International Journal of Applied and Advanced Scientific Research (IJAASR)
International Peer Reviewed - Refereed Research Journal, Website: www.dvpublication.com
Impact Factor: 5.655, ISSN (Online): 2456 - 3080, Volume 9, Issue 1, January - June, 2024

A ROLE OF E-COMMERCE IN REDUCING OPERATIONAL COST

S. Samundeeswari* & J. Dilshatbeagam**

* Head and Assistant Professor of Commerce CA, Sakthi College of Arts and Science for Women, Oddanchatram, Tamil Nadu

** II M.Com (CA), Department of Commerce with CA, Sakthi College of Arts and Science for Women, Oddanchatram, Tamil Nadu

Cite This Article: S. Samundeeswari & J. Dilshatbeagam, "A Role of E-Commerce in Reducing Operational Cost", International Journal of Applied and Advanced Scientific Research, International Peer Reviewed - Refereed Research Journal, Volume 9, Issue 1, January - June, Page Number 33-36, 2024.

Abstract:

The vast quantity of business information made accessible by the global network that facilitates the Gathering of information between firms, a corporation, its clients and the various divisions of a Business is increasing in a market. Electronic commerce is now making significant shifts in the economic Environment, impacting made all areas of industry. The information-based virtual value chains for any company cannot be overlooked operationally or strategically. This article discussed the aspects of Electronic commerce including its facilitators, Types, Benefits, and Revenue Models.

Key Words: Business, Consumer, Electronic Commerce, Internet

Introduction:

Ecommerce is a method of buying and selling goods and services online. The definition of ecommerce business can also include tactics like affiliate marketing. Consumers can use ecommerce channels such as our own website, an established selling website like Amazon, or social media to drive online sales. This process of buying and selling is usually on large scale. Commerce includes the buying or selling of products or services along with the exchange of monetary compensation. E-commerce has emerged as on of the fast-growing trade channels for the cross-border trade of goods and services. It provides a wider reach and reception across market, with minimum investment. It enables sellers to sell to global audience and also customers to make a global choice. Ecommerce, also known as electronic commerce or internet commerce, is an activity of buying and selling goods over the internet or open networks. So, any kind of transaction is considered as E-commerce. So, E-Commerce can be defined in many ways, some define, E-commerce as retail sales to consumers for which transaction takes place on open networks. The buying and selling of products, services, and digital products through the internet all fall under the umbrella of e-commerce.

Objectives:

- E-Commerce is to reach maximum customers at the right time and place to enhance sales and profitability of the business.
- Too generally they comprise lower costs, increasing sales, and improving customer satisfaction.
- To Sales can be increased by attracting more customers through improved marketing strategies or by lowering the cost of products sold.
- To Customer satisfaction can be improved by offering a quality product that is easy to use and fulfill customer needs.

Benefits of E-Commerce:

- Commerce, or the buying and selling of goods and services, has several advantages and disadvantages. Advantages of commerce include: Economic growth: Commerce stimulates economic activity and contributes to the growth of a country's economy.
- Ecommerce has always been the way of the future, but it is more so now than ever. The outer world has become a place of ambiguity, caution, and social distance, highlighting the many benefits of e-commerce for both companies and customers.
- Global ecommerce has been increasing year after year. People prefer shopping online to shopping in a physical store because it is more convenient and simple. Amazon and Flip kart are examples of how ecommerce is transforming and disrupting the industry. Consider the following major benefits of ecommerce and start selling online.

To Customers:

Frequently provides less expensive products and services by allowing consumers to conduct quick online comparisons. Gives consumers more choices than they could easily locate otherwise. Enables customers to shop or make other transactions 24 hours a day, from almost any location. Delivers relevant and detailed information in seconds. Enables consumers to get customized products, from PCs to cars, at competitive prices. Makes it possible for people to work and study at home. Makes possible electronic auctions Allows consumers to interact in electronic communities and to exchange ideas and compare experiences.

To Society:

Enables individuals to work at home and to do less traveling, resulting in less road traffic and lower air pollution. Allows some merchandise to be sold at lower prices, thereby increasing people's standard of living. Enables people in developing countries and rural areas to enjoy products and services that are otherwise are not available. This includes opportunities to learn professions and earn college degrees, or to receive better medical care. Facilitates delivery of public services, such as government entitlements, reducing the cost of distribution and chance of fraud, and increasing the quality of social services, police work, health care, and education.

E-Commerce Facilitators:

- Internet: The Internet and its services have helped grow new markets with huge technological advancements. In the 1980s the population of internet users was small, and there was a gradual but steady increase until 1994 when the number of test users was growing. The number of network users exploded with the advent of the World Wide Web and later the expansion of multimedia content. The internet has in turn evolved even quicker than any other previous medium.
- Payment Gateway: The payment transfer, which allows e-commerce, online shops, bricks, and clicks and traditional brick and mortar payments via credit card, is an ecommerce application service provider service. The main variables in internet transactions are payment routes that include credit cards, debit cards, online banking purchases, and transfers of electronic funds.
- Social Media: To advertise their goods, businesses constantly use social media. Social media involves blogs and computer applications that allow the use of the computer or cell phone for connection and exchanging the information through the internet. Social networking is more critical in the creation of products and reminds clients of different deals. The input on the product or the service is also useful. It provides a brand-building tool for creating a trustworthy group of consumers, publications, word of mouth and soon.

E-Commerce Business Types:

- Business-to-Business (B2B): Electronic commerce B2B includes all electronic products or services transfers between firms. In general producers and traditional industrial wholesale companies use this approach for electronic trading.
- Business-to-Consumer (B2C): Company and final client electronic company partnerships E-commerce business to consumer. It is the e-commerce shopping section, where conventional retail business typically takes place. These partnership styles can be simpler, more complex and intermittent and can be discontinued. This business type has expanded considerably because of the advent of the Internet with a number of online shops and centers that offer customers' products of any kind such as computers, electronics, books, accessories, cars, food, financial materials and digital publications. In contrast to retail sales in conventional trade, the buyer typically has more knowledge about insight full content available and it is generally accepted that you can buy cheaper, without jeopardizing a similarly individual customer experience as well as promising easy processing and distribution.
- Consumer-to-Consumer (C2C): Type C2C electronic e-commerce encompasses all trade in goods or services electronically between customers. Typically this exchange is done by a third party that offers an online transaction forum.
- Consumer-to-Business (C2B): In C2B is reversed the usual context of exchange in goods. This method of e-commerce is widely used in crowd sourcing-based companies. For companies that aim precisely at some types of services or items, individuals also sell their services or products. These events include locations at which artists ask for several suggestions for a logo and only one is successfully selected and purchased. Another popular medium in this business segment is the markets which sell photos, photos, media and design elements free of royalty.
- Business-to-Administration (B2A): This portion comprises all internet transactions between companies and the government. This covers a wide variety of diverse programs, notably in areas such as taxation, social

care, healthcare, legal documentation and records, etc. These modes of services have been significantly extended in recent years by spending in e-government.

E-Commerce Potential in the Modern Market:

World Wide Web (WWW) and the Internet have limited the number of trading places on the global economy. South Pacific nations have been closer to the rest of the world in terms of shorter trading cycles and lowered transaction costs by accelerating the process of purchasing and exporting the goods. South Pacific countries will theoretically have access to new markets. It poses real prospects for developing-country small businesses amid present pictures of their products using digital cameras. If a reduction in transaction costs produced by the internet is adequate to promote a wide-ranging shift within the global economy, though electronic business seems to be highly promising for small scale producers, who face problems entering foreign markets. The new trend in the industry of e-commerce has now extended to many directions relative to how it began. The e-commerce marketplace today is no longer merely an online forum for people to purchase or sell, but even more so, as e-commerce has increasingly changed, ranging from being extremely local, infusing artificial intelligence and providing even intangible products and services such as GST enforcement and short-term loans. With the introduction of technologies advancing at light speed, the potential view of the consumer is on the verge of full transition. However, it is sure to focus on consumer services enhanced across the Internet of Things, processing of data, logistics, artificial intelligence, personalization and hyper-local space for the next generation of e-commerce patterns. Take a look into some of the stuff in e-commerce in existing and emerging markets and build traction in the coming years.

E-Commerce Trends in India:

The purchasing of products and services through e-commerce enables shoppers to select when and where to buy and to study the commodity, the vendor and other choices available. The availability of online information has revolutionized the buying process. Almost anything that can be purchased in a shop, including perishable items such as food, can be purchased through e-commerce. And customers around the world have taken up these opportunities. In all spheres of industry, from services provides to the customer to the design of the new product, the influence of e-commerce already exists.

It offers new forms of company knowledge to meet and communicate with consumers, such as internet advertisement and commercialization, order fulfillment online and customer support online. At least a phase in the purchase life of the WWW is still being used for e-commerce. It may also minimize costs of order processing and communicate with a large number of vendors and trade partners, which generally bring substantial overheads to product and service costs. E-commerce provides tremendous opportunities for emerging countries such as India. It is still in its infancy in India, but even the most negative forecasts suggest a boom. In recent years, it has been noticed growth in the multiple of electronic commerce organizations.

E-Commerce Problems:

Problem:

Traditional brick-and-mortar stores are limited by their physical location, and customers need to be in proximity to make purchases.

Limited Operating Hours:

Physical stores have specific operating hours, restricting when customers can shop.

Increased Overhead Costs:

Maintaining a physical store involves significant costs, such as rent, utilities, and staffing.

Transaction Security:

Concerns about the security of financial transactions can deter customers from making online purchases.

Limited Product Information:

In physical stores, customers may have limited access to detailed product information.

Customer Convenience:

Traditional shopping involves travel, parking, and time spent in queue.

E-Commerce Solutions:

- E-commerce eliminates geographical barriers, allowing businesses to reach a global audience without the need for a physical presence in every location.
- E-commerce enables 24/7 accessibility, providing customers with the flexibility to shop at any time, and enhancing convenience.
- E-commerce reduces overhead costs as businesses can operate online without the need for a physical storefront, leading to potentially higher profit margins.
- E-commerce platforms implement secure payment gateways and encryption protocols, ensuring the confidentiality and integrity of transactions.

- E-commerce platforms implement secure payment gateways and encryption protocols, ensuring the confidentiality and integrity of transactions.
- E-commerce offers the convenience of shopping from home, saving time and effort for customers.

Conclusion:

In summary, in the years to come, the industry of electronic commerce will be a one of the leading sector in the field of electronic business. The revolution in electronic commerce has huge positive impact on the transaction industry by fast offering new markets and crossing edges. It greatly affected the conventional market system in the world and made it possible to improve the lives of people. Al though it provides customers and seller's rewards, e-commerce poses conventional businesses with obstacles to a sustainable place. Developing countries pose a range of challenges to the effective conduct of e-commerce when contrasting it with developing countries. When Internet prices are minimal, e-commerce flourishes quickly and many companies are typically drained. Convenience is one of the major advantages of electronic commerce for consumers and thus increasing customer loyalty. This is because consumers can put orders via internet access from anywhere they are. Company e-commerce offering a seamless operation and multiple payment choices should be essential to any customer and provide more functions accessible online. Other advantages include expanded products and Enhanced regional coverage. However, e-commerce companies face many challenges in their expansion.

References:

1. E. E. Grandson and J. M. Pearson, "Electronic commerce adoption: An empirical study of small and medium US businesses," Inf. Manage., 2004, DOI: 10.1016/j.im.2003.12.010.
2. "E-Commerce and E-Business," in Information and Communication Technology in Organizations: Adoption, Implementation, Use and Effects, 2012.
3. A. G. Khan, "Electronic Commerce: A Study on Benefits and Challenges in an Emerging Economy," Type Double Blind Peer Rev. Int. Res. J. Publ. Glob. Journals Inc, 2016.
4. C. M. Abhilash, E-Commerce Law in Developing Countries: An Indian perspective," Int. J. Phytore Mediation, 2002, DOI: 10.1080/1360083022000031948.