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## Understanding the shift from physical stores to online shopping

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### Abstract

Online shopping has increased in India. Most customers prefer to shop online rather than go to physical stores to make purchases. Customers are drawn to online shops by the range of services and promotions companies provide.

There are many online retailers that offer goods at much reduced costs compared to those found in traditional stores. For small businesses across the country, the abrupt surge in popularity and the change in customer preferences from brick-and-mortar to online retailers have created serious challenges. Small stores now need to employ new strategies to compete with online retailers.

**Keywords:** Online shopping, internet buying, retailers, small businesses, advantages and disadvantages, cybercrimes, profit margin, discounts, customer loyalty

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### Introduction

Internet shopping is synonymous with online shopping. In essence, it is electronic commerce that enables clients to make direct purchases from suppliers situated anywhere in the world via a computer browser. It involves establishing an online store where clients may buy any kind of product around-the-clock from a desktop or mobile device with only a click. Over the past ten years, online shopping has grown in popularity. The quantity of merchandise bought from physical retailers is steadily decreasing. For several reasons, online shopping is becoming more and more popular than traditional brick-and-mortar stores. The rapid growth of online retailers is posing a danger to the survival and existence of small retail businesses in India. This research report lists some of the problems that retailers are having as a result of the increase in online sales.

### Research methodology

The purpose of the research paper is to highlight the advantages and disadvantages of internet buying, to investigate the problems faced by small shops as a result of the advent and growth of internet shopping in India. This research piece uses secondary data to achieve its objectives. Books, magazines, and websites are the sources of information.

### Objectives of the study

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### Importance of the study

The study is helpful in the current day because it will increase awareness of the risks that online retailers present to small retail dealers. The growing popularity of internet shopping is troubling since it is the only source of revenue for thousands of retailers who operate small stores with a little assortment. The report's goal is to make physical merchants more aware of the challenges they will face in the future. To promote their products, small businesses should employ more advanced and successful marketing strategies.

### Benefits of online shopping

**Convenience:** Because these online merchants are open 24/7, customers may shop whenever they want at any of their numerous locations. It is the best place to get instantly downloadable educational items, such as e-books.

**Greater Savings:** Since there is no intermediary and the items are shipped directly from the manufacturer or seller, internet shops offer prices that are far lower than those at physical stores. There are fantastic discounts and offers at many online retailers.

**Many Choices:** Compared to physical stores, online merchants provide a wider range of goods. Many brands and products from different suppliers at one place. You may buy from shops all around the country or even the world, so you're not limited by location. There are many different sizes and colors available for the stocks.

**Spending less:** We usually wind up spending more than we had planned when we go shopping the old-fashioned way. Other expenses include those related to dining out, traveling, and making impulsive purchases.

**Comparing Prices:** When purchasing virtually, it is much easier to compare prices and conduct product research. Product reviews are also available while purchasing online, which helps us decide which higher-quality item to buy.

**Reduced Compulsive Buying:** When we go shopping, we frequently end up purchasing items we don't actually need because store staff utilize pressure and sales tactics to get us to buy them. When the right product type isn't available, we may have to make compromises in our choices.

**Saves time:** Online buying takes less time to finish. Unlike ordinary shopping, which is a time waster. Parking is no longer a concern when you go to the mall to shop. No more waiting at counters or in line, you can easily retrieve your cart anytime you want.

#### **Drawbacks of internet shopping**

**Delivery Delay:** Sometimes a shipment may be delayed due to inadequate inventory control. The identical goods may take up to a week to arrive at your door, even if buying and paying for it online can just take 20 minutes.

**Lack of Touch and Sense while Making an Online Purchase:** The quality of the supplied goods is called into doubt by the lack of a touch-feel test. Since internet shopping does not enable customers to try products on, clothing is an exception to this rule.

**Insufficient Interaction when Shopping Online:** In real stores, price haggling is a possibility. Retail salespeople provide each consumer personalized attention, which facilitates the process of choosing products and making purchases. There aren't many e-commerce websites that let users chat with salespeople.

**Lack of a Shopping Experience:** Traditional shopping, which is enhanced by the showroom environment, savvy salespeople, fragrances, and noises, is more enjoyable than online buying. The majority of Indians enjoy shopping the traditional manner. Consumers look forward to it as an opportunity to buy, mingle, and spend time with loved ones.

**Lack of Thorough Examination When Buying Online:** A customer must buy a product without actually inspecting it. Customers could click and buy something they don't really need. Most product photos on electronic devices are misleading. Most of the time, the actual product and the one that is shown on internet shops differ significantly.

**Online Payment Fraud:** The majority of transactions conducted online are not secure. Cybercrimes are becoming more common, and the misuse of bank, credit, and debit card data raises privacy issues. Consumers must be extremely cautious while disclosing personal information. Some internet retailers are completely unreliable.

**The difficulties small retailers face as a result of online shopping:** Diminished earnings and profit margin: Nowadays, the vast majority of people buy products from online merchants. This has led to lower profit margins and turnover in physical stores. Online shopping offers customers convenience and a wide range of possibilities. Compared to traditional merchants, more individuals buy products from online sellers. For small vendors, the pricing war spurred by internet retailers has created serious challenges. The majority of retailers have attempted to reduce prices in an effort to remain in business, yet doing so requires them to give up some profit margin due to their high operational expenses.

**Discount:** To compete with online vendors, physical retailers must give their consumers a sizable discount on goods prices. In order to compete with online retailers who entice customers with amazing prices, stores are increasing their discounts at an alarming rate. In order to stay in business, retailers must lower their prices even when they can't match the savings provided by internet retailers.

**Maintenance of Huge Stock:** While online retailers maintain a huge inventory of goods and offer a wide range of options to their customers, small retailers are unable to follow suit because doing so may leave them with unsold inventory at the end of the year, which could cause their physical stores to suffer large losses.

**Increased promotion Costs:** Retailers today have to spend a large amount of money on product promotion in order to maintain and increase their product sales.

**Expanded Client Services:** Physical retail businesses must now offer a variety of services to encourage customer loyalty. From installation and insurance to repair and maintenance, retailers are making every effort to focus on areas where internet merchants fall short. Shops are already starting to provide home delivery services, just like internet shops do. After the sale, services are also provided with a smile. As a result, operating retail establishments has become more expensive.

**Growth in Window Shopping:** The biggest problem facing small businesses is the rise in window shopping. Nowadays, after trying them out, customers buy comparable products from legitimate companies online for less money. Retailers have had a lot of trouble because of this.

### Conclusion

Consumer behavior has changed dramatically in a number of areas, including attitude and buying habits, according to extensive studies on how online shopping affects firms. In the past, people would buy by hand, but as time passed and people's schedules grew busier, technology introduced a new revolution: online shopping. Online shopping is a new experience that has significantly changed the lives of vendors in its short existence. Online sales have helped retailers purchase more effectively and efficiently, but they have also driven businesses to new heights and compelled them to make the necessary changes to accommodate the new, informed customer base. Retail businesses need to adopt better business practices and approach the competitive world with greater optimism.

Online and physical stores must coexist, but not at the expense of one another. In addition to giving thousands of people a living, it also emphasizes the ease and stability of long-term retail locations.

### Suggestions

1. Clients should get respectful treatment and have their basic needs satisfied. Stores ought to provide discounts and gifts throughout the festival season. To serve the customers, there ought to be a enough number of salesmen.
2. Retailers should keep their product prices reasonable. Home delivery must be an option, depending on the type of shop.
3. Since a lack of product lowers sales, stores should have inventories on hand. Instead of focusing on just one sales promotion strategy, retailers should aim to use a range of approaches.
4. Retailers should treat every consumer equally and provide them the same level of attention, regardless of their standing. Give customers more incentives to come into the stores and buy more. Retailers must continue to provide cash-back incentives and goods return procedures.
5. Take credit cards without charging extra, use the suggestion box, and expand company hours. It is advised to provide trial facilities for clothing and shoes. Fast product delivery or shipment may attract more customers to their physical stores.

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