



A STUDY ON IMPACT OF E-COMMERCE ON TRADITIONAL RETAIL STORES WITH SPECIAL REFERENCE TO MADURAI CITY

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ABSTRACT:

This research aims to investigate the varied effects of the growing e-commerce sector on traditional retail businesses, considering economic, social, and policy dimensions. The study will explore the economic implications for both e-commerce and brick-and-mortar retailers, analyzing factors such as market dynamics, pricing strategies, and consumer behavior. Due to growth of e-commerce, brick and mortar stores lost their customers as they not visit the physical stores. By adopting a comprehensive approach, this study seeks to provide valuable insights into the evolving relationship between e-commerce and traditional commerce, offering practical recommendations for businesses and policymakers alike. The brick and mortar stores sales have been decreased due to growth of e-commerce. By exploring these avenues, future research can provide further insights into the complex relationships between e-commerce, traditional retail, and consumer behavior.

KEYWORDS:

BRICK-AND-MORTAR STORES, PRICING STRATEGIES, CONSUMER BEHAVIOR, E-COMMERCE, PRICING STRATEGIES.

1.1 INTRODUCTION:

The Evolution in the world of technology like computers, information technology, fast mobile networks and cheap smartphones has led the path for rapid growth and penetration of the internet in India. The Internet plays an important role in our daily life and affects our decisions making process. We spend lots of our time over the internet for various works like searching for information, news, connecting with other people on social media sites, entertainment etc.

As e-commerce has grown, brick-and-mortar stores have had to alter their methods of reaching customers. Stores are struggling to sustain sales volumes as fewer customers visit them in person due to the rise of e-commerce explores the role that online shopping has played in this change and looks at what conventional stores are doing to adapt to the new market conditions. There has been a significant shift in customer behaviour due to the popularity of purchasing online. This study delves deep into this interesting fusion, unraveling the many layers of how e-commerce has shaped the retail landscape.

1.2 STATEMENT OF THE PROBLEM

- The internet plays an important role in our daily life. We spend lots of our time over the internet for different works like finding answers to any question,

entertainment, shopping, social media etc. Thus the internet has a big impact on our life and greatly influences our life and decisions.

- The digital transformation has an impact in almost every industry including the retail industry. In this fast moving world with rapid increase in innovations and technology.

1.3 OBJECTIVES OF THE STUDY

- To identify the changing consumer behaviors and preferences in response to the rise of e-commerce.
- To explore strategies that traditional retailers can use to compete with online retailers.
- To evaluate the future of traditional retail in the context of increasing e-commerce penetration.

1.4 RESEARCH DESIGN

In accordance with the above objective, the research design is planned in such a way that the data are collected from the retailers by convenience sampling. This article includes the use of both primary data and secondary data.

1.4.1 METHODS OF DATA COLLECTION

PRIMARY DATA:

Primary data are those which are fresh and are collected

for the first time, and thus happen to be original in character. The primary data was collected through questionnaire (close ended).

SECONDARY DATA:

Secondary data are those which have been already collected by someone else and which already had been passed through the statistical process. The secondary data was collected through web sites, books and magazines.

1.4.2 SAMPLE SIZE

Sample size of 58 was taken for the study. The result is generalized on the basis of sample selected.

1.5 DATA ANALYSIS

TABLE 1

HAVE YOUR CUSTOMER'S SHOPPING HABITS CHANGED WITH THE RISE OF E-COMMERCE?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Yes, most of them now shop online	14	24
Yes, but they still visit the store occasionally	23	40
No, their habits haven't changed	11	19
No, they prefer in-store shopping exclusively	7	12
I'm not sure	3	5
TOTAL	58	100

Source: Primary Data

In the above table, 24% of the respondents chose 'Yes, most of them now shop online', 40% of the respondents chose 'Yes, but they still visit the store occasionally', 19% of the respondents chose 'No, their habits haven't changed', 12% of the respondents chose 'No, they prefer in-store shopping exclusively', and 5% of the respondents chose 'I'm not sure'.

CHART 1



TABLE 2

HAVE YOU HAD TO CHANGE YOUR PRODUCT PRICING DUE TO COMPETITION FROM E - COMMERCE?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
We lowered our prices	20	38

We raised our prices	18	34
We haven't adjusted prices	14	27
I'm not sure	6	1
TOTAL	58	100

Source: Primary Data

In the above table 1, 38% of the respondents lowered their prices, 34% of the respondents raised their prices, 27% of the respondents haven't adjusted their prices, and 1% of the respondents chose 'I'm not sure'.

CHART 2

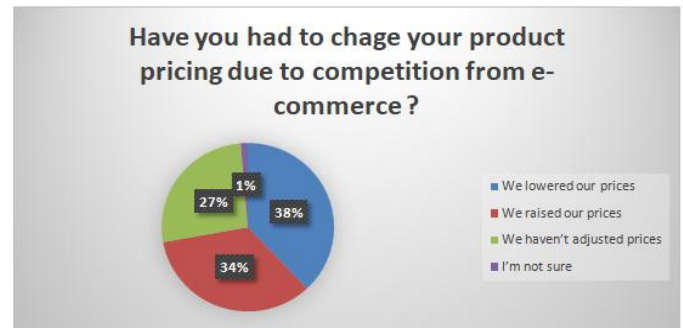


TABLE 3

WHAT PERCENTAGE OF YOUR SALES DO YOU THINK ARE LOST DUE TO E-COMMERCE?

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
1 - 10%	12	24
11 - 20%	26	51
21 - 30%	12	24
More than 30%	8	1
TOTAL	58	100

Source: Primary Data

In the above table, 24% of the respondents believe that their sales decreased by 1 - 10% due to e-commerce, 51% believe their sales decreased by 11 - 20%, 24% believe their sales decreased by 21 - 30%, and 1% believe their sales decreased by more than 30% due to e-commerce.

CHART 3



1.6 FINDING

❖ Out of 58 respondents, 40% of respondents stated

that their customers' shopping habits had changed, but they still visit the store occasionally.

- ❖ 38% of respondents reported that they had lowered their prices due to competition from e-commerce.
- ❖ 51% of respondents believed that 11-20% of their sales were lost due to competition from e-commerce.

1.7 CONCLUSION

In conclusion, the rise of e-commerce has undeniably had a profound impact on traditional retail stores, transforming the landscape of consumer shopping behaviors. While traditional retail establishments face challenges, such as decreased foot traffic and the need to adopt digital technologies, they also have opportunities to adapt and thrive in the changing marketplace. Retailers who successfully integrate e-commerce strategies with their brick-and-mortar operations, offering seamless omnichannel experiences, personalized customer service, and leveraging their physical presence, will likely emerge stronger in the evolving retail ecosystem. As consumer

preferences continue to shift, it is imperative for traditional retailers to innovate and embrace new technologies to remain competitive and relevant in the digital age. Ultimately, the future of retail will likely involve a dynamic combination of both traditional and online retail, where businesses that can effectively blend the strengths of both will lead the way forward.

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