IJCRT.ORG ISSN : 2320-2882

INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)
An International Open Access, Peer-reviewed, Refereed Journal

A Study on Consumer Satisfaction towards E-Commerce Business

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Abstract

The drivers for electronic commerce are both technological (under the tremendous pressure of innovation) and business oriented. This paper will highlight some guidelines for companies who are entering into E-commerce to create an E-commerce strategy or who already have an E-commerce presence to revise their existing strategy. E-Commerce is now seen as a reality for many businesses and a normal part of a business plan. The immediate benefits, in terms of cost savings, efficiencies and enhanced profitability are clear at every stage in the supply chain. Adopting e-business is no longer a competitive advantage, but a normal business process, without which an enterprise is unlikely to survive in the new economy. Year 2000 saw many Dot-com companies built up and many companies going into E-commerce however now it is a different story, more and more companies are failing, and investors are becoming cautious to invest money into Internet ventures. There is more cash needed then was expected. Some of them had to get on the bandwagon as everybody else were and didn't want to be left behind, and now that the bubble has burst they are facing the consequences. This paper will aim to help companies to realize what they need to follow to have a successful business if they plan well and have a good strategy.

This paper also identifies that implementing an E-commerce strategy is neither straightforward nor cheap, for example it comprises a complete rethink of traditional modes of behavior, the need and importance to involve internal staff and external suppliers and customers right from the conceptual stage, need to re-evaluate company's core competences, and requires substantial investment in IT. Executives of successful E-commerce companies need to be strategic thinkers focusing on customers, markets, and competitive positioning, as well as on internal operations. Determination of a suitable E-commerce strategy begins with identification of the opportunities and risks. The task of tracking the changing environments, understanding customer groups, requires formulating strategies and planning their implementation.

Keywords: Business Plan, Executives, Formulating Strategies, Implementation

Introduction

Electronic commerce (ecommerce) refers to companies and individuals that buy and sell goods and services over the Internet. Ecommerce operates in different types of market segments and can be conducted over computers, tablets, smartphones, and other smart devices. Nearly every imaginable product and service is available through ecommerce transactions, including books, music, plane tickets, and financial services such as stock investing and online banking. As such, it is considered a very disruptive technology.

- Ecommerce is the buying and selling of goods and services over the Internet.
- It is conducted over computers, tablets, smartphones, and other smart devices.
- Almost anything can be purchased through ecommerce today; for this reason, ecommerce is often highly competitive.
- It can be a substitute for brick-and-mortar stores, though some businesses choose to maintain both.
- Ecommerce operates in several market segments including business-to-business, business-to-consumer, consumer-to-consumer, and consumer-to-business.

Objectives

- ➢ To study the awareness and usage of online shopping.
- ➢ To improve customer service and interaction towards E-commerce Business.

Review of Literature

- ➢ **Deborah Libu Paris** (2016) E-Commerce implementation is a crucial process for organization to make it successful and beneficial. As a consequence, intensive research works in the area of e-Commerce implementation from a diverse range of views and findings have been studied by many researchers. However, the aspect of Business-to-Customer (B2C) e-Commerce implementation has yet been undertaken in an understandable manner in the context of a full life cycle of information systems development. This paper provides a systematic literature review of existing research studies on e-Commerce implementation to discover the extent focus of work based on theme in the implementation phases: pre-implementation, during implementation and post implementation. Sixty five (65) selected primary research studies have been analysed on the basis of implementation phase theme, research approach and research area. The results show that majority papers discussed B2C e-Commerce in the pre-implementation phase (49%) and applied quantitative approach (63%) as the most popular research method. Two other implementation phases namely during implementation phase and post implementation phase has not been sufficiently addressed in the existing literature. Furthermore, existing literature have significantly addressed factors related to e-Commerce implementation but were not mapped to the appropriate implementation phases. These factors list remains on surface without clear direction in which e-Commerce implementation process is crucial for organizations. Thus, through a systematic literature review this study suggests that more research is needed for understanding the complex process of e-Commerce implementation in a more holistic manner. In addition, there is a need for study to screen these factors to a particular and more accurately “map” in the process of e-Commerce implementation.

- **Andreas Risberg (2022)** E-Commerce is the fastest-growing sales channel, while omni-channel retailing is becoming the new retailing standard. Omni-channel logistics is an essential complex aspect of omni-channel retailing, especially considering the increased consumer demand for seamless shopping experiences. This systematic literature review aims to synthesize the contemporary e-commerce logistics literature and to develop a logistics decision framework. This review shows how the focus of e-commerce logistics literature has evolved to multi-channel logistics, and lately to omni-channel logistics. The recent boom in omni-channel logistics publications highlights the importance of logistics in omni-channel retailing with increased complexity and a myriad of logistics design options. An omni-channel logistics decision framework covering 43 decision elements within supply and internal distribution, last mile consumer steering, last mile back-end fulfilment, last mile delivery, and reverse logistics is created by synthesizing 373 articles. This review identifies research opportunities and encourages researchers to complement existing narrower studies with broader empirical studies focusing on the elements' interplay, and configuration studies associated with firm performance. The framework and future research avenues support retail executives in designing logistics, in decision-making and in developing strategies.

Understanding Ecommerce

E-Commerce is the process of buying and selling tangible products and services online. It involves more than one party along with the exchange of data or currency to process a transaction. It is part of the greater industry that is known as electronic business (ebusiness), which involves all of the processes required to run a company online.Ecommerce has helped businesses (especially those with a narrow reach like small businesses) gain access to and establish a wider market presence by providing cheaper and more efficient distribution channels for their products or services. Target (TGT) supplemented its brick-and-mortar presence with an online store that allows customers to purchase everything from clothes and coffeemakers to toothpaste and action figures right from their homes. Providing goods and services isn't as easy as it may seem. It requires a lot of research about the products and services you wish to sell, the market, audience, competition, as well as expected business costs. Once that's determined, you need to come up with a name and set up a legal structure, such as a corporation. Next, set up an ecommerce site with a payment gateway. For instance, a small business owner who runs a dress shop can set up a website promoting their clothing and other related products online and allow customers to make payments with a credit card or through a payment processing service.

History of Ecommerce

Most of us have shopped online for something at some point, which means we've taken part in ecommerce. So it goes without saying that ecommerce is everywhere. But very few people may know that ecommerce has a history that goes back before the internet began. Ecommerce actually goes back to the 1960s when companies used an electronic system called the Electronic Data Interchange to facilitate the transfer of documents. It wasn't until 1994 that the very first transaction took place. This involved the sale of a CD between friends through an online retail website called Net Market.The industry has gone through so many changes since then, resulting in a great deal of evolution. Traditional brick-and-mortar retailers were forced to embrace new technology in order to stay afloat as companies like Alibaba, Amazon, eBay, and Etsy became household names. These companies created a virtual marketplace for goods and services that consumers can easily access. New technology continues to make it easier for people to do their online shopping. People can connect with businesses through smartphones and other devices and by downloading apps to make purchases. The introduction of free shipping, which reduces costs for consumers, has also helped increase the popularity of the ecommerce industry.

Advantages and Disadvantages of Ecommerce

Ecommerce offers consumers the following advantages:

- **Convenience**: Ecommerce can occur 24 hours a day, seven days a week. Although ecommerce may take a lot of work, it is still possible to generate sales as you sleep or earn revenue while you are away from your store.
- **Increased selection**: Many stores offer a wider array of products online than they carry in their brick-and-mortar counterparts. And many stores that solely exist online may offer consumers exclusive inventory that is unavailable elsewhere.
- **Potentially lower start-up cost:** Ecommerce companies may require a warehouse or manufacturing site, but they usually don't need a physical storefront. The cost to operate digitally is often less expensive than needing to pay rent, insurance, building maintenance, and property taxes.
- **International sales:** As long as an ecommerce store can ship to the customer, an ecommerce company can sell to anyone in the world and isn't limited by physical geography.
- **Easier to retarget customers:** as customers browse a digital storefront, it is easier to entice their attention towards placed advertisements, directed marketing campaigns, or pop-ups specifically aimed at a purpose.

But there are certain drawbacks that come with ecommerce sites, too. The disadvantages include:

- **Limited customer service**: If you shop online for a computer, you cannot simply ask an employee to demonstrate a particular model's features in person. And although some websites let you chat online with a staff member, this is not a typical practice.
- **Lack of instant gratification**: When you buy an item online, you must wait for it to be shipped to your home or office. However, e-tailers like Amazon make the waiting game a little bit less painful by offering same-day delivery as a premium option for select products.
- **Inability to touch products**: Online images do not necessarily convey the whole story about an item, and so ecommerce purchases can be unsatisfying when the products received do not match consumer expectations. Case in point: an item of clothing may be made from shoddier fabric than its online image indicates.
- **Reliance on technology:** If your website crashes, garners an overwhelming amount of traffic, or must be temporarily taken down for any reason, your business is effectively closed until the ecommerce storefront is back.
- **Higher competition:** Although the low barrier to entry regarding low cost is an advantage, this means other competitors can easily enter the market. Ecommerce companies must have mindful

marketing strategies and remain diligent on SEO optimization to ensure they maintain a digital presence.

Ecommerce Businesses

Pros

- Convenient for owners as revenue may be generated semi-passively
- Convenient for consumers looking to easily browse for specific products
- Greater earning potential due to no limitations on physical location (can sell to anyone as long you can ship there)
- Reduced costs assuming digital presence costs less than building, insurance, taxes, and repairs.
- Greater marketing control including data extraction from customers, targeted ads, and pop-up placement

Cons

- Limited customer service opportunities as there is little to no face-to-face opportunities
- Lacks instant gratification as customers must believe in a product before seeing it in person
- Products can't been seen or handled until delivered (can't try before they buy)
- Risk of a down website causing lost revenue or income.
- High reliance on shipping constraints which may be out of your control
- Higher competition due to lower barriers of entry and greater customer potential

Types of Ecommerce

Depending on the goods, services, and organization of an ecommerce company, the business can opt to operate several different ways. Here are several of the popular business models.

Business to Consumer (B2C)

B2C ecommerce companies sell directly to the product end-user. Instead of distributing goods to an intermediary, a B2C company performs transactions with the consumer that will ultimately use the good. This type of business model may be used to sell products (i.e. your local sporting goods store's website) or services (i.e. a lawncare mobile app to reserve landscaping services). This is the most common business model and is likely the concept most people think about when they hear ecommerce.

Business to Business (B2B)

Similar to B2C, an ecommerce business can directly sell goods to a user. However, instead of being a consumer, that user may be another company. B2B transactions are often entail larger quantities, greater specifications, and longer lead times. The company placing the order may also have a need to set recurring goods if the purchase is for recurring manufacturing processes.

Business to Government (B2G)

Some entities specialize as government contractors providing goods or services to agencies or administrations. Similar to a B2B relationship, the business produces items of value and remits those items to an entity. B2G ecommerce companies must often meet government requests for proposal requirements, solicit bids for projects, and meet very specific product or service criteria. In addition, there may be joint government endeavors to solicit a single contract through a government-wide acquisition contract.

Consumer to Consumer (C2C)

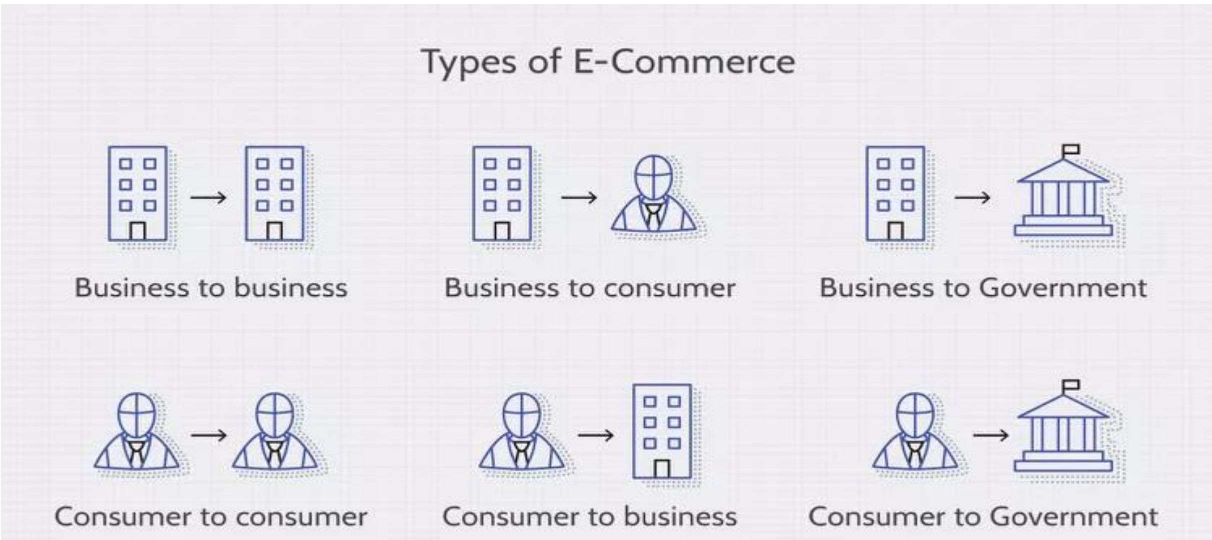
Established companies are the only entities that can sell things. Ecommerce platforms such as digital marketplaces connect consumers with other consumers who can list their own products and execute their own sales. These C2C platforms may be auction-style listings (i.e. eBay auctions) or may warrant further discussion regarding the item or service being provided (i.e. Craigslist postings). Enabled by technology, C2C ecommerce platforms empower consumers to both buy and sell without the need of companies.

Consumer to Business (C2B)

Modern platforms have allowed consumers to more easily engage with companies and offer their services, especially related to short-term contracts, gigs, or freelance opportunities. For example, consider listings on Upwork. A consumer may solicit bids or interact with companies that need particular jobs done. In this way, the ecommerce platform connects businessess with freelancers to enable consumers greater power to achieve pricing, scheduling, and employment demands.

Consumer to Government (C2G)

Less of a traditional ecommerce relationship, consumers can interact with administrations, agencies, or governments through C2G partnerships. These partnerships are often not in the exchange of service but rather the transaction of obligation. For example, uploading your Federal tax return to the IRS digital website is an ecommerce transaction regarding an exchange of information. Alternatively, you may pay your tuition to your university online or remit property tax assessments to your county assessor.



Types of Ecommerce Revenue Models

In addition to crafting what type of ecommerce company a business wants to be, the business must decide how it wants to make money. Due to the unique nature of ecommerce, the business has a few options on how it wants to process orders, carry inventory, and ship products.

Drop Shipping

Often considered one of the easier forms of ecommerce, drop shipping allows a company to create a digital storefront, generate sales, then rely on a supplier to provide the good. When generating the sale, the ecommerce company collects payment via credit card, PayPal, cryptocurrency, or other means of digital currency. Then, the ecommerce store passes the order to the dropship supplier. This supplier manages inventory, oversees the warehouse of goods, packages the goods, and delivers the product to the purchaser.

White Labeling

White label ecommerce companies leverage already successful products sold by another company. After a customer places an order, the ecommerce company receives the existing product, repackages the product with their own package and label, and distributes the product to the customer. Although the ecommerce company has little to no say in the product they receive, the company usually faces little to no in-house manufacturing constraints.

Wholesaling

A more capital-intensive approach to ecommerce, wholesaling entails maintaining quantities of inventory, keeping track of customer orders, maintaining customer shipping information, and typically having ownership of the warehouse space to house products. Wholesalers may charge bulk pricing to retailers or unit prices for consumers. However, the broad approach to wholesaling is to connect to buyers of large quantities or many smaller buyers of a similar, standardized product.

Private Labeling

Private labeling is a more appropriate ecommerce approach for companies that may not have large upfront capital or do not have their own factory space to manufacture goods. Private label ecommerce companies send plans to a contracted manufacturer who makes the product. The manufacturer may also have the ability to ship directly to a customer or ship directly to the company receiving the order. This method of ecommerce is best suited for companies that may receive on-demand orders with short turnaround time but are unable to handle the capital expenditure requirements.

Subscription

Ecommerce companies can also leverage repeating orders or loyal customers by implementing subscription services. For a fixed price, the ecommerce company will assemble a package, introduce new products, and incentivize locking to a long-term agreement at a lower monthly price. The consumer only places an order once and receives their subscription order at a fixed cadence. Common subscription ecommerce products include meal prep services, agriculture boxes, fashion boxes, or health and grooming products.

Conclusion

E-commerce still represents one of the business methods that take advantage if done the right way, even if the stock market and commodities fell, but E-Commerce still able to survive and receive high transaction. E-commerce has a tremendous opportunity in the course of or business in Malaysia. In addition, it is also to introducing new techniques and styles in a transaction. Use the extensive E-Commerce in the Internet world is actually much better to bring the goodness of the individual or the state. E-Commerce has undeniably become an important part of our society. The successful companies of the future will be those that take E-Commerce seriously, dedicating sufficient resources to its development. E-Commerce is not an IT issue but a whole business undertaking. Companies that use it as a reason for completely re-designing their business processes are likely to reap the greatest benefits. Moreover, E-Commerce is a helpful technology that gives the consumer access to business and companies all over the world.

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