

A STUDY ON E-COMMERCE COMPANIES IN INDIA – A REVIEW

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Abstract

This paper is highlighting on the relationship between logistics and supply chain management in E-commerce companies. E-commerce does not just mean trading and shopping on the Internet. It means business efficiency at all operation levels. Executives know it is critical to effect business operations, but until now quantifiable performance measures have been as scarce as the number of corporate executives who heard of the phrase “supply chain management” (SCM). The results suggest that E-Commerce and E-SCM adoption has a significant, positive influence on business, which have significantly higher average sales growth rate, on-time order management and delivery process than non-adopters. The findings of this study can be useful for Companies in general as a means of understanding how E-Commerce and E-SCM adoption positively affects the firm’s performance.

Keywords; E-SCM, E-Commerce, Supply Chain Management, Logistics, TQM.

1. INTRODUCTION

Adoption of Logistics and E-Supply Chain Management (E-SCM) by Small and medium enterprises (SMEs) has developed a great performance in business process. The use of Internet allows rapid exchange of information and the availability of reliable data, easy access and co-ordination among Business-to-Business (B2B) and Business-to-Customer (B2C). E-Commerce is a process of sales, product & business information and services of various products over internet. It is the fastest growing slice of our economic, which follows from smaller business to reach to global trade with product or message by cost saving. The integration of information technology with suppliers, firms sees them as an option to reduce costs by means of cooperative work. On the other hand, service to the client is the most important attribute for success in the supply chain. Clients are considered as a part of this success when they interact with the firm in the development of products and processes according to their needs. E-Commerce expands the traditional supply chain processes by extending its capabilities for the betterment of SMEs. To compete successfully in the marketplace today and better serve the customer demands, it is imperious for SMEs to adopt enabled comprehensive supply chain processes. E-Commerce has been a major technological innovation for developed countries and is spreading increasingly to developing countries like India.

2. OBJECTIVES OF THE STUDY

This study has the following objectives:

- a. To analyse the logistics, Supply Chain Management in Commerce.
- b. To explore the trends of E-commerce in Logistics and Supply Chain Management.

3. NEED FOR E- SCM

Supply chain has been viewed as an inflexible series of events that somehow managed to get products out of the door. It often involved questionable inventory forecasts, rigid manufacturing plans and hypothetical shipping schedules. The Internet has changed all that. It has transformed the old-fashioned process into something closer to an -exact science. An Internet enabled supply chain helps e-companies to

- Avoid costly disasters
- Reduce administrative overhead
- Reduce unnecessary inventory (thereby increasing working capital)
- To make it a more efficient channel Eliminate obsolete business processes
- Reap cost-cutting and revenue-producing benefits Speed up production and responsiveness to consumers
- To gain higher profit margins on finished goods.
- Effective integration of an Organizations supply chain can save millions, improve customer service and reduce inventories.
- The key to getting optimum value out of automating the supply chain is to make sure that the internal systems are working well before extending it over the- Internet.

4. TRENDS OF E-COMMERCE IN LOGISTICS AND SUPPLY CHAIN MANAGEMENT

The e-commerce context is changing at a steady rate in both B2B and B2C, although it only represents 10% of all new leasing around the world, this percentage has doubled during the past three years, therefore companies have to anticipate strategies to manage these changes in their favour. Recognizing online presence as one of the biggest opportunity to expand and grow, many physical retailers have started to establish and increase their online presence. An e-commerce platform not only facilitates a transaction over the web, but it supports the creation and continuing development of an online relationship. The emerging trends of enabling e-commerce systems have been subject of discussion in recent years.

• **Social Networks:** Social media has shown to be an effective platform for customers to discuss and voice opinions about products and brands, as well as for business to communicate with customers (DHL, 2015). Social media plays an important role. There are four different segments where marketing channels fit along the customer path to purchase: awareness, consideration, intent, and decision. Despite not being a direct sales channel, social media can support e-commerce logistics and supply chains in the ways (O'Leary, 2012): L Category: Logistics and Supply Chain Management

Demand information: using the percentage of likes and dislikes from social media exchanges as a measure of interest of customers in a product, thus providing some potential insight into customer demand. Supplier choice: Data mining of media such as Linked-In can provide important data to help infer information about whether a company will continue in business.

Logistics: Information gathered over time about particular highways can help develop a better understanding of likely highway conditions. Effectively, intuition can be generated about routes and the likelihood of problems being encountered when moving goods over those routes.

5. INTEGRATED E-COMMERCE

The evolution of multiple shipping options allows retailers today more control over their ecommerce logistics and supply chains. Today's customers have the ability to purchase whatever, whenever, however, wherever and at the price they want, putting them in total control of the market. With social media, mobile and e-commerce on the rise, omni-channel fulfilment is becoming increasingly important for retailers. Companies in B2B and B2C commerce must be flexible and as Omni-present as possible in order to remain competitive in this shop-anytime-anywhere world. As seen today, this trend is starting to displace the traditional role of parcel operators. Now the e-commerce challenge has shifting to finding a way of synchronizing and standardizing the business processes to achieve real time access and insight of the inventory movement. As predicted, retailers in developed markets are experiencing to shift from multi-channel retail to omni-channel retail. Paradigm change in e-commerce is depicted in Figure 2. Omni-channel retailers are managing their channels in an integrated way that offers customers a seamless experience, however they choose to shop. With omni-channel, a retailer may fulfil orders from local stores rather than warehouses, ultimately blurring the distinction between the two e-fulfilment centers. With extensive number of sales channels, multiple warehouses, and dozens of suppliers, the risk of misplaced orders is much higher than ever before. In order to respond to this challenge, order fulfilment technologies have also helped integrate the front-end and back-end of online retail. Automated software and real-time fulfilment data transform the back-end process now in a collaborative effort. The alignment of important touch-points in the supply chain has reduced inefficiencies and has helped identify redundant processes. There are even robots that pick inventory and move it around the warehouse (Robinson, 2014).

6. E-COMMERCE LOGISTICS

In the context of logistics, e-commerce platforms can be termed e-commerce logistics platforms. E-commerce logistics is the use of web-based technologies to support the material acquisition, warehousing, and transportation processes. It enables distribution to couple routing optimization with inventory-tracking information. This platform is an inter-organizational system (IOS) that links transport users and TSPs together for the purpose of collaboration or trading. It enables online interactive transport exchanges in terms of transport supply and transport demand in order to match freight capacity with available shipments (Christiaanse, 2005; Kale et al., 2007; Wang et al., 2007). For example, internet-based

freight acquisitions enable spot buying of trucking capacity. TSPs offer virtual logistics services by integrating and optimizing distribution resources. A company may even consider collaboration with its competitors to improve its supply chain. Utilizing the web has largely reduced the complexity and cost of implementation and the integration of IOSs

Today, platform developers build web-based (e.g., www.timocom.com) as well as mobile-based (e.g., Timo Com transport barometer) applications, as communication tool in supply chain that run on Internet and on mobile, that are completely independent of the user's actual computer operating system. E-commerce platforms offer powerful online solutions for transport collaboration, where TSPs easily search online for freight or post any spare capacity in order to increase load factor for return trip. Similarly, transport users offer freight for transportation or search for suitable vehicles.

- **Platform Capability:** Development of an online platform includes creation and management of an online storefront, shopping cart management, PCI compliance, personalization transaction management, settlement and product visualization – enable organizations to build basic B2B or B2C online stores. Some specific capabilities in electronic communications are determined (Hajdul, 2014) that are essential for e-commerce platforms with the collaboration of transport users and TSPs: web-interfaces, event management / alerting functionality based on (re-)calculated routes/plans, reporting, transport/purchase order management at company level, monitoring of the performed task, digital map, route optimization, invoicing, fleet management, freight exchange, real-time monitoring of the performed tasks, transport/purchase order management at group of independent companies level, verification of business partners, coordination of transport orders and resources of independent companies, optimization of truck loading process, share of savings among group of cooperating companies, load tracking, deliveries, support of existing communication standards, settlement and reports. E-commerce platforms can also include personalization/ preference profiling, multichannel selling, site/product search, search engine optimization, customer community management or participation, integration with social media, and mobile stores.

7. CONCLUSION

With all the benefits associated with implementing e-business to facilitate supply chain management, one would think companies would jump at the chance to reap the benefits of e-business. There are many managerial -challenges associated with implementing e-business and its components. Implementing e-business can entail the use of considerable amount of capital resources. Capital -out lays and resources are made to cover the initial -investment, hardware and software requirements, salaries of information system specialists, and maintenance and up- dating costs of the system. These costs can be considerable and may deter some companies from implementing e-business. Today's customers expect orders to be filled much more quickly than in the past. Many distribution centers and warehouses, used to dealing with pallet-size orders, are not set up for dealing with a lot of single-item or

open-case shipping. Tips to bear in mind while evaluating e-SCM initiative Get Perspective: One should foresee the business as a whole including its current strategy and where it wants to go. Supply chain strategy is increasingly being integrated with overall corporate strategy. Don't Underestimate Learning Costs: The cost of training people to use new software should not be underestimated. Sending information around the world takes lesser time than it takes to get into someone's mind. Link to existing architectures: supply chain applications must link to existing enterprise resource planning applications. ERP serves as the nerve center of the organization. Ideally, it should be a single point of visibility for inventory and order taking.

8. REFERENCES

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