ABSTRACT

In this study, an attempt has been made to highlight on the impact of emergence of online shopping sites on the Brick and Mortar Model of buying and selling. Retailers comprise of a large section of the population and a large population is dependent upon these retailers. But the arrival of online shopping sites with their attractive incentives and wide varieties has put the Brick and Mortar retailers in an adverse situation. Not all types of Brick and Mortar retailers have suffered so far. This study looks into the preference and attitude of customers towards shopping in-stores and online in different age brackets and their reasons for it. This study also looks into various aspects about how Brick and Mortar retail businesses are being affected and various recovery mechanisms they are coming up with to counter online shopping sites in their race of survival. This study covers the customers point of view on how online shopping sites or in store purchases are being preferred by them.

Keywords: Retail Stores; E-Stores; Window Shopping; Profitability

INTRODUCTION

Advances in technology have had an effect on almost all sectors of human life. From social interactions to economic and political issues, technology has taken centre stage influencing and affecting the way of conducting business and social interactions. Shopping has also changed as a result of the influence of technology with most people preferring online shopping to the traditional physical store shopping.

Purchasing products or services over the Internet, online shopping has attained immense popularity in recent years, mainly because people find it convenient and easy to shop from the comfort of their home or office and also eased from the trouble of moving from shop to shop in search of the good of choice.

Online shopping: - It is a form of e-commerce which allows consumers to directly buy goods and services over the internet through a virtual shop. Some of the leading online stores currently in India are Amazon, Flipkart, Snap deal, Homeshop18, Myntra etc. The Internet has many advantages over retail stores. Firstly, the choice, whereas the bookstore at the corner of the street or the nearby cloth store hardly offers 5000 references on its stalls or 20 designs of a particular garment of same size, Amazon has got hundreds of thousands of variety. Internet is full of online retailers offering 10 times or even 100 times more products than the average retailer can possibly dream of.

Brick and Mortar: - Brick and mortar is a traditional "street-side" business that deals with its customers face to face in an office or store that the business owns or rents. The local grocery store and the corner
bank are examples of "brick and mortar" companies. Brick and mortar businesses can find it difficult to compete with web-based businesses because the latter usually have lower operating costs and greater flexibility.

Brick-and-mortar stores have their benefits — e.g., certain product categories are better suited to traditional retail environments, the ability to touch and see objects in-person. Online stores can provide consumers with pictures and videos, but actually holding a product can provide some tactile impressions that simply can’t be matched online. Consider shopping for a watch, where the heft of the piece and smoothness of the metal inform the buyer as to its value. Brick-and-mortar stores are retailers with active storefronts, such as The Home Depot or Wal-Mart.

For an e-commerce website, the costs of storing and referencing a product represent a small fraction of the cost as compared to the cost of storing and referencing a product for "physical" stores. From the customer satisfaction and availability of services, online shopping is creating a major impact upon the retail stores.

OBJECTIVES OF STUDY

1. To identify the customers preference of buying and selling over internet or stores
2. To analyze the rationale behind buying online and in the stores
3. To study the problems faced by the consumers while buying online on in the stores.

SIGNIFICANCE OF STUDY

- It will be useful for students and future researchers intending to make further study in the field of impact of emergence of online shopping sites on the Brick and Mortar Model of buying and selling
- It will be beneficial to the store retailers particularly in Mumbai city in knowing the current trends going in shopping of products
- This study will be useful for the potential retailers who are planning to set up Brick and Mortar Models of buying and selling and online shopping sites
- Make the retailers aware of the upcoming that is expected to loom over their business in the near future so that they can appropriate arrangements to face such challenges.

REVIEW OF LITERATURE

Ernest and Young (2012):-Internet shopping has had a significant impact on many categories in bricks-and-mortar stores. Shoppers prefer internet ordering and re-ordering of bulkier items, to be delivered to their doorstep, often at better prices. Mobile shopping has enabled retailers to find new places to sell beyond stores, such as virtual stores in subway stations and airports. Shoppers can view images of products, scan a QR code to add items to their baskets and buy through their phone. The product is delivered to their home, with no need to go to a physical store. Digital technology has extended the retailer’s reach by eliminating the need for shoppers to enter a bricks-and-mortar environment.

AMP Capital (2013):- In Europe, retailers face the combination of stagnating retail sales, rapidly rising online sales and modestly growing space; causing reduced sales density – a measure of sales productivity on the basis of space. European retailers are facing a deteriorating external environment, existing high fixed costs, as well as increased capital expenditure, which means that retailer margins are likely to decrease.

Medha Dutta, Associated Chambers of Commerce and Industry of India (2013):-According to the research, Regular trade (when people buy goods from shops) increased by 65% but online trade registered an impressive growth of 85%, a good 20% more. Hottest products online are in the tech and fashion categories, which include mobile phones, Ipad and accessories, MP3 players, digital cameras.
and jewelry, among others. Online shopping has adversely affected small and medium scale retailers. These sites do not have to contend with local body tax or value added tax, plus they hardly have any overhead costs. All they need to do is courier the product to the customer. 

Deloit Digital (2014):- Many retailers fail to leverage the potential of or meet the digital expectations of their customers. That gap, the ‘new digital divide,’ puts at risk much more than just online shopping revenue. For retailers, it poses a serious threat to overall revenue and a bold challenge to the way they respond to, and anticipate, customers’ shopping habits in-store. Traditional retailers are leaving too much money on the table and are allowing strictly online retailers to capture a growing share of revenue that could be theirs. 

Tim Worstall (2015):- According to the research done in US 12% or so of the stores on High Street are vacant, 12 % or so of retail spending is now online. Since 2010, more than two dozen enclosed shopping malls have been closed, and an additional 60 are on the brink because of coming up of online shopping sites. This study is on how shopping malls are killed with the coming up of online shopping sites. 

Mihir Dalal & Suneera Tendon (2016):- E-commerce firms including Flipkart, Snapdeal, Myntra and Jabong are confronting resistance from all stakeholders of modern retail—from consumer goods makers and distributors to offline retailers—as they try and grab a larger share of the consumer’s wallet by dangling attractive discounts. Wholesalers and brick-and-mortar retailers, the worst hit by the boom in online shopping, are putting pressure on brands to help them compete more effectively with e-commerce websites. 

Patrick Dixon, Future of Retail industry: - Price comparison sites are making things very tough for physical retailers with no online presence - and physical retailers that do have websites are faced with a painful e-commerce choice. Globally, online sales already exceed $1 trillion a year. Retailing is becoming even more confusing for traditional shops. 

NYCITI Online: - Retail shopping online in India has gone from being obscure to a booming part of the GDP, making up to 14-15 % of the same. Online retail stores in India have taken the retail market by surprise. Once thought to be a new trend that was unlikely to make a dent in the sales at physical stores; it has changed the way people shop. The malls and physical stores are feeling the pinch. Women have also taken to online shopping with a vengeance. They get to view more variety than anywhere else around them and partake of the greatest deals. 

Anil Kokitkar (2016):- As per the research done by Pwc 65% of customers buy online because it is convenient, 31% log in to purchase for better price. Online retail sector is growing. Unconventional product categories like furniture, grocery and jewelry are finding takers through the online channel. Shoppers are demanding a service-focused in-store experience and want to interact with a knowledgeable store employee. 

Suneera Tandon (2016):- E-commerce companies have led a price war, offering steep discounts and hefty promotions to gain market share—which boosts their valuations. E-commerce account for a mere 0.5% of the total retail business in India, but it is beginning to affect both sales and profitability of brick-and-mortar retailers, with a growing number of value-conscious consumers warming up to the idea of shopping online, the impact of online retail is most evident in books, music and electronics, where the product specifications are standard and differentiation low. 

RESEARCH METHODOLOGY 

This study was conducted to know the impact of emergence of online shopping sites on the brick and mortar models of buying and selling. The data was collected from primary and secondary sources. Structured questionnaire was used for the purpose of collecting primary data. Secondary data was collected from various journals and research papers on this topic. Questionnaires were administered on 80 people of different age group. The technique of sampling is random sampling method and the
primary data is collected in the Mumbai city in the area of Mahalaxmi, Charni Road, Church gate, Sewree, Sikanagar

ANALYSIS AND FINDINGS {CUSTOMER POINT OF VIEW}

In Figure 1, it is observed that 38% of the respondents were in the 20-30 years of age group followed by 26% in 31-40 years of age bracket. The shopping is done by all the respondents’ whether it is a student, housewives or any working person.

From the Figure 2, it is found out that the majority of the respondents i.e. 68% prefer to do most of their shopping in stores and 32% respondents prefer to do shopping from online.

Figure 3. Reason for shopping online
It is observed in Figure 3, that 29% respondents go for online shopping due to the pricing component. 23% of respondents were of the opinion that they shop those items online, which they are not able to get in stores.

Figure 4. Reasons for buying in stores.

In Figure 4, it is found that the Majority of the people prefer to do their shopping in stores. 62% of respondents go to stores because they are able to touch, see and try merchandise, which is there in not there on online shopping sites. 30% go to stores as they have trust on them because everything is in front of their eyes nothing is hidden from them. 26% prefers to buy perishable products in store, followed by 23% of the opinion that they get product immediately.

Figure 5. Shopping of various products in retail store v/s internet
It is observed in Figure 5, that majority of respondents in all age group prefers to shop for Groceries, cosmetics, books, clothes, furniture, electronic gadgets, shoes, jewellery, medicines, in the retail stores instead of internet. It is observed that for the cinema tickets and Airplane/ Railway tickets & CD’s they prefer to shop over the internet as they don’t have to wait in queue and CD’s and DVD’s they get it at discounted price over online compared to stores.

There is an increasing trend for shopping of electronic gadgets, books, accessories over internet in all age groups.

**Figure 6. Problems faced while shopping in retail stores**

It is observed in Figure 6, that the majority of the respondents i.e., 40% of respondents felt that the slow billing process is very time consuming, followed by 32% respondents facing travelling problems, followed by 26% of respondents with a view that the product is unavailable in the store and 2% of the respondents were of the opinion that they have parking problems.

**Figure 7. Problems faced by respondents while shopping online**

In Figure 7, it is observed that 40% of respondents were of the view that there is lack of personal feel and touch shopping online especially for clothes & shoes, followed by 15%, who were of the opinion
that there is lack of trust on confidentiality of websites and another 15% who were of the view that
they are doubtful about the delivery of the product. 10% of the respondents were of the view that
buying online is a time consuming process, another 10% felt that they get fearful of disclosing
personal information and 10% felt that they feel that full cost of the product is not disclosed.

RECOMMENDATION

Online and in store retailers have to change their attitude towards the customers. There is a need to
have a friendly relationship with the customers to gain trust and confidence. Today it is a consumer
market and as a result the priority is the customer satisfaction. The firm has to be in the good books of
the customer. Better quality products, fair price and friendly after sale services are the basic area in
which the business has to concentrate to a remarkable extent.

Additional services should be provide to the customer to build upon a loyalty which in turn would
ensure a stable sales in the near future.

The company/ producers have to be fair enough in selling their products both in stores and over
internet. For e.g. some companies like Fun school give discount on MRP to store retailers at 20% and
30% to online shopping sites.

There is a need that brick and Mortar models should also set up their own online shopping sites so that
the customers can purchases from them through online also because of trust which they have created,
and in stores also, any problem faced by the customers will be sorted out in the stores itself and that
too quickly.

CONCLUSION

The craze of online shopping is rising now a day. Aggressive merchandising and discounting are
promoting online shopping. With the arrival of online shopping sites, brick and mortar models have
been affected but not much. The face of retail has changed. The advent of technology in recent period
is being the primary reason for it.

Today retailing means going into shopping centers, going online and going mobile. In all these, small
retailers miss out somewhere, especially the retailers of CD’s, Movies, Airplane tickets, cinema
tickets.

In the near future the Brick and Mortar models will be affected a lot. It will take around next 20 years.
The small stores will be one which will shut down and there will be a stiff competition among the
retailers selling branded products.

In the near future majority of the people will shop through online, with the lives and schedules getting
busier, even citizens above 50 years of age will take time to adopt the online shopping option as
competitive prices over online will pull them to select this option.

But nearby stores are always the most important concern for all reasons, seasons and emergency
situation.

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