

# **Role of E-Commerce in Reducing Operational Cost in Business Organisations in Present Scenario**

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## **Abstract:**

This study presents an analysis of the role of E-Commerce in reducing operational costs in business organisations in present scenario. In the modern business world, E-Commerce is emerging as the biggest player and Contributor towards the growth and development of global economy. India is also witnessing this revolution of E-Commerce business in its domestic market. In the Context of India, E-Commerce players on one hand, created new and ample to the employment, improved the quality of product as well as service and providing other attractive offers. But on the other hand, it is giving intense competition and creating great obstacles in the ways of traditional business institution and the on unorganized sectors of India. E-commerce plays a pivotal role in reducing operational costs for businesses across industries. This conceptual review analyses online purchases or conversions, and analyses changes in customer behaviour with online purchases. The results from this study could merely be a reference showing that electronic commerce is merely the means to embrace the success of businesses nationwide. This study will cover the benefits of E-commerce with a special focus on its influence as regards operational cost reduction in business.

**Keywords:** Product, Impact, E-Commerce, Operational Cost, Business, Internet, Success.

## **Introduction:**

E-Commerce is the buying and selling of goods and services over the internet. It is conducted over computers, tablets, smartphones, and other smart devices. In recent times, it has been observed that E-Commerce business is adversely affecting the traditional unorganized business sector of India. E-Commerce works by connecting buyers and sellers using various electronic channels. For example, you need a channel, such as a website or social media, so customers can find products and services to purchase. The current development and use of ICT, especially E-Commerce and e-transactions, is solving some socioeconomic and legal challenges globally. Reducing operational costs is always a challenge for businesses. To achieve this, companies need to identify areas where cost reductions can be achieved without compromising the quality of products and services.

## **Objectives:**

1. To understand the role of e-commerce in Reducing Operational Cost in Business Organisations in Present Scenario.
2. To Study the concept of E-Commerce and its various aspects.
3. To know the effects of E-Commerce on traditional business in India.
4. To give the useful suggestions for further research and strategies to use in business.

## **Hypothesis:**

1. E-Commerce business is adversely affecting the traditional unorganized business sector of India.
2. Electronic commerce is merely the means to embrace the success of businesses nationwide.
3. E-commerce adoption in business has a positive impact on business efficiency in several areas

## **Research Methodology:**

The Researcher has used the Primary and Secondary method of data collection. The primary sourced of data is collected by social and personal observations and also she has referred the reference books, articles and internet websites to collect the secondary data to analyse and conclude the research study. The research papers have been taken from various journals, reference books and the Internet information or websites, etc.

## **Significance of the Research Study:**

The importance of e-commerce to lower costs accrue to the manufacturers or vendors in speed in the processing of electronic stores and low cost inception compared to the processing of traditional stores, which results in a reduction in the cost of business performance, and increase the scope of supply markets including beyond the limits of space and time, and thereby to increase competition that results from the high quality products and satisfaction. The results from this study could merely be a reference showing that electronic commerce is merely the means to embrace the success of businesses nationwide. This study will cover the benefits of E-commerce with a special focus on its influence as regards operational cost reduction in business.

## **E-Commerce & Traditional Business:**

In the modern business world, E-Commerce is emerging as the biggest player and Contributor towards the growth and development of global economy. India is also witnessing this revolution of E-Commerce business in its domestic market. In the Context of India, E-Commerce players on one hand, created new and ample to the employment, improved the quality of product as well as service

and providing other attractive offers. But on the other hand, it is giving intense competition and creating great obstacles in the ways of traditional business institution and the on unorganized sectors of India.

The use of technology for fixed and online services is critical to expanding market share. All retail sectors should consider their challenges for market growth. Fixed-line retailers must follow the strategy outlined in the survey to register various competitors. Whether online or offline India needs to grow its retail business and contribute to GDP in order to build trust, trust and satisfaction for its diverse customers. This conceptual review analyses online purchases or conversions, and analyses changes in customer behaviour with online purchases. It also describes specific strategies that must be followed to increase sales in offline stores. Strategy can help retailers increase sales over the next few years. As a result, online retailers and offline retailers may conclude that they should focus on build stable relationships between manufacturers and customers to improve your business and accelerate economic growth.

#### **Effects of E-Commerce on Business Efficiency:**

E-commerce adoption in business has a positive impact on business efficiency in several areas. E-Commerce works by connecting buyers and sellers using various electronic channels. For example, you need a channel, such as a website or social media, so customers can find products and services to purchase. Then a payment processor enables the exchange of the goods or services. Once the transaction succeeds, the customer receives a confirmation email or SMS, and a printable receipt. If the transaction is for goods, then the seller ships the items and sends the customer a tracking number via email or SMS. If the transaction is for a service, then the service provider can reach out to schedule and complete the service.

E-commerce adoption in business has a positive impact on business efficiency in several areas. E-Commerce works by connecting buyers and sellers using various electronic channels. The current development and use of ICT, especially E-Commerce and e-transactions, is solving some socioeconomic and legal challenges globally. It has been observed that E-Commerce business is adversely affecting the traditional unorganized business sector of India. In the modern business world, E-Commerce is emerging as the biggest player and Contributor towards the growth and development of global economy.

#### **Operational Cost in Business Organisations:**

E-commerce allows businesses to engage directly with suppliers and customers, eliminating the need for intermediaries and reducing associated costs. Additionally, e-commerce enables real-time inventory management, allowing businesses to

optimize inventory levels and minimize storage expenses by automating the ordering and fulfilment process, businesses can reduce delivery times, improve order accuracy, and reduce waste.

E-commerce offers businesses the opportunity to enhance customer service while reducing support costs. With an online store, customers can easily access product information, compare with other prices, and read reviews. This self-service approach reduces the need for extensive customer support and lowers associated costs. E-commerce allows businesses to leverage data analytics to gain insights into customer preferences and behaviour too. This enables personalized marketing campaigns, targeted promotions, and improved customer retention, all of which contribute to cost savings in the long period of time.

#### **E-Commerce & Operational Cost Reduction:**

Reducing operational costs is always a challenge for businesses. To achieve this, companies need to identify areas where cost reductions can be achieved without compromising the quality of products and services. The benefits of ecommerce for businesses in reducing operational costs are undeniable. Automation, expanded reach, and data driven decision-making all contribute to streamlining processes, increasing efficiency, and driving sustainable growth. It is clear that embracing ecommerce is not just a choice but a necessity and became compulsory in today's era.

Ecommerce Also provides businesses with valuable insights and data that can be used to optimize operations and reduce costs. Businesses can make informed decisions regarding inventory management, pricing strategies, and marketing and campaigns by analysing customer behaviour, purchase patterns, and market trends. This data driven approach ensures that resources are allocated efficiently, resulting in cost savings and also increased business profitability. Ecommerce offers businesses the opportunity to enhance customer service while reducing support costs.

Thus, with an online store, customers can easily access product information, compare with other prices, and read reviews. This self-service approach reduces the need for extensive customer support and lowers associated costs.

#### **Conclusion:**

E-commerce adoption in business has a positive impact on business efficiency in several areas. E-Commerce works by connecting buyers and sellers using various electronic channels. The current development and use of ICT, especially E-Commerce and e-transactions, is solving some socioeconomic and legal challenges globally. In the modern business world, E-Commerce is emerging as the biggest player and Contributor towards the growth and development of global economy.

Reducing operational costs is always a challenge for businesses. To achieve this, companies need to identify areas where cost reductions can be achieved without compromising the quality of products and services. The benefits of ecommerce for businesses in reducing operational costs are undeniable. Automation, expanded reach, and data driven decision-making all contribute to streamlining processes, increasing efficiency, and driving sustainable growth. It is clear that embracing ecommerce is not just a choice but a necessity and became compulsory in today's era.

**Suggestions:**

1. E-commerce businesses can use targeted advertising to reach specific audiences, which can help them reduce their marketing costs.
2. By reducing their operational costs, e-commerce businesses can maximise their profits and reinvest in their businesses. They can use the savings to improve their products and services, expand their operations, or invest in new technologies.
3. By using an E-commerce system, businesses can offer lower prices for their goods and services.

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