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# Advantages and Constraints of Online Business and Disconnected Business

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**Abstract:** *In the early days of online retailing, the phrase 'brick and mortar' came to mean 'a retail store with a physical building', as opposed to one that conducts sales entirely online. There are various offline business options like independent shops, retail stores, cafes, conventional supermarkets, and other large scale enterprises. The decision of whether to get into a traditional offline business, a modern E- business, or combination of the two, is one of the most important decisions you can make. Whatever the kind of business you get into, however, there are 3 factors which should always be a priority: It should be personally satisfying, It should be profit able Ideally, it should not put you at risk of being imprisoned.*

**Keywords:** Online Business, offline business

## I. INTRODUCTION

### A. Online Business

It is also called as E-Business it means business transactions that take place online with the help of the internet. The term e-business or online business came into existence in the year 1996. It is an abbreviation for electronic business. So the buyer and the seller don't contact with each other personally.



In present days we are exposed to various forms of online business. Emergence, it has grown by leaps and bounds. Some times that it may very soon overtake brick and mortar stores completely. While seen to be we cannot ignore the immense role it plays in the current global economy.

From the past two decades, many people have made a lot of money through factories, stocks and the Internet.

Warren Buffett says that , working at home is a dream for so many people. For more better, you can make money with your phone now.

Now a days lot of people are making money through online businesses through various ways such as content based websites, product affiliation marketing and selling products. Today, there are no. of great strategies in place and one of the most accredited one is the E-commerce strategy. Lots of people now understand the importance of doing business through web. By time people have been able to build trust in online business and due to that, it has become the most amazing business practice invention. So it is clear that e-business is easy to start, however, it is difficult to succeed in a long run.

### B. Brick and Mortar Stores(Offline Business)

A brick and mortar store or offline business or a traditional business is a business outlet with one physical location or more. Probably the example, the shops you'll find in your local shopping center are known as the brick and mortar shops or offline businesses.



Today many customers are still preferring a brick and mortar store where they can go and physically view the product before purchasing it, as well as ask physical rather than virtual shop assistants for advice.

For simple example of a mainstream company in Brick and Mortar is Walmart, a global retailer with more than 4000 outlets in 28 countries. A Walmart super center occupies a shopping area of nearly 200,000 square feet. Walmart has number of than 2 million staff globally, with annual revenue of over \$400 billion. In addition to be being the world's biggest store, in the U.S. it is the biggest food store, the second largest optical store and the third-largest provider of pharmaceuticals.

## II. ONLINE AND OFFLINE BUSINESS FINDINGS

### A. Offline Business Usually Operate on Fixed Hours

With a little bit exceptions like 7-eleven, the offline business world tends to trade only on certain days at specific times. Potentially many customers who want anything from your business outside of those times have to be patient and wait for your business to open, or they have to make the choice to shop online instead.

### B. Online Business are Always Open

When you are going to run an online business or E-business, everything is always available 24 hours per day and up to 366 days per year. The upside of this is that you have a lot more opportunity to make sales. The downside is your customers expect you to be always available to help with their problems, so you don't get to have time off unless you hire somebody to handle all that stuff for you. This requires considerable resources, so the smaller your business is, the less likely it is that you're going to get to enjoy lengthy and relaxing vacations.

### C. Offline Businesses Require Substantial initial Investment

It is Operating from the fixed physical locations (or mobile, in the case of ice cream truck drivers), most traditional businesses or traditional business must pay high costs for premises, utilities, and even parking. The traditional business if it sells goods, will have to maintain a physical inventory, and keep it stocked.

### D. Online businesses or E-business are less Expensive to Establish and Operate

Because purely online businesses or E-business are location independent, there is no expense for premises, utilities, or parking. They don't require any necessarily need to maintain physical inventory. In general, an E-business is a more less expensive in terms of input costs, which means there is potential for higher ROI in the long term.

### E. Types/Models of e-commerce

- 1) *Business-To- Business (B2B)*: The E-business refers to the electronic exchange between companies of products, services, or information, rather than between business and consumers. For few Examples include online directories and websites for the exchange of goods and supplies that enable businesses to search for products, services, and information and initiate transactions through e-procurement interfaces. Business to business marketplace eCommerce solutions help in empowering your B2B sales.
- 2) *Business-To-consumer (B2C)*: Is the retail part of e-commerce. Business to consumer is when companies directly sell their products, services, or information to consumers. Present there are countless virtual stores and malls selling all kinds of consumer goods on the internet. Amazon it is the most recognized best example of these sites which dominates the B2C market. Starting of the B2C business is easier with the B2C eCommerce solutions.



- 3) *Consumer-to-Consumer (C2C)*: Consumer to consumer or customer to customer is a type of e-commerce in which consumers trade online products, services, and information. These transactions are usually carried out by through the third party offering an electronic platform on which the transactions are performed.
- 4) *Consumer-To-business (C2B)*: It is a form of e-commerce where customers make their goods and services accessible online to bid and buy companies. This is opposite of the traditional B2C business model. Example- Youtube
- 5) *Peer To Peer (P2P)*: It is one of the Business Model is the one where two individuals buy or sell goods to each other directly without the involvement of any third party service. The 3 party is also not involved in the delivery or payments exchange. Example: Airbnb, Aristotle Circle, etc.
- 6) *Hyperlocal Business Model*: It is the one in which consumers can buy the item from the stores in their neighbourhood. The shops which are under the Hyperlocal Business model are General merchant shops, restaurants, malls, markets, and other products and services providers.

#### F. Free Offline Marketing Methods

- 1) *Word of Mouth*: It referrals by friends, family members, colleagues, etc.
- 2) *Handouts*: It refers to the newsletters, brochures, business cards, etc.
- 3) *Branding*: It putting your website URL on clothes, household necessities, your car, etc.
- 4) *Telecommunication*: It talking to clients through the phone calls
- 5) *Direct Mail*: It deliver handouts, thank you letters, important documents, etc.

#### G. Paid Offline Marketing Methods

- 1) *TV Advertising*: Commercials, infomercials, etc.
- 2) *Radio Advertising*: It mainly done through talk shows (specified for local areas such as cities or towns)
- 3) *Billboards*: It is supersize your ad on freeways and high traffic areas
- 4) *Print Media*: Newspapers, journals, and magazines.
- 5) *Ventures*: They are the partner up with other offline businesses
- 6) *Press Releases*: It is a newsworthy stories about your business that are sent to the media

#### H. Analysis Of Online-To-Offline (O2O)

O2O commerce is a business is one of the strategy that draws potential customers from online channels to make purchases in physical stores. O2O commerce identifies customers in the online space, such as through emails and Internet advertisements, and then uses a variety of tools and approaches to entice the customers to leave the online space. This is the one of the type of strategy incorporates techniques used in online marketing with those used in brick-and-mortar marketing.

#### I. Pros of Offline Business(Brick and Mortar Stores)

- 1) *Form A Personal Relationship With Customers*: Having a store for visiting customers will allow you to establish relationships with employers. You also can meet them in person, get to know them, and show them firsthand how your brand can make things easier for them. They might be, in turn, be more likely to become loyal clients.
- 2) *Customers Can see the Inventory Stock*: Purchasing items from the brick and mortar stores has its own significant benefits for the customers. Many shoppers shop may prefer seeing items in person before making a purchase. Customer experience is one the important aspect that an online-only retailer can not replicate. A recent survey by the Retail Dive found that “the desire to see, touch, and feel items ranks highest among the reasons consumers want to shop in stores over online.”
- 3) *Less Product Return Rate*: When it is comes to shopping at a store then people try by themselves what’s best for them, which in turn decreases the return rate. While purchasing the product they can easily do the trials of the items, which adds to the advantage of having a brick and mortar store. The customers can see merchandise physically and based on their interest make a purchase.

#### J. Pros of Online Business(E-Commerce Stores)

- 1) *Less Operation Cost*: The cost of doing online business is lower because workers are not needed at each location; health or security staff are not needed. Specifically, when it comes to sales, workers are just required and everything is automatic. That’s the key reason why online retailers do have certain rates lower than regular prices in an offline store.

- 2) *Global Selling*: Everyone who owns e-commerce knows that if they deliver a large number of good quality and trending products then they can sell anywhere across the globe. Businesses are expanding with the use of the Internet which provides an increased incentive for earnings. Hence helps you to make your name among the customers around the globe.
- 3) *Round the Clock Availability*: Ever heard the phrase “Make money while you’re sleeping”? An eCommerce website is open 24/7, meaning there are no restrictions on when people can shop for and buy your products, whether it’s the middle of the day or the middle of the night. Such availability increase the ability to earn profit and helps build a better relationship between buyers and merchants.
- 4) *Operate your Business from Anywhere*: E-commerce websites eliminate any regional constraints that an offline business might usually face. You can anywhere in the world and still run your e-commerce business with success. The key things you need to supervise your e-commerce website from anywhere are; access to emails, the internet, and phones.

### III. LIMITATIONS

- A. Going from one shop to another can be exhausting and time-consuming. Sometimes, you spend hours to hours roaming around looking for a dress, but you don’t find anything.
- B. Discounts and offers are given only for a short period. You probably won’t get as big a discount on an item as you can on an online website.
- C. Sometimes malls and markets are crowded so that you can barely walk. Imagine being dragged along if you hate crowded places and sweaty people.
- D. Lack of Credibility With a offline company, a certain level of trust exists intrinsically between the customer and the business. The fact that a firm has taken the so much time and invested the money to set up a store and build out an infrastructure says volumes. Since the barriers to entry are so low in ecommerce, one doesn’t necessarily enjoy the same level of credibility. In fact, many online businesses find it challenging to prove that they’re legitimate ... especially when they’re small.
- E. Customer Service Challenges Although there are certain online businesses that have ha reputation for excelling at customer service — Zappos is a famous example — Some customers simply prefer to shake a hand, speak with a person, and have the ability to set up a personal appointment. Online businesses often don’t have the resources or capabilities for this ... resorting to email, chat support, or bogged-down phone lines.
- F. Marketplace Saturation Unlike offline businesses that may have 1 or 2 competitors in the area, online companies are pitted against dozens or hundreds of competitors across the world.

### IV. CONCLUSION

Brick and Mortar stores are solid and dependable, but have limited reach. E- businesses have potentially massive reach, but they involve a typically higher level of risk due to the greater competition. The comparatively less cost of online business makes it an attractive option for those are interesting to start-ups. Overall, E-business is much simpler and less expensive, and you'll have a lot less to lose with an online business that fails compared with running the same business as an offline venture.

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