

“A Study on the Impact of E-Commerce on Traditional Retail Business”

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ABSTRACT

The rapid growth of e-commerce has significantly transformed the retail industry by changing consumer purchasing behavior and business operations. This study examines the impact of e-commerce on traditional retail businesses, focusing on sales performance, customer preferences, and the challenges faced by retailers. The study uses a descriptive research design with primary data collected from 50 respondents through a structured questionnaire and secondary data from books, journals, and research articles. The findings reveal that consumers increasingly prefer online shopping due to convenience, competitive pricing, wider product selection, digital payment options, and home delivery services. As a result, many traditional retailers experience reduced customer footfall and increased competition. However, the study also finds that retailers adopting digital technologies, online selling, and omnichannel business strategies perform better in the changing market. Statistical analysis supports a significant relationship between the growth of e-commerce and the performance of traditional retail businesses. The study concludes that traditional retailers must embrace digital transformation, improve customer service, and integrate online and offline operations to remain competitive. These findings provide valuable insights for retailers, researchers, and policymakers in developing sustainable retail strategies in the digital era.

INTRODUCTION

In the modern business environment, rapid technological advancement and increasing internet accessibility have transformed the way consumers purchase goods and services. One of the most significant developments in recent years is the emergence and growth of electronic commerce (E-commerce). E-commerce refers to the buying and selling of product and services through online platforms using digital technologies and internet-based applications. It has become an important part of the global economy and has changed traditional business operations. Traditional retail business refers to the physical stores where customers visit in person to examine, select, and purchase products. These businesses have been an essential part of economic activity for many years by providing employment opportunities, contributing to local economies and creating direct interaction between sellers and customers. However, with the expansion of E-commerce platforms, the retail industry has experienced major changes in customer performances, purchasing behavior and market competition. The growth of E-commerce has been supported by several factors such as widespread smartphone usage, improved internet connectivity, digital payment systems, home delivery services and changing consumer lifestyles. Online shopping platforms offer convenience, time savings, wider product selection, competitive pricing and easy comparison of products. These advantages have encouraged consumers to shift from traditional shopping methods to online purchasing. The increasing popularity of E-commerce has created both opportunities and challenges for traditional retail businesses. On one hand, E-commerce has encouraged retailers to adopt digital technologies, improve customer service and expand their market reach through online channels. Many traditional retailers have started integrating online and offline business models to remain competitive in the market. This transformation has contributed to innovation and business growth. On the other hand, traditional retail stores face several challenges due to the rapid growth of online commerce. Physical stores may experience reduced customer footfall, declining sales, increased competition and pressure to lower prices. Small and medium retail business may find it difficult to compete with large E-commerce companies because of differences in technology, operational efficiency and market access. These challenges have raised concerns regarding the sustainability and future development of traditional retail businesses. Consumer buying behavior has also undergone considerable changes due to E-commerce. Modern consumers increasingly prefer online shopping because of convenience, product availability, customer reviews, discounts, and flexible delivery options. However, traditional retail continues to remain relevant in certain areas where

customers prefer direct product experience, immediate purchase, personal interaction and trust in physical shopping environments. The relationship between E-commerce and traditional retail is not entirely competitive but increasingly complementary. Many business have adopted an omnichannel approach that combines online and offline retail operations to improve customer experience and business performance. This approach enables businesses to attract a wider customer base and respond effectively to changing market demands.

REVIEW OF LITERATUR

Dipika Bhosale, Poonam Vibhute & Arvind sable (2026) Impact of E-Commerce Growth on Traditional Retail Businesses in India A Study conducted by Dipika Bhosale, Poonam Vibhute, and Arvind sable (2026) analyzed the impact of e-commerce growth on traditional retail businesses in India. The study found that increasing online shopping has reduced customer visits to physical stores. However, retailers using digital marketing and hybrid business models were able to improve their competitiveness and sustain business growth. **Sweety Jain & Mohit Kumar Maurya (2026)** Impact of E-Commerce on Traditional Retail: Economic and Social Perspectives A Study conducted by Sweety Jain and Mohit Kumar Maurya (2026) explored the economic and social effects of E-Commerce on traditional Retail Businesses. The study found that while e-commerce creates new business opportunities, it also increases pressure on small retailers. The authors suggested that digital adoption and government support can help traditional retailers adopt successfully to the changing retail environment. **Dipika Bhosale, Poonam Vibhute & Arvind Sable (2026)** Impact of E-commerce Growth on Traditional Retail Businesses in India A study conducted by Dipika Bhosale, Poonam Vibhute, and Arvind Sable (2026) analyzed the impact of e-commerce growth on traditional retail businesses in India. The study found that increasing online shopping has reduced customer visits to physical stores. However, retailers using digital marketing and hybrid business models were able to improve their competitiveness and sustain business growth. **Jenita, Rody Satriawan & Yemima (2025)** E-Commerce Expansion and Traditional Retail Business Models A study conducted by Jenita, Rody Satriawan, and Yemima (2025) examined how e-commerce expansion has transformed traditional retail business models. The study revealed that retailers need to adopt innovative strategies and digital technologies to remain competitive. It concluded that digital transformation is essential for long-term retail success. **Shikha Goel & Pankaj Madan (2025) retail 2.0: Future Prospects for multichannel and omnichannel E-Commerce** A study conducted by Shikha Goel and Pankaj Madan (2025) on multichannel and omnichannel retailing highlighted the growing importance of digital integration in retail businesses. The study found that customers prefer seamless shopping experiences across multiple platforms. The authors concluded that combining online and offline retail channels can improve customer loyalty and business performance. **Sameer Yadav, Surjit Victor & Reetu Singh (2024)** The effect of E-Commerce on Traditional Retail: A Comparative analysis A study conducted by Sameer Yadav, Surjit Victor and Reetu Singh (2024) compared online and offline retail businesses. The researchers found that e-commerce offers convenience and competitive pricing, whereas traditional stores provide personalized services. The study recommended integrating both online and offline channels through an omnichannel approach for sustainable growth. **Rajesh Kumar Sharma & Rahul Prakash Patel (2024)** The impact of e-commerce on traditional retail sales in emerging economies A Study conducted by Rajesh Kumar Sharma and Rahul Prakash Patel (2024) examined the effect of e-commerce on traditional retail sales. The study found that online platforms have significantly influenced consumer preferences and purchasing patterns. It suggested that traditional retailers should adopt technology-based business models to improve sales performance and customer satisfaction. **Dr. Andrei Ivanov (2023)** E-Commerce Trends and their impact on Traditional Retail A study conducted by Dr. Andrei Ivanov (2023) on emerging e-commerce trends found that technological developments such as mobile commerce and digital payments are influencing consumer purchasing decisions. The study conducted that traditional retailers must embrace innovation and technology to meet changing customer expectations and remain competitive. **Sonu (2023)** Impact of e-commerce on traditional retail businesses A study conducted by Sonu (2023) on the impact of e-commerce on traditional retail businesses found that the growth of online shopping has reduced the number of customers visiting physical stores. The study highlighted that retailers who adopted online selling methods and improved customer service were more successful in maintaining their market position. **Mukta Chaturvedi (2022)** E-Commerce expansion and its impact on traditional retail sectors A study conducted by Mukta Chaturvedi (2022) on the impact of e-commerce expansion on traditional retail sectors revealed that online shopping has significantly changed consumer buying behaviour. The study found that traditional retailers are facing challenges such as reduced customer footfall and increased competition. It concluded that adopting digital strategies is essential for long-term business sustainability. **Ziad Al Mtiri, Shah Miah & Nasimul Noman (2021)** Application of e-commerce technologies in

accelerating SME on the application of e-commerce technologies in SMEs found that digital platforms help businesses improve efficiency, expand market reach, and increase sales opportunities. The study concluded that traditional retailers can enhance their competitiveness and business performance by adopting e-commerce technologies and integrating digital solutions into their operations.

STATEMENT OF THE PROBLEM

The rapid growth of e-commerce has significantly changed the retail business environment. Nowadays, consumers prefer online shopping because of convenience, wider product choices, attractive discounts, and home delivery services. As a result, traditional retail stores are facing challenges such as reduced customer footfall, increased competition and declining sales. Many small and medium retailers find it difficult to compete with online platforms. Therefore, it is important to study how e-commerce is affecting traditional retail businesses and the strategies they can adopt to remain competitive in the changing market.

NEED FOR THE STUDY

In the present digital era, e-commerce has become an important part of consumers purchasing behavior. The increasing use of smartphones, internet services and digital payment systems has encouraged people to shop online. This study is needed to understand the impact of e-commerce on traditional retail businesses, identify the challenges faced by retailers and examine the changes in consumer buying patterns. The findings of the study will help retailers develop effective strategies to improve their business performance and adapt to the growing digital marketplace.

OBJECTIVES OF THE PROJECT

- To analyze the impact of e-commerce on the sales performance and profitability of traditional retail businesses.
- To examine the strategies and operational changes adopted by traditional retailers to remain competitive in the digital marketplace.
- To evaluate how demographic factors such as age, income and location influence consumers preference for online shopping over traditional retail shopping.

HYPOTHESIS

H0: There is no significant relationship between the growth of E-commerce and the performance of traditional retail businesses.

H1: There is a significant impact of E-commerce growth on the performance of traditional retail businesses.

RESEARCH METHODOLOGY

Research methodology refers to the systematic process used to collect, analyze and interpret data for the study. This study adopts a descriptive research design to examine the impact of E-commerce on traditional retail businesses. Data is collected from respondents through a structured questionnaire and analyzed using simple statistical methods.

Research Design: The study uses a descriptive research design to understand how the growth of E-commerce influences traditional retail businesses in Mysuru.

Research approach: The required information is collected through:

- Structured questionnaire
- Direct interaction with respondents

SOURCES OF DATA

Primary data: Data collected directly from retail shop owners, customers, and respondents through questionnaires and personal interactions.

Secondary data: Data collected from books, journals, research articles, websites, government reports and published sources related to E-commerce and retail business.

Sample size: A sample size of 50 respondents is selected for the study.

Sample Technique: Convenience sampling technique is used for selecting respondents.

LIMITATIONS OF THE STUDY

The study is limited to respondents in Mysuru city.

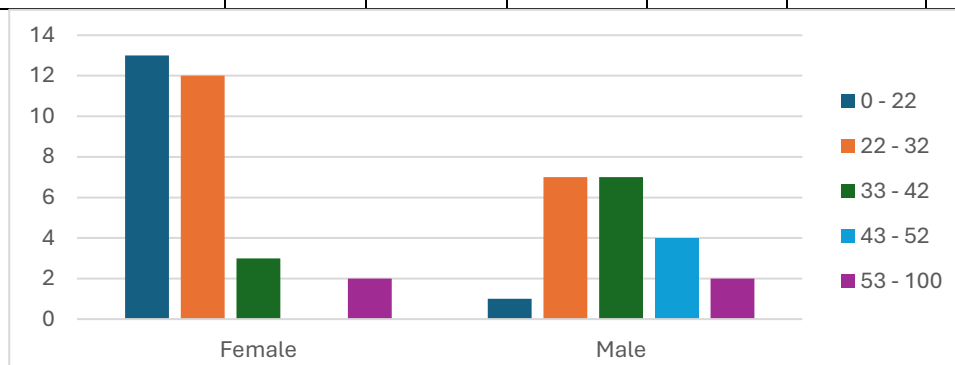
The sample size is limited to 50 respondents.

Responses are based on the opinions and perceptions of respondents.

Time and resource constraints may affect the scope of the study.

DATA ANALYSIS

1. Age						
1. Gender	0 - 22	22 - 32	33 - 42	43 - 52	53 - 100	Grand Total
Female	25.49%	23.53%	5.88%	0.00%	3.92%	58.82%
Male	1.96%	13.73%	13.73%	7.84%	3.92%	41.18%
Grand Total	27.45%	37.25%	19.61%	7.84%	7.84%	100.00%



Analysis

The table shows the distribution of respondents by gender and age. Female respondents make up 58.82%, while male respondents account for 41.18%. The highest number of respondents belongs to the 22–32 years age group (37.25%), followed by the 0–22 years age group (27.45%). The 43–52 years and 53–100 years age groups have the lowest participation (7.84%)

Interpretation

The survey indicates that female respondents are more than male respondents. Most participants are young adults between 22–32 years, showing that this age group was more active in the survey. The participation of older age groups is comparatively lower, so the study mainly reflects the opinions of younger respondents.

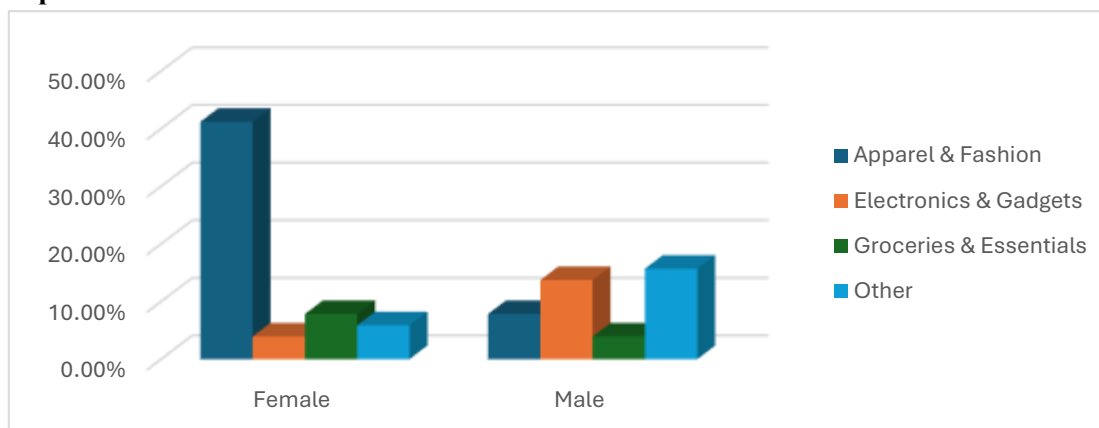
2. Primary Category of Items Purchased Online					
1. Gender	Apparel & Fashion	Electronics & Gadgets	Groceries & Essentials	Other	Grand Total
Female	41.18%	3.92%	7.84%	5.88%	58.82%
Male	7.84%	13.73%	3.92%	15.69%	41.18%

Grand Total	49.02%	17.65%	11.76%	21.57%	100.00%
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Analysis

The table shows the relationship between gender and the primary category of items purchased online. Overall, Apparel & Fashion is the most purchased category (49.02%), followed by Other (21.57%), Electronics & Gadgets (17.65%), and Groceries & Essentials (11.76%). Female respondents mainly purchase Apparel & Fashion (41.18%), while male respondents purchase more items in the Other (15.69%) and Electronics & Gadgets (13.73%) categories.

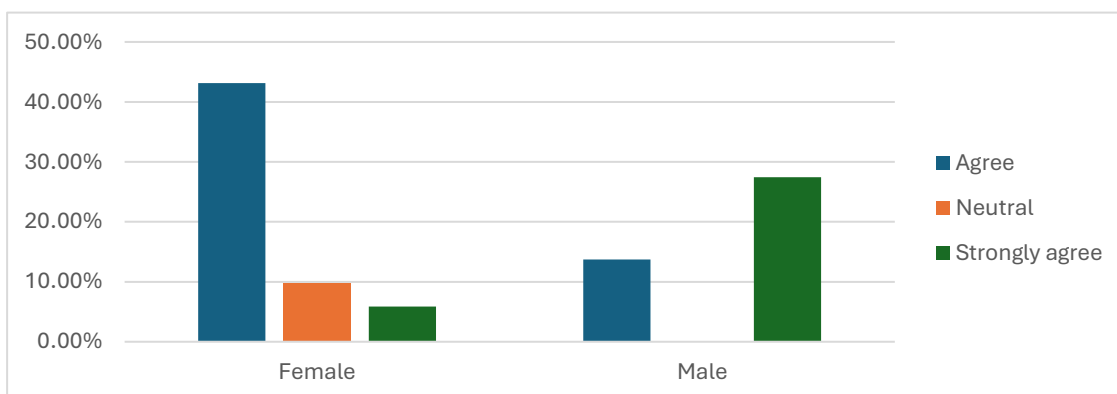
Interpretation



The results indicate that female respondents mostly prefer buying apparel and fashion products online, whereas male respondents show greater interest in electronics and other products. This Suggests that shopping preferences differ by gender, with fashion being the most popular online purchase overall.

3. E-commerce platforms consistently offer better discounts and competitive pricing than traditional retail stores.

1. Gender	Agree	Neutral	Strongly agree	Grand Total
Female	43.14%	9.80%	5.88%	58.82%
Male	13.73%	0.00%	27.45%	41.18%
Grand Total	56.86%	9.80%	33.33%	100.00%



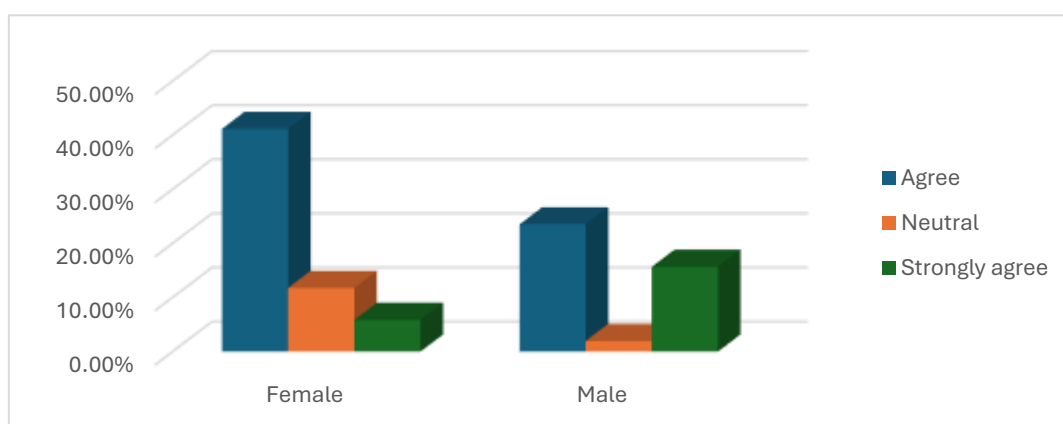
Analysis

The table shows respondents' opinions on whether e-commerce platforms consistently offer better discounts and competitive pricing than traditional retail stores. Overall, 56.86% of respondents agree, 33.33% strongly agree, and 9.80% are neutral. Among female respondents, 43.14% agree, while 27.45% of male respondents strongly agree with the statement.

Interpretation

The findings indicate that most respondents believe e-commerce platforms provide better discounts and competitive prices than traditional retail stores. Only a small number of respondents remain neutral, showing that online shopping is generally perceived as more cost-effective and attractive due to its pricing and offers.

4. The convenience of 24/7 shopping and home delivery makes e-commerce preferable to visiting physical stores.				
1. Gender	Agree	Neutral	Strongly agree	Grand Total
Female	41.18%	11.76%	5.88%	58.82%
Male	23.53%	1.96%	15.69%	41.18%
Grand Total	64.71%	13.73%	21.57%	100.00%



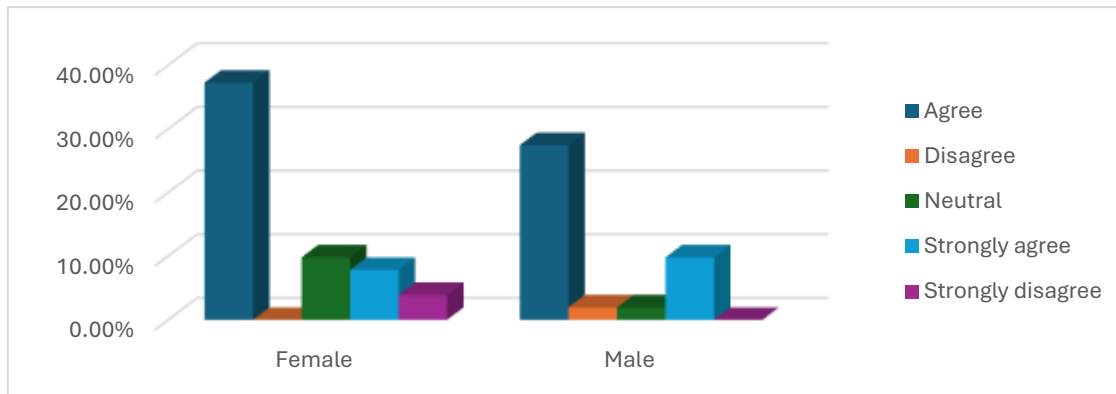
Analysis

The table shows respondents' opinions on whether 24/7 shopping and home delivery make e-commerce preferable to physical stores. Overall, 64.71% of respondents agree, 21.57% strongly agree, and 13.73% are neutral. Among female respondents, 41.18% agree, while 15.69% of male respondents strongly agree with the statement.

Interpretation

The findings show that most respondents prefer e-commerce because of its convenience, such as 24/7 shopping and home delivery. Only a few respondents are neutral, indicating that convenience is one of the main reasons people choose online shopping over traditional retail stores.

5. The rise of e-commerce has led to a noticeable decline in customer footfall at local traditional retail stores.					
1. Gender	Agree	Disagree	Neutral	Strongly agree	Grand Total
Female	39.22%	3.92%	9.80%	5.88%	58.82%
Male	29.41%	0.00%	3.92%	7.84%	41.18%
Grand Total	68.63%	3.92%	13.73%	13.73%	100.00%

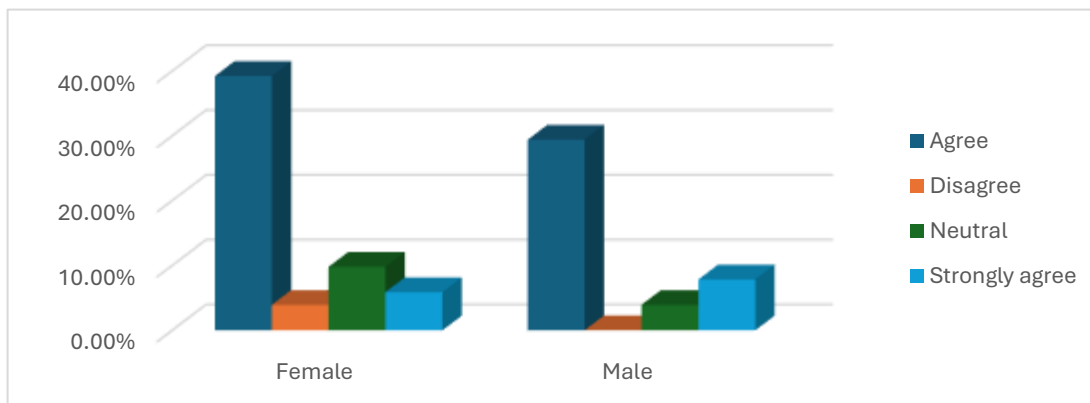


Analysis

The table shows respondents' opinions on whether the rise of e-commerce has reduced customer footfall in traditional retail stores. Overall, 68.63% of respondents agree, 13.73% strongly agree, 13.73% are neutral, and 3.92% disagree. Among female respondents, 39.22% agree, while 29.41% of male respondents also agree with the statement.

Interpretation

The findings indicate that most respondents believe e-commerce has reduced the number of customers visiting traditional retail stores. Very few respondents disagree, suggesting that online shopping has had a significant impact on the customer footfall of local retail businesses.



6. Traditional retailers must adopt digital tools (offering online ordering or social media selling) to survive in the current market.

1. Gender	Agree	Disagree	Neutral	Strongly agree	Strongly disagree	Grand Total
Female	37.25%	0.00%	9.80%	7.84%	3.92%	58.82%
Male	27.45%	1.96%	1.96%	9.80%	0.00%	41.18%
Grand Total	64.71%	1.96%	11.76%	17.65%	3.92%	100.00%

Analysis

The table shows respondents' opinions on whether traditional retailers should adopt digital tools such as online ordering and social media selling to survive in the current market. Overall, 64.71% of respondents agree, 17.65% strongly agree, 11.76% are neutral, 1.96% disagree, and 3.92% strongly disagree. Female respondents show a higher level of agreement (37.25%) compared to male respondents (27.45%).

Interpretation

The findings indicate that most respondents believe traditional retailers need to adopt digital tools to remain competitive and survive in the market. Only a small number of respondents disagree, showing strong support for digital transformation in traditional retail businesses.

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
11	The categories of 11. Digital payment options and hassle-free return policies make e-commerce platforms highly trustworthy. occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
12	The categories of 12. The rise of e-commerce has led to a noticeable decline in customer footfall at local traditional retail stores. occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
13	The categories of 13. Traditional brick-and-mortar businesses are experiencing a reduction in their overall sales volume due to online competition. occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
14	The categories of 14. Traditional retailers are being forced to lower their profit margins to match online prices and retain customers. occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
15	The categories of 15. Many traditional retail businesses are facing higher risks of closure or downsizing because of the e-commerce boom. occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
16	The categories of 16. Traditional retailers must adopt digital tools (offering online ordering or social media selling) to survive in the current market. occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

SPSS TEST

HYPOTHESES TESTS

DESCRIPTIVE TEST

	N	Mean	Std. Deviation	Minimum	Maximum
9. Online marketplaces provide a significantly wider variety of products and brands than local brick-and-mortar stores.	51	3.92	.891	1	5
10. Personalized recommendations and targeted online advertisements heavily influence my decision to shop online.	51	3.76	.885	1	5
11. Digital payment options and hassle-free return policies make e-commerce platforms highly trustworthy.	51	4.04	.692	1	5

12. The rise of e-commerce has led to a noticeable decline in customer footfall at local traditional retail stores.	51	3.92	.659	2	5
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CHI-SQUARE TEST

TEST STATISTICS

Question	Chi-Square	df	Asymp. Sig.
7. E-commerce platforms consistently offer better discounts and competitive pricing than traditional retail stores.	16.949	2	.000
8. The convenience of 24/7 shopping and home delivery makes e-commerce preferable to visiting physical stores.	23.059	2	.000
9. Online marketplaces provide a significantly wider variety of products and brands than local brick-and-mortar stores.	45.765	4	.000
10. Personalized recommendations and targeted online advertisements heavily influence my decision to shop online.	88.510	4	.000

7. E-commerce platforms consistently offer better discounts and competitive pricing than traditional retail stores.

	Observed N	Expected N	Residual
3	5	17.0	-12.0
4	29	17.0	12.0
5	17	17.0	.0
Total	51		

FINDINGS

- The study found that the increasing popularity of e-commerce has changed the shopping habits of consumers with preferring online shopping over traditional retail stores.
- Most traditional retailers are experiencing a decline in customer footfall due to the convenience and influenced consumers purchasing decisions.
- Small and medium retail businesses are facing challenges in maintaining sales and profitability because of increasing online competition.
- Digital payment methods and smartphone usage have encouraged more customers to purchase products through online platforms.
- Retailers who have adopted online selling digital marketing and home delivery services have shown better business performance than those relying only on physical stores.

CONCLUSION

The study concludes that e-commerce has created a significant impact on traditional retail businesses. The rapid growth of online shopping has changed consumer buying behavior and increased competition for physical retail stores. Although traditional retailers face challenges such as reduced customer visits and lower sales, they can remain successful by adopting digital technologies, improving customer service, and integrating online and offline business models. Therefore, combining the strengths of both e-commerce and traditional retailing is essential for long-term business growth and sustainability.

SUGGESTIONS

- Traditional retailers should adopt digital technologies and create an online presence to reach more customers.
- Retail stores should improve customer service and provide personalized shopping experiences.
- Retailers should offer competitive pricing, promotional offers and loyalty programs to retain customers.
- Businesses should introduce digital payment options and home delivery services to meet changing customer awareness.
- Government and industry associations should provide training programs to help small retailers adopt business practices.

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