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KEY SUCCESS FACTORS OF E-COMMERCE AND ITS CONSTRAINTS

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ABSTRACT

In the modern era of competition, Internet plays a significant lead for economic growth which is a worldwide network of computers allows people to share information electronically. Electronic commerce encompasses the entire online process of developing, Marketing, Selling, Delivering, Servicing and Paying for product and services through an electronic medium, without using any paper documents. There are lots of reasons to have an electronic business which motivate you to a great success in any entrepreneurial activity. This study has been undertaken to know the scenario of ecommerce, analyze the key success factors of ecommerce, their challenges and constraints or barriers which should be removed by taking remedial steps in ecommerce. The study concluded that in the era of digitalization, in order to survive organisations has to work on their electronic platforms in order to connect with their customers, world as the whole. According to the study busy lifestyle, high disposable income, awareness of products, rising computer educational level and increased usage of internet are the main reasons for increasing inclination of consumer towards e-commerce platforms.

KEYWORDS*:* Information Technology, Innovation, Electronic Business.

INTRODUCTION

Change is necessary in every aspect of life. It allows a business to adapt to its environment and to improve its market position in effective and efficient manner. Change is something that affects all business and therefore all business managers must prepare their strategies according to modern environment.

The overall economic development counts on numerous ways. Internet makes it feasible for companies everywhere to compete in global markets. Competition in an industry is greatly intensified by new e-commerce strategic initiatives of existing rivals and by entry of new, enterprising e-commerce rivals.

E-commerce began in 1995. It requires the digital goods for carrying out their transactions. Digital goods are goods that can be delivered over a digital network (Loudon and Loudon, 2013).

OBJECTIVES

- To study Electronic Commerce
- To study key factors of E-Commerce
- To study problems of E-Commerce
- To study major challenges in the way of E-Commerce
- Current market share and potential of this emerging sector

RESEARCH METHODOLOGY

The present study was based on secondary data. The secondary data is collected from published books, journals, research papers, magazines, daily newspaper, internet and official statistical documents**.** Methodology used in conducting the research is exploratory research study. The main focus of study is to have understanding of the topic and its impact on the consumer & society as whole.

LITERATURE REVIEW

- **Libu paris et al. (2016)** in the study entitled,” Systematic literature review of e-Commerce implementation studies’’ a systematic literature search was undertaken to identify ecommerce implementation articles from four databases. They have found 65 articles and the results of this review indicate the e-commerce implementation as a whole process is rather inadequately addressed.

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Vol-22-Special-Issue-27-December-2019

- **Gaffar Khan (2016)** the researcher had worked on a Benefits and Challenges in an Emerging Economy. E-commerce business provider should give importance on every customer by giving smooth service and many options for payment and have more functions available online. Other benefits are expanded product offerings and expanded geographic reach.
- **Shahriari & Gheiji (2015)** an attempt has been made to study the benefits of e-commerce and its impact on the market. It makes large changes in the economic, social and cultural aspects. One aspect of this transformation is changes in economic relations between individuals, corporations and governments. Commercial exchange between people who had been based on paper documents to transactions of by us the systems based on electronic information
- **Awais & Samin. (2012)** in the study entitled, "Advanced SWOT Analysis of E-Commerce" In this research paper we will discuss about advanced SWOT analysis of E-commerce which will comprise of strengths, weaknesses, opportunities and threats faced by e-commerce in current scenario.

I) WHAT IS ELECTRONIC COMMERCE?

Commerce is a business but business is not only commerce. Business is an entity and commerce is trade and aids to trade (Banking, insurance, Marketing, Warehousing, Transportation etc. E-Business (electronic business) is the conduct of business processes on the Internet.

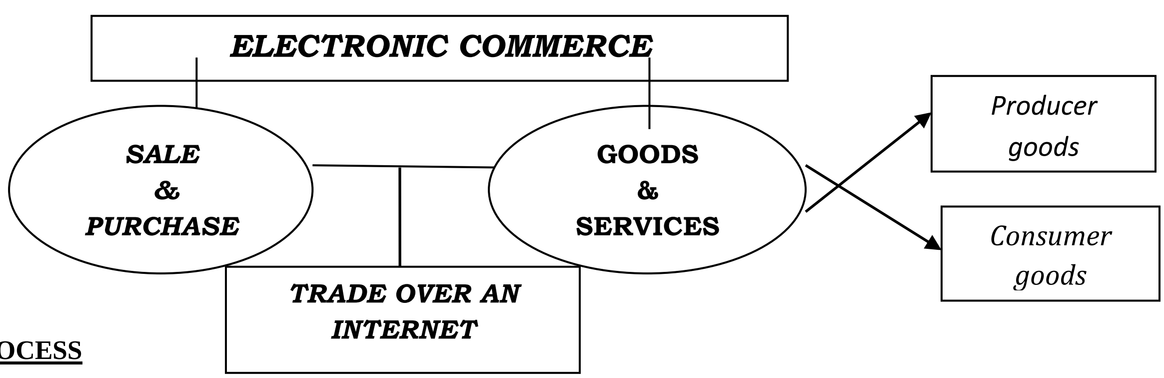
Electronic commerce encompasses the entire online process of developing, Marketing, Selling, Delivering, Servicing and Paying for product and services through an electronic medium, without using any paper documents. In this new world, status quo is not an option. Companies have to reinvent themselves to survive. Given the fast pace of e-business change, actions that once took years to accomplish must now be done in months or weeks.

E-Commerce is the process which comprises of following two stages that is:

1) Buying & selling of goods as well as services
2) Transfer of fund and data in order to execute/complete the respective transaction.

Online business is growing with the increase in E-Commerce. E-Commerce can be classified in the following categories:

- Online sales
- Online marketing
- Product delivery
- Online advertising
- Product service
- Online payments
- Online billing



SEVEN-STEP PROCESS

- 1. Start High
- 2. Think Fresh
- 3. Know Your Market

- 4. Set Vision
- 5. Define Strategy
- 6. Create
- 7. Refresh Regularly

II) REASON FOR INCREASING INCLINATION OF CONSUMER TOWARDS E-COMMERCE PLATFORMS

1) Busy Lifestyle –

The life of people is so quick to the point that they can't go to the swarmed markets each time for shopping. Additionally individuals need to shop in a casual situation.

2) High Disposable Income-

With expanded work openings the pay has gotten higher and accordingly giving all the more spending capacity to people. Accordingly they are enthusiastically prepared to pay for the things on web.

3) Awareness of Products –

These days' kin are substantially more of the new items, their particulars, costs and so on through the help of media like TV, radio, news paper and so on. So they shop online with certainty.

4) Rising Computer Educational Level-

Because of the undertakings of Government and Educational Institutions in India, PC instruction is getting to new horizons. People have more information on the apparatuses and uses of PCs. Not only understudies of urban zones, in certainty understudies of country zones, house spouses and experts are in like manner pulled in to the advancements like e - trade and e-business. So there is thus an unbelievable enthusiasm for obtaining and using new things.

5) Increased Usage of Internet-

The check of web clients is in excess of 100 million at this point. In addition, over the span of late years, modern online travel administrators started changing these basic Web clients into Web customers therefore boosting the predominance of web based business.

III) KEY SUCCESS FACTORS OF E-COMMERCE

1. **Selection and Value** – appealing item determinations, focused costs, fulfillment assurances, and client care after the deal.
2. **Performance and Service** – quick, simple route, shopping, and buying, and brief transportation and conveyance.
3. **Security and Reliability** – security of client data and site exchanges, dependable item data, and solid request satisfaction.
4. **Look and Feel** – Attractive web customer facing facade, site shipping territories, mixed media item inventory pages and shopping highlights.
5. **Advertising and Incentives** – directed site page publicizing and email advancements, limits and uncommon offers, including promoting at partner locales.
6. **Personal Attention** – individual site pages, customized item suggestions, Web promoting and email sees, and intelligent help for all clients.
7. **Community Relationships** – virtual networks of clients, providers, organization agents, and others through newsgroups, talk rooms, and connections to related destinations.

IV) PROBLEMS OF E-COMMERCE

1. Wrong or defective product delivery

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Vol-22-Special-Issue-27-December-2019

2. Refusal on the part of seller/manufacturer to replace defective product delivered by them or their organisation
3. Delay or refusal in reimbursement of money paid/ transferred for transaction like online purchase.
4. Other challenge is unjustifiable delay in the delivery of goods purchased from some online platform
5. Issues related to the warranty and guarantee of goods bought online.
6. Exposure of sensitive and personal information is at risk on sharing the same information for executing the online transactions.

V) CHALLENGES OF E-COMMERCE

1. Searching the right products for sale

With the introduction of shopping carts like Shopify, anybody can start their trade online. America's E-commerce giant Amazon has enabled and elaborated its online business benefitting the sellers from all over the world. Chinese Alibaba and India's Flipcart have also made their mark in the online trading business. This scenario has created a tough time for the sellers not partnered with any of such online e-commerce business portal.

2. Attract and Retain

As we know Customers is a king nowadays, so every seller face the challenge of introducing unique and new technology in which customer sees benefit for himself. Some added strategies like Quality features, Loyalty cards, Brand promotions, Product promotions, Quick services, Fast delivery, Excellent Customer service etc should be provided to build Relationship Marketing.

3. COD as Mode of Payment

Due to lack of safety measures and security concerns Cash on Delivery is introduced in India to overcome the barriers in payment gateways. COD is the trusted payment gateways for customers but this mode can pose a threat to sellers if the customers denied making payment at the time of delivery of goods.

4. Sustaining the perfect possibilities

Having an enormous email list is useless in case you're not effectively captivating with supporters. A little level of your email rundown will really change over into paying clients. In any case, retailers should consistently convey an incentive with their email promoting endeavors. Online retailers put a great deal of spotlight on conveying item offering just as advancements, yet prospects need more than that. Worth and amusement goes far yet that requires more work.

5. Selecting good technology and partners

Some online sellers may face development challenges because of their technology which is limiting them or they have chosen inappropriate accomplices to help them to deal with their long life ventures. Good innovation is one of the significant elements for Retailer's survival. They should pick the right software, Customer Relationship Management methods. Online retailers must pick cautiously who to work with.

6. Internet Connectivity is Low

In developing country like India, Internet speed is quite less as compare to developed countries like America, France, and UK etc. All things considered, the nation is a little part of what different nations are getting. Besides, the quality issues of the network are low in different districts. But now issues are gradually vanishing. In the following not many years, the availability issues will vanish from the rundown of difficulties to ecommerce in India.

VI) CURRENT MARKET SHARE AND POTENTIAL OF THIS EMERGING SECTOR

User base of internet in India is approximately 475 million in July 2018 which constitute about 40 percent of Indian population. It is expected that this number will grow and expected to touch the figure of 627 million by the end of year 2019.

Inspite of the fact that India is 2nd largest in case of number of user base across world but still e-commerce penetration is very low on comparing with the market of France or USA.

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Approximately about 6 million new users are adding to user base every month.

TOP 5 E-COMMERCE WEBSITES OF INDIA:

- MYNTRA (mytra.com)
- SNAPDEAL (snapdeal.com)
- JABONG (jabong.com)
- AMAZON (amazon.in)
- FLIPCART (flipcart.com)

CONCLUSION

- Internet makes it feasible for companies everywhere to compete in global markets. Competition in an industry is greatly intensified by new e-commerce strategic initiatives of existing rivals and by entry of new, enterprising e-commerce rivals.

- The study concluded that in the era of digitalization, in order to survive organisations has to work on their electronic platforms in order to connect with their customers, world as the whole. According to the study busy lifestyle, high disposable income, awareness of products, rising computer educational level and increased usage of internet are the main reasons for increasing inclination of consumer towards e-commerce platforms.
- The study revealed that the major challenges which any business organisation or marketer may faces in their way to implement e-commerce are searching the right products for sale, attract and retain, COD as mode of payment, sustaining the perfect possibilities, selecting good technology and partners and internet connectivity is low.

- Change is something that affects all business and therefore all business managers must prepare their strategies according to modern environment as in the e-commerce landscape, industry is evolving continuously even we can say every day.

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