A CASE STUDY

Evaluation of E-commerce success in India

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ABSTRACT

E-commerce has introduces yet another revolution in the field of buying and selling of product and services. E-commerce refers to electronic commerce which pertains to trading in goods and services through electronic medium. India is witnessing a tremendous growth in ecommerce because of low cost of pc, greater awareness in internet and positive attitude of businesses towards application of E-commerce technique.

KEY WORDS : Evaluation, E-commerce, Internet, Application

As a symbol of globalisation in many ways its leading feature is E-commerce represent the cutting age of success in this digital era. The computerisation of society has resulted in major political, social and economic transactions. Computerisation of industrial societies has offered an assurance of growth and prosperity for all individual owing to the many advantages it implies. Information technology and the internet had a dramatic effect on business operations. E-commerce stands for electronic commerce and pertains to trading in goods and services through electronic medium.

E-commerce is definitely one of the business options that one will have to explore. Electronic commerce is said to bring about a paradigm shift in the world of trading. Predictions of virtual shopping malls and how you would never step out of your home to buy or sell anything thanks to application of E-commerce which changes transaction of business dramatically. This wave of emerging technology *i.e.* E-commerce will affect every facet of business from traditional business transaction to electronic business transactions.

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Electronic commerce involves buying and selling of goods and services over the world wide web.

Origin of research problem :

Information technology and the internet had a direct impact on business operations. Organisations are making huge investments on E-commerce and its applications but are hard to press to evaluate the success of their E-commerce system. Business managers have recognised now the need to assess the payoffs and returns of E-commerce investments, yet they are less able to assess the effectiveness of their E-commerce applications. Given the investment in terms of time, money and growing demand of application of E-commerce in industries, a strong focus is needed on measuring the success of E-commerce in Indian industries.

International status :

International data corp (IDC) estimates the value of global E-commerce in 2000 at US$350.38 billion. This is projected to climb to as high as US$3.14 trillion by 2004. IDC also predicts an increase in Asia's percentage share in worldwide E-commerce revenue from 5 per cent in 2000 to 10 per cent in 2004 Asia-Pacific E-commerce revenues are projected to increase from $76.8 billion at year-end of 2001 to $338.5 billion by the end of 2004, and forecast growth of more than 38 per cent increased in the coming year 2013-

2014.

National status :

India is showing tremendous growth in the field of E-commerce. Rival tradeindia.com has 7,00,000 registered buyers with the growth rate of 38 per cent every year which mostly likely to double in 2014. India mart.com claims revenue of Rs. 38 crores with a growing rate of almost 50 per cent every year. Undoubtedly, with the middle class of 288 million people, online shopping shows unlimited potential in India. The real estate cost is touching the sky. The travel portals share in the online business contributes to 50 per cent of Rs. 4000 crores online market in 2013-14. The travel portal make Mytrip.com has attained Rs. 1000

corers of turnover which are around 20 per cent of total E-commerce market in India.

Interdisciplinary relevance :

E-commerce in India is not bind itself to a one particular area. Certainly it has an interdisciplinary relevance in all walks of life. E-commerce is specially designed for customer utmost satisfaction and services with lesser buying efforts. Hence, E-commerce certainly possesses interdisciplinary approach.

Review of literature :

During the year 2000-2001 two major Industry association produced separate report on E-commerce in India. One was prepared by national committee on E-commerce set up by

Sr. .No.	Site name	Nature of business
	Table 1 : Top 20 E-commerce companies in India	
1.	infibeam.com	Sells almost everything online like books, mobiles, gifts, computers, games, watches, movies, electronics, home and lifestyle.
2.	e-bay	E-bay india is one of the largest online marketing sites that offer diverse products.
3.	Flipkart.com	On flipkart you can buy products of various categories such as music, games, cameras, computers, personal and healthcare products, home appliances and electronics.
4.	Myntra.com	It is a leading online fashion store in India where you can find fashionable and trendy clothes for men, women and kids.
5.	Rediff shopping	The rediff product catalogue contains more than 100,000 products. They have some of the best online deals.
6.	Yebhi.com	This online e-commerce website is the baby of big shoe bazaar India Pvt Ltd. They added many other products such as accessories, apparels, bags, mobiles and jewellery in the product list.
7.	Snapdeal.com	Get discounted deals on almost every product on this India's fastest growing E-commerce website.
8.	inkfruit.com	Buy apparels for guys and girls, accessories and footwear on this E-commerce website on this Asia's largest E-commerce website.
9.	fashionandyou.com	It is an invitation only online website that showcases best Indian and international designer brands for men, women, children and your home.
10.	20North.com	This website offers variety of products like electronics, books, music, movies, and car accessories.
11.	99labels.com	This site offers many fashion and luxury brands at good prices.
12.	Dealsandyou.com	This site offers various kinds of deals be it holidays ,shirts etc.
13.	Indian gifts portal	This is known for providing gifts for various occasions like birthdays, anniversary, wedding, bhai dooj, diwali and many more .also flowers, cakes ,chocolates and many more things are offered by this site.
14.	Magazine Mall	This company specifically deals in magazines and one can get magazines of different and unique categories like gardening/house keeping, lifestyle, fashion, luxury, current affairs and many more.
15.	Bindaas bargain	Here new deal comes everyday at 10 am and it is India's first one deal a day online shopping site.
16.	Buytheprice.com	The site offers mobiles, computers, cameras, home appliances, life style, audio and video and much more variety of products are available under each category.
17.	Perfume2order	It has categories like perfumes for men, perfumes for women, deodorants and deo stick, perfume gift set, designer wallet and belts, flowers, handbags and clutches, sunglasses and many more things.
18.	Timtara.com	It offers many products under each category. For example, computer category has products like antivirus, blank CD/DVD, e-pad, hard drives, headphones, keyboard, laptops and notebooks, memory cards, mouse and much more.
19.	Caratlane.com	This site offers various kinds of products and that too at one place. Mobile, its accessories, books, camera and laptop accessories and many more things are available on this site .one can find deals for home appliances also that are available at affordable prices. Check this site.
20.	Naaptol	The site offers products like mobiles, cameras, laptops, jewellery, gifts and what not. Check this site.

Table 2 : Parameters to measure E-commerce success

Process	Metrics
Corporate strategy	Competitive position within industry
	Cost, development time, delivery time, quantity, price and channels of products offered
	Number, complexity and size of competitors, customers, partners, and suppliers
	financial resources available
Corporate structure	Number of Strategic Business Units (SBUs)
	Geographic diversity of production and sales
	Level of empowerment to SBU and functional managers
Corporate systems	Customer and employee satisfaction and retention rate
	Product and process quality scores
	Investment in training
Resources	finance available for E-commerce investment
	Skills assessment of existing employees
	Quality assessment of current technology and processes
Leadership	Time dedicated to E-commerce
	Budget percent allocated to E-commerce initiatives
	Performance percentage linked to E-commerce success
	Objectives for E-commerce initiatives clearly communicated to senior managers and employees
	Percent of senior managers who are "E-commerce literate"
Create and execute appropriate E-commerce strategies	Number, cost, price and perception of products and services offered online
	Availability and planning for E-commerce security features
	Perception of online brand
	Amount and quality of information available on the site
	Quality levels, delivery options, fulfilment rates and customer satisfaction of orders placed online
	Profitability of E-commerce operations
	Quality of E-commerce Web site
Develop and implement appropriate E-commerce systems	Number and quality of employee E-commerce skills and knowledge
	Amount and quality of E-commerce training
	Percentage of performance measures and rewards aligned and linked to E-commerce activities
	Amount and quality of customer data acquired through E-commerce systems
	Time required to fill customer orders and service requests made through E-commerce
	Level of intradepartmental integration by electronic means
	Quality of E-commerce sales and delivery performance
Outputs	**Metrics**
Channel optimization	rupees value of activities completed through E-commerce sites
	Site traffic (number of visits) and functionality of Web site (click-through rate, stickiness)
	Amount of Web site downtime
	Partner and supplier satisfaction levels
	Improvement in cross-selling
Cost savings	Amount saved in employee expenses, product and material acquisition, data storage, processing, and communication
	Amount saved in new product development and introduction
	Spending saved on customer acquisition and service (online and non-online)
	Labour costs per unit sold
Customer acquisition	New customers gained through E-commerce
	Percentage of customers using E-commerce exclusively
	Percentage of visitors to E-commerce Web site who are visitors versus those who are buyers (reach)
	Number of new customers in other channels informed through Web site
	New unique visitors who convert into customers (conversion rate)
Outcome	**Metrics**
Long-term corporate profitability	Stock price
	Income growth
	Sales growth

confederation of Indian Industry (CII), while the other was commissioned by NASSCOM prepared by Boston consulting group. Both the reports were optimistic about the growth of E-commerce in India. The Confederation of Indian Industry (CII) report estimate the volume of E-commerce expected to grow to Rs.700 billion in 2009.

Amul a milk co-operative is successfully using E-commerce to deepen its brand loyalty. Likewise corporate in the automotive sector are improving their customer relationships through this medium. Some of the new names that are rediscovering E-commerce through new portals at relatively low capital cost, without venture capital funding. The low cost of the PC and growing use of internet has shown the tremendous growth of E-commerce in India. E-commerce report released by Internet and Mobile Association of India (IAMAI) and IMRB International the total online transaction in India was 7080 crores and expected to grow 30 per cent to touch 9210 crores.

According to McKinsey Nasscom report E-commerce transaction in India are expected to reach 150billion by 2011. Although, as compared to western countries India is still in its initial stage of development. E-marketers forecast that online sales will more than double by reaching 278.7 billions in 2012. Market share is rapidly moving towards China, Australia and India.
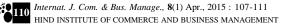
Significance of the study :

The electronic market place participants are not limited only to digital product company's e.g. publishing, software and information industries. The digital age and the digital revolution affect all by virtue of their process innovations. Web-TV and digital television is going to affect TV news and entertainment programmes. Changes in telecommunication will affect the way the information is received, product announcement, orders etc. Phones fax machines, copiers; PCs Printers have become essential ingredients in doing business, so are E-mail, websites and integrated digital communications and computing. Electronic commerce mainly focuses on the customer's satisfaction in all respect with lesser buying stress.

Objectives :
   – To assess the present status of E-commerce in India.
   – To explore realistically the existing success measuring component.
   – To study the success rate of E-commerce model before and after its application in companies.

METHODOLOGY

The study has been conducted in the top Indian companies doing their E-commerce operations in India. For the research study purpose top 20 companies were selected as a sample and appraised on the basis of different parameters. E-commerce companies in India offers the most tangible and finest E-commerce solutions, provide high end E-commerce solution taking utmost care of the privacy and security of the E-commerce website. E-commerce service includes shopping carts, database programmers, graphic design services, graphics, E-business, Flash designs etc.

ANALYSIS AND DISCUSSION

In recent past India is showing tremendous growth in the field of E-commerce. As a symbol of globalisation in many ways its leading feature is E-Commerce represent the cutting age of success in this digital era. The computerisation of society has resulted in major political, social and economic transactions. Rival tradeindia.com has witnessed more than seven lack online registered buyers with the rapid continuous growth rate of 40 % every year which most likely to double in 2014 and 2015. India mart.com claims revenue of Rs. 38 crores with a growing rate of almost 60 % every year. Undoubtedly, with the middle class of 300 million people, online shopping shows unlimited potential in India. The travel portals share in the online business contributes to 50% of Rs. 4000 crores online market in 2014-15. The travel portal make Mytrip.com has attained Rs 1000 Corers of turnover which are around 20% of total E-Commerce market in India.

Companies like Flipkart.com, Amazon.com, and Naaptol.com are the major players in online ecommerce trading enjoy rapid increase number of online buyers every year with almost 50% of increased profit every year. So many upcoming brand leaders entering into the market for better prosperity. So the main motive of Electronic commerce is on the customer's satisfaction in all respect with lesser buying stress.

Conclusion:

A developing country can become industrialised and modernised if and only if when extensively IT techniques will be utilised to enhance productivity and international competitiveness. It is the need of hour to develop e-commerce and e-governance applications. The role of government also plays a crucial role in developing and providing legal framework for e-commerce, privacy, prevention of fraud, and consumer protection for better nurturing of e-commerce consumers.

Suggestion:

After independence and emergence globalization India witnessed tremendous growth in the field of E-commerce. For strengthening and deepening the root of Electronic commerce in India online trading framework and structure should be designed in such a manner which will protects the legal rights of the consumer in all respect. Only buying and selling will

not solve the varied problem of consumer. So in this regard cash on delivery will be the better option so that consumer will pay the amount only after analysing the product satisfaction and utility.

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