

Original Article

Impact of E-Commerce on Offline Business in the Nagole Area of Hyderabad City

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Abstract: Nowadays, e-commerce become part and particle of online business. On the other hand, offline business persons want to increase their profits and cope with the e-commerce business competition. Moreover, the world is whirling around e-commerce in the way of business activities in the course of all trading, manufacturing, and service sector organizations preferring the same kind of business activities, which is quite common for a fast-developing country like India. Such nations are required to adopt e-commerce transactions. On the other hand, the regulating authority has to take care of the offline businesses' capabilities to stand up to the competition of large-scale and multinational corporations. The electronic way of business is a must for economic growth; on the other hand, such business activities should not affect the traditional business concerns in India, such as offline, Street Vendors, and Local Retailers. Especially the General Stores in Telangana State, mostly affecting indigenous businesses preceding their turnover, gains, name and fame, and customers. So, the concerned regulating authority has to consider these kinds of businesses. The present study is going to focus on the impact of e-commerce on offline business turnover of General Stores in the Nagole area of Hyderabad city in Telangana State for the financial years 2021-22 and 2022-23. The Paired t-test, a statistical tool, is going to be exercised to study the data.

Keywords: E-Commerce, Traditional Traders, Fast-Developing Country General Stores.

I. INTRODUCTION

E-commerce has an important impact on business-related costs and productivity. Electronic Commerce has a chance to be broadly adopted due to its simple uses. So, it has a hefty economic impact. E-Commerce offers the capability of ordering and marketing products, services, and information on the online service. E-commerce mentions a wide range of online business accomplishments for products and services. Electronic commerce is renovating the marketplace by changing firms' business replicas, modelling relations among market players, and contributing to changes in market structure. It is problematic to pick out the impact of electronic commerce.

E-commerce plays a significant role in a country's economic growth and development. It is a focused activity that includes the preparation, directing, raising, in addition circulation of various goods and services. Above all, e-commerce is impacting the country's traditional businesses. Under the clutches of this business, the Kirana Shops of the state severely affected businesses in the Telangana State. The present study is going to test the Impact of E-Commerce on Kirana Shops in the Nagole Area of Hyderabad City.

II. REVIEW OF LITERATURE

S. N. Dhere (2017) presented in the article the various services of e-commerce in India, the problems of it, and their services, and assessed the impact of industrialization on investment, employment output, and wage income generation. However, it does not cover the considerations of local businesses' issues and their expectation in the local market.

Abdul Gaffar Khan (2016) expressed in his published paper how to get a full acquaintance of electronic commerce in Bangladesh, identification of the benefits of those businesses, and know the challenges in that type of commerce engaged in that nation. But the study is related to a particular nation and the area; it may differ from our nation, moreover, in the city of Hyderabad.

J. Christopher Westland (2019) completely discussed in the article how e-commerce plays a pivotal role in China's Belt and Road Initiative plan. It is an important act for business growth.

Dr. Shahid Amin, Prof. Keshav Kansana, and Jenifur Majid (2016) voiced in their published article how to understand the present status and trends of E-Commerce and reveal the key variables influencing the increased usage of E-Commerce.



Nitika Goyal and Deepam Goyal (2016) explained how e-commerce creates various avenues and develops businesses worldwide.

Rajneesh Shahjee (2016) discussed in the article the theoretical concept of E-Commerce, its business models, the impact of e-commerce on business, the benefits of e-commerce to organizations, consumers, and society, and the barriers to e-commerce.

A) *Research Gap*

With the literature review, it has been found that there is a need to study the Impact of E-Commerce on offline business turnover, preferably General Stores in the Nagole area of Hyderabad city.

B) *Objectives*

To study the impact of e-commerce on turnover of the General Stores in the Nagole area of Hyderabad city.

To focus on required support for the General Stores from the government.

II. METHODOLOGY

A) *Primary Data*

The data has been collected from various Kirana Shops in the Nagole area. More than 1500 shops are doing offline business in the respective place; for the study purpose, 10% of the shops are taken as samples, a sample size of 150, and the t-test, a statistical tool, is applied for the study.

B) *Secondary Data*

For the purpose of the study, other required data was gathered from various books, articles, newspapers, papers presented and published by various authors in both national and international conferences, and other published sources.

C) *Scope of the Study*

The present study is exclusively related to the 150 randomly selected shops and store turnover for the financial years 2021-22 and 2022-23 in the Nagole area of Hyderabad city.

D) *Hypothesis*

H₀: There is no significant difference between the average turnovers of the General Stores.

H₁: There is a significant difference between the average turnovers of the General Stores.

E) *Demographic Analysis of Data*

Table 1: Ownership of the General Stores

Ownership of the Stores	Number of Stores	Percentage of the Stores
Male	85	57
Female	65	43
Total	150	100

(Source: Primary Data)

a. Interpretation

Table 1 presents the information in connection with the ownership of the general stores of the Nagole area of Hyderabad city. Here, male ownership is more than female ownership. Males carried 85 members with 57 percentage, whereas the females occupied 65 with 43 percentage.

Table 2: Age of the General Store Owners

Age of the Owners in Years	Number of Owners	Percentage of Owners
20-29	18	12
30-39	36	24
40-49	45	30
50-59	28	19
60 and above	23	15
Total	150	100

(Source: Primary Data)

b. Interpretation

Table 2 gives the data in relation to the age of the owners of general stores in the area of the study. The age of the owners between 20-29 years is 18, between 30-39 years is 36, between 40-49 years is 45, between 50-59 years is 28 and 60 years and above is 23. The largest one is the age between 40-49 stands, with 30 persons with the percentage of 30 and the least age between 20-29 years, with 18 persons or 12 percentage.

Table 3: Educational Qualifications of the Owners

Educational Qualifications	Number of Owners	Percentage of Owners
Up to SSC	56	37
10+2	45	30
UG	33	22
PG and above	16	11
Total	150	100

(Source: Primary Data)

c. Interpretation

Table 3 pertains to the statistical information on the educational qualifications of the owners of general stores in the study area. Here, below SSC 56 members, Intermediate or 10+2 level 45 persons, Under Graduation 33 owners and Post Graduation 16 people are there. The largest number of persons fall under below SSC one with the percentage of 37 on the other hand, the lowest number of members fall under the PG and above the level of educational qualification with a percentage of 11.

Table 4: Registration of the General Stores

Registration (Trade License) Status	Number of Stores	Percentage of Stores
Yes	32	21
No	118	79
Total	150	100

(Source: Primary Data)

d. Interpretation

Table 4 presents the information on registration of the general stores of the respective place. It shows that most of the stores are not registered under the respective department; they stand with 118 with a percentage of 79, and the remaining 32 stores hold 21 percentage taken trade licenses.

Table 5: Paired T-Test of Turnover of the General Stores for the Financial Years 2021-22 and 2022-23

Years	N	Mean of T. O. of General Stores (Lakh)	Mean Diff. (1)	S. D. (σ)	S. D. Diff. (2)	t	df	Sig. (P)	H0 Status	Cohen's D (1÷2)
2021-22	150	1.9932	0.5251	0.7231	0.2699	0.0696	149	0.0432	Reject	1.9455
2022-23		1.4681		0.4532						

(Source: Primary Data Processed through SPSS)

F) Data Interpretation and Decision

Table 5 consists of the statistical information in relation to the paired t-test of the turnover of general stores in the Nagole area of Hyderabad city for the financial years 2021-22 and 2022-23. As per the table, the calculated value of t is 0.0696 at the 149 degrees of freedom with the 0.05 (5%) significance level, the significance value is 0.0432, and Cohen's D value is 1.9455. As per Table 5 information, it has rejected H_0 hypothesis, $t_{149}=0.0696$, $P, <0.05$, here as per the table 5 values H_0 hypothesis rejected due to the P value being less than the α value, i.e., 0.05. It is proved that there is a significant impact on the turnover of the offline business, which means the turnover of General stores is reducing in a significant manner due to e-commerce. It represents that the offline business is facing the problem of the support of local people through online purchases. Moreover, Cohen's D value is 1.9455, less than 2. So, the average turnover difference between 2021-21 and 2022-23 is somewhat small.

IV. FINDINGS

- 1) General store ownership of males is higher by 14% than that of females.
- 2) The age group between 40 and 49 years is running a greater number of general stores than other age groups.
- 3) The persons who possess up to SSC educational qualification depend on these types of businesses.
- 4) Most general stores have not taken their trade licenses and are doing their business in the way of sole trader business without registration.
- 5) The offline business is going to bear the loss in the near future due to the small and tiny things, nowadays the customers are ordering online only.

A) The Government Support to the General Stores

- 1) The government of Telangana is allowing the general stores to stay open round year to do their business activities.
- 2) The government is encouraging such stores to convert them into start-ups and develop their business.
- 3) To make it easy to do business, the respective authorities are planning to create and develop apps and provide the required technology for forming these apps.
- 4) The state and central governments are providing business loans to the general stores without formalities. Moreover, if possible, make these loans either less-interest or interest-free loans.
- 5) The Telangana government plans to make a cent percent cooperation for the general stores to collaborate with the e-commerce players to develop their business.

V. CONCLUSION

Online business is a major part of the economy. It is impossible to reduce the electronic business in the era of liberalization, privatization, and globalization; such kind of activities are necessary for the development of India because it is excelling its economy towards the fast-developing economy. On the other hand, the General store business is suffering from losses, and that may lead to bear more losses; later, either to do it may lead to them either closing their business or merging with others. The offline business needs to consider and provide certain facilities by the concerned authority. Such kind business activities are required to be continued to improve self-employment and compete with potential challenges generated by the online business. The better way to do offline business is to make an association with e-commerce business.

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