

# IMPACT OF ELECTRONIC COMMERCE ON BUSINESS ORGANIZATION

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**Abstract:** The present study aims to know the impact of electronic commerce on business organization. The study has highlighted the Management Information Systems, Finance and Accounting, Marketing and Computer Sciences of E-Commerce on Business. E-commerce is a way of conducting business over the Internet. Though it is a relatively new concept, it has the potential to alter the traditional form of economic activities. Already it affects such large sectors as communications, finance and retail trade and holds promises in areas such as education, health and government. The largest effects may be associated not with many of the impacts that command the most attention but with less visible, but potentially more pervasive, effects on routine business activities. The integration of Electronic Commerce and Business will bring a renaissance in marketing function. As it present opportunities to get close to the customer to bring the customer inside the company, to explore new product ideas and pretest them against real customers.

**Keywords:** Electronic Commerce, Business Organisation, Management Information Systems, Computer Sciences.

## INTRODUCTION

E-commerce has a significant impact on business costs and productivity. E-Commerce has a chance to be widely adopted due to its simple applications. Thus it has a large economic impact. Electronic Commerce provides the capability of buying and selling products and information on the internet and other on-line service. Electronic commerce or e-commerce refers to a wide range of online business activities for products and services. Electronic commerce is transforming the marketplace by changing firms' business models, by shaping relations among market actors, and by contributing to changes in market structure. It is difficult to single out the impact of electronic commerce. Some businesses addresses three themes associated with electronic commerce and the organizational changes it entails: changes in business models, changes in market structure and opportunities for economic growth created by organizational change. Electronic commerce creates the possibility of new models for organizing production and transacting business, by offering inters modality and complementarily – not only substitution – in business models.

E-Commerce plays an important role in the economic growth and development of nation. It is a purposeful activity includes in planning, controlling, promotion and also distribution of various goods and services. In this research paper will describe how the Business spirit play an important role in nation's growth. It also pertains to any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact. E-commerce is usually associated with buying and selling over the Internet or conducting any transaction involving the transfer of ownership or rights to use goods or services through a computer-mediated network. Though popular, this definition is not comprehensive enough to capture recent developments in this new and revolutionary business phenomenon. A more complete definition is: E-commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform, and redefine relationships for value creation between or among organizations, and between organizations and individuals. While some use ecommerce and e-business interchangeably, they are distinct concepts. Ine-commerce, information and communications technology (ICT) is used in inter-business or inter organizational transactions (transactions between among business organizations) and in business-to-consumer transactions (transactions between business organizations and also individuals).

E-commerce is a way of conducting business over the Internet. Though it is a relatively new concept, it has the potential to alter the traditional form of economic activities. Already it affects such large sectors as communications, service, finance, retail trade and holds promises in areas such as education, health, transport and government. The largest effects may be associated not with many of the impacts that command the most attention but with less visible, but potentially more effects on routine business activities. E-commerce presents opportunities to accelerate business processes, reduce costs, reach new customers and develop new business models and markets in the business organization. The general agreement is that electronic markets and digitalization of products willimp act material flows. A clear identification of the extent and direction of effects, however, has not yet been achieved, and the issue remains controversial. Increased resource productivity is discussed as one of the major potential ecological advantages of e-commerce.

## REVIEW OF LITERATURE

Gibson Kimutai (2018) conducted a study on Content Based Image Retrieval Model for E-Commerce. Retrieval and querying of these image in efficient way is a challenge in order to access the visual content from large database. Content Based Image Retrieval (CBIR) provides the solution for efficient retrieval of image from these huge image database. Many research efforts have been directed to this area with color feature being the mostly used feature because of its ease of extraction. Although many research efforts have been directed to this area, precision of majority of the developed models are still at less than 80%. This is a challenge as it leads to unsatisfying search results.

Soran Abdulkarim Pasha (2017) made a study on similar image retrieval in e-commerce for online shopping based on color and edge. This method is proven to be one of the best techniques for online shopping product search on the Internet. In e-commerce

business transactions, buying and selling products are made through the electronic system or via the Internet. In this paper, a technique is used for finding items by image search, which is convenient for buyers in order to allow them to see the products. The reason for using image search for items instead of text searches is that item searching by keywords or text has some issues such as errors in search items, expansion in search and inaccuracy in search results. This study is an attempt to help users to choose the best options among many products and decide exactly what they want with the fast and easy search by image retrieval. This technology is providing a new search mode, searching by image, which will help buyers for finding the same or similar image retrieval in the database store. The image searching results have been made customers buy products quickly. The results of the implementation show that searching process for products in e-commerce different between search by image and search using text for buyer option

### Research Methodology

For the said present research study is based on the secondary data. Such secondary data is collected from various reference books on E-Commerce, E-Business, Marketing Management, Marketing Research, Mobile Commerce, Internet Marketing, Electronic Advertising, Economics, Commerce, Management, Banking etc. For the said research study the secondary data is also collected from the various National and International Research Books and Journals which are related to E-Commerce, Internet, Commerce, Banking, Management and Information Technology.

The present research study the data pertaining to the following objectives was collected by the review of the literature on the subject concerned. The literature was thus collected by visiting libraries and various concerned websites.

### Objectives of the Research Study

Many E-Commerce business activities present different objectives. These may be specific and immediately measurable objectives as well as more general and complex. The most commonly cited objectives of the impact of electronic commerce on business are:

- To identify the business organization of e-commerce based on demographic variables
- To study the theoretical concept of E-Commerce
- To study the E-Commerce Models of Business
- To examine the E-Commerce on Business.

### Hypothesis of the Research Study

The present said research study was carried out with following hypothesis in view:-

- There is no significant difference between business organizations of e-commerce based on demographic variables.
- E-Commerce reduces the time between the outlay of capital and the receipt of products and services.
- The use of internet for business marketing the goods and services are increasing day by day.
- The impact of E -Commerce is positively affecting on business marketing.

### The Impact of Electronic Commerce on Business

E-Commerce and E-Business are not solely the Internet, websites or dot com companies. It is about a new business concept that incorporates all previous business management and economic concepts. As such, E-Business and E-Commerce impact on many areas of business and disciplines of business management studies.

**Management Information Systems** – Analysis, design and implementation of e-business systems within an organization; issues of integration of front-end and back-end systems

**Human Resource Management** – Issues of on-line recruiting, home working and ‘Entrepreneurs’ works on a project by project basis replacing permanent employees.

**Finance and Accounting** –On-line banking; issues of transaction costs; accounting and Auditing implications where ‘intangible’ assets and human capital must be tangibly valued in an increasingly knowledge based economy.

**Economics** –The impact of e-commerce on local and global economies; understanding the concepts of a digital and knowledge-based economy and how this fits into economic theory

**Production and Operations Management** –The impact of on-line processing has led to Reduced cycle times. It takes seconds to deliver digitized products and services electronically; similarly the time for processing orders can be reduced by more than 90 per cent from days to minutes. Production systems are integrated with finance marketing and other functional systems as well as with business partners and customers

**Marketing** – Issues of on-line advertising, marketing strategies and consumer behavior and cultures. One of the areas in which it impacts particularly is direct marketing. In the past this was mainly door-to door, home parties and mail order using catalogues or leaflets

**Computer Sciences** – Development of different network and computing technologies and languages to support e-commerce and e-business, for example linking front and back office legacy systems with the ‘web based’ technology.

**Business Law and Ethics** – The different legal and ethical issues that have arisen as a result of a global ‘virtual’ market issues such as copyright laws, privacy of customer information, legality of electronic contracts etc.

### Benefits of E-Commerce to Business

**International Marketplace** - What used to be a single physical market place located in a geographical area has now become a borderless market place including national and international markets? By becoming e-commerce enabled, businesses now have access to people all around the world. Ineffect all e-commerce businesses have become virtual multinational corporations.

**Operational Cost Savings** - The cost of creating, processing, distributing, storing and retrieving paper-based information has decreased.

**Mass Customization** - E-commerce has revolutionized the way consumers buy goods and services. The processing allows for products and services to be customized to the customer's requirements. In the past when Ford first started making motor cars, customers could have any color so long as it was black. Now customers can configure a car according to their specifications within minutes on-line via the [www.ford.com](http://www.ford.com) website.

**Lower Telecommunications Cost** - The Internet is much cheaper than value added networks (VANs) which were based on leasing telephone lines for the sole use of the organization and its authorized partners. It is also cheaper to send a fax or e-mail via the Internet than direct dialing.

**Digitization of Products and Processes** - Particularly in the case of software and music/video products, this can be downloaded or e-mailed directly to customers via the Internet in digital or electronic format.

**No more 24-hour-time Constraints** - Businesses can be contacted by or contact customers or suppliers at any time.

#### Analysis and interpretation

**Table: 1 Showing Mean, S.D and F-value for respondents level of business organization of e-commerce on the basis of age group**

Age	Mean	Std. Deviation	F-value	P-value
Below 30 years	16.67	1.92	25.31	0.001 S
31 - 40 years	15.46	2.59		
41-50 years	17.03	2.82		
Above 50 years	12.83	3.08		
Total	15.43	3.13		

The table 1 shows the details of Mean, S.D. and F-value for respondent's level of business organization of e-commerce on the basis of age group. It is inferred from the obtained F-value there is a significant difference in respondent's level of business organization of e-commerce on the basis of age group. Since the calculated F-value (25.31) which is significant at 0.001 level. Therefore the stated null hypothesis is rejected and alternate hypothesis is accepted. Therefore it is concluded that respondents differ in their level of business organization of e-commerce on the basis of age group.

**Table: 2 Showing Mean, S.D and F-value for respondents level of business organization of e-commerce on the basis of Educational qualification**

Educational qualification	Mean	Std. Deviation	F-value	P-value
Illiterate	21.3	0.49	19.8	0.001 S
Primary	31.4	3.04		
Secondary	24.82	4.79		
Higher secondary	30.31	4.70		
College	29.78	5.21		
Total	29.47	5.23		

The above table shows that the details of Mean, S.D. and F-value for respondent's level of business organization of e-commerce on the basis of educational qualification. It is inferred from the obtained F-value there is a significant difference in respondent's level of business organization of e-commerce on the basis of educational qualification. Since the calculated F-value (19.8) which is significant at 0.001 level. Therefore the stated null hypothesis is rejected and alternate hypothesis is accepted. Therefore it is concluded that respondents differ in their level of business organization of e-commerce on the basis of educational qualification.

#### Findings

The following findings were arrived from the research survey. They are highlighted here:

- ✚ Result shows that respondents differ in their level of business organization of e-commerce on the basis of age group.
- ✚ Analysis proved that respondents differ in their level of business organization of e-commerce on the basis of educational qualification.

#### Conclusion

This study involves of the inability to find the product or services of interest quickly is the biggest barrier to effective marketing this problem may be overcome through E-commerce, where number of companies offer several products through the net. In Short, Indian e-commerce has to face many difficulties in web marketing because of infrastructural difficulties and computer illiteracy. Majority of the customers live in rural areas do not sufficient knowledge about computer and internet. Some of customers in urban areas do not have credit facilities and therefore online buying and selling of goods is limited to urban class having knowledge of computer internet if Indian marketers take into account essentials of good website they can definitely make success marketing in international markets.

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