

Impact of E-Commerce on Mobile Retailers of Tinsukia Town, Tinsukia, Assam

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Abstract - With the rise of e-commerce trends in the market all over India, there is a continuous rise of people adoption of purchasing things from e-commerce websites rather than going to local retail stores and thereby their sales trend is going down day by day. In Tinsukia, a large number of mobile retailers are facing the problem of negative sales trend as a result of growing online purchase of people through e-commerce websites and even through shopping mobile Application software like- Flipkart, Snapdeal, Amazon, and Shopclues etc. It is also usually found that small entrepreneurs who are engaged in cell phones business are gradually decreasing and rolling back to an unemployed youth/person. This paper attempts to find out the problems of mobile retailers after the introduction of e-commerce websites. This paper also attempts to find out the future course of action for local mobile retailers due to sales decline. The paper is descriptive as well as analytical in nature. The data has been collected from both primary as well as secondary data. The primary data has been collected through unstructured questionnaire and even personal interview with local mobile entrepreneurs. Secondary data has been collected from various journals, newsletters and internet websites.

Index Terms - E-commerce, Sales, Mobile Retail Stores.

1. INTRODUCTION

Electronic Introduction commerce, commonly written as e-commerce, is the trading in products or services using computer networks, such as the Internet. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web for at least one part of the transaction's life cycle, although it may also use other technologies such as e-mail.

E-commerce businesses may employ some or all of the following:

1. Online shopping web sites for retail sales direct to consumers
2. Providing or participating in online marketplaces, which process third-party business-to-consumer or consumer-to-consumer sales.
3. Business-to-business buying and selling.
4. Gathering and using demographic data through web contacts and social media
5. Business-to-business electronic data interchange
6. Marketing to prospective and established customers by e-mail or fax (for example, with newsletters)
7. Engaging in retail for launching new products and services.

Electronic commerce or E-Commerce is a term for any type of business, or commercial transaction, that involves the transfer of information across the Internet. It covers a range of different types of businesses, from consumer-based retail sites, through auction or music sites, to business exchanges trading goods and services between corporations. It is currently one of the most important aspects of the Internet to emerge.

E-Commerce allows consumers to electronically exchange goods and services with no barriers of time or distance. Electronic commerce has expanded rapidly over the past five years and is predicted to continue at this rate, or even accelerate. In the near future the boundaries between "conventional" and "electronic" commerce will become increasingly blurred as more and more businesses move sections of their operations onto the Internet.

Business to Business or B2B refers to electronic commerce between businesses rather than between a business and a consumer. B2B businesses often deal with hundreds or even thousands of other businesses, either as customers or suppliers. Carrying out these

transactions electronically provides vast competitive advantages over traditional methods. When implemented properly, E-Commerce is often faster, cheaper and more convenient than the traditional methods of bartering goods and services. Electronic transactions have been around for quite some time in the form of Electronic Data Interchange or EDI. EDI requires each supplier and customer to set up a dedicated data link (between them), where E-Commerce provides a cost-effective method for companies to set up multiple, ad-hoc links. Electronic commerce has also led to the development of electronic marketplaces where suppliers and potential customers are brought together to conduct mutually beneficial trade.

The road to creating a successful online store can be a difficult if unaware of E-Commerce principles and what E-Commerce is supposed to do for your online business. Researching and understanding the guidelines required to properly implement an e-business plan is a crucial part to becoming successful with online store building.

1.1 The Advantages of E-Commerce

1. **Cost Effective:** The entire financial transactions will eventually become electronic, so sooner conversion is going to be lower on cost. It makes every transaction through e-commerce payment a lot cheaper.
2. **Higher Margin:** E-commerce also enables us to move better with higher margin for more business safety. Higher margin also means business with more control as well as flexibility. You can also save time from the e-commerce.
3. **Better Productivity:** Productivity here means productivity for both companies and customers. People like to find answers online because it is faster and cheaper, and it costs a lot cheaper expense as well for the company.
4. **Quick Comparison:** E-commerce also enables you to compare price among several providers. In the end, it leads you to smart shopping. People can save more money while they shop.
5. **Economy Benefit:** E-commerce allows us to make transaction without any needs on stores, infrastructure investment, and other common things we find. Companies only need well-built website and customer service.

1.2 The Disadvantages of E-Commerce

1. **Security:** Customers need to be confident and trust the provider of payment method. Sometimes, we can be tricked. We have to examine on integrity and reputation of the web stores before we decide to buy.
2. **Scalability of System:** A company definitely needs a well-developed website to support numbers of customers at a time.
3. **Integrity on Data and System:** Customers need secure access all the time. In addition to it, protection to data is also essential. Unless the transaction can provide it, we should refuse for e-commerce.
4. **Products People:** People who prefer and focus on product will not buy online. They will want to feel, try, and sit on their new couch and bed.
5. **Customer Service and Relation Problem:** The customers sometimes forget how essential to build loyal relationship with customers. Without loyalty from customers, they will not survive the business.

1.3 Types of E-commerce

1. B2B (Business to Business)

It is the largest form of Ecommerce. This model defines that buyer and seller are two different entities. It is similar to manufacturer issuing goods to the retailer or wholesaler. For instance, Dell deals in computers and other associated accessories online but it does not make all those products. So, in order to deal in those products, first step is to purchase them from other businesses i.e. the producers of those products. It is one of the cost-effective ways to sell products throughout the world. Some of the benefits of using B2B are: It encourages businesses online. It facilitates import and export of products. It determines buyers and suppliers and also helps in positioning trade guides.

2. B2C (Business to consumer)

B2C refers to communicating with selling to an individual rather than a company. B2C e-commerce has the following advantages: Using B2C, online shopping can be faster and more convenient. The offerings and prices can change instantaneously. For example: if you want to sell goods and services to customer so that anybody can purchase any products directly from supplier's website. Direct interaction

with the customers is the main difference with other business models. As B2B it directly manages relationship with consumers, B2C supply chains normally deal with business that are related to the customer.

3. B2E (Business to employee)

This type of E-commerce refers to the requisitioning of supplies by employees for use in jobs, but this really has grown to encompass much more. B2E has grown into technologies that allow the employees to access their employee records to update address information.

4. C2B (Consumer to Business)

A consumer saves his project with budget online and companies review it according to the requirement and bid on the project. This empowers consumers around the world by providing the meeting ground and platform for such transactions.

5. C2C (Consumer to Consumer)

It helps the online dealing of goods or services among people. Though there are no major parties needed but the parties will not fulfill the transactions without the program which is supplied by the online market dealer such as eBay. It also involves the transactions between consumers through some third party. The third party has no concerns to check quality of the products being offered.

2. E-COMMERCE SCENARIO IN INDIA

India has an internet user base of about 354 million as of June 2020. Despite being third largest userbase in world, the penetration of e-commerce is low compared to markets like the United States, United Kingdom or France but is growing much faster, adding around 6 million new entrants every month. The industry consensus is that growth is at an inflection point.

In India, cash on delivery is the most preferred payment method, accumulating 75% of the e-retail activities. Demand for international consumer products (including long-tail items) is growing much faster than in-country supply from authorised distributors and e-commerce offerings.

As of Q1 2020, seven Indian e-commerce companies have managed to achieve billion-dollar valuation. Namely, Flipkart, Snapdeal, InMobi, Quikr, Amazon India, OlaCabs, and Paytm (wing of, One97).

India's e-commerce market was worth about \$3.8 billion in 2009, it went up to \$12.6 billion in 2013. In 2013, the e-retail segment was worth US\$2.3 billion. About 70% of India's e-commerce market is travel related. According to Google India, there were 35 million online shoppers in India in 2014 Q1 and is expected to cross 100 million marks by end of year 2016. CAGR vis-à-vis a global growth rate of 8–10%. Electronics and Apparel are the biggest categories in terms of sales.

The E-Commerce sector has seen unprecedented growth in 2014. The growth was driven by rapid technology adoption led by the increasing use of devices such as smartphones and tablets, and access to the internet through broadband, 3G, etc, which led to an increased online consumer base. Furthermore, favoured demographics and a growing internet user base helped aid this growth. In terms of highlights, the growth shown by homegrown players such as Flipkart and Snapdeal and the huge investor interest around these companies displayed the immense potential of the market.

With the entry of E-Commerce behemoths such as Amazon and Alibaba, the competition is expected to further intensify. Both these international players come with deep pockets and the patience to drive the Indian E-Commerce market. Also, their strong domain knowledge and best practices from their international experience give them an additional edge. Additionally, these companies have been part of markets where they have seen the E-Commerce market evolve and are aware of the challenges and strategies to address issues thereof.

Indian companies realise this and are therefore aiming to continue their focus on expanding sellers and selection on their platforms, innovating on multiple customer touch points, and providing seamless and rapid delivery services in order to compete with the international entities. Competition is expected to continue, with these E-Commerce companies experimenting with different ways to attract customers and increase online traffic.

The Indian government's ambitious Digital India project and the modernisation of India Post will also affect the E-Commerce sector. The Digital India project aims to offer a one-stop shop for government services that will have the mobile phone as the backbone of its delivery mechanism. The program will give a strong boost to the E-Commerce market as

bringing the internet and broadband to remote corners of the country will give rise to an increase in trade and efficient warehousing and will also present a potentially huge market for goods to be sold.

For India Post, the government is keen to develop its distribution channel and other E-Commerce related services as a major revenue model going ahead, especially when India Post transacted business worth 280 crore INR in the cash-on-delivery (CoD) segment for firms such as Flipkart, Snapdeal and Amazon. Both these projects will have significant impact on increasing the reach of E-Commerce players to generally non-serviceable areas, thereby boosting growth.

India's overall retail opportunity is substantial, and coupled with a demographic dividend (young population, rising standards of living and upwardly mobile middle class) and rising internet penetration, strong growth in E-Commerce is expected. From an investment perspective, the market is a primarily minority stake market, with maximum traction in early-stage deals. Such early-stage funding will help companies develop a strong foundation to start from. With such strong market prospects and an equally upbeat investor community, we look forward to many more E-Commerce companies from India entering the coveted billion-dollar club.

2.1 Profile of Tinsukia Town

Tinsukia district is one of the 27 administrative districts in the state of Assam, India. The district headquarters are located at Tinsukia. Tinsukia district occupies an area of 3,790 square kilometers (1,460 sq mi) According to the 2011 census Tinsukia district has a population of 1,316,948, roughly equal to the nation of Mauritius or the US state of New Hampshire.[5] This gives it a ranking of 371st in India (out of a total of 640). The district has a population density of 347 inhabitants per square kilometer (900/sq mi).

Tinsukia is an industrial district of Assam. The Oldest oil refinery in India is situated at Digboi and places like Margherita and Ledo are famous for open cast coal mining.

Tinsukia is one of the premier commercial centers in Assam. It is an industrial district, yet it produces a sizeable amount of tea, oranges, ginger, other citrus fruits, and paddy (rice). The district also has a cosmetic plant of Hindustan Unilever (HUL).

Tinsukia is well connected by air, national highway, and railway. It is only 532 km by road from Dispur, the State Capital of Assam. The nearest airport is Dibrugarh Airport at Dibrugarh which is about 40 km from Tinsukia with daily connection from Delhi/Guwahati and Kolkata. The New Tinsukia railway station connects Tinsukia with the rest of the country.

2.2 Mobile traders market scenario of Tinsukia town:

Tinsukia has a number of mobile retailers, stockiest and distributors. The respective mobile companies have employed a number of educated youths as a promoter/ sales representative. Tinsukia's TDA Central Plaza Market is well known for Mobile retail stores, service centers and mobile spares wholesalers. It is a three storied building and has 264 numbers of Mobile shops. People from nearby places like-Dibrugarh, Moran, Sibsagar, Mergeritha, Digboi, Jagun, Sadiya and even from Arunachal Pradesh state comes to Tinsukia every day for Mobile or Mobile related purchase. Tinsukia has above two thousand mobile retail stores as per Chamber of Commerce, Tinsukia employing more than eight thousand youths in their respective outlets, service centers and company.

3. STATEMENT OF THE PROBLEM

Mobile market was on booming state in Tinsukia since the year 2004 and is continuing since today. But after the advent of e-commerce awareness and companies like Flipkart, Snapdeal, Amazon, Paytm and Shopclues etc started COD. It has been noticed during the research that people prefer online purchase mode for getting cheaper rates and with variety. The margin differs from 5-30% and sometimes even more than 30% which is not possible for local retailers after paying off all direct and indirect expenses or overheads. Thus, the mobile retailers are facing sales drop and low profit margin resulting to very less profit margin or even loss at the end of the accounting year and the most relevant reason is people are getting attracted towards online purchase. Thus, it is required to find out the effects of e-commerce towards local mobile stores in quantitative terms.

3.1 Objective of the study:

The objectives of the study are as follows:

1. To find out the sales trend of mobile retailers of Tinsukia town.
2. To find out the causes of price margin between online shopping sites and local mobile retailers.
3. To find out the steps taken by the mobile retailers to make up the decreasing sales trend.
4. To find out reasons for not tie-in up with e-commerce sites, if they had not any.
5. To suggest measures to stop the condition of bankruptcy of local mobile retailers.

3.2 Research Methodology

1. The study consists of both primary and secondary data. Primary data has been collected by using schedules included in the sample.
2. Judgement sampling has been used of sample size 50 from the mobile retailers of Tinsukia town.
3. The study is descriptive as well as prescriptive in nature.
4. Secondary data has been collected from various websites, newspapers and journals.

4.LIMITATIONS OF THE STUDY

Tinsukia market is considered as a big market in Assam. There are many small, medium, and large traders are doing businesses. It was really very difficult to collect information from each and every trader so for the study purpose only 50 traders has been selected. Also, the information collected during busy schedule, but researchers have tried to collect the required information in an appropriate manner.

4.1findings of the Study

1. It has been found during the study that out of 50 respondents, 48 respondents reported sales drop in the last 3 years due to the effect of e-Commerce. 2 respondents reported no sales drop.
2. 18 respondents reported sales drop of less than 10% in last three years, 19 reported sales drop of more than 10% but less than 30% and 11 reported sales drop of more than more than 30% in last three years.
3. 80 percent of the respondents believe that they cannot compete with E-Commerce in terms of prices. 20 percent believe that they can compete with prices in some brands.
4. Out of 80% (40 respondents) who believe that they cannot compete with E-Commerce in terms

of prices, 100% agree that this is due to donations demanded by various organizations.

5. Out of 80% (40 respondents) who believe that they cannot compete with E-Commerce in terms of prices, 80% agree that this is due to margins of margin of district and distributors.
6. Out of 80% (40 respondents) who believe that they cannot compete with E-Commerce in terms of prices, 100% agree that this is due to high transport cost.
7. Since they cannot keep the prices low compared to E-commerce websites, they think that it is of no use tie-up with any e-commerce websites.

5. SUGGESTION

1. The government should take initiative to make up an effective mechanism to stop the organizations for force demand of donations from businessman as it effects the common people and the businessman too.
2. The government should reduce the tax rate reduction to the local retailers selling on store and lift up taxes for e-commerce sites to maintain balance of competitive prices between the streams of business. It is not possible for local retailers to compete in terms of prices as the e-commerce websites purchases in bulk quantity and receive high discounts directly from factory rates.
3. The government should give some transport subsidy in order to motivate the local retailers.
4. The e-commerce websites is not suitable in a country like India as it has the problem of unemployment. The local retailers' gives employment to many people and people can at least fulfill their basic needs working in local retailers. If the local retailers get bankrupt due to people's rise of online purchase, then the poverty level will rise. Therefore, care must be taken to protect the interest of local entrepreneurs.

6. CONCLUSION

The internet has changed many aspects of our lives, including the way we communicate with each other, how we keep our finances. It has made a profound impact on society. Now we shop online from our houses. This forces retailers to open online division. It can also force smaller businesses to shut their doors or

change to being completely online. It also has changed people way of spending money. Undoubtedly, it will continue to influence how companies sell and market their products, as well as how people choose to make purchases for many years to come.

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