

## ROLE OF E-COMMERCE IN REDUCING OPERATIONAL COST

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### ABSTRACT

*In the dynamic landscape of modern business, e-commerce has become as a important tool for enterprises engaging in streamline operations and enhance profitability. This abstract examines the multifaceted role of e-commerce in reducing operational costs across various industries. Firstly, e-commerce facilitates efficient inventory management through real-time tracking and automation, thereby minimizing inventory carrying costs and reducing the risk of stockouts. secondly, it enables businesses to optimize their supply chain by leveraging data analytics to forecast demand and negotiate favorable terms with suppliers, which leads to cost savings through bulk purchasing and reduced transportation expenses. Furthermore, the adoption of e-commerce platforms reduces the need for brick-and-mortar stores, resulting in reduced overhead costs associated with rent, utilities, and staffing. Moreover, the use of e-commerce allows businesses to reach a global audience without any limitations of physical locations, and reducing the need for extensive investments in expansion. Moreover, e-commerce platforms using personalized marketing strategies based on customer data analysis, leading to higher conversion rates and reduced customer acquisition costs compared to traditional marketing channels. Moreover, the automation of customer service processes through chat bots and AI-driven solutions enhances operational efficiency and reducing the manpower required, by lowering operational costs. Furthermore, e-commerce encourages a data-driven approach to decision-making, allowing businesses to identify areas of inefficiency and implement targeted cost-saving measures. By leveraging analytics and performance metrics, enterprises can optimize pricing strategies, reduce wastage, and streamline operations for maximum cost-effectiveness. In conclusion, the integration of e-commerce into business operations offers more opportunities for reducing operational costs across various dimensions, including inventory management, supply chain optimization, overhead expenses, marketing, customer service, and data-driven decision-making. Embracing e-commerce technologies is imperative for enterprises striving to maintain competitiveness and achieve sustainable growth in today digital era.*

**Keywords:** Dynamic Landscape, e-Commerce, Operational Costs, Profitability, Global Audience.

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### Introduction

Commence refers to the electronic commerce. E-commerce is the process of buying and selling of good services electronically. It involves online transaction between consumer and sells E-commerce involved from separate electronic transactions in goods purchase or resolves supply since mid-1990s.

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E-commerce provides new channels for the global- marketing of tangible goods and presents opportunities to create new business providing information and other knowledge-based Intangible products (Rhodes & carter, 1998). Internet is main source of E-commerce. Without internet e-commerce is impossible. Though the e-commerce boom in 2000-2002 ended in Bankruptcies of large companies based solely on e-commerce, the impact of that boom on e-commerce spread was minimal (Ameen Basha. A. 2021).

E-commerce has become an essential part of life in modern age. It has an important role in supply chain management. Every business is adopting new technology of e- commerce. The electronic medium known as internet has the potential to significantly real time exchange time, processing time and operating cost.

E-commerce reduces the business expenditure cost such as operational cast, transactional cost, delivery cost etc. E-commerce open new avenue from global marketing of physical goods and services because of develop of potential of new enterprises the information and other knowledge based intangible goods to customers all over the world.

E-commerce refers to any form which is an interactive commercial transection through network or computer. Through E-commerce all the cost reduces which includes delivery cost, enter comm and operational cost.

E-commence proves new channels for the global marketing of tangible goods and presents opportunities to create New businesses providing information and other knowledge-based intangible products (Rhodes & Canter,1998)

#### **Current Market Trends**

Online retail sales in India are expected to grow by \$ 188 billion by 2025. Major investors of E-commerce are Amazon, Flipkart, Snapdeal, NYKAA, Zomato, Shopclues, Indiamart. Grofers etc.

Computer and consumer electronics is currently the biggest online retail sales category with Share of 21.2% and followed closely by Apparel and accessories by 19.7%. E-commerce has made it easier for top brands by customer and engaged as one of the fast growing trade channel available for online marketing.

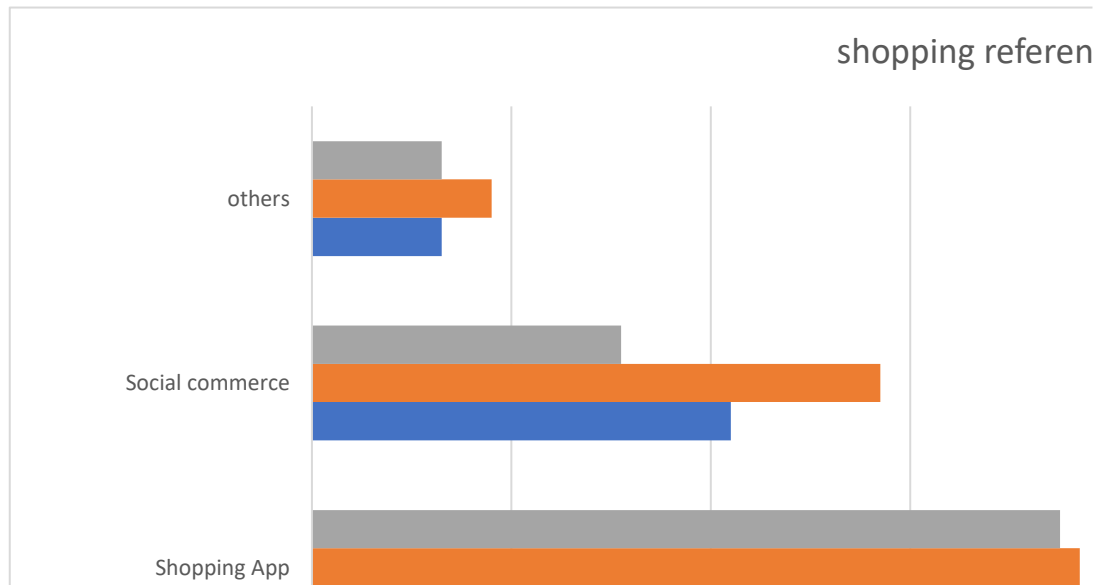
#### **Government Initiatives**

- The Reserve Bank of India (RBI) has decided to allow “inter-operability” among prepaid payment instruments (PPIs) such as digital wallets, prepaid cash coupons and prebaid telephone top up cards. RBI has also introduced banks and companies to make all know your customer (KYC) Complaint prepaid payment instruments (PPI), like mobile wallets, interoperable amongst themselves via Unified Payment Interface (UPI).
- The government of India seeks to promote digital payment methods to encourage consumers and merchants to introduces two schemes, Lucky Grahak Yojana for consumers and Digi- Dhan Vyapar yojana. National Payment Corporation of India (NCPT) implemented these schemes to offered cash rewards to consumers and merchants to who utilized digital payment instruments for personal consumption expenditures.
- The Indian government is set to introduce national e-commerce policy that aims to a create a favourable environment for the development of the sector and drive exports. The e- commerce policy was first proposed in 2018 and a draft of the e-commerce policy was released in 2019.
- Department for Promotion of Industry and internal Trade (OPIIT), the ministry of commerce and Industry emphasized the need for a Streamlined regulatory framework, technological advancements and efficient supply chain integration.

#### **Data Analysis and Interpretation**

The following consist of data analysis and interpretation of my search on google and insists.

### Percentage Analysis



### Interpretation

The paper states that mostly young generation (18-24 years old) is engaged in online retail stores. The age group of up to 25 years is the most engaged in online shopping, followed by the age group of 25-44 years. The paper mentions that online shopping is a common activity done by young people aged between 18-50.

### Classification of Response

Men and women have different shopping styles. Women are more likely than men to see shopping as a leisure activity and an opportunity to socialize.

### Limitation of Study

- Due to time limit study is based on secondary data, the result of the study is subject to all the limitation of secondary data.
- The finding and suggestions are based on the information collected from secondary data.

### Suggestions

- The government should try and introduce ways to promote e-commerce.
- The country should try to increase their owned E-commerce industry reserve.
- While increase owned E-commerce reserve will help to become self sufficient.
- Using business site, can be a good way to make country independent.

### Conclusion

We have seen most of the people are engaged in E commerce activity. Most of them are women buyers who regularly use this sites and shopping. E commerce is beneficial for the industry because it reduces their operational cost and directly reach with consumers. By this technique mediator commission has reduces and products are in reach of all. developing country has increased demand of economic growth and other related essential which has resulted in their currency. This is a best option to reduces cost and provides goods and services at reasonable rates. The growth of E commerce are increasing, now it is not limited by goods, services are also providing by e-commerce sites.

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