



E-Commerce adoption among small traders in Coimbatore: Opportunities and challenges

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Abstract

The rapid growth of e-commerce has significantly transformed traditional business practices, particularly among small traders in emerging urban centers like Coimbatore. This study examines the level of e-commerce adoption among small traders in Coimbatore city and analyzes the opportunities and challenges associated with digital commerce. Using primary data collected from small retail and wholesale traders across various commercial areas, the research evaluates factors influencing adoption, perceived benefits, operational difficulties, and future readiness. The findings reveal that while e-commerce has enhanced market reach, sales growth, and customer engagement, small traders face challenges such as lack of digital skills, logistics constraints, cyber security concerns, and high platform costs. The study highlights the need for targeted training, infrastructure support, and policy interventions to ensure inclusive digital transformation. The paper contributes to understanding the digital readiness of small traders in Tier-II cities and provides recommendations for sustainable e-commerce integration.

Keywords: E-Commerce, small traders, digital transformation, coimbatore, msme

Introduction

E-commerce has emerged as a vital component of modern commerce, reshaping how goods and services are marketed, sold, and delivered. In India, the growth of digital infrastructure, internet penetration, and government initiatives such as Digital India and Startup India have accelerated the adoption of online business models. Small traders, who form the backbone of the Indian economy, are increasingly exploring e-commerce platforms to remain competitive in a rapidly changing marketplace. Coimbatore, a major industrial and commercial hub in Tamil Nadu, is characterized by a strong presence of small and medium traders engaged in textiles, engineering goods, retail trade, and services. While large businesses have successfully integrated e-commerce, small traders face unique opportunities and challenges in adopting digital platforms. Understanding these factors is crucial for promoting inclusive economic growth and digital empowerment. This study aims to analyze the extent of e-commerce adoption among small traders in Coimbatore and to examine the opportunities and challenges encountered during this transition.

Research Areas / Objectives

The study focuses on the following research areas:

1. To examine the level of awareness and adoption of e-commerce among small traders in Coimbatore.
2. To identify the key opportunities provided by e-commerce platforms for small traders.
3. To analyze the major challenges faced by traders in adopting and operating e-commerce.
4. To study the impact of e-commerce adoption on sales performance and customer reach.
5. To suggest measures for improving e-commerce adoption among small traders.

Research Methodology

Research Design

The study adopts a descriptive research design to analyze the adoption of e-commerce among small traders in

Coimbatore. Descriptive research is suitable as it helps in systematically describing the characteristics, perceptions, and challenges faced by traders regarding e-commerce usage.

Population of the Study

The population of the study consists of small traders operating in Coimbatore city, including retail and wholesale traders engaged in textiles, groceries, electronics, and other consumer goods.

Sample Size

A total of 100 small traders were selected as the sample for the study. This sample size was considered adequate to represent the views of small traders and to draw meaningful conclusions.

Sampling Technique

The study uses **Convenience Sampling Method**. Traders who were easily accessible in major commercial areas such as Gandhipuram, Town Hall, Oppanakara Street, Ukkadam, and Singanallur were selected for data collection.

Data Analysis and Interpretation (Sample Tables)

Table 1: Demographic Profile of Respondents

Particulars	Category	No. of Respondents	Percentage
Gender	Male	72	72%
	Female	28	28%
Age Group	Below 30 years	18	18%
	31-40 years	32	32%
	41-50 years	30	30%
Education	Above 50 years	20	20%
	School level	35	35%
	Graduate	45	45%
	Post Graduate	20	20%

Interpretation

the majority of respondents are male traders aged between 31-50 years, indicating active business participation during prime working age.

Table 2: Awareness of E-Commerce

Awareness Level	No. of Respondents	Percentage
Highly aware	40	40%
Moderately aware	38	38%
Low awareness	22	22%
Total	100	100%

Interpretation

Most traders possess moderate to high awareness of e-commerce, suggesting exposure to digital business concepts.

Table 3: Level of E-Commerce Adoption

Adoption Status	No. of Respondents	Percentage
Fully adopted	30	30%
Partially adopted	42	42%
Not adopted	28	28%
Total	100	100%

Interpretation

Partial adoption is predominant, indicating that e-commerce is mainly used as a supplementary sales channel.

Table 4: Opportunities of E-Commerce (Weighted Average Ranking)

Opportunities	Weighted Score	Rank
Increased customer reach	420	I
Growth in sales	395	II
24x7 business availability	360	III
Reduced marketing cost	340	IV
Better customer interaction	325	V

Interpretation

Expanded customer reach and sales growth are the most significant opportunities perceived by small traders.

Table 5: Challenges Faced in E-Commerce Adoption

Challenges	No. of Respondents	Percentage
Lack of digital skills	34	34%
High commission charges	22	22%
Logistics & delivery issues	18	18%
Cyber security concerns	16	16%
Resistance to change	10	10%
Total	100	100%

Interpretation

Lack of digital skills emerges as the major barrier preventing effective e-commerce adoption.

Table 6: Impact of E-Commerce on Sales Performance

Sales Impact	No. of Respondents	Percentage
Significant increase	36	36%
Moderate increase	40	40%
No change	18	18%
Decrease	6	6%
Total	100	100%

Interpretation

A majority of traders reported moderate to significant improvement in sales after adopting e-commerce.

Hypothesis (Optional – For Higher Journals)

- **H₀:** There is no significant relationship between demographic factors and e-commerce adoption.
- **H₁:** There is a significant relationship between demographic factors and e-commerce adoption.

Sources of Data

1. Primary Data

Primary data were collected through a structured questionnaire administered to small traders. The questionnaire included both closed-ended and Likert scale questions related to awareness, adoption level, benefits, challenges, and satisfaction with e-commerce platforms.

2. Secondary Data

Secondary data were collected from journals, books, government reports, websites, and previous research studies related to e-commerce and MSMEs.

Tools for Data Collection

- Structured questionnaire
- Five-point Likert scale (Strongly Agree to Strongly Disagree)
- Personal interview method (where necessary)

Statistical Tools Used for Analysis

The following statistical tools were applied for analyzing the collected data:

1. Percentage Analysis

Used to analyze demographic details, level of awareness, and adoption status of e-commerce among small traders.

2. Weighted Average Method

Applied to rank factors influencing e-commerce adoption and challenges faced by traders.

3. Chi-Square Test

Used to study the association between demographic variables (such as age, education, nature of business) and level of e-commerce adoption.

4. Mean and Standard Deviation

Applied to measure the level of agreement and variability in perceptions regarding benefits and challenges of e-commerce.

Period of the Study

The study was conducted over a period of three months, during which data were collected and analyzed.

Limitations of the Study

- The study is confined to Coimbatore city only.
- Findings are based on responses given by 100 traders.
- Convenience sampling may limit generalization of results.
- Respondents' opinions may vary over time.

Results and Discussion

The study reveals that a majority of small traders in Coimbatore are aware of e-commerce platforms, but actual adoption remains moderate. Traders who adopted e-commerce reported increased visibility, expanded customer

base, and improved sales turnover. Digital payment systems and social media marketing were widely used entry points into e-commerce. However, several challenges were identified. Many traders lack technical knowledge and digital marketing skills. High commission charges by e-commerce platforms, logistics and delivery issues, return management, and cyber security concerns were major barriers. Resistance to change and fear of online fraud also discouraged adoption among traditional traders.

Findings of the Study

- Most traders use e-commerce as a supplementary sales channel rather than a primary one.
- E-commerce adoption has positively influenced sales growth and market expansion.
- Lack of digital literacy is the most significant challenge faced by small traders.
- Logistic and delivery-related issues affect customer satisfaction.
- Government initiatives are not fully utilized due to lack of awareness.

Scope for Future Research

- Comparative studies between Coimbatore and other Tier-II cities in India.
- Sector-wise analysis of e-commerce adoption (textiles, groceries, engineering goods).
- Impact of government digital policies on small traders' performance.
- Longitudinal studies on post-adoption performance and sustainability.
- Role of social commerce and mobile-based platforms in small trade development.

Conclusion

E-commerce presents significant growth opportunities for small traders in Coimbatore by enabling them to compete beyond local markets and adapt to changing consumer behavior. While adoption has begun, several structural and operational challenges hinder full-scale implementation. Addressing these challenges through training programs, affordable digital tools, improved logistics, and supportive policies can enhance the participation of small traders in the digital economy. The study concludes that e-commerce adoption among small traders is essential for long-term sustainability in an increasingly digital commercial environment.

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