Impact of E-Commerce on Branded Products

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Abstract— Electronic Commerce (e-commerce) is a process of doing strategic business through computer networks in which a person sitting on a chair having his computer in front can access all of the facilities provided to him of the Internet to buy or sell the products e-commerce. Traditional commerce which is been carried out with an effort of a person to go and gather products, ecommerce has made it convenient and easier for people to surpass physical work and save time. E-Commerce was started in early 1990's has played a vital role in the world of computers, besides the fact that has hindered the growth of e-commerce business is security. Security is the challenge which is e-commerce facing today and besides that there is still a lot of advancement made or required in the field of security. One of the main advantages of e-commerce over traditional commerce is that the user can browse online shops, compare prices of products with each other and order merchandised sitting at home on their computer. India being a country has an internet user base of near about 354 million as of June 2015. India despite being the second largest internet user base in the world, behind China(650 million, 48% of population), the penetration of e-commerce is less as compared to markets like the United states or France, but is rising or growing at an unexpected rate, adding near about 6 million new users every month. In India, cash on delivery is the most preferred method in terms of payment accumulating 75% of the e-retail activities around. Biggest e-commerce companies present in India are Flipkart, Snapdeal, Amazon India, and Paytm

Key words: E-Commerce, Flipkart

I. INTRODUCTION

Electronic commerce (EC) is one of the fastest growing areas in the global economy. It provides consumers the benefits of anytime, anywhere transactions, with the best lower cost possible. Therefore it shortens the distance between the buyer and the seller by shrinking the world into a small village for existence. A major reason for most of the companies, irrespective of its size, to participate or indulge in business is to draw out some benefit out of it. Consumers nowadays have started relying on e-commerce, keeping in mind how they make the actual purchase via bricks, clicks or mix. E-commerce is no different. In a research, one of the researchers pointed more than ten e-commerce benefits or advantages for both and seller. Such as speed in selling and purchasing and cost savings, exposure to the new customers in the market, better quality of product/service.It is process of doing business strategy through computer networks. A person sitting on a chair having his computer in front can access all the facilities of the Internet to buy or sell the products through e-commerce marketing.Evidently development of information technology and computer user base enhanced the usage of e-commerce and improved the use of SCM i.e. supply chain management in an efficient way. SCM focuses on the planning system in an integrated way. All transactions in SCM are done in a specific place called Business-to Business or B2B electronic marketplaces or e-marketplaces.

E-marketplaces are one of the most uncombed heralded developments in recent years. These are the marketplaces that bring together business buying and selling goods and services in an online buying user base or community. E-marketplaces propose to bring up the efficiency and effectiveness of the activities by replacing traditional manually traded processes with electronic automated procedures and by increasing the number of trading partners available (Chong, Koch 2003, Woollaston, Shafaghi, and Lui, 2010). According to the all above mentioned, the main aim and purpose of this study done so far is to investigate the relationship among benefits of the e-commerce, supply chain management (SCM) and e-marketplace usage. E- COMMERCE IN INDIAThe rapid growth of e-commerce business in India is being driven by greater customer choice and improved satisfying wants. Having a strong model with a first class level of service of goods and services is more critical to some point of success. In this study before these aspects are discussed, it is important for us to give a look and understand the attributes which further define e-commerce business scope in India. India being a country has an internet user base of near about 354 million as of June 2015. India despite being the second largest internet user base in world, behind China (650 million, 48% of population), the penetration of e-commerce is less as compared to markets like the United States or France, but is rising or growing at an unexpected rate, adding near about 6 million new users every month. In India, cash on delivery is the most preferred method in terms of payment with accumulating 75% of the e-retail activities around.Biggest e-commerce companies present in India in accordance to their founder are as following:Flipkart- Founded in 2007, Flipkart is a private company founded by Sachin Bansal and Binny Bansal. Its headquarters is in Bangalore.Snapdeal -Founded in 2010, Snapdeal is a private company founded by Kunal Bahl and Rohit Bansal. Its head quarters is in new dehli.

– Amazon India

Founded in 1994, Amazon is a private company founded by Jeff Bezos. Its Headquarters is in Seattle, Washington, US.
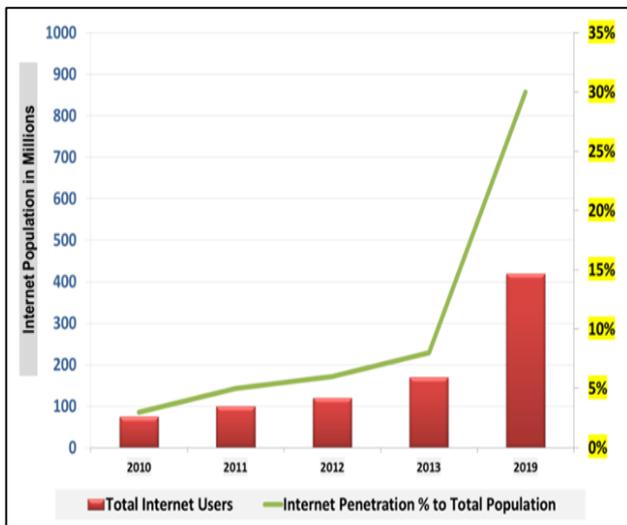
– Paytm

Founded in 2010, Paytm is a private company founded by Vijay Shekhar Sharma. Its Headquarters is in Noida, India.

A. Objectives:

The present study has the following objective:

– To study the impact of E-Commerce in India

II. SOURCE-INTERNET

A. Market Size And Its Growth:

E-commerce in Indian market was worth near about $3.9 billion as per 2009, it went up to the total $12.6 billion in year 2013. In 2013, the segment of e-retail worth near about US$2.3 billion. Almost 70% of India's e-commerce market is related with travel. According to the Google India, there were about 35 million online shoppers all over India in 2014 and is expected to cross 100 million users mark by end of the year 2016.

Key drivers in Indian e-commerce are:

Large percentage of population in India subscribed to Broadband Internet (BSNL), burgeoning 3G internet users, and keeping in mind the recent introduction of 4G across the country.

Increase in standards of living as a result of fast decline in poverty rate.

Usage of online classified sites, with more consumer and customers buying an selling second-hand goods

Million-Dollar startups (Evolution) like Jabong.com, Saavn, Bookmyshow, Zomato , Makemytrip Etc.

India's retailing market is estimated $470 billion in 2011 and is expected to grow near about $675 billion by 2016 and $850 billion by 2020.

As per(IGD)"India goes Digital", a leading Indian Investment Bank specializing in the digital media and technological sector, the Indian e-commerce is estimated to be at $6.3 billion for the year 2011.

Online traveling market in India is almost expected to rise at a rate of near about 22% in the next coming 4 years and $12.2 billion in size by the year 2015. Indian e-tailing industry is estimated at US$800 million in 2011 and estimated to grow to $11.8 billion in2015.

Overall the e-commerce market in India is nearly expected to reach US$24 billion by the year 2015 with the both online travel and e-tailing responding equally side by side. Another big stage and segment in the e-commerce business is mobile/DTH recharge with estimated 1 million of transactions daily by operating websites.

III. CHANNEL DISTRIBUTION

E-commerce has been grown its importance as the companies have has adopted pure-click and brick-and-click system of channel. It is easy to say that we can distinguish the pure-click and brick-and-click channel system which is adopted by the companies.

- Pure click or pure play companies are those companies that have launched or about to launch a website without any previous existence as a firm in the market.
- Click to brick online retailers those later up open physical locations to supplement their own efforts.
- Bricks and clicks companies are those kinds of existing companies that have recently added or applied an online site for setting e-commerce business.
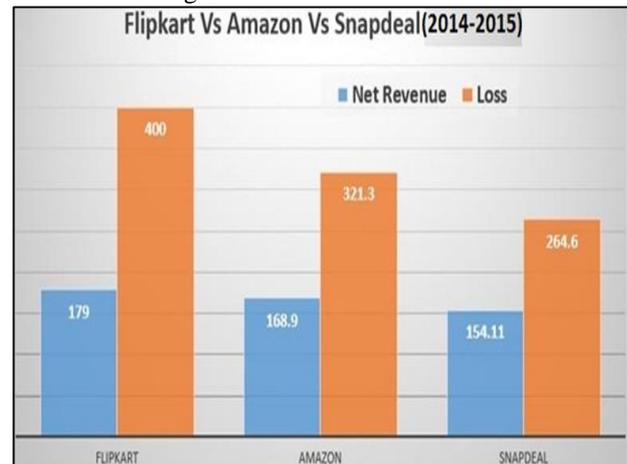
Source-www.google.com/e-Commerce

IV. WHY E-COMMERCE BRANDING IS IMPORTANT

Developing a strong brand name and a strong image has always been important for any kind of business. According to many analysts people don't buy what you do, they buy why you do it. Consumers not only buy products, they buy stories to tell ourselves.

This kind of brand recognition opens gates for a business to grow and thrive in new environments. Therefore when Internet came along, established high street stores which were able to make a transition smoothly to online powerhouses without discouraging brick and mortar shops.

For newer ecommerce stores that operate efficiently and exclusively on the internet, this form of trust is something impossible.

V. STATEMENT OF THE PROBLEM

Many studies have indicated that the relationship between e-commerce benefits and (SCM) supply chain management also between e-commerce benefits and e-marketplace usage as well as between e-marketplace and supply chain management. These relationships were examined in different markets. These studies have indicated the significant role of each variable in those markets. So, the question still stands, what is the nature and impact on branded products in the market.

Based on the above, certain questions have been raised which are as following:

First question: To what extent e-commerce benefits affect supply chain management?

Second question: To what extent e-commerce benefits e-marketplace usage?

Third question: To what extent branded products gets affected?

Fourth question: To what extent e-commerce compensates to balance between the branded or non-branded products?

VI. REVIEW OF LITERATURE

Consumers nowadays have started relying on e-commerce, keeping in mind how they make the actual purchase via bricks, clicks or mix.

Branded products have long watched e-commerce via guidelines, but with the e-commerce sales hit of $1.7 trillion in 2015, there has been a rapid realization that is important FMCG. There is still a lack of understanding and clarity on how brands sell to consumers online – directly or via e-tailers. Therefore there is more to e-commerce than consumers have been given a place to enter their credit card numbers.

India being a country has an internet user base of near about 354 million as of June 2015. India despite being the second largest internet user base in world, behind China (650 million, 48% of population), the penetration of e-commerce is less as compared to markets like the United States or France, but is rising or growing at an unexpected rate, adding near about 6 million new users every month.

As per the topic it's our duty to discuss the impact of e-commerce on branded products. As we know there has been a substantive ignorance and neglect on branded products by the marketing literature. As per the researchers or analysts transparency of information and the need of risk factor reduction by electronic retailing (e-retail) shifts its focus of brand portfolio management from family brand and individual to corporate brands. Change in branding management and the need for the enhanced brand mean in e-retailing has emerged as prime expression or antecedents for the shift.

Therefore, the brand portfolio management has been affected in two different ways:

- First, customer based brand portfolio management will face a shift
- Second, there will be a shift of brand portfolio management from marketing strategy that maximizes equity of brand of individual products to the portfolios which are being dominated by the corporate brand strategy.

Overall e-commerce market in India is expected to reach US$24 billion by the year 2015 with both online travel and e-tailing responding equally. Another big segment in e-commerce business is mobile/DTH recharge with estimated 1 million transactions daily by operating websites.

VII. RESEARCH METHODOLOGY

Research methodology is a very complex and systematic analysis of the data or analysis theoretically of methods along with the principles associated with idea of vision and knowledge. It includes sampling framework, research design, limitation and data collection framework. My research methodology includes gathering appropriate data regarding e-commerce impact on the branded products.

Studies involve collecting some data in order to justify and test hypothesis and answer some questions regarding the current status of the subject being studied. Descriptive studies are concerned with the assessment of demographic information, conditions, attitudes and procedures. In this study the analyst or the researchers chose the analytical method using a questionnaire to gather the appropriate data.

VIII. CONCLUSION

The current study put a bundle of questions in front of researchers and analysts, likewise the formulated thesis related to the nature of impact between study variable.

The principles being fundamental of branding and brand management will undoubtedly remain unchanged, despite facing changes basically associated with the business being done on the internet. This research paper has discovered that opportunities created in the business through the internet are potentially beneficial, including that adequate amount of attention is been given to the implementation of brand strategies which recognize the characteristics and dynamics of the internet.

Large businesses are sometimes usually dependent on the small businesses. This study has focused on customer side of e-commerce which states that it is possible that e-commerce on the supply side will equal if not more enthusiastic or interesting. As businesses like Flipkart, Snapdeal etc. struggle to achieve the customer side benefits, therefore must introduce more brands to attain their attention and perhaps they will draw to achieve and review the merits of e-commerce on the supply side.

Because of the certain evident difficulties revealed by this case study, the availability of fully developed tested models will enhance the prospects for success through the good branding efficient customer relationship management.

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