

IMPACT OF ONLINE SHOPPING ON RETAIL BUSINESS WITH REFERENCE TO TEXTILES

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Abstract

In the case of online shopping, consumers do not need to travel all the way to the brick and mortar shops. Online shopping offers unique products, 24 hours functioning and huge discount rates. These factors make online shopping popular among consumers. . This study is an attempt to understand the impact of online shopping on textile retail business. Convenient sampling method has been used for the study. Primary data have been collected from 50 retail shop owners through Direct Personal Interview method. Responses were collected using 5 point likert scale. Convenient sampling method is used for the study. Data analysis is done using SPSS 21.0 software. This study reveals that retail business has been affected very badly because of the increasing interest of online shopping among the consumers, and the turnover from retail business has been reduced as well. This study observes some new strategies introduced by the retailers to cope up with the trend of online shopping.

Keywords: Online shopping, retail business, turnover, strategies.

Introduction

Online shopping is a form of electronic commerce, which allows the consumers to buy goods or services directly from a seller over the Internet using a web browser. Consumers can visit various website through search engine and buy the products of their interest without much delay and they can easily access various sites through computers, laptops, tablets and smart phones. Online shopping has attained immense popularity in recent days mainly because people find it convenient to shop from the comfort of their home or office and eased from the trouble of moving from shop to shop in search of the goods of their choice. With the advent of computers, tablets and smartphones, India has become technologically advanced.. Some of the main online stores at present in India are Amazon, Flipkart, Snapdeal, Homeshop 18, and Myntra .

Retail business sell items or services to customers in – store. A retailer is a merchant, an agent, or a business enterprise, whose main business is selling the goods and services directly to consumers through various distribution channels. The study focus on the retailers with respect to textile business. It facilitates the consumers to buy the products according to their need in time without much delay. This study includes analysis about the impact of increasing trends faced by the retailers, and also an attempt has been made to highlight the growing impact of the increasing trend of online shopping over the various clothing retailers. However, the emergence of online shopping with their attractive incentives, big discounts and wide varieties has created an adverse impact on them.

Retailers comprise of a large section of the population and a larger population is dependent upon these retailers. However, the advent of e-stores with their attractive incentives and wide varieties has spread a fear of uncertainty and helplessness among the retailers.

Statement of the problem

Online Shopping has made tremendous changes in all spheres of the economy. The study focus on the impact of online business in textile business and find out how it has affected retailers. The study focus on the small textile retailers' in Angamaly Town. The nearby store is always the most important concern for all reason and seasons. It needs to revive not just survive. The retail stores needs to simply uplift its pattern of business and face the competitive world with a more positive outlook. E-stores and retail stores both have to survive, none at the cost of the other. It's not just about the livelihood it gives to the thousands of people, but also the convenience and the steadfastness of a fixed retail store. This study focus on understanding the business strategy adopted by the retailers over the trend of online shopping and to survive in the market.

Objectives of the study

- To study the impact of online shopping on textile retail business.
- To understand the effect of online shopping in terms of turnover.
- To understand the business strategy adopted by the retailers to confront the trend of online shopping.

Hypothesis

H0: There is no association between the strategies adopted by the retailers in order to confront the trend of online shopping and the turn over from the retail business.

H1: There is association between the strategies adopted by the retailers in order to confront the trend of online shopping and the turn over from the retail business.

Research Methodology

Primary data as well as secondary data are used for the study. Primary data are collected from 50 retail shop owners in Angamaly town through Direct Personal Interview method. Responses were collected using 5 point Likert scale. The secondary data are collected from newspapers, published articles in journals, newspapers, magazines and websites. Convenient sampling method is used for the study. Simple percentage is used to obtain the results of the study. Chi-square test has been performed to analyse the association between the new strategies introduces by the retailers and the turn over obtained from the business.

Tools used for data analysis

The collected data were classified and analysed with the help of SPSS 21.0. Simple percentage and Chi – Square test are the statistical techniques used for the study.

Review of literature

Jyothi Meshram (2016) she published a paper on the topic study of impact of online shopping on conventional shopping methods by today's youth with respect to clothing and accessories. Which includes highlighting the growing impact of the increasing trend of online shopping over the various fixed shop retailers. Retailers comprise of a large section of the population and a larger population is dependent upon these retailers. But the emergence of e-stores with their attractive incentives, big discounts and wide varieties has created an adverse impact onto them. This study tries to identify how retail the growing numbers of e-stores is affecting businesses. This paper also unravels the declining number of footfalls to fixed shop retailers due to increasing trend for online shopping. The future research needs an investigation on the subject and problems need to be identified for online shopping which can be a social media management, getting utmost value from Search Engine optimisation, multiservice usage, optimising the mobile experience, competing with the noise and proving ROI of marketing activities of online shopping.

Archana Singh (2016) in this paper she had attempted to highlight the growing impact of the increasing trend of online shopping over the various fixed shop retailers. The emergence of e-stores with their attractive incentives, big discounts and wide varieties has created an adverse impact on them. This paper also unravels the declining number of footfalls to fixed shop retailers due to increasing trend for online shopping. It was also noticed that the online shopping creates a positive impact on the consumers thereby they end up shopping more while they are online. The footfalls to conventional shops are thereby decreased due to online shopping and the positive impact while shopping.

James Wilson (2020) he published a paper on the topic impact of e-commerce trends on the retail industry. In fact, the trends in the ecommerce industry play a pivotal role in changing the fate of the entire retail business. Ecommerce has a great impact on the retail industry influencing the latter to offer an equally engaging shopping experience. The best ecommerce trends have slipped into the retail world and most of the retail shops either have or will have an online presence soon. Retailers are adopting new technologies that enable potential customers to access the listed products anytime, anywhere. This helps to bring in more customers to the website and generate sales. The persons who are aiming at a strong online reputation for your retail business, then it is important to stay updated with the latest trends. The popularisation of ecommerce trends within the last decade has truly created a great impact on customers and their shopping experience. This has influenced the retail industry too in fuelling their sales through the use of online platforms. Do let us know in the comments section given below how e-commerce trends have impacted your retail business.

Umesh Maiya (2020) he published a paper based on the topic impact of online shopping on retail business in Udupi district. This article deals with the impact of the growing trend of online shopping in various retail chains with offline stores. Retailers make up the majority of the population, and more and more people rely on this retailer. But emergency of e-stores attractive, incentives, big discounts and big changes has a negative impact on them. The purpose of this study is to determine how this will affect retailers as the number of e-stores increases. Many companies began retailing by hosting their own websites, which included various services with attractive customer offers. The platform function as a consortium that uses all the products offered small stores, in large shopping centres. It consists of clothes, shoes, installation materials, furniture, jewellery and food. The result was an e-store that meets the requirements. The study reveals that a decrease in the number of steps towards ground retailers as online shopping trend increase. This conceptual review analyses online purchases or conversions, and analyses changes in customer behaviour with online purchases. As a result, online retailers and offline retailers may conclude that they should focus on build stable relationships between manufacturers and customers to improve your business and accelerate economic growth.

Nilesh Jain(2020) he presented a paper on the topic online shopping in India . The Internet is a global system of interconnected computer networks that use the standard Internet protocol suite (TCP/IP) to serve several billion users worldwide. It is a network of networks that consists of millions of private, public, academic, business, and government networks, of local to global scope, that are linked by a broad array of electronic, wireless and optical networking technologies. This paper is an attempt to throw some light on the behaviour of Urban Indian Youth that uses the Internet. The study highlights that urban Indian youth is more an online surfer than an Online Shopper. It has still to equip itself with the new techniques of e-commerce. Only a very small percentage of Indian youth has started appreciating the role of Internet in shopping. It is well equipped for using the Internet as an online surfer but needs time and experience to be an online shopper. In our study, payment methods, postal shopping and shipping methods and convenience of delivery are discussed with respondents for future prospects of online shopping in India.

Seema Hariramani (2020) she had published a paper with topic consumer’s perception towards online shopping. Technological breakthroughs have brought the people's dream come true. Day in and day out whatever people wish for, there is someone who is ready to offer that. These technological inventions on one hand ease the life on the other hand they make people work like machines. Online shopping is one such technological boon to the people who are time scarce. This prompted to study the consumers' perception related to various aspects of online shopping. Data collected with convenience based sample of 765 from Ahmedabad analysed through Factor Analysis technique revealed that Advertising and Promotion Strategies of the website is the most important factor that affects the consumers' perception towards online shopping. Multiple Regression Analysis revealed that "Social and Rational Buying" is a major contributing factor to the overall satisfaction level of online shoppers. Discriminant Analysis discriminated the shoppers into Satisfied, Dissatisfied and Indifferent Shoppers and Social and Rational Buying is the most important factor which discriminates the groups of shoppers, followed by advertising & promotion strategies, convenience & time saving and so on

Muhammad Kashif, Aziz-Ur-Rehman, Muhammad Kashan Javed (2020) the authors published a paper on the relevant topic covid -19 impact on online shopping. The main purpose of this study is to investigate if the coronavirus is pushing people to do online shopping and will they continue doing online shopping when this plague is over. The data for this paper has been collected by circulating questionnaire on the social media as the situation is unsuitable to go for physical surveys. The questionnaire is comprised of six different questions 549 people were approached for feedbacks on the questionnaire and 205 people responded. This ratio is not bad as online survey usually give responses around this number. This report is comprehensive in knowing whether coronavirus is triggering people to do online shopping, or they are still managing to buy products physically. Investigation has brought on the conclusion that people are not doing more online shopping during coronavirus and people also disagreed that they will be continuing doing online shopping with the same rate in future when this pandemic is over.

Results and Discussion

Table 1: Responses for various questions related to different factors affecting the retail business on the advent of online shopping.

Responses in percentage						
	Factors	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1	There is decrease in average turn over	40	30	20	6	4
2	There is decrease in profit	20	46	20	10	4
3	There is increase in average turnover after the implementation of strategy	40	44	10	4	2
4	There is increase in profit after the implementation of strategy	30	40	15	10	5

5	Attitude towards new strategies adopted.	25	15	60	0	0
6	Replacement on damaged items .	0	50	50	0	0
7	Providing aftersales services.	0	40	60	0	0
8	Providing discount rate before purchase	40	30	28	2	0
9	Providing increased discount rate	0	20	70	10	0
10	Showing variety of stock	80	20	0	0	0
11	Advertisement rate of enterprise	90	10	0	0	0
12	Home delivery services	20	60	10	6	4
13	There is increase in window-shopping in recent time.	0	10	60	20	10
14	Retail textile sales effected by online shopping	70	20	10	0	0
15	Pattern of business has been changed.	10	20	50	10	10
16	Sales of monthly stock	10	20	40	16	14
Strategies and measures taken						
17	Add variety	56	30	12	2	0
18	Discounts on festive seasons	10	44	30	12	4
19	Expand to super store	0	2	2	20	76
20	Be more flexible	14	12	12	50	12
21	Quality	60	30	10	0	0
22	Service	40	30	0	12	18
23	Customer Relationship Management	56	32	2	10	0

(Source:Primary data)

In the above table there are 21 responses related to various factors to study the impact of online shopping on retail business. The table shows that 40% of the respondents strongly agree that their turnover has been decreased as a result of the emerging trend of online shopping, where as 6% of the respondents disagree with the statement. 50% of the retailers are agreed that they are providing replacement services on damaged products, and the other half of the respondents are not providing replacement service. Majority of the respondents (70%) show neutral attitude towards giving an increased discount rate. A good percentage of the respondents (80%) keep variety of stock in their retail shops. Most of the respondents (90%) reported that they advertise their product to attract the customers. 70% of the retailers in textile business believe that their business has been affected very badly because of the advent of online shopping. Moreover, the table shows the responses with regard to providing improved quality items and services to attain the better turn over as part of survival (60% and 40% respectively). However, 56% respondents

agree that customer relationship management must be given more importance to improve the business.

The above table shows the Chi-Square test for testing the association between the strategies adopted by the retailers and the average turnover from the business. The test result shows that the p value (0.000) obtained is less than 0.05, So it is found that there is statistical association between the strategies adopted and the average turnover.

Table 2 : Chi-Square Test

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	400.000 ^a	84	.000
Likelihood Ratio	269.431	84	.000
Linear-by-Linear Association	89.960	1	.000
N of Valid Cases	100		

Findings

- Because of the increased online shopping trend, the retailers have reported a decreased turn over from the business.
- A good proportion of the respondents adopt new strategies to improve the business.
- Half of the respondents are providing replacement services to the customers on different materials.
- Majority of the retailers are able to keep a wide variety in their stock.
- Retailers who are doing home delivery services of their products to the customers are marginally higher.
- Most of the retailers have neutral attitude towards giving increased discount rate on their products.
- A very good number of retailers give advertisement on their store to attract customers.
- Not many respondents' monthly stock is get over by sales.
- Majority of the respondents found to have affected by online shopping trend.
- A good number of respondents are found to have formulated new strategies and measures.
- Chi-Square test result shows the association between the strategies adopted and the average turn over from the business.

Conclusion

The face of retail has changed. The advent of technology in recent period being the primary reason for it. Today, retailing means going into shopping centres going online and going mobile. But the nearby store is always the most important concern for all reason and seasons. It needs to revive not just survive. The retail stores need to simply uplift its pattern of business and face the competitive world with a more positive outlook. E-stores and retail stores both have to survive, none at the cost of the other. It's not just about the livelihood that gives to thousands of people but also the convenience and the steadfastness of a fixed retail store.

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