



E-Commerce: An Effective Business Tool To Improve Productivity

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Abstract : To statistically evaluate, how electronic commerce aids into the productivity of an organization by reducing operative costs.

E-commerce (electronic commerce) is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet. These e-commerce transactions typically fall within four types: business-to-business (B2B), business-to-consumer (B2C), consumer-to-consumer (C2C) or consumer-to-business (C2B). Online retail shopping is the most popular type of e-commerce oriented business which is very popular now-a-days and is used at large by the young people across the world.

In the past two decades, few of e-commerce platforms such as Amazon, eBay, Flipkart, Meesho etc. have attained a substantial growth in online retail. In 2011, e-commerce accounted for 5% of total retail sales according to the U.S. Census Bureau. By Q2 2020, after the start of the COVID-19 pandemic, e-commerce accounted for 16.5% of retail sales. Since then, it has fallen slightly to about 15% as physical stores reopened, but it is still growing day-by-day due to enlarged customer base across the globe.

Reason behind such an acceptability of e-commerce accounts for much less expense involved than physical offices. Both functional and operational costs are reduced considerably by e-Commerce. Furthermore, e-commerce also has many other unmatched benefits when compared with offline commerce methods.

KEYWORDS :

E-commerce, B2B (Business to Business), B2C (Business to Commerce), virtual office, server, principal supplier, hackers, application, advantages and disadvantages, retail, physical stores, accessibility, global reach, lower cost

AIM OF STUDY :

This research paper emphasizes the proven and established benefits of e-Commerce in modern day business world. Pre-operative costs as well as operative overhead costs of an organization is substantial which needs to operate through a physical office, as it will have significant costs to bear as compared to organizations that can function remotely.

Such costs include staff salary, office rent, warehousing charges, electricity, telephone and communication charges, charges towards heating ventilation & air conditioning (HVAC), logistics, administration, dead stock in the form of showcase displays, repairs and maintenance of the building and stationery costs. E-commerce being operated through virtual offices eliminates such requirements and only investment needed is in the form of web hosting charges, shopping cart software, and distribution rates.

Customers use their own devices to access online stores. They can browse products and services those stores offer and place orders.

REVIEW OF LITERATURE :

- **Renowned Websites**
- [https://www.techtarget.com/searchcio/definition/e-commerce#:~:text=E%2Dcommerce%20\(electronic%20commerce\),electronic%20network%2C%20primarily%20the%20internet.](https://www.techtarget.com/searchcio/definition/e-commerce#:~:text=E%2Dcommerce%20(electronic%20commerce),electronic%20network%2C%20primarily%20the%20internet.)
- <https://www.livemint.com/Consumer/UsP4l8hVdgue1ZyW8Bvg5K/Flipkart-takes-to-new-age-advertising-to-drive-next-phase-of.html>
- <https://sell.amazon.in/seller-blog/what-is-ecommerce>

- **Books and periodicals**
- E-Commerce: Legal Compliance by Dr Pratima Narayan Format: hardback/eBook, Eastern Book Company, ISBN: 9789389656589, 2020
- Start-Up Marketing Strategies : 11 Real life cases of Start-ups; by Anil Ramesh, Priya Grover & Sabyasachi Dasgupta, Publisher : Jaico, ISBN: 9789390166824

MAIN TEXT

An e-commerce platform is a tool that's used to manage an e-commerce business. E-commerce platform options range in size from ones for small businesses to large enterprises. They include online marketplaces, such as Amazon and eBay, that simply require signing up for user accounts and little to no IT implementation.

SaaS is another e-commerce platform model. Business owners subscribe to a service where they essentially rent space in a cloud-hosted service. This approach doesn't require in-house development or on-premises infrastructure. Other e-commerce trends include open source platforms that require a cloud or on-premises hosting environment or complete manual implementation and maintenance.

GOVERNMENT REGULATIONS FOR E-COMMERCE ACTIVITIES

To ensure the security, privacy and effectiveness of e-commerce, businesses should authenticate business transactions, control access to resources such as webpages for registered or selected users, encrypt communications and implement security technologies, such as secure sockets layer and two-factor authentication.

History of e-commerce

E-commerce began in the 1960s, when businesses started using EDI (electronic data interface) to share business documents with other companies. In 1979, the American National Standards Institute developed ASC X12 as a universal standard for businesses to share documents through electronic networks. E-commerce grew significantly in 2020 as the pandemic took hold.

As the number of individual users sharing electronic documents with each other grew in the 1980s, the rise of eBay and Amazon in the 1990s revolutionized the e-commerce industry. Consumers can now buy any item online, from e-commerce-only vendors - also called e-tailers and physical stores that have e-commerce capabilities. Almost all retail companies have integrated online business practices into their business models and sell online.

Worldwide, Insider Intelligence estimated e-commerce sales would account for 20.8% of 2023 global retail sales and projected it will rise to nearly 22% of total sales in 2024.

METHODOLOGY OF E-COMMERCE AND ASSOCIATED BUSINESS

E-commerce is powered by the internet. Customers use their own devices & network interface to access online stores. They can browse products and services those stores offer and place orders. On placement of such an order, the customer's web browser communicates back and forth with the server hosting the e-commerce website. Server operator company (principal supplier), after reviewing the order, plans and schedules the requisite delivery as ordered by the customer. Data pertaining to the order is relayed to a central computer known as the order manager.

The data is then forwarded to databases that manage inventory levels; a merchant system that manages payment information using payment processing applications, such as PayPal; and a bank computer.

Finally, it circles back to the order manager. This ensures store inventory and customer funds are sufficient for the order to be processed.

After the order is validated, the order manager notifies the store's web server. It displays a message notifying the customer that their order has been processed. The order manager then sends order data to the warehouse or supply desk, letting it know the product or service can be dispatched to the customer. At this point, tangible and digital products are despatched to the customer, or access to a service is granted.

Entire order booking and product despatch procedure is maintained very transparent. Customer used to receive constant notifications from the respective service/product supplier about the status of the order booked by him through email, SMS or other modes. These details are also updated in the host server, which the customer has used to book the respective order. This enables a customer to track the order details right from the date of order booking till he gets the material delivered to him. Thus this e-commerce business has given rise to utmost customer satisfaction.

The different types of e-commerce are classified by the parties participating in online transactions.

FORMS OF E-COMMERCE

The main types of e-commerce business models include the following:

B2B : This refers to the electronic exchange of products, services or information between businesses rather than between businesses and consumers. Example : A shopkeeper buys 10Nos. of commerce books to onward sale it to his own customer. Here the shopkeeper is not the end user, but his customers are.

B2C: These transactions are when businesses sell products, services or information to consumers. There are typically intermediaries or middlemen that handle shipping, delivery and customer service, however. Today, there are innumerable virtual stores and malls on the internet selling all types of consumer goods. Amazon, flipkart, eBay, Shopclues, tata Cliq, Alibaba, Chewy, Etsy, Newegg, Rakuten, Walmart Marketplace and Wayfair. Vendors offering e-commerce platform services for clients hosting their own online store sites include the following: Adobe Commerce, BigCommerce, Ecwid, NetSuite Commerce, Salesforce Commerce Cloud, Shopify, Squarespace and WooCommerce. These e-commerce stores are the most recognized among other sites, dominating the B2C market.

C2C : These transactions occur between two consumers in an online portal. These transactions are generally conducted through a third party that provides an online platform in which the transactions are carried out. e.g. Olax enables a consumer to sell out his old furniture to other aspiring customer by placing photographs and specifications of the furniture and his identity, so that the other consumer can pay a visit to his premises for physically inspecting the goods he is willing to buy. A lot of scrap vendors are doing C2C business mutually.

ADVANTAGES OF E-COMMERCE

In the present day market scenario, E-commerce has become very popular and is even dominating the retail market substantially. 24x7 availability of e-market portals, speedy booking of orders, security of payment made, huge range of product availability and competitive prices are few such inherent advantages of E-commerce system.

Around-the-clock availability

E-commerce sites are available 24X7 in all seasons which enables an aspiring buyer to browse and shop the products at any time. Physical shops remain open for a limited period of time including mandatory weekly holidays due to statutory restrictions in the country like India. But e-commerce serves are available at any time of choice to a customer, which has made it a popular option.

Speed of access

While shoppers in a physical store can be slowed by crowds, e-commerce sites run quickly, depending on computer's speed, bandwidth and network speed considering both the consumer device and the e-commerce site. With the growing speed of bandwidth even in the rural areas, product, shopping cart and checkout

pages load in a few seconds or less. A typical e-commerce transaction requires a few clicks and takes less than five minutes to choose, pay and book an order.

Availability of wide range of products :

Flipkart's tagline '*Har wish hogi poori*' has now been changed to a more inclusive '*Naye India ke saath*'. Taking the first step towards the change is Flipkart's new digital campaign titled Penguin Dads talking about co-parenting. It could make this claim because it was an e-commerce site and not a physical store that had to stock each book on its shelves. E-commerce enables brands to make an array of products available, which are then shipped from a warehouse or various warehouses after a purchase is made. Customers are likely to have more success finding what they want.

Easy accessibility

Customers shopping in a physical store might have difficulty locating a particular product. Website visitors can browse product category pages in real time and use the site's search feature to find the product quickly.

Global reach

In a physical shop, a customer is required to visit the stores in a stipulated period of time. In E-commerce, a customer is required to have an internet connection in his/her mobile or laptop which enables him to shop from anywhere in the world. This global reach has enabled a customer or end user to directly choose the product from a wide variety and specifications, with enhanced guarantee/warranty period and shortest possible delivery period for such chosen goods.

Lower cost

Pure play e-commerce businesses avoid the costs of running physical stores, such as rent, inventory and cashiers. Although they might incur shipping and warehouse costs.

Personalization and product recommendations

E-commerce sites can track a visitor's browsing, search and purchase histories. They can use this data to present personalized product recommendations and obtain insights about target markets. Examples of how such insights are used include the sections of Amazon product pages labeled "Frequently bought together" and "Customers who viewed this item also viewed."

DISADVANTAGE OF E-COMMERCE

The perceived disadvantages of e-commerce include sometimes limited customer service, consumers not being able to see or touch a product prior to purchase and the wait time for product shipping. Security issues can also be a problem.

Disruption to physical retail

Given the increase in e-commerce use in recent years, analysts, economists and consumers have debated whether the online B2C market will make physical stores obsolete. There's little question that online shopping is growing at a significant rate. Gartner's 2023 "Magic Quadrant for Digital Commerce" estimated that by 2025, 80% of B2B sales transactions between suppliers and buyers will take place in digital spaces or channels.

Limited customer service

If customers have a question or issue in a physical store, they talk to a clerk, cashier or store manager for help. In an e-commerce store, customer service can be limited. The site might only provide support during certain hours and its online service options might be difficult to navigate or not able to answer specific questions.

Limited product experience

Viewing images on a webpage can provide a good sense of a product, but it's different from experiencing the product directly, such as taking a test drive of an electric bike, feeling the fitness of a shirt or coat, feeling the quality of paper of a diary etc. It often happens that E-commerce consumers can end up buying products that differ from their expectations and have to be returned. In some cases, the customer must pay to ship a returned item back to the retailer.

Wait time

In a store, customers pay for a product and go home with it. With e-commerce, customers must wait for the product to be shipped to them. Although shipping windows are decreasing as next-day and even same-day delivery becomes common, it's not instantaneous.

Security

Many fake websites are nowadays operating through E-commerce platforms which creates websites similar to an authentic product seller and displays quality products at a much cheaper rate compared to normal stores. Once payment has been made to such fake website operators, it is difficult to reveal their identity due to our cyber-crime identification system. Many people have suffered losses due to such fake websites in the recent past.

E-COMMERCE APPLICATIONS

Many e-commerce apps use online marketing strategies to improve the customer experience and get customers to use the platform. These include email, online catalogs, shopping carts, Electronic Data Interchange (EDI), file transfer protocol, web services and mobile applications.

These approaches are used in B2C and B2B e-commerce activities, as well as other types of outreach. They include emailing targeted ads and e-newsletters to subscribers and sending text messages to mobile devices. Sending unsolicited emails and texts is generally considered spam, so more companies now try to entice consumers online, using tools such as digital coupons, social media marketing and targeted advertisements.

Another area of focus for e-commerce companies is security. Developers and admins should consider customer data privacy and security, data governance-related regulatory compliance mandates, personally identifiable information privacy rules and information protection protocols when developing e-commerce applications. Some security features are added during the design of an application, while others must be continually updated to address evolving threats and new vulnerabilities.

CONCLUSION

E-commerce, put simply, is the practice of buying and selling goods or services using the Internet. It has gained immense popularity as a way of doing business because it's convenient and accessible at the same time. Instead of a physical store where the products to be sold are generally displayed, e-commerce businesses have virtual storefronts where customers can browse and purchase products or services online itself. E-commerce is an easy-to-launch and suitable-for-most business idea, which has gained the attention of entrepreneurs of all ages in the country. From local shop owners to huge organizations, everyone is looking to create a presence in the online business world. The future of e-commerce can be considered to be bright, looking to exponential growth in the field of E-commerce business.

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