



Analysis on Role of E-Commerce in Reducing Operational Cost

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	Abstract
CC License CC-BY-NC-SA 4.0	E-commerce means electronic commerce. E-commerce involves carrying on a business with help of the internet and by using the information technology like Electronic Data Interchange (EDI). E-commerce relates to a websites of the vendor on the internet, who trades products or services directly to the customer from the portal. The portal uses a digital shopping cart or digital basket system and allows payment through credit, debit card or EFT (Electronic fund transfer) payments. Keywords: B2B, B2C, C2C, P2P, M-commerce

1. Introduction

E-commerce is the activity of buying and selling of products on online services or over the internet. So research and study on E-commerce is very important. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, internet Marketing, online transaction processing, data collection system. E-commerce is in turns driven by the technological advances of the semiconductor industry, and is the largest sector of the electronics industry. Experts believe that: The Indian e-commerce market is expected to reach \$170 billion by 2005. Indian's online shopper base is to reach nearly 500-600 million by 2030 and become the 2nd largest globally.

A) Major types of E-commerce

Types of E-commerce	Example
B2B – Business to Business	Trade Indian is an Online Business to Business (B2B) portal for small business based in Indian and around the globe.
B2C – Business to Consumer	Amazon.com is a general merchandiser that sells consumer products to retail consumers.
C2C – Consumer to Consumer	www.olx.in websites creates a marketplace where consumers can auction or sells goods directly to other consumers.
P2P – Peer to Peer	AIRBNB is a service that lets property owners rent out their spaces to travels looking for a place to stay. Without the intervention of a market make as in C2C Ecommerce
M – Commerce (Mobile Commerce)	Google Pay is an example of M-commerce People use it on mobile to conduct online financial transactions

B) What is meaning of B2B?

A B2B stands or Business to Business, in this model one business sells a set of product or services to another business. Typically, there is group or department that uses the vendor's products and services. Occasionally, a single user on the buyer side makes a transactions in support of the company's business goals. One of the best example of B2B ecommerce platform is Tradeindia.com in India. This website provides information about Indian and global sellers and buyers with over 12,000 product categories and subcategories. The main product and services offered by the portal include online business catalogs, DialB2B, Trade Alerts, Call Me Free Service, credit reports and trade leads.

C) What is B2C?

A B2C stands or business-to-consumer, as in a transaction that takes place between a business and an individual as the end customer. B2C business-to-consumer ecommerce, also called retail Ecommerce, is business model that involves sales between online business and consumers. A popular example of B2C ecommerce platform is Amazon. Ecommerce sales happen almost entirely over the internet, apart from the shipping and delivery processes, so they gives sellers and buyers the comfort and freedom to make transaction at any time and from any place.

D) What is C2C?

Customer to customer (C2C) is business model that enables customers to trade with each other, frequently in an online environment. C2C businesses are a type of business model that emerged with ecommerce technology and the sharing economy. <http://www.olx.in> is a website where the transactions take place between customer is known as a C2C (customer-to-customer) business. In OLX, the seller is also a customer/customer, and the buyer is also a customer. In India, for customers it is one of secured market system for the sale of used goods or services.

E) What is P2P?

A Peer-to-Peer (P2P) services is decentralized platform whereby two individuals interact directly with each other, without inter intermediation by a third party. The P2P platform may provides services such as search, screening, rating, payment processing, or escrow. Airbnb websites is an example of P2P E commerce platform. This website helps to connect people who own a product or offer a service with people who want to buy or rent it. Airbnb is a classic example. The role of the website is to help these two groups of people, who find each other. The sites also handles payments and helps build trust between the parties.

F) What is meaning of M-commerce?

M- Commerce, also known as Mobile commerce. It is platform of buying and selling of goods and services through wireless handheld devices such as smartphones and tablet. Google pay app, Amazon mobile app, Paytm App helps user in conducting online transactions, paying bills, sale & purchase of product, and internet banking by using wireless devices such as mobile phones, tablets, etc.

1.1 Problems Research:

- Lack of trust
- Integrity of the transaction itself
- Electronics money that is only bits and bytes.
- Definite legislation both domestically and internationally to regulate e-commerce transaction are still to be framed leading to lack of regulation of the sector.

1.2 Way Ahead:

- E-commerce has become an important part of many multilateral negotiations such Regional Comprehensive Economics partnership (RCEP), WTO, RICS etc.
- E-commerce still faces various issues like international trade, domestic's trade, competition policy, Consumer protection, information technology etc. As a growing sector with huge interest from both domestic and international players it becomes pertinent to regulate it keeping in mind the interest of both entrepreneurs and consumers.
- Policy makers should be also be mindful of sharpening a vibrant domestic industry. A comprehensive policy is of utmost importance to reflect India's position in both domestic and internationals or multilateral forums.

1.3 Literature Review:

Keywords search on “E-commerce adoption in India” “e-business in India” “E-commerce and India” and “e-business and India” in various database like EBSCO, ProQuest and Emerald management Xtra found the following ten E-commerce/e-business reducing operational costs research articles done in India context

Albert Angehrn is a notable researcher who has contributed to the field of e-commerce. In his research paper published in 1997, Angehrn explored various aspects of technology on business models, customer behavior, and organizational strategies.

Eril Brynjolfsson - Published in 1993 : Brynjolfsson’s paper “The Productivity Paradox of information Technology” examines the relationship between information technology investments and productivity in organizations, including the potential cost-saving benefits of e-commerce.

Gary Hamel - Published in 2000: Hamel’s paper “Leading the Revolution” explores how business can embrace e-commerce and other disruptive technologies to drive innovation and reduce operational costs.

1.4 Objectives:

- To find out whether operational value is reduced due to e-commerce or not.
- To find out whether e-commerce has made doing business easier or not.
- To check whether India’s GDP rate has increased due to e-commerce or not
- To find out that companies doing online business are getting huge profit in business.
- To check that the commercial sector has increased due to e-commerce.

1.5 Hypothesis:

- E-commerce has reduced the opportunity cost.
- E-commerce has made doing business easier.
- E-commerce makes trading less time consuming
- E-commerce has connected many buyers and sellers to each other.
- E-commerce has reduced the cost value.

2. Research Methodology:

The following instruments have been used as research methods for the above topics.

- Information released directly and indirectly by the government so far according to the above topic.
- Article’s published so far the above topic in newspaper, Magazines weekly.
- According to the above topics so far, internet information, information released by the government as well as various articles were verified to write in this topic. The essay has been after reading meditating and extensive study of various writings.

A. Primary Data:

We collected the primary data from various types of websites and after reading various paper on internet and articles. We get data from various sources such as magazines, Newspaper and television and etc.

B. Secondary Data:

We collected secondary data through questionnaires from various people.

C. Sampling Design:

Sample of 44 people taken for this paper from various age group.

D. Data Collection:

Questionnaire based survey taken from people. The review taken from people based on their experience.

E. Data Analysis:

Study area include following sample shown as:

▪ Age of Respondent:

20-25	26-30
31-35	36-40
50-55	

Age is considered as important factor for this survey. It is important to see samples age wise.

▪ **Is Your Organization Use E-Commerce?**

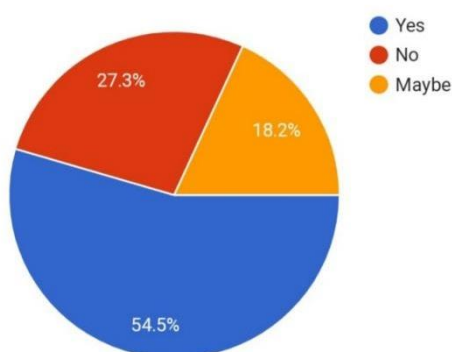


Fig 2.1

This graph shows the result of a survey in that 54.5% of people saying yes that they are using the ecommerce in their institutions/organization/shops etc and 27.3% are saying no that they are not using the ecommerce and 18.2% are saying that may be.

▪ **Is E- Commerce giving more profit by Operational Cost?**

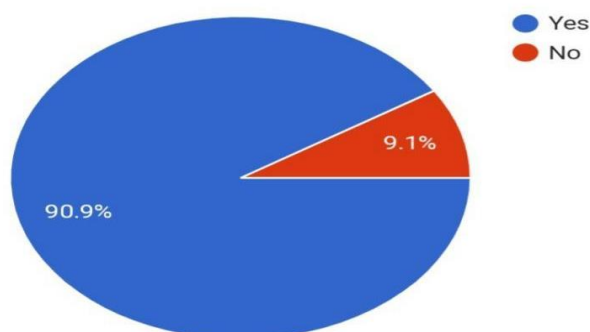


Fig 2.2

This fig 2.2 shows the result of a survey in that 90.9% of people says Yes that the ecommerce giving more profit by reducing operational cost and 9.1% says no.

▪ **What percent does the profit increase by reducing operational costs?**

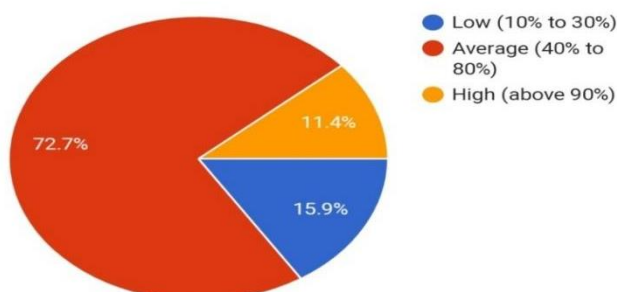


Fig 2.3

This fig 2.3 shows the result of a survey in that 15.9 % people that says low (10% to 30%), 72.7 % of people says average (40% to 80%) and 11.4 % of people says high (above 90%) are how the percentage wise profit increases by reducing operational cost.

▪ **Do you measure the effectiveness of E- Commerce?**

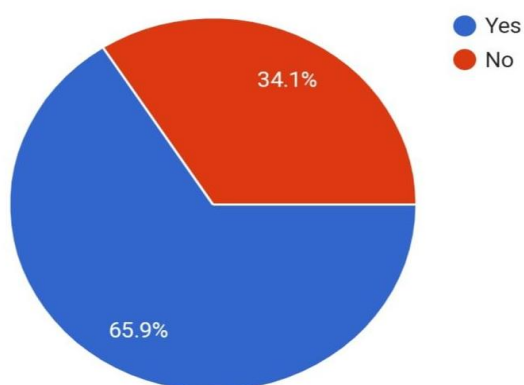


Fig 2.4

This fig 2.5 shows the result of survey in that 65.9% of people saying yes that they measure the effectiveness of e-commerce and 34.1% saying no.

3. Conclusion:

- E-commerce has seen an increase in trade.
- E-commerce made all transaction paperless and cashless.
- E-commerce has made people prefer to buy things online.
- Online trading has increased due to e-commerce.
- Consumers can get their required items at their doorsteps. Boosting exports by increasing taxes in e-commerce.
- E-commerce has also shown that goods and services can be shipped across borders very quickly.
- Due to e-commerce business is going at a fast pace.

4. Recommendations:

- All people should be trained to do e-commerce transactions.
- The government should implement a specific mechanism to make the common people believe in e-commerce.
- Care should be taken to ensure that the consumer's private life is not disturbed during e-commerce transactions.
- India can definitely be able to become the number one unemployment free country in the world if the young generation eagerly jumps into the field of e-commerce.
- The young generations should eagerly enter this field of e-commerce and embrace self-employment.

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