



Impact of E-Commerce on traditional Retail: A Study in Bangalore

Ms. Anusha S Nadiger¹, Balaji Chidri², N. Jyotsna², Poshita Goyal², Rithvik S², Sanchaya Shrestha², Varsha Agarwal²

¹Guide, Assistant Professor, Department of Management Jain (Deemed-to-be University) - Center of Management Studies

²Students of Jain University Center for Management Studies

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ABSTRACT:

In the lively realm of Bangalore's retail scene, the intricate dance between traditional stores and the digital world of e-commerce has become not just a trend but a vital part of the city's identity. This study delves deep into this fascinating fusion, unraveling the many layers of how e-commerce has shaped Bangalore's retail landscape. In the whirlwind of digital transformation, local retailers stand at the crossroads of age-old traditions and cutting-edge technology, navigating a path reshaped by the influence of online platforms.

This research sheds light on the incredible journey of traditional retail amidst the rise of e-commerce. It's a story of adaptation, where local businesses, deeply rooted in Bangalore's rich culture, are embracing the digital age with open arms. From crafting personalized shopping experiences to streamlining their supply chains, traditional retailers are not merely surviving; they are thriving, thanks to their unwavering spirit of innovation. The study meticulously explores how e-commerce has not just influenced what customers buy but also how they buy, reshaping market dynamics and challenging traditional business approaches.

Beyond the financial aspect, this study delves deep into the social impact of this digital revolution. It's a beacon of hope, illuminating how e-commerce has become a catalyst for positive change, promoting digital inclusivity and empowering diverse communities. By creating job opportunities in fields like delivery services and digital marketing, e-commerce isn't just a driver of economic growth; it's a force that bridges societal divides, allowing more people to participate in the digital economy.

For policymakers, entrepreneurs, and scholars alike, this research offers invaluable insights. It provides a nuanced understanding of how Bangalore's retail landscape is evolving, intertwining the threads of tradition and technology. The study captures the very essence of Bangalore's adaptability, showcasing how the city's retail sector not only survives but thrives amidst the transformative wave of e-commerce. Through this exploration, the story of Bangalore's retail industry emerges as a testament to the city's resilience, its spirit of innovation, and the beautiful harmony between the old and the new.

Keywords: Bangalore, retail industry, e-commerce, traditional stores, digital transformation, supply chain, digital inclusivity, technology

Introduction

In the bustling city of Bangalore, where tradition meets technology, a retail revolution is underway. The rise of e-commerce has woven a new narrative into the fabric of traditional retail, reshaping how we shop, connect, and thrive as a community. This study delves deep into the intricate dance between traditional brick-and-mortar stores and their digital counterparts, aiming to unravel the profound impact of e-commerce on Bangalore's retail landscape.

In the heart of this vibrant city, where the aroma of local cuisine mingles with the hum of tech innovation, traditional shops have long been the cornerstone of Bangalore's identity.

However, the digital age has ushered in a wave of change, challenging the very essence of these establishments. Online platforms have redefined convenience, allowing shoppers to explore a world of products with just a click, disrupting the traditional, tactile shopping experience.

Navigating the bustling streets of Bangalore's markets, where the familiar smiles of seasoned shopkeepers contrast with the vast virtual aisles of e-commerce websites, is a journey into the evolving soul of retail. Witnessing this transformation, it becomes evident how traditional retailers, celebrated for their personal touch, are embracing technology.

In response to the digital wave, these shops are incorporating innovative methods, enhancing customer service, and crafting distinctive in-store experiences, harmoniously coexisting with their online counterparts.

Amidst this digital surge, traditional businesses encounter challenges that require them to redefine their value proposition and reimagine their supply chains. The local retailers, however, employ ingenious strategies not just to survive but to thrive. From adept use of social media platforms to creative

delivery solutions, Bangalore's retailers are rewriting the rules. Through these efforts, they ensure that the essence of community and connection remains vibrant, refusing to fade amidst the digital buzz.

Furthermore, the impact of this transformation stretches beyond business dynamics, profoundly influencing society. E-commerce has emerged as a powerful force for employment, empowering a new generation with opportunities in delivery services and digital marketing. Yet, this progress underscores a pressing need for digital inclusivity. Bridging the gap becomes imperative, ensuring that every individual can actively participate in this digital age, fostering a more inclusive and connected society.

Objectives

1. To analyze how local retailers have adapted to e-commerce trends, exploring factors such as online presence, delivery services, and technological integration.
2. To assess market dynamics and investigate how the rise of e-commerce has affected the traditional retail market in Bangalore, examining changes in market size, competition, consumer behaviors
3. To examine the challenges faced by traditional retailers in adapting to e-commerce and explore potential opportunities for coexisting and collaboration between online and offline retail
4. To find out the long-term viability of traditional retail in Bangalore in the phase of e-commerce dominance, and propose strategies for their sustainability.

Research Hypothesis:

In the study titled "Impact of E-commerce on Traditional Retail: A Study in Bangalore," we propose the following research hypothesis:

Hypothesis 1: Bangalore's booming e-commerce industry has significantly and adversely affected the region's conventional retail businesses' sales and profitability.

Hypothesis 2: Bangalore's consumer tastes and behavior have changed to favor e-commerce platforms, which has resulted in a decline in foot traffic and sales at conventional retail outlets.

Hypothesis 3: Conventional retail organizations in Bangalore that have Coordinated web-based business into their tasks have encountered a lesser decrease in deals contrasted with those that poor people embraced computerized methodologies.

Hypothesis 4: The effect of Internet business on conventional retail in Bangalore is impacted by elements like the sort of retail business (little, free shops versus bigger corporate stores), the segment profile of buyers, and the administrative climate.

Hypothesis 5: While internet business has presented difficulties to conventional retail in Bangalore, it has additionally set out new business open doors, especially for business people and new companies entering the advanced trade space.

Hypothesis 6: The drawn-out manageability of customary retail in Bangalore will rely upon the area's capacity to adjust and develop because of online business contests, including the reception of innovation and the improvement of the in-store shopping experience.

Research Gap

The impact of e-commerce on traditional retail in Bangalore presents a dynamic landscape that demands thorough investigation. Firstly, the rise of online platforms has significantly altered consumer behavior, affecting the footfall and sales of brick-and-mortar stores.

While studies globally have explored this shift, there is a research gap specific to the nuanced market dynamics of Bangalore. Understanding how local demographics, cultural preferences, and economic factors interact with e-commerce can provide valuable insights into the unique challenges and opportunities faced by traditional retailers in the region.

Secondly, the technological disparities among retailers could contribute to varying impacts on traditional stores. Exploring the adoption and integration of e-commerce technologies by both small and large-scale retailers in Bangalore can shed light on potential disparities in their ability to compete. Such an investigation can uncover factors influencing the digital divide among retailers and offer recommendations for enhancing the resilience of traditional businesses in the face of increasing online competition.

Lastly, consumer trust and preferences play a pivotal role in the success of e-commerce and traditional retail. A deeper examination of how factors such as brand loyalty, personalized shopping experiences, and perceived security impact the choices of Bangalore consumers will provide essential insights. Bridging this research gap will contribute to a more comprehensive understanding of the evolving retail landscape in Bangalore, offering practical implications for both traditional and e-commerce businesses in the region.

Review of Literature

Dr. Ch. Rama Krishna (2023) in his work "The impact of E-commerce on traditional retail: A comparative analysis" delves into an examination and comparison of how e-commerce has influenced conventional retail, shedding light on the obstacles and advantages experienced by both domains. This research, which aims to analyze and compare the effect of electronic business with the traditional retail, highlights the challenges and opportunities of these two sectors.

Abdullah Mahmood (2023) in his work "The Impact of E-commerce on Traditional Brick- and- Mortar Retail Stores" explores how traditional brick-and-mortar retail establishments are affected by e-commerce. E-commerce has revolutionized the retail sector over the past two decades, posing significant difficulties for traditional retailers that have traditionally relied on physical shops and in-person interactions with clients. This study aims to investigate how consumer behavior, industry dynamics, and the state of the retail sector have been impacted by e-commerce.

Dr. Madhura Milind Kulkarni (2023) in her work "The Evolution and impact of E-commerce on Malls in India" talks about the transformative impact of e-commerce on the retail landscape in India, with a particular focus on malls. It adopts a comparative analysis approach to understand changes in consumer behavior, footfall patterns, and the broader retail industry. Through in-depth case studies, the research offers practical insights from all owners, retailers, and policymakers to navigate the evolving retail landscape and promote sustainable growth. Additionally, this paper contributes to the existing knowledge of e-commerce and retail in India, serving as a foundation for future research in this field.

Rupraoji Satish (2023) in his work "The Rise of 3D E-commerce" explores the challenges and transformations within the global retail industry, primarily driven by the COVID-19 pandemic and the emergence of immersive technologies like 3D E-Commerce. It acknowledges the pervasive impact of the pandemic on various sectors and asserts that despite the difficulties faced by physical stores, they are expected to endure due to the irreplaceable value of in-person product interaction and customer engagement. The passage also highlights the integration of immersive technology to enhance the in-store experience, offering hope for traditional retailers.

Kamalesh S (2023) in "Impact of E-commerce on Traditional Business in India" explores the dual impact of E-commerce and said It creates job opportunities and enhances product quality while intensifying competition and posing challenges for traditional businesses in India.

Maria Kalyvaki (2023) in "Grocery E-Commerce Transformation" traces the rise of e-commerce in the grocery sector, particularly accelerated by the COVID-19 pandemic in 2020. The chapter emphasizes the integration of e-commerce into the food industry,

Highlights customer concerns, and advocates for modernizing retail models, eco-friendly delivery systems, and supportive urban policies to balance e-commerce growth with traditional retail and environmental considerations.

Afina Athiyatul Karima (2023) in his study "Social Change and Impact of E-commerce on Traditional Trade" delves into the societal transformations brought about by technological advancements and digitalization, with a specific focus on the impact of e-commerce on consumer behavior and traditional trade practices. Employing qualitative description methodology, the research amalgamates theories and data to reveal that e-commerce presents both opportunities and threats for traditional businesses. It shapes consumer consumption patterns by reducing interest in traditional markets, promoting heightened consumerism, expanding market access for traditional businesses, and enhancing their technological adaptability.

Sudheer Chava, Alexander Oettl, Manpreet Singh, and Linghang Zeng (2023) in their study "Creative Destruction? Impact of E-Commerce on the Retail Sector" which used a dataset of

2.6 million retail workers, found that traditional retail workers' income decreased by 2.4% in geographically nearby counties, notably hitting hourly and part-time workers due to reduced working hours. Young and older workers' wages are decreasing in a U-shaped pattern, and some people are becoming more delinquent on their credit cards, according to the report. In addition, data from 3.2 million establishments shows a 4% drop in sales and a 2.1% drop in employment at surrounding stores, with more people leaving, particularly young and small enterprises, and fewer people entering. These results demonstrate how local labor markets are impacted by e-commerce driven creative destruction.

Rhiannon Lewis and Antje Cockrill (2022) in their work "Going Global—remaining local: the impact of e-commerce on small retail firms in Wales" summarize the results of several studies on the adoption and participation of e-commerce by traditional, brick-and-mortar small merchants in Wales. Particularly in the retail industry, e-commerce is gradually becoming the "normal" way to conduct business. This study has concentrated on small and micro businesses in Wales, which are defined as those with between 10 and 99 employees, the results show that most merchants do not participate in the complex and highly interactive e-commerce solutions that large companies focus on.

Sivaranjan Murugesan (2022) in his study "Investigating the effectiveness of products in e-commerce and retail outlets" investigates the transformative impact of e-commerce on traditional markets and consumer preferences. It specifically explores how individuals express their attitudes toward e-commerce websites and physical retail stores. To achieve this, the study employs sentiment analysis, utilizing various methodologies and a combination of primary and secondary data sources. Primary data is directly gathered from individuals, while secondary data is extracted from e-commerce websites. The research findings indicate that consumer attitudes and purchasing decisions are influenced by e-commerce websites. Surprisingly, the study also reveals that people tend to exhibit a more favorable attitude toward traditional retail outlets compared to e-commerce platforms.

Dr. M. Karthikeyan and Dr. V. Vimalnath (2022) in "A Study on Effects of E-commerce on Retail Industry in India" analyze the transformation of India's retail sector. E-commerce is reshaping consumer behavior, shifting the focus from physical retailing to online shopping, with significant implications for the Indian economy.

Fengxian Yang and Limei Zhou (2022) in their work "The Influence of E-Commerce Development on Traditional Retail Industry under the Background of "Internet Plus" "summarizes the development of the Internet and mobile e-commerce, and talks about a new retail industry that has risen to become a new all-time favorite. They further discuss the development direction of the traditional retail business which does not seem promising. Based on the analysis results, it is learned that the turnover of electronic stores and pharmacies is significantly affected by the transaction volume of electronic shopping.

Joris Beckers, Simon Weekx, Philippe Beutels, and Ann Verhetsel (2021) in their study "COVID-19 and retail: The catalyst for e-commerce in Belgium?" examines the shifts in consumer behavior and the responses of nearby merchants throughout the pandemic, they carried out two surveys. The research emphasizes the departure from conventional economic geographical perspectives as it proposes a new paradigm for evaluating e-retail accessibility. The results indicate that COVID-19 offers prospects for greater e-commerce accessibility, but local businesses' lack of professionalism may make it difficult for them to compete in the growing online market. If internet purchasing continues to outpace other forms of retail spending after the pandemic, this could potentially result in the demise of brick-and-mortar stores.

Mohd Zafar Iqbal (2021) delves into the impact of E-commerce in his study, "A Study on E-Commerce and E-Retailing: Analyzing the Factors and Perceptions of Indian Millennials for Online Purchase and its Impact on Market and Retailers in India." e-commerce's convenience and accessibility have transformed traditional markets, benefiting consumers with preferences for reasonably priced goods. The study explores the profound effects of E-commerce on various marketplaces and retailers, with a focus on Indian millennials, showcasing its substantial influence on India's business landscape.

Anant B. Sidana and Kamla Nehru (2019) in their study "Impact of E-commerce on Traditional Business in India" elucidate the dual effects of E-commerce. On one hand, it has created job opportunities and improved goods and services. On the other, it intensifies competition and poses challenges for traditional businesses in India.

Alberto Americo and Antonio Veronica (2018) in their work "The Effect of E-commerce on Employment in Retail Sector" discusses accounts for macroeconomic variables like HICP and GDP to control for business cycles and take into account variables like retail sales, e-commerce turnover, internet accessibility, and online purchases. The research finds a negative association between e-commerce turnover and employment in the retail industry using a variety of estimate approaches, including IV estimation through Two Stage Least Square, demonstrating a disruptive effect of digitalization on traditional retail jobs. The Study draws attention to the uncertainty surrounding whether the expansion of e-commerce will create enough new jobs to counteract the reduction in employment in traditional retail.

Alberto Americo and Antonio Veronica (2018) in their work "The Effect of E-commerce on Employment in Retail Sector" looks at how employment in the retail sector has changed over the past ten years in 35 European countries. They take into account several variables, such as offline sales, business turnover from online sales, internet accessibility, and online purchases. They arrive at the negative association between company turnover from e-commerce and employment in the retail industry using several estimating approaches, demonstrating the disruptive impact of digitalization on traditional retail jobs. It's still unclear, though, if the expansion of electronic commerce will create enough new jobs to counteract the drop in traditional retail employment due to the paucity of information on employment in the sector.

Menal Dahiya (2017) explores the impact of E-commerce in the study "Study on E-Commerce and its Impacts on Market and Retailers in India." E-commerce has revolutionized traditional markets in India, offering convenience and accessibility for buyers and sellers. This study delves into the transformative effects on various marketplaces and retailers, underscoring its significant influence on the Indian business landscape.

Jason Cao, Frank Douma, and Fay Cleaveland (2010) in their study "The influence of E-shopping on Shopping Travel: Evidence from Twin Cities" identify how e-commerce affects travel in the Minneapolis-St. Paul metropolitan area. They specifically wanted to determine the association between online and in-store shopping utilizing a sample of internet users from urban, suburban, and exurban communities.

Tarafdar and Vaidya, (2006) in their study, the role of organizational factors in E-commerce (EC) adoption in India was examined. The research analyzed four Indian financial firms, using both primary data from interviews and secondary data sources. The study identified two key factors, management qualities, and organizational attributes, influencing EC adoption. It found that organizational traits impact adoption in decentralized organizations, while leadership qualities affect centralized ones. Additionally, attributes like Data Systems expertise and organization structure were noted as influential in EC adoption.

Viswanathan and Pick (2005) conducted a comparative study on "E-commerce in India and Mexico", analyzing various factors affecting its adoption. They considered government policies, legal frameworks, technology infrastructure, international relations, and the adoption of E-commerce by individuals, businesses, and governments. The study recommends significant investments in telecommunications infrastructure and the promotion of a culture of electronic payments and E-commerce to foster economic growth in both nations.

Dasgupta and Sengupta (2001) in their paper on "E-commerce in the Indian insurance industry" compare e-insurance with traditional offline insurance services. They highlight advantages like niche market opportunities, first-mover advantages, and cost reduction for customers.

Research Methodology

1. Research Design

The research design for this study is a mixed-methods approach, integrating both qualitative and quantitative methods. This approach enables a comprehensive exploration of the multifaceted impact of e-commerce on traditional retail in Bangalore. The qualitative aspect of the study allows for an in-depth understanding of the experiences, perceptions, and strategies of traditional retailers, while the quantitative component quantifies trends and patterns in consumer behavior and retail performance. This combination of methods enhances the validity and reliability of the study's findings.

2. Data Sources

The primary data source for this research comprises secondary data obtained from reputable academic and industry sources. Google Scholar serves as the principal platform for data retrieval. By focusing on publications from the last eight years (2016-2023), the study ensures that it captures the most recent developments in the e-commerce and retail landscape. This includes academic journals, conference proceedings, reports, industry publications, and reputable news sources. Leveraging secondary data ensures access to a diverse range of perspectives and authoritative insights.

3. Literature Review

The research commences with an exhaustive review of existing literature to establish a solid theoretical foundation and contextual framework. This phase involves identifying, selecting, and analyzing academic papers, articles, reports, and case studies related to the impact of e-commerce on traditional retail. Key concepts, theories, and empirical studies are critically assessed to inform the research questions and hypothesis development. This process not only informs the direction of the study but also highlights gaps in the existing literature that the research aims to address.

4. Data Collection

The data collection process is extensive and systematic, encompassing a comprehensive search strategy. Keywords, including "e-commerce impact on traditional retail," "Bangalore retail market," and "consumer behavior change," are strategically chosen to ensure the identification of relevant literature. Google Scholar's search capabilities are leveraged to locate a broad range of sources. Each identified source is assessed for its relevance and rigor before being included in the study. The data collection process is dynamic and adaptable, allowing for the incorporation of newly published research as the study progresses.

5. Data Analysis

Qualitative and quantitative data analysis techniques are integral to this research. Qualitative analysis, such as content analysis, is applied to the gathered literature to extract and categorize relevant information into themes. This thematic analysis aids in identifying emerging patterns, trends, and key insights related to e-commerce's impact on traditional retail in Bangalore.

Quantitative analysis methods, including statistical analysis and data visualization, are employed when quantitative data is available, allowing for the quantification of trends and relationships within the data. These analytical approaches ensure a holistic understanding of the research topic and facilitate evidence-based conclusions.

This research methodology leverages a comprehensive and methodologically rigorous approach to examine the complex dynamics between e-commerce and traditional retail in Bangalore, offering valuable insights for both academia and industry stakeholders.

E-COMMERCE MARKET

1) E-commerce market size and growth data in Bangalore: -

Bangalore, India's bustling tech hub, boasts a vibrant e-commerce market poised for exponential growth. With an estimated size of \$14.5 billion in 2021 and a projected CAGR of 18.7%, reaching \$34.6 billion by 2025, the city showcases robust potential. Surpassing the national average, Bangalore's e-commerce penetration rate stood at 46% in 2020, indicating a strong inclination towards online shopping among its populace. Notably, the average online shopper in Bangalore spent around \$1,057 in 2020, significantly higher than the national average, with popular categories spanning electronics, fashion, and groceries. Dominated by industry giants like Flipkart, Amazon India, Myntra, and Ajio, with Flipkart leading at 31% market share, Bangalore's e-commerce landscape is characterized by fierce competition. However, it's not just the established players shaping the scene; the city's ecosystem thrives on a multitude of startups spanning diverse sectors, including online grocery, food delivery, beauty products, social commerce, B2B commerce, and digital payments, further enriching its dynamic marketplace.

This bustling e-commerce scene has garnered substantial investments from prominent players like SoftBank, Tencent, Naspers, Alibaba, and Walmart, reinforcing Bangalore's position as a hub for e-commerce innovation and growth. The city's robust network of incubators, accelerators, mentors, and service providers further nurtures the development of e-commerce startups, ensuring they can scale and thrive in this dynamic market.

India: A Thriving Industry

India's e-commerce industry has been on an extraordinary growth trajectory, largely driven by an expanding internet user base and favorable market conditions. In 2018, the market value of the e-commerce industry in India stood at approximately \$22 billion, and predictions were lofty, estimating it to reach a whopping \$350 billion by 2030.

E-commerce Platforms in India

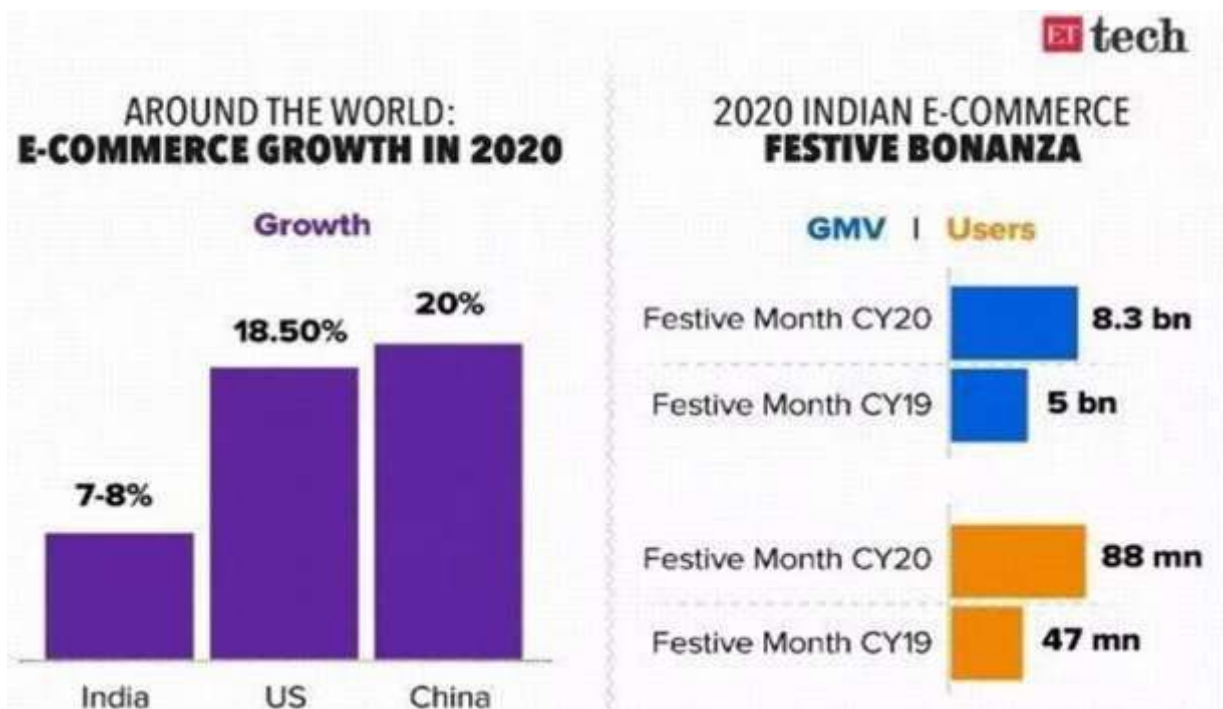
Competition in the Indian e-commerce sector is intense, with both local and international companies vying for market dominance. As of April 2017, Amazon India led the pack, boasting over \$500 million in sales. Homegrown players like Flipkart and Myntra also held strong positions in the local market.

E-commerce Growth Trends in India

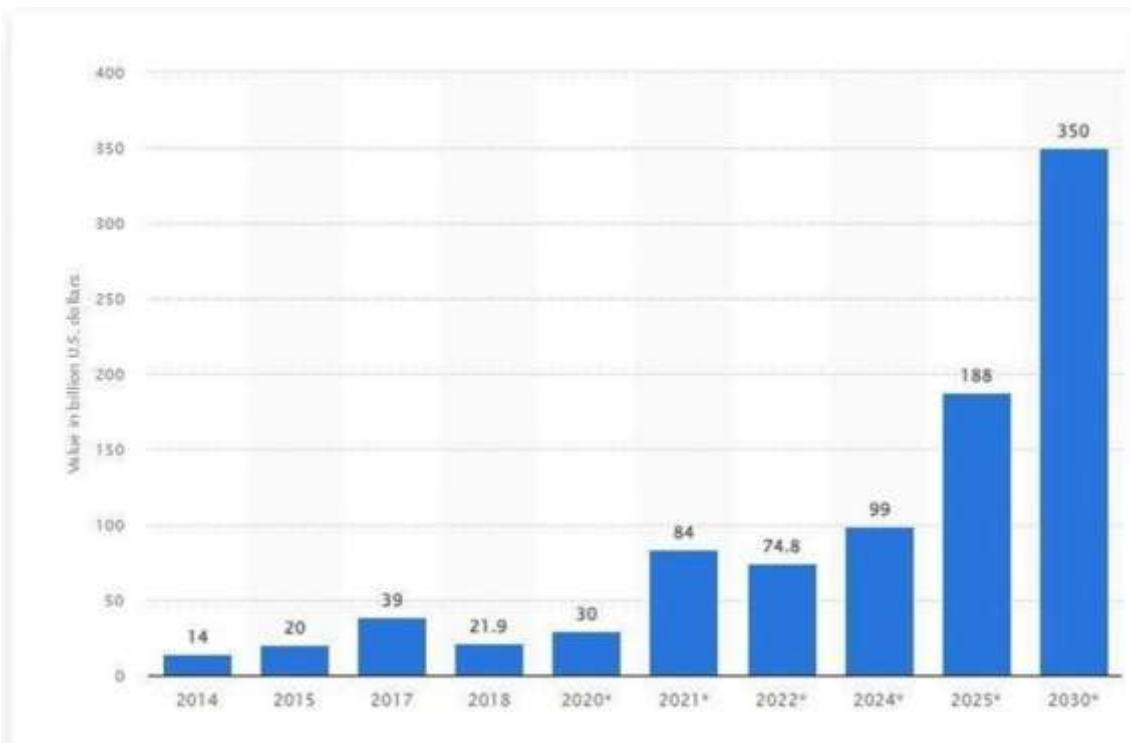
The growth of e-commerce in India can be attributed to several factors. The digital transformation of the economy and the accessibility of affordable internet services have been pivotal in boosting digital sales. In 2018, e-commerce sales in India were projected to surge by 25%, although a slight dip was anticipated in 2022. Nonetheless, the revenue potential has been on the rise. In 2018, the average retail e-commerce revenue per user in India exceeded \$50 and was estimated to surpass \$75 by 2024.

E-commerce in Bangalore: A Hub of Activity

The e-commerce market in Bangalore is one of the most dynamic and rapidly expanding sectors in India. In 2020, Bangalore boasted the highest number of online shoppers in India, with over 12 million active users. Impressively, the city accounted for 23% of the total e-commerce revenue in India, generating a substantial \$12.7 billion in gross merchandise value (GMV).



Source: <https://ijrpr.com/uploads/V3ISSUE6/IJRPR4677.pdf>



Source: <https://www.quora.com/What-is-the-future-of-e-commerce-in-India-in-2023>

2) Traditional retail market data in Bangalore: -

Traditional Grocery Retail in India As of February 2021, the traditional grocery retail market in India is valued at a substantial \$1,195 million. This segment of retail has deep roots in India and continues to thrive alongside the growing e-commerce industry.

Bengaluru's Vibrant Leasing Market

Bengaluru's leasing market is buzzing with activity, particularly in recently completed malls and prominent main streets. Notably, the food and beverage (F&B) segment has taken a significant share, accounting for approximately 45% of leased commercial space. This indicates the city's thriving dining and entertainment scene.

Positive Trends in Mall Vacancy and Rental Rates

The overall vacancy rate in Bengaluru's malls saw a noteworthy decrease of 110 basis points, settling at 13.3%. Meanwhile, select main streets experienced rental growth ranging from 2% to 5%. These trends suggest a healthy and active retail real estate market in the city.

Growth in Eastern Bengaluru

The eastern quadrant of Bengaluru, encompassing areas like Whitefield and KR Puram, has been a hotspot for residential property launches. This growth is fueled in part by improved connectivity, making these areas attractive for both residents and businesses. Surge in Bengaluru's Warehousing Sector Bengaluru's warehousing sector has experienced a remarkable surge in demand. In the first half of 2023 alone, the sector recorded leasing activity totaling 1.8-1.9 million square feet (MSF), marking a remarkable threefold increase from the second half of 2022. This surge indicates the growing importance of warehousing and logistics in the city, likely influenced by the rise of e-commerce and the need for efficient supply chains.

Micro and Small-Scale Units in Karnataka

According to previous registration data, Karnataka is home to a substantial 8.75 lakh micro and small-scale units. These units have collectively invested a staggering Rs. 1.03 lakh crores and provided employment opportunities for an impressive 60.21 lakh individuals. This underscores the vital role played by small-scale businesses in Karnataka's economy, contributing significantly to economic growth and employment generation.

3) Consumer preferences and behavior related to online shopping

Consumer Preferences and Behavior in Online Shopping Online shopping has become an integral part of our lives, and consumer choices are influenced by several key factors: Shopping Preferences: A significant 57% of consumers prefer the convenience of online shopping, finding it more appealing than physical stores. Meanwhile, 31% still enjoy the traditional experience of visiting brick-and-mortar shops. Surprisingly, 12% of consumers find both methods equally satisfying.

Trust and Testimonials: Trust plays a pivotal role in online shopping. A substantial 45% of consumers express a preference for e-commerce websites that have more testimonials or reviews. This indicates the importance of social proof in building consumer confidence.

Mixed Attitudes toward Clothes Shopping: While consumers generally hold a positive attitude toward online shopping, their enthusiasm wanes when it comes to buying clothes online. It appears that trying on clothes in person still holds a special place in many shoppers' hearts.

Perceived Risks: Online shopping is not without its concerns. Consumers often perceive it as risky due to fears related to technology issues, fraud, privacy breaches, and delivery problems. Addressing these concerns is crucial for e-commerce platforms to build trust.

Product Characteristics Matter: The nature of the product matters. Consumers are more inclined to shop online for products that are standardized, reasonably priced, and packed with information.

These characteristics provide the confidence needed for online purchases.

Price Sensitivity: Online shopping tends to make consumers more price-conscious. They are inclined to switch brands and actively seek the best deals and discounts online. The ease of comparing prices across different platforms drives this behavior.

Health and Eco-Friendly Choices: An emerging trend is the increasing consciousness of health and eco-friendliness in online shopping. Consumers are making choices that align with their health and environmental values, seeking products that promote well-being and sustainability.

In this ever-evolving landscape, understanding these consumer preferences and behaviors is vital for both e-commerce businesses and traditional retailers looking to adapt to changing market dynamics and meet the evolving needs of their customers.

4) Impact on employment in the retail sector. The Changing Landscape of Retail Employment

The retail sector, a cornerstone of the economy, has experienced significant shifts and challenges driven by various factors, including the COVID-19 pandemic and the rise of e-commerce. Here's a closer look at how these changes have affected employment:

1. **Fluctuations in Employment:** In 2017, the retail sector employed approximately 15.8 million workers. However, it faced a decline of 200,000 jobs between 2017 and 2019, and an additional loss of 160,000 jobs from February to November 2020. These fluctuations underscore the sector's vulnerability to external factors.
2. **Pandemic Impact:** The COVID-19 pandemic brought about temporary and permanent store closures, reduced workforces, and a shift toward online and contactless services for many retailers. Some exceptions, like grocery stores, experienced increased demand and expanded their workforces to meet customer needs.
3. **Labour-Intensive, Low-Wage Workforce:** Retail relies heavily on a labor-intensive model, often employing low-wage and part-time workers who may not enjoy robust social protection measures. The pandemic further highlighted the economic and social vulnerabilities of these workers.
4. **E-commerce Transformation:** The rapid growth of e-commerce has transformed the nature of retail jobs. Traditional retailers faced challenges from online competitors, prompting some to adapt and invest in digital platforms and services to stay competitive.
5. **Projected Job Losses:** The retail sector is expected to undergo significant changes in the coming decade. Projections suggest a potential loss of 587,000 jobs from 2020 to 2030, making it the sector with the largest anticipated decline. However, certain segments like health and personal care stores are expected to add jobs during this period.
6. **Future Challenges and Opportunities:** The retail sector's future holds both challenges and opportunities. Evolving consumer preferences, technological innovations, sustainability concerns, and the need for workforce diversity are some of the key factors that will shape the industry. Adjusting to these transformations will be essential for ensuring sustained success in the long run. In essence, the retail sector, while facing uncertainties, remains a vital part of the economy. It must navigate a dynamic landscape characterized by shifting consumer behaviors, technological advancements, and the ongoing need for a diverse and adaptable workforce to thrive in the years to come.

5) Any relevant policy changes or regulations regulating E-commerce in India: Recent Policy Changes and Proposed Regulations

E-commerce in India is a rapidly evolving sector with significant benefits, but it also presents certain challenges and risks. To ensure fair practices, protect consumers, and address various concerns, India has introduced recent policy changes and proposed regulations:

Consumer Protection (E-Commerce) Rules, 2020 (Effective Since July 2020)

1. **Product Information:** E-commerce entities are required to provide clear and accurate information about the products or services they offer. This includes details such as the country of origin, expiry date, warranty, and return policy.
2. **Price Manipulation:** Rules prohibit e-commerce entities from manipulating prices, offering excessive discounts, or engaging in predatory pricing practices.
3. **Non-Discrimination:** E-commerce entities are not allowed to discriminate between sellers or consumers within the same category.
4. **Grievance Redressal:** To safeguard consumer interests, e-commerce platforms must establish a grievance redressal mechanism. This involves appointing a nodal contact person and a grievance officer.

5. Data Protection: Compliance with the Information Technology Act, of 2000, and its related rules regarding data protection and security is mandatory for e-commerce entities. Draft E-commerce Rules (Announced in June 2021)
6. Sale of Banned or Unsafe Goods: The draft rules emphasize that e-commerce platforms should not sell goods or services that are banned, counterfeit, or unsafe.
7. Use of Consumer Data: E-commerce entities are prohibited from using consumer data to gain unfair advantages or to influence consumer choices adversely.
8. Country of Origin: To promote fair opportunities for domestic products, e-commerce platforms must display the country of origin and suggest alternatives where applicable.
9. Misleading Practices: E-commerce entities should refrain from allowing misleading advertisements, or manipulating reviews, or ratings to maintain trust and transparency.
10. Compliance Officers: The draft rules introduce the requirement for e-commerce platforms to appoint a chief compliance officer, a resident grievance officer, and a resident cybersecurity officer to ensure adherence to regulations.

These policy changes and proposed regulations are geared toward creating a fair and transparent e-commerce ecosystem in India. They aim to protect consumer interests, prevent unfair trade practices, ensure data privacy and cybersecurity, and promote healthy competition. As the e-commerce sector continues to grow, these rules play a crucial role in shaping its future landscape.

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