

## Measuring Effectiveness of E-Commerce System

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### ABSTRACT

This paper deals with the constraints of e – Commerce system and its growth with the reference of emergence, application and measuring of e-commerce. The rapid pace of growth of e-commerce industry is not only indicative of increase in receptiveness of public but has also brought to the fore issue that the legal system of country has been faced with.

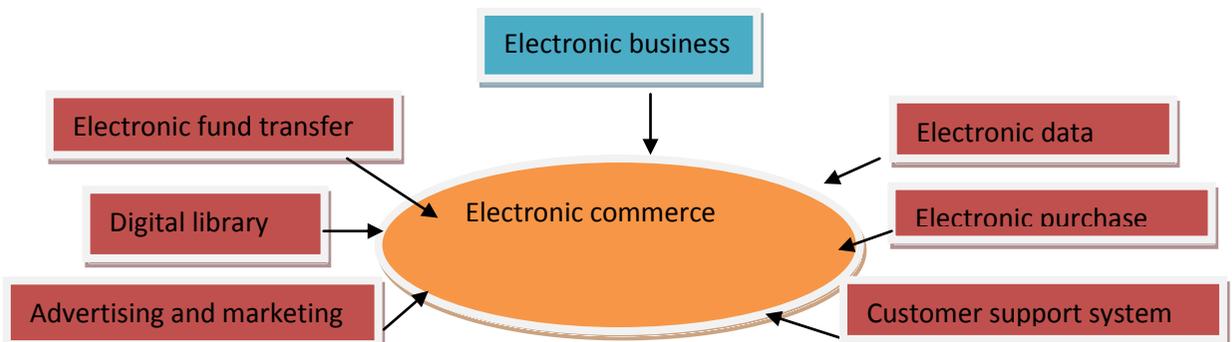
**Key words:** e- commerce system.

### Introduction:

First of all we learn about the E-commerce. World of Electronic commerce attempts to capture the enormous international impact of the recent explosion in information and communication technologies. The internet is one of the newest and many purpose best business communication channels. The biggest channel of marketing and biggest technology of purchase and sale of products. Internet is system of millions of interconnected networks that spans to the earth. "Electronic commerce means buying and selling of goods and service across the internet". Electronic commerce is about doing business online. Now a day's business

activities could be carried out with electronically with Electronic Data Interchange (EDI) and Electronic Fund Transfer (EFT). "McKnight"(2009) found from history of E-commerce that it dates back to the invention of the very old notion of "sell and buy", electricity, cables, computers, modems and the internet.

E-commerce covers everything from buying books and paying bills. All the activities are done by the internet. E-commerce is providing service online. Now a day's many company is proving service of E-commerce e.g. Amazon, Flip Kart, Quickr, Snap deal, Olx. E-commerce is electronic business.



## Emergence of E-commerce

History of e-commerce provides with a detailed explanation of the different important phases and stages through which Electronic Commerce has actually evolved. In 1991 Internet was opened to commercial use. Since that date thousands of businesses have taken up residence at web sites. The emergence of electronic commerce started in the early 1970s with the earliest example of electronic fund transfer (EFT) which allows organizations to transfer funds between one another electronically. The other technology electronic data interchange (EDI) was introduced. It helps to extend inter business transactions from financial institutions to other types of business transactions from financial institution to other types of business and also provides transaction and information exchanges from suppliers to the end customers. The growth and acceptance of credit cards, automated teller machines (ATM) and telephone banking was also the forms of e-commerce.

## E-commerce Applications

While studying the impacts of e-commerce applications specify that people usually buy the most popular categories of products sold in the World Wide Web are music, books, computers, office supplies and other consumer electronics. The scope of e-commerce is growing rapidly. Everyone wants to be on net whether it is primary or secondary sector.

The construction industry is becoming increasingly reliant on new electronic technology, ranging from project-specific web sites and online equipment auctioning to bid analysis software and other tools. The internet is the world's largest market. This sector plays a leading role in the economy of India and contributed to around 68.6 percent

of the overall average growth in GDP between 2006-07. The service sector constitutes a large part of the Indian economy both in terms of Service Industry comprise mainly the following sector:

- Banking and insurance
- Hotel and restaurant
- Transportation
- Trade
- Real Estate
- Other services including education, medical and health, legal service, recreation and entertainment services.

E-Commerce has given the products of goods and services the ability to market their goods to a global consumer base irrespective of the geographic location of their business. In e-commerce the marketer's website is the gateway through which customer visit to look for information about company and the products or services they sell. E-Commerce websites should be user-friendly and designed with the needs of the target audience in mind. E-Commerce has also benefited the consumers by providing a better choice, access to a greater volume of product information and competitive pricing at the click of a mouse. A small number of retail consumers and some corporate users in India have actively trying to expertise medium for transactional purpose. According to a survey, the overall percentage of Indian Internet users who bought something online in past few months has doubled over the last year. The widespread penetration and overall growth of the Internet is one of the major factors responsible for the growth of e-commerce activities in India.

Another factor, which has played a role in the growth of this segment, is the increased availability and adoption of broadband.

Rising awareness and acceptance of the concept of buying online, growing customer expectations and increasing market competition are all driving forces. Movie tickets, air tickets, train tickets etc can be booked by internet enabled mobile phones. Consumer to buy such services don't have to stand in long queue, they can easily get services at their door step within such a small time. In Gujarat there are websites where citizens log on and get access to the concerned government department on issues such as land, water and taxes. A very good example is of e-choupal started by ITC.

Now a days, every bank is providing e-banking through which every consumer can avail services like bill payment, fund transfer, credit card payment etc. They can also avail of birth/death registration certificates, passport applicants, PAN card application etc can be done online through e-Seva in different states.

### Measuring the effect of E-commerce

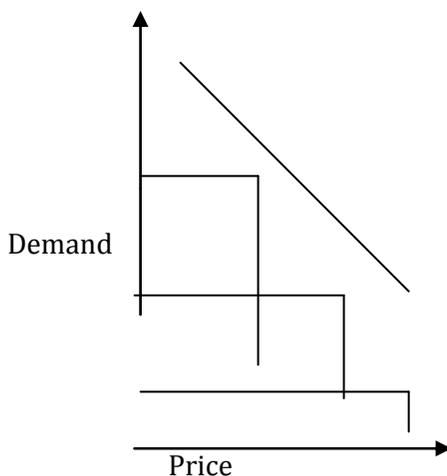
Measuring the effect of e-commerce by many ways to the point of Company, Consumer, Government, Cross country etc. We discussed each point in detail as below:

### (1) Company:-

#### Advantages

- Demand

Some benefit of E-commerce in the company that is company selling expenses reduces, company directly can sale products to the customer. Company promotes their product electronically with help of internet. It is totally beneficial for all customers. Company is not suffering from pre transaction cost, transaction cost, post transaction cost. Company gives their product with low cost (that is to say with low selling price) and customer get product with low cost. E-commerce has potential in developing countries. Company can increase the sale of the products by the use of e-commerce, because company make promotion of the product by the internet so, customers can see all the products of company and company can getting more customers with the help of internet. Now a day's more and more person use the internet, so company can make more customers by the use of E-commerce. It is totally low promotion cost for the company, so company can make more profit of selling their product by the use of internet. Demand increase by low cost of product (low selling price).



Experts project that more than one trillion dollars in business to business spending will pass through global digital markets in the next few years. This present both a significant opportunity and a challenge to all who plan to conduct businesses in the new economy. Effective business models in the new economy merge digital and physical transactions to form a seamless whole.

- Location-Based Marketing:

Earlier e-commerce is synonymous with PC and browser based interaction. However presently web enabled mobile phones and other handheld devices will become common for e-commerce applications. Commerce application will by then evolve to track the location of mobile consumer using GPRS service. The location information will then be used to guide the consumer to nearby stores. If the consumer request a service, say taxi, drivers in the vicinity can be altered.

## **(2) Customers:-**

E-commerce is totally beneficial to the customers because customers are getting product with low selling price so customers increase their demand in market. Customers satisfied with low price of product and service of E-commerce. When customers place orders, they receive intimation of ordered product with detail description and estimated delivery time. Customer gets regular intimation about their products which results in more customer satisfaction as product gets delivered at his door step without any damage. Company purchased these product from manufacturer in bulk which results in low selling price so customer's demand increases.

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in the World Wide Web are music, books, computers, office supplies and other consumer electronics. The scope of e-commerce is growing rapidly.

- **Consumer preferences and interests:**

Even though the Internet makes it possible to search a very large collection of items, searches require effort and consumers stop their search before reaching the optimal selection. Data mining techniques applied to past histories and browsing patterns will allow e-Commerce system to learn the preferences and interests of consumers. E-Commerce sites will thus show advertisements and sales promotions relevant or applicable to a particular customer.

- Category management:

Technology is now available that can allow the communities to vote for the merchandise that is popular. For example the web site could offer polls and other voting functions where customers specify the products they are interested in purchasing. In addition the sales information could help in estimating relative ranking and predicting future demand of the products.

- Customer Services:

Every company is now worried to provide customer service as a part of their online sales experience. For this a number of online retailers have now established discussion groups around various topics related to various products categories. Taking this one step further discussion groups can be setup to resolve customer issues. Product experts with in the communities will be able to help new product owners in resolving their issues or answering their questions. This model will not only help reduce customer service costs,

but will also build "stickiness" and a sense of belongingness to the product and the company.

### Disadvantages of E-commerce:

#### 1. Company:

There are some disadvantages of E-commerce by view point of Company

- Internet Speed
- Understanding the ebusiness infrastructure
- Developing an effective team
- Forming strategic alliance
- Designing content strategies
- Taking business global building value into the supply chain
- Developing a sustainable, profitable business model
- Credit card laws

#### 2. Customer:

There are some disadvantages of e-commerce to the customers which are as follows:

- Service area
- Frequent changes in price of a particular product
- Goods may be damaged in-transit

#### 3. Government:

Research show classic examples of existing commerce activities such as reservation for air and train or hotel booking that have moved online to take advantage of reduced cost and increased reach.

Government levies two types of taxes on e-commerce that can be classified as Direct and indirect taxes. Direct taxes include characterization of income, Transfer Pricing

Framework etc and indirect taxes include Service Tax, Sales Tax, Customs Duty, Central Excise duty, Value Added Tax (VAT).

### Conclusion:

The rapid pace of growth of e-commerce industry is not only indicative of increase in receptiveness of public but has also brought to the fore issue that the legal system of country has been faced with.

The internet is now a flourishing industry. With the technology advancing at a fast rate more and more people are open to computer and net. Here e-commerce website take front seat moving out to the million of people but some disadvantages is that minor people (children) misused. E-commerce is to make the economy grow at a higher pace but there are certain flaws also such as: growing attrition rate of employees in an organization, taxation problem, privacy issue but advantages cover all the cons as these are: Global availability, low cost, better and quicker business services, information sharing, customization.

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**A wise man gets more use from his enemies than a fool from his friends.**

~ Baltasar Gracian