

# TURNOVER OF ELECTRONIC GADGET RETAILERS : AN ANALYTICAL STUDY ON IMPACT DUE TO ENTRY OF ONLINE STORES

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## **Abstract:**

India is a big market for electronic gadget. It has got huge middle-class and young demography to support to electronic gadget sales. India has got 90% and more market unorganized. The retail sector of electronic gadgets is also full of unorganized retailers. There are lots of retailers in Nagpur who are dealing with electronic products like TV, Refrigerator, Home Theater, Mobile, Computer, Laptops and so on. These retailers have used traditional techniques of businesses since their establishments. These traditional techniques got them the desired results also, in terms of sales, manpower retention, branding etc. However, the scene has changed since the introduction of online stores in India.

The fate of the offline retailers depends on their sales and turnover. The physical business loses both consumers and revenue when people are drawn to internet stores. Offline shops suffer a significant setback since they are unable to manage their investments and operations to keep up with internet merchants. Businesses must enhance their supply chain in order to overcome this setback. They will be impacted in two ways. Once they can get and deliver the items on schedule. Second, the price of the items would be quite modest. Most Indian consumers are cost conscious.

An internet shop is unable to offer its clients with a physical setting.

**Keywords:** Electronic Gadget, Traditional Techniques, Online Stores, Offline Stores, Offline Retailers, Physical Environment etc.

## **Introduction:**

Recently it is observed that in India Online marketing has become very much in demand. The paper has made the major focus on various reasons behind it and how to tackle the same issues connected to it. It is found that various researches have gone in detail study in several countries to explore the real reason behind too much of online shopping trend and its problems related to it. This research paper has made major focus in this regard, where it was observed that online marketers i.e retailers are growing drastically and on the other hand offline retailers are facing the tough competition due to growth and innovations by these online retailers. The study was organized among 113 Indian shoppers in respect to their online market. The behavior was analyzed by use of various tools in line with the topic of investigation.

The most popular brands and fashion trends in this area were uncovered by the poll. E-retailers have had great success in the Indian market, according to analysis. In order for the local shops to remain competitive, it was finished with an excessive number of proposals and recommendations. The difference between its costs and advantages was found in the current study effort.

Eight characteristics were found to have the most impact on customer satisfaction while purchasing online.

These include:

- Information quality;
- Delivery;
- Website design;
- Product qualities;
- Payment;
- Privacy factor;
- Service;
- Transaction capability.

The Response Time during the transaction is the most important of the eight variables.

Online shopping is a type of electronic commerce that enables customers to make direct purchases of products or services from a vendor over the Internet using a web browser. e-web-store, e-shop, e-store, Internetshop, web-shop, web-store, online store, and virtual store are some alternate names for online shopping. The largest and most significant event of this century was the creation and growth of the internet. The majority of firms attempt to use the Internet to represent their product and service offerings in order to be accessible to a wider audience and to the global market. Online shopping is only one example of how computers and the Internet have fundamentally altered how people do daily business. The shopping habits of consumers have undergone significant shift as a result of the Internet. One may log on and purchase almost anything online, from clothing, books, music, and diamond jewelry to digital cameras, mobile phones, MP3 players, video games, movie tickets, train tickets, and flight tickets, all from the comfort of their home, workplace, or cyber café, wherever they may be in the world. Users are most likely to make online purchases when they are given the ease, simplicity, convenience, and security.

Business-to-consumer (B2C) online shopping is the act of purchasing goods or services from an online store in a manner physically similar to visiting a brick-and-mortar store or shopping mall. Business-to-business (B2B) internet purchasing is the practice of buying from one firm and selling to another. Alibaba, Amazon.com, and eBay are the three biggest of these internet shopping companies. Even if the industry in India is expanding dramatically each year, although from a lower foundation, the overall sales have reached a respectable scale. It may be too early to draw comparisons with the e-commerce scenes in nations like the US where billions of dollars are spent online. Books, electronic devices, train tickets, accessories for clothing, gifts, apparel, computer and peripherals, hotel rooms, magazines, tools, home appliances, toys, jewelry, and movie tickets are among the most popular online shopping categories in India.

## **2. Literature Review:**

### **Swift (2001)**

The author emphasized on the benefits of Customer Relationship Management. He encompassed on the three key areas majorly focusing on the Lower cost used to attract consumers and to make bulk purchases. It was observed that to have steady volume of businesses and to become lead in earning higher profitability margins there was reduction in the requirement of consumers, which ultimately would result in increase in customer retention and would further build its loyalty. There was continuous evaluation observed for the growth of customer s profitability in an organization. Further dealing in study it was analyzed that the study was becoming more crucial as to satisfy the needs of the consumers online business was creating huge hurdles for local vendors, retailers etc.to attract more consumers the online business brought special loyalty programmes and schemes which included rewards to create consumers loyalty. Their focused aim was to maintain a long-

term relationship with their consumers and often bring up new referral schemes in order to build their consumer base strong and increase its sales.

### **Curry and kkolou (2008)**

In his set of work, they emphasized on to various reasons for implementation and its adoption towards Customer Relationship Management, it was examined that it was the greatest benefit because of its successful implementation in the core areas. It was observed that CRM has made the major pillar by attracting the huge set of consumers as that of its competitors. They focused was on customer centric approach. As this will be very much simplified in nature and will have a major impact on the organizational structure and its practices. Similar like its structure its infrastructure will also be simplified; further the work flow will be reduced and shirked in nature. There will be elimination of the non-productive flow of information. It is observed that in long run there will be high increase on its profits. It will result where the company will be more compact and will keep the company' s nature focused. Their primarily focus was on consumers and the benefits which will be reaped in long run. Whereas in short run due to increased efforts there will be its negative impact too. To motivate the employees, to enforce control, to assemble new principles and practices, etc. The workers will view this as negative in short run due to its increased records and reviewing the behavior.

### **Bhamre, Mule, 2013**

The author has made the major focus on the law of comparative cost and on its extension of principle of division of labor. In his set of theory of international investment, the business explains international capital movement in that regard to international products and its activities. Technology has impacted on several businesses and drastic increase on various opportunities for expansion. The opportunities for innovation were created to deliver new goods and services to several markets. He further illuminates by explaining how economic liberalization has allowed for global movement. He further analyzed about the various challenges on Indian Industries and especially focusing on the small-scale businesses. The domestic businesses need to continuously upgrade themselves to face their global players. Or else sooner or later they will find it difficult to sustain and retain in market. Small scale businesses are facing several challenges including the lack of power, its finance, the poor technology, the lack of management skills, the high interest rate to name a few. Further to add on competitive pressures with efficient and its competitive conditions.

### **Hair and Sarstedt, 2014**

The study observed that the family and its inherited business by the use of various quantitative methods. These methods are very popular and are very prominent tools in several empirical studies which is use in understanding the family businesses. Earlier this study was conducted to provide various guidelines for evaluating and applying its best business practices in other business organizations. The author analyzed several research methods with the aim to identify, analyze, observe and persuade the competencies in regard to family businesses. These competencies are very difficult to access from that of ordinary visual diagnostic tools and techniques available. The author made excess use of metric conjoint analysis which is based on experimental techniques. The respondent must select the various techniques enabling its potential decisions in the shoulders of management.

## **RESEARCH METHODOLOGY**

### **Objectives of the study:**

1. To determine consumer purchasing patterns for both online and offline purchases.
2. To examine consumer preferences for physical versus internet buying.

### **Hypothesis**

H1- Turnover can be enhanced by offline retailer by offering online facility

### Limitations of the study:

The study and analysis will be limited to few institutes based on the following factors:

- The study is of Nagpur district only.
- The subjective bias may not be eliminated from the questionnaires.
- The study is of electronic gadgets only. Hence, the results cannot be generalized.

## DATA ANALYSIS, PRESENTATION

### Hypothesis Testing

#### Hypothesis 1

With the preference of customers for purchasing goods online from the offline store as a fixed factor and services offered by offline store in the online market as dependent factors, which is ranging between 2.99 and 3.23, one-way ANOVA test is applied to test the hypothesis "Turnover can be enhanced by offline retailer by offering online facility," which states that there is a chance that offline store will provide better quality, after sales services, and faster delivery of products. Below is research on how being online affects people:

### ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Online services by offline stores will provide better quality	Between Groups	996.502	4	249.125	2653.234	.000
	Within Groups	51.173	545	.094		
	Total	1047.675	549			
Online services by offline stores will provide better after sales services	Between Groups	743.060	4	185.765	261.327	.000
	Within Groups	387.415	545	.711		
	Total	1130.475	549			
Online services by offline stores will provide faster delivery of product	Between Groups	992.499	4	248.125	3340.214	.000
	Within Groups	40.485	545	.074		
	Total	1032.984	549			

The impact of offline stores switching to online shopping on the revenue of electronic merchants is seen in the above table. The above table reveals that, for all of the aforementioned components, the sig. value obtained is 0.00, which is less than the alpha value of 0.05 ( $p < 0.05$ ), and so indicates that, when an online store opens, people will choose to purchase from offline retailers. Thus, it can be said that the theory, according to which an offline business might increase turnover by providing an online option, is approved.

## CONCLUSION

There are more than 50 e-commerce websites (online stores) in India. These includes Flipkart.com., Amazon.com, snapdeal.com Infibeam.com, Ebay.in., shopping.indiatimes.com, Shopping.rediff.com, Futurebazaar.com, Homeshop18.com, Yebhi.com. and so on. These e-commerce websites are offering the electronic gadgets in large number of variety and at lower price than the offline retail shops. The availability of all the brands of all the electronic gadgets are not possible in offline stores due to lack of investment capacity in offline store proprietor. However, the online stores are offering almost all the brands with maximum variety at one shopping platform. Again, customer has the option of choosing the best gadget with thorough research online. The increased convenience and reduced cost with same quality has attracted customers to online stores.

However, there is large population of India which believes in purchasing from offline stores only. These population do not buy online due to so many reasons. These population can be attracted by effective customer relationship management. The online stores are mostly policy driven. They have policy in place for recurring decisions like after sales service, sales return etc. In India, these things matter a lot, whether the shopkeeper providing effective after sales service or not? It is directly related to the reputation of the offline retailer. Better the reputation, better will be the sale.

It is better for Indian economy to survive offline retailers in the era where online retailers are giving tough competition. This study evaluates the impact of online stores on offline retailers as well as provides the inputs on possibility of opening of online services by offline retailers.

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