



# Analysis Of Online Marketplace For Local Vendors

*in particular relation to Local vendors in Bangalore*

<sup>1</sup>Thilak Raja P A, <sup>2</sup>Mohammed M Iqbal, <sup>3</sup>Kamma Gayatri, <sup>4</sup>Hirithesh Ramesh, <sup>5</sup>Dr. Umakanth S, <sup>6</sup>Avinash Raj David

<sup>1</sup>Student, <sup>2</sup>Student, <sup>3</sup>Student <sup>4</sup>Student, <sup>5</sup>Professor, <sup>6</sup>Professor,  
<sup>1</sup>Centre for Management Studies, Jain University, Bangalore, India

**Abstract:** The way people buy things and services has changed as a result of online marketplaces. Online marketplaces have also been adopted by local businesses seeking to expand their customer base. The reason for this examination study is to look at the internet based commercial centre for neighbourhood shippers and the components that impact their exhibition. The research involved a comprehensive literature review and a survey of local merchants. Product quality, pricing, customer service, and exposure all have an impact on local merchants' success in online marketplaces, particularly on how people perceive the inclusion of a bidding system for product orders. This paper has made an attempt to understand online marketplace for local vendors to emerge into online marketplace with a new concept of bidding system.

**Index Terms - Bidding System, Local Vendors, and Online Marketplaces**

## I. INTRODUCTION

Online grocery shopping is a major component of the radical shift in grocery shopping that is taking place in the twenty-first century.

There are over 4,50,000 street vendors in many metropolitan cities, including Bangalore, Chennai, and Kolkata, which have high population densities and a population of crores. Likewise, the hole among rich and unfortunate raises a ruckus around town. Additionally, the capital region has the highest poverty rate, indicating that more than 30% of the population lives below the poverty line and struggles to survive. In a situation like this, the most common and simple business is freelance vending. A lot of people sell vegetables, fruits, and ice cream door-to-door in states like Uttar Pradesh and Haryana. In addition, these metropolitan areas have the highest number of vendors and the predominant vendor fashion, in which households consider vendors to be a dependable source for their day-to-day purchases. Because of this, it's hard for these people to get easy customers by going door to door.

India's advanced technological trends have made it possible for more growth-based development, problem-based innovation, and the ability to operate a business with area autonomy. This study offers services online to a wider audience of customers and spectators, removing the local economy as a constraining factor. Therefore, in order to find a solution to this issue, we intend to investigate whether users will accept our mobile application's bidding-based ordering system for goods.

## II. LITERATURE REVIEW

**Marko D. Petrovic and Alfonso Morales (2021)** says that Local marketplaces and street vendors represent an important segment of trade in a community and one of the initiators of the rural and peri-urban development. Agricultural and other products available at marketplaces and street vendors very often originate from a wider urban surrounding or nearby villages, so both are also an important factor of the daily migrations, exchange of goods, services, and money on the relation suburb-downtown and village-town/city. This study aims to analyse the social segments of the organization and operation of marketplaces, to provide an insight into the contemporary market processes and decision-making, and also to illustrate the future tendencies of the market outcomes of this aspect of the business. Using qualitative data processing, the results of one of the first empirical research on this topic in Serbia and this part of Europe will be analysed. The results will show the economic, social, and cultural impact that marketplaces have on people's everyday life and the economy of Serbia, along with defining future development guidelines.

**Yanina Espegren and Kenneth Carling (2018)** says that Respondents were generally positive towards e-commerce, although mixed attitudes were found with regard to online grocery shopping. Further, the willingness to pay for flexible, smart and sustainable delivery was low, with a notable exception for local produce. The knowledge acquired and solution developed in dense areas is not readily transferred to non-dense areas. There is scope for developing new Business Models for the supply chain of local produce. For the prototype testing and roll out of smart e-commerce delivery platforms, the online local produce market is recommended.

**Stephanie Jilcott Pitts (2018)** says that reducing unhealthy impulse purchases through online grocery shopping could promote better dietary practices and health. Providing labelling and online shopping in-store displays to promote healthier foods online might be one-way public health nutrition and marketing and retailers could intersect to both promote health and increase purchase of produce and other fresh items online. As few of the studies we reviewed focused on low-income consumers specifically, online grocery shopping should be studied further particularly among lower-income consumers, to determine how federal food assistance policies can be shaped to promote healthy purchases in the online grocery shopping environment. If online grocery shopping can contribute to healthier food and beverage purchase and consumption, it could be one mechanism to promote healthful purchases among low-income participants. Currently, the US Department of Agriculture is piloting SNAP/EBT online grocery purchase at seven retailers (Amazon, Fresh Direct, Safeway, ShopRite, Hy-Vee, Hart's Local Grocers, Dash's Market) in eight states (Iowa, Maryland, New Jersey, New York, Oregon, Pennsylvania, Washington). It will be interesting to observe how consumers respond to this opportunity and the healthfulness of their resultant purchases.

**Shan Wang (2022)** says that the research explores the performance of Chinese small and medium sized enterprises (SMEs) on Business-to-Business (B2B) electronic marketplaces (EMs). Based on a content analysis of 155 cases of high performing online Chinese vendors, this paper explains the success of SME online B2B vendors within a Motivation-Capability framework. This first generation of SME B2B online vendors proved highly motivated to increase sales and developed a set of Internet leveraged organizational capabilities to compete online, including capabilities for online marketing, product innovation, eCommerce management, etc. This study differs from traditional wisdom that online marketplaces will render Guanxi (a Chinese cultural phenomenon defined as close and pervasive interpersonal relationships, Yang, 1994) irrelevant since online marketplaces are perceived to be impersonal. In fact, Guanxi still matters online, but it takes new forms. This research offers important managerial implications for B2B SME online vendors on how to leverage EMs for higher performance.

**Robin Ahlers, Lars Bollweg (2018)** says that. Competitors and customers put Local Owner Operated Retail Outlets (LOOROs) under digitalization pressure. Local Shopping Platforms (LSP) seem to be a promising approach for LOOROs to tackle the digitalization challenge and to overcome their physical and locational disadvantages compared to ecommerce players. However, little is known about the actual performance of LSPs and the (shopping) behaviour of the LSP visitors. In this study, we therefore assess the web usage data of five German LSPs. Our findings show that LSPs provide a digital sales and service channel that extends their local catchment area and facilitates their online visibility and accessibility. However, LSPs so far miss the opportunity to create an inter-organizational shopping environment. LSP visitors do not browse across product offers of various vendors, but they mostly follow a single product search strategy and ignore the intended local marketplace structure of the platforms.

**Harjinder Kaur and Rakesh K. Shukla (2017)** say that Shopping on the internet has been developing rapidly, covering most of the important spheres of marketing. Online grocery shopping has been noted of being a relatively young but promising area of electronic commerce. However, only a sparse number of studies have been focusing on consumers' attitude to purchase grocery products through online. The paper seeks to understand the consumer's attitude towards online grocery shopping and to identify some factors that may foster or hinder its acceptance.

### III. STATEMENT OF PROBLEM

Local businesses now have new opportunities to grow their customer base and make more money thanks to the rise of online marketplaces. In any case, the viability of these commercial centers is generally reliant upon the offering framework used to distribute requests or ventures to sellers.

This research will shed light on the efficiency of the bidding system utilized by online marketplaces for local vendors and assist in the identification of areas in need of enhancement to support the viability and competitiveness of local businesses in the online marketplace. As a result, the issue that this study aims to solve is how people accept the bidding system for local vendors in online marketplaces.

### IV. OBJECTIVES OF THE STUDY

- To examine specified aspects of social and economic perspectives and the role of marketplaces in changing the local surroundings and economy.
- To understand how an online marketplace can help local vendors to boost their sales through a bidding system.

### V. SCOPE OF THE STUDY

Since the usage of e-commerce is increasing people's usage of Online Marketplace for ordering products is also increasing. This makes the purchase of products easier for the customers because they can order products from their place and which is convenient. The local market is the place where many people buy products. Purchasing from local vendors makes us save lots of money and people can bargain with them to get the best price. This study about the local vendors aims to understand whether the Online marketplace is impacting them and to analyze people's view on the bidding system which will be used for ordering products in the online marketplace from local vendors.

### VI. LIMITATIONS

1. Respondents may not provide accurate or truthful responses due to various reasons such as social desirability bias or ignorance to disclose sensitive information. This can result in incomplete or inaccurate data which may not be useful for analysis
2. Limited access to Data.

## VII. RESEARCH METHODOLOGY

To study the "Analysis of Online Market Place for Local Vendors" Primary data was administered to collect data through a well-structured questionnaire from sample respondents using a convenience sampling technique by adopting survey method. The questions will be based on the "Will people accept the new method of purchasing goods through a Mobile application through a Bidding system".

The survey was carried out in a period of 9 pm 14th March 2023 to 12 pm 20th March 2023 and 132 people respond to the online survey. The data collected from the online survey was used for further analysis.

## VIII. DATA ANALYSIS AND INTERPRETATION

**Table 1 (Primary Data)**

### Age of Respondents

Sl.No	Age	No. of Respondents	Percentage
1	15-20 Years	40	30.30%
2	20-35 Years	59	46.70%
3	Above 35 Years	33	25%
<b>Total</b>	<b>132</b>	<b>100</b>	

**Table 2 (Primary Data)**

### Gender of the Respondents

Sl.No	Gender	No. of Respondents	Percentage
1	Male	79	59.84%
2	Female	53	40.16%
<b>Total</b>		<b>132</b>	<b>100</b>

**Table 3 (Primary Data)**

### User Preference on Online Marketplace for Local Vendors

Sl.No	Particulars	Number of Respondents	Percentage
1	Competitive Pricing	12	9.10%
2	Convenience	22	16.66%
3	Selection of Products	11	8.34%
4	Product Quality	39	29.54%
5	All of the Above	48	36.36%
<b>Total</b>		<b>132</b>	<b>100</b>

Figure 1 (Primary Data)

People’s Purchasing Intervals from Online Marketplace

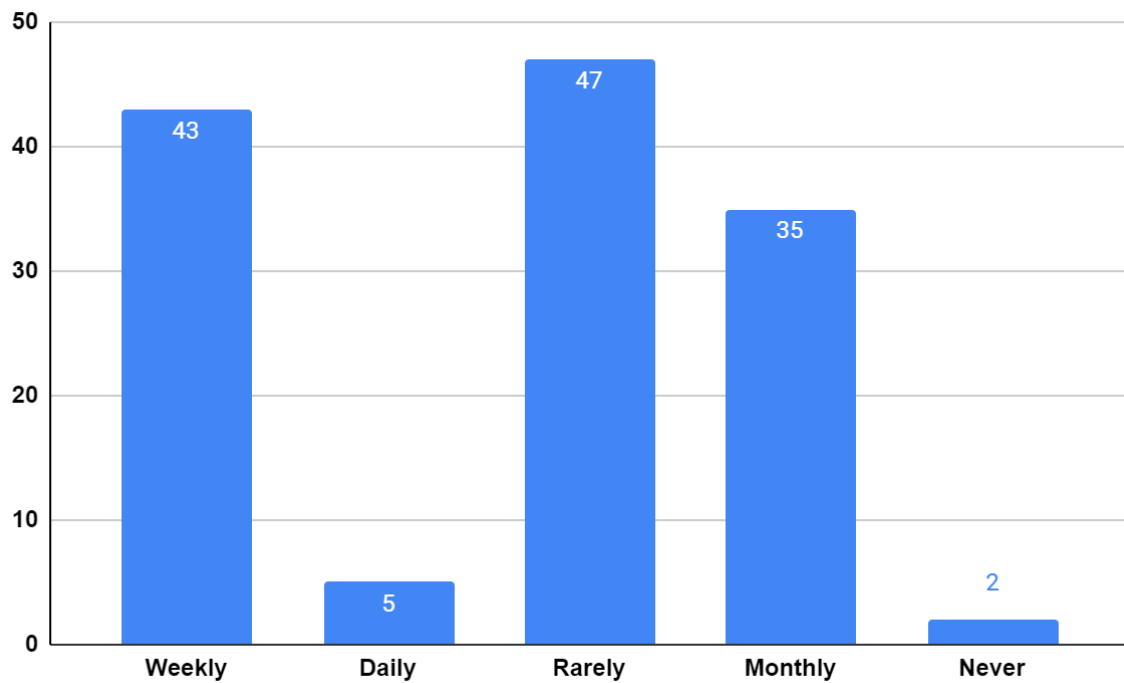
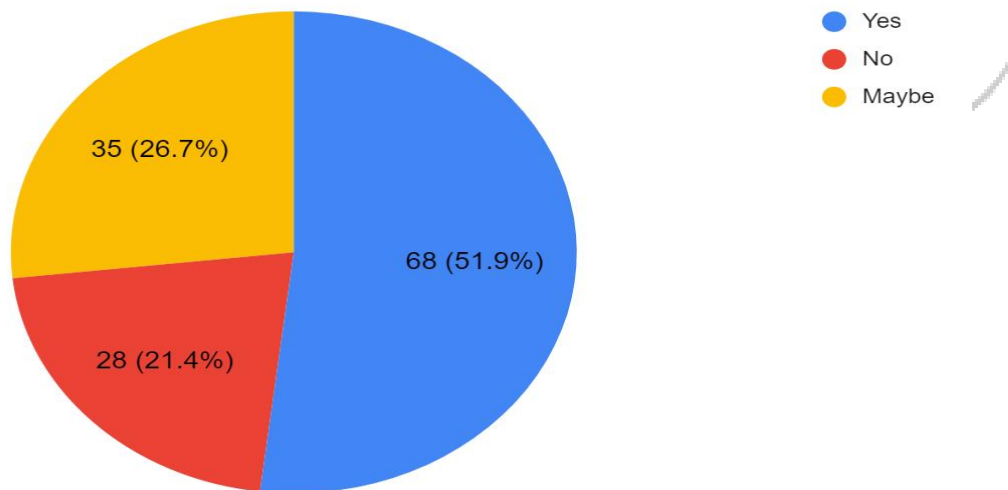


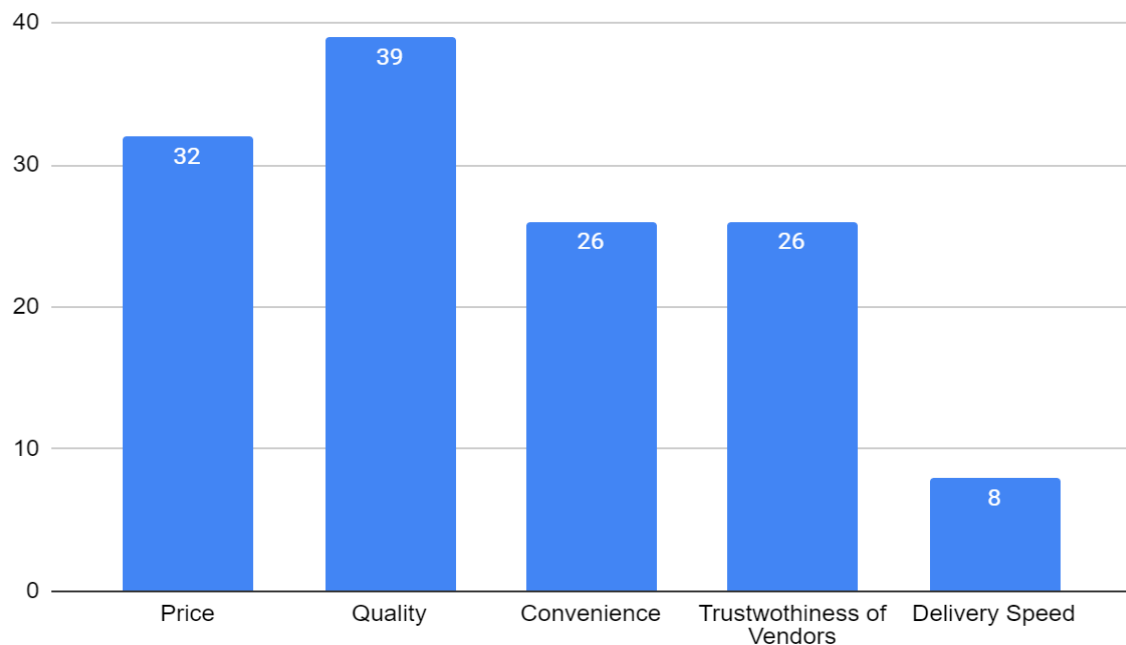
Figure 2 (Primary Data)

People’s Preference for Bidding System to Purchase Products in an Online Marketplace



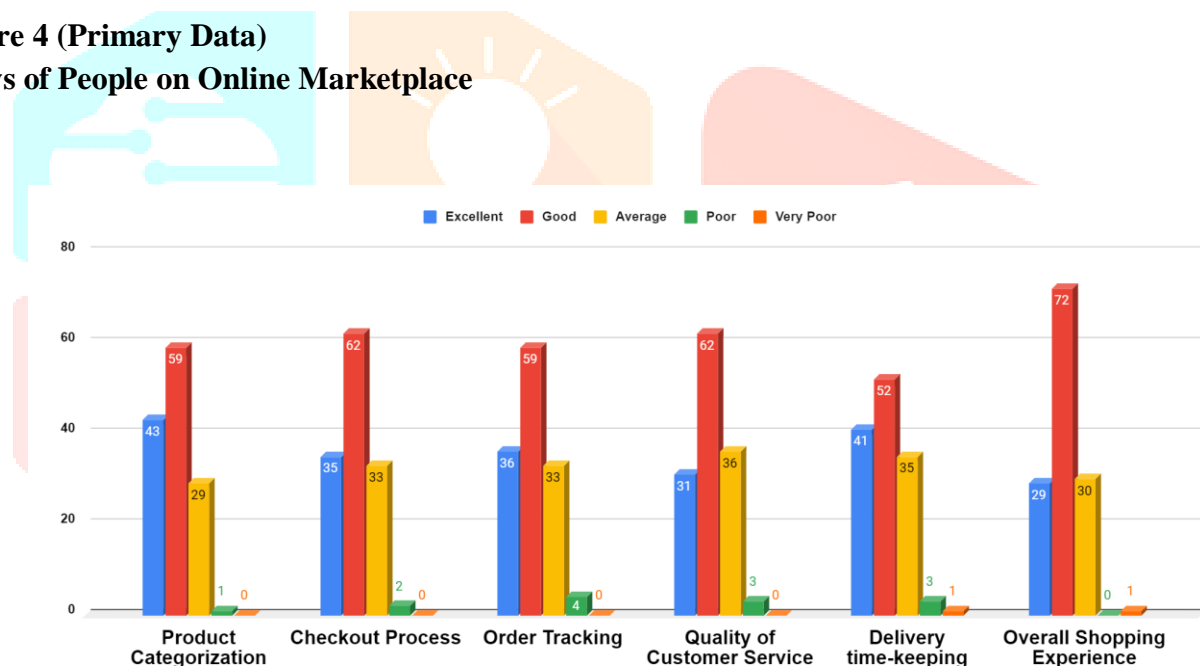
**Figure 3 (Primary Data)**

**Factors Influencing People’s Decision to Participate in a Bidding System**



**Figure 4 (Primary Data)**

**Views of People on Online Marketplace**



**IX. FINDINGS**

1. Majority of respondents belongs to 20-35 Years (46.70%), followed by 15-20 Years (30.30%) and respondents above 35 years comprises of (25%). More than one-half (59.84%) of the respondents are male whereas (40.16%) of the respondents are female.

2. Maximum of 47 respondents (35.60%) tend to buy rarely from an online marketplace, 43 respondents (32.57%) weekly followed by 35 respondents (26.51%) monthly, 5 respondents (3.78%) daily, and only 2 respondents have never used.

3. 39 respondents (29.54%) prefer product quality on online marketplace for local vendors, 22 respondents (16.66%) on user review followed by 12 respondents (9.10%) on competitive pricing, only 11 respondents (8.34%) and the maximum of 48 respondents (36.36%) prefer all the above.

4. Maximum of 68 respondents (51.9%) said yes to the bidding system for purchasing products, 35 respondents (26.7%) said maybe, and 28 respondents (21.4%) preferred no.

5. Majority of 39 respondents (29.54%) decision to participate in a bidding system is quality, 32 respondents (24.24%) are price followed by 26 respondents (19.69%) based on their convenience and trustworthiness vendors as well, and only 8 respondents (6.06%) are on delivery speed.

6. Product categorization on the online marketplace, 59 respondents (44.69%) have marked good, 35 respondents (26.51%) for excellent, 29 respondents (21.96%) for average, 4 respondents (3.03%) for poor, and 0 for very poor. On the quality of customer service, the majority of 62 respondents (46.96%) chose good, 36 respondents (27.27%) chose average, 31 respondents (23.48%) chose excellent, 3 respondents (2.27%) for poor, and 0 for very poor. Based on delivery time keeping maximum of 52 respondents (39.39%) chose good, 41 respondents (31.06%) opted for excellent, 35 respondents (26.51%) chose average, 3 respondents (2.27%) as poor, and only 1 respondent (0.75%) as very poor. For overall shopping experience most of the 72 respondents (54.54%) opted for good, 30 respondents (22.72%) opted for average, 29 respondents (21.96%) opted for excellent, only 1 respondent (0.75%) opted for very poor and none for poor.

## X. SUGGESTION

- Make it easy for buyers to search for products and vendors in their local area. This could include using geo-location technology or allowing buyers to search by zip code or city.
- Encourage local vendors to engage with the community by allowing them to post news and updates about their business, or to offer discounts to their customers.
- Ensure that payment and shipping processes are seamless and secure for both buyers and vendors

## XI. CONCLUSION

The research paper concludes that to examine specified aspects of social and economic perspectives and the role of marketplaces in changing the local surroundings and economy and understanding how online marketplace boosts sales for local vendors through a bidding system. Data collection sources in this study included primary data sources with the google form questionnaire. The collection of data was to understand the mindset of the people regarding an online marketplace for local vendors through a bidding system. Local vendors may face several challenges when selling on online marketplaces, including the lack of knowledge and resources to optimize their online presence, competition from other vendors, and online marketplace commission fees. Each of the participants discussed the importance of how to enhance their online presence, and local vendors' improvement in product descriptions, customer service, and advertising. Online marketplaces can also support local vendors by providing resources and tools to optimize their online presence and reduce commission fees.

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