

## E-COMMERCE MANAGEMENT

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### Abstract

The explosion in the use of electronic commerce (e-commerce) by the business sector has been tremendous since its inception only a few years ago. From governments to multinational companies to one-person start-ups, e-commerce is increasingly being viewed as a key business modality of the future. This paper deals with the conceptual theory of ecommerce and its uses in today's world. Now-a-days ecommerce is basically used in online shopping , e-banking , e-governance . Government also uses internet technology to provide its services and polices to the citizens. This paper includes the management of ecommerce in banking, online shopping management and government participation in ecommerce. This paper discussed about the top motivator factors of online shopping. This paper gives an overview of the future of E-Commerce in India and discusses the future growth segments in India's E-Commerce. Also find out various factors that would essential for future growth of Indian E-commere.

### Introduction

E- Commerce is the practice of conducting business on the Internet or via electronic computer-enabled systems that are networked. In order to compete on a worldwide scale, many companies promote and sell their products and services by using an ecommerce model on websites and through the efforts of online marketing and social media. Some companies start from Ecommerce and increase their business online. So we should say ecommerce business is largest established business as it will reach via internet to millions of users and the number increases day by day. But how they manage their work? How ecommerce is managed? *Ecommerce management* refers to how this process is handled in accordance to best business practices and international laws. In India ecommerce is establishing very widely and effectively. India has an internet user base of about 243.2 million but is growing at a much faster rate, adding around 6 million new entrants every month. The industry consensus is that growth is at an inflection point. And the growth will be **550 million in 2018 as estimated.**

We all have heard about the online businesses such as Flipkart, Snapdeal, Alibaba etc. They all have large user chain and earn in millions. Their e-commerce management is bold and strong enough to hold their roots in online market. Similarly banks and stock exchange have shifted their work on internet and are focusing more on e-commerce. Banks are linked with each other, with online apps, ATM's. No matter where the user home branch is or where he is right now. One can do anything with account. Transfer, withdrawal, bank will know in second that what are you doing. All this is the management of their e-commerce program.

When you think of e-commerce, it's only natural to think first and foremost of the shopping cart -- the web page that customers interact with to browse and buy. But in reality, that front-end is just a small part of the entire e-commerce ecosystem. The back end is tough and contains every single thing to manage the e-commerce. Example- let's say shopping based e-commerce, it will update its product regularly, will perform secured payments, will handle the issues of customers, have to satisfy the consumer with product, maintain the quality, will take care from the time of booking to the time of delivery. If these things will not be managed effectively, the business will face the downfall

### **Managing online businesses**

We all do online shopping on regular basis in India. Usually buying a product from market includes following steps. The purchase and selling follows from producer to supplier and goes further to retailers and then finally consumers get it. These steps increase the tax, profit of parties involved in it. So online business brings goods to consumer directly from producers thus deducting extra cost. So how these online industries manage their e-commerce?

There is a general order fulfillment work flow of an e-commerce company

**Step1-Order Download in OMS:** Order is placed by the customer from the front-end (web store) which is then downloaded into an order management system (OMS). This OMS can be a part of your web-store or it can be a back-end Enterprise system where the customer order gets downloaded.

**Step2-Inventory Allocation:** As soon as the order flows into an OMS, the inventory from the Warehouse gets allocated to the order quantity. Thus the free quantity of that particular SKU (product) is decreased by the order quantity.

**Step3-Order Picking:** The operations/fulfillment team then starts processing the order in the warehouse. First a pick list is generated against that order (usually its for multiple orders at one go and using wave management) and is handedover to a picker in the warehouse to pick that SKU from the bin/rack (in a zone). The picker picks that SKU from the location mentioned in the picklist and bring it back to the picking station (a stage location)

**Step4-Order Packing and generation of labels:** After the picking is done, the next stage is packing. At the time of packing required documents are printed that needs to be send along with the shipment package to the customer. The order is then packed in a packing box and reports like Invoice, Shipping label are printed and kept along with the shipment.

**Step5-Order shipment:** After the order is packed, it needs to be shipped out to the customer. The order gets assigned with the Courier as per the shipping location (usually either at the time of order placement or at the time of packing) and a manifest is generated. Then the shipment is handed over to the courier guy who comes to the warehouse to pick up the shipment. Once the shipment is out of the warehouse the inventory gets reduced in the system.

**Step6-Shipment Delivered:** The shipment then gets delivered to the respected customer and the courier company updates the delivery details back to the company whose consignment it was shipping.



Payments of the goods are done by various methods. India has large industry of ecommerce because of COD (cash on delivery). It is estimated that by the end of 2018 COD will be at edges of extinction. At that time E-banking will be major source and preference.

The scenario discussed above is an ideal scenario where the inventory is stocked in the Warehouse. There is other possibility where the inventory is not stocked in the warehouse. In that case usually, third party sellers are large retail networks which have huge godowns with branches in several cities employing thousands. WS Retail is one such online retailer which has thousands of employees and is now a franchisee of Flipkart. when you place an order on Flipkart and select a third party seller, it will be forwarded to the nearest branch of the seller who in turn will use Flipkart packaging and deliver it to your house in short time. Your payment goes to Flipkart which will later release the money to the third party seller by deducting part of it as Flipkart charges.

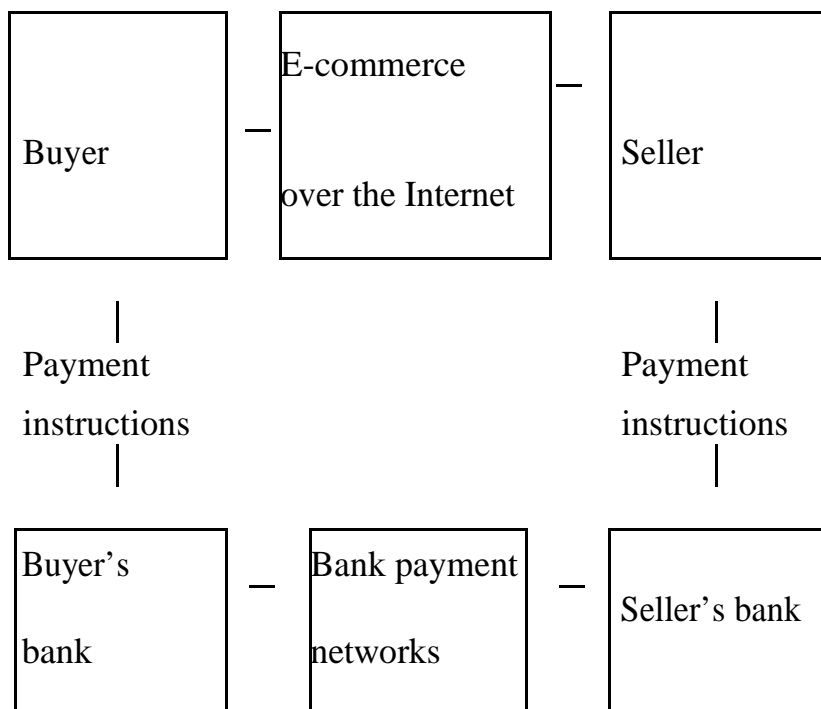
## **ECOMMERCE IN BANKING**

*How is the banking industry responding to the rapid development of on-line commerce? Evidence suggests that many banks are beginning to deliver credit and deposit products electronically. In addition, some large banks are developing products designed exclusively for e-commerce. As banks venture into the electronic arena,*

*however, they are finding that new opportunities bring new operational and strategic risks.*

### Advantages of E-Commerce for Banks

Banks have an important reason to pursue the conduct of business on-line. If they fail to respond to the opportunities posed by the Internet, they could be consigned to a largely secondary role as commerce shifts toward electronics over time. In that event, they would process payments for buyers and sellers engaged in e-commerce, but they would have little chance to engage independently with buyers and sellers. By contrast, if banks do establish a presence on the Internet, they should be in a position both to market traditional banking products more efficiently and to develop and sell new products sought by e-commerce participants.



### **Development of E-Commerce Products**

Banks are designing and deploying a range of new e-commerce products. If the products described below prove successful, the basic business mix of banking is likely to change. Banks may increasingly function as facilitators of on-line commerce and see a decline in their long-standing role as financial intermediaries.

*Establishing Internet Portals.* A number of banks are planning to participate in special Internet portals, “supersites” where many sellers will display their product offerings and large numbers of buyers will visit.<sup>5</sup> Some of these portals will feature a broad range of financial and nonfinancial product offerings; others will limit their offerings to financial services.

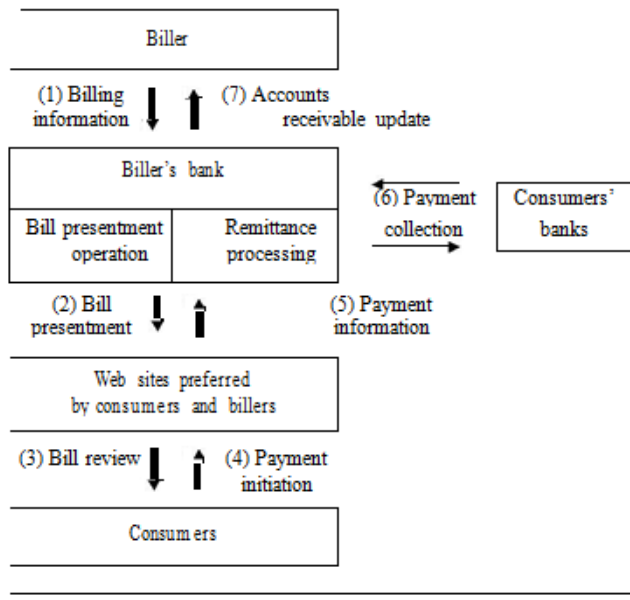
*Verifying Identities.* Banks are also planning to offer a product that would protect e-commerce participants against fraud arising from the misrepresentation of identities.<sup>6</sup> Using encryption technology, each bank would certify the identities of its own account holders and serve as the intermediary through which its account holders could verify the identities of account holders at other banks. In this way, both sides of an e-commerce transaction would have some assurance that they were not dealing with an impostor.

*Assisting Small-Business Entries into E-Commerce.* Another effort being undertaken by some banks involves helping smaller firms set up the infrastructure— interactive web site and payment capabilities—for engaging in e-commerce. In addition, a few banks are offering small businesses electronic procurement services, including the negotiation of volume discounts from vendors (Wilder 1999; Dalton 1999).

*Electronic Billing.* Electronic bill presentment and collection services are being developed as an enhancement to the existing cash management and remittance-processing services offered by banks to large companies that send out substantial volumes of recurring bills. In this effort, banks will combine the e-mail capability of the Internet to send out bills with their own ability to process payments electronically through the interbank payment network



### E-Billing: Bank-Operated Cash Management Model





## **Government Participation in E-Commerce and its Management**

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Government's participation in e-commerce has the potential to create a number of beneficial effects. First, as both a consumer and supplier of e-commerce services, governments have the opportunity to learn firsthand about the economic and business realities of online transactions. Second, as e-commerce participants, governments have a strong self-interest in adopting rules and regulations that will facilitate their own online activities. If done in an evenhanded manner, these rules and regulations also will facilitate the growth of private e-commerce transactions. Third, government expenditures on e-government/e-commerce infrastructure and systems, and the outsourcing of noncore e-government functions, will help support the development of private e-commerce businesses.

Govt. has started many reliable, robust, and secure schemes for citizens and companies to make their work easy and fast. These changes has occur in the field like paying Tax , bills, complains, booking ticket etc.

E- Tax : E-Payment facilitates payment of direct taxes online by taxpayers. To avail of this facility the taxpayer is required to have a net-banking account with any of the Authorized Banks.

All your online transactions, payments, income, your expenditure is under Govt. surveillance.

Govt. has full access to your accounts, your income source and knows each and every E- commerce step you take.

The government is learnt to have set up a committee, with representatives from the finance and commerce ministries, to devise a clear mechanism for the e-commerce sector. The move comes against the backdrop of some mega discounts by online retailers lately evoking protests from traditional chains.

E-Government consists of various fast moving fields, E Taxation being a very specific one of them. E-Taxation also has to support tax authority processes: workflow systems and electronic record management on the one hand, knowledge management and automated risk analysis to assess the credibility of tax returns on the other hand. Tax inspectors need support for checking the accounting data of taxpayers, but also for fighting against illegal employment, tax evasion and social security fraud at construction sites. Tax laws and procedures differ from one country to another. Nevertheless, in order to exchange experiences and good practices, it is necessary to bring together scientists, practitioners and users operating in the field of E-Taxation





## INDIA'S PROSPECTS IN E-COMMERCE

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1. **OPPORTUNITY FOR RETAILERS**: A retailer can save his existence by linking his business with the on-line distribution. By doing so, they can make available much additional information about various things to the consumers, meet electronic orders and be in touch with the consumers all the time. Therefore, E-Commerce is a good opportunity.

2. **OPPORTUNITY FOR WHOLE SALERS/DISTRIBUTER**: In the world of Ecommerce the existence of the wholesalers is at the greatest risk because the producer can easily ignore them and sell their goods to the retailers and the consumers. In such a situation those wholesalers can take advantage of E-Commerce who are capable of establishing contractors with reputed producers and linking their business with the on- line.

3. **OPPORTUNITY FOR PRODUCERS**: Producers can take advantages of e-commerce by linking themselves with on-line, by giving better information about their products to the other links in the business chain and by a having a brand identity.

4. **OPPORTUNITY FOR PEOPLE**: As more people are getting linked with E-commerce, the demand for centre providing internet facility or cyber cafe is also increasing. Hence, the people who wish to take advantage of it can establish cyber and have their benefits.

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### **Essential factors for growth of E-Commerce in India**

**Customer convenience**: By providing Cash on delivery payment option service to customers.

**Replacement guarantee**: Should be Offers 30 day replacement guarantee to their customers.

**Reach**: Enabling mobile-capable sites and supporting M-Commerce services.

**Location based services**: Since customers these days are always on the move, promoting the right product at the right time and location becomes an integral aspect.

**Multiple payment option**: standard credit cards, debit cards and bank payments option should be there.

**Right content:** Getting the right content and targeting customers with crisp and relevant information is of utmost importance to users on the move.

**Price comparison:** Providers offering instant price comparison are highly popular amongst the price conscious customers.

**Shipment option:** Low cost shipment should be there. The convenience of collecting orders post work while returning home should be there.

**Logistical challenges:** In India, the geographical spread throws logistical challenges. The kind of products being offered by providers should determine the logistics planning.

**Legal challenges:** There should be legal requirement of generating invoices for online transactions. Quick Service: Timely service provided by the company.

**Terms and condition:** T• & C should be clear & realistic.

**Quality:** The product quality should be same as shown on the portal.

**Customer care centre:** A dedicated 24/7 customer care centre should be there.

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