

A STUDY ON THE IMPACTS OF E - COMMERCE ON DOMESTIC RETAILERS WITH SPECIAL REFERENCE TO CHENNAI

Jayasree Mariappan

BBA LL.B (Hons) Ivth Year

Saveetha School Of Law

Saveetha Institute Of Medical

And Technical Sciences (

SIMATS)

Chennai 600077.

B. Beula Jayarani

B.Com LL.B (Hons) Iiird Year

Saveetha School Of Law

Saveetha Institute Of Medical

And Technical Sciences (

SIMATS)

Chennai 600077.

Vagesh Kaushik

BBA LL.B (Hons) Iiird Year

Saveetha School Of Law

Saveetha Institute Of Medical

And Technical Sciences (

SIMATS)

Chennai 600077.

ABSTRACT

The advent and rapid proliferation of e-commerce have ushered in transformative changes in the retail landscape, impacting domestic retailers across various dimensions. This research paper aims to comprehensively analyze the multifaceted impacts of e-commerce on traditional domestic retailers. Through an examination of pertinent literature, empirical data, and case studies, this study sheds light on the economic, technological, and social ramifications of e-commerce adoption by domestic retailers. The paper explores how e-commerce has altered consumer behaviour, redefined market dynamics, and introduced new challenges and opportunities for brick-and-mortar retailers. It also delves into the strategies employed by domestic retailers to adapt to the evolving retail ecosystem, emphasizing the significance of omnichannel approaches and technological integration. Furthermore, the paper addresses the implications of these changes on employment patterns, urban spaces, and regulatory frameworks. The method used here was the empirical method. The sampling method taken here was the convenient sampling method and the sample size was 200. The sampling frame was set within Chennai, Tamil Nadu. The dependent variables are level of awareness regarding the impacts of domestic retailers, major impacts faced by the retailers after the development of E-commerce business, main advantages of selling through e-commerce platforms compared to traditional retail channels, e-commerce has affected traditional brick-and-mortar retail stores in India and the independent variables are age, gender, educational qualification, salary and occupation. The research tools used here are simple bar charts, independent sample T test, univariate analysis of variance and correlation. By offering a comprehensive analysis of the impacts of e-commerce on domestic retailers, this research paper contributes to a deeper

understanding of the dynamic interplay between traditional and online retail paradigms, while also providing insights into potential pathways for sustainable coexistence in the ever-evolving retail landscape.

KEYWORDS: Convenience and availability, Distribution channel, E - commerce, Impacts on retailers, Traditional retailers.

INTRODUCTION:

The rise of e-commerce has brought about a seismic shift in the global retail landscape, reshaping the way consumers shop, businesses operate, and markets function. As the digital realm becomes an increasingly integral part of everyday life, the impacts of e-commerce on traditional domestic retailers have become a subject of intense scrutiny and debate. This research paper delves into the intricate web of effects that e-commerce has woven within the realm of domestic retailing. With its undeniable convenience, expansive product offerings, and borderless accessibility, e-commerce has transformed consumer expectations and behaviours, prompting traditional retailers to reevaluate their strategies to remain competitive. This paper sets out to explore how e-commerce has influenced consumer preferences, disrupted conventional market dynamics, and catalysed adaptations in the operational landscape of domestic retailers. In the pursuit of understanding these multifaceted impacts, the paper draws from a blend of empirical evidence, case studies, and theoretical frameworks. By analysing both the opportunities and challenges brought about by e-commerce, this research seeks to provide a holistic perspective on how this digital revolution is reshaping the very essence of domestic retail. As the distinction between physical and virtual shopping blurs, it becomes crucial to ascertain the strategies adopted by domestic retailers to navigate this transformative landscape. Furthermore, the paper seeks to unravel the socio-economic implications of this shift, including its potential effects on employment patterns, urban spaces, and policy considerations. The rise of E-Commerce has brought about a profound transformation in the traditional retail landscape. Brick-and-mortar stores have encountered challenges in competing with the convenience and accessibility offered by online shopping. To remain relevant, retailers have had to reconfigure their business strategies to incorporate eCommerce, whether through the establishment of their online storefronts or by forming partnerships with established eCommerce platforms like Shopify or Amazon. Some retailers have taken a different approach by investing in experiential retail, aiming to craft a distinctive shopping experience that cannot be replicated in the digital realm. This involves enhancing the in-store experience for customers with features like interactive displays, tailored product recommendations, and exclusive events. By prioritising customer satisfaction and engagement, retailers can

cultivate a loyal customer base that cherishes the unique in-person shopping experience. In an era where the convergence of technology and commerce has accelerated at an unprecedented pace, this research paper endeavours to contribute to the discourse surrounding the coexistence of e-commerce and traditional retail. By examining the ways in which domestic retailers are responding to the challenges posed by e-commerce, this study aims to provide insights that inform strategies for sustainable growth and adaptation. As the digital economy continues to redefine the contours of retailing, an exploration of its impacts on domestic retailers emerges as a vital endeavour, one that offers valuable insights into the ongoing transformation of our commercial landscape.

AIM: To study the impacts of E- commerce on domestic retailers.

OBJECTIVES:

- To examine the major impacts faced by the retailers after the development of E-commerce business.
- To analyse the main advantages of selling through e-commerce platforms compared to traditional retail channels.
- To find how e-commerce has affected traditional brick-and-mortar retail stores in India.

LITERATURE REVIEW

The growth of e-commerce has enabled customers to overcome geographical barriers, providing them with the flexibility to shop anytime and from anywhere. This transformation has had a profound impact on markets and the retail industry. E-commerce has the potential to streamline the supply chain, allowing producers to connect directly with consumers. Moreover, it empowers small and medium-sized enterprises, granting them broader access to markets for their products and services (**Chandan Kumar, 2018**). In the Indian context, e-commerce has brought about both positive and negative outcomes. On one hand, it has created jobs, improved product quality, and offered attractive deals. On the other hand, it has intensified competition, posing challenges to traditional businesses and unorganized sectors in India. This research paper explores the dual impact of e-commerce on traditional businesses and the Indian economy at large (**Kamalesh S, 2023**). The omnipresence of the internet in our daily lives cannot be understated. E-commerce has revolutionized the way we conduct various tasks. Before its advent, buying and selling were primarily conducted in physical markets. However, e-commerce has introduced unparalleled convenience to our lives, offering numerous advantages (**Anwaar Al-Abri, 2020**). This study investigates how the timing of adopting e-commerce capabilities influences the performance of online retailers. The results emphasize the significance of the timing of adoption in understanding the contribution of e-commerce capabilities to online retailer performance (**Robert M.**

Fuller, 2021). This chapter delves into how Chinese clothing retailers leverage e-commerce platforms to compete. It begins by introducing the clothing industry, its supply chain, and e-commerce practices from a literature perspective. Subsequently, it provides an industry review and presents case studies of five Chinese clothing companies, with a focus on their e-commerce management and customer relationships. The discussion addresses critical issues, offering a comprehensive overview of the chapter (**Tianlong Ge, 2017**). This research paper explores the factors influencing the transition from e-commerce to m-commerce and how e-retailers are increasingly investing in their businesses and devising large-scale strategies (**K. Natarajan, 2016**). The paper concludes by providing insights into the future of the offline retail industry, emphasizing the importance of continual innovation and a customer-centric approach in adapting to the evolving retail landscape (**Tianyu Wang, 2023**). The findings of this study have significant implications for policymakers, industry experts, and scholars interested in the retail industry's future. By shedding light on the impact of e-commerce on traditional retail stores, this study aims to inform ongoing discussions about the industry's future and provide guidance on the best strategies for adapting to the evolving retail landscape (**Abdullah Mahmood, 2023**). This study seeks to understand the impact of the Covid-19 pandemic on small retailers and their response to it, utilizing a crisis management model. The research documents the pandemic's impact and the responses of small retailers, identifying factors that contribute to or hinder their resilience (**Tamal Samanta, 2023**). The study reveals substantial price disparities between e-commerce websites and small Kirana stores, despite the possibility of bargaining at local Kirana shops. These disparities highlight the significant differences in prices between these two shopping avenues (**Surendra Kumar Vyas, 2023**). Examining the evolution and impact of e-commerce on malls in India, this research paper employs a comparative analysis approach. It sheds light on the challenges and opportunities presented by the transformative trend of e-commerce on malls in India. This paper contributes to the existing body of knowledge on e-commerce and retail in India, serving as a foundation for future research in this field (**Dr. Madhura Milind Kulkarni, 2023**). While some studies have assessed the impact of e-commerce on customers, organized retailers, and unorganized retailers, there has been relatively limited focus on measuring e-commerce acceptance by unorganized retailers. This chapter aims to measure the nuances of business-to-business (e-commerce) propensity among unorganized retailers (**Karthik Ram M, 2022**). India is rapidly emerging as one of the world's fastest-growing e-commerce markets, with a burgeoning customer base and a rising number of online retailers. Despite this growth, challenges such as a lack of clear regulatory frameworks, inadequate infrastructure, and consumer trust issues persist. The Indian government and private sector are collaborating to address these challenges and further develop the country's foreign trade and e-commerce industries (**Immanial Yamarthi, 2023**). The author discusses the recent e-commerce boom and the substantial transformation in business models. This global trend of explosive growth is mirrored in India, a country experiencing extensive internet penetration (**Dr. Shahid Arin Bhat, 2018**). The

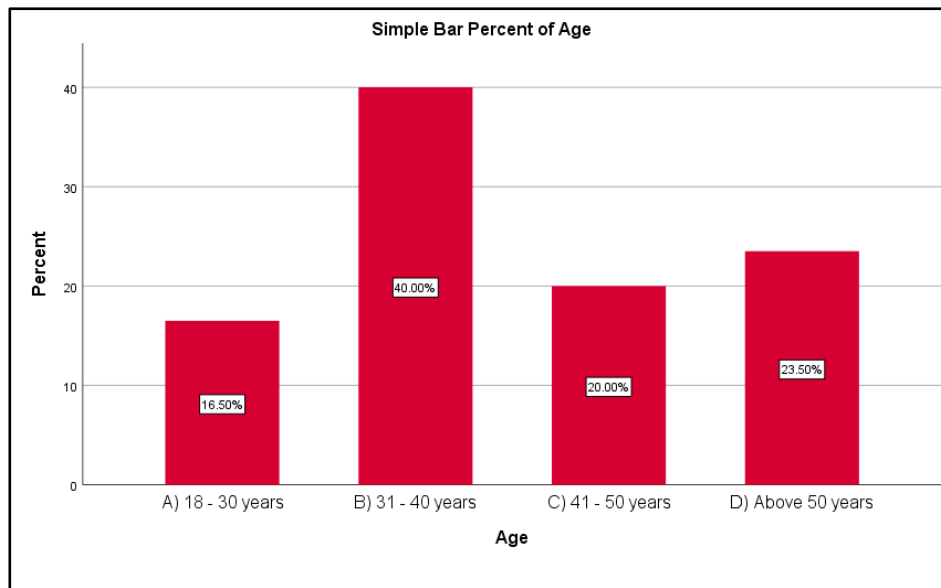
author explores current trends in e-commerce worldwide and explains the evolving business models in e-commerce, culminating in its zenith by 2019 (**Michael Bernhard, 2020**). The author delineates the definition of mobile e-commerce and identifies the key players in the mobile value network, including mobile equipment vendors, IT enablers, content providers, and portal providers. Additionally, the author introduces the concept of ubiquitous commerce, representing the next phase in e-commerce evolution (**Tawfik Jelassi, 2020**). This research observes the growing role of information and communication technology in daily life and the associated cyber threats and attacks on e-commerce, highlighting the disadvantages of e-commerce (**Ramjee Prasad, 2020**). The author illustrates how smartphones have become integral in obtaining detailed information on various subjects. Mobile marketing is emerging as a vital communication tool, poised to replace traditional promotion methods. This research aims to raise awareness of how younger generations are integrating e-commerce into their lives (**Henry D. Tran, 2020**). The author examines the role of e-commerce in agricultural sectors, outlining business models built around agricultural e-commerce and its impact on agricultural product marketing (**Eddy Soerganto Seogoto, 2020**). The research delves into the significant economic growth generated by the rapid development of internet technologies and the emerging e-commerce sector. In the context of India, it investigates the relationship between e-commerce growth factors and economic progress, emphasizing the role of internet and technological development in fostering positive GDP growth (**Samridhi Jain, 2020**).

METHODOLOGY:

The method used here was the empirical method. The sampling method taken here was the convenient sampling method and the sample size was 200. The sampling frame was set within Chennai, Tamil Nadu. The dependent variables are level of awareness regarding the impacts of domestic retailers, major impacts faced by the retailers after the development of E-commerce business, main advantages of selling through e-commerce platforms compared to traditional retail channels, e-commerce has affected traditional brick-and-mortar retail stores in India and the independent variables are age, gender, educational qualification, salary and occupation. The research tools used here are simple bar charts, independent sample T test, univariate analysis of variance and correlation .

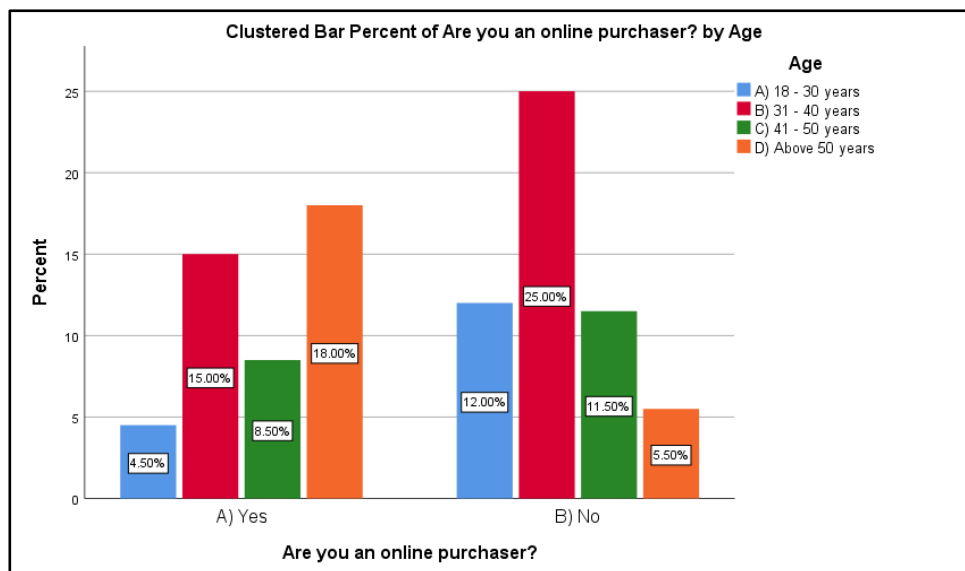
ANALYSIS:

FIGURE 1



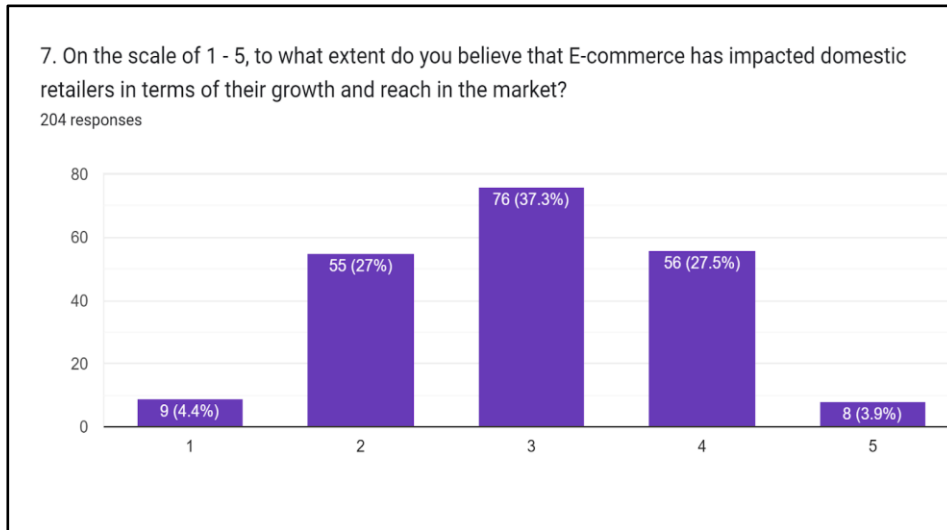
LEGEND: Figure 1, shows the age distribution of the survey respondents.

FIGURE 2



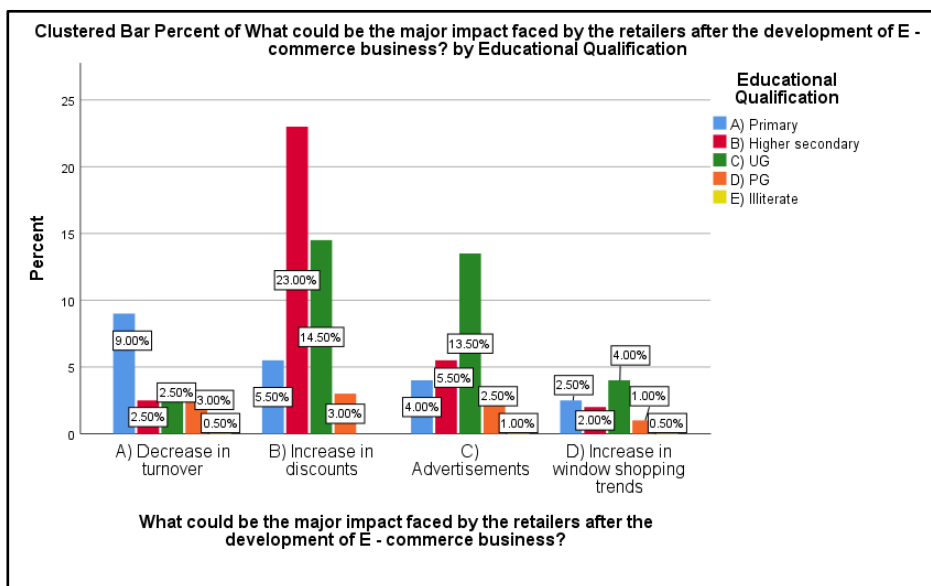
LEGEND: Figure 2, shows the opinion of the survey respondents on whether they are purchasing online or not by age.

FIGURE 3

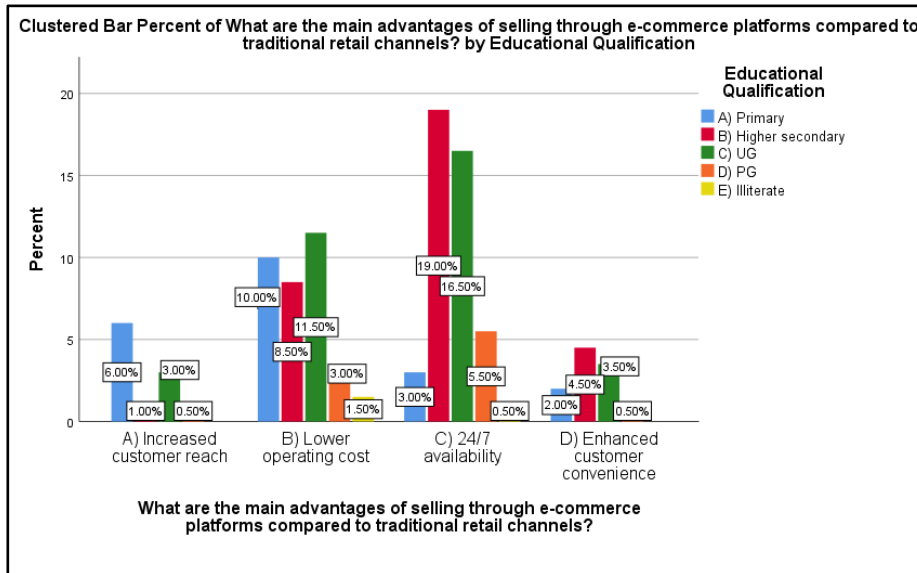


LEGEND: Figure 3, shows the survey respondents' level of awareness regarding the impacts of domestic retailers in terms of their growth and reach in the market.

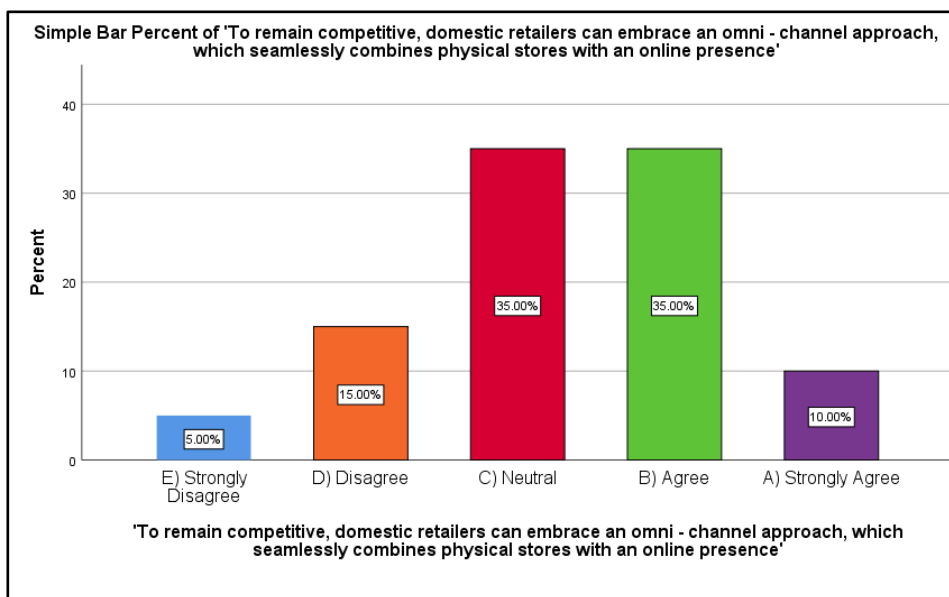
FIGURE 4



LEGEND: Figure 4, shows the opinion of the survey respondents on the major impacts faced by the retailers after the development of E-commerce business by educational qualifications.

FIGURE 5


LEGEND: Figure 5, shows the opinion of the survey respondents on the main advantages of selling through e-commerce platforms compared to traditional retail channels by educational qualifications.

FIGURE 6


LEGEND: Figure 6, shows the agreeability on whether to remain competitive, domestic retailers can embrace an omni - channel approach, which seamlessly combines physical stores with an online presence or not.

FIGURE 7


LEGEND: Figure 7, shows the opinion of the survey respondents on how e-commerce has affected traditional brick-and-mortar retail stores in India.

RESULT:

In **figure 1**, survey respondents belonging to the age group of 31 - 40 years are high with 40% followed by above 50 years age group 23.5%. In **figure 2**, survey respondents have opined that they aren't purchasing online with 51% and the remaining 49% are online shopping respondents. In **figure 3**, survey respondents' are aware about the impacts of E-commerce on domestic retailers in terms of their growth and reach in the market. In **figure 4**, survey respondents have opined that increase in discounts (46%) could be the major impact faced by the retailers after the development of E-commerce business followed by advertisements cost (26.5%). In **figure 5**, survey respondents have opined that 24/7 availability (43.5%) is the main advantage of selling through E-commerce platforms compared to traditional retail channels followed by lower operating cost (34.5%). In **figure 6**, survey respondents have shown both neutral (35%) and agreeable (35%) opinion for the statement that to remain competitive, domestic retailers can embrace an omni-channel approach, which seamlessly combines physical stores with an online presence. In **figure 7**, respondents have opined that E-commerce has affected traditional brick and mortar retail stores in India negatively with 46.5%.

DISCUSSION:

It can be seen that survey respondents have opined that they aren't purchasing online with 51% and the remaining 49% are online shopping respondents. The findings of this research highlight that while a significant percentage of respondents (51%) remain reluctant to shop online, there are various underlying reasons for this hesitation. It is essential for businesses, policymakers, and researchers to recognize these factors and work collaboratively to address them. By understanding and mitigating the barriers to online shopping, we can encourage a more inclusive and diversified e-commerce landscape that caters to the needs and preferences of a wider consumer base (**Figure 2**). It can be seen that survey respondents' are aware about the impacts of E-commerce on domestic retailers in terms of their growth and reach in the market. This survey analysis demonstrates that a substantial portion of respondents is aware of the impacts of e-commerce on domestic retailers, particularly in terms of market reach and growth opportunities. The findings underscore the need for a nuanced understanding of how e-commerce is shaping the retail landscape and highlight the importance of adapting policies and strategies to maximize the benefits of this transformation while addressing its challenges. Ultimately, this awareness can contribute to informed consumer choices and more effective support for domestic retailers in the evolving retail ecosystem (**Figure 3**). It can be seen that survey respondents have opined that increase in discounts could be the major impact faced by the retailers after the development of E-commerce business followed by advertisements cost. The impacts of e-commerce development on retailers, as identified by survey respondents, reflect the challenges and opportunities inherent in the evolving retail landscape. Increased discounts underscore the fierce competition in the e-commerce market and its impact on retailers' profitability and brand image. Rising advertising costs highlight the need for retailers to allocate resources strategically to remain competitive in the digital arena. For retailers to thrive in this environment, they must strike a delicate balance between offering competitive pricing and managing advertising expenditures efficiently. Understanding these challenges and finding innovative solutions will be key to their continued success in the e-commerce era (**Figure 4**). It can be seen that survey respondents have opined that 24/7 availability is the main advantage of selling through E-commerce platforms compared to traditional retail channels followed by lower operating cost. The advantages of 24/7 availability and lower operating costs in the realm of e-commerce are undeniably transformative. E-commerce platforms have redefined convenience for consumers, enabling them to shop on their terms, while businesses benefit from global accessibility and reduced operational expenses. These advantages have made e-commerce an increasingly dominant force in the retail landscape. As traditional retail channels evolve to compete with e-commerce, understanding and harnessing these advantages become crucial. Businesses must strategically leverage 24/7 availability and cost-efficiency to remain competitive, adapt to changing consumer preferences, and thrive in an increasingly digital

world (**Figure 5**). It can be seen that survey respondents have shown both neutral and agreeable opinion for the statement that to remain competitive, domestic retailers can embrace an omni - channel approach, which seamlessly combines physical stores with an online presence. The balanced opinions of survey respondents regarding the omni-channel approach underscore the complexity of the retail industry's transformation. While some view it as an essential strategy for remaining competitive in a digital age, others approach it with caution, acknowledging the potential challenges and costs associated with implementation. Ultimately, the effectiveness of an omni-channel strategy for domestic retailers depends on a multitude of factors, including their target market, resources, and adaptability. Retailers should carefully consider these factors, align their strategies with evolving consumer preferences, and harness the benefits of both physical and digital channels to thrive in the competitive retail landscape (**Figure 6**). It can be seen that respondents have opined that E-commerce has affected traditional brick and mortar retail stores in India negatively. The opinions expressed by survey respondents regarding the negative impact of e-commerce on traditional brick-and-mortar retail stores in India reflect the complex dynamics of the retail sector in the country. While e-commerce has certainly disrupted traditional retail, it has also prompted traditional retailers to innovate and adapt to changing consumer behaviours. The future of retail in India is likely to be a fusion of online and offline experiences, with both channels complementing each other. Traditional retailers that embrace technology, enhance customer engagement, and differentiate themselves through unique offerings are more likely to thrive in this evolving retail landscape. Ultimately, the ability to balance the strengths of both traditional and e-commerce retail will be key to sustained success in the Indian market (**Figure 7**).

LIMITATIONS:

When research is geared towards delving deeply into particular settings influenced by various factors such as values, beliefs, perceptions, politics, and ideologies, the absence of government initiatives can potentially compromise the researcher's ability to maintain analytical objectivity and research independence.

SUGGESTIONS:

Encourage the retailers to focus on cultivating a warm and inviting in-store atmosphere, complemented by personalized customer service that distinguishes them from online platforms. Advise the adoption of technological tools such as establishing a digital presence and offering convenient payment methods to attract a broader clientele. Furthermore, proposing collaborative partnerships with e-commerce platforms could broaden their customer base while observing successful instances of fellow local retailers adapting to the digital landscape could offer valuable insights for emulation.

CONCLUSION:

Based on the analysis done, it can be concluded that the rise of e-commerce has left an unmistakable imprint on the realm of local retailers. As we've delved into the impacts, a multi-dimensional picture emerges. E-commerce's influence goes beyond mere convenience; it's a catalyst for change that has pushed local retailers to adapt and innovate. With the emergence of online shopping, local retailers have harnessed technology, venturing into the digital space to widen their reach and offer convenience akin to e-commerce giants. This shift has resulted in a competitive drive, fostering innovation and prompting local retailers to create unique shopping experiences that resonate with customers. While e-commerce might alter traditional job roles, it simultaneously creates new opportunities in areas like delivery and online support. Policymakers now stand at a crossroads, challenged with harmonizing the success of local retailers and the interconnectedness of the global marketplace. This transformative landscape has prompted local retailers to revamp their strategies, elevating customer experience to meet the high standards set by e-commerce. What emerges is a narrative of collaboration, as some local retailers tap into e-commerce platforms to bolster their presence. Ultimately, this isn't a tug-of-war between e-commerce and local retail; it's an evolution of both, shaping the future of retailing. As local retailers continue to adapt and learn, the convergence of these two forces offers a promising avenue for a holistic shopping experience, blending the best of both worlds to redefine the retail landscape for generations to come.

REFERENCES:

1. Chandan Kumar in Study on E-Commerce and Its Impact on Markets & Retailers : An Overview, April 2018, SSRN Electronic Journal 5(2)
2. Kamallesh S in Impact of E-commerce on Traditional Business in India, Department Of Mba Indian School Of Science And Management Chennai-60001, India Volume 11, Issue 4 April 2023 | Issn: 2320-2882
3. Anwaar Al-Abri, Jitendra Pandey in Impact of "e-Commerce Business and boom of online market" on Retailers in Oman, July 2020, Journal of Student Research, DOI:10.47611/jsr.vi.902, Middle East College
4. Robert M. Fuller , Michelle K. Harding in The Impact of E-commerce Capabilities on Online Retailer Performance: Examining the Role of Timing of Adoption, December 2021, Information & Management 59(3):103584, DOI:10.1016/j.im.2021.103584, University of Tennessee
5. K. Natarajan in Growth Of Indian M-Commerce And Its Impact On E- Commerce Retailers Strategy, June 2016, DOI:10.5281/zenodo.6320493, Annamalai University
6. Tianlong Ge , Zheng Liu in The Impact of E-Commerce on the Clothing Retailers: Studies on Chinese Companies, June 2017, DOI:10.4018/978-1-5225-2599-8.ch048, In book: Mobile Commerce (pp.1039-1068)
7. Tianyu Wang in Research on the Impact of E-commerce on Offline Retail Industry, July 2023, Frontiers in Business Economics and Management 10(1):169-173, DOI: 10.54097/fbem.v10i1.10237

8. Surendra Kumar Vyas in A Review on Impact of E-commerce Websites on Small Kirana Shops in India , January 2023, DOI:10.1007/978-981-19-7663-6_4, In book: Intelligent Sustainable Systems (pp.29-38)
9. Abdullah Mahmood in The Impact of E-commerce on Traditional Brick-and-Mortar Retail Stores, January 2023, DOI:10.5281/zenodo.7670223, Istanbul Okan University
10. Karthik Ram M in The Propensity of E-Commerce Acceptance Among Unorganized Retail Small-Medium Enterprises (SMEs), December 2022, DOI:10.4018/978-1-6684-5727-6.ch004, In book: Advancing SMEs Toward E-Commerce Policies for Sustainability (pp.73-87)
11. Immanial Yamarthi in A Study Emerging Trends Of Foreign Trade And E-Commerce In India, June 2023, Swiss School Of Business and Management Geneva
12. Dr. Madhura Milind Kulkarni in The Evolution And Impact Of E-Commerce On Malls In India: A Comparative Analysis, June 2023, EPRA International Journal of Economic and Business Review, DOI:10.36713/epra13456
13. Tamal Samanta in Resilience of small retailers in facing the Covid-19 pandemic -a qualitative study, July 2023 , Qualitative Market Research An International Journal, DOI:10.1108/QMR-03-2022-0050, Indian Institute of Management, Lucknow.
14. Dr. Shahid Amin Bhat, A Review Paper on E-Commerce , February 2016 Conference: TIMS 2016-International Conference , At: Gwalior.
15. Michael Bernhard, E-Commerce , May 2020 , DOI: 10.1007/978-3-658-29037-5_3_ In book: Verantwortungsvolle KI im E-Commerce (pp.67-118)
16. Tawfik Jelassi, Moving from Wired e-Commerce to Mobile e-Commerce and U-Commerce, June 2020 , DOI: 10.1007/978-3-030-48950-2_12 , In book: Strategies for e-Business (pp.343-371)
17. Ramjee Prasad , E-commerce, January 2020 , DOI: 10.1007/978-3-030-31703-4_12 , In book: Cyber Security: The Lifeline of Information and Communication Technology (pp.175-185)
18. Henry D Tran , From E-Commerce to M-Commerce, July 2020, DOI: 10.33552/JTSFT.2020.06.000630
19. Eddy Soeryanto Soegoto, E-Commerce for Agriculture , August 2020 , IOP Conference Series Materials Science and Engineering 879:012117, DOI: 10.1088/1757-899X/879/1/012117 (Soegoto and Nugraha 2020)
20. Samridhi Jain Gupta , E Commerce in India , July 2020, In book: E-Commerce in India: Economic and Legal Perspectives (pp.36-60), Publisher: SAGE Publications, Project: Ecommerce in India