# THE FUTURE OF E-COMMERCE AND ITS POTENTIAL IMPACT ON TRADITIONAL RETAIL MODELS

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**Abstract**
According to the results of the research, in order to acquire the largest possible client base, online merchants, website and app-based retailers should pay close attention to both the variables that motivate and discourage their customers. Even if consumers prefer to purchase the conventional way, stores may still win over new customers by offering unique products and services. Preference for retail therapy is examined in this report. This paper demonstrates how research technique may be used to empirically evaluate theoretical models and bridge the gap between academia and industry. It's something stores should think about and concentrate on if they want to retain as many consumers as possible and convert them into repeat buyers. Like every study, this one has certain drawbacks, but the researcher has outlined several promising avenues for further investigation. The most consumers can be attracted and kept if stores use an Omnichannel approach.
**Keywords:** Business Finance Buyer Preferences Economics and Business Online Tools Social Sciences

## Introduction

E-commerce has benefited from the proliferation of computers and the quick expansion of the internet. One definition of electronic commerce is the buying and selling of products and services through the Internet. There are more people using the internet because more individuals have access to computers, laptops, and mobile phones. The proliferation of e-channel shopping malls and websites is a direct effect of the widespread use of electronic commerce. With the advent of e-commerce, companies may now more easily and effectively contact customers all over the world. It provides buyers with a plethora of options to choose from and a wealth of data about those things. Because of this, more and more of them are making their purchases online rather than in shops. Consumers' information-gathering habits have shifted due to the proliferation of the internet and mobile devices like smartphones. The Internet has evolved from a purely informational resource to one of critical importance to modern businesses.

With the advent of the Internet, people are changing the way they buy. Web shopping has been the most well-liked way to spend time online nowadays. You can shop whenever you choose, from the comfort of your own home, and compare prices and deals with ease thanks to online shopping. Videotex was created in the UK in 1979 by Michael Aldrich and later connected to e-commerce10. Electronic data exchange (EDI) and electronic funds transfer (EFT) are two examples of technology that facilitate electronic commerce, which was formerly known as E-commerce. EDI and EFT are the linchpins of the digital economy.

In 2005, with the advent of low-cost carriers, India entered its second phase of e-commerce. The expansion of tourist attractions was secondary. People began relying on the internet as their primary resource for trip planning and ticket purchases.

The emergence of online travel agencies was made possible by the decision of low-cost airlines to facilitate the exchange of their tickets online and through third-party sellers. Air travel was always seen as a luxury reserved for the well-to-do and business executives, but the introduction of low-cost airlines in 2005–06 changed all that. Low-cost airlines have altered the status quo by making air travel accessible to a wider audience. By the time cheap airline ticket sales went online, the Indian railway had already implemented its own E-ticket buying effort.

Customers' preferences in buying styles and their need for more convenient ways to do their shopping both contributed to the explosion of the online retail industry. The emergence of several online shopping websites in 2007 marked the beginning of this stage.

**Literature review**

**Shewale, Bhojraj. (2021).** E-commerce refers to any commercial activity that takes place through the Internet. The advent of online trade has fundamentally altered how company is seen in the public eye. E-commerce, or electronic commerce, is the transaction of products and services using electronic systems and the internet. As a result, this study has attempted to trace the origins and evolution of E-commerce in India, as well as identify its most salient present trends. This study uses a qualitative methodology and includes a literature analysis to examine the evolution, expansion, and impact of the Indian e-commerce market in light of recent developments and trends. This research provides more evidence that E-commerce in India will expand rapidly and steadily in the future. E-commerce, as these works also establish, provides retailers, manufacturers, consumers, and wholesalers with a wide range of new possibilities.

**Yang, Fengxian& Zhou, Limei. (2022).** The rise of e-commerce against the 'internet plus' backdrop has far-reaching consequences for the conventional retail sector. In this article, we examine how the rise of online shopping has affected several sectors of the brick-and-mortar retail sector. As a first step, we examine the growth statistics of internet and e-commerce in China's conventional retail sector. This article uses the business quota as an indicator of the health of the brick-and-mortar retail sector and the e-commerce transaction quota in the same way. Using a regression analysis, it was shown that supermarket chains were mostly unaffected by the rise of online shopping, whereas convenience shops and retail pharmacies were significantly impacted. In light of the above findings, this article offers some recommendations for the expansion of various retail sectors against the backdrop of the internet.

**. S, Anthony. (2021).** In the final stages of the development of the monetary divisions, data innovation has assumed a critical role. The internet company has seen an almost exponential increase in the use of smart mobile services and the web as other uses. To compete with companies that are only based online. Some challenges for a developing economy have been anticipated in this research. Internet commerce, which is used by the vast majority of the world's population. Organizations who took part in the research did a good job of assessing most of the challenges posed by the adoption of e-commerce; the survey was designed to determine data on the application and benefits of E-commerce. The respondents had a high degree of knowledge of e-commerce, the survey found. According to the results of this paper's research, there is no strong correlation between the respondent's level of knowledge about the benefits of online business and their level of familiarity with the benefits of online business.

**Mohdhar, Aisha &Shaalan, Khaled. (2021).** There is no denying the increasing complexity and efficacy of today's systems. The future utility and significance of a corporation is more important than its historical success. The 4th industrial revolution has had far-reaching social and economic effects, and the use of software in commerce is at the center of every firm today. This chapter covers the present status and difficulties of systems, its architecture, and the innovations of cyber physical systems in electronic commerce, and how they have influenced the evolution of commerce. In addition, it elaborates on how omnichannel systems may be used for fifth-generation network-based communication, blockchain-based transactions, and Social Internet of Things-based creation. To better understand the future drivers of omnichannel systems in the 4th industrial revolution, its potential, and its predicted problems, we think this research will benefit all players in the commercial sector, including governments, supply chain organizations, and consumers.

**Cheng, Kelvin. (2021).** Online shopping's popularity in the retail sector keeps on rising. Due to the expansion of online shopping, its significance to many groups has increased. It is expected that e-commerce would become a standard method of conducting international trade and hence play a significant role in the retail sector. The spread of mobile technology, the increasing use of smartphones, and the Covington virus have all contributed to the rapid expansion of retail e-commerce in recent years. While it has contributed to economic development and allowed for the expansion of businesses, it has also highlighted several obstacles and repercussions for companies who specialize in e-commerce. The purpose of this article is to assess the current economic and business climate by analyzing the reasons leading to the expansion of e-commerce and the economic repercussions felt by the retail sector.

**Research methodology**

Descriptive research aims to provide a detailed account of the status quo. Data for this research was gathered using a standardized questionnaire after participants who shopped in conventional stores and those who shopped online were identified.

The researcher has made every attempt to gather data from a wide range of published sources. Various publications, including business dailies like "The Economic Times, Business standard, The Financial Express, and The Times of India," were mined for secondary data.

Information was gathered using a questionnaire designed to elicit answers on purchasing habits, demographics, product preferences, and the benefits and drawbacks of online shopping. Selecting respondents based on whether they had made a purchase in a physical store or online was one of the criteria used. Sampling is the process of learning about a population as a whole via in-depth study of a representative subset of that group. Sampling design refers to the method used to choose a representative sample from a larger population. It's the assumed procedure by which researchers pick sample units from which to derive conclusions about the whole population. Therefore, the predicted sample size using this data is 104012. The research advisory group helped split the sample of 1040 people into the following categories. After gathering the information, it was sorted, modified, and categorized into usable categories before being presented. Percentage Analysis, tabular and graphical presentation, the Chi Square Method, and Factor Analysis are utilized to evaluate the data.

**Data analysis**

**Website Shoppers:**

**Do you visit a retail store first before your final online purchase**

**Table 1 retail store visit**

|  |  | Responses |
|------|-----|--------|
| No | 315 | 75.0% |
| Yes | 105 | 25.0% |

Table 1 shows that although 75% of respondents never set foot in a physical store before making an online purchase (perhaps because they lack the time or motivation to do so), 25% of respondents often or sometimes do so. The majority of respondents don't check out physical stores before making an online purchase, and the reasons for this were varied: some respondents said they don't like to travel for shopping because they don't have time, and others said they have more trust on ordering online without first seeing the product in person. In addition, 25% of respondents said they prefer to physically visit a store before making a purchase, with the most common reasons being a desire to "touch and feel" the product in order to determine whether or not it is right for them, as well as the desire to compare prices between online and offline sources.

**Reason by shoppers to visit retail store before final online purchase:**

**Table 2 Retail store visit before final online purchase**

|  | Responses | |
|---------------------|-----|-----|
| To check the product | 72 | 69% |
| To compare price | 33 | 31% |

It has been shown that 69% of consumers go to a physical shop before making an online purchase to get a better idea of the product's appearance or quality, while 31% do so to compare prices. From the data shown above, we may infer that consumers do offline research mostly to compare costs and physically examine potential purchases. It has been noted that the elderly prefers to make purchases in person rather than online.

**Percentage method:**
The researcher has used the questionnaire and its main data to evaluate the aforementioned hypothesis. The percentage system is used for statistical analysis.

**Table 3 Available tools for online shopping**

| Shopping tools | Responses | |
|---|---|---|
| Responses: All Respondents | 620 | 100.0% |
| a. Desktop/ Laptop | 48 | 8% |
| b. Mobiles/tablet/Ipad | 89 | 14% |
| Both | 483 | 78% |

Chi-square test of uniform distribution with 95% confidence level and 2 degrees of freedom is used to learn whether internet buyers are knowledgeable about internet resources. The findings are as detailed below.

**Table 4 Chi Square table**

| Shopping Tools | Observed (O) | Expected (E) | O²/E |
|---|---|---|---|
| Desktop/Laptop | 48 | 206.67 | 11.1482 |
| Mobiles/tablet/Ipad | 89 | 206.67 | 38.3268 |
| Both | 483 | 206.67 | 1128.8542 |
| Total | 620 | 620 | 1178.3292 |

**Chi Square calculations:**
X 2 =∑ O2 /E-N X 2 = 1178.3292-620 = 558.3292 X 2 Calculated=558.3292 X 2 at 2 degrees of freedom and 95 percent confidence level is 0.0000 X 2 Calculated> X2 Observed
As can be shown in Table 4, online consumers have a good working knowledge of a variety of available resources. Internet buyers are making use of various online resources depending on what they find most useful and readily available throughout the purchase process.

**Table No-5 Factors affecting online shopping or traditional shopping**

| Sr. No | Total Respondents Preference factors | 420 Traditional | 620 Online | Proportion for traditional | Proportional for online | Test statistic Z value | p value& remark | conclusion |
|---|---|---|---|---|---|---|---|---|
| 1 | Payment Process is secured | 262 | 545 | 0.6238 | 0.879 | -9.686 | 0.0000 Significant | Online preferred |
| 2 | Process is time saving | 266 | 567 | 0.633 | 0.9145 | -11.143 | 0.0000 Significant | Online preferred |
| 3 | Convenient Shopping | 311 | 592 | 0.7405 | 0.9548 | -10.03 | 0.0000 Significant | Online preferred |
| 4 | Enjoys shopping | 345 | 404 | 0.8214 | 0.6516 | 5.986 | 0.0000 Significant | Online preferred |
| 5 | Comparison between brands available | 281 | 396 | 0.669 | 0.6387 | 1.007 | 0.8431 Not Significant | Traditional Preferred |
| 6 | Can touch and feel before purchase | 410 | 128 | 0.9762 | 0.20645 | 24.375 | 0.0000 Significant | Traditional Preferred |
| 7 | Saves money | 165 | 560 | 0.3929 | 0.9032 | 17.575 | 0.0000 Significant | Online preferred |
| 8 | Product variety is available | 208 | 565 | 0.4952 | 0.9113 | -15.071 | 0.0000 Significant | Online preferred |
| 9 | Better promotion schemes available | 167 | 576 | 0.3976 | 0.929 | -18.616 | 0.0000 Significant | Online preferred |
| 10 | No Delivery time and charges are absent | 354 | 373 | 0.8429 | 0.6016 | 8.323 | 0.0000 Significant | Online preferred |
| 11 | Replacement is easy | 387 | 469 | 0.9214 | 0.7565 | 6.841 | 0.0000 Significant | Online preferred |
| 12 | Customer service is prompt | 340 | 412 | 0.8095 | 0.6645 | 5.128 | 0.0000 Significant | Online preferred |
| 13 | Clear information about product is available | 339 | 509 | 0.8071 | 0.821 | -0.564 | 0.5729 Not Significant | Traditional preferred |

The researcher had previously computed the total replies provided in favor of the factor for choosing the form of shopping to know whether internet shopping or conventional shopping is favored. Proportions of preferred answers are estimated for both in-store shoppers and those who prefer to do their shopping online. A comparison is made between these percentages to see whether there is a discernible difference. The Z test, with 95% confidence, is used to analyze the results of this massive sample examination of proportional dissimilarity. Table 5 displays the findings collected.

Except for those three, there is a statistically significant variation in the percentages of all the other components. Statistical evidence suggests that people would rather purchase online than at a physical store.

**Correlation Matrix**

To better grasp factor analysis, we evaluated the correlation matrix for the factors, which comprised factors 1 through 13 for conventional buying (Q 12) and factor 15 for internet shopping (Q no. 18). One of factor analysis's aims is to identify interrelated elements so that a proper factor model can be analyzed.

**Table 6 KMO and Barlett's test for traditional shopping**

| KMO and Bartlett's Test | | |
|---|---|---|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .741 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 1096.901 |
| | Df | 78 |
| | Sig. | .000 |

Using Bartlett's sphericity test, we determine that the correlation matrix is an identity matrix, in which every entry on the diagonal is 1 and every entry off the diagonal is 0. In a nutshell, it is used to test whether there is any connection between the given variables. Above, we noted both the significance threshold (p000) and the test value (1096.901). There are correlations between variables since the value of test statistics and the significant value are both very modest. Adequacy in sampling may be evaluated with the use of Kaiser Meyer-Olkin (KMO). The variables' correlations and partial correlations form the basis of this analysis. If the test result is closer to 1, factor analysis is appropriate; otherwise, correlations between the variables and data are weak. Since the computed value for the aforementioned statistics is 0.741, it can be concluded that factor analysis for the chosen variables is appropriate for the data.

**Table no-7 Online Shopping using KMO and Barlett's Test**

| KMO and Bartlett's Test | | |
|---|---|---|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .625 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 791.451 |
| | Df | 105 |
| | Sig. | .000 |

The significance threshold (p0.00) and test result (791.451) for Bartlett's sphericity test are listed above. There are correlations between variables since the value of test statistics and the significant value are both very modest. According to the KMO, a positive correlation exists between the variables and the data if the test value is greater than 1, and a negative correlation does not exist if the test value is less than 0. Based on the above data, it can be concluded that there is a positive correlation between the variables and the data.

**Conclusion**

In today's era of digitalization, when almost every new business launches its own digital platform to reach a wider audience, this research couldn't come at a better moment. The study examines the differences in customer behavior between in-store and internet purchasing. In addition, both online and brick-and-mortar stores may benefit from the results of this study. Conclusions have been drawn from the empirical research that may help shops attract and keep as many customers as possible. It's something stores should think about and concentrate on if they want to retain as many consumers as possible and convert them into repeat buyers. Like every study, this one has certain drawbacks, but the researcher has outlined several promising avenues for further investigation. The most consumers can be attracted and kept if stores use an Omnichannel approach.

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