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ROLE OF E- COMMERCE IN SMALL BUSINESS

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Abstract

E-commerce is now seen as a reality and a normal part of business plan. Companies planning to offer e-commerce should have long term vision and an objective to transform it to e-business which provide business value to shareholders. This paper throws light on the role of e-commerce in small business and recommend effective strategies for the implementation of e-commerce. When e-commerce strategies are used it improves customer service and interaction. Branding as it is more important it can make our brand more aware and popular. We can compete with bigger rivals and survive in the market. Future of e-commerce is tremendous as new players are entering into market and the government is taking various steps to stimulate trading through e-commerce. Due to the change in life style and busy schedule people are reluctant to go for shopping. Instead, they can sit in homes and can get variety of products and services. Therefore, e-commerce is striving its way to success and the only way is that the business has to open their heart to e-customers to our business.

Introduction

History of e-commerce goes back to 1960's. At that time companies used an electronic system called electronic data interchange where they transferred documents. In 1994 the first transaction that is sale of CD took place between friends through online retail website. Amazon and Alibaba then become household names which paved the way for the success of e-commerce. It has transformed how the small business can operate. It can be used as a powerful tool for growth and sustainability. Small business can reach wider audience and cut the geographical boundaries. This platform provides them with opportunities for innovation but they offer also changes. With a website any small firm display their product, place orders, accept payment and manage dispatch processes. A person who wants to start an e-commerce business must research business idea, a business idea which is workable. He may generate this business idea from friends, relatives, similar organization, inspiring stories of other enterprise etc. Then one should study the demand pattern of the product you want to sell, whether the customers will accept the product or not. The next step is to find the supplier and then select the online channel you are selling through.

Statement of the problem

Though E-Commerce is growing, many small firms find it difficult to adopt online platforms due to shortage of resources, shortage of capital and shortage of raw materials. Technical know-how knowledge will also be a hindrance in some cases. They hinder their ability of competitiveness. They also face the problem of securing a website. Special trained employees must be there to manage the inventory and to handle the inventory. Timely delivery of inventory is also an important challenge. The company must also has return policy, so that it will earn customer trust and the loyalty reviews must be taken into consideration with due care. This will enhance goodwill and pave the way for increased productivity and sales. The study focuses on the role of e-commerce in enhancing market reach of small business and recommends strategies for the implementation of e-commerce for small business.

Objectives

1. To analyse the role of e-commerce in enhancing the market reach of products
2. To recommend strategies for the effective implementation of e-commerce for small business

Significance of the study

The study is significant as it focuses on how e-commerce can contribute to the growth and sustainability of e-business. The survival of business is dependable on e-commerce also. There is no need for small business to have physical stores which consume high cost. They can also reduce cost of promotion and advertising. They can work in a 24 x7 basis. The customers can get the product in the doors without wasting time and money. Now a day our customers are busy with their daily work. Majority of them are employed making them in capable to opt for physical shop. These factors make e-commerce more prominent and suitable for small business. This study focuses on conceptual transformation and the practical applications may necessitate subsequent empirical research

Methodology

Secondary data was used for the study. Data were collected from journals, articles, books, chapters, website etc.

Review of literature

Gunasekaran, Marri, McGaughey, & Nebhwani (2002) give a broad outlook of electronic commerce within organizational systems in “E-commerce and its impact on operations management”, defining it with reference to e-trading and elaborating- how it has permeated every field of business. The paper identifies the revolutionary role played by earlier internet applications like e-mail and electronic data interchange and details the revolutionary changes brought by the internet technologies in manufacturing, marketing, purchasing, design, production, selling and distribution, warehousing and human resource management. Internet based technologies have enabled businesses to shorten development, purchase and procurement cycles, maintain upto date product and market information, significantly increase the speed of communications and increase the quality of customer relationships by facilitating close contact and constant communication. The paper studies in depth, the significance of web-based technologies in different business operations, thus, improving their efficiency through effective B2B e-commerce.

“Problems and Prospects of E-Commerce”, *Raghunath & Panga (2013)* present a comprehensive analysis of various nuances of e-commerce while accentuating that, in present time every business activity, be it advertising, ordering, payment etc., can be performed in the digital ecosystem. The paper also enlists numerous points on the importance of e-commerce which are responsible for its development as the new convention. It has enabled the creation and exploitation of new business opportunities, at the same time increasing the sway of customers in the development of new products and services. E-commerce has not only augmented the performance of internal business management, but, has also enabled better customer relationships by promoting a business model that is essentially based on information sharing.

Deshmukh, Deshmukh & Thampi (2013) recognize another important development: m-commerce, which they identify as a subset of e-commerce. “Transformation from E commerce to M-commerce in Indian Context” reviews the current and potential status of e-commerce and m-commerce in the Indian market, while projecting the latter as the potential future. The paper discerns ubiquity, personalization, flexibility and immediacy as the singular advantages of m-commerce. The authors affirm the idea that smart phone penetration and rise in internet user base, mostly driven by youth, shall propel the growth of e-commerce. Statistical data is used to emphasize that the infrastructure requisite for m-commerce development already exists, however, it is yet to be properly deployed. With mobile penetration providing a boost to digital downloads and enabling cheaper monetary transfers, the need of the hour is to enhance customer confidence by providing them assurance of safety and privacy, which shall accelerate movement towards a cashless economy.

Discussion and findings

1. It helps to increase revenue

Online platform helps you to reach a larger audience where your physical store cannot. A physical store has the limitation of geographical boundaries, potentially anywhere in the world. As the unit is capable to reach larger audience, it helps them to increase size and revenue. The consumers who are in remote areas can purchase the product. If you are offering quality product we can develop strong customer base. Word of mouth promotion will be effective among customers and the customers will be brand loyal which help to capture market share

2. Better understanding of audience

The customers will post their reviews after purchasing. Their experience will be shared in sites. By going through this the company can understand how the product feels to the audience. The company can understand the taste, preference, expectations of the customers. By understanding this the marketer can frame new product which suit the need of customers. In modern era as technology is changing, the customers need and wants are also changing. By understanding the changing needs of audience, the company can reach new customers, shape the product and build a strong customer base

3. Overall reduction in cost

In traditional marketing we incur a lot of additional expenses. We have to hire or purchase physical store for displaying the product. We have to appoint staff to sell products. We have to incur amount for advertisement and allied activities. E commerce will bring down all these cost

4. Easy marketability of products

It is very easy to market the products once it is in online media. One can find out customers easily through online platforms. All the online marketers are trying to deliver the product within the stipulated time

Strategies for effective implementation of e-commerce for small business

1 Goals have to be clearly specified.

The business has to set clear goals to be achieved. The companies have to set monthly orders, website traffic or email subscribers. There must be a target for online sales orders and number of subscribers.

2 Select and choose e-commerce platform

The e commerce platform selected must be user friendly. The platform selected should grow with your business. The platform should be acceptable and have wide coverage

3 Create a professional website

The website must be created with a professional touch. It should have a mobile friendly design Our sites must be faster to upload. It should include clear branding. Visuals should be of high-quality, response to queries and must have user friendly content structure. The website should include genuine feedback and testimonials from satisfied customers. This creates trust in potential customers and positive impression on visitors. There must be appropriate keywords for product titles and descriptions Advertise product on Facebook Instagram etc. The company should incorporate with influencers and local content creators to popularize products

Conclusion

E-commerce makes buying and selling process more accessible, efficient and convenient. It has given customers more choice than before. E-commerce is not a luxury for small business but it is the necessity for the growth and expansion for small units. E-commerce expands the market to national and international levels. Even though exploring local markets they can enter into wider markets to multiply their market share. Quick online delivery can be possible by e-commerce. They provide customers with better choice. E-commerce enables people in rural areas to enjoy products and services. Therefore, it is the need of the hour for every business to go for e-commerce and implement innovative strategies to adopt e-commerce

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