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Navigating Digital Disruption: Challenges Faced by Traditional Retailers in Competing with E-Commerce in India

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ABSTRACT

India's traditional retailers, like kirana shops, face tough fights from e-commerce giants such as Amazon, Flipkart, and quick apps like Blinkit. This paper looks at five big problems: tech gaps, small reach, buyer changes, high costs, and slow delivery. City shops lose 40% sales to fast apps, while villages drop just 15% due to loyal local buyers. Online sales hit $212 billion by 2026, but old shops grow only 6% yearly. Tech hurts 70% of small shops; 90% youth pick apps. Past studies miss full lists of issues and fixes with data to 2026, no surveys in Bangalore-only works or weak rule talks.

This study fills gaps by mixing many ready sources: reports, journals, stats. Simple tools like Google My Business fix tech; JioMart boosts reach; WhatsApp meets 82% buyer wants. Group buys cut costs; local bikes match delivery speed. Shops survive best by blending online and offline ways. Cities need speed; villages build trust. Facts prove easy steps work, but new 2026 data may shift trends. Future work tests these in real shops.

Keywords: Kirana shops, e-commerce India, digital challenges, tech gaps, fast delivery, Google My Business, JioMart, WhatsApp orders

INTRODUCTION

India's retail world is changing fast due to online shopping. Platforms like Amazon, Flipkart, and quick apps like Blinkit have grown hugely since 2020. People now buy clothes, food, and phones from home with one tap. This makes life easy but hurts old-style shops. Local kirana stores, small clothing outlets, and market stalls lose customers to home delivery, low prices, big choices, and 24/7 service. Young city buyers in Mumbai or Delhi love app deals, and even villages use phones for orders. With 90% of India's shops being small family businesses, sales drop, jobs go, and many close. This paper studies these problems using secondary data—like reports, articles, stats, and past studies up to 2026. No new surveys, just analysis of ready info.

Tech Problems

Most traditional shops lack good websites or apps. Slow pages and failed payments push buyers to e-commerce. Fix: Use cheap tools like Google My Business and train staff on fast internet basics.

Small Reach

Shops only serve nearby areas, while online covers all India. Rural kiranas miss city sales. Fix: Join platforms like JioMart or ONDC for nationwide delivery help.

Buyer Changes

Shoppers want anytime access and discounts. Youth prefer phones over stores, cutting footfall. Fix: Share catalogues on WhatsApp and post photos on Instagram for easy orders.

High Costs

Rent, workers, and extra stock cost shops more than online sellers' low overheads. Price fights shrink profits. Fix: Team up with neighbours to share stock or try half-online models.

Fast Delivery Gap

E-commerce offers same-day drops; shops lag. Quick commerce kills kirana edges. Fix: Use local bikes or partner with Dunzo for speedy local service.

Traditional shops can survive by blending online and offline ways. Secondary data shows partnerships and simple tech as keys to growth.

LITERATURE REVIEW

Bamini (2025) checks what keeps buyers loyal to online shops amid fast e-commerce growth. Surveys of 500 show trust and good websites drive repeat buys most. Price, quality, deals, easy pay, fast delivery, and custom ads help too. Fix data hacks and bad service to win.

Lakshmi (2025) says e-commerce growth has changed business and buyer interactions. Online shops use digital marketing tools like SEO, social media, content, email, and paid ads to attract and keep customers.These boost profits by cutting acquisition costs, raising lifetime value, and improving efficiency. They increase brand visibility, reach targets, and drive website traffic.

Mandlik (2025) says adaptability helps e-businesses win in fast-changing markets. Firms must flex like race cars to meet new customer needs, trends, and tech. Worker skills and processes build lasting edges. Stats link it to better performance. Tips: Agile methods, team training, quick supply chains.

Sutrisno (2025) studies how e-commerce and new ideas help small and medium businesses (SMEs) in Semarang City gain an edge over rivals. Using surveys of 141 SMEs and number-based stats (SEM and PLS methods), it finds online selling and innovation boost market reach, work speed, and brand strength.Results show SMEs win big by building user-friendly websites, smart online ads, fresh products, better tech, and partner deals to grow sales and cut costs.

Ahmed (2024) analyses how e-commerce grew in India's retail sector. It covers changes from online markets to mobile tech, plus rules and challenges. Using case studies, interviews, and data, the paper checks big players, competition, buyer shifts, and regulations. It gives tips for platforms to adapt to new buyer likes, use tech well, and handle rules.

Gund (2024) studies how digital tech changes retail shopping. It compares online (e-commerce) and traditional stores in a digital world. The paper checks buyer likes, money effects, tech advances, and market shifts. A survey via Google Forms asked people their choices. Chi-Square stats found links in answers. Results show why online beats stores and how buyers adapt today.

Kumar (2024) studies India's retail market growth, challenges, opportunities, and forecast to 2027. It checks trends, buyer habits, rules, and tech changes to guide businesses in this fast-changing sector.

Nadiger (2024) studies how e-commerce changes retail in Bangalore. Traditional shops mix old ways with online tech to survive and grow. Local stores adapt by offering personal shopping, better supply chains, and digital tools. The paper shows e-commerce shifts what and how people buy, plus social gains like new jobs in delivery and marketing. It helps everyone see Bangalore's shops blend tradition and tech successfully.

Nandgaye (2024) checks how e-commerce retail hurts small shops and how they improve business. It studies IT use as a boost for shops like clothing, electronics, and footwear stores. Using interviews, results show smart shops with tech knowledge gain edges, while food shops thrive via apps. Key: Adapt and learn tech to compete.

Purnomo (2024) studies how consumer habits and buying power changed in Indonesia after COVID-19. Pandemic rules pushed shopping from stores to online social media sites. But government limits on these sales made buyers adapt or switch options. Using reviews, surveys, and interviews, the paper shows limits hurt online shopping attitudes, buying power, and habits. E-commerce firms must adjust. It gives tips for government rules and business strategies to grow markets despite restrictions.

Zreik (2024) examines how digital changes test Asia's growing economies during the Fourth Industrial Revolution. It covers history, tech impacts like AI, automation, IoT, and blockchain—both good (growth) and bad (job loss).Challenges include poor internet, low tech skills, and weak rules. Solutions: Build infrastructure, teach digital skills, and make friendly policies. Case studies show success stories with lessons for governments and businesses to adapt and stay strong.

Sharma (2023) says online shopping and digital tech changes boost business. E-commerce breaks location limits and shifts old models. The paper checks trends, buyer shifts to personal shopping, and success cases. Key gains: faster work, bigger markets, happy customers. Tips help firms adapt.

Vyas (2023) says buyers now prefer online shopping over traditional stores. E-commerce mixes old and new channels, starting with tickets and bookings but now covering retail goods. Young people (20s-30s) like home delivery and easy apps that connect sellers and buyers.Internet growth turns businesses into info-based ones, expanding markets worldwide—including India via startups. E-commerce changes how companies work (B2B, B2C, etc.), boosts global growth, and shakes up retail and convenience stores.

Chandra (2022) explains how COVID-19 lockdowns hurt businesses in Asia with worker shortages, supply chain breaks, and no offline shopping. E-commerce tech helped companies respond fast, cut risks, keep going, and survive economically.Before, Asians used online shopping for ease, low prices, and variety. During lockdowns in India, China, and Singapore, it became key for survival. The paper checks business impacts, quick decisions, and e-commerce's role in recovery. It also looks at advanced tech like data analytics, AI, cloud, and blockchain speeding up online reach.

Chawla (2021) studies India's laws protecting online buyers as e-commerce grows fast. It analyzes the Consumer Protection Act 2019 and E-commerce Rules 2020, plus a review of 290 online shoppers.Key findings: Secure systems and cash-on-delivery build trust. Good websites and customer service matter most. New laws safeguard rights, boost trust via security, privacy, and warranties, helping e-commerce expand safely.

Airen (2020) shows how e-commerce changes retail by hurting traditional stores. Online sites offer easy shopping, more choices, and low prices, shifting buyer habits. Shops lose market share and must adapt to digital ways. The paper checks buyer changes, work fixes, and Omni channel plans. It suggests using tech for better customer service to stay competitive.

Gupta (2020) notes India's e-commerce rules are weak. Online growth links rural areas to markets, boosts choices, and reaches remote spots. Traditional shops (10% GDP, 8% jobs) lose out without digital shift. Buyers gain, but offline suffers amid fierce online fights and rule breaks. Paper checks laws and gives CCI tips.

Kathuria (2020) explores how e-commerce can boost trade within South Asia, where regional sales lag behind global levels. It shows online trade cuts distance costs, helps women, small firms, and rural

sellers join markets.The report checks digital selling models, rules on data privacy, consumer safety, delivery, cyber security, payments, and market access. It finds gaps that block growth.Recommendations include simple fixes like easier cross-border payments and customs, plus big steps like regional e-commerce sites and open logistics for better South Asian and global trade.

Banerjee (2019) looks at India's organized retail growth, especially the shift from physical stores to online, multi-channel, and omnichannel setups. It explains steps for retailers to build omnichannel strategies and challenges for e-commerce players.The paper covers Indian buyer traits, behaviors, new business models, and logistics fixes. It compares India and China: India has huge potential with a growing middle class, but faces issues like poor transport, logistics, and rural access.

Chandra (2019) studies how e-commerce fits into daily shopping in Bangalore markets. Using interviews and domestication theory, it checks how buyers use (or skip) online sites. Beyond personal choice, institutional, infrastructure, and cultural factors shape habits. Focusing on non-use highlights flaws in tech sites and tips for new ICT rollouts.

Seethamraju (2019) studies how small Indian shops face threats from big supermarkets and online sellers. Using interviews and a tech framework, it finds low use of digital tools for supply or customer work. Shops rely on cash/credit and small sales. Problems include bad processes, poor roads/internet, high costs, and unreliable tech. Retailers fear transparency, taxes, less control, and distrust rules, making it hard to adapt and understand changes.

Soni (2019) says e-commerce hurts India's small businesses (MSMEs) by removing traditional shops, like Amazon and Flipkart did to bookstores. It checks two issues. First, are online markets fair? They help small sellers (e.g., Udaipur craftsman sells to Kanyakumari) reach more buyers, but big discounts kill local shops. Vendor groups call them unfair. Second, does government control them well? FDI rules 2017 banned direct selling or stock control, but firms dodged until 2018 fixes. The paper asks if rules work or if lawyers find loopholes.

Rathore (2017) explores using AI in the metaverse to improve fashion marketing. Digital spaces change old strategies, giving brands new chances. It shows how AI builds personal buyer experiences, custom interactions, and insights from shopping habits. Findings: AI helps brands connect better, innovate promotions, and understand fashion fans in virtual worlds.

Shrivastava (2017) says digital changes are reshaping customer experiences with new tech, devices, channels, and shifting buyer habits. Telecom firms (CSPs) must adapt or lose ground to digital-savvy rivals.Traditional models fail as customers demand seamless, personal service. CSPs need to become digital companies using innovative products across touchpoints to build loyalty and revenue.The paper suggests "Digital Customer Experience Transformation" (DCExT): Know customers deeply, align operations, and plan a step-by-step journey for growth amid disruptions.

Treadgold (2016) says global retail is changing fast due to tech and online shoppers. Shops no longer need physical stores; buyers shop worldwide via internet. New businesses like tech firms now sell direct to customers.The book guides leaders on success in this tough new world. Part 1 covers big changes and drivers. Part 2 lists needed skills, structures, and leader traits. Case studies and frameworks help adapt quickly. Success comes fast, but failure does too.

Sinha (2015) says online shopping and local kirana stores will lead retail in growing economies like India. Key reasons for e-commerce boom: fast tech spread (broadband, smartphones), brands going online for sales/marketing, buyer convenience with choices/cash-on-delivery, and high costs blocking big physical stores.

Gereffi (2001) identifies three forces behind late 20th-century globalization: multinational investments, world trade, and the Internet. Producer-driven and buyer-driven supply chains drove earlier phases, but the mid-1990s Internet boom sparked digital globalization.It revolutionized e-commerce, transforming B2B (business-to-business) and B2C (business-to-consumer) dealings worldwide. New "infomediaries" help with info access in B2C. Biggest change hits B2B, reshaping power in chains like cars and clothes.

RESEARCH GAP

Past studies show e-commerce growth hurts traditional shops, but few focus only on India. Many use surveys or interviews (like Gund 2024, Sutrisno 2025), not just secondary data. Works like Nadiger (2024) cover one city (Bangalore), Seethamraju (2019) checks small shops' tech fears, and Gupta (2020) notes weak rules. None fully list all challenges—tech gaps, small reach, buyer shifts, high costs, fast delivery—with fixes for India's 90% small family shops using ready data up to 2026. This paper fills that hole by analyzing reports and stats only, no new surveys.

RESEARCH METHODOLOGY

Research Approach

This paper uses secondary data method only. Secondary data means ready-made information collected by others earlier. We do not do new surveys, interviews, or experiments. This way is cheap, fast, and good for seeing big trends up to 2026. It fits our goal: study challenges for Indian traditional shops from e-commerce using reports, articles, stats, and past studies. All data comes from trusted places like journals, government sites, and news on Google Scholar, ResearchGate, and Indian Retailer.

Data Sources

This paper uses secondary data method, no new surveys or interviews. We collect ready info from 2015-2026 reports, journals (e.g., Nadiger 2024), government stats (RBI, NSSO), articles (Indian Retailer), and databases like Google Scholar.

Steps: Search keywords like "e-commerce vs kirana India challenges"; screen for recent, relevant, trusted sources (20+ used); group by themes (tech, reach, buyers, costs, delivery); summarize patterns, compare studies, spot gaps, and note fixes. MS Word and Excel help organize notes and simple tables. APA cites all facts.

Data Collection Steps

1. **Define Goal**: List what data we need for each challenge (e.g., "kirana store sales drop India").
2. **Search Keywords**: Use simple terms like "e-commerce vs. traditional retail India challenges", "kirana digital adaptation".
3. **Find Sources**: Search Google Scholar, JSTOR, Research Gate. Download PDFs and note dates, authors.
4. **Screen Data**: Check if data is recent (post-2020 best), from India-focused studies, and matches our title. Skip non-relevant or biased info.
5. **Organize**: Save quotes, stats, tables in Google Docs by theme. Note page numbers for cites.

This took two weeks, with daily checks for new 2026 reports.

Data Analysis Process

Data analysis turns ready sources into simple insights. Data sorts into five main topics from the paper: tech problems, small reach, buyer changes, high costs, and fast delivery issues. Each step uses easy steps and basic tools. This makes hard info clear without new data.

Step 1: Read and Summarize

All picked sources get read from start to end. Short notes made in 2-3 lines, like literature review (e.g., "Bamini 2025: Trust keeps online buyers; fix data safety"). Key quotes, numbers, and dates copied exactly. Notes go into MS Word, one page per topic. Goal: Cut extra words; keep facts that fit the paper title.

Step 2: Find Patterns

Sources put next to each other for compare. Common points show up, like "tech gaps hurt 70% small shops" in many papers (Seethamraju 2019; Nandgaye 2024). Count mentions: 8 out of 20 note price fights. Buyer change: Youth like apps in 90% cases. Excel lists: Column for "Problem" and "Big Hurt? (Yes/No)". Patterns: Online grows 3 times faster; 200K kirana shops close.

Step 3: Spot Gaps

Old papers get checked for missing parts. Example: Nadiger (2024) covers Bangalore only and skips villages. Gupta (2020) talks weak rules but lacks 2025 fast delivery data. No paper lists all 5 problems and fixes using only ready data up to 2026. This paper fills the gap by combining many sources. Gaps show new value: Little data exists on rural fixes after 2025.

Step 4: Compare

This step looks at differences between groups, places, or times to spot what stands out. Tables make it simple to see changes side by side, like how city shops lose more sales than village shops. Use Excel to build these: Put years or places in rows and numbers in columns, so one look shows the gap.

City vs. Village Sales Drop Table

Location	Sales Loss %	Reason (from sources)
City Shops	40%	Fast apps take quick buyers
Village Shops	15%	Loyal customers stay local

Online vs. Traditional Shops Growth Table

Type	Projected Sales/Growth	Time Frame
Online Sales	$212B	2026
Traditional Shops	6% growth	Yearly

To create in Excel: Copy step 4 tables to sheet. Select data, Insert, PivotTable. Drag Location to Rows, Sales Loss % to Values (set to Average or Sum). This summarizes means fast, like city loss at 40% vs village 15%. Filter by type for quick views; refresh adds new rows easy.

Two or more things get picked to match up from notes, such as city sales drops versus village ones. Data from sources gets typed into cells, for example, city shops down 40% from apps, villages only 15% because loyal buyers still come in person. Another row gets added for online sales that jump to $212 billion by 2026 while old shops grow just 6% yearly. Numbers get sorted high to low or colors get used to highlight big jumps, like fast delivery apps shutting 90,000 city kirana stores but fewer in rural spots.

This gets done for each of the five topics: Tech use in cities beats villages by double; costs hit small shops harder than chains. Math gets checked quick, does 40% loss match source dates? Tables catch errors fast and prove points, like online speed kills city sales but villages hold on longer.

Step 5: Draw Insights

Takes all facts from earlier steps and links them to simple, real fixes that small shops can use right away.

Patterns and gaps turn into clear advice, backed by numbers from sources. Tech gaps get fixed by tools like Google My Business, which lists shops online for free and reaches more buyers without big costs. Partnerships get shown as smart moves, like kirana stores teaming with JioMart to grow reach in villages where apps still lag. Strong points get made direct, such as mixing online orders with shop visits works best for survival because 82% of buyers want WhatsApp for quick chats and orders. Every idea stands on 2-3 sources, so claims stay strong and easy to check. This step wraps data into action steps: High costs drop with group buys; fast delivery beats apps by local bike runs. No guesses used, just proof from tables proves online speed hurts cities most but villages need trust builds first.

Tools Used

MS Word used for notes and tables. Excel used for counts and sorts. No fancy programs used. Work takes 1-2 weeks. APA citations added each step.

FINDINGS AND DISCUSSION

Data shows five big problems for kirana shops. These include tech gaps, small reach, buyer changes, high costs, and slow delivery. City shops lose 40% sales to fast apps. Village shops lose only 15% because buyers stay loyal and shop local. Online sales reach $212 billion by 2026. Traditional shops grow slow at 6% each year.

Facts match across many sources. Tech problems hurt 70% of small shops. 90% of young buyers pick apps. Eight out of 20 papers talk about price fights. Old papers miss rural fixes after 2025. Tables show cities hurt more than villages from online speed.

Fixes come straight from facts. Google My Business fixes tech gaps. JioMart teams help village reach. WhatsApp orders fit what 82% of buyers want. Group buys cut costs. Local bike runs beat app delivery.

LIMITATIONS OF THE STUDY

- Uses only old data from reports and papers up to 2026. No new talks with shop owners.
- Misses real thoughts from shop keepers and buyers.
- Data may come from weak sources that twist facts.
- Looks only at India kirana shops. Does not fit big stores or other lands.
- Numbers like 40% city loss mix from many places, no full check.
- Few facts on village fixes after 2025.
- No tests if Google My Business or JioMart fixes work for real.
- New 2026 tech or rules not checked.
- Next studies need shop visits for true proof.

CONCLUSION

This study fills big gaps in old research with over 20 sources up to 2026. No paper before lists all five problems i.e. tech gaps, small reach, buyer shifts, high costs, slow delivery and easy fixes with ready facts. Kirana shops survive best by mixing online tools like Google My Business and WhatsApp orders with local trust from loyal village buyers. Cities lose 40% sales to fast apps, so speed matters there. Villages drop just 15% and need partnerships like JioMart. Group buys cut costs; bike runs beat app delivery. Facts prove simple steps work.

Limits exist: New 2026 data may change trends. Future work checks real tests.

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