

DIGITALIZATION IMPACT ON RETAIL BUSINESS AFTER COVID PANDEMIC PERIOD – A STUDY

Mrs. Amreen Khan¹
Dr. Punnam Veeraiah²

Abstract:

Digitalization is the process of changing business prospects and achieving efficiency goals by utilizing various technologies and approaches. People began to appreciate the importance of digital transactions after demonetization and because of the cash crisis, the use of digital money has expanded substantially, bringing transparency and assisting in the eradication of parallel transactions. "The creation of, and subsequent change in, market offerings, business processes, or models as a result of the application of digital technology" is what digital transformation means. It has compelled businesses to reconsider the role and value of data in their business models.

However, digital transformation is more than just deploying new technologies. In most cases, it entails a fundamental shift in the organization's underlying philosophy, systems, and tools, as well as the repositioning of portions or the entire business design. A sole concentration on selecting and deploying the appropriate digital technology is unlikely to result in success. Organizational dynamics and work processes are both affected by digital revolution. Leadership, talent development, culture, organization, and strategy are all involved.

Introduction:

In recent years, digitalization the widespread use of connected digital services by consumers, businesses, and governments has emerged as a crucial economic engine. This promotes job generation and stimulates growth. In considering the current state of the global economy, in order to help, digitization can be quite useful. Policymakers are beneficial to boost employment and economic growth. Information Technology and Information Technology enabled services (ITES) have a significant impact on the manufacturing and service sectors in both developed and developing countries.

¹Research Scholar, Department of Commerce, Barkathullah University, Bhopal Email: amreen25khan@gmail.com, Mob: 07974313709

²Professor and Head, Department of Business and Commerce, PSS Central Institute of Vocational Education, NCERT, Bhopal, Email: p.veriaiah@psscive.ac.in, Mob: 09893332807

Several non-tradable services have become tradable as a result of IT-enabled service development. India's contribution to IT and ITES has been outstanding among emerging nations during the last few decades. Rapid progress in IT and ITES helps a country's economy grow. The performance of India's services and Micro, Small and Medium Enterprises (MSME) sectors has benefited directly from digitalization.

Review of Literature

The literature review is very important part of the researches it highlights the significance aspects and issues related to research. It places a previous work before us what has been done by the previous researchers. It also supports in finding out the missing aspects of the topic we choose i.e., finding out the research gap between the period. In this paper, we will refer to what the previous researchers have done in their concerned studies and what have been their views.

Chunguang Bai, Matthew Quayson, Joseph Sarkis (2021) The study explains COVID-19 pandemic digitization lessons for sustainable development of micro-and small-enterprises, this paper employs insights to provide COVID-19 pandemic digitization lessons for sustainable development of MSEs from a technology for social good perspective. They develop a framework to support post COVID-19 digital transformation for sustainable development of MSEs. They find that digital payments, especially mobile money, should be a critical digital transformation priority for MSEs.

PedroSoto-Acosta (2020) this study about covid-19 pandemic: Shifting digital transformation to a high-speed gear transforming the Digital Economy in High-Speed Gear. An extraordinary worldwide health crisis brought on by the COVID-19 epidemic is having negative socioeconomic effects. In this paper, the COVID-19 pandemic's effects on digital transformation are examined. More specifically, the article offers specific insights into whether and how the COVID-19 pandemic is hastening organizational digital transformation. The major findings of this study can be helpful for traditional businesses and startups looking to explore or take advantage of opportunities in the digital transition.

Alpesh Rameshkumar Gajjar (2021) impact of digital technologies on consumer behavior in organized retail sector of Gujarat. Some of the Digital technologies in present organized retail sector include Bar Code, Radio Frequency Identification (RFID), Digital Payments, Surveillance System, Cloud Computing, and Retail Accounting Software that make daily operations unimaginably easy and provide retailers much needed competitive advantages.

The core objective of this study is to discover the level of awareness and readiness of customers as well as retailers towards Digital Technology adopted in the organized retail sector. The use of technology is a key factor in retail sector currently. Moreover, this study reveals that retailers also need to adopt the cluster of various Digital Technologies to sustain in the retail market.

Mehrajuddin Bhat (2020), the study analyzed the effects on consumer buying and the gender impact on consumer behavior of digital marketing and demographic impact on consumer's behaviour. Internet gives consumers more options, access and power across a digital network. Today, consumers see shopping as a regular occurrence due to internet connectivity and electronic sales of consumer products.

Mohana Priya (2018) A study on digital wallet payment option and its impact on business performance of Retailers, this study covers digitalization of payment system in India is an important area of increasing interest for any industry, particularly in retail sector. Nowadays, the governments, financial firms, Technology organizations are starting to globally formulate suitable policies to implement and improve the digital payment systems. The digital payment technology gives a boost to business through the development of digital commerce and banking. The organizations including retail organizations, whether “organized or unorganized,” which account for more than 10 per cent of the GDP of the country are making dramatic changes in the payment system. And, they are adopting digital wallet as an important digital payment system for their business transactions.

DVR Subrahmanya Sastry T. (2017), Consumer perception about the e-satisfaction development process with reference to online retail service quality. The objectives of the study are to provide a general review of retailing, followed by information regarding the Indian retail market with a quick focus on both the organised and unorganised retail sectors in India. In this paper, a procedural overview of online shopping is presented.

Guoan Zhu and Xue GAO (2019), the digital sales transformation featured by precise retail marketing strategy. This study examines digital marketing mode, the traditional retail industry is seeing an impact never before seen thanks to digital marketing, and traditional marketing's competitive advantages are vanishing. The situation that the traditional retail industry is examined from the perspectives of commodities and customer, sales technology, and sales philosophy. In the age of new retail, developing a new marketing strategy is crucial for long-term sustainability.

Dita Aulia, Endang Sulistya Rini, and Fadli (2021), the Influence of Gamification, E-Service Quality and E-Trust on Online Purchase Decision. This study aims to determine and analyze

the effect of gamification, e-service quality and e-trust variables on online purchase decision through online purchase intention. The results of the research on the first substructure show that gamification has a positive and significant effect on online Purchase. The analysis shows that online purchase intention is able to mediate between gamification and e-trust with online purchase decision.

Sayyida, Sri Hartini, Sri Gunawan, and Syarief Nur Husin (2020), the impact of the covid-19 pandemic on retail consumer behavior in 2020, there was a covid-19 pandemic, which has an effect on the economy. Online platforms are frequently used by consumers to avoid face-to-face interactions with marketers or other customers. On the other hand, physical stores are the only places where consumers can physically view, touch, and feel a product. The purpose of this study is to examine how the covid-19 outbreak has affected retail consumer behaviour. Webrooming and pure online buying are the hottest trends in retail during the covid-19 epidemic.

Need of the Study

Keeping in view the great importance of digitalization and its impact on the consumers and retail business organizations, to change the phenomena of retailers selling pattern through digital way which will easily reach the products up to the consumers houses as great impact and they slowly habituate to change their behavior digital friendly. They themselves change their pattern is in particular and they educate the people in the society is in general. Therefore, we propose this study to examine the digitalization impact on retail business after the Covid Pandemic period.

Objectives of the Study

The specific objectives are as under:

1. To study the effects of digitalization for its positive and negative impact on Economic growth after pandemic.
2. To examine the impact of digitalization in retail sector in the country.
3. To analyses the impact of digitalization on buying behavior of consumer and selling pattern of retailer during and after pandemic situation.

Methodology of the Study

The research methodology is defined as an investigational process that uses scientific tools to provide relevant information about the field of study. It provides details about different approaches and techniques that could be used for carrying out the research work properly. The research methodology is the unique way of finding new facts systematically that is not known by the investigator. For this study we simply examine the secondary information based the literature survey in this field which is sourced from the Ph.D. theses, articles published in renowned journals, papers presented in national and international seminars, conferences etc. The secondary data relating to the profile of retail business, digital banking, and digital payments and also collected various internet sources, journals, magazines, newspapers, reports, websites, books, research article etc.

Scope of the Study

The study covers the digitalization impact on retail sector taking into consideration the data from recent year such as post covid period 2022-23. For this study we simply examine the secondary data based the literature survey in this field which is sourced from the Ph.D. theses, articles published in renowned journals, papers presented in national and international seminars, conferences etc. The scope restricted in the study is digitalization impact on economic development of the country in general and its impact on retail sector is in particular.

Effect of Covid-19 on E-Commerce

Corona viruses are a category of viruses that cause minor illnesses and can infect the lower airway, causing serious illnesses such as pneumonia and bronchitis. Infected people can spread the virus in both harmful and harmless ways. WHO is the World Health Organization (WHO, 2019) there have been various pandemics throughout history that have altered human life. COVID-19 began on December 12, 2019 in Wuhan, China, and it was discovered that people were infected with pneumonia through an illusory link to a shop that sells fresh seafood. This virus infected millions of people in China within a week. Furthermore, 205 countries and their economy are currently infested by this virus. Globally, the situation is difficult.

This global epidemic affects a variety of sectors, including the economy. With increasing sales during the lockdown time, digitalization in retail has gained stronger. It can be saying

that, lockdown implementation due to corona virus has influenced Consumers to buy basic need products through e-commerce.

Impact of Digitalization on Economic Development

Digitalization and other technology advancements have a huge positive impact on any sector's overall manufacturing process. According to studies by Kaldor (1967) and Kuznets (1966), advancement in the manufacturing sector leads to advancement in IT and ITES. Further research by Dasgupta and Singh (2005), Goldar and Mitra (2008), and Joshi (2007) aims to determine whether there is a link between manufacturing sector growth and ITES growth. According to Chanda (2002), technical advancement increases the demand for manpower, resulting in the rise of ITES in India. Lal (2007) analyses five developing nations and concludes that ICT infrastructure and communications are the primary drivers of growth. According to Joshi (2009b), ICT progress has made many non-marketable services tradable.

Contribution of Technology in the Digitalization

There is a well-documented argument that digitization leads to economic progress. Information and communication technology, which define as “any communication device or application, including radio, television, mobile phones, computers, network hardware and software, satellite systems and any associated applications,” enables digitalization. Digital technology has changed the way companies function around the world, from e-commerce to business process outsourcing. Furthermore, it has changed how people communicate (e.g., through social media) and how governments interact with citizens through e-government platforms. Successful digital technology adoption has far-reaching consequences.

Effect of Digitalization on Various Economic Sectors

From production to consumption, digitalization has touched practically every sector of the economy. The internet, mobile devices, and their related seamless connectivity have transformed the way things are distributed, as businesses now have access to a far larger and more global reach of consumers than they ever had before. At the same time, every consumer now has access to a much wider range of products. As a result, the economy has progressed from a geographically confined economy to a true global economy, in which firms integrate various digital technologies (apps, websites, marketplaces, etc.) with physical locations to attract, engage, and sell their products and services to customers. Digital technologies have had diverse effects on industries in terms of output and innovation.

There is no sector of the economy where digitalization has not influenced or modified at least a portion of production and/or consumption processes. Firms are transitioning from one industry to the next, offering customers new or refreshed value propositions based on digital

technology. Furthermore, technical firms are moving away from pure technology, whilst traditional businesses are becoming increasingly technological. Many traditional banks, for example, brand themselves Fintech companies, while other well-known digital companies are now leading areas like retail and hospitality sectors.

Digitalization Impact on the Retail Sector

Retail trade is a suitable field for integrating and networking intelligent systems together since it rapidly integrates new technology solutions. Customers nowadays have different expectations of retail, and this has forced both the customer and the seller to reconsider their buying and selling processes: the customer decides how, when, where, and from whom they buy, and the vendor must know what, when, and where they should sell.

The whole traditional shopping, whole internet shopping, showrooming, and webrooming are the four types of consumer behavior that exist in the digital era. Purchasing behaviors that employ only one channel to carry out the complete shopping process are referred to as total retail and internet shopping. The entire brick - and - mortar shopping is defined as shopping in actual stores for information and making purchases. The entire face - to - face purchasing entails conducting a series of transactions completely through offline means. Complete online shopping, on the other hand, is a type of shopping that involves the use of digital media throughout the entire transaction. It is a type of purchasing that involves finding product information and then making purchases via digital media.

Increasing Trend of e-Commerce in India

Because of the tremendous rise of e-commerce, customers now have several options at their fingertips before making a purchase decision, transforming consumer behavior. The amount of wellness and personal care orders placed on Indian e-commerce sites surged by 36 per cent last year. While Indian e-commerce is anticipated to expand by 27 per cent up to \$ 99 billion by 2024. Customers frequently conduct product research, whether online or offline. Price, availability, user-friendly technology, and, most importantly, brand/product recall are all things to consider. Corporate must compete not only for market awareness, but also to keep customers hooked on their products and services.

Digitalization impact on Functions of E-commerce

Digitalization contributes to economic progress through promoting inclusivity, connecting various enterprises, facilitating international trade, and removing information barriers. Digital technology allows businesses to expand in ways that would not have been possible before. Traditional marketing and sales methods is a corporation that manufactures its goods in one

section of the world. Products can be advertised all over the world via websites, mobile applications, and / or online ads. Other e-commerce firms' platforms and traditional movement of products, services, and money has changed. Despite the fact that e-commerce already accounts for about 12 per cent of worldwide goods traded.

Analysis of customers, it identifies what consumer desires and makes them available to satisfy their wishes. It is a method of identifying consumer likes and dislikes in both subjective and calculable manner which involves a proper supply chain logistics to provide their customer with a height of fulfilment for the commodities purchased by them. Marketing is a function of creating; promoting and delivering products and services to the customer and businessman. The marketers performing such activities engaged themselves under goods, services, experiences, persons, and events.

Digitalization impact on Retail Services

Retail is growing after digitalization of services like online bill payments by card swiping, online shopping sites and web pages, online marketing, cost discounts on some particular cards etc. Retailing includes all the activities involved in selling goods or services to the final consumers for personal use. A retailer or retail store is any business enterprise whose sale volume comes primarily from retailing. These are the final business entities in a distribution channel that links manufacturers to customers. The retailing concept is essentially a customer oriented, company-wide approach to developing and implementing a marketing strategy. It lays out rules that must be observed by all retailers, regardless of their size, channel design, or mode of distribution done through the modernized technology and through digital platforms. The digital mode of transactions should enhance the retail business. Online retail business is evidence to reach the products in a shorter period up to the consumer is very effective during and post covid period.

Conclusions:

1st July 2015 prime minister launches digital India campaign in India, to transform India into an empowered digital economy. In the progress of digitalization cashless campaign also carry forwarded with the wallet payment option, further in the pandemic digital marketing boom due to contactless purchasing an essential requirement of Nobel corona virus pandemic precautions.

Digitalization plays a specific role; it helps in planning and strategies of the business. Digitalization improve quality of purchasing of customer and it also impact on customer satisfaction as positively with the help of good price, availability of product through

user-friendly technology, and, most importantly, brand/product recall on next purchase is cause to digital mode of transactions and transformation of money in easy and prompt way. Customers use their money efficiently and retailer pre-prepared for the demand of customer, the demand and supply chain link on a healthy note through digitalization aspects and activities, which is economically best for enhancing the market widespread in different places. Now a days, in the urban areas people are ordering their food and other necessities through digital mode and make payments through digital way. Not only urban areas but also rural population now a days ordering their seeds, pesticides and other farm equipment's are ordering through the digital mode and pay the amount is also in a digital way. Therefore, the pattern and perception of the Retailers and Consumers on the digital payment options

References:

1. Akhtar N, Nadeem Akhtar M, Usman M, Ali M, Iqbal Siddiqi U. COVID-19 restrictions and consumers' psychological reactance toward offline shopping freedom restoration. *The Service Industries Journal*. 2020 Oct 25; 40 (13-14):891-913.
2. Solomon EM, van Klyton A. The impact of digital technology usage on economic growth in Africa. *Utilities policy*. 2020 Dec 1;67:101104.
3. Soto-Acosta P. COVID-19 pandemic: Shifting digital transformation to a high-speed gear. *Information Systems Management*. 2020 Oct 1; 37 (4):260-6.
4. Wrigley N, Lowe M. *Reading retail: A geographical perspective on retailing and consumption spaces*. Routledge; 2014 Apr 4.
5. Manss R, Kurze K, Bornschein R. What drives competitive webrooming? The roles of channel and retailer aspects. *The International Review of Retail, Distribution and Consumer Research*. 2020 May 26; 30 (3):233-65.
6. Gartner, October 02, 2017. *The Gartner 2018 CIO Agenda Industry Insights I Gartner, Inc.*
7. Edward J, Malecki B M 2007 *The Digital Economy - Business Organization Production Processes and Regional Developments I*
8. Tapscott D 1995 *The Digital Economy: Promise and Peril In The Age of Networked Intelligence McGraw-Hill*
9. Mohamed E, Gumah Z J *What is the Digital Economy, and How to Measure it*
10. RumanaBukht R H 2017 *Defining, Conceptualising and Measuring the Digital Economy Development Informatics*
11. Harbhajan S, Kehal V P S 2005 *Digital Economy: Impacts, Influences, and Challenges Idea Group Inc.*

12. Simon C, Mueller 2017 Measuring and mapping the emergence of the digital economy: a comparison of the market capitalization in selected countries *Digital Policy, Regulation and Governance* 19(5) pp 367-382
13. Kevin Hernandez, November 2016 *The Impact of Digital Technology on Economic Growth and Productivity, and it's Implications for Employment and Equality: An Evidence Review* Institute of Development Studies.
14. Heiner Lasi 2014 *Industry 4.0. Business & Information Systems Engineering* 6 (4) pp 239–242.