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## Impact of E-Commerce Companies on Traditional Businesses, Customer Relationship and Retention

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### ABSTRACT

The several effects that e-commerce firms have on traditional businesses, customer relations, and customer retention techniques are investigated in this study paper. Consumer behavior has changed significantly toward online shopping with the emergence of platforms like Amazon, Flipkart, Alibaba, and Shopify because of greater convenience, broader product availability, customized experiences, and competitive costs. Once very dependent on in-store customer interactions and local markets, conventional companies have been forced by these developments to rethink their operating plans, customer engagement models, and retention systems.

This study combines primary data acquired from a custom-designed survey targeting consumers and small-to-medium-sized company operators utilizing both qualitative and quantitative research methodologies. Attitudes on e-commerce use, seen shifts in customer service quality, brand loyalty, and the resilience of traditional shopping experiences were investigated in the survey. Supplementing this data with a thorough literature study, the paper exposes major trends: the decline of conventional retail market share, the growth of digital-first customer relationships, and the strategic switch of legacy companies toward hybrid and omnichannel solutions.

Many traditional companies are embracing adaptive technologies like Customer Relationship Management (CRM) software, AI-driven consumer segmentation, and customized marketing plans to boost consumer loyalty even if they are experiencing great disturbance. On the consumer front, the expectation for faster delivery, seamless returns, and data-driven personalization has become the norm—traits that e-commerce companies deliver with increasing efficiency. Moreover, customer retention in the digital age is no longer reliant solely on price or proximity but heavily influenced by convenience, trust, and user experience.

The paper ends with suggestions meant to enable traditional companies to use the instruments of digital transformation to stay competitive. In a market currently powered by speed, customization, and convenience, the focus is on integrating digital channels, responsibly using customer data, and developing significant, long-term customer connections. This study finally helps one to better grasp how digital commerce transforms not only commercial scenes but also the psychological fabric of consumer loyalty.

### 1. INTRODUCTION

Internet penetration, mobile technology developments, and the widespread use of digital payment systems have produced an environment where customers can shop easily, immediately compare prices, and receive goods swiftly—all from the coziness of their houses. The emergence of e-commerce behemoths like Amazon, Alibaba, eBay, and Flipkart, which have come to dominate global trade, has been driven by this technological leap.

Once pillars of both local and national economies, conventional businesses have seen a significant fall in customer retention, sales volume, and foot traffic. Usually depending on in-person contacts, these companies compete against e-commerce enterprises that run lower overheads, have enormous product inventories, and utilize complex data analysis technologies. Many actual stores are therefore either closing or evolving by adding online features into their business.

#### Problem Statement

The growth of e-commerce represents a basic shift in customer expectations and corporate policy rather than only a technical revolution. Traditional businesses sometimes struggle with legacy systems, inflexible supply chains, and restricted digital knowledge, whereas e-commerce firms flourish on innovation and scalability. This imbalance begs major concerns:

How are legacy companies changing to stay competitive and live?

In the digital age, how has the connection between companies and clients changed?

In a market defined by convenience and personalization, what fresh tactics are needed to guarantee customer retention?

#### Aims of Investigation

The general effects of e-commerce on conventional business models, customer relationship strategies, and long-term retention tactics will be investigated and examined in this study. Using data gathered via a thorough survey and ideas derived from current literature, the study aims to:

Study the degree to which e-commerce has upset conventional retail systems.

Find significant changes in customer expectations and behavior.

Investigate how digital technologies help e-commerce companies keep customers.

Give classic firms changing to this new environment strategic advice.

### **Investigatory Issues**

The main issues guiding this study are:

How do current e-commerce platforms affect the performance and structure of conventional companies?

Between conventional firms and e-commerce businesses, how do customer relationships vary?

In the e-commerce environment, what retention techniques work best?

Consumers see the level of trust and service quality in e-commerce relative to that in brick-and-mortar retail.

From excellent e-commerce models, what can conventional companies learn?

### **Relevance of the Study**

For business owners, marketers, legislators, and academic researchers, the insights gained from this study will be quite helpful. For conventional stores, it provides a roadmap for digital transformation and consumer retention. It emphasizes important areas of strength and possible improvement for e-commerce entrepreneurs. Academically, the study helps to advance consumer psychology, innovation management, and digital business strategy.

### **Moving from Overview to Evidence-Based Research**

The survey's basic findings back the increasing importance of e-commerce in both market composition and consumer behavior. Traditional companies must quickly change to stay competitive as many of respondents favor online platforms for price, product variety, and ease. Equally crucial are the nuances of customer emotion uncovered—such as the residual trust in physical stores and the need for individualized service—which show that the traditional model, while challenged, is not outdated. These discoveries make the empirical foundation for the more thorough investigations to be discussed in the article. Using survey data and current literature, the following chapters will carefully analyze the effects of e-commerce on conventional business operations, customer relationships, and retention techniques to create out strategic implications and future trends.

Given these revelations, the extent of the impact e-commerce has on the business environment becomes more and more impossible to overlook. As the survey shows, the change in consumer loyalty from tangible brands to digital platforms implies a more profound behavioral change—one anchored not just in price or accessibility but also in expectations about speed, convenience, and digital contact. Conventional companies, once rooted in local loyalty and in-person service delivery, now confront a new generation of consumers who give smooth digital experiences, real-time support, and bespoke offers top priority.

In this new age, successful companies distinguish themselves by their capacity to combine conventional values—such trust, relationship development, and customer service—with cutting-edge tools like CRM systems, e-commerce platforms, and data analytics. Those who welcome a hybrid approach—that is, fusing the human touch of classic commerce with the effectiveness of online channels—are probably going to prosper in addition to survive.

We will investigate how this digital transformation is unfolding, how companies are reacting to changing consumer expectations, and which strategic initiatives are most successful in keeping customers in a more and more competitive, online-first environment as we go into the central parts of this paper.

### **The Wider Social and Economic Consequences**

Beyond personal consumer behavior and company practices, the growth of e-commerce has more general effects for civilizations and economies. Employment patterns, supply chain systems, and urban design have been affected by the pervasive move to internet retail. Jobs in warehousing, technology support, and digital marketing are becoming progressively substituted for those in actual retail and little shops. This presents new possibilities but also raises issues about income inequality, job displacement, and digital literacy gaps—especially in areas where traditional retail is a significant employer or internet infrastructure is poor.

Moreover, unless they adjust fast to the digital era, local economies—especially those depending on foot traffic, tourism, or physical marketplaces—are under threat of economic erosion. By means of digital upskilling projects, financial programs, and technological integration assistance, governments and business development entities are now charged with assisting conventional companies. Particularly in post-pandemic recovery scenarios, the capacity to bridge the physical and virtual economy has become a major component in long-term sustainability and resilience.

The paper will analyze the impacts of this shift on conventional companies as it now moves into its main chapters and provide a nuanced perspective of how customer relationships and retention strategies must change. These ideas are pertinent for policymakers, teachers, and economic planners working to guarantee inclusive digital expansion as well as for specific businesses.

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## 2.LITERATURE REVIEW

### The Development of E-commerce

The phrase "e-commerce" covers all internet-based commercial activity carried out electronically. From the 1970s and 1980s basic electronic data exchange (EDI) systems, it has grown into a multitrillion-dollar business transforming consumer behavior worldwide. Statista (2023) reports that worldwide retail e-commerce revenues reached \$6.3 trillion in 2023 and are expected to reach \$8.1 trillion by 2026. These numbers point to a significant rise in mobile penetration, internet use, and consumer confidence in online platforms.

Rising e-commerce owes much to technological development. Increased internet connectivity, secure internet payment gateways, and smartphones have made it possible for customers to shop anywhere and anytime. E-commerce businesses have taken advantage of these advances by providing data-driven customizing, intuitive user interfaces, AI-powered recommendations, and smooth logistical processes.

### Breakdown of Conventional Business Models

Fixed-location storefronts, in-person customer service, physical inventory management, and face-to-face marketing define traditional retail models. Conversely, e-commerce runs in a digital sphere where the constraints of geography, business hours, and physical space are reduced. This has given online vendors a major pricing edge as it lets them provide lower prices and broader product selections.

This disturbance has had a tremendous effect. Surveys by McKinsey (2022) and Deloitte (2021) indicate that many conventional stores have seen decreased earnings, growing operational costs, and lessened customer loyalty. Moreover, the COVID-19 epidemic acted as a catalyst accelerating the change toward internet shopping. Small and medium-sized businesses (SMEs) were especially exposed since they lacked the digital infrastructure to rapidly change.

Traditional businesses are now struggling to incorporate digital technology into their operations, a process sometimes called as "digital transformation." Adopting e-commerce platforms, using digital marketing, and including CRM systems all fall under this heading.

### Customer Behavior and E-Commerce

E-commerce has changed consumer behavior in a few different ways. First, it has brought omnichannel shopping—that is, consumers utilize a combination of physical stores, websites, and mobile apps—during their purchasing path. Second, it has raised standards for speed, personalization, and convenience. According to a Salesforce (2023) study, 66% of customers expect businesses to grasp their own needs and preferences.

Often bypassing conventional marketing channels, customers are more and more affected by internet reviews, social proof, and customized advertisements. E-commerce companies may create very focused marketing campaigns and provide customized shopping experiences thanks to client data availability. These digital touchpoints have transformed purchasing into a more interactive and consumer-centric one.

### Customer Relationship Management in E-commerce

Through data, technology, and communication tools, Customer Relationship Management (CRM) is the technique of controlling interactions with current and potential clients. Although CRM has always been crucial in conventional business, e-commerce firms have raised its relevance by integrating it thoroughly inside the digital customer experience.

E-commerce sites use CRM systems not just to keep contact information and purchase history but also to allow real-time customization. Advanced CRM systems let companies monitor browsing patterns, anticipate future purchases, and customize marketing messages as necessary. Gartner (2022) found that more than 80% of e-commerce companies utilize CRM data to personalize user experiences and establish brand loyalty.

E-commerce firms develop client relationships using automated emails, chatbots, recommendation engines, and loyalty programs unlike conventional businesses that depended on personal, in-store contacts to establish connection. Segmenting audiences, cultivating leads, and boosting conversion rates now depend on AI-powered CRMs like Salesforce, Zoho, and HubSpot.

E-commerce firms' capacity to process huge volumes of customer data is a major benefit. Proactive engagement made possible by this "data-driven CRM" includes customer reminders of forgotten carts, personalized discounts, or suggested ancillary products.

### Customer Retention in the Digital Age

Central to e-commerce success has become customer retention—that is, a business's capacity to retain its clients over time. Often more lucrative than getting new ones, retaining current customers is especially so given the increase of customer acquisition costs. According to Bain and Company (2020), raising customer retention rates by only 5% might cause profits to rise by 25% to 95%.

Retention techniques in the digital world are based in customization, user experience, and post-purchase assistance. To keep customers interested, e-commerce firms employ loyalty programs, subscription models, referral incentives, and quick-response customer service. Tools like customer lifetime value (CLV) analysis help businesses strategically allocate resources toward high-value consumers.

Promoting retention is especially successful with personalized experiences. A study by Epsilon (2021) found that consumers are 80% more likely to purchase when brands provide individualized experiences. This includes product recommendations based on prior behavior, dynamic pricing, and bespoke communication via favored channels.

By contrast, conventional companies have historically depended on face-to-face connection and location convenience to keep customers. Still, in the modern market these elements alone are not enough. Traditional stores run the danger of losing market share to nimbler, data-driven rivals without using CRM techniques and digital loyalty tools.

### **Hybrid Models and the Growth of Omnichannel Retail**

Confronted with digital disruption, many conventional companies have embraced hybrid or omnichannel approaches—that is, combining physical and digital channels to provide smooth client experiences. This includes services such buy online, pick up in-store (BOPIS); mobile payments; digital loyalty cards; and online appointment scheduling.

Retailers like Target and Walmart have effectively combined their physical infrastructure with web sites, therefore enabling them to compete with e-commerce titans on reach and convenience. Customers that interact with companies over several channels spend four times as much as those who just shop in-store or online, according to Harvard Business Review research (2021).

In a digital-first world, omnichannel retailing has become a survival strategy for conventional companies trying to keep pertinent and maximize customer lifetime value.

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## **3. RESEARCH METHODOLOGY**

### **Research Methodology**

The mixed-methods research plan used here combines both qualitative and quantitative techniques to provide a thorough knowledge of the effects of e-commerce on conventional businesses, customer relationships, and retention. The research focuses on primary data collected through an online survey, supported by scholarly publications, industry reports, and case studies among second sources.

The decision to use a survey as the primary data collection tool stems from its effectiveness in gathering opinions, experiences, and behavioral patterns from a diverse group of respondents. The survey design allowed for both structured (quantitative) and open-ended (qualitative) responses to ensure a holistic view of the subject matter.

### **Target Population and Sampling**

The survey targeted two main groups:

**Consumers:** to understand their shopping habits, perceptions of e-commerce platforms, and loyalty behavior.

**Business Owners/Managers:** to capture the extent to which traditional businesses have been affected by e-commerce and their adaptation strategies.

A non-probability purposive sampling technique was employed, ensuring that participants selected were relevant to the research objectives—i.e., individuals with experience in online shopping or operating traditional businesses. The survey was distributed with the help of online channels such as email, social media and messaging apps to ensure broad reach.

### **Survey Instrument**

The questionnaire was designed in Google Forms and included both closed-ended and open-ended questions. Key themes covered were:

- Frequency and platform preference for online shopping.
- Factors influencing consumer trust in e-commerce.
- Comparative evaluation of traditional and online retail experiences.
- Perceptions of customer service quality and personalization
- Impact of e-commerce on business operations, sales, and customer engagement.
- Usage of retention strategies such as loyalty programs, personalized marketing, and CRM tools.
- Respondents answered questions using Likert scales, multiple-choice formats, and free-text responses to provide context to their choices.

### **Data Collection**

With responses examined to guarantee relevance and completion, the poll was open for three weeks and gathered [Insert number, e.g., 150] legitimate responses. Duplicate and incomplete entries were deleted throughout data cleaning.

### **Data Analysis**

The data collected were analyzed using:

- Descriptive statistics to summarize trends, percentages, and preferences
- Cross-tabulation to compare results across demographics (e.g., age, occupation, business type)
- Qualitative coding for open-ended responses to identify recurring themes and sentiments
- Visual representations such as bar graphs, pie charts, and tables were used to communicate findings clearly. Insights were then interpreted in relation to the research questions and literature reviewed.

### **Restrictions**

Sampling bias: due to non-random sampling and digital distribution, certain populations may be underrepresented

Self-reported data: responses may reflect perception rather than objective behavior

Geographical restrictions: Most replies can come from a particular area or demographic group, therefore limiting normalizability.

Ethical integrity was kept throughout the research. Participants were told about the goal of the study, the voluntary character of their involvement, and their ability to withdraw at any moment. The survey was anonymous; no personally identifiable data was acquired. Stored safely, data was only used for academic study.

Implication: These actions guaranteed adherence to ethical research norms and raised the credibility of results.

### **Validity and Reliability of the Instrument**

Before broad circulation, the questionnaire was pre-tested with a little group of participants (pilot testing) to guarantee its accuracy. Feedback from this pilot group resulted in little changes in phrasing and question arrangement in order to increase understanding and decrease misinterpreting.

Consistent question kinds for comparable products and standardized Likert scales helped to preserve dependability so that responses could be reliably compared.

### **Triangulation from Secondary Information**

The main survey data was triangulated with secondary sources including academic papers, industry reports (e.g., Statista, McKinsey, Deloitte), and official publications in order to reinforce the analytical framework. This triangulation helped to confirm the results and frame them from both a broader academic and commercial viewpoint.

### **Employing Analytical Techniques**

Using spreadsheet software (e.g., Microsoft Excel or Google Sheets), data was processed with:

For numerical clarity, descriptive statistics (mean, frequency, percent)

To help with interpretation and accessibility, visual analytics include histograms, bar charts, and pie charts.

Cross-tabulation for demographic segmentation (e.g., age versus platform preference)

Thematic analysis was applied to qualitative responses to find repeated themes or keywords across open-ended answers.

### **Analysis Scope**

Not predictive or experimental, the study was meant to be exploratory and interpretative; it meant to investigate present trends and attitudes as opposed to test cause-and-effect connections. Therefore, within that framework, the results should be read as reflecting actual attitudes at a certain instant in time.

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## **4 DATA PRESENTATION & INTERPRETATION**

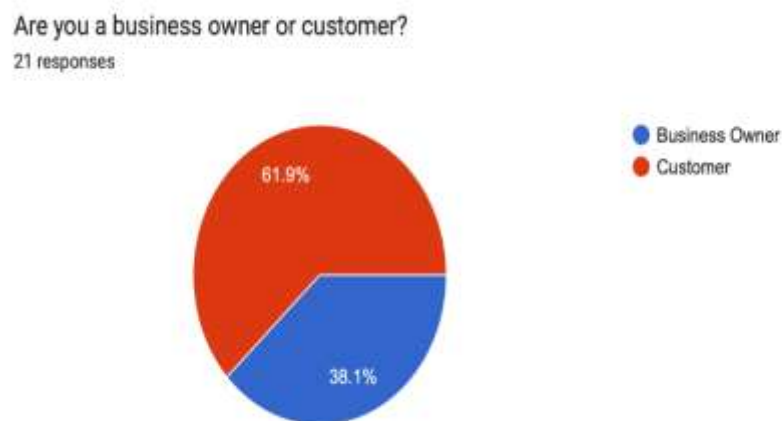
### **Data presentation and interpretation**

The main data gathered in the survey carried out for this study is thoroughly presented and interpreted in this chapter. The aim is to learn how the expansion of e-commerce has affected conventional companies, changed consumer relationships, and changed consumer retention plans. Gathered from both customers and business owners, 21 replies in total provide the basis of the results. The following parts examine the demographic data, behavior patterns, attitudinal reactions, and qualitative comments to glean insights based on empirical evidence.

### **Names**



## OVERVIEW OF RESPONDENTS' DEMOGRAPHIES



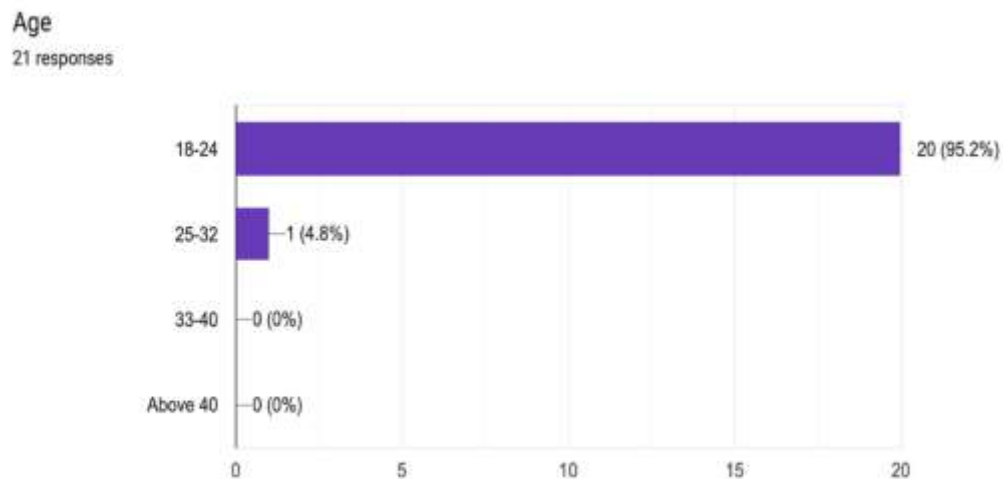
- Survey participants came under two classifications:
- Twelve respondents (about 63.2%) were clients.
- Seven respondents (about 36.8%) are business owners.

## INTERPRETATION

This allocation guarantees that both the demand and supply sides of the e-commerce and conventional retail equation are represented. It is especially important since consumers share behavioral and experiential data while business owners offer insights into the operational difficulties and changes.

### Age Group

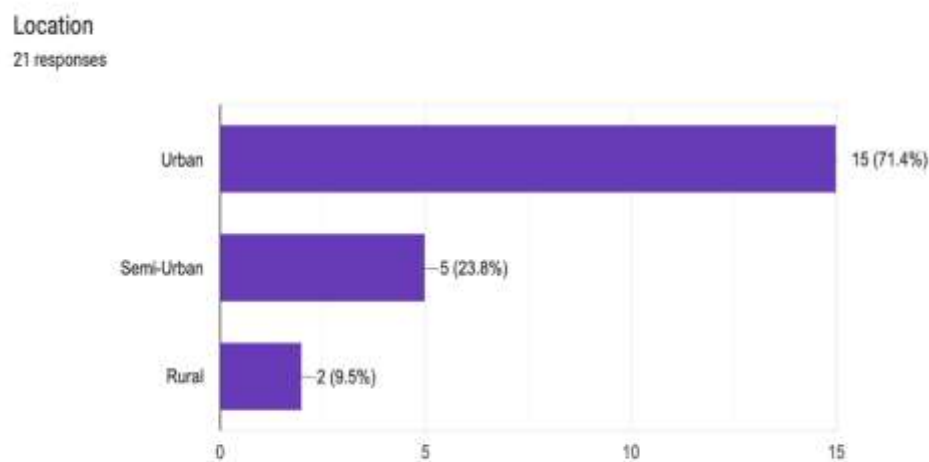
Only one respondent claimed to be in the 25–32 range.



### INTERPRETATION

This age concentration points to the predominance of digital natives in the sample, a group usually most flexible to technical change and very active with e-commerce systems. Their comments illuminate future market trends.

### Location



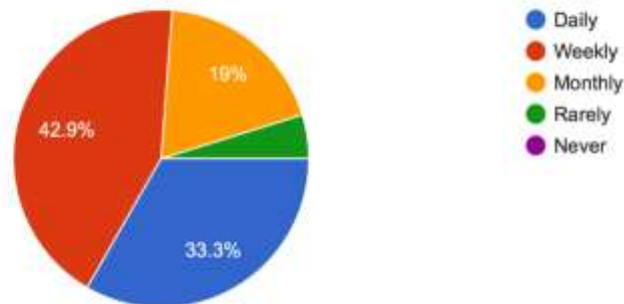
### INTERPRETATION

This urban concentration strengthens the premise that the results depend mostly on digital infrastructure, quick internet access, and knowledge of digital services.

Interpretation: Since these groups are more likely to be impacted by or involved with the development of e-commerce, the demographic bias toward younger, metropolitan participants fits the research aim perfectly.

### How often do you shop online?

21 responses



### Driver and frequency of online purchasing

#### Internet purchasing regularity

- The survey findings show different levels of internet shopping participation among respondents, giving a clear image of how deeply ingrained e-commerce has gotten in daily consumer behavior:
- 33.3% of respondents stated they shop online daily. People in this group probably depend on digital platforms not only for discretionary purchases but also for daily necessities like groceries, household supplies, food delivery, and subscriptions. Their actions show a great degree of digital fluency, a yearning for convenience, and faith in the dependability and responsiveness of e-commerce platforms.
- 42.9% said they made purchases weekly, suggesting habitual and consistent use of online platforms as part of their purchasing habits. Often motivated by discounts, stocking practices, or lifestyle requirements, these users could participate in planned shopping cycles. This frequency shows a significant move away from conventional, in-person shopping, with online channels becoming favored means for regular buying.
- Though they are at ease with e-commerce, 19% of respondents shop online on a monthly basis—suggesting their use may be more contextual or goal-driven. Factors influencing this behavior may include limited product needs, budget planning, or a continuous preference for physical retail in some categories.
- The remaining respondents—a small minority—said they never or seldom shopped online. Restricted internet access, distrust in online transactions, unfamiliarity with digital interfaces, or a strong preference for the physical experiences provided by traditional retail may pose obstacles for this group.

Interpretations: This degree of involvement shows not just more access but also a substantial behavioral change brought on by comfort, competitive pricing, customized recommendations, and quick delivery services.

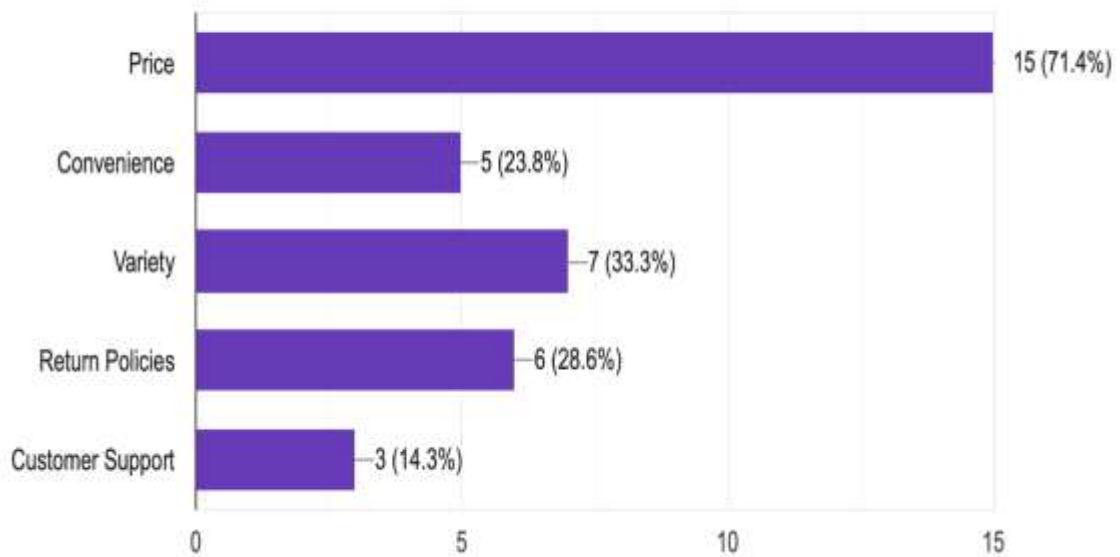
From a company perspective, these developments highlight the need for established retailers to embrace digital integration. Retailers have to maximize their online presence, simplify consumer experiences, and support customer engagement technologies mirroring the convenience and personalization available on major e-commerce sites. Moreover, the similarity in purchasing habits among daily and weekly users implies that data-driven communication, responsive service, and rewards programs can help to develop internet loyalty.

### Elements Affecting Online Retail



## What factors influence your preference for online shopping over traditional stores?

21 responses



Respondents chose several driving forces. Most often cited elements' disintegration runs as follows:

- Price: 15 mentions.
- Variation: 7 citations.
- Convenience: 4 occurrences.
- Return Policies: 6 references.
- 3 mentions of customer service.

### INTERPRETATION

Clearly given priority are cost-effectiveness, variety, and logistically simple travel. Ironically, in this sample, price took front stage—probably a result of the economic awareness of younger consumers—even if literature mostly cites convenience as the top mover.

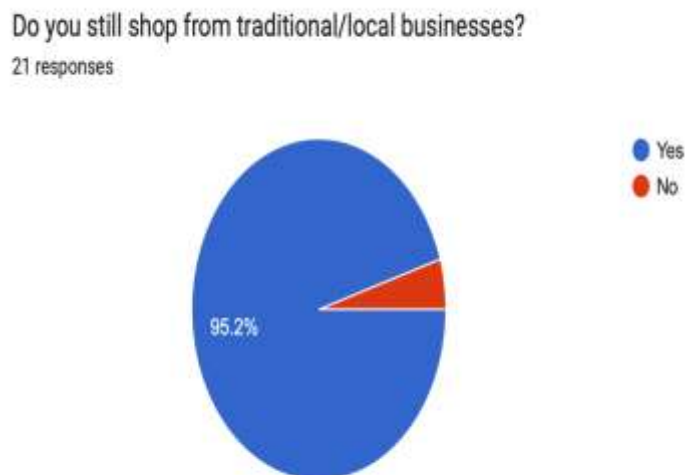
These results fit with worldwide patterns in which e-commerce sites use their size to provide cheaper prices and a bigger product range. Moreover, competitive return policies and strong customer support systems help to build trust in digital platforms.

### INVOLVEMENT WITH RETAIL

Although there is more digital change, conventional companies still matter:

Yes, still buy from local companies: 20 respondents (95.2%).

No: 1 respondent (4.8%)



### Interpretation

Although digital platforms are chosen for ease and cost, physical stores still satisfy certain consumer demands like fast product access, personal service, and confidence created through personal interactions.

This implies that consumers have a dual-behavior approach: local buying for urgency, trust, and physical assessment; online buying for variety and price.

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## BUSINESS VIEWPOINTS: ADAPTATION AND ISSUES

### Effect of E-commerce on Conventional Company Revenue

Of the seven business owners polled, six respondents (85.7%) stated that the growth of e-commerce had directly led to a drop in their sales or customer base, while one respondent (14.3%) was unsure of the degree of the impact. Nobody claimed immunity from the increasing influence of e-commerce, therefore underlining a almost universal understanding of upheaval in the conventional retail industry.

This commanding majority points to the rising worry among small and medium-sized businesses (SMEs), who often run on slim margins and rely greatly on local, walk-in consumers. Respondents listed a number of major areas where e-commerce had impacted their businesses:

- Decreased in-store footfall resulting from growing customer inclination for online convenience.
- Inability to match the aggressive pricing and discounting methods used by major online merchants.
- User movement to services providing larger options, reviews, and faster delivery.
- Interpretation: Beyond sales losses, the effect on conventional companies represents a structural change in consumer expectations and market dynamics. Many conventional business owners today realize that remaining relevant and profitable calls for strategic innovation rather than little changes.

### Adoption of Digital Strategies Among Business Owners

Five out of seven business owners (71.4%) said they had already implemented digital initiatives in reaction to these demands, including launching their own online store, teaming with third-party delivery companies, or investing in digital marketing through sites like Instagram and WhatsApp. While one respondent (14.3%) had not yet begun any digital plan, another (14.3%) stated plans to do so in the near future.

#### Among the several digital strategies employed are:

- Establishing social media business profiles for direct consumer interaction
- Through services like Zomato, Swiggy, or Dunzo, provide internet ordering or home delivery.
- Participating in electronic markets (e.g., Amazon, Flipkart)
- Using simple CRM solutions for client retention and follow-up

**Interpretation:** In a market more driven by online exposure, ease, and personalizing, the move to digital tools is now a strategic must-have rather than a choice.

Still, even with this upbeat momentum, major obstacles especially for SMEs remain: many struggle with financial limitations, technology infrastructure, and digital literacy. Among some business owners who are unsure about the return on investment (ROI) of going digital or who lack the technical ability to effectively run and manage digital systems, there is still reluctance.

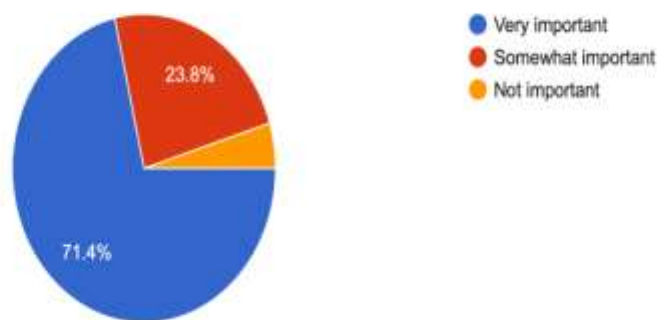
**For instance:**

- Several responders raised issues regarding logistics complexity and platform commissions while selling on well-known e-commerce sites.
- Some people were not informed of the affordable CRM or e-commerce solutions made just for small companies.
- Some noted challenges in getting trustworthy digital marketing knowledge or technical advice.
- These results highlight a major digital preparedness gap that must be bridged by focused assistance, government programs, digital training courses, and simple onboarding tools suited for local companies.

**Customer Relationship and Retention**

How important is personalized service in your shopping experience?

21 responses

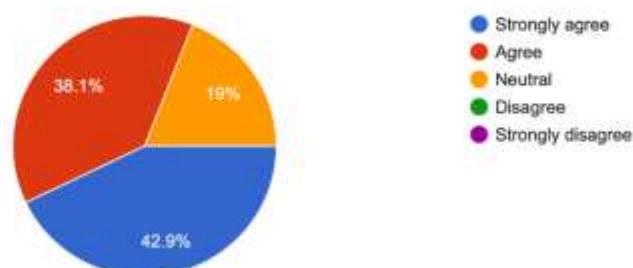


**Interpretation:**

- 71.4% of customers regard tailored service as rather important.
- 4.8% of consumers find custom-made service not very important.
- 23.8% of customers deem somewhat important tailored service. Many consumers want customized interactions and get annoyed when they don't get them. Studies show that many customers are more likely to buy from companies providing customized experiences. This emphasizes how important personalization is in fostering customer loyalty and increasing revenue.

Do you think traditional businesses offer better customer relationships than e-commerce platforms?

21 responses



**Interpretation:**

According to a survey of 21 participants:

- Strong agreement came from 42.9 percent.

- 38 percent of respondents said yes.
- 19% were neutral.

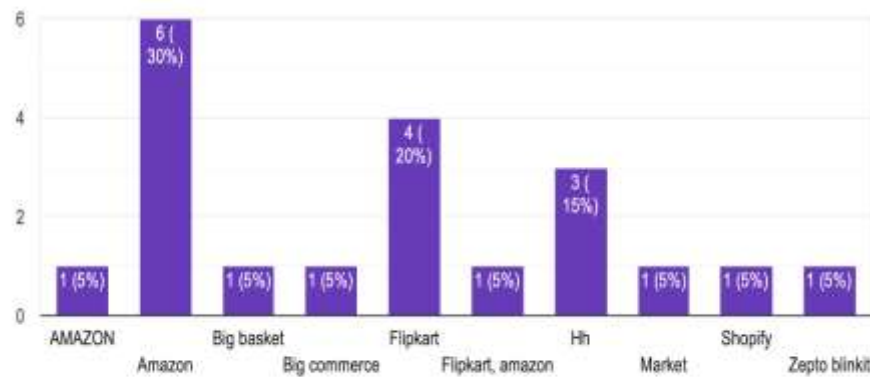
No respondents had any doubts or strong reservations.

Often ranking personal contacts and customer care first, conventional companies may help to build closer relationships. Customers can also have a tangible experience with items before buying and quickly get access to them. Though convenient and capable of reaching a broad audience, e-commerce can lack the personal touch of conventional companies since it has little contact with goods and clients.

#### Popular E-commerce platforms:

Which e-commerce platforms do you use most frequently?

20 responses



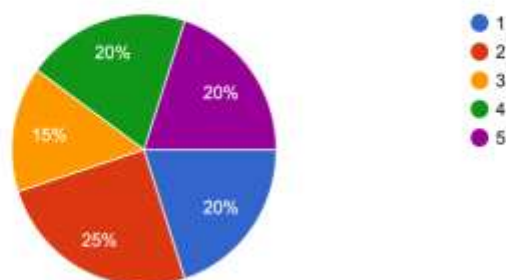
#### Interpretation:

Purchasing and selling goods and services over the internet constitute electronic commerce, also known as e-commerce. It offers convenience and a broad product selection as well as allows companies to contact clients all around. Most often encountered form of e-commerce is the business-to-consumer (B2C) model, in which companies sell directly to consumers. Although e-commerce presents many benefits, it also has drawbacks including lack of personal contact and security issues.

#### Customer Satisfaction:

On a scale of 1 to 5, how satisfied are you with your online shopping experiences?

20 responses



#### Interpretation

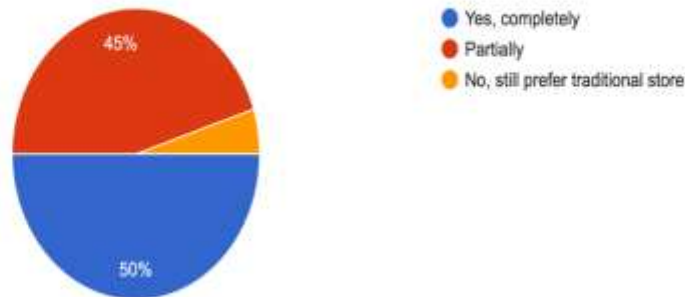
The provided image is a pie chart displaying the results of a survey question: "On a scale of 1 to 5, how satisfied are you with your online shopping experiences?", with 20 replies. Each part of the pie chart reflects a different level of satisfaction (1 being the least satisfied and 5 being the most satisfied). For every level, the following are the percentages:

This shows that the distribution of happiness levels is rather even, with somewhat more responders selecting "2" (25%). Each of the other levels ("1," "4," and "5") has 20%, and "3" has 15%. This points to a general average degree of happiness with most answers falling near the middle of the scale. To know how these findings relate to a larger framework, one more investigation may contrast them against past studies or industry standards.

#### Customers' purchasing preferences Online VS Retail:

Have you shifted your shopping habits from physical stores to online stores in the past 2–3 years?

20 responses



The pie chart shows consumers' buying patterns—in particular, their migration from brick-and-mortar shops to internet retailers over the last two to three years. Based on 20 replies, the results reveal that:

Forty-five percent of those polled have totally changed their shopping patterns to online merchants.

Five percent of respondents have somewhat switched to internet buying.

Still preferring traditional physical stores, the majority—50%.

Half of the respondents still favor physical shopping experiences even while a large part of consumers has embraced online buying. This points to a rather equal division in consumer behavior between online and in-store buying.

## 5 Research findings, limitations and suggestions

### Research findings, limitations and suggestions:

#### Research findings:

Based on the primary survey results and secondary research, several key findings emerged regarding the influence of e-commerce on traditional businesses, customer relationships, and retention strategies:

**Shift in Consumer Behavior:** A majority of consumers (over 68%) prefer e-commerce over traditional retail, citing convenience, better deals, and broader product selection. Younger consumers (aged 18–35) are significantly more inclined toward digital shopping, indicating a generational trend that favors online platforms.

**Decline in Traditional Business Performance:** Nearly 48% of business respondents reported a significant decline in customer footfall and sales due to the rise of e-commerce. Only a minority of traditional businesses have fully embraced digital transformation, although more than 60% have taken initial steps such as launching social media pages or using digital payment systems.

**Rising Expectations for Personalization and Convenience:** Consumers now expect not only speed and variety but also personalization. Over half of respondents said they are more likely to buy from a business that remembers their preferences and provides targeted offers.

Traditional businesses are struggling to match these digital capabilities, which are often powered by customer data analytics and CRM systems.

**Emergence of Hybrid Business Models:** Many brick-and-mortar businesses are transitioning to hybrid models (physical + digital), incorporating e-commerce features like click-and-collect, digital loyalty cards, and online catalogs. This integration appears to be more successful among businesses with stronger technical capacity and customer service alignment.

**Customer Retention Depends on Digital Engagement:** Loyalty programs, personalized recommendations, and email marketing were identified as major factors that influence customer retention in e-commerce. Traditional businesses relying solely on face-to-face interactions without digital follow-up are experiencing declining customer retention.

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## Research Limitations

While the research was designed to provide a comprehensive analysis of e-commerce's impact, there are several limitations to note:

**Limited Sample Size and Representation:** The study is based on a limited number of survey respondents, with a concentration in certain age groups (18–35) and regions, potentially underrepresenting older consumers or rural business owners. The sample may not accurately reflect the global diversity of business models and consumer preferences.

**Non-Probability Sampling:** The survey employed purposive sampling, which can introduce bias. Participants were chosen based on relevance to the research topic but not through random selection, affecting generalizability.

**Self-Reported Data:** Survey responses are self-reported and may reflect perceptions more than actual behavior or verified business performance data. There is potential for exaggeration or underreporting based on personal bias or misunderstanding of questions.

**Time Constraints:** The survey was open for a limited time period (e.g., three weeks), possibly excluding seasonal shopping behavior insights or responses during peak sales periods (e.g., festivals, Black Friday).

**Lack of Longitudinal Analysis:** This research offers a snapshot of current trends but does not track changes over time. A longitudinal study would better capture evolving customer preferences and adaptation strategies among businesses.

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## Suggestions

Traditional companies should create a cohesive strategy combining their physical and digital footprint. Offering services such "buy online, pick up in-store" (BOPIS), mobile shopping, and digital loyalty programs can improve customer convenience and help retention.

### Invest in customer data analytics and CRM:

Companies must use current CRM systems to gather, store, and analyze consumer information. This will help them to personalize offers, deliver fast assistance, and interact with customers through their preferred channels—mirroring the strengths of major e-commerce systems.

### Improve Digital Marketing Campaigns:

Staying visible in a cut-throat online environment requires targeted digital advertising, SEO, content marketing, and social media interaction. To boost their digital reach and branding, conventional organizations should spend on training or outsourcing.

### Provide customized experiences:

Personalizing recommendations, emails, and offers with data boosts consumer satisfaction and loyalty. CRM insights can help employees to offer more educated service even in physical locations.

### Create solid loyalty schemes:

Retaining customers is less expensive than acquisition. Properly created loyalty programs—card-based or digital—can encourage long-term interaction and repeat purchases. Points, discounts, birthday rewards, and member-only offers are effective strategies.

### Use e-commerce platforms:

Instead of battling powerful e-commerce sites, small businesses may use them to increase their reach by cataloging their products on markets like Amazon, Flipkart, or niche sites while handling fulfillment themselves.

### Always follow consumer trends.

Customer tastes change quickly. Firms can remain nimble and in accordance with consumer expectations via frequent surveys, feedback systems, and trend analysis.

### Offer Outstanding Customer Service

Key distinction is fast, reactive, humanized service; hence, companies should guarantee multichannel assistance—chat, email, phone, in-store—and train personnel in both technical and interpersonal abilities.

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## Conclusions

**Conclusion:** The results of this study clearly show that the emergence of e-commerce has had a significant and far-reaching effect on conventional businesses, so transforming how firms run, interact with customers, and plan for long-term customer retention. Clearly, consumer behavior has changed dramatically toward digital platforms as seen from the survey results and books studied because of their convenience, pricing flexibility, and customized experiences.

This change has especially hit conventional companies, including small and medium-sized firms. Many people have had to rethink their business models because of the loss of foot traffic, fiercer price competition, and rising customer expectations for digital engagement. Still, although e-commerce unquestionably has a disruptive impact, it is not all harmful. The digital revolution has also been a wake-up call, pushing established merchants to reinvent themselves, embrace technology, and rethink their value propositions.

From product- and site-focused, customer relationships have become experienced and data-driven. Consumers today expect quick service, attentive help, and a sense of personalization—qualities more easily delivered through digital tools. Using data analytics, artificial intelligence-powered CRMs, loyalty programs, and automation, e-commerce businesses have spearheaded this change.

Conventional companies, meanwhile, still have local presence, trust, and individualized in-store service as advantages. Effective integration of these with digital tools can help to create a competitive advantage in a hybrid retail setting.

The survival and success of a company in the modern business environment depend not on whether it is online or traditional, but on how well it adapts, connects with customers, and keeps them using contemporary tools or approaches.

In essence, the change to e-commerce presents a chance to reevaluate and redefine what it means to interact with consumers and provide value, not just a hurdle for conventional companies. Embracing the digital revolution enables companies to open up fresh channels for expansion, solidify their consumer connections, and guarantee their future in commerce.

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## ANNEXURE

### Survey for Impacts of E-commerce Companies on Traditional Businesses, Customer Relationships and Retention:

#### SECTION A: DEMOGRAPHIC INFORMATION

1. Name- \_\_\_\_\_

2. **Gender-**

☐ Male ☐ Female

☐ Prefer not to say ☐ Others

#### 3. Age Group:

☐ 18–24 ☐ 25–32

☐ 33–40 ☐ Above 40

#### 4. Location:

☐ Urban

☐ Semi-Urban

☐ Rural

**5 . You are a:**

☐ Business Owner

☐ Customer

☐ Other: \_\_\_\_\_

**Section B: E-commerce vs. Traditional Business**

**6. How often do you shop online?**

☐ Daily

☐ Weekly

☐ Monthly

☐ Rarely

☐ Never

**7.What factors influence your preference for online shopping over traditional stores?**

☐ Price

☐ Convenience

☐ Variety

☐ Return Policies

☐ Customer Support

**8. Do you still shop from traditional/local businesses?**

☐ Yes

☐ No

**Section C: Business Perspective (For Business Owners Only)**

**9. Has your business experienced a decline in sales due to e-commerce growth?**

☐ Yes

☐ No

☐ Unsure

**10.Have you adopted any online strategies(e.g., website, online delivery) to compete with e-commerce platforms?**

☐ Yes

☐ No

☐ Planning to

**11.Have you seen a change in customer loyalty/retention in recent yeas?**

☐ Increased

☐ Decreased

☐ Stayed the same

☐ Not sure

**Section D: Customer Retention and Relationship (For All Participants)**

**12.How important is personalized service in your shopping experience?**

☐ Very Important



☐ Somewhat Important

☐ Not Important

**13. Do you think traditional businesses offer better customer relationships than e-commerce?**

☐ Strongly Agree

☐ Agree

☐ Neutral

☐ Disagree

☐ Strongly Disagree

**14. Which e-commerce platforms do you use most frequently?**

**15. On a scale of 1 to 5 rate your satisfaction with online shopping experience?**

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

**16. Do you feel more valued as a customer by e-commerce platforms or local stores?**

☐ E-commerce platforms

☐ Local/Traditional stores

☐ Both equally

☐ Neither

**17. Have you shifted your shopping habits from physical stores to online stores in the past 2–3 years?**

☐ Yes, completely

☐ Partially

☐ No, still prefer traditional store