

## **Effect of Online Shopping on Retail Stores' Business: With Special Reference to Jaipur Retail Stores**

**\*Dr. Murli Dhar Sharma**

### **Abstract**

The study has been done with the rationale to know the influence of the increasing trend of online shopping on the customers who buy from the various local shops and retailers and also from the e-stores. Local shops and retailers include that section of the society whereby purchasing by the localities is at the huge rate. But with the innovative use of technology and advent of e-stores, the local market has been affected to a large extent. The study has tried to introspect the various aspects about how retail business is being affected. Descriptive research study with a sample size of 120 Customers of Jaipur has been used to investigate and five online shopping sites have been considered for the study. The researcher in their study have concluded that online shopping has affected the retail stores business, through loyalty of the customer and quick service is the strong factor for the retailers.

### **Introduction of the Topic**

Purchasing consumer goods or services through online shopping has attained immense popularity in recent times mainly because of the level of convenience, easiness, brands comparison more of discounts available. Sitting in front of laptop or mobiles in hands and made this method of shopping more effortless. Problem to locate the areas for shopping in a city, has been completely solved with e-shopping. One can easily find the products/services of his own choice without moving an inch. Online shopping is a form of e-commerce which allows consumers to directly buy goods and services from the internet as a virtual shop. Some of the leading online stores currently in India are Amazon, Flipkart, Snapdeal, Homeshop 18, Myntra, etc.

Retailing is a process of selling goods and services to customers through multiple channels of distribution. Retail stores may be small or big but they mostly operate in the same line as "purchasing to sale". Retail form of business is as old as civilization and is the most basic form of business. These retail stores can be found in every corner of the city and are easily accessible. People prefer buying goods from these stores as they are in-reach, goods can be bought easily and at the moment of need

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without any delay. Moreover people think that goods on these stores are fresh and of good quality, which is rare to find in online shopping. There are various type of retail stores like departmental stores, supermarkets, warehouse retailers, specialty retailers, etc.

### **Review of Literature**

Srinivasan, Anderson and Ponnavolu (2002) emphasizes that there are eight factors (customization, contact interactivity, care, community, convenience, cultivation, choice, and character) are considered for e-loyalty among the customers. E-loyalty has marked its impact on customer-related outcomes, word-of-mouth promotion and willingness to pay more.

Ranganathan and Ganapathy (2002) explored that the speedy in the e-business, has stimulate the assumption and calculation about what can make a business-to-customer (B2C) business more effective. Security and privacy in buying the e-products have made an impact on the online purchase more meaningful.

Lin and Lee (2005) explained) that organizational learning factors and knowledge management processes are very much associated to the e-business systems adoption. Managers focuses on both social and technical factors. But purchasing done by the customer is the result from the internet.

Ryu and Han(2007) explained that perception, attitude and behavioral of a consumer plays a vital role in enhancing in use of products, whether it is online or offline. Web quality shares the information related to service quality, company entailed, price and variety given by these online businesses.

### **Objectives of Study**

To study the affect of online shopping on the profit margins of retail stores.

To know the preferences of the customers in online shopping in comparison to retail stores.

### **Methodology of Study**

Primary data has been collected to conduct the research. The universe of data collection has been Vidyadhar Nagar area and Vaishali Nagar area of Jaipur city. Primary data has been collected through filling-up the questionnaire and personal interview method. About 120 respondent were questioned through structured questionnaire consisting of 15 questions, which was open ended. The opinion of the respondents were recorded for further analysis, interpretation and drawing the conclusion. Again random sampling was conducted to collect the data from the respondent. While collecting the data from the respondent, it was kept in mind that they are internet shopping users. The data collected are classified and tabulated for interpretation.

### **Hypothesis**

Alternative hypothesis: There is a significant impact of online purchasing on retail stores business.

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Null Hypothesis: There is no significant impact of online purchasing on retail stores business.

### Significance of the Study

The study is relevant and has depicts its impact on current purchasing attitude from the online or offline. It will help to understand that to what extend online-shopping has affected that purchasing power of the people and also to what extend is has affected the business of the retail stores. The sudden deviation towards online shopping is a real concern for the thousands of retailers who have a small shop offering a small and large variety of products.

### Limitations of Study

In spite of all sincere efforts, the study has faced certain limitations like: Vidyadhar Nagar area and Vaishali Nagar area of Jaipur city has been considered as universe for the study, which cannot depicts the entire population. Only 120 customers were questioned, hence the sample size is too small for the study, which seeks another limitations. At times, the customers were reluctant to give the answers because of low level of interest in responding. Time was another constraint in research work.

**Analysis and Interpretation:** On the basis of 120 respondent sample below is the bifurcation:

Preference for online purchasing	70
Preference for retail purchasing	28
Preference for online and retail purchasing	22

#### 1. Preference on online shopping:

Particulars	No. of Respondents	% of Respondents
Preference for online purchasing	70	58.33
Preference for retail purchasing	28	23.33
Preference for online and retail purchasing	22	18.34
<b>Total</b>	<b>120</b>	<b>100</b>

Sample of 120 respondents gave a mixed reaction towards their purchasing through online shopping. 70 responded that they prefer online shopping for a number of reasons, and 28 responded that prefer retail store purchasing as it is on time purchasing. 22 out of all said that they buy both online and offline products for they were comfortable which each type of shopping.

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**2. Preference of segments from online shopping:**

Particulars	No. of Respondents	% of Respondents
Customers preference for only online garments purchase	30	32.61
Customers preference for only online jewelry purchase	15	16.30
Customers preference for only online home-maker purchase	19	20.65
Customers preference for only online shoes purchase	10	10.87
Customers preference for only online booking purchase	18	19.57
<b>Total</b>	<b>92</b>	<b>100</b>

Most of the respondents said garments, jewelry, home-makers, shoes and booking of hotels, flights, trains, movie tickets, etc. are the area of preference for purchasing online shopping.

**3. Online shopping has made the buying task easy:**

92 respondents said that online shopping has made their buying task easy. Searching for products from one store to another store needs time and patience. Remaining 28 respondents said through they do not purchase from online shopping, still they have heard that online makes buying easy.

**4. Use credit system while purchasing products from e-stores:**

Particulars	No. of Respondents	% of Respondents
Respondents using credit card for online purchasing	65	70.65
Respondents using debit card for online purchasing	27	29.35
<b>Total</b>	<b>92</b>	<b>100</b>

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Some respondents said that credit system is used while purchasing products from e-stores. This has subsequently increase their credit limit, which is bit risky and not accepted by the family, through it makes buying easy and instant. At the same time the other respondents said that they prefer debit cards more rather than credit cards.

**5. Online shopping maintains privacy. All the respondents said that online shopping maintains privacy. Even the non-users said that they heard of the privacy maintained in the online shopping.**

**6. Purchasing increases in discount and other offered by the online stores:**

Particulars	No. of Respondents	% of Respondents
Discount and offers highest on Diwali	35	38.04
Discount and offers highest on New Year	18	19.57
Discount and offers highest on Independence Day	13	14.13
Discount and offers highest on Republic Day	15	16.30
Discount and offers highest during off-season	11	11.96
<b>Total</b>	<b>92</b>	<b>100</b>

The regular user of online purchasing said that during the season like Diwali, new year, national days discounts are given by these online sellers, which increases their purchasing. The discount and other offers are very attractive and at times saving are been done for purchasing in these discount. They also said that brand products can be purchased on these occasions of discounts and offers. The non-buyers feel that the discounts and offers are means of discharge the old and discarded products. They said that bargain from the retail stores.

**7. Satisfaction with the quality given by online shopping:**

Particulars	No. of Respondents	%of Respondents
Customers satisfied with the product quality of online shopping	81	67.50
Customers less satisfied with the product quality of online shopping	25	20.83
Non buyers of online shopping	14	11.67
<b>Total</b>	<b>120</b>	<b>100</b>

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The regular buyers said that they are satisfied with the quality given by e-store on online shopping. They can select the brand products which are good to use. Moreover they said the brands do not compromise on quality, hence they are satisfied. The non-buyers said that quality can be well understood with touch and vision. Real appearance of the product is more well understood, rather than seen on laptop or mobile.

#### **8. Online buying saves time:**

The buyers and non-buyers said that online buying saves their time. Non buyers said that certainly shopping while sitting at one place saves time and energy. But still offline purchasing to them gives the real picture of the products.

#### **9. The retailers given give discounts and offers:**

Particulars	No. of Respondents	%of Respondents
Discounts and offers on online shopping	98	81.67
Less Discounts and Offers on retail stores purchasing	22	18.33
<b>Total</b>	<b>120</b>	<b>120</b>

The online buyers said that as they are the regular customers to online shopping. They purchase more during the discounts and offers. To non buyers, less awareness about the discounts and offers is a problem. They feel that their comprehension of online shopping may divert them towards it. They also added that they get less offers and discount on the retail shops, but still the products bought from these stores are less than MRP, which is as equal as to the offers and discounts given by online shopping.

#### **10. The retailers' products are equally good as online stores.**

The online buyers said that the goods are equally good as that of the retail stores. But the retail store product buyers said that goods of retail stores are better than the online products. They are not discarded and moreover the manufacturing date is known which can be seen on the packaging of the product. Hence, they are more reliable.

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**11. Waste-age of time in buying products from retail stores:**

Particulars	No. of Respondents	%of Respondents
Waste-age of time but quality products can be purchased	15	53.57
Waste-age of time but products can be exchanged if unsatisfied	13	46.43
<b>Total</b>	<b>28</b>	<b>100</b>

The retail store buyers said that yes there is waste-age of time in buying products from retail stores. But then these products are more reliable and if we are unsatisfied at times they can be exchange too. Retail store buyers said they are not sure of exchange provisions and parameters of online shopping.

**12. The retail stores offers free home delivery:**

Particulars	No. of Respondents	%of Respondents
Shopping should exceed more than 4000	18	64.29
The place of delivery should be around 3 kms.	10	35.71
<b>Total</b>	<b>28</b>	<b>100</b>

The retail store buyers said that yes retail stores offers free home delivery, but the shopping should exceed more than 4000 and the place of delivery should not be more than 3 kms. From the retail store. This gives them a comfortable zone of buying. Retail store buyers also added that the purchasing of 4000 for a month is usual.

**Conclusion**

Retail stores generally operated in the traditional lines of business except a few departmental stores and superstores which has resulted into certain modification in their business patterns. On the other hand dawn of online shopping in recent times has put a barrier to them. The study has been made to comprehend the impact of online shopping upon the businesses of various retailers.

Online shopping is consuming a large proportion of consumer spending. There are several inclination for customers to purchase online as price, convenience in shopping and wide range of available

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products being the primary. The major findings of the study had lead to two different perception. One perception is of online customers and the other retail customers. Retail store customers feel that free home delivery, products on less price than MRP, instant products, products on credit, exchange of goods if unused are some of the factors are impulsions taken by the retailers to increase the sale, when competing with online shopping. Customers ignorance about online purchasing has been a tool used by these retailers. Online customers feel that brands, quality products, discounts and offers are healthy factors for online shopping. Online customers feel the saving time and getting good products by easy means, that all one needs for shopping. The study proves the alternative hypothesis as true, which was that the online shopping has affected the retail business.

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