

Impact Of Strategic Management On Success Of E-Commerce In India-An Empirical Study Using Multiple Linear Regression (MLR)

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ABSTRACT

The success of e-commerce has been greatly influenced by the strategic management practices. The strategic decisions made by the management can either increase or lower the performance of e-commerce in India. The strategic management helps to identify and implement new opportunities, which gives a competitive advantage to e-commerce companies. Strategic management is an important tool that helps in achieving organisational goals and objectives. It also helps to identify and implement new opportunities for the organisation. The strategic decisions made by the management can either increase or lower the performance of e-commerce in India. Strategic Management is defined as a process that helps to identify the company's goals and objectives, create strategies and implement them effectively in order to achieve those goals. This paper attempts to provide an insight into how strategic management can be used to develop successful strategies for e-commerce companies operating within the Indian market. Sample of 379 respondents were surveyed Impact of Strategic Management on success of E-Commerce in India. It is concluded that there is a significant impact of Strategic Management on success of E-Commerce in India

Keyword- Strategic Management, E-commerce, Ecommerce management

INTRODUCTION

E-commerce is a dynamic and rapidly growing industry in India. The growth of e-commerce in India has been phenomenal and is expected to continue with an annual growth rate of almost 20-25% in the coming years. Strategic management plays an important role in the success of e-commerce in India.(sanjay & swati 2018) Its helps to understand the core competencies of the business, identify the strengths and weaknesses and develop strategies for improving them. It also helps to determine whether a business should be operated as a single entity or as multiple independent entities. Strategic management also identifies opportunities for growth and helps to develop strategies that can be implemented by the company to achieve its objectives. Strategic management helps e-commerce companies to develop business models which can be used by other organisations as well. It helps them identify their strengths, weaknesses and opportunities for improvement so that they can make informed decisions about how best to serve their customers while remaining profitable at all times..

Strategic Management also involves identifying opportunities for growth and developing strategies to take advantage of them . Strategic Management can be used by E-Commerce companies to grow their business by making sure that they are aware of all their competitors' strengths/weaknesses so that they can compete effectively against them . Strategic Management also helps E-Commerce companies decide what products or services should be offered based on how much demand there is for them . (Colla & Lapoule, 2012) Strategic management helps a business meet its goals and objectives in an effective way by analysing its strengths and weaknesses, identifying opportunities and threats, formulating strategies based on these analyses and then implementing the same by using appropriate resources effectively.

Strategic management is a dynamic process, which is continuously evolving to meet the changing needs of the business. Strategic management helps companies align their internal resources, processes and activities with their external environment. This ensures that they remain competitive and relevant in the marketplace. Strategic management is an important aspect of any business because it helps companies identify opportunities and threats. It also helps them develop strategies that will enable them to capitalise on these opportunities while minimising the impact of threats. Strategic management can be defined as a process for making choices about long-term direction, short-term activities, resource allocations and internal processes that produce desirable outcomes for an organisation.(Sharkey et al., 2010) Strategic management involves planning, organising, leading and controlling resources to achieve organisational goals . Strategic management focuses on identifying opportunities and implementing appropriate strategies to exploit these opportunities. In other words, strategic management helps organisations identify their strengths and weaknesses and develop plans to leverage strengths while minimising weaknesses .

Literature Review

The internet has become a popular medium for conducting business. With the advent of e-commerce, there has been an increase in the number of organizations that are adopting e-commerce promotion strategies and associated facilities. E-commerce is the electronic trading of goods and services where a company or individual interacts with customers by means of the internet. This form of trading involves the use of websites and other online platforms to carry out transactions between buyers and sellers. (Tapera 2014) E-commerce can be used to sell any type of product or service, including food products and groceries, clothing, digital media files such as music albums and movies, as well as tickets for sporting events or concerts.

In order to succeed in this competitive environment, it is important that companies understand what makes some businesses thrive while others fail. This is where strategic management comes into play; it helps companies formulate effective strategies that can help them succeed in their chosen market segment. Strategic management involves analyzing data about your competitors' strengths and weaknesses so that you can develop an effective plan that will allow you to compete effectively against them while still maintaining profitability over time. E-commerce in India has become a very popular trend over the last couple of years.

This can be attributed to the fact that it allows consumers to shop online without having to leave their homes or offices. It also provides them with access to products from all over the world, regardless of whether they are available locally or not. Strategic management can be defined as the process of planning and implementing policies for an organization's long-term growth. It is a continuous process that involves identifying opportunities and threats; developing strategies to exploit these opportunities while minimizing threats; creating organizational structure, human resources, and systems to support strategy implementation; and monitoring performance against plans.

Strategic management helps an organization achieve its objectives through various means such as innovation, mergers/acquisitions and restructuring. The strategic management process involves the formulation of an organizational strategy, which is then implemented by planning, organizing and controlling the activities of an organization.

The success of e-commerce depends on many factors including strategic management, which can be defined as "the art and science of creating a competitive advantage through implementation of a coherent set of strategies". Amit and Zott identified four ways that e-business can create value: efficiency, complementarities, novelty, and lock-in. Efficiency: Amit and Zott discuss the impact of e-business on efficiency in terms of the industry's ability to reduce costs and gain market share. E-commerce enables companies to reduce overhead costs by eliminating expenses associated with traditional brick and mortar stores, such as rent and labor costs. Further, e-commerce allows businesses to reach a larger customer base than

before possible through its ability to reach customers across different locations through digital media.

This allows for economies of scale in production by allowing for specialisation among different locations, which can lead to lower prices for consumers. Complementarities: Complementarities refers to how e-commerce may be used as a platform for other products or services offered by another firm or organization. E-commerce firms can use their websites as an advertisement space for other products they do not sell directly but would like customers to know about. For example, if an online retailer sells shoes they could use their website as a platform to advertise other clothing items they do not sell directly but want customers know about such as socks or shirts. Novelty is related to complementarities because it deals with how e-businesses can create new markets that did not previously exist.

E-commerce allows access to new markets through its ability to reach customers in other geographic locations or demographics that were previously unavailable or too expensive for traditional business models. Lock-in refers to the ability of a firm's products or services to become so essential in their industry that they have no choice but to continue using them because they cannot find anything else on which they can rely as much as their original product or service was reliable throughout time when it was first introduced into the marketplace.

E-commerce companies such as Amazon have become extremely profitable by developing a strategic management plan that identifies how to utilize resources and capabilities in order to capture the benefits of a given marketplace while also leveraging themselves against many issues and challenges. (Chatterjee, 2015) The relationship between strategic management and success of e-commerce in India is complex, as it requires various resources such as technology infrastructure, human resources etc., which are required by all organisations no matter what industry they belong to; however these resources are used differently by different organisations depending on their objectives and goals set by them.

The first factor that needs to be taken into account is the fact that India's e-commerce market is still in its infancy. Therefore, it is difficult to say whether or not full-fledged strategic management will be required in order for the industry to grow further. (Chen, 2005) However, some of the primary benefits provided by strategic management include: increased efficiency, improved productivity, enhanced collaboration, and better resource utilization. Another important factor that must be considered is the presence of various laws that govern how e-commerce can be conducted within India.

For example, certain types of businesses are prohibited from selling their products on the Internet because they do not comply with local laws concerning foreign investment or ownership.

As e-commerce has become more popular, companies have had to adapt their strategies in order to continue succeeding in this changing market. One strategy that has helped some

companies succeed is investing in the correct technology. This can include investing in new technologies that help you reach new customers or improve how you interact with current customers. (Amit et al., 2012) For example, investing in AI could help your company better predict what its customers want or need and make those products available before they even ask for them! As technology continues to evolve and change with time, businesses must evolve along with it or risk being left behind by those who do evolve with emerging technologies.

This will allow them to stay ahead of their competitors and attract more customers who may have otherwise not shopped there because they didn't have access to newer technology until now! Investing in the correct technologies and evolving with emerging technologies will be a great impact on the success of e-commerce in India. The Indian consumer is evolving with technology and new technologies are being developed to cater to their needs. Strategic management is a very important tool that can help companies succeed in the e-commerce industry. Companies have discovered that customers want their websites to be set up in ways that allow them to find information quickly and easily.

To help customers search, companies have developed smart interfaces and search tools within their sites. This helps companies drive up their profit margins.

An example of strategic management in action, look at Amazon's website. They have created a streamlined interface that makes it easy for shoppers to find what they are looking for without having to go through a lot of extra steps or clicks (like other site). They've also made sure there are plenty of reviews available for each product so that customers know whether or not something is worth buying before they purchase it. Strategic management of its e-commerce operations is essential to Keeping Watch on Competitor Moves.

E-commerce is a growing and dynamic industry, and companies in this sector are constantly looking for ways to improve their business. (V. P. 2004) Competitor intelligence has become an important part of doing business in the e-commerce landscape. E-commerce companies need to keep track of what their competitors are doing, so that they can make informed decisions about how they want to proceed with their own strategies and tactics. They also need to know what strategies have been successful for other companies in the past and which ones have failed so that they can avoid making mistakes when developing their own plans for success.

When a company is able to get access to information about what its competitors are doing, it can take steps to ensure that it does not fall too far behind or risk losing ground in terms of market share or profitability. Strategic management also includes deciding how much risk the company is willing to take. In order for e-commerce companies to succeed they must have a strong online presence that customers can find easily when they search online using search engines such as Google or Bing. (Svatosova, 2020) The success of an e-commerce company depends largely on its ability to adapt quickly by introducing changes when necessary without losing sight of long term goals; this means that all employees need training so that

they understand how their role fits. When implementing new strategic management, E Commerce business must utilize its resources to facilitate economic supremacy.

Sales margins are one of the most essential aspects of a company's success. Sales margins are the difference between the cost of goods sold and gross profit. The gross margin percentage is calculated by dividing gross profit by net sales. (Subhashini et al., 2016) This calculation helps to determine the profitability of an individual product or service within a company's range.

A company may choose to set prices based on what competitors are charging for similar products, but it also needs to consider whether its products are comparable enough in quality to justify higher prices than competitors' offerings. (Ray S. 2011) In order for an e-commerce business to succeed, it must be able to offer customers high-quality goods at affordable prices.

Business organizations have realized that strategic management plays a key role in their success or failure. E-commerce business has grown rapidly over the last few years due to its online presence, easy accessibility and convenience of shopping at any time from anywhere. It has become an important part of our lives and has become an integral part of our daily routine.

Objective

1. To know the Impact of Strategic Management on success of E-Commerce in India.

Methodology

Sample size for present study is 379 and the respondents are working as managerial level. Researcher surveyed the respondents with the help of a questionnaire to know their opinion about the impact of strategic management on success of E-Commerce in India. Random sampling method was used to collect the primary data and multiple linear regression was applied to get the end results of the study.

Findings

Table below is showing respondent's general detail. It is found that in total 379 respondents, males are 54.3% and females are 45.7%. 24.3% are below 36 years of age, 41.7% are between 36-42 years of age and rest 34.0% are above 42 years of age. 23.0% of them are senior managers, 24.3% are associate managers, 26.1% are managers and rest 26.6% are working as some other designation in the e-commerce company.

Table 1 General Details

Variable	Respondents	Percentage
Gender		

Male	206	54.3
Female	173	45.7
Total	379	100
Age		
Below 36 yrs	92	24.3
36-42 yrs	158	41.7
Above 42 yrs	129	34.0
Total	379	100
Designation		
Senior managers	87	23.0
Associate managers	92	24.3
Managers	99	26.1
Others	101	26.6
Total	379	100

Table 2 “Impact of Strategic Management on success of E-Commerce”

S. No.	“Impact of Strategic Management on success of E-Commerce”
1.	Performance of e-commerce can be increased or decreased by strategic decisions made by the management
2.	Strategic management gives a competitive advantage to e-commerce companies
3.	Strategic management helps to achieving organisational goals and objectives
4.	E-commerce companies is able to keep a watch on competitor’s move with the help of Strategic management
5.	Organization is able to identify and implement new opportunities
6.	Company is able to create strategies and implement them effectively
7.	Company understands the core competencies of the business, identify the strengths and weaknesses and develop strategies by strategic management
8.	Company is able to determine whether a business should be operated as a single entity or as multiple independent entities
9.	Strategic Management help E-Commerce companies to grow their business
10.	Company is able to align their internal resources, processes and activities with their external environment
DV	Overall Impact of Strategic Management on success of E-Commerce

“Multiple Linear Regression”

Table 3 “Model Summary”

“Model”	“R”	“R Square”	“Adjusted R Square”	“Std. Error of the Estimate”
1	.808a	.653	.644	.49569
a. Predictors: (Constant), Performance of e-commerce can be increased or decreased by strategic decisions made by the management, Strategic management gives a competitive advantage to e-commerce companies, Strategic management helps to achieving organisational goals and objectives, E-commerce companies is able to keep a watch on competitor’s move with the help of Strategic management, Organization is able to identify and implement new opportunities, Company is able to create strategies and implement them effectively, Company understands the core competencies of the business, identify the strengths and weaknesses and develop strategies by strategic management, Company is able to determine whether a business should be operated as a single entity or as multiple independent entities, Strategic Management help E-Commerce companies to grow their business and Company is able to align their internal resources, processes and activities with their external environment				

The Value of adjusted R square is 0.644 and the model explains around 64% of the variation.

“Table 4 ANOVA”

“Model”		“Sum of Squares”	“df”	“Mean Square”	“F”	“Sig.”
1	Regression	170.401	10	17.040	69.350	.000 ^b
	Residual	90.422	368	.246		
	Total	260.823	378			
a. Dependent Variable: Overall Impact of Strategic Management on success of E-Commerce						
b. Predictors: (Constant), Performance of e-commerce can be increased or decreased by strategic decisions made by the management, Strategic management gives a competitive advantage to e-commerce companies, Strategic management helps to achieving organisational goals and objectives, E-commerce companies is able to keep a watch on competitor’s move with the help of Strategic management, Organization is able to identify and implement new opportunities, Company is able to create strategies and implement them effectively, Company understands the core competencies of the business, identify the strengths and weaknesses and develop strategies by strategic management, Company is able to determine whether a business should be operated as a single entity or as multiple independent entities, Strategic Management help E-Commerce companies to grow their business and Company is able to align their internal resources, processes and activities with their external environment						

The impact of independent variables on dependent has been explained in the table above and the value in the significance column 0.000 shows that one or more variables are significant on dependent variable.

“Table 5 Coefficients”

“Model”	“Un standardized Coefficients”		“Standardized Coefficients”	“t”	“Sig.”
	“B”	“Std. Error”	“Beta”		
(Constant)	.164	.180		.911	.363
Performance of e-commerce can be increased or decreased by strategic decisions made by the management	.084	.035	.085	2.421	.016
Strategic management gives a competitive advantage to e-commerce companies	-.149	.044	-.163	-3.409	.001
Strategic management helps to achieving organisational goals and objectives	.165	.048	.184	3.420	.001
E-commerce companies is able to keep a watch on competitor’s move with the help of Strategic management	-.011	.055	-.011	-.193	.847
Organization is able to identify and implement new opportunities	.133	.056	.135	2.373	.018
Company is able to create strategies and implement them effectively	-.131	.058	-.132	-2.265	.024
Company understands the core competencies of the business, identify the strengths and weaknesses and develop strategies by strategic management	.185	.059	.179	3.144	.002
Company is able to determine whether a business should be operated as a single entity or as multiple independent entities	.319	.071	.317	4.492	.000
Strategic Management help E-Commerce companies to grow their business	.312	.069	.320	4.545	.000
Company is able to align their internal resources, processes and activities with their external environment	.029	.034	.030	.844	.399

a. Dependent Variable: Overall Impact of Strategic Management on success of E-Commerce

Table 5 shows that out of 10 variables, 8 variables namely Performance of e-commerce can be increased or decreased by strategic decisions made by the management, Strategic

management gives a competitive advantage to e-commerce companies, Strategic management helps to achieving organisational goals and objectives, Organization is able to identify and implement new opportunities, Company is able to create strategies and implement them effectively, Company understands the core competencies of the business, identify the strengths and weaknesses and develop strategies by strategic management, Company is able to determine whether a business should be operated as a single entity or as multiple independent entities and Strategic Management help E-Commerce companies to grow their business are showing significant impact of strategic management on success of e-commerce and the variables namely -commerce companies is able to keep a watch on competitor's move with the help of Strategic management and Company is able to align their internal resources, processes and activities with their external environment has no significant impact of strategic management on success of e-commerce.

CONCLUSION

The study indicates that the e-Commerce business scenario in India is continuously growing at a rapid rate. The main reason for the success lies due to the flexible working methods and customer centric behaviour that is followed diligently by all the stakeholders of an e-commerce firm. It also emphasizes that there is a need to examine aspects like strategic decision making, application of IT and other modern technologies which will enhance the growth of e-commerce sector. While starting the operations of an E-commerce company in India, the level of competition in market has to be analyzed and strategies prepared accordingly thus the business strategist has to be innovative. Based on that strategies or plans are designed to attract more customers by different advertisement modus operandi by considering all online strategy as well as offline strategy to fight against the competitors so that E-commerce firm is able to achieve its desired goals. The success of any enterprise depends on factors like availability of resources, existence of exclusive interest groups, forecasting and avoiding threats and risks are majorly depends on strategy making process. It is essential to discuss the strategic framework for future planning so as to fulfil the needs of a growing sector like e-commerce in India. The traditional retailers have developed their business through various methodologies and marketing techniques like price promotion, new store opening, big ticket promotion etc. However, the e-commerce approach is different because they are not restricted by the physical boundaries such as location of the outlet. E-commerce companies in India face rivalry from both traditional retailers as well as other e-commerce players (Dias, Mohan, Subhakeerthana & Pires: 2014). To increase operating efficiency, reduce cost and sustain in the online retailing environment these companies follow certain strategies. These strategies help them to succeed in the long run.

The study had analysed the "Impact of Strategic Management on success of E-Commerce" in India and concludes that there is a significant "impact of Strategic Management on success of E-Commerce" in India as Performance of e-commerce can be increased or decreased by strategic decisions made by the management, Strategic management gives a competitive advantage to e-commerce companies, Strategic management helps to achieving

organisational goals and objectives, Organization is able to identify and implement new opportunities and many more.

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