



A Study on Emerging Trends in Global Brand Distribution: Traditional Retail vs E-Commerce

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ABSTRACT

This study investigates the emerging trends in global brand distribution, with a focus on comparing traditional retail and e-commerce channels. Rapid changes are occurring in the worldwide marketplace as brand distribution tactics are being redefined by digital technology and changing consumer preferences. The rise of e-commerce, which provides customers with convenience, individualised experiences, and a greater range of products, is posing a growing threat to traditional retail, which has long served as the foundation of worldwide distribution. The dynamics between these two distribution models are examined in this study, along with the advantages, disadvantages, and changing functions of online platforms and physical retail locations.

Keywords: Digital transformation, E-commerce, Emerging trends, Global brand distribution and Traditional retail.

INTRODUCTION

In the dynamic world of international trade, a company's reach, customer interaction, and general market success are all greatly influenced by its brand distribution. The ways and channels that brands sell their goods have changed dramatically during the last few decades. In the past, companies used actual retail locations to engage with customers. However, e-commerce has become dominant due to the internet's growth and the quick development of technology, opening up new channels for the distribution of brands around the world. The purpose of this study is to investigate new developments in international brand distribution, with an emphasis on contrasting the advantages, disadvantages, and opportunities of traditional retail and e-commerce.



OBJECTIVES

1. To compare the reach of traditional commerce and e-commerce in terms of attracting international customers to purchase international brands.
2. To analyze customer experience provided by traditional commerce and e-commerce when it comes to purchasing international brands.
3. Investigate efficiency of supply chain in delivering international brands through traditional and e-commerce channels.

REVIEW OF LITERATURE

Keller (2013) explores brand management strategies in the digital age, emphasizing the significance of brand consistency, transparency, and customer engagement in building trust across traditional and e-commerce channels.

Ghauri and Cateora (2014) discusses how e-commerce platforms facilitate the global expansion of international brands, enabling them to reach new markets efficiently. They emphasize the importance of market research and localization strategies for successful international expansion.

Laudon and Traver (2018) delve into the role of technology in reshaping the competitive landscape, citing examples of mobile commerce, AI-driven personalization, and augmented reality as key innovations driving competitiveness in both traditional and e-commerce sectors.

Hagiu and Wright (2020) examine the rise of platform-based business models and online marketplaces in reshaping retail competition. Their work explores the dynamics of platform ecosystems, network effects, and multi-sided markets, emphasizing the role of platforms as intermediaries connecting international brands with global consumers across traditional and e-commerce channels.

RESEARCH GAP

Research gaps include cultural variations, brand equity in digital and physical environments, sustainability practices, AI integration, post-pandemic consumer behaviour shifts, hybrid distribution models, and legal issues in international brand distribution strategies.

METHODOLOGY

In this research the method used for data collection is Primary data and Secondary data. Primary data is the data that is collected for the first time through structured questionnaire from the respondents. This can provide statistical insights into consumer behaviours, preferences, and factors influencing their choice between traditional and e-commerce channels. The tools used in this research are percentage method and chi square.

- Percentage method usually refers to a method of computing proportions or presenting data in which the conclusions are expressed as percentages of the total.
- Chi-square (χ^2) is a statistical test used to determine whether there is a significant association between two categorical variables.

STATEMENT OF THE PROBLEM:

The rapid expansion of e-commerce platforms has significantly impacted the retail landscape, posing a challenge to traditional stores. This study investigates the competition between traditional commerce and e-commerce in selling international brands, identifying key drivers, challenges, and opportunities for businesses in this dynamic environment.

SIGNIFICANCE OF RESEARCH

This research is important because it examines how global brand distribution is changing by contrasting traditional retail with e-commerce. It offers insights into consumer behaviour, technology, and new market trends, allowing brands to adjust and improve their strategies. The results can help businesses optimise distribution models, improve customer engagement, and remain competitive in a global marketplace that is changing quickly.

LIMITATIONS

Limitations of the research could include the challenge of acquiring current and accurate data in a variety of international markets; differences in regional consumer behaviour and technology infrastructure may affect the generalisability of the findings; the rapid evolution of e-commerce and traditional retail trends may cause the findings to become out of date quickly; and restricted access to proprietary brand distribution methodologies.

EMERGING TRENDS IN GLOBAL BRAND DISTRIBUTION: TRADITIONAL RETAIL VS E-COMMERCE

1. Traditional Commerce:

Traditional commerce, sometimes referred to as brick-and-mortar commerce, includes the traditional ways of purchasing and selling goods and services without the use of online marketplaces or digital technologies. This is an in-depth analysis:

- **Physical Presence:** Transactions in traditional business must take place in actual locations. These can include physical locations where customers can visit to make purchases, such as supermarkets, boutiques, retail stores, and wholesale outlets.
- **In-person Interaction:** In conventional business, buyers and sellers deal directly with one another, frequently speaking face-to-face while making purchases. Customers can receive individualised support, engage in negotiations, and have any issues or questions answered right away thanks to this direct communication.
- **Payment Methods:** In traditional commerce, payments are usually made using cash, checks, credit/debit cards, or occasionally in-store financing alternatives. At the moment of sale, money is paid to the cashier directly or via self-checkout devices.

2. E-Commerce:

E-commerce, short for electronic commerce, refers to the buying and selling of goods and services over the internet or other electronic networks. It involves the online transaction of goods and services between businesses, consumers, or a combination of both. Here's a detailed explanation:

- **Online Platforms:** E-commerce relies on digital platforms such as websites, mobile apps, social media, and online marketplaces to facilitate transactions. These platforms provide a virtual marketplace where buyers and sellers can connect, browse products, make purchases, and complete transactions electronically.
- **Virtual Presence:** E-commerce companies mostly function online, in contrast to traditional commerce, which necessitates physical shopfronts. By creating a virtual presence that customers can access from anywhere in the world, they remove geographical restrictions and increase their market reach.
- **Diverse Business Models:** Business-to-business (B2B), consumer-to-consumer (C2C), business-to-consumer (B2C), and other business models are all included in e-commerce. Different kinds of buyer-seller interactions and transactions are included in each model.

3. Future Of Commerce:

Today's commerce is constantly changing, leveraging equally rapid technological advancements that facilitate new modes of purchasing and selling and make it simpler than ever for businesses to engage with clients through an online store. The following are some of the trends that will shape commerce in the future.

- **Blockchain technology and cryptocurrency:**

Cryptocurrency can be defined as "an encrypted string of data or a hash, encoded to signify one unit of currency" or "a digital money, created from code." It is the first decentralised currency that is governed by a peer-to-peer internet protocol rather than being centralised under a certain entity or government. Blockchain technology stops senders from reversing payments and counterfeiting. Third-party services such as OKEx facilitate the creation and upkeep of users' bitcoin wallets and make it simple to exchange BTC for USD, INR, or other fiat currencies. Numerous e-commerce platforms, such as Shopify, WooCommerce, and BigCommerce, provide connections that enable cryptocurrency payments.

- **Customisation:** There are plenty of chances on the market nowadays to offer each client individualised service, regardless of how challenging their wants may be. In the future, this personalisation will only grow.
- **Automation:** The automation of goods and services has been increasing over time. As a result, e-commerce businesses can automate repetitive procedures and devote more time to high-level activities that support business growth.
- **Everything is faster:** Two-day delivery is now typical on Amazon. Better web technologies have made it easier than ever to shop, even on a mobile device, thanks to quick page loads and simple payment methods. Speed is now considered a necessity rather than only a benefit.

4. Emerging Trends:

- **Omnichannel Distribution:** One of the biggest and most revolutionary developments in the global brand distribution landscape is omnichannel distribution. In order to reach customers wherever and whenever they purchase, companies are increasingly using omnichannel strategies as consumer behaviours continue to change in response to digital technology and elevated expectations for convenience.
- **Personalisation and Artificial Intelligence:** The emergence of artificial intelligence (AI) has fundamentally changed how companies interact with their customers, especially in the e-commerce space.

5. Difficulties with International Brand Distribution:

- **Sustainability:** There is increasing pressure on both e-commerce and traditional retail to implement more environmentally friendly procedures. Increased carbon emissions, packaging waste, and other environmental issues are caused by e-commerce logistics, particularly the last-mile delivery. However, traditional retail faces challenges in managing waste and energy use. Sustainability is a crucial component of brand distribution strategy as consumers are giving eco-friendly companies more weight.
- **Regulatory Concerns:** Brands face a number of laws controlling distribution, marketing, and sales when they grow internationally. Local tax restrictions, data protection legislation, and cross-border trading provide unique difficulties for e-commerce. Conventional retail has to deal with zoning rules, consumer protection measures, and shop opening requirements. For international companies to be successful in a variety of markets, they must adjust to these laws.

6. Comparison Between Traditional Retail and E-Commerce Supply Chains:

- **Lead Time and Delivery Speed:** Because supply chain networks are optimised, e-commerce often offers faster delivery times, especially when alternatives like same-day or next-day delivery are available. On the other hand, conventional retail could have to deal with lengthier lead times, particularly when restocking foreign outlets.

- **Cost Efficiency:** By cutting intermediate expenses and streamlining processes using cutting-edge technologies, e-commerce has the potential to be more cost-efficient. However, refunds, shipping, and last-mile delivery fees may add up to a lot of money. Conversely, traditional retail has to deal with expensive infrastructure and operating costs, such as maintaining stores and overseeing vast distribution networks.

ANALYSIS AND INTERPRETATION

Table showing the Age of respondent

AGE	NO.OF. RESPONDENTS	PERCENTAGE
18-25	60	33.3%
26-35	58	32.2%
36-45	46	25.6%
46-60	16	8.9%
TOTAL	180	100%

Source of information: Primary Data

Interpretation:

From the above Age table, we can infer that 33.3% of the sample were between 18 – 25 age group, 32.2% of the sample is between 26- 35 age group, 25.6% of the sample were between 36 – 45 age group and 8.9% of the sample were between 46- 60 age group.

Chart showing the age of the respondents

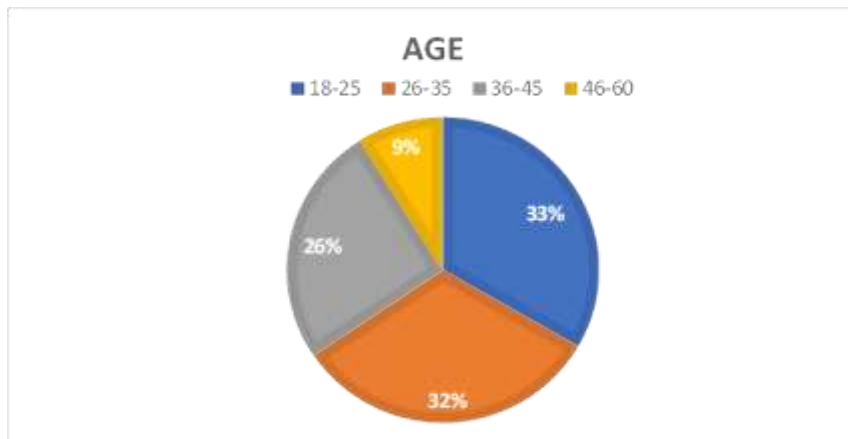


Table showing the Gender of respondents

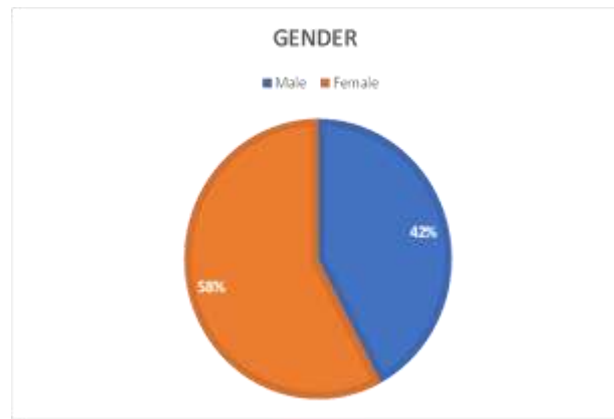
GENDER	NO.OF. RESPONDENTS	PERCENTAGE
Male	76	42.2%
Female	104	58.8%
TOTAL	180	100%

Source of information: Primary Data

Interpretation:

In the above Gender table, we could see, that the percentage analysis of the group set of the variable Gender. 42.2% of the sample were Male and 58.8% of the sample were Female.

Chart showing the Gender of the respondents



FINDINGS

- **E-Commerce Growth:** Due to convenience and individualised experiences, more customers are choosing online purchasing, which has led to a sharp increase in e-commerce, particularly since the pandemic.
- **Omnichannel Strategies:** To offer a smooth consumer experience, brands are combining online and physical retail through programs like Buy Online, Pick Up In-Store (BOPIS).
- **Supply Chain Efficiency:** While conventional retail has slower logistics and greater operating expenses, e-commerce uses AI and automation to improve supply chain management, resulting in faster deliveries and improved inventory control.
- **Cost Differences:** Traditional retail has significant operating expenses because of physical shop maintenance, but e-commerce is typically more cost-effective since there are fewer middlemen.
- **Technological Integration:** AI is used by e-commerce platforms for predictive analytics, targeted marketing, and personalisation. The adoption of such technology is slower in traditional retail.
- **Social Commerce:** Direct product sales are becoming more common on social media platforms, which combine digital commerce and brand interaction.
- **Sustainability Efforts:** Both platforms are working to lessen their negative effects on the environment, with conventional retail maximising energy use and e-commerce implementing sustainable delivery methods.

SUGGESTIONS

- **Invest in Omnichannel Strategies:** To provide a smooth shopping experience that enables customers to move between platforms with ease, brands should combine their online and physical channels.
- **Boost Supply Chain Automation:** To enhance inventory management, cut lead times, and optimise delivery routes, e-commerce firms should increase their investments in AI, machine learning, and automation.
- **Focus on Sustainability:** Both traditional and e-commerce channels should adopt sustainable practices, such as eco-friendly packaging and carbon-neutral shipping, to meet increasing consumer demand for sustainability.
- **Customise Customer Experience:** To boost customer engagement and loyalty, use AI-powered solutions to provide tailored product suggestions, focused advertising, and dynamic pricing.
- **Leverage Social Commerce:** By providing shoppable posts and improving direct consumer interaction, brands could consider using social media platforms into their sales efforts.
- **Hybrid Shopping Model:** To improve consumer happiness, promote hybrid shopping experiences (e.g., buy online, pick up in-store) that combine convenience with face-to-face encounters.

CONCLUSION

In conclusion, the competition between traditional commerce and e-commerce in selling international brands is multifaceted and dynamic. While traditional commerce offers a tangible shopping experience and personalized service, e-commerce provides convenience, accessibility, and often competitive pricing. However, both channels face challenges such as logistics, regulatory barriers, and maintaining customer trust. Ultimately, the future

landscape will likely involve a blend of both traditional and e-commerce strategies, with companies leveraging the strengths of each to meet consumer demands and stay competitive in the global market.

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