

Impact of E-commerce on Traditional Businesses

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Abstract— One of the main problems in the service sector is electronic commerce. The main aim of this paper is to stress on the topic and limitations of traditional business, as well as to look the different hinderances that traditional businesses in India face. The ups and downs of e-commerce affect physical and traditional sales formats in the retail space. A study has found that customers have a positive response towards online shopping. Flipkart and Amazon are the most trending online shopping websites. Every now and then, customers have ordered and purchased artifacts and styling merchandise from online shopping sites. Mostly the products which are used and sold by rural residents in the local market area, states that the cost of the products may not be efficient due to the lack of demand for the products in the local market. Limited demand subjects to low sales which results in low income for the e-commerce as customers do not know the quality of product. After implementing the "Digital India" project, India has become even more powerful in this digital era. The Digital India project is an unique idea to rural people and also in the world for e-commerce revolution. Hence, they can easily discuss with the e-commerce industry. The perspective of whole India is changing because of the e-commerce industry and it should be commissioned into the global sector by implementing the Digital India project.

Keywords— E-commerce, Internet, Digital India & Online Shopping

I. INTRODUCTION

One of the most crucial problems in the field of service provider is electronic gadget commerce. To start a political discussion on this issue, it would be useful to present some of the main issues and problems that arise in this area. WTO related e-commerce issues need to be represented and looked after with great attention in perspective of emerging countries in general and also India. From India's policy and plan perspective, it is important to stress on some of the key policy frameworks that need careful consideration for e-commerce to be useful and successful.

Globalization and the new "digital economy" have in common a serious collapse of the world economy. Local markets, including those in developing countries, have been astonished by differences in the world economic environment and other similar differences will continue to haunt businesses and customers around the world. The mark of e-commerce on developing countries is currently being felt mainly in the

international trade chain. Studies show that the import and export sector has grown significantly in recent years and so is the mark of e-commerce would be significant. E-commerce will also play a big role on the service sector, as it is not only the fastest growing sector in recent times, it is also the sector that presents the greatest risk of offering digital services and transactions. This is of specific concern for several countries as most of their employees are employed in the service industry.

E-commerce has now become an integral part of India's trade reformation policy. Since 1991, after the economic changes occurred in India due to the opening of the economy with the vision of integration into the world economy, they must honor international trade through both political and procedural reforms and have become the cornerstone of trade. Indian. And financial policy. As a result, an industrial revolution has been observed in recent years, along with the boundless use of the Internet, web technology and its applications. Electronic commerce (e-commerce) has become an elixir of the information technology change has spread to the world and particular the Indian economy.

II. LITERATURE SURVEY

When the computer technology arrived, humanity has endured an unbeatable swell in developing new and slice-edge technologies. also, the greed for organizational effectiveness as well as using it to acquire competitive gains has made the relinquishment of these technologies to be supposed consummate in icing that associations do cut themselves an edge in this competitive business era.

Still, there's need for each association to shallowly and considerably consult before getting out in rolling the entire design, this is vital as it'll mandate the progress and susceptibility of the design. One remarkable technology that has propelled several associations to lesser distance is internet e-commerce.

By description, online markets have been allowed to employ electronic machines and also virtual information processing systems in transaction deals to produce, transform, and analyze connections for value creation between or among associations and individualities.

The whole invention centers on buying or selling via the internet. Online sites include; the business will effectively monitor its status, It will be very much aggressive because all legitimate users will be able to place order on-line as well as check the status of their orders after they are placed. It is safe to rely on, scalable and convenient, the concept will offer the business a chance to reach different markets. E-commerce is not only used to give and take but also for marketing a company's product to the world.

Online market is one of the fastest trending diligences across the globe and it is the most fluently evolving areas of public and transactional trade. Using digital means to grow business has been one of the most current inventions in the world of business and offers an occasion to organizations to expand business through electronic means. E-commerce means have handed openings for business expansions but have also presented the business area with numerous challenges.

It is worth saying that online shopping enables revolutionary change and helps associations to carry on business with bettered edge and positivity. E-commerce is lauded for empowering its workers with knowledge, by giving them easy and early access to nearly unlimited data. Online shopping technologies have served nations to hike their profitable growth and to give further openings for the businesses and organizations to expand.

Meanwhile, it has also generated numerous challenges and unnecessary goods, similar as enterprises over sequestration, customer rights, and security of credit card transactions, relegation of labors (especially low-status bones), and is accused with having a negative effect on quality of work life.

III. ALGORITHM



Fig 1

IV. METHODOLOGY

Various searches of a similar type were used to verify the format and type of charts used to analyze the data. Secondary data was collected from various journals, newspapers, online resources, data from various government documents, and published national and international papers.

- Type of research design: research is descriptive and innovative research. Description in the sense that it refers to the number of different parameters given. Exploratory research as it collects data from different parameters and tends to establish a cause-and-effect relationship between the parameters.

- Parameters: - Different parameters are used to set the relationship between the indicators. online shoppers, digital

diffusion, online market sales, internet growth.

- Data Representation: - Selected data is represented in the form of tables, graphs, pie charts and X-Y diagrams.
- To Focus on the subject and limitations of E-Commerce.

Table1 E-Commerce Industry in India, Source – (Economic Times, PWC, Financial Express)

S.No	YEAR	E-COMMERCE INDUSTRY IN INDIA (US\$ BILLION)
1	2015	20
2	2017	39
3	2018	50
4	2020	64
5	2025	188
6	2026	200

The Indian online shopping sector has experienced a hiking trend and is expected to overtake the United States to become the pinnacle of e-commerce market across the globe by 2034. India is facing the digital revolution. "This is the main reasons why the Internet is such an important part of the traditional population.

- Downfall in the price of broadband subscription price.
- Change in urban India's way of life.
- Changing lifestyle in rural India.
- Online shopping is more convenient.

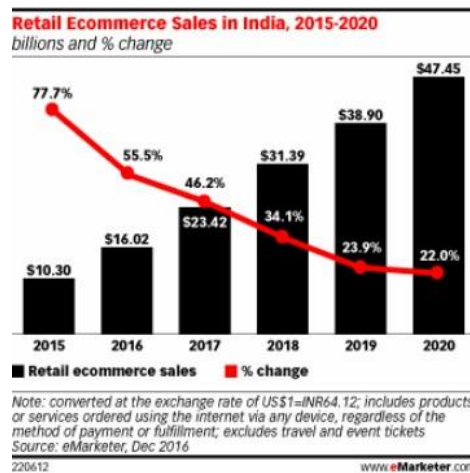


FIG 2

A. Need to evolve quickly

Technology moves presto. New channels keep coming into play. Businesses must learn how stylish to interact with customers on various devices. And with further brands to contend against, you have further business possessors trying out ways to set themselves apart. However, or furnishing free particulars with every buying, or doing commodity differently

yet do you will have to find out how to bring your A game to stop losing guests to. If a retailer in your space starts offering free shipping. Across the board, retailers of all categories now must stay on top of changing trends and technologies to be sure you don't falter before. Having a little dexterity in your business model so you can snappily acclimatize as demanded is an important component to success.

B. The need to promote your brand online

When someone wants to buy an item in person, they still frequently start their shopping by just checking on online sites to see what their store options are:

That means indeed if a stable business does not have an online platform, it's still necessary to have a website and invest in E-commerce. Boards and on air advertisements won't cut it presently.

Ultramodern businesses want to be popular on social media, optimize their website for hunt machines, and conceivably invest in paid advertising channels.

C. The influence of customer reviews

Customer reviews are an especially influential component in the innovation process. While you are looking out for a new product—especially a high-price one—we often do read reviews shared by other people. On an average a customer reads twelve reviews before purchasing an item, according to a survey.

For both online stores and traditional retail stores, motivating and covering reviews is now an integral part of running a profitable business. Also, if your product gets a lot of negative remarks, it is important to figure out why and ameliorate on it before you lose your client base because of it.

Understanding and acting on customer reviews will also be vital to your customer retention process, this ensures that your customers remain loyal.

D. Customer expectations around convenience

Acquiring an item online is simple and effective. You don't have to look after roads and parking. You don't have to find out the stylish machine route. You get the item you need and with many clicks and scrolls, it'll be right before you. guests are now petrified for convenience, and that changes our intention of normal. If something about the process of buying items from a stable shop makes it feel hard—an item is out of stock and will not be available throughout the day, or the queues are too long because your store is lacking the required members of staff—they will not be the store that is up to the standards of traditional retail shop. They will be comparing the vexation to their guests with the future of E-Commerce. This makes it even more crucial for both online shops and slipup- and- traditional shops to up their game to ameliorate client satisfaction and experience.

E. The case of doing advanced research on products

The digital era makes it very easy to find detailed data of nearly any product a client would consider acquiring. They will now compare costs, see what third- party purchases have to say about products, and get to know about the company selling the product. However, there's no caching it, if a retail brand gets a scandal. However, guests have an easy way to learn about it, if a newly launched brand in your space starts to cut the prices. That each increases the significance of

constantly furnishing high- quality client services seeking to run a organization that's above the head. When a person Googles to understand more about a item, they will be told by the information they learn. You want everything to learn know your brand to be positive.

F. Ease of starting a new business

eCommerce has minimized the barriers to entry for entrepreneurship. Starting an online shop is hassle free than a traditional stable one, because you do not have to spend in the real estate infrastructure of a store or pay salaries to staff full time as well as over time.

And creating an online website does not have to be that difficult and headache. Ready to build platforms are an effective way to set up a site at a lightning speed, while still looking professional. Anyone with a idea of starting a venture now has a good chance of understanding it. People with unique build ideas or creations that develop build they can sell, like clothing and footwear, can more fluently handle and expand their work and find their customers.

G. THE FALL OF BRICK-AND-MORTAR STORES

This is a fact that the pandemic has changed our lives in so many ways. Out of this one serious effect is on how are we going shop. Traditional shops have been facing the heat for years against the rise of E-commerce biggies like Flipkart, but the pandemic has completely annihilated the stable businesses (physical outlets). A survey reports that in the Northern America over 12,000 stores will be shutting this fiscal year excluding small businesses like restaurants chains which will amount to even more destruction. A large number of funerals had been written for traditional shopping venues like shopping malls, traditional outlet retailers, and mom and pop shops, looking at a recent survey of customers by, the current pandemic is on verge to destroy retail and commerce industries. The huge departmental outlets who have become the direct victims of the pandemic were already suffering huge amount of losses before and so the pandemic cannot be sole cause of their sufferings, so there is a chance to reconstruct the traditional retail infrastructure and consumes time and there will likely be ever growing barriers. This field should now be future-focused that can provide new vision and revive the traditional stores in the forth coming years.

V. IMPACTS

Economic Impact:

Cost Savings: E-commerce reduces the need for physical storefronts, resulting in lower operational costs for businesses.

Market Expansion: E-commerce has enabled businesses to reach global markets, breaking down geographical barriers and expanding their customer base.

Increased Revenue: Online sales have contributed to the growth of businesses, leading to higher revenues and profitability.

Job Creation: E-commerce has created new job opportunities in areas such as online marketing, website development, logistics, and customer support.

Social Impact:

Convenience and Accessibility: E-commerce has made shopping more convenient, allowing consumers to purchase products or services anytime and from anywhere.

Enhanced Customer Experience: Online platforms provide personalized recommendations, customer reviews, and efficient search options, improving the overall shopping experience.

Global Reach: Consumers have access to a wide range of products from around the world, increasing choices and promoting cultural exchange.

Social Inclusion: E-commerce has reduced barriers to entry for individuals with physical disabilities or limited mobility, enabling them to participate in economic activities.

Digital Skills and Employment: The growth of e-commerce has created new job opportunities and increased the demand for digital skills among the workforce.

Environmental Impact:

Reduced Carbon Footprint: E-commerce transactions eliminate the need for physical travel to stores, resulting in lower greenhouse gas emissions.

Efficient Logistics: E-commerce has led to the optimization of supply chains and transportation routes, reducing energy consumption and environmental impact.

Paperless Transactions: Digital receipts and electronic invoicing reduce paper waste associated with traditional commerce.

Sustainable Practices: E-commerce platforms have encouraged businesses to adopt sustainable packaging, recycling initiatives, and environmentally friendly practices.

Disruption of Traditional Retail:

Shift in Consumer Behavior: E-commerce has changed how consumers shop, with more people preferring online purchases over physical stores.

Evolution of Retail Models: Traditional retailers have adapted to the e-commerce era by establishing online channels and adopting omnichannel strategies.

Challenges for Brick-and-Mortar Stores: Some physical retailers have faced difficulties in competing with online retailers, leading to store closures and transformations.

Higher Operational Costs:

Traditional businesses typically have higher overhead costs than their online counterparts. Expenses associated with renting or owning physical store space, maintaining inventory, staffing, and utilities can strain profitability, particularly during periods of economic downturn or market fluctuations.

Limited Operating Hours:

Traditional businesses are bound by operating hours, which can restrict their ability to cater to customers outside regular business hours. In contrast, e-commerce platforms offer 24/7

accessibility, providing customers with the convenience of shopping at any time.

Increased Competition from E-commerce:

Traditional businesses often struggle to compete with the convenience, wide product selection, and competitive pricing offered by e-commerce platforms. They face the challenge of attracting and retaining customers who have shifted their purchasing habits to online channels.

Declining Foot Traffic:

As more consumers turn to online shopping, traditional businesses experience a decline in foot traffic to physical stores. This can lead to decreased sales and revenue, making it challenging for traditional businesses to maintain profitability.

Limited Geographic Reach:

Physical stores have inherent limitations in terms of geographic reach. Traditional businesses may struggle to expand beyond their local markets, especially if they lack the resources or infrastructure to establish a presence in new locations.

Adaptation to Technological Advancements:

Rapid advancements in technology present a challenge for traditional businesses to keep up with changing customer expectations and market trends. Embracing and integrating new technologies into their operations, such as digital payment systems, inventory management software, and customer relationship management tools, can be a complex and costly endeavor. This puts them at a disadvantage compared to e-commerce businesses, which have access to vast amounts of data and can leverage it to drive targeted marketing, inventory management, and personalized customer experiences.

VI. RESULTS AND DISCUSSION

Now, there is an advantage of purchasing items in online market. Unlike in case of outlet buying. In case of E-commerce buying, customers do not need to reach all the way to the traditional outlet, struggle with other customers during peak season, rush and face hinderances looking out for good and safe parking environment for their automobiles.

Online markets are open 24 x 7 and items will be delivered to their homes or offices of the customers irrespective of their choice. So, a customer using a device can just place an order for a laptop or some apparels. This is one of the major reasons for the high surge of online shopping. E-commerce market is a customer's dream. No traditional outlet offers enormous varieties in different product categories as much as an E-commerce site does. Online sites do not have to worry about physical spacing, they will make available huge varieties of products all at the same place. These huge choices gives customers many options that were not there before origin of online market.

This is one of the vital reasons for customers especially youngster generation preferring E-commerce. As E-commerce markets don't tend to go for attractive decoration of their outlets, they simply hire more manpower and, they can offer items and services at a reasonable price compared to the traditional outlet.

Currently it has come nearly a trend for producers of electronic background and other related orders to deploy their latest innovative product simply on a particular website. These items aren't made available in any traditional outlet and only the particular E-commerce site gets the patent right to vend the item. In such cases, customers become clueless and will be left with no options but to buy that particular item on that online site.

The commodity which will always takes down online websites is satisfaction and fraud. Whereas, here in offline store guests can personally come to the outlet to change their products if the product is not good. Whereas, in online shopping the customer should call the customer care if in case of any exchange or return, waiting for the courier to arrive from logistics department, taking the item back or getting the item exchanged. This process occasionally amounts to around 15 days to 20 days. Indeed, although most of the online sites offer return and exchange policy on almost all the items, the experience could be exhausting and un forgettable.

VII. CONCLUSION

No doubt, e-commerce emerged as a revolution and attracting consumers through various means and creating a cut throat competition for traditional businesses in India. But with innovation, consumer friendly policies, better services, unique selling techniques, etc. Traditional retailers still not only survive but can grow and can earn satisfactory profits on their sale. This case study exhibits its significant influence on e-commerce through consumer behavior. Customers favor e-commerce to traditional stores owing to its ease of use, availability, wide range of products, price comparison, customization, social influence.

Traditional shops must take drastic measures in order to stay in business. No substitute exists for the sensations of touch and feel. As the blue screen of e-commerce is unable to provide this feel, traditional retailers remain superior. The rise of electronic commerce has changed the business environment, especially the traditional industries. Electronic commerce to subvert the traditional business model of the industry, the user of electronic commerce has become an important war to determine the traditional industry and the life and death. Traditional industries need to face up to the problems existed in its business operation, decision makers need to change of enterprise operating concept, the formation of professional business team, from the operation channel,

and so the overall change to cater to the operation mode of electronic commerce. Traditional industry wants to do e-commerce was not built in a day, but as long as the master of electronic commerce operation rules and patterns, can be found in new opportunities and business opportunities.

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