



A study of impact of online trading on offline retailers: With special reference to selected talukas

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Abstract

In the current era e-commerce is proving to be an invaluable boon for consumers. Consumers of any country along with the e-commerce company get various benefits from e-commerce such as the use of alternative distribution channels at a lower cost, optimum use of internet facility, increased productive customer awareness, transparency in the company's real image Bring competitive advantage to customers, Helping to compare two or more goods and services. The research study found that 27.5 percent of offline retailers admitted to failing to properly manage window shopping. 47.5 percent offline retailers agreed that the market failed to attract customers due to saving money in the advertising budget. 15.83 percent of offline retailers believe that the required stock of differentiated products is not kept in warehouses due to insufficient working capital. Similarly, 5.83 percent of offline retailers admitted that they could not serve attractive offers on the product due to high transport charges and labor costs. Whereas only 3.33 percent of the offline retailers considered after sale services as useless.

Keywords: online trading, offline retailers, e-commerce company, mobile trading, online e-retailers

Introduction

E-commerce is a digital platform through which a person from one country can see and buy any goods or services from anywhere in the world. E-commerce has removed all restrictions on the purchase and sale of goods and services. The first e-commerce founder in India was K. Vaitheeswaran who started the first Fabmart e-commerce company in the year 1999. Presently, there are more than twenty-two thousand e-commerce companies operating in India out of which a total of seventy-three digital driver e-commerce company alone have a total revenue of one hundred twenty-eight billion USD.

Literature Review

1. Dahiya (2017) ^[1] concluded that Researchers had shown that e-retailers are still struggling a lot in the selected Nalbari District. There are many such districts of Assam where literacy rate is less than 50%, therefore it is not easy to do e-business there. Also, in semi areas of Nalbari District, where the literacy rate is high, but due to lack of basic facilities like the Internet and good transport. It is very challenging work of the local retailers to trade their goods through e-business. On the other hand, thirty-two percents defendants has expressed that it is very difficult to believe online goods without seeing and touching it.
2. Jan *et al.* (2017) ^[2] suggested that the newcomer company helps in recognising its potential customers through e marketing of and can present its new item in the new market at low cost. The author expressed concern that currently offline merchants are selling at a low profit or at a cost due to competition in e-business, if this continues, offline trading will not exist in the Indian market. For which the government needs to form a new policy So that there will be healthy competition in the world.

3. Rajasekar and Agarwal (2016) ^[3] found that about six million new consumers join the e-business companies such as Amazon, Flipkart, Snapdeal etc. every month. E-commerce business continued to grow in India due to Internet users, but India is still behind in M business and E-business sector compared to China. Similarly, in the year 2016, it was able to trade 266 million in America and 54 million in France.
4. Amin *et al.* (2016) ^[4] concluded that the current selected sample e-commerce company seemed to care about the basics such as Web site design, modern trend analysis and replacement and warranty of the article. Even the retailer e-commerce company needs to serve best after sale services. Research has found that expensive brands in India are being sold by unauthorized people using social media for half or even less. Despite this, the e-business company is not filing any cases before those fraudsters who are Deceiving innocent buyers.

Objective

- To study and find the cause of retailer's loss due to increase of online trading.
- To analyse after sell services provided by retailers to their consumers.
- To find out the customer satisfaction level in the context of after sell services provided by offline retailers and E-Business.
- To Study the consumer perception toward purchase of goods and services from the online market.

Research Methodology

1. Research Type and Data Collection

All the precise information obtained through personal interrogation and by filling Non-retailers questionnaire. A total of one hundred sixty samples has been taken for research study from Idar and Vadali takuka. ANOVA- F test

is used to examine and analysis the equality of four populations, such as FK., AZ., SD., EB. For examining the variance a total of forty samples are taken for each of the treatments. *Linkert F.S.Model and various Charts* are used to understand conceptual knowledge of collecting numerical data. This research paper contains qualitative research as well as quantitative research.

2. Analysis and Interpretation of Data

The researcher wants to compare top four different tremendous selling e-commerce companies in India. The researcher has randomly selected a total of forty respondents belonging Idar and Vadali Taluka in his research study. Students were asked that from which e-commerce company does they buy? *Online e-commerce company are given a number ranking based on buying experience and post purchase dissonance.*

The Question is asked to Non-retailer: Which online Selling sites in India prefer for online?

Explanatory Variable: Online Selling Sites

Response Variable: People belonging Idar and Vadali Taluka

Table 1: List of Top E-Commerce co. in India

Top E-Commerce Company in India			
Flipkart	Amazon	Snap deal	eBay
9	6	3	0
10	5	6	1
8	4	8	5
1	8	9	4
6	9	2	2
4	4	8	3
6	8	9	8
7	9	2	2
8	4	1	4
9	8	1	1

Sources: Date are collected and compiled by researcher

Here there is a single factor “E-Commerce Co.” at four different level (FK, AZ, SD and EB), the researchers sample sizes are all equally distributed (to 10),

H0: $\mu_1 = \mu_2 = \mu_3 = \mu_4$ (There is no significance difference among above mentioned e-commerce companies)

H1: $\mu_1 \neq \mu_2 \neq \mu_3 \neq \mu_4$ (There is a significance difference among above mentioned e-commerce companies)

Table 3: ANOVA TABLE for the calculation of F-test (Observed Value)

Variation Source	S.S.	D.F.	M.S.	F-Ratio
Between e-Commerce Co.	(SSB) 91.7	(k-1) 3	(MSB) 30.57	<i>MSB</i>
Within e-Commerce Co.	(SSW) 261.30	(n-k) 36	(MSW) 7.26	<i>(MSW)</i>
Total	(SST) 353	(n-1) 39	-	4.210

Decision Rule: From the above calculation, researcher proves that the observe value of F-test less than the critical value of F-test ($F_{cal.} 4.210 > F_{tab.} 2.85$). Table no. 3 depicts that there is no mean difference among above mentioned top four e-commerce company. This would lead to the rejection of the researcher’s null hypothesis. The null hypothesis is very low. It is way bigger than critical F statistics with a 5% significance level. With a five percent of the S.L., from the collected sample, the evidence is

S.L., $\alpha = 0.05$

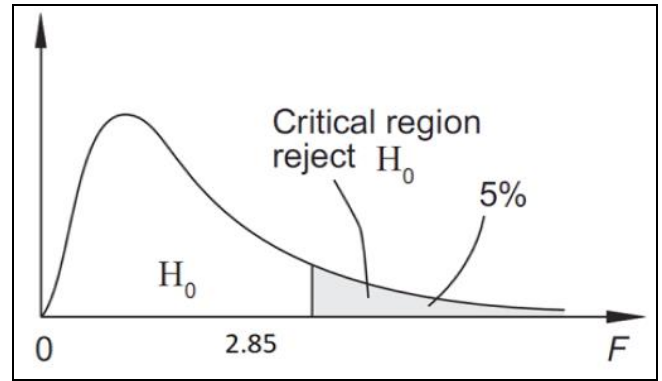


Chart 1: Distribution of F

D.F., $v_1 = k-1 = 4-1 = 3$ and

$v_2 = n - k = 40 - 4 = 36$

Critical F- Values is 2.85

Table 2: ANOVA F Test (One Way)

Paticular	TOP E-Commerce Company in India				Total
	FK	AZ	SD	EB	
Sample Size	10	10	10	10	40
Sum	68	65	49	30	212
S.S.	528	463	345	140	1476
S.M.	7.76	7.12	7.04	4.67	26.59

From Table No. 2, $\sum \sum x_{ij}^2 = 1476$

From Table No. 2, $SST = \sum_i \sum_j x_{ij}^2 - \frac{T^2}{n} = 1476 - \frac{(212 \times 212)}{40} = 1476 - 1123.6 = 352.40$

$$SSB = \sum_i \frac{T_i^2}{n_i} - \frac{T^2}{n}$$

$$= \left(\frac{68 \times 68}{10} + \frac{65 \times 65}{10} + \frac{49 \times 49}{10} + \frac{(212 \times 212)}{40} \right) - \frac{40}{40}$$

$$= 462.4 + 422.5 + 240.1 + 90 - 1123.3 = 91.7$$

$$SSW = SST - SSB = 352.40 - 91.7 = 261.30$$

sufficient to determine that performance and post purchases services of above-mentioned e-commerce companies are different.

Analysis and interpretation of data

Question are asked to Non-retailer: Do you feel that high traffic of online trade by various e-commerce company affect their business?

Table 4: Following table shows different satisfaction level of respondants

Level of Satisfaction	No. of Respondents	cf	Percentage (%)
Strongly Agree	67	67	55

Agree	19	86	15
Neutral	27	46	22
Disagree	5	32	4
Strongly Disagree	2	7	2
Total	120	122	100

Sources: Primary data collection through questionnaire

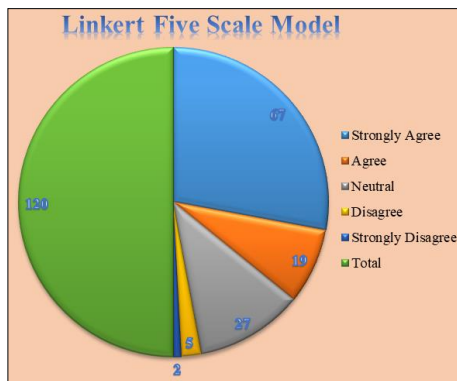


Fig 1

A people of the semi urban and rural sector retailer intendment surveyed a simple random sample of one hundred twenty. The figure reveals that only 55.83% respondents from Idar and Vadali are extremely agreeing, 15.83% respondents are very agreeing, 22.5% respondents are neutral, 4.16% respondents disagrees and remaining 1.67% respondents disagrees extremely. In above graph it is clearly visible that due to span of online trading of product and services lead notable decline in sells of offline retailers. The researcher proves that more than fifty-five percent offline customer are extremely agreed with the product and services provided by online traders leads to retailer to failure of commencement of business.

Table 5: Offline Retailer Fail to Attempt Modern Requisites of Customers

Different Aspect	No. of Respondent	No. of Respondent (in %)
Failed to Operate Window Shopping Trend	33	27.5
Failed to Target Marketing and Sufficient Advertisemnt	57	47.5
Failed to Stocked Modern Variety	19	15.833333
Failed to Offer Competitive Discount	7	5.8333333
Failed to Balance Pre-Purchase after Sell Services	4	3.3333333
Total	120	100

Sources: Primary data collection through questionnaire

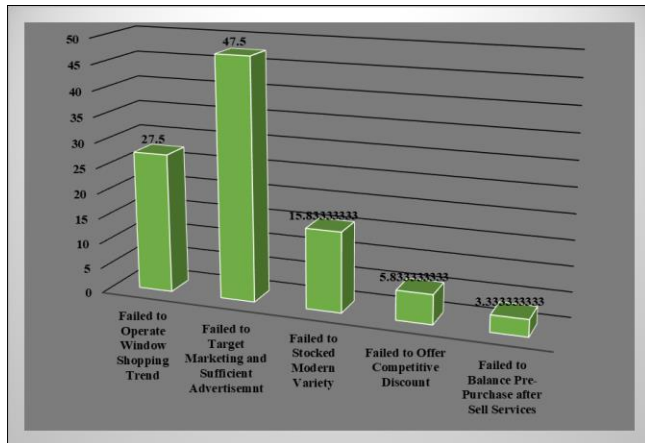


Fig 2: Different Aspect of Failure of Offline Retailer Business (in %)

The research study highlights the fact that approximately 27.5% offline retailers accept that they failed to properly operate window shopping. Similarly, 47.5% offline retailers agree that they failed to target market due to the habit of saving money in advertisement budget and 15.83% offline retailers believe that due to insufficient fund resulting in no more stocked variety of product. Whereas 5.83% offline retailers concede that they cannot offer attractive offer on the product because of heavy transportation charges and labour cost. Remaining 3.33% offline retailers accept that after sale services is less important than any other factor.

Suggestions

It is necessary to take steps to issue of new policies to

protect the interest of retailers. If the Government of India will delay to implementing the new policy, it is very critical to survive for those people who run a small business or play an importance role as a mediator in the distribution channel to boom the economy. Retailer need to research the modern article in the market to meet the customer needs. It is a retailer's duty to find the potential consumer and stocked more and modern variety at the shop, moreover retailer requires to keep fair balance between pre purchase and after sale services.

Abbreviations

- S.L. denotes Significance Level
- D.F. Denotes Degree of Freedom
- FK Flipkart
- AZ Amazon
- SD Snapdeal.
- EB eBay
- S.S. Sum of Square
- S.M. Sample Mean

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