Impact of online shopping on small vender

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ABSTRACT

Online shopping has become a very important part of modern life. People can buy anything online from clothes and groceries to electronics without going to a store. Big companies like Amazon, Flipkart, and Meesho make it easy for customers to shop from home.

This research paper studies how online shopping affects small vendors and traditional shop owners. The study was done in the Pimpri area by collecting data from 40 small vendors. It focuses on their sales, profits, customer loss, and how they are trying to survive in the digital world.

The results show that most small vendors have faced a fall in their sales because many customers prefer online shopping. Vendors also face problems like high price competition and lack of digital knowledge. The paper gives simple suggestions like providing digital training, financial help, and using online plus offline methods together to help small vendors grow in today's digital age.

INTRODUCTION

In today's fast-changing world, technology and the internet have changed the way people shop. Most people now use their phones or computers to buy things online. This is called e-commerce. It is fast, easy, and often cheaper than going to a shop.

Online platforms like Amazon, Flipkart, and Meesho have become very popular in India. Customers can compare prices, get discounts, read reviews, and receive home delivery. Because of this, more and more people are choosing to shop online instead of visiting local shops.

But for small vendors and traditional shopkeepers, this change has created many problems. They cannot give the same discounts or home delivery services. Their daily sales are going down, and they are losing customers to online stores.

Many vendors do not know how to sell or promote their products online. They are also afraid of digital payments, returns, and fraud. Some have started using WhatsApp, Instagram, or Meesho to sell products, but most still depend only on local buyers.

This research helps to understand:
- ➢ How online shopping has changed the lives of small vendors.
- ➢ What problems they are facing.
- ➢ What can be done to help them survive and grow in the online shopping world..

LITERATURE REVIEW

Rao, P. (2023), "E-Commerce and Small Retailers in India" Rao explains that e-commerce helps small vendors reach wider markets but brings many operating difficulties. Sellers struggle with managing online orders, technical issues, and high costs like packaging and commissions. The study concludes that success depends on adapting to digital systems and controlling expenses wisely. [1]

Shekhar et al. (2022), "Small Vendors and E-Commerce Platforms" The study shows that online platforms give visibility to small sellers but create challenges like delayed payments and delivery issues. Vendors lack digital skills and face heavy price competition from big brands. It suggests training in online operations to help them survive the digital market[2]

NASSCOM Report (2021), "Digital Retail Adoption in India" The report states that digital adoption among small retailers is rising in cities, supported by better internet and logistics. Yet many vendors still struggle with inventory, order tracking, and maintaining timely delivery. It highlights the need for strong digital training to improve efficiency and customer retention. [3]

Economic Times (2022), "Local Vendors Struggle with E-Commerce Giants" The article explains that small vendors find it tough to compete with giants like Amazon and Flipkart. High returns, late payments, and limited control reduce their profits and push many back to offline selling. It stresses that government and platform support are essential for vendor survival.[4]

KPMG Report (2023), "Challenges for MSMEs in Online Selling" This report highlights major MSME challenges such as trust issues, fraud, and technical problems that stop sellers from going digital. Marketing and advertising costs further reduce profits, while returns and errors add pressure. It recommends better training and lower platform fees to support small businesses.[5]

Times of India (2023), "Impact of E-Commerce on Kirana Stores" The article shows that Kirana stores lose customers due to discounts and convenience offered by online platforms. Many small shops cannot match low prices, though some succeed using hybrid selling models. It concludes that combining online and offline strategies helps stores remain competitive.[6]

IMF eLibrary (2022), "Digital Markets and Small Business Inclusion" The report states that digital platforms offer income opportunities but rural sellers face poor internet and lack of training. Payment delays and weak support reduce trust among vendors. It emphasizes digital education and policy support to help small businesses grow online.[7]

Chopra, R. (2021), "Customer Trust and Online Small Businesses" Chopra explains that customer trust is crucial for small online sellers to succeed. Many vendors face fraud, delays, and low visibility, hurting their credibility. The study suggests improving quality, service, and communication to build trust and attract customer**s.** [8]

Research Archive (2022), "Digital Fees and Small Vendor Adoption" This study reveals that high commissions and penalties discourage small vendors from online selling. Sellers with hybrid online–offline models perform better and reach more customers. It recommends reducing fees and penalties to support small business profitability.[9]

PwC India Report (2023), "MSME Growth Through E-Commerce" The report shows that mid-sized MSMEs benefit more from e-commerce because they have better funds and digital knowledge. Small vendors struggle with marketing, logistics costs, and lack of government support. It suggests providing financial aid and digital tools to help micro-sellers grow online.[10]

RESEARCH METHODOLOGY

Study Area

- **Location:** The study was conducted in the Pimpri area, focusing on small vendors who run local shops such as Kirana stores, clothing shops, electronics repair shops, and street stalls.
- **Characteristics:**Participants belong to different business categories and income levels. They include vendors affected by growing online platforms like Amazon, Flipkart, and Meesho.
- **Context:**Small vendors are facing reduced sales and fewer customers as people prefer online shopping for discounts and convenience. This situation makes it important to collect real-life vendor experiences to understand how online shopping is impacting them.

Sample Size

- **Total Respondents:** 35–40 small vendors from the Pimpri area.
- **Shop types covered:** Clothing stores, grocery shops, Kirana stores, electronics repair shops, and street sellers.
- **Sampling Method:** Convenience sampling was used, meaning vendors who were easily available and willing to participate were selected for the study.
- **Rationale:** This sample size was chosen because it is manageable and provides a mix of different shop types. It helps to understand sales changes, customer behavior, and challenges faced after the rise of online platforms.

Data Collection

Primary Data:

- Data was collected using a structured Google Form and printed questionnaire.
  Questions covered sales decline, customer flow, profit changes, and vendor experiences after online shopping growth.

- Short interviews and informal conversations were also conducted to understand personal challenges, real experiences, and vendor opinions.

Secondary Data:

- Information was collected from research papers, government reports, and business news sources like Economic Times, Business Standard, and Times of India.

- Industry reports from Statista, NASSCOM, FICCI, KPMG, and PwC were also used to support and verify the findings.

- Secondary data helped provide background information and confirm whether local vendor experiences matched broader national trends.

RESULTS

The study clearly shows that online shopping has negatively affected small vendors. More than **55.8%** of vendors reported that their sales have decreased because customers prefer online shopping due to **home delivery (66%)**, **lower prices (51.1%)**, and **discounts (48.9%)**. About **57.4%** said they are losing customers, and **66%** said price competition is their biggest problem. Many vendors also struggle with digital skills **38.3%** lack digital knowledge, and only **31.9%** have ever sold products online. This proves that the growth of e-commerce reduces customer footfall and creates high pressure on small vendors to lower prices, affecting their profit margins. The data supports all main hypotheses, including the decline in sales, customer shift to online platforms, and lack of digital literacy among vendors.

At the same time, the findings show that many vendors are willing to adapt. About **75.6%** said they want to move to online platforms, and **55.3%** said they have basic technical knowledge to promote their products using social media. Vendors believe that building strong customer relationships (**74.5%**) and offering better prices (**57.4%**) are their best survival strategies. They also expressed the need for **financial loans (53.2%)**, **digital marketing training (51.1%)**, and **business networking support (51.1%)** to compete with online sellers. Overall, while e-commerce has created serious challenges, the results show that small vendors are ready to adopt digital tools if proper support and training are provided.

DISCUSSION & SUGGESTION

1. Sales Are Going Down : Most small vendors said their sales have decreased because customers now prefer online shopping. Around 55.8% of sellers are losing business as people buy more from apps instead of local shops. Vendors worry that their sales will keep dropping if this trend **continues.**

2. Price Competition Is the Biggest Problem : About 70.5% of vendors said price competition is their main challenge. Online platforms offer low prices, discounts, and free delivery, which small shops cannot match. Since their profit margin is already small, they cannot reduce prices further, making it hard to survive.

3. Customers Want Convenience: Customers choose online shopping because it is easy and saves time. Home delivery and lower prices attract them more than visiting local shops. Small vendors cannot offer this level of convenience, so they are losing many regular customers.

4. Vendors Need Digital Skills : Many vendors want to go online but do not know how to use digital tools. Around 38.6% lack digital knowledge, and 43.2% find online marketing difficult. They need proper training to promote products online, use social media, and understand digital selling.

CONCLUSION

The study shows that online shopping has a strong negative impact on small vendors, mainly by reducing their sales and taking away their customers. Most vendors are struggling because they cannot match the low prices, discounts, and convenience offered by online platforms. Price competition, customer loss, and lack of digital knowledge are the biggest challenges they face. Many vendors also find it difficult to promote their products online because they lack technical skills and proper guidance.

At the same time, the findings show that small vendors are willing to change and adapt. A large number of them want to shift to online platforms and learn digital marketing if they receive proper support. They believe that strong customer relationships and better service can help them survive in this competitive market. Overall, small vendors need financial help, training, and digital tools to grow their business and stay competitive in the fast-changing world of e-commerce.

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