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From Local to Global: The Strategic Shift of Small Traders Through E-Business Platforms

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Abstract

Today, adopting e-business platforms has emerged as a key tool for growth and competitive positioning in almost every business. Small traders who have mostly sold their goods in domestic markets are being provided with opportunities that enable them to extend their market coverage using digitalization. The transition to e-Business comes with new opportunities and improvements in the market share and scopes of business management as well as challenges that need to be handled properly. Given the importance of reaching out to small traders in the context of their digital transformation, it is important to know how aware and prepared they currently are concerning e-business, and more importantly, what actions they plan to take. The present study investigates the shift of small-scale traders in and around Coimbatore, India towards e-business platforms and addresses their awareness and readiness and strategy levels. The purpose of the research is to determine the extent to which these traders are already armed in accepting e-business, what benefits if any do, they expect from such business and challenges aside. Using questionnaires where a total of about thirty small traders were surveyed. Still, the purpose of this research is to analyse the strategies small traders will use e-business platform for growth with respect to their marketing, customer interaction and competition.

Keywords *Small Traders, E- Business, Digital Business Platforms, Opportunities, Challenges*

Introduction

In today's business environment, the use of e-business has greatly impacted the way business is conducted, especially for the small traders. Small traders are individuals or businesses that operate on a relatively small scale, typically in local or regional markets. They often have limited resources, such as capital, manpower, and technology, and may deal in retail, wholesale, or service-oriented activities. Small traders usually cater to a specific customer base and are involved in activities like selling goods, providing services, or conducting minor trading operations. They are characterized by modest annual turnovers, a narrow market reach, and often operate as sole proprietorships or small family-run businesses. Examples include local shop owners, small retail businesses, and vendors. These were once local businessmen and women restricted to work in small markets only and are now using modern technology advancement to do business across borders. This paper seeks to analyze the change of small traders from local to global traders through e-business platforms.

The emergence of online platforms, (e- markets) as the new avenue for selling has up opened opportunities for the small traders. E-business platforms provide unmatched market access, low overheads and increased exposure. This research therefore seeks to add to the existing literature on digital transformation of SBTs by identifying key factors that have led to this change and the difficulties that the SBTs encounter.

Literature review

Alhorr, Singh, and Kim (2010) , offers a comprehensive analysis of the complex strategic decisions multinational firms face when engaging in global e-commerce. The authors effectively bridge the gap between institutional theory and e-commerce by applying adaptive strategies to the localization-standardization debate. They argue that multinational firms must navigate the dual pressures of global integration and local responsiveness, tailoring their e-commerce strategies accordingly. The article's strength lies in its application of institutional theory to the dynamic global e-commerce environment, providing valuable insights for both academic researchers and international business practitioners. However, the paper could benefit from more empirical data to support its theoretical assertions. Overall, the article is a significant contribution to the literature on global e-commerce strategies, particularly in the context of adapting to diverse institutional environments.

Olanrewaju, A, et. al., (2022) examines how e-business platforms enable small traders to transition from local to global markets through digital transformation. The research highlights the pivotal role of e-business in reducing transaction costs and expanding market reach. By integrating online marketplaces such as Amazon, Alibaba, and Etsy, small traders can tap into international markets with minimal upfront investment. However, the study also notes challenges such as increased competition, regulatory complexities, and the need for technological infrastructure, which can hinder the transition process. The research recommends that small traders focus on scalable technology solutions to ensure long-term growth.

Sharma, P (2023) explores the impact of e-commerce adoption on the globalization of small businesses. The study finds that small traders adopting e-commerce platforms experience significant growth in international sales, largely due to the accessibility of a wider customer base. However, the authors emphasize that success depends on strategic adoption of the technology, effective logistics, and understanding of cultural differences in target markets. The research concludes that small traders must build capabilities in digital marketing, customer relationship management, and cross-border logistics to succeed globally.

Zhou, X., & Lee, J. (2023) focuses on how e-business platforms serve as a strategic tool for market entry by small traders. The paper discusses the use of online platforms to overcome traditional barriers to internationalization, such as limited access to distribution channels and the high cost of market entry. The study finds that small traders, by utilizing digital platforms, can reduce these barriers and experiment with new market entry strategies at lower risks and costs. However, it also warns of the intense competition faced in global markets, requiring small businesses to constantly innovate and adapt to evolving consumer preferences.

Barat and Haque (2024) provide a thorough analysis of how small businesses have leveraged e-commerce to thrive, particularly during and after the COVID-19 pandemic. The study employs a mixed-methods approach, combining surveys and literature reviews, to explore the strategies that small enterprises adopt to navigate the digital marketplace. The authors highlight the critical role of social media and digital platforms in driving growth and ensuring the sustainability of small businesses. The research also addresses challenges such as cybersecurity and customer experience, emphasizing the importance of trust and value delivery in the online environment. While the study offers valuable insights into the evolving landscape of small business e-commerce, it would benefit from more extensive data to support its conclusions. Nevertheless, this research is a significant contribution to understanding the digital transformation of small businesses in the contemporary.

Statement of the Problem

The problem of small traders is that they can rarely have the capital, the customers, and the technical know-how in a world market. Despite the opportunities e-business provides them to expand across the world, several of them struggle with issues including limited internet know-how, inadequate infrastructure, insufficient capital, and low awareness of international business. Besides, there are various challenges such as cost competitiveness, logistics and quality issues which act as another barrier to their shift to the global market. This statement seeks to identify the factors that may hinder the implementation of e-business strategies in the small trader's business as well as the implication of such factors on business sustainability.

Objectives of the Study

- To assess the awareness and readiness of small traders in switching to e-business platforms, including their understanding of the potential benefits and challenges
- To analyse the strategies small traders would employ to effectively leverage e-business platforms for business growth, focusing on marketing, customer engagement, and competitive positioning.

Research Methodology

This study employs quantitative research design using a structured questionnaire to investigate From Local to Global: The Strategic Shift of Small Traders Through E-Business Platforms. The population of small businessmen in and around Coimbatore, have been selected through convenience sampling. Data was collected through an online questionnaire distributed via a survey platform, with responses gathered over a specified period and reminders sent to maximize participation. The questionnaire includes demographic questions, multiple-choice questions related to small business to E-business. Data was analysed using descriptive statistics and cross-tabulation, with statistical software SPSS is employed to generate visual representations. Ethical considerations include informed consent, ensuring participant anonymity and confidentiality, and adherence to institutional ethical guidelines. The study acknowledges limitations such as sampling and response bias, which may affect generalizability and accuracy. Expected outcomes include the shift from traditional localized trading practices to more advanced e-business models are commonly accompanied by various difficulties, such as technical challenges, low levels of digital skills, and the requirement for further planning.

Results & Discussion

Table 1: DEMOGRAPHIC PROFILE

DEMOGRAPHIC FACTOR		FREQUENCY	PERCENTAGE
Age	18-25	62	62.0
	26-30	18	18.0
	31-35	11	11.0
	Above 35	9	9.0
Type Of Business	Sole Proprietorship	66	66.0
	Partnership	15	15.0
	Family Business	19	19.0
Year Of Experience	Less Than 1 Year	32	32.0
	1 To 5 Year	41	41.0
	5 Year and Above	27	27.0
Annual Turn over	Less than 1 crore	84	84.0
	1 - 50 crore	11	11.0
	Above 50 crores	5	5.0

Source: Primary Data

The demographic profile as per Table 1 shows that most respondents (62%) are young entrepreneurs aged 18-25 years. Sole proprietorship is the dominant business type (66%), with 41% of the businessmen having 1-5 years of experience in the business and 32% are in existance for less than a year, being start ups. Most businesses are small-scale, as 84% report an annual turnover of less than Rs. 1 crore, the ceiling limit of turnover for a small businessman being Rs. 50 crores.

Table 2: FAMILIARITY WITH E-BUSINESS PLATFORMS

FAMILIARITY LEVEL	FREQUENCY	PERCENTAGE
Very familiar	39	39.0
Somewhat familiar	46	46.0
Not familiar at all	15	15.0

Source: Primary Data

The data on familiarity with e-business platforms shows that most respondents (46%) are somewhat familiar with these platforms, indicating a moderate level of exposure or experience. A significant portion (39%) are very familiar, suggesting they have extensive knowledge or use of e-business platforms. However, 15% of respondents are not familiar at all, highlighting a small group with little to no experience in this area.

Table 3: EXPLORING E-BUSINESS IDEAS: LEVERAGING DIGITAL PLATFORMS FOR INNOVATION AND SCALABILITY

USE OF DIGITAL PLATFORM FOR INNOVATION	FREQUENCY	PERCENTAGE
Yes	29	29.0
No	13	13.0
Maybe	45	45.0
In E-Business	13	13.0

Source: Primary Data

The table on exploring e-business ideas indicates a mixed level of interest among respondents. While 29% of respondents are actively exploring e-business ideas to leverage digital platforms for innovation and scalability, a larger group (45%) is uncertain, indicating a potential openness to e-business but lacking commitment. Only 13% are currently in e-business, and another 13% are not interested in exploring e-business

Table 4: EXPERIENCE WITH E-BUSINESS PLATFORMS FOR TRADING ACTIVITIES

EXPERIENCE WITH E-BUSINESS PLATFORMS	FREQUENCY	PERCENTAGE
Yes	44	44.0
No	56	56.0

Source: Primary Data

The data on experience with e-business platforms for trading activities reveals that most respondents (56%) do not have experience using these platforms, indicating a limited adoption of e-business for trading purposes. However, a significant portion (44%) does have experience, suggesting that nearly half of the respondents are engaged in e-business for trading.

Table 5: PRIMARY REASONS FOR CONSIDERING A SWITCH TO AN E-BUSINESS PLATFORM

REASONS FOR CONSIDERING A SWITCH	MEAN	RANK
Expanding market reach	1.00	4
Increasing sales	2.00	3
Reducing operational costs	3.00	2
Competitive Advantage	4.00	1

Source: Computed Data

The table clearly depicts that the aspects of from local to global: the strategic shift of small traders through e-business competitive advantage is the most preferred platform since it has the highest mean value of 4.00 and has been ranked as first, the second, third, fourth rank has been allocated for reducing operational costs, increasing sales, expanding market reach which had the mean values of 3.00, 2.00, 1.00 respectively.

Table 6: EXPECTED BENEFITS OF ADOPTING E-BUSINESS PLATFORMS

EXPECTED BENEFIT	MEAN	RANK
Increased customer base	1.00	6
Enhanced operational efficiency	2.00	5
Better customer engagement	3.00	4
Higher revenue	4.00	3
Efficient Marketing	5.00	2
Cost Saving	6.00	1

Source: Computed Data

The table explains that the aspects of from local to global: the strategic shift of small traders through e-business cost saving is the most preferred platform since it has the highest mean value of 6.00 and has been ranked as first, the second rank has been allocated for efficient marketing since this service has the mean value of 5.00 and the third rank is for the platform called higher revenue which has got the mean value of 4.00 . The fourth rank is for the platform called better customer engagement which has got the mean value of 3.00. The platform of e-business which are preferred least by the respondents are enhanced operational efficiency and increased customer base which had the mean values of, 2.00 and 1.00 respectively.

Table 7: ANTICIPATED CHALLENGES OR CONCERNS IN TRANSITIONING TO E-BUSINESS PLATFORMS

ANTICIPATED CHALLENGES	MEAN	RANK
Technological difficulties	1.00	4
Financial constraints	2.00	3
Lack of technical knowledge	3.00	2
Competition with established players	4.00	1

Source: Computed Data

The above table describes that the aspects of from local to global: the strategic shift of small traders through e-business platforms competition with established players is the most preferred e-business since it has the highest mean value of 4.00 and has been ranked as first, the second, third and fourth rank has been allocated for lack of technical knowledge, financial constraints, technological difficulties which had the mean values of 3.00, 24.00, and 1.00 respectively.

Table 8: PLAN FOR ENGAGING WITH CUSTOMERS THROUGH E-BUSINESS PLATFORMS

FUTURE PLAN	MEAN	RANK
Regular updates and communication	1.00	4
Personalized offers and recommendations	2.00	3
Efficient customer service and support	3.00	2
Loyalty programs	4.00	1

Source: Computed Data

The table states that the aspects of from local to global: the strategic shift of small traders through e-business platforms loyalty programs is the most preferred e-business since it has the highest mean value of 4.00 and has been ranked as first, the second, third, fourth rank has been allocated efficient customer service and support, personalized offers and recommendations, regular updates and communication which are preferred least by the respondents the mean values of 3.00, 2.00 and 1.00 respectively.

Table 9: MAINTAINING A COMPETITIVE POSITION IN THE E-BUSINESS MARKETPLACE

MAINTAINING COMPETITIVE POSITION	MEAN	RANK
Competitive pricing	1.00	4
Unique product offerings	2.00	3
Superior customer service	3.00	2
Strategic partnerships	4.00	1

Source: Computed Data

The table clearly depicts that the aspects of from local to global: the strategic shift of small traders through e-business platforms strategic partnerships is the most preferred e-business since it has the highest mean value of 4.00 and has been ranked as first, the second, third, fourth rank has been allocated for superior customer service , unique product offerings , competitive pricing which are preferred least by the respondents the mean values of 3.00, 2.00 and 1.00 respectively.

Table 10: ADDITIONAL SUPPORT OR RESOURCES NEEDED FOR SUCCESSFUL ADOPTION OF E-BUSINESS PLATFORMS

ADDITIONAL SUPPORT	MEAN	RANK
Training and education	1.00	5
Technical support	2.00	4
Financial assistance	3.00	3
Marketing resources	4.00	2
Promotional Activities	5.00	1

Source: Computed Data

It can be inferred from the above table that the aspects of from local to global: the strategic shift of small traders through e-business platforms promotional activities is the most preferred e-business since it has the highest mean value of 5.00 and has been ranked as first, the second rank has been allocated for marketing resources since this e-business has the mean value of 4.00 and the third, fourth, fifth rank is for financial assistance, technical support, training and education which had the mean values of 3.00, 2.00 and 1.00 respectively.

To test the Relationship between age of the small businessmen and familiarity with e-business platforms
Null Hypothesis (H0): There is no significant relationship between age and familiarity with e-business platforms.

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Alternate Hypothesis (H1): There is no significant relationship between age and familiarity with e-business platforms.

Table 11: Chi-Square test for testing the relationship between age and familiarity with e-business platforms

PARTICULARS	VALUE	DF	ASYMPTOTIC SIGNIFICANCE(2-SIDED)
Pearson Chi-Square	12.362[a]	6	.054
Likelihood Ratio	16.101	6	.013
Linear-by-Linear Association	1.664	1	.197
N of Valid Cases	100		

Source: Computed data

The above table reveals that the p value (.054) is greater than 0.05. Hence the null hypothesis is accepted, and the alternate hypothesis is rejected, which reveals that there is no significant relationship between age and familiarity with e-business platforms.

To test the relationship between type of business and exploring e-business ideas: leveraging digital platforms for innovation and scalability.
Null Hypothesis (H0): There is no significant relationship between type of business and exploring e-business ideas: leveraging digital platforms for innovation and scalability.

Alternate Hypothesis (H1): There is a significant relationship between type of business and exploring e-business ideas: leveraging digital platforms for innovation and scalability.

Table 12: Chi-Square test for testing the relationship between type of business and exploring e-business ideas: leveraging digital platforms for innovation and scalability

Source: Computed Data

PARTICULARS	VALUE	DF	ASYMPTOTIC SIGNIFICANCE(2-SIDED)
Pearson Chi-Square	13.417[a]	6	.037
Likelihood Ratio	15.507	6	.017
Linear-by-Linear Association	1.529	1	.216
N of Valid Cases	100		

The above table reveals that the p value (0.037) is greater than 0.05. Hence the null hypothesis is accepted, and the alternate hypothesis is rejected, which reveals that there is no significant relationship between type of business and exploring e-business ideas: leveraging digital platforms for innovation and scalability.

To test the relationship between years of experience of the small traders and experience with e-business platforms for trading activities

Null Hypothesis (H0): There is no significant relationship between years of experience and experience with e-business platforms for trading activities.

Alternate Hypothesis (H1): There is a significant relationship between years of experience and experience with e-business platforms for trading activities.

Table 13: Chi-Square test for testing the relationship between years of experience and experience with e-business platforms for trading activities

PARTICULAR	VALUE	DF VALUE	ASYMPTOTIC SIGNIFICANCE (2-SIDED)
Pearson Chi-Square	.337[a]	2	.845
Likelihood Ratio	.337	2	.845
Linear-by-Linear Association	.331	1	.565
N of Valid Cases	100		

Source: Computed Data

The above table reveals that the p value (0.845) is greater than 0.05. Hence the null hypothesis is accepted, and the alternate hypothesis is rejected, which reveals that there is no significant relationship between years of experience and experience with e-business platforms for trading activities.

Suggestions & Practical Implications

The above highlighted aspects receptive from the research findings reveal that small traders need to improve their awareness about e-business platforms to address the barriers and opportunities for internationalization. Suggestions include publicizing training and education for enhanced general technical skills, developing Internet connectivity, and seeking favourable methods to increase capital. Market challenges include competition with incumbent players and other traders, technological barriers; practical implications thus recommend competitive advantage, reducing costs, and widening the market to small traders. Offering incentives, effective communication and customer care service, and partnership can enhance customer involvement and sustain the competitiveness of an organization. Further, more and more promotional activities and marketing resources are going to be spent on shifting to e-business and growing. To cope up with the global environment, small traders and business should address the following areas: increase their competitive capability, strengthen customer relationships, and improve risk management and controlling systems.

Conclusion

Finally, it can be concluded that the use of e-business strategies could potentially facilitate the transformation of small traders from a local to global scale. Thus, despite most of the respondents' awareness and interest in e-business, constraints like lack of technical skills, lack of capital, and competition from well-established players still remain a major factor preventing many from embracing e-business. It focuses on specific action plans or initiatives that include developing digital competencies, they work on infrastructural development, they work on e-business tools for efficient cost, market access and customers relations. Addressing all these challenges and implementing right e-business strategies small trader can go for higher scalability, competition and sustainability in global market.

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