# PATRONISING E-TAILERS DESPITE THE PRESENCE OF TRADITIONAL RETAILERS: AN EMPIRICAL STUDY WITH SPECIAL REFERENCE TO BANGALORE CITY.

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*ABSTRACT*

*Retailing is one of the pillars of the economy in India and accounts for 22% of GDP. The retail industry is divided into two parts- Organized Retail Sector and Unorganized Sector. Traditionally retailing has established in India for centuries. However, of late there has been growth in online business and hence this study. By carrying out the literature reviews pertaining to the area of study, research gaps were identified. Objectives namely analysing the awareness among the traditional retailers about the entry and existence of on-line retailers, the opinion of the traditional retailers about the advantages of e-tailing over organised/retailing, and studying the preparedness of the traditional retailers to face the competition by e-tailers and Descriptive Research Design has been adopted to achieve the above set objectives. A sample size of 100 traditional retail outlet owners in Bangalore, Karnataka were interviewed with the help of a structured questionnaire and the data collected were subjected to suitable statistical and it was found that longevity in business is a variable to be considered, and it has been suggested that like in any other field, the retailers should try to introduce innovative ways to retain the customers.*

*Key words: Organized Sector, and Unorganized Sector, online business, literature reviews, on-line retailers.*

## Introduction

Retailing is one of the pillars of the economy in India and accounts for 22% of GDP. The retail industry is divided into two parts- Organized Retail Sector and Unorganized Sector. Unorganized retailing refers to the traditional formats of low-cost retailing such as local kirana shops, owner manned general stores, chemists, footwear shops, apparel shops, paan & beedi shops, hand-cart hawkers, pavement vendors etc. Traditionally retailing has established in India for centuries. It is a low cost structure, mostly owner operated, has negligible real estate and labour costs and little or no taxes to pay. Consumer familiarity that runs from generation to generation is one big advantage for the traditional retailing sector. Organized retailing refers to trading activities undertaken by licensed retailers, include the corporate-backed hypermarkets, currently have 14% of mall space are expected to witness high growth and retail chains, and also the privately owned large retail businesses. Unorganized retail is expected to grow at 5% and reach a size of US$ 650 billion (76%), while organized retail is expected to grow at 25% and reach a size of US$ 200 billion by 2020 as per the sector profile by Federation of Indian Chambers of Commerce and Industry (FICCI).

## Unorganised Retailing

This refers to the traditional formats of low cost retailing. It is any retail outlet which is run locally by the owner or the caretaker of the shop. Such outlets lack technical and accounting standardization. The supply chain and the sourcing are also done locally to meet the local needs e.g. Local Kirana Stores, Convenience Stores etc. Indian retail is dominated by unorganized retail or traditional retail. The last 3-4 years have witnessed the entry of a number of organized retailers opening stores in various modern formats in metros and other important cities. Still, the overall share of organized retailing in total retail business has remained low. Major reason for such is the strength of unorganised retailing, getting practiced in India, as a part of culture, tradition and life style.

## Organized Retailing

This refers to trading activities undertaken by the licensed retailers i.e. those are registered for sales tax, income tax etc. It is any retail outlet chain (not a one shop outlet) which is professionally managed (even if it is family run), has accounting transparency (with proper usage of MIS and accounting standards) and organised supply chain management with centralised quality control and sourcing (certain part of the sourcing can be locally made) can be termed as an organised retailing in India e.g. Retail Chains, Corporate backed hypermarket etc. The Retail sector in India is highly fragmented with organized retail contributing to a very small share of total retail sales. At the beginning of the last century, the retail sector in developed  countries was also highly fragmented but  with the emergence of large chains like WalMart, Sears and McDonald's led to rapid growth of organized retail and growing consolidation of the rapid industry in the developed countries. The rapidly rising income levels and accompanying changes in lifestyle are contributing to the growth of organized retail in the West. Today in India, we see a rise in the purchasing power and growth of a middle class which follows the western lifestyle. Hence, conditions are conducive for the rapid growth of organised retail in India.

Organised retail is growing rapidly and we see the emergence of large organised retail chains like Shoppers' Stop, Lifestyle and Westside. We also find retail malls growing

all over the country. The opportunities in retail industry in India will increase since Indian retailing is on the verge of a major change.

The organised retail sector, which currently accounts for around small pie of the Indian retail market, is all set to witness maximum number of large format malls and branded retail stores in South India, followed by North, West and the East in the next two years. Tier II cities like Noida, Amritsar, Kochi and Gurgaon, are emerging as the favoured destinations for the retail sector with their huge growth potential.

Further, this sector is expected to invest around US$ 503.2 million in the current financial year. This could go further up to US$ 1.26 billion in the next four to five years, at a CAGR of 40 per cent. Moreover, many new apparel brands such as Zara, the fashion label owned by Inditex SA of Spain, UK garment chain Topshop, the Marc Ecko clothing line promoted by the US entrepreneur of the same name and the Japanese casual wear brand Uniqlo are preparing to open outlets in India.

**Major Retailers in India:**

The major retailers occupied in the organized retail sector in India are :

- Aditya Birla Retail Limited
- Bharti Retail Ltd.
- Reliance Retail Limited
- Pantaloon Retail (India) Limited
- Vishal Retail Ltd
- Tata Group
- Spencer's Retail Limited
- Piramyd Retail
- K.Raheja Group's  Shoppers' Stop,

**e-tailing:**

The customer can shop and order through internet and merchandise are dropped at the customer's door step. Here the retailers use drop shipping technique. They accept payment for the product but the customer receives the product directly from the manufacturer or a wholesaler. This format is ideal for customers who do not want to travel to retail stores and are interested in home shopping. However, it is important for the customer to be wary about defective products and non-secure credit card transactions e.g. Amazon.com and ebay.com etc.

**Major e-tailers in India**

The major retailers occupied in the organized retail sector in India are:
- Amazon
- flip kart
- e-bay
- Amazon.com
- snap deal

**Literature Review**

Zhang and von Dran (2000) have found that certain aesthetic elements of a web-site are considered as purchase motivators, while other aesthetic elements serve as hygienic

factors (i.e., necessities) in purchase decisions from e-retailers. The colour and background images of webpage are also found to affect consumer choice.

Tractinsky and Rao (2001) have argued that computer users, particularly those who seek online substitutes to the physical shopping experience, would value aesthetic designs just like consumers of other commodities.

Ratchford et al. (2001) have told that through Internet, consumers can gather information about merchandise and they compare a product across suppliers at a low cost. They also can effectively analyse the offerings and easily locate a low price for a specified product.

Eroglu et al. (2001) have advocated that the most important thing in the traditional retailing is physical store setting. According to them, it is largely determined by the cost of real estate and the various physical objects required creating different sounds, aromas, colours and lighting. Online constraints tend to be related to the screen resolution and the hardware that exists at the consumer end of the channel. The hedonic factors in designing the web-site interface can be enhanced with symbolic, nonverbal elements, which can be created by images, colours, fonts and videos and music.

Zeithaml (2002) has defined that the success of e-tailing depends on the efficient web site design, effective shopping and prompt delivery. The other e-store services are delivery on real time, return and replacement process, period of filling out online orders form, speed of response time to e-customers queries.

Kim and Lee (2002) have suggested that the design of e-store influences consumers' access to e-store. In the e-store, website design, design of product and service comparison and information, time to complete online order form, easy of searching product and service, screen layout, screen complexity, page composition, information retrieval methods, information display, use of colour and background, assistance to the user and speed of accessing the e-store are notable factors attracting e-customers.

Doolin (2004) has specifically pointed out that e-tailing is the sale of products and services to individual customers. According to him, the definition of e-tailing encompasses the sales of products or services online.

Rabinovich (2004) and Cao and Zhao (2004) have identified the challenges of e-tailing industry. This challenge begins with the response time of the web-server; moves to the amount of time the customer must wait until the order ships, and also includes the time the shipping process takes.

Bauer et al., (2006) have compared the services of online retail service vs. traditional retail services. They have identified that the online retail services are broken into two rather distinct phases: the client interaction phase taking place online and the fulfilment phase taking place offline. They also have suggested that web-site quality is a matter of delivering both hedonic and utilitarian elements.

Barnes and Guo (2011) in a study "Purchase behavior in virtual worlds: An empirical investigation in Second Life" developed and tested a conceptual model of purchase behavior in virtual worlds using a combination of existing and new constructs. They examined a kind of shopping behavior that consumers spend.

Herna´ndez et al. (2011) in a study "Age, gender and income: do they really moderate online shopping behavior?" Analyzed whether individuals' socioeconomic characteristics – age, gender and income – influence their online shopping behavior. The individuals analyzed are experienced e-shoppers i.e. individuals who often make purchases on the internet. The results of their research show that socioeconomic variables moderate neither the influence of previous use of the internet nor the perceptions of e-commerce; in short, they do not condition the behavior of the experienced e-shopper.

Mohammad Hossein Moshref Javadiet. al., (2012) in his study he says some factors affecting on online shopping behavior of consumers. A conceptual model was used in order to assess the effects of variables on each other using regression analysis. Results of hypotheses testing indicated that financial risk and non-delivery risk has negative effect on attitude toward online shopping behavior. That is, e-retailers should make their website safer and assure customers for delivery of their products.

Namita Bhandari and Preeti Kaushal (2013) in their study on online consumer behaviour using factor analysis and found the reasons for using online shopping like trust, information about the product and services, convenience, effortless shopping.

## Research Gaps

The following gaps are identified during the pertinent literature review process:

- There is no single study carried out, especially in India, till date which has examined the perception of the retailers towards entry and existence of online traders. Previous studies proposed standalone frameworks examining a certain part of certain attitudinal and behavioural aspects of the retailers towards e-tailers.

- Most of studies were carried out using data from customer ratings website; very few studies were based on primary data. Primary data based study in pure e-tailing context is missing in the literature.

## Research Methodology

E-tailing is an emerging sector of the economy having a lot of potential to contribute maximum to GDP. The retail landscape in India is changing rapidly and is being scrutinized by large scale investments by foreign and domestic players. Market liberalization and changing consumer behavior have sown the seeds of a retail transformation – from brick and mortar shopping concept to virtual shopping concept. E-tailing is growing fast and imparting the consumer preferences across the globe. Traditionally, the retail sector has been characterized by the presence of large number of small unorganized retailers and medium and large organised retailers. However in the current decade there has been rapid development and penetration of e-tailing. There has been a considerable shift in customer base from retailing to e-tailing. So, present study will make an endeavor to understand the perception of the retailers towards the entry of e-tailers and Bangalore being an IT hub which forms the basis for any change in the habit and culture of the people, it has been considered as the area for this study.

**Need for the study**

This study on perception of the retailers in both organised and unorganised segments in Bangalore in Karnataka will help the retailers to adopt the appropriate strategies to face the competition and also to sustain their existence in their respective areas of operation. This in turn will create and enhance the retailers the feeling of closeness to the customers. This feeling of closeness will genuinely, among the retailers, will help to create a bonding among the customers and the retailers, which in turn will enhance the performance of the retailers.

**Scope of the study**

E-tailing has emerged as a critical driver of business success in today's competitive market place. Further, e-tailing can be a deciding factor in keeping the customers at their place and still ensure delivery of goods and services at their doorstep. It has the potential to significantly affect customers' attitude, as it is also a key link to customer satisfaction. To meet unprecedented goal of the retailers - be it organised/ unorganised retailing or E-tailing - it necessitates them to have satisfied customers in the long run. This in turn has necessitated to conduct a study of this nature.

**Objectives of the study**

In accordance with the study i.e., to study the perception of the traditional retailers towards the entry of e-tailers into the market and how it affects their business, the following objectives have been set:

1) To analyse the awareness among the traditional retailers about the entry and existence of on-line retailers,
2) To study the opinion of the traditional retailers about the advantages of e-tailing over organised/retailing,
3) To study the preparedness of the traditional retailers to face the competition by e-tailers and
4) To suggest suitable measures to the traditional retailers to enable them to face the competition and sustain in the business in the long run.

**Research design**

Research design provides the framework and shows the schematically and appositeness of the design to conduct the research. It assists the researcher to draw carefully the detailed approach of conducting research. In this study, a Descriptive Research Design has been adopted, which measures the perception of the traditional retailers towards e-tailing.

**Quantitative:** A research technique in which scientific concrete and projectable numerical data that can be statistically analyzed is gathered, often from large samples. The use of quantitative approach in the collection of data has been attempted in order to give the study a concrete statistical shape. The analysis of the data, findings and interpretation part is purely descriptive in nature.

**Method of data collection**

Data collection is considered as heart of the research study. The data plays a vital role in any research because of its significant in the results. The data collected should be accurate to the extent possible with low or no errors. A study inaccuracy in the data so collected will leads to extremely difficult results and may prove costly to the researcher.

In this research both primary and secondary data is collected comprehensively and used to study the research problem. The primary data is collected through the respondents who are the traditional retail outlet owners – both organised and unorganised retail outlets – in Bangalore, Karnataka. The questionnaire was designed as an instrument by adopting variables and items from many research studies in the field of human resource management.

**Sampling Unit**

Traditional retail outlet owners – both organised and unorganised retail outlets – in Bangalore, Karnataka.

**Survey Methods**

Personal Interviews.

**Hypotheses for the Study**

The following are the hypothesis formulated taking into consideration the objectives of this study, which have been tested with the use of the data collected from the respondents:

**H1:** There is no statistically significant association between longevity in running the outlet and the opinion of the respondents regarding the impact of e-tailing on organised retailing.

**H2** – There is no correlation between the opinion of the retailers on impact of e-tailing on organised retailing and Overall opinion that there has not been much impact of e-tailing on organised retailing.

**H03** - There is no statistically significant association between longevity in running the outlet and the opinion of the respondents regarding the preparedness by retailers to face competition from e-tailers.

**H04 -** There is no correlation between the opinion of the retailers on impact of e-tailing on organised retailing and Overall opinion that there has not been much impact of e-tailing on organised retailing

**Limitations of the study**

1. The study will be restricted to selected Manufacturing and Service organizations.
2. Analysis of the data would be done on the assumption that the respondents would give correct information.
3. Location is restricted to Karnataka for the purpose of the study.
4. Lack of time on the part of the employees for detail interaction.

**Findings and Interpretation**

**Longevity in running the outlet:**

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**Table – 1:**
**Longevity in running the outlet**

| Longevity in Years | Frequency | % |
|---|---|---|
| Less than 5 Years | 36 | 36.0 |
| 5 Years - 10 Years | 52 | 52.0 |
| More than 10 Years | 12 | 12.0 |
| Total | 100 | 100.0 |

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The above table shows the longevity of the respondents running the outlets. 36 respondents out of 100 forming 36.0 % have been running the outlets for less than 5 years, 52 respondents forming 52.0 % have been running the outlets for more than 5 years but less than 10 years and the remaining 12 respondents forming 12.0 % have been running the outlet for more than 10 years.

This may be interpreted that majority of the respondents have been running the outlet for more than 5 years but less than 10 years.

Table – 2 shows the opinion of the retailers regarding the advantages of e-tailing over traditional retailing. 12 respondents forming 12.0 % of the respondents opined that Discounts offered by the e-tailers is the advantage for the customers to get attracted towards e-tailing, 7 respondents forming 7.0 % opined that Gift Vouchers is the advantage, 9 respondents forming 9.0 % opined that Easy to order is the advantage, 13 respondents forming 13.0 % opined that Best Offers is the advantage, 12 respondents forming 12.0 % opined that Wide Range of Products is the advantage, 20 respondents forming 20.0 % opined that Home Delivery is the advantage, 14 respondents forming 14.0 % opined that Product Tracking is the advantage and finally the remaining 13 respondents forming 13.0 % opined that Order from Anywhere is the advantage.

**Table – 2:**
**Type of Advantages of e-tailing over**
**Traditional Retailing**

| Various Advantages | Frequency | % |
|---|---|---|
| Discounts | 12 | 12.0 |
| Gift Vouchers | 7 | 7.0 |
| Easy to Order | 9 | 9.0 |
| Best Offers | 13 | 13.0 |
| Wide Range of Products | 12 | 12.0 |
| Home Delivery | 20 | 20.0 |
| Product Tracking | 14 | 14.0 |
| Order from Anywhere | 13 | 13.0 |
| Total | 100 | 100.0 |

It may be interpreted that majority of the respondents opined that Home Delivery is the main advantage for customers to switch to e-tailing.

**Table – 3:**
**Change in Customer Base**

| Change in Customer Base | Frequency | % |
|---|---|---|
| YES | 56 | 56.0 |
| NO | 44 | 44.0 |
| Total | 100 | 100.0 |

Table – 3 shows that 56 respondents out of 100 forming 56.0 % opined that there has been a change in the customer base after the entry of e-tailers into the market.  However, the remaining 44 respondents forming 44.0 % are of the opinion that their customer base has not changed.

This may be interpreted that there has been a change in the customer base after the entry of the e-tailing.

**Table – 4:**
**Change in Sales Volume**

| Change in Customer Base | Frequency | % |
|---|---|---|
| YES | 54 | 54.0 |
| NO | 46 | 46.0 |
| Total | 100 | 100.0 |

Table – 4 shows that 54 respondents out of 100 forming 54.0 % opined that there has been a change in the sales volume after the entry of e-tailers into the market.  However, the remaining 46 respondents forming 46.0 % are of the opinion that their sales has not changed.

This may be interpreted that there has been a change in the sales after the entry of the e-tailing.

**Table – 5:**
**Longevity in running the outlet and Opinion of the**
**Retailers on Impact of e-tailing on organised retailing**

| Opinion of the retailers on impact of e-tailing on organised retailing | Longevity in running the outlet | | | |
|---|---|---|---|---|
| | Less than 5 Years | 5 Years - 10 Years | More than 10 Years | Total |
| **Strongly Disagree** | 1 | 6 | 7 | 14 |
| **Disagree** | 3 | 7 | 0 | 10 |
| **No Agree or Disagree** | 7 | 5 | 1 | 13 |
| **Agree** | 18 | 15 | 0 | 33 |
| **Strongly Agree** | 7 | 19 | 4 | 30 |
| Total | 36 | 52 | 12 | 100 |

From the above table, it can be interpreted that 14 respondents out of the total 100 Strongly Agreed that there is an impact of e-tailing on organised retailing out of which 1 has been running the outlet for less than 5 years, 6 respondents have been running the outlet for more than 5 years but less than 10 years and the remaining 7 respondents have been running the outlet for more than 10 years; 10 respondents out of the total 100 Agreed that there is an impact of e-tailing on organised retailing out of which 3 have been running the outlet for less than 5 years, and the remaining 7 respondents have been running the outlet for more than 10 years; 13 out of the total 100 neither Agreed nor disagreed that there is an impact of e-tailing on organised retailing out of which 7 have been running the outlet for less than 5 years, 5 have been running the outlet for more than 5 years but less than 10 years and the remaining 1 respondent has been running the outlet for more than 10 years; 33 out of the total 100 Agreed that there is an impact of e-tailing on organised retailing out of which 18 have been running the outlet for less than 5 years, and the remaining 15 have been running the outlet for more than 10 years and out of the remaining 30 respondents Strongly Agreed that there is an impact of e-tailing on organised retailing out of which 7 have been running the outlet for

less than 5 years, 19 have been running the outlet for more than 5 years but less than 10 years and the remaining 4 respondents have been running the outlet for more than 10 years.

It may be interpreted that majority of the respondents who Agree that there is an impact of e-tailing on organised retailing have been running the outlet for less than 5 years.

**Chi-Square Tests**

|  | Value | df | Asymp. Sig. (2-sided) |
|---|---|---|---|
| Pearson Chi-Square | 33.550[a] | 8 | .000 |
| Likelihood Ratio | 32.410 | 8 | .000 |
| Linear-by-Linear Association | 4.868 | 1 | .027 |
| N of Valid Cases | 100 |  |  |

a. 7 cells (46.7%) have expected count less than 5. The minimum expected count is 1.20.

Chi square test of association have been applied as in the above table. It has been found that the chi-square test of association value is 33.550 with degrees of freedom at 8 and the '$p$' value is 0.000. As the 'p' value is less than 0.05, it indicates that opinion regarding the impact of e-tailing on organised retailing is influenced by the longevity in running the retail outlet.

**H$_0$:** There is no statistically significant association between longevity in running the outlet and the opinion of the respondents regarding the impact of e-tailing on organised retailing.

**H1:** There is statistically significant association between longevity in running the outlet and the opinion of the respondents regarding the impact of e-tailing on organised retailing.

Since the p-value (Asymp. Sig = 0.000) is less than our chosen significance level ($\alpha = 0.05$), we do not accept the null hypothesis. We conclude that there is enough evidence to suggest that there is statistically significant association between longevity in running the outlet and the opinion of the respondents regarding the impact of e-tailing on organised retailing.

**Correlation Analysis:**

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**Table – 6:**
**Correlations**

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|  |  | 1 | 2 |
|---|---|---|---|
|  | Pearson Correlation | 1 | .806** |
| **1** | Sig. (2-tailed) |  | .000 |
|  | N | 100 | 100 |
|  | Pearson Correlation | .806** | 1 |
| **2** | Sig. (2-tailed) | .000 |  |
|  | N | 100 | 100 |
| **. Correlation is significant at the 0.01 level (2-tailed). **1).** Opinion of the retailers on impact of e-tailing on organised retailing **2).** Overall, in my opinion, there has not been much impact of e-tailing on organised retailing. | | | |

The correlation coefficient measures the strength, of linear relationship between two variables. In this study, it is to test the correlation between the opinion of the retailers on impact of e-tailing on organised retailing and Overall the opinion there has not been much impact of e-tailing on organised retailing.

From the Table – 6, it may be observed that the correlation between Opinion of the retailers on impact of e-tailing on organised retailing and the overall opinion that there has not been much impact of e-tailing on organised retailing is found to be relatively high. (.806). Hence the correlation is statistically significant and the null hypothesis is rejected.

**Table – 7:**

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**Longevity in running the outlet and Indicated preparedness**
**by retailers towards e-tailers**

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| Indicated preparedness by retailers to face competition from e-tailers | Longevity in running the outlet | | | |
|---|---|---|---|---|
|  | Less than 5 Years | 5 Years - 10 Years | More than 10 Years | Total |
| **Strongly Disagree** | 6 | 3 | 0 | 9 |
| **Disagree** | 5 | 2 | 0 | 7 |
| **No Agree or Disagree** | 5 | 4 | 0 | 9 |
| **Agree** | 8 | 12 | 4 | 24 |
| **Strongly Agree** | 12 | 31 | 8 | 51 |
| Total | 36 | 52 | 12 | 100 |

From the above table, it can be interpreted that 9 respondents out of the total 100 Strongly Agreed that there is preparedness by retailers to face competition from e-tailers out

of which 6 has been running the outlet for less than 5 years, and the remaining 3 respondents have been running the outlet for more than 5 years but less than 10 years; 7 respondents out of the total 100 Agreed that there is preparedness by retailers to face competition from e-tailers out of which 5 have been running the outlet for less than 5 years, and the remaining 2 respondents have been running the outlet for more than 10 years; 13 out of the total 100 neither Agreed nor disagreed that there is preparedness by retailers to face competition from e-tailers out of which 5 have been running the outlet for less than 5 years, and the remaining 4 have been running the outlet for more than 5 years but less than 10 years; 24 out of the total 100 Agreed that there is preparedness by retailers to face competition from e-tailers out of which 8 have been running the outlet for less than 5 years, 12 have been running the outlet for more than 5 years but less than 10 years and the remaining 4 have been running the outlet for more than 10 years and out of the remaining 51 respondents Strongly Agreed that there is preparedness by retailers to face competition from e-tailers out of which 12 have been running the outlet for less than 5 years, 31 have been running the outlet for more than 5 years but less than 10 years and the remaining 8 respondents have been running the outlet for more than 10 years.

It may be interpreted that majority of the respondents who Strongly Agreed that there is preparedness by retailers to face competition from e-tailers have been running the outlet for more than 5 years but less than 10 years.

Chi square test of association have been applied as in the above table. It has been found that the chi-square test of association value is 14.227 with degrees of freedom at 8 and the '$p$' value is 0.000. As the 'p' value is less than 0.05, it indicates that opinion regarding the preparedness by retailers to face competition from e-tailers is influenced by the longevity in running the retail outlet.

**Chi-Square Tests**

|  | Value | df | Asymp. Sig. (2-sided) |
|---|---|---|---|
| Pearson Chi-Square | 14.227[a] | 8 | .000 |
| Likelihood Ratio | 16.478 | 8 | .000 |
| Linear-by-Linear Association | 11.858 | 1 | .001 |
| N of Valid Cases | 100 |  |  |

a. 10 cells (66.7%) have expected count less than 5. The minimum expected count is .84.

**H₀:** There is no statistically significant association between longevity in running the outlet and the opinion of the respondents regarding the preparedness by retailers to face competition from e-tailers.

**H2:** There is statistically significant association between longevity in running the outlet and the opinion of the respondents regarding the preparedness by retailers to face competition from e-tailers.

Since the p-value (Asymp. Sig = 0.000) is less than our chosen significance level ($\alpha = 0.05$), we do not accept the null hypothesis. We conclude that there is enough evidence

to suggest that there is statistically significant association between longevity in running the outlet and the opinion of the respondents regarding the preparedness by retailers to face competition from e-tailers.

**Correlation analysis:**

**Table – 8:**
**Correlations**

|   |   | 1 | 2 |
|---|---|---|---|
| **1** | Pearson Correlation | 1 | .758** |
|   | Sig. (2-tailed) |   | .000 |
|   | N | 100 | 100 |
| **2** | Pearson Correlation | .758** | 1 |
|   | Sig. (2-tailed) | .000 |   |
|   | N | 100 | 100 |
| **. Correlation is significant at the 0.01 level (2-tailed). | | | |
| 1. Indicated preparedness by retailers towards e-tailers | | | |
| 2. Indicated responsiveness by retailers towards e-tailers | | | |

The correlation coefficient measures the strength, of linear relationship between two variables. In this study, it is to test the correlation between Opinion of the retailers regarding the Indicated preparedness by retailers towards e-tailers and preparedness by retailers to face competition from e-tailers and Indicated responsiveness by retailers towards e-tailers

From the Table – 8, it may be observed that the correlation between Opinion of the retailers regarding the Indicated preparedness by retailers towards e-tailers and preparedness by retailers to face competition from e-tailers and Indicated responsiveness by retailers towards e-tailers is found to be relatively high. (.758). Hence the correlation is statistically significant and the null hypothesis is rejected.

**Summary of the findings & Suggestions**

Based on the analysis carried out, following are the summary of the findings:
- Majority of the respondents have been running the outlet for more than 5 years but less than 10 years.
- Majority of the respondents opined that Home Delivery is the main advantage for customers to switch to e-tailing.
- There has been a change in the customer base after the entry of the e-tailing.
- There has been a change in the sales after the entry of the e-tailing.
- Majority of the respondents who Agreed that there is an impact of e-tailing on organised retailing have been running the outlet for less than 5 years.
- There is statistically significant association between longevity in running the outlet and the opinion of the respondents regarding the impact of e-tailing on organised retailing.
- There is a correlation between Opinion of the retailers on impact of e-tailing on organised retailing and the overall opinion that there has not been much impact of e-tailing on organised retailing.

- Majority of the respondents who Strongly Agreed that there is preparedness by retailers to face competition from e-tailers have been running the outlet for more than 5 years but less than 10 years.
- There is statistically significant association between longevity in running the outlet and the opinion of the respondents regarding the preparedness by retailers to face competition from e-tailers.
- There is a correlation between Opinion of the retailers regarding the Indicated preparedness by retailers towards e-tailers and preparedness by retailers to face competition from e-tailers and Indicated responsiveness by retailers towards e-tailers is found to be relatively high. (.758). Hence the correlation is statistically significant and the null hypothesis is rejected.

**Suggestions:**

Based on the findings of this study, following suggestions are being made to the retailers so as to strategically prepare innovative plans for continual existence and further growth:

- Since it has been opined that Home Delivery is an advantage for the e-tailers, the traditional retailers too should attempt to introduce not only Home Delivery but also taking orders from Door-to-Door, which in turn will save time for the customers.
- The traditional retailers should make out plans to retain the customer base so that the sales too may be increased
- Like in any other field, the retailers should try to introduce innovative ways to keep the customers like reducing prices, adding new product lines, increasing the number of brands, etc., so as to make the customers aware of the existence traditional retailers existence.

**Scope for further research:**

- This study has been carried out in Bangalore, Karnataka and since Bangalore is one of the four Divisions of Karnataka, an attempt may be made to conduct such studies in other divisions also.
- The size of the sample may be increased so as to have a broader view of the traditional retailers.
- Also, a comparative study may be carried out between Bangalore city and other such metropolitan cities in the country.
- Finally, a study of this nature may also be conducted in villages to ascertain the penetration rate of the online traders.

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