

## AN OVERVIEW OF ECONOMIC IMPACT OF ECOMMERCE ON UNORGANIZED RETAIL SECTORS IN RATNAGIRI DISTRICT

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### Abstract

The Information Technology has transformed the way of people to do the work and electronic commerce has unleashed yet another revolution which is changing the way businesses buy and sell products and services. The internet gave another boost to e-commerce. Before e-commerce buying and selling was done without the internet i.e. Traditional retail sector. This research paper examines the relationship between various factors that affect consumer behavior toward online shopping. This research paper examines the economic impact of ecommerce on the unorganized retail sector in Ratnagiri district. The focus of this research is to explain the influence on five segments of retail sector i.e. Grocery stores, Footwears, Clothing, Electronics and Medical stores which determines how the Unorganized retail industry is impacted by the Ecommerce. Data was collected through the use of a standardized questionnaire.

**Keywords:** Ecommerce, Unorganised Retail Sector, Ratnagiri District.

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### Introduction:

**Ecommerce:** The impact and development of internet-based activities have rapidly increased during this decade. The digital economy which is driven by information technology also being developed rapidly. As the recent researches have indicated that, the internet shopping particularly in business to consumer (B2C) has risen and online shopping become more popular too many people. There are many reasons for such a rapid developing of internet shopping, which mainly due to the benefits that internet provides. First of all, the internet offers different kind of convenience to consumers offers discount free shipping different varieties on demand, easy replacement, EMI option etc.

**Unorganized Retail:** The Indian retail Industry is divided into organised and unorganised sectors. Traditional or unorganized retail outlets are normally street markets, counter stores, and vendors, where the ownership and management rest with one person only like Kirana shops, local vendors owner-manned general stores, chemists, footwear shops, apparel shops, etc.

### Review of Literature:

1. Ofek, Katona, and Sarvary (2011) “In their research paper titled, “Bricks and Clicks: The Impact of Product Returns on the Strategies of Multichannel Retailers”. The Internet has increased retailers' flexibility, allowing them to operate an online branch in addition to their physical stores.

The online channel offers a potential advantage in selling to the customer segment which values the convenience of online shopping, but it also raises new challenges.

**2. Rachana Ghayal and Madhavi Dhingra (2012)** “In their research paper titled, “Impact of E-Business on the Retail Market: A Short Study”. E-business has revolutionized the way companies do business. E-business provides a new form of communication to buyers and sellers and provides opportunities to create new markets. This paper researcher focuses on the importance of e-business, the adoption of e-business, and its impact on the major activities that consumers and businesses can now do, which describes the types of customers that participate in e-business More likely, and also underlines the prediction. e-business has more flexible working methods by reducing overheads, reducing production costs, increasing sales, accessing markets around the world, providing more accurate information, and improving customer service familiarity. It has strong benefits such as improving employee motivation and providing comfort and comfort.

**3. Miss. Meenal Khandake and Miss. Naziya Maldar (2017).** “In their research paper titled, a study of consumer behavior towards online shopping with special reference to Ratnagiri City, Maharashtra – India. the study aims to establish a preliminary assessment, evaluation, and understanding of the characteristics of online shopping. An effort has been made to investigate online consumer behavior, which in turn provides E-marketers with a constructional framework for fine-tuning their E-businesses’ strategies.

**4. Jeremy Trungzu, (2013)** “In their research thesis titled, “Factors of High-End Retail Marketing: A Study of Growth Opportunities for Clothing Retailers in the American Women ’s Apparel Industry”. Researcher stated that, Retailers in particular need to identify a strategy through examining their competition and assessing their opportunities and threats in relation to their strengths and weaknesses; New strategies can improve the strength of the individual retailer while removing its weaknesses.

**5. Puja Gupta (2015)** In this thesis research seeks to identify how the consumer measures the channel for his purchase. In particular, it advances a conceptual model that addresses consumer price perception using traditional shopping versus Internet shopping. Prior studies have shown that perceived perceptions of price, product quality, service quality, and threat in offline and online networks strongly influence price and purchase intentions. Comments from online and offline buyers can be evaluated to see how value is built across both channels.

### **Research Gap:**

After going through the comprehensive literature on the topic; researcher found that not much work has been done in this field specifically Economic Impact of Ecommerce on Unorganized retail sectors in Ratnagiri District. Change in consumer behaviour after the entry of Ecommerce is another aspect of the study.

### **The Objectives of the Study:**

The objective of this research study is to evaluate the impact of consumer behavior on the unorganized retail sector. The specific objectives of this research are:

2. To study and analyse the economic impact of E-commerce on unorganized retail sector in Ratnagiri district.
3. To study and analyse the business wise economic impact of E-commerce on unorganized retail sector in Ratnagiri district.

4. To investigate and analyse the various barriers to e-commerce adoption in the unorganized retail sector of Ratnagiri district, considering business type, age, education level, and years of experience.

### Hypothesis of the Study:

1. H0: E-commerce has no significant impact on the customer base across different businesses in the unorganized retail sector in Ratnagiri District.

H1: E-commerce has a significant impact on the customer base across different businesses in the unorganized retail sector in Ratnagiri District.

2. H0: There is no significant difference in barriers to e-commerce adoption in the unorganized retail sector.

H1: There is a significant difference in barriers to e-commerce adoption in the unorganized retail sector.

### Research Methodology:

The research is based on primary and secondary data. The primary data was collected through a questionnaire designed exclusively for the study. Secondary data was taken from research papers, Journals, magazines, and websites.

**Sample Size:** The total sample size for the survey was **582 respondents**, distributed across different business types and zones as follows:

- **Business Type Distribution:**
  - **Clothing:** 141 respondents
  - **Electronics:** 146 respondents
  - **Footwear:** 77 respondents
  - **Medical Stores:** 89 respondents
  - **Grocery Products:** 129 respondents
- **Zone Distribution:**
  - **Zone 1** (Khed, Dapoli, Mandangad): 137 respondents
  - **Zone 2** (Chiplun, Guhagar): 116 respondents
  - **Zone 3** (Ratnagiri, Sangameshwar): 186 respondents
  - **Zone 4** (Lanja, Rajapur): 143 respondents

### Tools for Analysis:

For data analysis, charts and tabulation tools were used to understand the behavior of the respondents for online shopping. Collected data has been analysed and the researcher used a normality test to determine the normality of data, for this purpose researcher utilized the Shapiro-Wilk test, depending on the kind and type of data, the appropriate test is used. For data sets Parametric tests, including the independent sample t-test, ANOVA test (Fisher's/ Welch's), Levene's Test for Homogeneity of Variance were used.

### Analysis and Interpretation:

Table 1 Assumption of Homogeneity of Variance Tests (Levene's)

	Statistic	Df	Df 2	P value
Impact on the customer base across difference businesses	20.0	4	577	<.001

Source: Author calculation using SPSS

Table 2 ANOVA test (Welch's)

	F	Df1	Df 2	P value
Impact on the customer base across difference businesses	32.1	4	265	<.001

Source: Author calculation using SPSS

Table 3 Descriptive statistics

	Difference businesses									
	Clothing		Electronics		Footwear		Medical store		Grocery store	
	Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD
N	141		146		77		89		129	
Impact on the customer base across difference businesses	3.34	1.273	3.93	1.203	2.71	0.919	2.57	1.551	2.39	1.487

Source: Author calculation using SPSS

The analysis confirms that e-commerce significantly impacts customer bases across different business types, with varying degrees of influence. Electronics and clothing stores are more susceptible to customer shifts toward e-commerce, while grocery and medical stores are relatively insulated. So that hypothesis No. 1 Null hypothesis(H0) is rejected.

Table 4 Homogeneity of Variance Tests (Levene's)

Barriers to e-commerce adoption	F	Df	Df2	P value
Technological Barriers	34.4	1	580	<.001
E-commerce Knowledge Barriers	22.0	1	580	<.001
Economic Factors Barriers	22.9	1	580	<.001
Infrastructure Barriers	12.9	1	580	<.001
Organizational Culture Barriers	19.7	1	580	<.001

Source: Authors calculation using SPSS

Table 5 Independent Sample T-Test (Welch's)

Barriers to e-commerce adoption	Statistic	Df	P value
Technological Barriers	1.09	413	0.277
E-commerce Knowledge Barriers	2.36	401	0.019
Economic Factors Barriers	2.52	421	0.012
Infrastructure Barriers	2.02	394	0.044
Organizational Culture Barriers	2.53	390	0.012

Source: Author calculation using SPSS

Table 6 Descriptives statistics

Barriers to e-commerce adoption	Gender			
	Male		Female	
	Mean	SD	Mean	SD
N	406		176	
Technological Barriers	3.16	1.42	3.04	1.13
E-commerce Knowledge Barriers	3.21	1.46	2.93	1.2
Economic Factors Barriers	3.51	1.43	3.23	1.12
Infrastructure Barriers	3.33	1.37	3.11	1.15
Organizational Culture Barriers	3.21	1.4	2.93	1.18

Source: Author calculation using SPSS

These results reveal that gender plays a role in shaping perceptions of specific barriers to e-commerce adoption in Ratnagiri District's unorganized retail sector. So that hypothesis No. 2 Null hypothesis(H0) is rejected.

#### **Finding:**

On the basis of the data collected, following are the findings:

1. Electronics and clothing stores show the highest impacts, suggesting that e-commerce has significantly influenced customer decision-making in these sectors, while grocery and medical stores are comparatively less affected.
2. Electronics and clothing stores may need to enhance in-store experiences or offer competitive pricing and services to meet evolving customer expectations, while grocery and medical stores might continue to focus on their unique strengths, such as immediate product availability and personalized service, to retain customers who value the traditional retail experience.
3. Technological Barriers are perceived similarly across genders, male respondents report significantly higher perceived barriers in areas related to e-commerce knowledge, economic factors, infrastructure, and organizational culture.
4. gender-based differences highlight the importance of developing targeted interventions, such as training programs and financial assistance tailored to address specific challenges faced by each gender, to support and enhance e-commerce adoption in this sector.

#### **Suggestions:**

On the basis of the findings, following are the suggestions:

- Electronics and Clothing retailers may focus on enhancing in-store experiences or customer service to compete with online platforms, while Grocery and Medical stores can capitalize on their strengths in immediacy and personal interaction to retain their customer base.
- There is need to unorganized retail businesses adapt to the changing retail landscape influenced by e-commerce.
- Electronics and clothing stores may need to consider competitive pricing strategies and enhanced customer experiences to mitigate the impact on profitability, while grocery and medical stores might continue to leverage their inherent strengths to maintain profitability in the face of e-commerce competition.

- Electronics and clothing stores may need to enhance in-store experiences or offer competitive pricing and services to meet evolving customer expectations, while grocery and medical stores might continue to focus on their unique strengths, such as immediate product availability and personalized service, to retain customers who value the traditional retail experience.
- Provide programs that offer technical training, financial support, infrastructure improvement, and organizational change management could help this group adapt to e-commerce requirements more effectively.

### Conclusion:

The impact of Ecommerce on unorganized retail sectors is undeniable, often resulting in decreased sales and market share for smaller businesses. However, this shift in the retail landscape also presents opportunities for adaptation and innovation. By focusing on enhancing the customer experience, specializing in niche markets, leveraging localized marketing efforts, optimizing supply chain management, embracing technology, collaborating with suppliers, offering differentiated products, engaging in customer education and flexible pricing strategies, and continuously improving operations, unorganized retail sectors can not only withstand the competition but also carve out a distinctive place in the market. In the coming future, the days of unorganised retailing will be replaced by ecommerce as most of things will be done in an online manner. Ecommerce has increased customer expectations regarding discount's, offers, and services. To conclude it can be said that Ecommerce is influencing and has influenced a lot unorganised retail sector.

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