

Analysis of Trends in the Effect of Online Marketing on the Traditional Kirana Stores and Their Tackling Strategies

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Abstract

The traditional kirana stores and local retail markets have always been well established and deep rooted in India for centuries. Even in the modern times, it was not before the advent of the e-commerce sites, that their domination could be challenged. This paper, is an attempt to analyze the effects of the e-commerce websites on the growth and development of various conventional businesses as individual ventures and as the business society as a whole in the NCR of the country. The paper attempts to present an analysis pertaining to the after-effects of the attempts made by the businesses to keep afloat. The sample will potentially include businessmen from different traditional markets and local stores to maintain heterogeneity in the sample. The subjects under the study were taken keeping in mind the variety in locality, expansion and the age of the business and the proprietors.

Keywords: E-commerce; Internet; Traditional stores

Introduction

The internet has emerged as an essential part of our lives in the past few decades. From booking tickets to watching movies and shows to even shopping, nowadays we are dependent for almost everything on the internet. Online marketing refers to a set of powerful tools and methodologies used for promoting products and services through the internet. The advertisements can take many different forms and some strategies focus on subtle messages rather than clear-cut advertisements [1].

Online marketing includes a wider range of marketing elements than traditional business marketing due to the extra channels and marketing mechanisms available on the internet. A large number of potential customers browse the internet, look for information or simply enjoy their favorite pastimes with an internet connection. By taking advantage of the online tools and resources, it is possible to get the company name out to the public and encourage potential customers to look further for information [2].

On its Big Billion Day, Flipkart logged \$100 million worth of sales in just 10 hours. These e-commerce sites have come into picture only in the past decade, 5-7 years to be precise. And these sites have had a tremendous impact on the traditional markets and the kirana stores in the country. With the advent of these, the kirana stores which were once the king in supplying household goods to the customers, are facing challenges that occasionally have proven to be deadly for the businesses.

In general, the e-commerce sites (online marketing) have had an impact on almost every line of business, but here we limit ourselves to analyze its impact on famous traditional markets and kirana stores near residential localities. This report was an attempt in the aforesaid matter.

The aim of this report was to study the impact on various markets in and outside the capital region of Delhi with the analysis in the trends that followed the effects and the after-effect tackling strategies. This was followed by a survey in various prime and other not-so prominent local stores to maintain variety in the sample. The questions were set so as to gather the most of relevant information that could help getting a quantitative picture about how these sites have affected the markets. The responses from the survey served as primary data for the study.

The data thus collected, was analyzed with the suitable tools for evident deductions and conclusions.

Methodology

The paper will be based on both secondary and primary data collected from the survey conducted. The primary data for the study will be collected through personal interviews and self-structured questionnaires. The data thus collected, would be analysed with the suitable tools meant for the same.

Survey Analysis

The survey was conducted in different market locations in and outside Delhi. The area included Chandni Chowk and Connaught Place in the heart of the capital to the local markets at the ends of East Delhi region. It also extended to Turab Nagar market in Ghaziabad. A few vendors in exhibitions and fairs in the EDM mall and the Opulent mall were also surveyed. The sample was collected keeping in mind the heterogeneity to be maintained in the sample.

Locality of the business

The first thing to be kept in mind was the locality of the business i.e. the area where the business was carried out. For this, the businesses running at various places were kept under survey destinations (Figure 1).

Products dealt with

The next thing asked was the kind of products they dealt in. While most of the regions we covered were for electronics, accessories, books, household goods and garments/ textiles (clothes), a few of them use to change the products they deal in accordance with the market's trend and the customer's needs. This point shall be considered further in the

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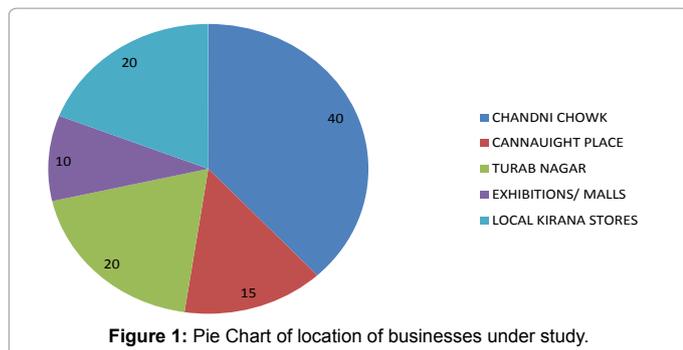


Figure 1: Pie Chart of location of businesses under study.

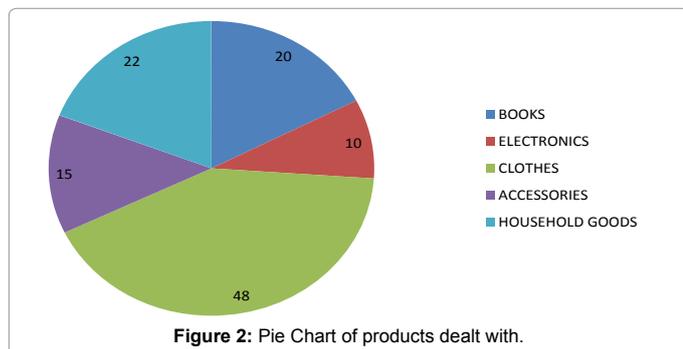


Figure 2: Pie Chart of products dealt with.

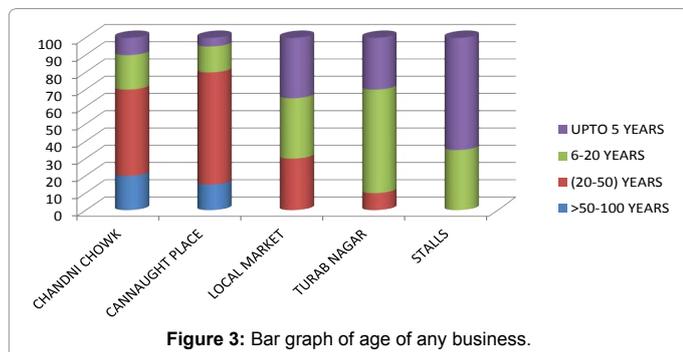


Figure 3: Bar graph of age of any business.

report as the strategy followed by those businesses to keep pace with the changing market (Figure 2).

Age of the business

Now, as we know, the age of any business is a relevant factor for analyzing and understanding almost each and every aspect related to it, we next asked the proprietors about the time since they are in that business. This question, to a surprise, came up with answers ranging from 2-3 years to about hundreds of years in the business in the long-established markets such as Chandni Chowk.

Having gone through such general inquiries about the businesses, the next question was about any e-commerce site coming into picture in the same business. Although, most of them were not aware as to when do the site/e-commerce entered into their line, they were pretty sure about the fact whether their businesses were being affected by their presence (Figure 3).

Effect of the entry of e-commerce sites

The next question, about the effects that these sites and the e-commerce websites have had on the businesses is highly important as

it shows variations not only with the age and the locality of the business, but also with the products they sell/deal in. While, sales reduction was common to almost all of the businesses, the customer loyalty was a factor which went reduction only for a few of them. The customer reach, mainly was dependent on the location of the business. The reach was not affected for the famous locations but the other markets got highly affected in the number of customer visits (Figure 4).

Strategies followed by the businesses

What comes next is the question of utmost importance, the main area of study for this report. It dealt with the strategies that the businessmen and proprietors applied for tackling with the scenario and enhancing their sales and market value. The strategy modes followed by the businesses depended upon the age of the proprietors as well as the age of the business. While most of the big and old businesses were adamant to neither go online, nor to shift or increase the no. of shops, the newer businesses were either started with online sites of their own or were now starting with the online business (Figure 5).

After-effects of the strategies

After a study of the efforts made by the businesses to keep afloat, it was meant to study the after-effects of the strategies they followed. The businesses that stick to the online mode had a sale increase and customer reach hike more than that for those who went off for newer shop locations. The businesses that kept changing their products and the locations were found to have hype in sales and customer reach (Figure 6).

Future plans

At last, as it goes in most of the survey reports, they were asked about the future plans they had for their businesses. Here too, the size of

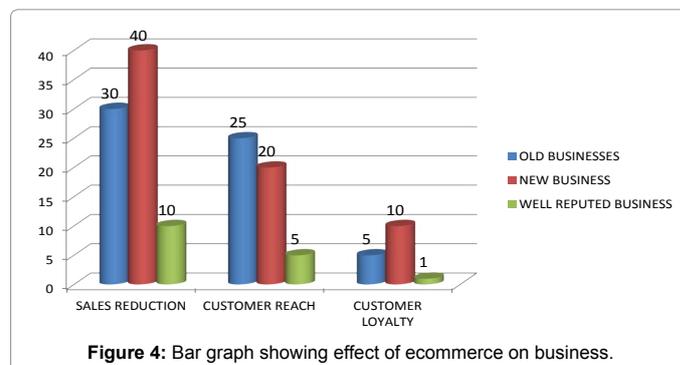


Figure 4: Bar graph showing effect of ecommerce on business.

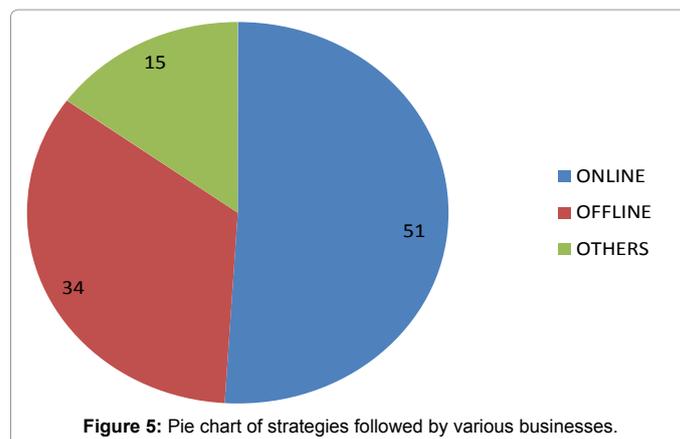
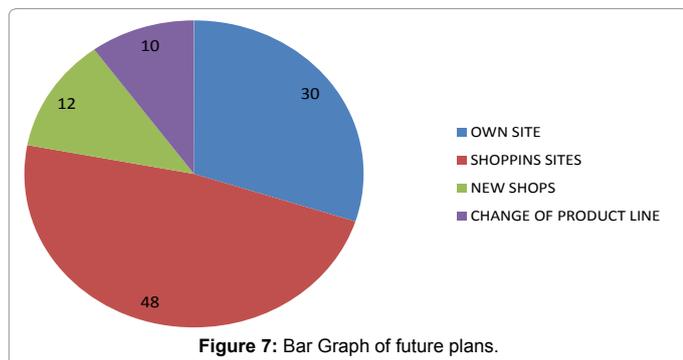
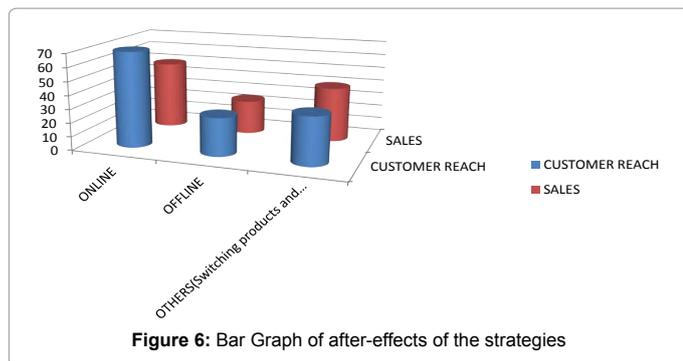


Figure 5: Pie chart of strategies followed by various businesses.



business and the age of both the business as well as the proprietor were of concern. While, the big and old businessmen were satisfied with their current status, the newer businesses and the young proprietors hope to get online to increase their customer reach and thereby increasing the sales (Figure 7).

Conclusion and Recommendations

To sum up, we can say that the e-commerce sites indeed have had a great impact on the traditional markets and the kirana stores. They have to do a great deal of efforts in order to survive in this digital age, where almost everything works on internet. The survey shows that along with the factors like the age and locality of the business and the products that the business deals with, the age of the proprietors who are running the business also matters in the strategies that they follow to sustain and develop further. Thus, we can say that this paves the way for a study that compares the relation of age and psychology of the proprietors with the strategies. This can take into account the factor of generation gap that might have led to the difference in the proprietors' decisions for follow-up or else, it could be studied under the topic of "business and psychology".

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