

STRATEGIC MANAGEMENT IN E-COMMERCE ENTERPRISE

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ABSTRACT

This Paper Identified The Factors That Moderate This Relationship The Analysis Of Collected Data Confirms That E-Commerce Adoption Has An Impact On Mses Strategies. Numerous participants stated that their businesses' plans and strategies have changed as a result of the introduction of e-commerce to the Saudi market. The findings identify the key variables that influence and forecast the relationship between business strategy and e-commerce. The first goal is to determine the current drivers of online shopping behaviour in the online electronics market. The The second objective is to determine the current financial performance and economic strategy of e-commerce businesses, as well as how these factors relate to strategic behaviour in e-commerce. The third goal is to find any potential differences between the strategic behaviour of large and small businesses engaged in e-commerce. The Research Techniques Used Were: Situation. It was discovered that the current balanced e-commerce business strategies do not align with prudent financial strategy. Of E-Commerce Businesses Does not Correspond With Conservative Financial Strategy.

Keywords: e-Commerce, e-Strategy, Customer Perspective, Strategic Behavior, Online Shopping Behavior, External Environment.

Introduction

The world now buys and sells goods and services in a different way thanks to e-commerce A ubiquitous online marketplace now links buyers and sellers with the click of a mouse, making mail order companies obsolete within the span of one lifetime. Moreover, Businesses Have Been Developing And Succeeding By Enabling And Improving E-Commerce Transactions. The programme that accepts online credit card payments was one notable invention. Because of this programme, anyone can now purchase and sell goods and services online. With The Onset Of E-Commerce, A Paradigm Shift Has Emerged In Business Organization. No Longer Do Entrepreneurs Need To Open Up Brick-And-Mortar Stores That Require Considerable Capital Investments. Now, Anyone With Access To A Computer And An Internet Connection Can Create An E-Business. While Some Of The Most Profitable Online Businesses Have Not Sought To Sell Any Particular Good Or Service, However They Have Created Electronic Marketplaces Where Sellers Attract Buyers Which Connects More Sellers And Buyers. This Phenomenon Known As "The Network Effect" Has Led To The Success Of Companies Like Amazon And Ebay. These Companies Are Largely Focused On Speed, Facilitating Searches, And Creating An Intuitive Platform For Their Customers.

Other more commercial e-businesses have capitalised on the network effect and launched social media platforms.. These Social Media Sites Permit Their Clients To Create The Content And Even Buy Premium Content. Similar To The First Days Of Diablo When Hardcore Fans Would Buy And Sell,

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With Real Money, Digital Items That Could Be Used Only In The Video Game. This concept has been used in social network games like Farmville, which let users purchase premium content to advance in the game. Most Recently, With The Advent Of Smart Phones And High-Speed Mobile Internet Access, Customers They may now purchase anything from everywhere that their mobile phones are connected. These Leaps In Technology And Innovation Have Added Value To All Our Lives, However They Have Also Created Issues That Continue To Challenge Businesses That Conduct Business Online. There Is A Positive Relationship Between E-Commerce And Firm Strategy. Companies that effectively implement company strategy and embrace e-commerce.

Types of Ecommerce Business Models

Ecommerce Is A Global Phenomenon And As Such Support Several Models. The Good Thing About Ecommerce Is That You Could Choose One Or More Models For Your Venture.

- **Business-To-Business (B2B):** If The Nature Of Your Services Or Goods Is Geared Towards Meeting The Needs Of Businesses, Setting Up A B2B Strategy Is Your Best Bet. Networking And Reaching Out Is A Bigger Part Of This Strategy. A Big Advertising Budget Is Not Of Much Help. Convincing established businesses that your products or services are a great fit for their processes is the biggest challenge you would encounter. The Advantage Of This Business Model Is That Order Sizes Are Usually Large, And Repeat Orders Are Very Common, If You Maintain The Quality Of Your Products And Services. Media Lounge Is One Excellent B2B Model.
- **Business-To-Consumer (B2C):** This is the approach you ought to take if your Products/Services Are Targeted Primarily Towards Individuals. The Potential Customer Finds Your Website And Determines Whether Your Product Could Address Their Pain Points. After Browsing The Store, The Customer May Decide To Place An Order. An Example Of A Successful B2C Business Is Portugal Footwear.
- **Consumer-To-Consumer (C2C):** While B2B And B2B Business Concepts Are Familiar, Customer-To-Customer (C2C) Is A Concept Unique To Ecommerce. This Is Mainly As There Is Such A Need Of The Platforms Such As Craigslist, OLX, And Ebay. These Platforms give their users the ability to exchange, purchase, sell, and rent goods and services. The Platforms Get A Little Commission From Every Transaction.. This Business Model Is Complex And Requires Careful Planning To Operate. Many Platforms Have Failed, Generally Due To Legal Issues.
- **Consumer-To-Business (C2B):** Customer-To-Business Business Model Is (C2B) Is Another Great Concept That Is Popular Mainly Due To Platforms That Cater To Freelancers. In C2B, Freelance Employees carry out tasks that clients assign them. The majority of these clients are businesses, and the freelancers are frequently individuals. In Simpler Terms, Consider C2B Is A Sole Proprietorship Serving Larger Businesses. Reverse Auction Websites, Freelance Marketplaces, [Affiliate Marketing](#) All Form Part Of This Business Model. Again, This Model Requires Planning Due To The Legal Complexities Involved.
- **Business To Government (B2G):** Business To Government (B2G) is a business model used in e-commerce where a company markets its products to government organisations. Do You Wish To Decide This Ecommerce Business Model, You Will Have To Bid On Government Contracts. Governments Usually Put Up Requests For Proposals And Ecommerce Businesses Then Have To Bid On Government Projects. In Most Cases, A Government Agency Would Not Come To Place An Order On Your Ecommerce Website. However, Some Local Government Agencies Are Exceptions To The Rule, Depending On Their Needs.
- **B2B2C:** Business to Business to Consumer When A Business Sells Products To Another Business, And Then That Business Sells To The Consumers Online, This Is What Is Defined As B2B2C Ecommerce. There Are Three Parties Involved In This Kind Of Ecommerce Platform Model. For Example, If You Choose To Go With It, You Will Have To Partner With Another Business, And Only Then Can You Sell Its Products And Offer The Partner A Commission For Each Sale .Ecommerce Store Owners Choose This Business Model Mainly For New Customer Acquisition. This Happens Because Even Though Customers Are Already Familiar with the Partner's Products, They Can't Order from Them Online, Due To Obstacles Such As Geographical Location, Hefty Shipping Costs, And Others. Hence, This a business model for online sales Most Suitable For New Ecommerce Store Owners Who Want To Expand Their Customer Base.

Importance of Strategic Management

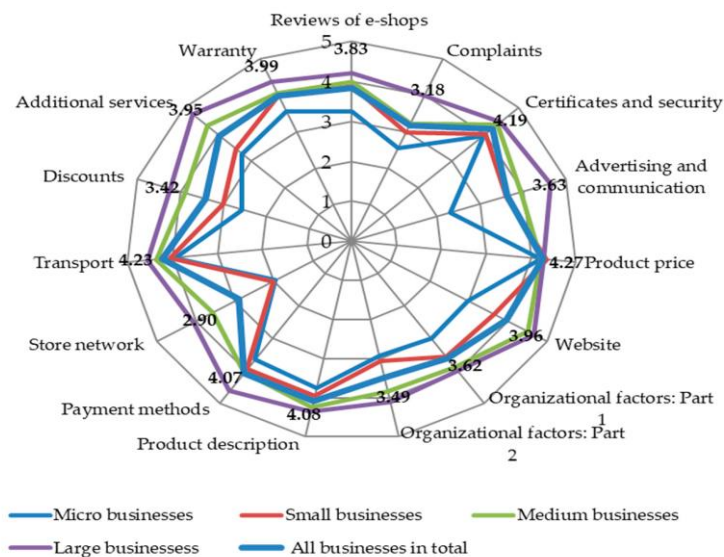
An organisation uses strategic management as a management strategy in order to endure and thrive in its particular market. This Approach Enables the Organization to Leverage Its Existing Resources and Capabilities in Providing a Product/Service That the Marketplace Values. This Approach Is Essential In Identifying An Organization’s Strengths And Weaknesses And Applying The Proper Resources To Create Itself A Sustainable Competitive Edge In The Marketplace In Which It Competes. Although This Sounds Relatively An Easy Process, However, This Is A Very Challenging Endeavor In Which Many Companies Have Failed Because There Are Many Issues And Challenges That Impact The Success Of Strategic Management. This is particularly true given the dynamic nature of the electronics industry. When creating a strategic plan, a few of these issues need to be taken into consideration are:

- Macro-environment including social forces and technological factors
- Immediate industry and competitive environment
- Identifying the important resources and capabilities in the markets in which the firm competes
- Identifying the key success factors that enable a company to survive and become competitively successful
- Identifying the drivers of change that will impact the future landscape of the industries in which one operates

Businesses must comprehend these factors and how they affect their value chain, which is the internal workflow that enables businesses to provide value for their clients. All Of These Factors Directly Contribute to a Firm’s Ability To Create A Product/Service That Offer Differentiation In The Most Cost Efficient Manner. The Rise Of E-Commerce Has Provided Another Avenue For Companies To Expand Their Market Share In Which They Operate. Businesses have been forced to alter their strategic planning as a result of this evolving technology in order to take advantage of this market phenomenon. Consumers Can Now Browse Products/Services From Companies Across The World In Determining Which Company Best Meets Their Requirements (I.E. Price, Features, Security, purchase simplicity And Quickness Of Delivery). E-commerce has significantly altered the landscape of the competition. businesses are changing their strategies on three successive levels.

Initially, efforts are concentrated on reducing costs and/or increasing productivity.

- The Usage Of E-Commerce To Reach New Clientele And Markets Is The Next Level's Main Emphasis
- The Third Level Makes Use Of The Benefits From The Previous Two Levels In An Effort To Integrate E-Commerce Into The Company's Overarching Business Plan And Achieve A Lasting Competitive Advantage



The traditional model of strategic management serves as the foundation for the e-business strategic management process shown in Figure 1. The process is systematic and consists of four connected steps. Identify the E-Business Strategy, Analyze the Internal and External Environments, Choose the E-Business Strategy, Execute the E-Business Strategy, and Assess the E-Business Strategy's Success.

Step 1: Analyze the company's external and internal environments

Managers identify the strengths and weaknesses of their company, as well as the challenges and opportunities presented by their external business environment, under the traditional strategic planning model. They once prepared, are you Make Strategic Decisions That Seek To Balance Their Company's Competencies With The Business Opportunities Around Them. This step is equally important for planning an e-business. The Major Obstacles To E-Business Adoption Client and partner scepticism and a wait-and-see mentality might be obstacles that discourage the use of E-Business solutions. At times, it may be harder to introduce e-business due to the nature of the company's product. Take the Sherbrooke, Quebec-based company Moules Industriels as an example. They produce custom rubber and plastic moulds, which are typically inappropriate for online sales because they require prior in-person contact. Nonetheless, Moules Industries can use the internet to facilitate first client contact, and after a client agreement is reached, the internet can facilitate additional contact during the prototyping phase.

It can be challenging for SMEs outside of major urban centres to find straightforward, cost-effective solutions for distributing the goods they sell online. La Ferme Martinette, an online-only retailer of maple products in Quebec's Eastern Townships, is dependent on Canada Post to deliver its products to customers. La Ferme Martinette operates at a disadvantage since many customers do not have the option of picking up their own purchases, and because it does not interact with customers directly at the point of sale or product receipt. The Internet Allows For Businesses Like. Many Companies Know How To Identify And Take Advantage Of Such Arrangements. In Our Study, The Triggering Factor Was Usually The Initiative Of Managers Who Realized The Potential Advantages Of E-Business. For instance, the vision and technological know-how of managers at Colibri Tours, a travel agency, and Auberge De La Fontaine, a small hotel in Montreal, led these businesses to develop a website. Revue Gestion, a publication for academics and business practitioners, attempted to increase readership by going online after several years of negative growth.

Step 2: Select An E-Business Strategy

A thorough understanding of how e-business can generate financial value for the company is necessary for the selection of an e-business strategy. Successful Mses Know How To Identify The Scope Of Their Activities And Determine Which Products, Clients And Geographic Markets They Should Target. They also understand how to set precise, measurable objectives. The main focus of complementarities is the combination of resources and technological capabilities, as well as the combination of goods and services. Of Various Partners In One Electronic Network. In Our Study, The Principal Value Driver Was Efficiency For The Firm And The Customer. As was the case with Montreal's Auberge De La Fontaine, whose web presence increased the inn's revenues by 30%, using e-business enabled SMEs to save costs and find new customers. The Inn was also able to reduce its printing of promotional flyers, which helped it save money on printing costs for advertising. Clients can view available rooms and get information on Montreal's tourist and cultural offerings on its trilingual website, which adds value for its clients and streamlines the reservation process. Other ways to create value include complementarities and lock-in. Caractéra-Neomédia, A Quebec-Based Printing And New-Media Company, Retains Clients by Providing Them with Comprehensive Content-Management Services and Alternative Publishing Methods.

E-business is helping SMEs consolidate and broaden their geographic market. For instance, St. Jean-Sur-Richelieu, Quebec-based plastics processor GLP Hi-Tech developed a website to draw clients from abroad to its GLP Power division. The business now sells its goods to customers who would have been difficult to reach without the internet in more than 20 countries. La Ferme Martinette - hopes to expand its international market for its maple-sugar products while also attracting customers from the Montreal area by advertising its sugar-shack activities online. While concentrating on the North American market, Auberge De La Fontaine also makes an effort to draw business from abroad through its website.

Step 3: Implement the e-business strategy

SME managers should plan the implementation of their e-business and choose what kind of technological solution and supply chain to adopt after defining the targeted client base and geographic markets for new or traditional products. There is a wide variety of technological options available to businesses (See Table 1). Our research demonstrates that SMEs frequently create websites and online stores to complement their goods and services, as well as to satisfy their need for independence and

identity while trying to draw in clients from abroad. SMES In Plastics And Printing Often Are Reluctant To Embrace Technological Solutions That Impose Standardization On The Entire Industry. In Fact, Portal Solutions, Virtual Communities And E-Malls Are Usually Not Attractive To Smes Because They Do Not Support The Smes' Need For Identity And Independence.

Thanks To Its Web Site, Maison Laprise, A Manufacturer Of Factory-Built Homes, Is Able To Provide Customers With A Complete Catalogue Of Its Products, Along With The Relevant Technical Specifications For Each Home. The Site's Search Engine Allows Clients To Input The Features They Want In A Home And Quickly Access An Appropriate Model. About 60 Per Cent Of Buyers Said They Visited The Web Site Before Heading To The Company's Showroom. The Company's On-Line Presence Has Bolstered Its Sales Volume. Some Businesses Prefer To Involve Other Retailers Or Partners In Their Technological Solutions, And To Devise A Technical Format That Is Tailored To The Specific Operations Of Their Association Or Sector. RECF, For Example, Runs An E-Mall Where Editor Partners Can Advertise Their Products

Step 4: Analyze the e-business strategy's effectiveness.

Indicators for evaluating e-business success:

Overall, The Businesses In This Study Used A Small Number Of Unsophisticated Indicators. They gave transaction profitability a lot of weight, and they used e-business savings and additional sales volume to evaluate performance. In Our Study, Only *Revue Gestion* Established A Set Of Indicators To Assess The Performance Of Its E-Business Project Prior To Implementing E-Business. Many Of These Indicators Are Automatically Captured On *Revue Gestion's* WebSite .

Revue Gestion's On-Line Presence Has Increased The Company's Revenues By Over 25 Per Cent. This Improvement Is Largely Due To The Introduction Of Corporate On-Line Subscriptions For Businesses And Associations, Which Increased Subscription Rates From 2,500 To More Than 30,000 In One Year. At The Same Time, Handling, Marketing And Printing Costs Declined-Saving The Journal An Estimated \$194,000. Auberge De La Fontaine's Web Site Expanded The Company's Client Base By 15 Per Cent. In 2003, 24 Per Cent Of The Company's Clients Discovered The Hotel Through The Internet-49 % Were American, 42 % Canadian, And 3 % French. Moreover, 52 % Of The Hotel's Clients Entered The Site Directly Through Its E-Mail Address, Aubergedelafontaine.Com; 9% Through The Bonjourquebec.Com Reservation Portal; And The Remainder Through Approximately 50 Out Of The 300 Sites On Which The Hotel Is Registered. The Auberge Was Able To Recover Its Investment In E-Business Within Six To Eight Months.

Table 3
Performance indicators for *Revue Gestion*

<p>Financial Indicators</p> <ul style="list-style-type: none"> • Lower average cost per subscription • Increased revenue per subscription • Higher number of subscriptions • Payback period for technological investments 	<p>Internal processes indicators</p> <ul style="list-style-type: none"> • Number of service denials • Performance of search tools • Graphic quality of articles • Variety of download formats • Ease of maintaining Web site • Average time to prepare an issue • Decreased workload for managing and handling subscriptions • Download speed
<p>Customer indicators</p> <ul style="list-style-type: none"> • Higher number of subscriptions • Variety of articles • Quality of articles • Number of queries per user • Number of downloads per user • Number of complaints 	<p>Learning and growth indicators</p> <ul style="list-style-type: none"> • % of budget devoted to ICT • Number of site updates • Number and type of Web site functionalities compared with competitors • Average age of technology infrastructure

Impression Paragraph, A Printing Company in Ville St-Laurent, Que., Introduced Intraprint Software That Enabled Customers To Order Their Business Cards Online. This Decreased Turnaround On Orders From twelve (12)- Days To Less Than 48 - Hours, And Reduced The Number Of Errors. Previously, Clients Had Faxed Their Handwritten Orders, And These Were Not Always Easy to Read.

This paper illustrates the Strategic Management Process Involved in Adopting E-Business, Based on The Experiences Of 11 Canadian Small- And Medium-Sized Enterprises. Although The Smes In This Study Had Limited Financial and Human Resources, They Were Still Able To Develop Technological Solutions That Allowed Them To Reduce Operating Costs, Increase Capacity, Diversify Product And Service Offerings, Increase Exposure With Clients And Expand Their Market Share.

Conclusion

The paper highlighted how companies can improve their competitiveness by increasing their investments in new technology, forming strategic alliance, and outsourcing. In addition, implementing e-commerce strategy. Factors of online shopping behaviour are considered as important. However, these factors are not considered as equally important. The other results confirmed the relationship between the size of e-commerce businesses and quality of factors of online shopping (e-commerce) it discussed how security issues have led to pci ssc standards, encryption, tokenization, and standardization. Furthermore, the paper addressed the associated legal issues such as copyrights, trademarks, and out-of-state commerce jurisdiction issues. Lastly, it explored the tax issues regarding e-commerce transactions. The determinants of strategic development in e-commerce were divided into the general aspects of strategic management, internal determinants of strategic development, and external determinants of strategic development that significantly influence the process of strategic management in e-commerce. The process of strategic management in e-commerce is divided in-to five phases: analysing, preparation and formulation of strategy, planning, implementation, control. The paper employed its own methodology in qualitative data analysis when evaluating the quality of factors of online shopping behaviour. Other research activities should be focused on the other methods of evaluation and compare them with the methodology used in paper.

Finally, this paper focuses on strategic behaviour of e-commerce businesses from the customers' perspective. Other research will focus on this issue from the businesses' perspective. The main theoretical and empirical benefits of this paper are - identification of the current factors of online shopping behaviour in the industry of online sales of electronics, the implemented methodology of their implementation and identification of relationship between strategic behaviour of e-commerce businesses and quality of factors of online shopping behaviour.

The use of e-commerce has played a major role in many strategic initiatives. But, organizations still are unsure how e-commerce system would be developed to support firm strategy. This study sought to investigate how e-commerce impact firm strategy and examine the fit between e-commerce development method and corporation strategy. We tested for effect of three types of e-commerce development methods on strategy and found significant effects of e-commerce on strategy implementation. The findings from our study suggest that while firms face many challenges in crafting strategies, it is critical to think of the key role of e-commerce. The greater the impact of e-commerce on firm strategy, the more significant is application of e-commerce.

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