	42.5%
Total	40	100%

It's clear from the survey results that 57.5% of business owners are using digital tools to interact with their target demographic and enhance the general customer experience. This suggests an understanding of the significance of online presence and interaction in the current marketplace. However, 42.5% of owners continue to trust more conventional tactics, such as word-of-mouth. This points to a variety of strategies, with some companies emphasizing digital innovation while others stick to tried-and-true techniques for attracting clients and enhancing their reputations.

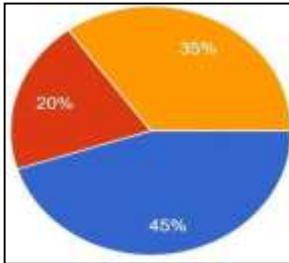
7) Do you believe online reviews and ratings have impacted the reputation of your business?



Options	Respondents	Percentage
Yes	24	65%
No	14	35%
Total	40	100%

Sixty-five percent of owners express concerns that their company's reputation has been negatively impacted by internet reviews and ratings of specific items. This highlights the significant influence of online feedback on consumer perceptions and purchasing decisions. Conversely, 35% of owners report no issues, indicating either a strong reputation that withstands online scrutiny or limited exposure to negative reviews. Nonetheless, this underscores the importance for businesses to actively manage and respond to online feedback to maintain a positive brand image in the digital age.

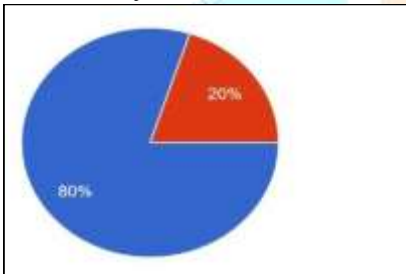
8) Do you feel that online shopping trends pose a threat to the future viability of your small business?



Options	Respondents	Percentage
Yes	18	45%
No	8	20%
Maybe	14	35%
Total	40	100%

Based on the analysis, 45% of small business owners express significant concern about the possible harm that e-shopping patterns pose to their companies' long-term existence. This fear most likely stems from the growing prominence of e-commerce and its ability to upend established brick-and-mortar companies. However, 20% of owners are confident and believe that internet shopping poses no immediate threat. 35%, meanwhile, are still doubtful, which reflects apprehension about the magnitude of the impact or their companies' capacity to adjust to shifting customer preferences and market conditions. Considering everything, these findings show how small companies must evaluate and possibly modify their plans to successfully negotiate the changing retail environment influenced by e-commerce trends.

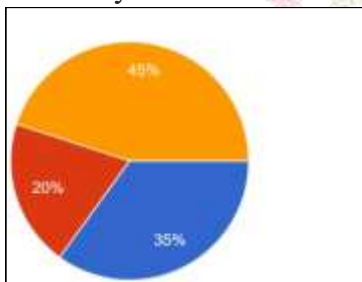
9) Do you feel that online shopping has made it more challenging to maintain a loyal customer base for your small business?



Options	Respondents	Percentage
Yes	32	80%
No	8	20%
Total	40	100%

The majority of business owners agree that it is now more challenging for their small firms to retain a loyal consumer base due to internet purchasing. This sentiment is probably a result of how simple it is to use and wide range of options that consumers get through online platforms, which makes it harder for companies to keep clients who may be persuaded by appealing offers and experiences. Therefore, small firms need to modify their methods to cultivate client loyalty in the aspect of a changing market influenced by the popularity of online purchasing.

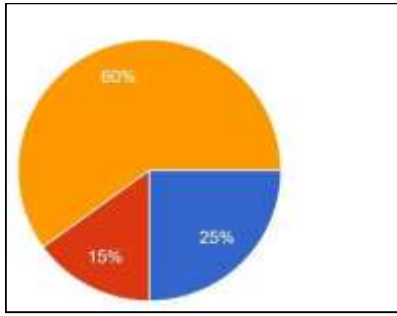
10) Have you encountered challenges in managing inventory due to the rise of online shopping?



Options	Respondents	Percentage
Yes	14	35%
No	8	20%
Maybe	18	45%
Total	40	100%

According to the survey, 35% of owners say that the increase of internet shopping has made it difficult for them to manage their inventory. This implies that it may be challenging to forecast demand and modify stock levels appropriately. However, 20% of owners are running their companies profitably, which may be a sign of efficient inventory control techniques or a product line less impacted by current trends in online buying. But a sizable percentage, forty-five percent, are uncertain if they have difficulties with inventory management, suggesting that more research is necessary or that there may need to be adjustments made to deal with new problems in light of how internet shopping is changing consumer behaviour.

11) Do you believe that online shopping has led to a decline in the overall profitability of your small business?



Options	Respondents	Percentage
Yes	10	25%
No	6	15%
Maybe	24	60%
Total	40	100%

The data demonstrates that small company owners have differing opinions on how internet purchasing affects their bottom line. According to 25% of owners, the rise in online shopping has resulted in a fall in total profitability, indicating a clear relationship between digital commerce and financial success. However, 15% say there seem no noticeable difference in profitability, which may mean they have successfully adjusted or are resilient to competition from online sources. Nonetheless, the majority— 60% of owners state their uncertainty of the precise effect that internet sales will have on the profitability of their company. This emphasizes the necessity of additional analysis and maybe preventative actions to determine and handle any possible effects of internet shopping on financial results.

Key Learnings:

The principal purpose of this study was to determine how e-shopping effected the sales of small businesses. The findings are:

- ✦ The survey showed, 35% of business owners have initiated their business in last 5 years, 35% owners of businesses run their companies since last 5-10 years, 22.5% of business owners run their business since last 10-15 years and 7.5% of business owners operate their business from more than 15 years.
- ✦ The maximum business owners i.e. 70% have noticed changes in their customer behaviour since the rise of e-shopping.
- ✦ Out of 40 respondents, 37.5% business owners strongly agrees that foot traffic to their physical store changed because of rise of e-shopping whereas 27.5% agrees, 20% disagrees and 15% are neutral for the same.
- ✦ 75% business owners have observed shifts in the preferences of their customers between instore and online shopping whereas 5% didn't notice any changes and 20% do not see any difference.
- ✦ Analysis showed 42.5% of business owners have changed their pricing approach to compete with internet merchants whereas 22.5% are selling their good with the original pricing and 35% have changed the pricing of selective items.
- ✦ Out of data surveyed, 57.5% of owners invested in digital tools to reach out to their target audience and to also enhance the customer experience whereas 42.5% are still working with the strategy such as word-of-mouth.
- ✦ 65% of owners also believe that their company's reputation has suffered due of internet reviews and ratings of a specific item whereas 35% owners never had an issue.
- ✦ Analysis showed 45% of owners felt that e-shopping tends to pose a threat to the future viability of their small business while 20% do not see any threat and 35% people are doubtful.
- ✦ Maximum business owners felt that online buying has made it challenging to maintain loyal customers for their small business.
- ✦ The survey shows 35% of owners are challenging in managing the inventory due to rise of eshopping while 20% are flawlessly operating their business but 45% owners are unsure if they are up against a challenge or not.
- ✦ Analysis showed that 25% owners think that purchasing things online has led to decline in the overall profitability of their small business whereas 15% saw no difference but 60% of owners are not sure if internet shopping has affected their company's profitability.

FUTURE SCOPE:

Future studies on how e-commerce affects small enterprises can focus on a number of important topics. First, insights into sustained growth can be gained by looking at the long-term economic effects of e-shopping on profitability and market share. Another crucial aspect is technological integration, more especially, how well blockchain and artificial intelligence can improve e-commerce methods. Furthermore, small firms can enhance customer loyalty and retention by comprehending how e-commerce trends have changed consumer behaviour and preferences. Further research is necessary to determine how the influence of e-commerce differs geographically between urban and rural locations. Furthermore, as customers grow more environmentally sensitive, understanding the importance of sustainable practices in e-commerce can give businesses a competitive edge. A more encouraging atmosphere will be produced by addressing the regulatory obstacles that small enterprises in the e-commerce sector must overcome and by suggesting legislative fixes. Lastly, researching how social media contributes to the success of e-commerce and doing case studies of prosperous small enterprises might provide useful information and tactics for other people.

REFERENCES:

1. Umesh Maiya, "Impact of Online Shopping on Retail Business: A Study with Reference To Udupi District"
2. Albert W.K. Tan, "The impact of online shopping attributes on customer satisfaction and loyalty: Moderating effects of e-commerce experience"
3. Aleksandar Andonov, Georgi Dimitrov "Impact of E-commerce on Business Performance"
4. Li, Na & Zhang, Ping, "Consumer online shopping attitude and behaviour: An assessment of Research"
5. Chaing, Kuan -pin & Dholakia, Ruby Roy. "Factor Driving Consumer Intension to Shop Online: An Empirical Investigation: Journal of Consumer Psychology"
6. Thananuraksakul, Siriporn, "Factors affecting Online Shopping behavior: A study of Thai Consumers"
7. Dr. Sushmita, Vishnu Prajapat, "Comparative Analysis of Online and Online shopping"
8. Ms. Sukhwinder Kaur, Dr. Vikramjit Kaur, "Comparative Analysis of Online and Online shopping"