

Challenges Faced by Local Retail Sellers Due to Online Selling Methods

Submitted by

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Abstract

Marketing refers to it is the process of identifying the needs and wants of customers. It involves the developing products or services that satisfy those needs. Marketing also includes pricing, promoting and distribution goods and services. Marketing management plays a crucial role in achieving organizational goals by effectively identifying, creating and delivering values to customers. In the contemporary business environment, rapid technological advancement, changing consumer behavior and intense competition have significantly transformed traditional marketing practices.

Marketing management refers to it is the process of planning, organizing, directing and controlling marketing activities of an organization. It focuses on identifying customer needs and satisfying them through appropriate products, pricing, promotion and distribution.

Retail sellers are businesses or individuals who sell goods and services directly to the final consumers for personal use. They purchase products from manufactures or wholesalers and sell them in small quantities.

This paper examines the evolving concepts of marketing management the study also analyzes key challenges faced by local retailers, including market volatility, ethical concerns and driven decision making. Highlighting the comparison between offline selling method and online selling method.

Introduction

The rapid growth of online intermediaries such as e – commerce platforms, digital market places and aggregator apps has significantly transformed the retail business landscape. While these platforms provide convenience and wider market access to consumers, they have posed several challenges for traditional retail sellers. Retailers face issues such as intense price competition, reduced profit margin, dependency on platform policies and loss of direct customer relationships.

Additionally, the dominance of online intermediaries has increased operational pressures related to digital adaptation, logistics and marketing cost. This study aims to examine the key challenges faced by retail sellers due to the growing influence of online intermediaries and their impact on the sustainability of traditional retail businesses.

Concept of Challenges Faced by Retail Sellers Due to Online Intermediaries

The emergence of online intermediaries such as e-commerce platforms, digital market places and aggregator websites has significantly altered the traditional retail structure. These intermediaries act as a bridge between sellers and consumers by providing online visibility, payment systems and logistic support. However, retail sellers increasingly face intense competition from large online vendors operating on the same platforms, often leading to the price wars and heavy discounting.

Additionally, traditional retail sellers are compelled to adopt digital technologies to remain competitive, which involves challenges such as lack of technical skills, infrastructure costs and logistics management. Many small retailers struggle with inventory management, timely deliveries and compliance with digital payment systems.

Challenges Faced by Local Retail Sellers Due to Online Selling Methods

1. Severe price competition

Online sellers often sell products at lower prices due to bulk purchasing and lower operating costs. Local retail sellers find it difficult to compete with heavy discounts and seasonal online sales. Customers frequently compare prices online before purchasing, which reduces footfall in local stores. As a result local retailers are faced with lower prices, affecting profitability. Continuous price pressure makes business survival challenges.

2. Reduced profit margins

Too much online competition, local retailers often reduce their margins. However they still bear fixed costs like rent, electricity and employee wages. Unlike online sellers, local retailers do not enjoy large scale cost advantages.

3. Declining customer footfall

The convenience of online shopping, such as home delivery and easy returns, attract customers away from physical stores. Local retail shop experience reduced walk-in customers, especially among younger consumers. This decline directly affects daily sales and cash flows. Many local retail sellers struggle to maintain regular customers.

4. High customer expectations

Online platform has raised customer expectations regarding variety, pricing, delivery speed and return policies. Local retailers often cannot provide wide product variety or instant replacements. Customers compare local service quality with online standards. Meeting such expectations becomes difficult for small retailers. Failure to do so leads to customer dissatisfaction.

5. Lack of digital presence

Many local retailers lack online visibility or digital selling platforms. Limited knowledge of e-commerce tools and digital marketing restricts their reach. Customers increasingly search for products online before buying. Absence from digital platforms reduces competitiveness. This technical gap widens the divide between online and offline sellers.

6. Inventory management problem

Online demand fluctuations make it difficult for local retailers to plan inventory effectively. Overstocking leads to increased handling costs, while understocking leads to lost sales.

7. Limited promotional capability

Online sellers invest heavily in digital advertisements, influencer marketing and promotional campaigns. Local retailers depend mainly on word of mouth and traditional promotion. This makes it difficult to attract new customers.

8. Loss of brand loyalty

Online platform promotes platform loyalty rather than seller loyalty. Customers often remember the app name rather than the local store. Long standing customer relationship weakens over time. This erosion of loyalty affects repeat sales.

9. Operational cost pressure

Online sellers operate with centralized warehouses and automation, reducing cost. Local shops cannot easily reduce their fixed costs. Cost pressure reduces competitiveness. Managing expenses becomes increasingly difficult.

10. Inability to match convenience

Online selling methods offer 24/7 availability, door step delivery and easy payment options. Local retails operate within limited hours and resources. Customer prefers convenience over physical shopping effort. Competing with such with such convenience is challenging. This shift in consumer behavior negatively impacts local retailers.

11. Return and Exchange expectations

Online sellers offer hassle free return and exchange policies. Customer expects similar flexibility from local retailers. However, frequent returns increase losses for small retailers. Handling damaged or returned goods is costly. Such expectation increases operational strain.

12. Survival and sustainability issues

Continuous competition from online selling threatens the long-term survival of local retail sellers. Many small shops close due to declining sales and profits. Lack of government support and digital adaptation worsens the situations. Survival requires strategic changes and innovations. Without adaptation, sustainability becomes uncertain.

Comparison between offline selling method and online selling method

Basis of comparison	Offline selling method	Online selling method
Meaning	Selling goods through physical shops where buyer and seller meet personally.	Selling goods through internet-based platforms like websites or mobile apps.
Place of transaction	Fixed physical location such as retail shops, malls and markets.	Virtual market place accessible from anywhere with internet connectivity.
Customer interaction	Direct face to face.	Indirect interaction through chat, emails or automated systems.
Inspection of goods	Customers can physically see, touch and check the product before purchasing.	Customers rely on images, videos, reviews and descriptions only.
Payment mode	Mostly cash, card, UPI, or local credit.	Digital payments, cards, UPI, wallets, net banking and cash on delivery.
Time availability	Limited to fixed business hours.	Available 24X7 without restrictions.
Variety of products	Limited variety due to space constraints.	Wide variety of products from multiple sellers.
Basis of comparison	Offline selling method	Online selling method
Delivery of goods	Immediate delivery at the time of sale.	Delivery take time it depending on location and logistics.
Personal relationship	Strong personal relationship and trust with local retailers.	Limited personal connection.
Market reach	Limited to local or nearby area.	Global or nationwide reach.
Returns and replacement	Easy and quick through direct contact with seller.	Depends on platform policy may take more time.
Price comparison	Difficult to compare prices across shops.	Easy price comparison multiple sellers intently.
Dependence on technology	Low dependence on technology.	High dependence on internet and digital technology.



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