Challenges faced by Retailers due to Growth in Online Shopping

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ABSTRACT

India has seen a rise in online buying. The majority of consumers would rather buy online than visit actual establishments to make purchases. Online retailers draw consumers with a variety of services and promotions that they offer. Numerous online shopping sites are accessible that provide things at far lower prices than those found in physical locations. The sudden rise in popularity and the shift in consumer preferences from physical to online stores has presented significant difficulties for the nation's small merchants. Now, in order to compete with the online shops, small retailers must use new techniques.

KEY WORDS

INTRODUCTION

Online shopping is the same as shopping over the internet. It is essentially electronic commerce that uses a web browser to allow customers to make direct purchases from vendors located anywhere in the globe. It entails setting up an online store where customers may purchase any kind of product with only a click from a desktop or mobile device, 24/7. Online shopping is becoming increasingly popular in the current decade. The amount of goods purchased from physical stores is gradually declining. Online shopping is growing in popularity over traditional brick-and-mortar retail for a number of reasons. The existence and viability of small retail establishments in India are under threat due to the sudden expansion of internet stores. This study paper outlines a few of the issues merchants are facing as a result of the rise in internet purchasing.

Research Methodology

The research report aims to illustrate the benefits and drawbacks of online shopping. To research small

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retailers' issues as a result of the introduction and expansion of the online shopping concept in India. Secondary data is used in this research article to accomplish its goals. Information is gathered from books, journals, and websites.

Objectives of the Study

1.　To emphasise the benefits and drawbacks of shopping online.
2.　To research the difficulties small businesses encounter as e-stores gain prominence.
3.　To be aware of the tactics used by physical retailers to take on online retailers.
4.　To recommend appropriate actions for merchants to take in order to contend with the increasing trend of online shopping.

Importance of the Study

The study will raise awareness about the hazards that internet stores pose to small retail dealers, which makes it useful in the modern era. For thousands of shopkeepers who own a tiny shop and offer a limited selection, internet shopping's increasing popularity is concerning because it is their sole source of income. The purpose of the report is to raise awareness among physical merchants of the difficulties they will encounter going forward. Small shops should use more sophisticated and effective marketing techniques to advertise their goods.

Advantages of Online Shopping

Convenience: Since these internet retailers are available around-the-clock, shopping at any time is possible at any of their many locations. It is the greatest store to purchase instantaneously downloadable informational products like e-books.

Greater Savings: Because there is no middleman involved, the prices at online retailers are significantly lower than those at physical locations because the products are delivered straight from the manufacturer or seller. Numerous internet stores have amazing deals and discounts.

Lots of Options: Online retailers offer a greater selection of products than brick-and-mortar retailers. Numerous brands and goods from various vendors all at one location. Without being constrained by geography, you can purchase from stores located across the nation or even the globe. There are several various sizes and a wide variety of colours available for stocks.

Less Spending: When we go shopping traditionally, we tend to spend more than we had anticipated. We also have other costs, such as those associated with eating out, travelling, and impulse purchases.

Comparing Prices: A comparison of costs and product research is considerably simpler when buying virtually. When buying online, product reviews are also available, which aids in our decision to purchase a higher-quality item.

Less Compulsive Purchasing: When we go shopping, we often find ourselves buying things we don't really need because store employees pressurise us and utilise their sales techniques to compel us to buy them. Sometimes, the lack of the appropriate product type forces us to even compromise on our decisions.

Time Saver: Online shopping requires less time to complete. As opposed to regular shopping, which wastes a lot of time. You no longer have to worry about parking when you travel to the mall to shop. You can simply access your cart whenever you want, with no more standing in line or waiting at counters.

Disadvantages of Online Shopping

Delivery Delay: Inadequate inventory control might occasionally cause a shipment to be delayed. Even if purchasing and paying for an online purchase could just take 20 minutes, receiving the same product at your door might take up to a week.

Absence of Touch and Sense while Purchasing something Online: The absence of a touch-feel

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test raises questions about the available product's quality. Clothes are an exception to this rule because online buying does not allow shoppers to try items on.

Insufficient Interaction when Shopping Online: There are options for price bargaining in physical stores. Retail sales people provide each customer individual attention, which aids in the product selection and purchasing process. Few e-commerce sites provide the ability to communicate with sales representatives.

Absence of a Shopping Experience: Online shopping does not offer the same level of fun as traditional shopping, which is enhanced by the showroom setting, astute salespeople, scents, and sounds. Most Indians like going shopping the old-fashioned way. Customers anticipate it as a chance to go shopping, socialise, and spend time with friends and family.

Absence of Careful Inspection when Shopping Online: A buyer must purchase a goods without truly seeing it in person. Consumers may click and purchase a thing that they do not actually need. The majority of the product images on electronic devices are deceptive. The majority of the time, there is a significant discrepancy between the real product and the one displayed on online retailers.

Online Payment Fraud: Most online transactions are not safe. The number of cybercrimes is rising, and concerns over privacy are raised by the exploitation of credit, debit, and bank card information. Customers must disclose their personal information with extreme caution. Certain online stores can't be trusted at all.

Challenges Faced by Small Retailers due to Online Shopping: Reduction in revenue and profit margin: The majority of individuals in today's world purchase goods through internet retailers. Physical store turnover and profit margins have decreased as a result of this. Customers can choose from a variety of options and enjoy convenience when they shop online. More people purchase goods from internet retailers than from traditional ones. The price war that online merchants have sparked has caused significant difficulties for small sellers. Most retailers have tried to cut prices in order to stay in business, but given their high operating costs, they must give up some profit margin in order to do so.

Discount: Physical merchants must offer a significant markdown on product pricing to their customers in order to compete with internet sellers. Shops are raising their discounts at an alarming rate to compete with internet shops who lure buyers in with fantastic deals. While merchants are unable to match the discounts offered by online sites, they nevertheless need to reduce their prices somewhat in order to remain in business.

Upkeep of Massive Stock: Online retailers keep a vast inventory of products and provide their customers with a large selection, but small retailers are unable to do the same because doing so could result in unsold inventory at the end of the year, which could result in significant losses for their retail locations.

Increased Advertising Costs: In order to sustain and grow their product sales, retailers nowadays must invest a significant sum of money in product advertising.

Increased Client Services: In order to foster consumer loyalty, physical retail establishments now need to provide a wide range of services. Retailers are doing everything they can to specialise in areas where online stores fail, from installation and insurance to repair and upkeep. In the same vein as online retailers, retailers are now beginning to offer home delivery services. Services after the sale are also rendered with a grin. The expense of running retail stores has increased as a result.

Increase in Window Shopping: Growing window shopping is the main issue that small merchants are dealing with. These days, consumers purchase identical goods from real businesses online for a lower cost after getting a feel for them. This has caused retailers a great deal of difficulty.

CONCLUSION

Detailed research on the effects of internet shopping on businesses has led to the conclusion that consumer behaviour has changed significantly in a variety of ways, including attitude and purchasing habits. People used to shop by hand in the past, but as time went on and people became busier, technology brought about a new revolution: internet shopping.

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In its brief history, online purchasing has brought about significant changes to sellers' lives, making it a novel experience. Retailers today shop more effectively and efficiently thanks to online sales, which have also propelled businesses to new heights and forced them to make the required modifications in order to cater to the new, educated consumer base. Retail establishments must improve their business practises and confront the competitive globe with a more optimistic view.

Retail establishments and online retailers must coexist, but not at each other's expense. It provides thousands of people with a living, but it's also about the stability and convenience of permanent retail establishments.

Suggestions

1. Customers should be treated with respect and have their fundamental requirements met. Shops should provide presents and discounts while it's festival season. There should be enough salespeople to service the clients.

2. Retailers ought to maintain a fair pricing for the merchandise. Depending on the kind of outlet, home delivery need to be a possibility.

3. Stores should maintain inventory since a shortage of merchandise causes a drop in sales. Retailers should strive to embrace a variety of tactics for sales promotion rather than limiting themselves to just one.

4. Regardless of a customer's status, retailers ought to treat all of them equally and provide similar attention. Provide consumers fresh reasons to visit the stores and make additional purchases. Stores must to maintain cash-back incentives and return policies for merchandise.

5. Make use of the suggestion box, extend business hours, and take credit cards not at additional expense. It is recommended to offer trial facilities for footwear and apparel. Quick product shipping or delivery could draw more people to their physical storefronts.

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