

E-COMMERCE HELPS CUT DOWN ON OPERATIONAL COSTS - A STUDY

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ABSTRACT

The proliferation of companies and products, the rising level of competition among them for profit, and the ease with which consumers can now shop online all contributed to the rise of e-commerce as a means of conducting business in the modern era. This has contributed significantly to the growth of the global economy. Changing the course of the future of business and has made a contribution to this change by assisting with the implementation of electronic trading, which has helped businesses become more productive, bolster their position in the market, and devise a plan to change the course of the future of business. This research will delve further into the advantages and disadvantages of conducting business online, as well as the role that these factors play in achieving cost savings. In the past, only the wealthy could take part in e-commerce; however, as access to financial resources has become more limited, those with financial resources now have a greater need to enter the commercial arena. Before the advent of widespread Internet access, e-commerce was primarily a privilege of the well-to-do. This has led to a shift in the study's emphasis to the substantial commitment to reducing costs. As a result of the expansion of the Internet, people from all over the world now have access to a greater number of opportunities, which gives the impression that the size of the world has decreased. In its most narrow definition, "electronic commerce" refers to the process of carrying out commercial transactions via the Internet. It has provided numerous advantages to businesses, including a decrease in expenses, which has been a major worry for many of them. There are many other benefits it has brought as well. Furthermore, it laid the groundwork for what we now call electronic commerce, which entails more than just online shopping and includes communication and the dissemination of information. At its core, "electronic commerce" describes conducting business dealings over the Internet. People who did not have enough money to get started in business or invest were given a chance to do so because conditions were put in place that made it possible for them to do so. Because conditions were

engineered to make this a doable proposition, it actually came to pass. The results of the research indicate that there is a link that can be considered to be causal between the utilisation of e-commerce best practises and increased levels of customer satisfaction. E-commerce in particular has resulted in an increase in the amount of information that is easily accessible, a reduction in the number of processing errors, a shortening of response times, a decrease in the costs of services, and an increase in the level of customer satisfaction as well as the level of service that customers effectively expect to receive. The findings of the study indicate that a significant number of businesses are currently engaged in the process of integrating their business operations with those of the online marketplace.

Keywords: Operational Cost, E-Commerce, Business, Organisation, Digitalisation

Introduction

E-commerce is a term that is used in the business world to describe the process of conducting business transactions electronically across a number of different organisations for the purpose of accomplishing a hierarchical or individual objective. This process is referred to as "e-commerce." An essential component of the E-Commerce sector is the practise of electronic swapping, which can be defined as the advertising and purchasing of labour and goods over the internet. Electronic swapping is another name for this component of the business sector. A great number of articles have been written as a response to the growth of online business. The potential for reductions in the prices of various business expenditures contributed to the growth of e-commerce. At this point in the process, it is of decreasing significance to think about issues like software distribution and software installation. Because of this typical stage, the expansion of e-commerce through the utilisation of intranets, extranets, and the internet has been facilitated as a direct result of this development. This proliferation of e-commerce has been made possible as a direct result of this development.

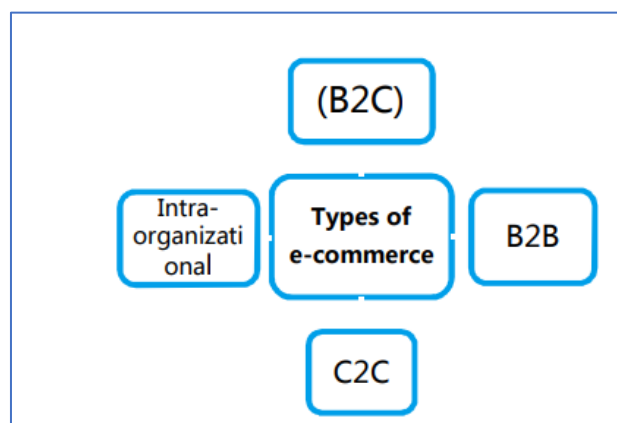


Figure 1: E-commerce & it's types

E-commerce paves the way for the development of potential new businesses that provide customers all over the world with access to information and other knowledge-based intangible goods. These transactions may include buying and selling goods and services, as well as exchanging information. These developments are essential not only to the economy of the world as a whole but also to the economies of individual nations. E-Commerce makes the functioning of the global economy as a whole more efficient, so the importance of these developments cannot be overstated. Developing an efficient system that takes into account these five underlying causes is entirely doable. Among these are, to name a few examples only, the shortening of contractual distances and timeframes, the reduction of distribution and operating expenses, the acceleration of item creation, the provision of additional information to purchasers and vendors, and the expansion of consumer choice and supplier reach. Among these are also, to name a few examples only: the shortening of contractual distances and timeframes; the reduction of distribution and operating expenses; the acceleration of item creation (Turban et al, 2000). The scope of the investigation does not confine itself solely to the question of whether or not an association can cut its operating costs through the implementation of e-commerce, despite the fact that this is the primary focus of the research being conducted.

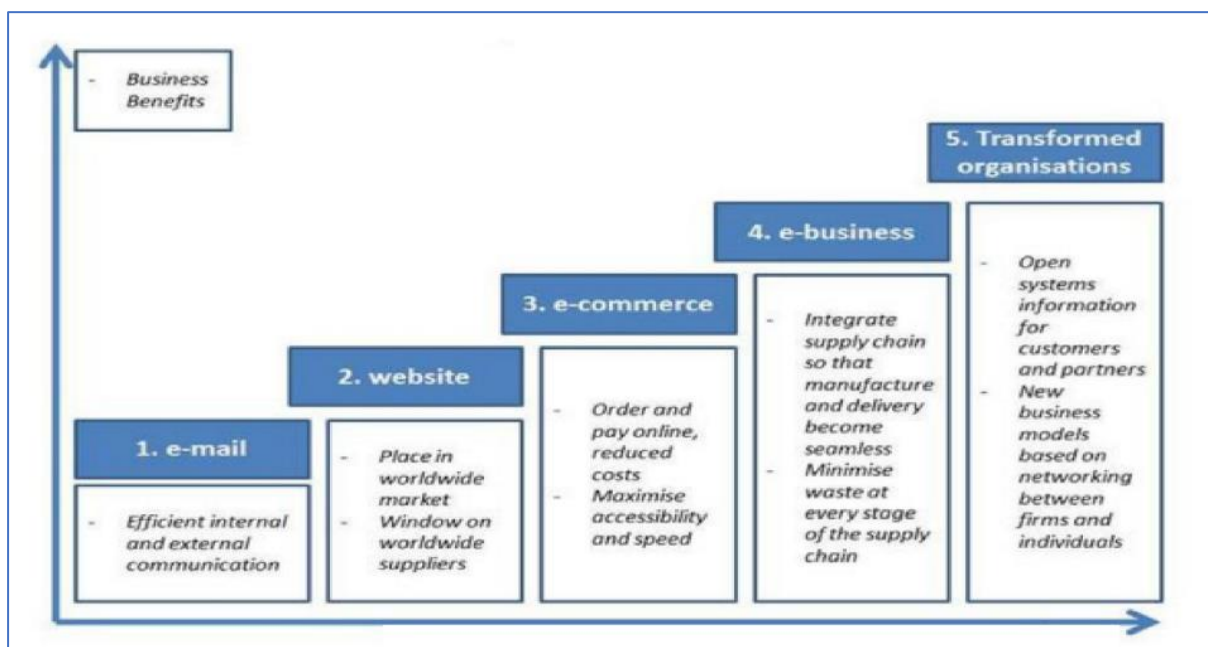


Figure 2 : Organisational changes & it's growing trend

In addition, offline retailers, in order to accurately calculate their operating costs, they need to take into account a wide variety of business expenses in addition to the total number of transactions that take place in their stores. This is necessary in order to get an accurate picture of their financial situation. Because there are fewer transactions overall, the cost of each individual transaction is increased. This is because there are fewer opportunities to make purchases. On the other hand, if a large number of transactions arrive all at once, it is possible that the staff and the merchants will become overwhelmed. This could lead to an undesirable outcome. It makes no difference to the overall operating costs of an e-commerce company how many orders are received or how many orders are cancelled; those costs remain the same regardless of the number of orders. Deal Dey is working toward the goal of providing users with an easy and pleasurable way to acquire fantastic deals on fantastic experiences by utilising a variety of social media platforms. This will ultimately allow Deal Dey to fulfil its mission. DealDey.com is dedicated to assisting start-up businesses in the local community, and in exchange, the company provides its customers with access to high-quality investment capital. On a daily basis, they work toward the goal of establishing a situation that will benefit both neighbouring businesses that are looking to bring in new customers and consumers who are looking to save money while making use of excellent services and activities that are available in their own city. This situation, which will be known as "Shared benefit," will benefit both neighbouring businesses that are looking to bring in new customers and consumers who are looking to bring in new customers. This is something that is carried out on a regular basis.

The expansion of ecommerce marketplace and people's willingness to adopt new technologies

At this early stage, it is appropriate to refer to the current state of e-commerce as a "landgrab." This is because there is a lot of competition among online retailers. Instantaneously, an entirely new market emerged, and companies that possessed the financial resources and the entrepreneurial spirit required to "grab from the land" were in a position to do so when the opportunity presented itself. These enormous corporations were the first to recognise the potential benefits that could be gained by engaging in e-commerce, and they were also the first to investigate and capitalise on these prospects. They were also the first to recognise the potential risks that could be avoided by engaging in e-commerce. Given that the vast majority of businesses were dependent on funding from outside investors, it was not nearly as easy to

acquire a competitive advantage as one might believe it would be. The pressure that was placed on smaller businesses was undeniably more intense, and as a direct consequence of this pressure, a sizeable number of the aforementioned businesses suffered financial losses. The internet connection was terrible for a significant portion of time despite the fact that the technology was user-friendly and reasonably priced for a while.

At this point, the primary actors' focus had shifted from conquering the land to defending the territory they had just recently acquired because the land had already been taken over by them. When businesses started focusing more on gaining a competitive advantage and devising strategies to do so, this paved the way for the development of e-commerce by smaller businesses and led to their acceptance of it. These businesses were able to gain an advantage in the market by competing with larger corporations by utilising their own internal resources, which gave them a distinct advantage in the marketplace.

Review Literature

E-commerce has become one of the most successful business models, which has provided numerous benefits to companies that are operating in the modern environment, as stated by Aleksandar et al. (2021). The international marketplace, the absence of time constraints, improved opportunities for relationship building with customers, decreased overall fixed costs, and a number of other factors have been among the most significant contributors to the changes that have taken place. The primary purpose of this research is to investigate the effect that engaging in online commerce has on the amount of money that can be made by companies. E-commerce, according to the conventional definition, is any transaction that takes place over the internet for the purpose of buying or selling products or services. (Tzavlopoulos et al. 2019) occurs so that the company can make an informed decision. This is done with the intention of achieving the goal of developing an efficient contingency plan through meticulous planning and careful consideration. The selection of mediums and methods, in addition to the application of the appropriate technology, constitutes the second component. In order for the company to carry out the desired activities and tasks in order for them to function online, the company needs to make a decision regarding the appropriate technology. The utilisation of technology may be different for various businesses and the audiences that each one caters to; consequently, an analysis of this topic could be carried out to guarantee the best possible results (Nyagwencha, 2018). (Rajneesh et al., 2015) investigated the extent to which the business world has been affected by the rise of electronic commerce.

This could be a very significant development. It is already having a significant impact on major industries such as communications, the financial industry, and retail trade, and it promises to improve education, health care, and government. It is possible that the effects that are the most significant are not associated with many of the impacts that get the most attention, but rather with effects on routine business activities that are less obvious but could have a greater impact overall.

Objective of the study

1. To examine the impact of “e-commerce” on reducing an organizational operating cost
2. To investigate what additional benefits can be obtained from “E-commerce” in India.

Hypothesis of the study

H1 : There is no positive relation between “e-commerce” & cut down of “operational cost”.

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Research Methodology

A significant amount of research has been conducted on the ways in which e-commerce has enabled businesses to integrate their business processes and decrease their operational costs. The goal of this research, on the other hand, is to determine how the rise of e-commerce has impacted the capacity of businesses to satisfy the requirements of their clients while simultaneously reducing their overhead expenses. The information obtained from a survey distributed across multiple industries was subjected to quantitative data analysis as well as Anova. According to the findings of the study, businesses have been able to enhance the quality of service that they offer to their clientele as a result of the advent of e-commerce.

Table 1: Descriptive Statistics

	Mean	S.D.	N	Std. err.
Effective & Usefulness	1.263	0.363	50	0.0235
Wide Implementation & Remarkable Benefits for the organisation	1.069	0.321	50	0.021

Huge Successive Rate	1.346	0.357	50	0.024
Less Operating Cost	1.108	0.313	50	0.017

As per table Huge Successive Rate has the highest mean value is (M = 1.346, S.D. = 0.357) whereas Wide Implementation & Remarkable Benefits for the organisation are lowest mean values (M = 1.069, S.D. = 0.321). That shows e-commerce succession rate is quite high whereas operating cost is least effective.

Table 2 :- ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Effective & Usefulness	Between Groups	03.207	1	0.1567	1.624	0.067
	Within Groups	16.042	48	0.1468		
	Total	17.264	49			
Wide Implementation & Remarkable Benefits for the organisation	Between Groups	02.417	1	0.1379	1.791	0.053
	Within Groups	06.139	48	0.1971		
	Total	10.364	49			
Huge Successive Rate	Between Groups	03.031	1	0.1625	1.432	0.061
	Within Groups	21.251	48	0.1284		
	Total	23.109	49			
Less Operating Cost	Between Groups	04.103	1	0.1235	0.681	0.059
	Within Groups	41.405	48	0.1278		

	Total	31.83	49			
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The research parameters Effective & Usefulness, Wide Implementation & Remarkable Benefits for the organisation, Huge Successive Rate, and Less Operating Cost all are having greater than 0.05 p value i.e. 0.067, 0.053, 0.061 & 0.059 respectively. That shows alternate hypothesis has been accepted & null hypothesis rejected.

Findings & Recommendation

The findings of the study indicate that organisations should place equal importance on both the usefulness of their products and services and a reduction in their operating costs. In addition, the investigation reveals that there are differences between people who adopt children and those who do not adopt children. Early stage adopters do not rate any of the benefits lower than they are rated by everyone else. This holds true across the board. As was mentioned earlier, the process of receiving e-commerce entails the execution of a variety of reception procedures in their various forms. It's possible that, at the outset of the process, the company will decide to do nothing more than build a website to advertise its goods and services. In the future, the management might decide to give customers the chance to connect with one another and actively participate, as well as the option to modify the information to better suit the requirements that are unique to each customer. Businesses have the potential to gain benefits from improved information exchange, in addition to individuals. For instance, it might be able to better understand the preferences of individual customers and provide those customers with items that are suitable for their requirements.

Conclusion

In order to avoid being forced to close their doors, businesses that deal in e-commerce need to ensure that they always have a competitive advantage. When all of these factors are taken into account, there are a number of different ways to reduce the operational costs associated with your e-commerce business. Other potential strategies to think about are the following: Always keep in mind the importance of concentrating on providing excellent services in order to increase the percentage of repeat customers and reduce the costs associated with customer procurement.

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