

## **E-COMMERCE ON LOGISTICS SERVICE PROVIDERS – A STUDY ON EFFECTS**

**\*Dr. D. Rajasekar, \*\*R. K. Siranjeevi Raman**

*\*Associate Professor, AMET Business School, AMET University, Chennai*

*\*\* Research Scholar, AMET Business School, AMET University, Chennai*

### **ABSTRACT**

*The emerging new technologies are creating strategic opportunities for the organizations to build competitive advantages in various functional areas of management including logistics and supply chain management. However the degree of success depends on the selection of the right technology for the application, availability of proper organizational infrastructure, culture and management policies. In logistics, information, communication and automation technologies has substantially increased speed of identification, data gathering, processing, analysis and transmission, with high level of accuracy and reliability. Technology is a means to enhance business competitiveness and performance. It plays a major role in success of supply chain by enhancing the overall effectiveness and efficiency of the logistics system. In logistics many new technologies are used in developed country while in India adoption process is very slow. However due to liberalization of the Indian economy the competitive pressure is building up and the only option to face the competition in to go in for technology enabled operations.*

**Keywords:** *efficiency, effectiveness, liberalization, transmission.*

### **INTRODUCTION**

Over the last few years, the science of marketing has gradually extended its frontiers. The emphasis on marketing as a means of creating customers, identifying and anticipating market needs, whilst valid in it, has proved to be too narrow. This is because the definition of marketing goals and the implementation of marketing strategies inevitably have some implications for other areas within the corporate system. If the interfaces between marketing and other functional areas in the company are not given enough attention, decisions in one area may produce disturbances elsewhere in the system that can impair total company performance. This tendency is very noticeable in the interface between marketing and distribution. A recognition of the key role that distribution can play in the company's marketing effort can be the first step to a new, integrative approach to the management and supply of markets, based on the development of logistics, or total "systems" approach to the company's activities. The main emphasis of the logistic concept is on systems. It suggests that the materials- flow activity in the company has such an extensive and pervasive impact on different departments that it should be considered as a system. Thus the activities of marketing, production, communication and distribution departments should be

harmonised in order to increase the efficiency of the overall company. To move from the realms of general theory to the more specific activities of the firm involves a consideration of five key decision areas:

- (1) Facilities (plant, warehouse and depot location, size and design)
- (2) Inventories (raw material, component, work-in-process and finished goods stocks)
- (3) Communications (order-processing and related data-transmission and data- processing)
- (4) Unitization (packaging in the broadest sense, including merchandising, storage, handling, inventory and transport implications)
- (5) transport (the physical movement of material into, within and out of, the company).

## **OBJECTIVE OF THE STUDY**

The objective of this study is to understand the effects of the use of internet in logistics firms. Various transactions and tracking related complications are faced by the industry and how internet convert those complications into smooth and effective logistic operation .The main object is to understand the effectiveness of present internet system in logistics and to suggest remedies to the snags in logistics and intermodal transport of cargo in India, it will also provide the comparison of business before the introduction of internet services in logistics The last objective of this research would be to understand the present E commerce scenario of logistics business and suggesting any required changes so as to make it a medium of sustainable economic development for India.

## **RESEARCH PROBLEM**

- Whether existing E commerce system in logistics is effective in india ?.
- How effectively internet is contributing in growth of industry compare to traditional logistics operations?
- Is Indian logistics service providers are matching the international standards regarding use of E-commerce if not in what they are lacking?

## **RESEARCH METHODOLOGY ADOPTED**

The research methodology which would be adopted in completing this research would essentially be both doctrinal and non doctrinal method. Doctrinal method of research would be library reading, web based journals, regulations, articles and any past research done in this regard. Non doctrinal method would be adopted by visiting and interacting in logistics firms.

## LITERATURE REVIEWED

### **E-Commerce Logistics: The Evolution of Logistics and Supply Chains from Direct to Store Models to E-Commerce The Evolution of E-Commerce Logistics**

This post is the first in a broad 7 post arrangement on all things internet business coordination as we make a beeline for the Magento Imagine Conference in Last Vegas the week of May twelfth with our associate accomplices, web shop apps, to grandstand our organization whereby we offer a conclusion to-end not exactly truckload cargo online business coordination administration application for Magento shopping baskets. At the gathering, we will likely help web shop apps as they report some new activities and new projects hoping to proceed with their mission to help traders with better web based business shipping augmentations and applications.

Cerasis and web shop apps have helped many cargo shippers, who are more qualified to dispatch by means of not exactly truckload versus Little bundle, to make online business coordination arrangements.

Throughout the following week we will cover the development of web based business coordinations and how supply chains have changed, what alternatives you have for charging your clients cargo costs when setting up another online store, the ascent of web based business by producers, conveyance organizations, and the modern space, the part of invert coordination in web based business, and close with the scope on the part of web based business in a multi and omni-channel world.

### **Online business Logistics Models**

In created economies, online business coordination speaks to the most recent huge driver of progress in coordination and physical dispersion systems, which have developed significantly finished the previous 40 years or somewhere in the vicinity. As of now, it remains the case that as online business keeps on developing, most shippers, especially multi-channel shippers, are still just barely starting to work out what this will involve for their appropriation organize foundations.

## **PART OF E-COMMERCE IN INDIAN MARKET**

- In 2013, Asia-Pacific rose as the most grounded business-to-customer (B2C) E Commerce district on the planet with offers of around 567.3 billion USD, a development of 45% more than 2012, positioning in front of Europe (482.3 billion USD) and North America

(452.4 billion USD). The best three were trailed by Latin America, and the Middle East and North Africa (MENA) locale, as per E-commerce Europe1. All inclusive, B2C E Commerce deals expanded by 24% more than 2012. This mirrors the gigantic undiscovered capability of E Commerce by retail organizations, both in their nation of starting point and crosswise over fringes.

- E Commerce or electronic trade, manages the purchasing and offering of products and ventures, or the transmitting of assets or information, over an electronic stage, mostly the web. These business exchanges are arranged into either business-to-business (B2B), business-to-customer (B2C), buyer to-purchaser (C2C), shopper to-business (C2B) or the as of late developed
- Business-to-business-to-purchaser (B2B2C). Web based business forms are directed utilizing applications, for example, email, fax, online indexes and shopping baskets, electronic information trade (EDI), record exchange convention and web administrations and e-bulletins to supporters. E Travel is the most mainstream type of web based business, trailed by e Tail which basically implies offering of retail merchandise on the web led by the B2C classification.
- According to E-commerce Europe, nation insightful, the US, UK and China together record for 57% of the world's aggregate B2C internet business deals in 2013, with China having complete offers of 328.4 billion USD. As against this, India had offers of just 10.7 billion USD, 3.3% of that of China in 2013 with fifth position in Asia-Pacific. This is in spite of the way that India appreciates high statistic profits simply like China. India's web infiltration with add up to e-families at 46 million against China's 207 million is one reason behind India's poor B2C deals development.

## **ANALYSIS AND INTERPRETATION**

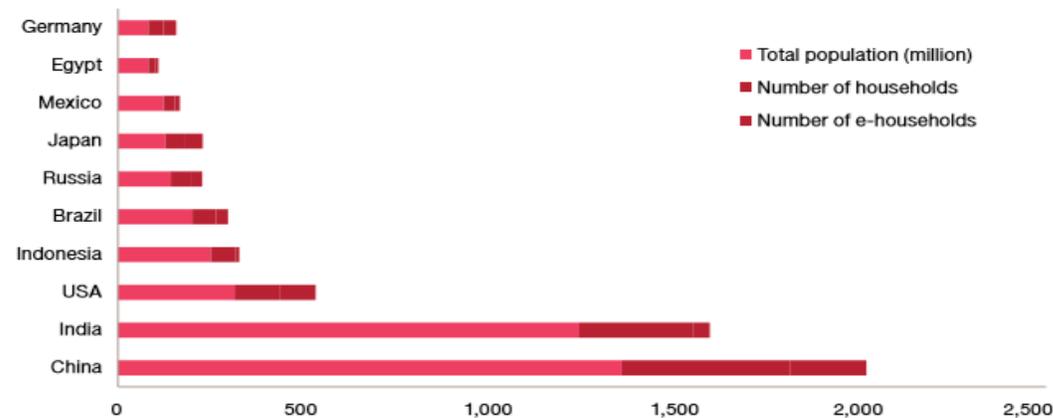
### **PROPORTION OF E-HOSEHOLD WORLD WIDE**

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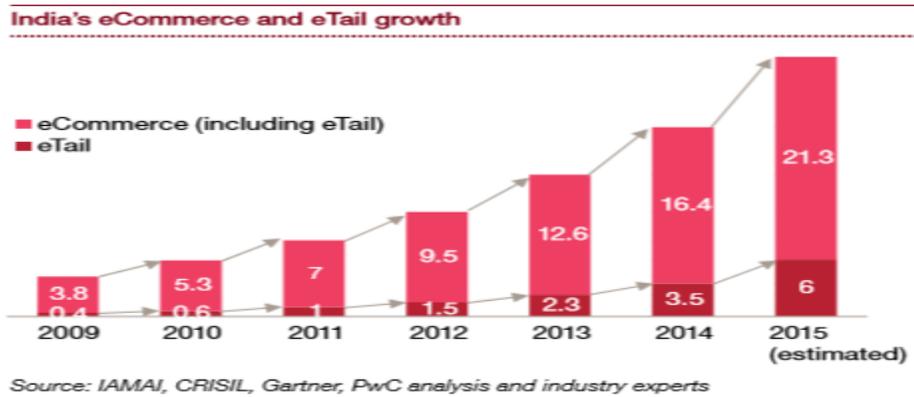
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Top 10 countries in terms of population and corresponding e-households



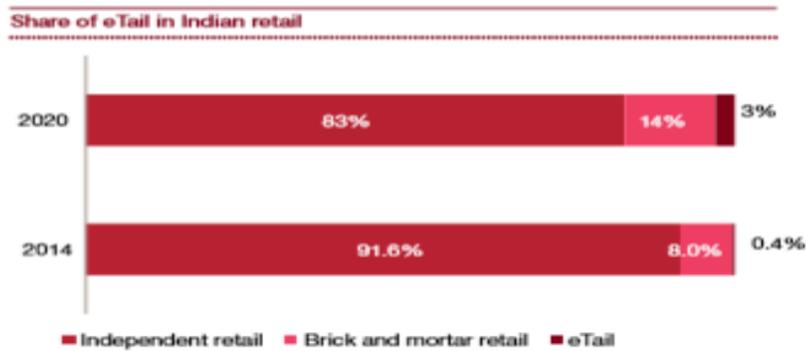
Source: Ecommerce Foundation, 2014

GROWTH OF E-COMMERCE IN INDIA

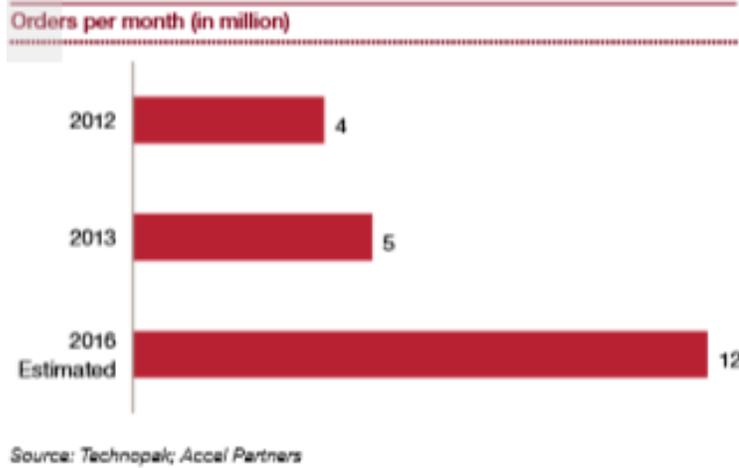


Since the ecommerce industry is fast rising, changes can be seen over a year. The sector in India has grown by 34% (CAGR) since 2009 to touch 16.4 billion USD in 2014. The sector is expected to be in the range of 22 billion USD in 2015

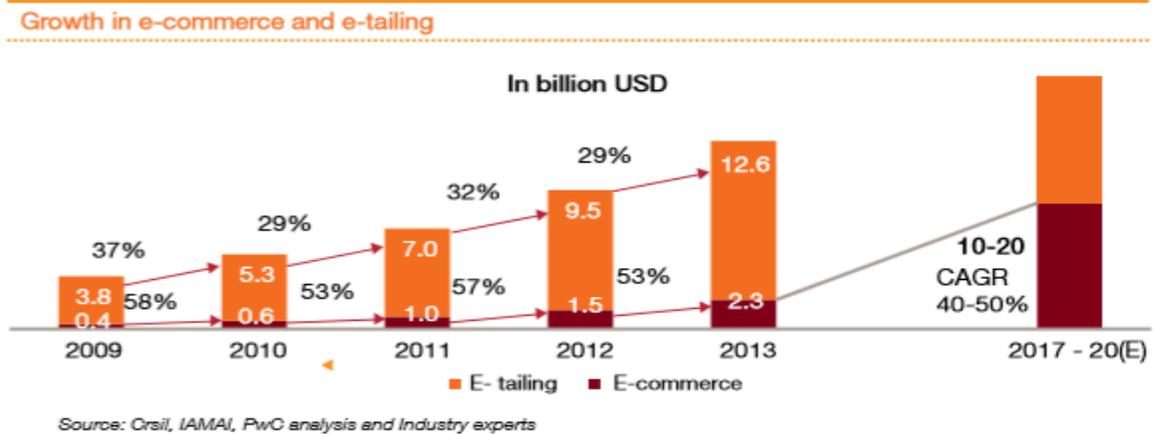
SHARE OF E-TAIL IN INDIA



By 2020, eTail in India is expected to account for 3% of total retail. Further, orders per million are expected to more than double from five million in 2013 to 12 million by 2016, which will mean more opportunities for both consumers and eTail companies. While the share of online shopping in total retail has increased at a fast pace in the last few years, it is still miniscule compared to the figure in China, where the share is 8-10%.

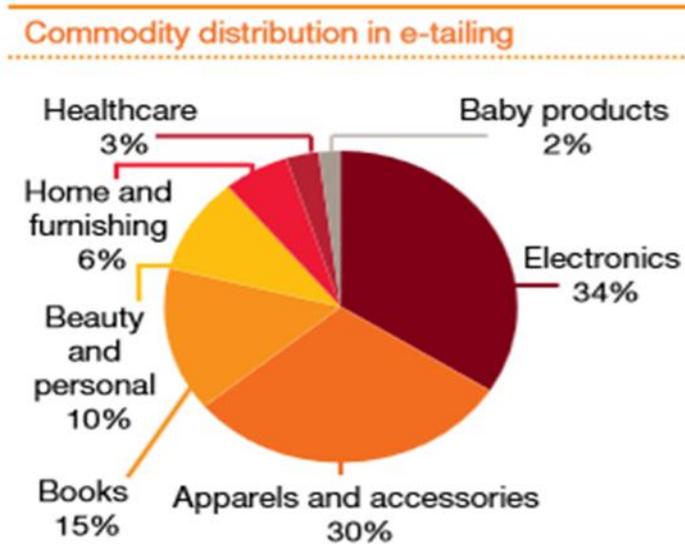


GROWTH OF E-COMMERCE AND E-TAIL

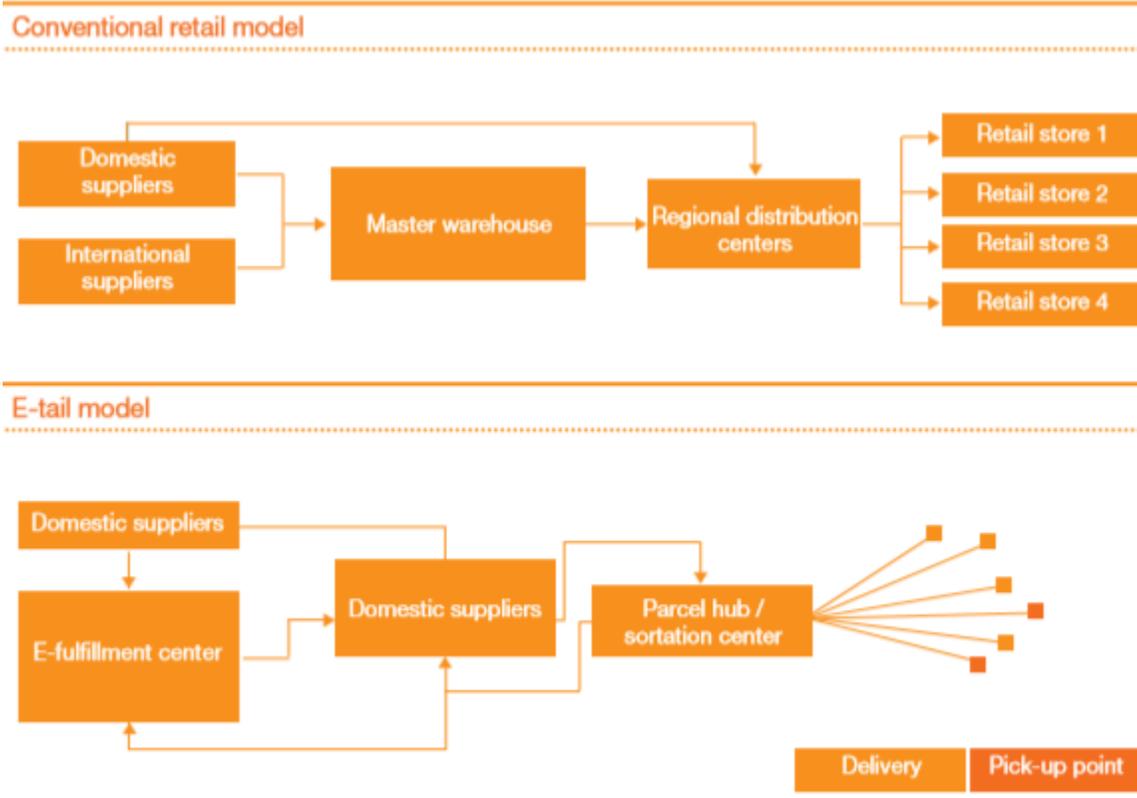


1. Source: Internet and Mobile Association of India research report
2. Source: IAMAI report titled 'e-Commerce Rhetoric, Reality and Opportunity'
3. Source: PwC analysis

COMMODITY DISTRIBUTION IN E-TAILING



COMPARISON BETWEEN CONVENTIONAL RETAIL MODEL AND E-TAIL MODEL



## FINDINGS

- The segment has grown three times in four years to about 12.6 billion USD in 2013. Different industry gauges extend that the segment will assist development five to seven times throughout the following four to five years. It is additionally the most difficult in satisfying its central suggestion of rising above physical limits to convey an assortment of items to the client's doorstep.
- Logistics and foundation in e-retailing turns into the very spine of the satisfaction arrange and the premise on which stringent administration level desires are set and met, and client mind-space among contending choices is won.
- This report gauge that a vast extent of interest in online business retail will stream into coordinations and framework. Without an occupant environment, web based business suppliers are starting to construct these capacities sans preparation. This will likewise generate infrastructural ventures into partnered segments, for example, warehousing, air freight, street and rail-based transport transportation. As conveyance reach and satisfaction systems turn out to be more settled in and progressively perplexing, open doors will develop for coordinations specialist co-ops and 3PL players. These patterns point to a splendid future for capable business visionaries, operational chiefs and in addition more noteworthy work open doors for blue-apprehended specialists.
- This report incorporates a scope of innovations and applications that make it conceivable to track cargo wherever it goes and deal with the stream of crude materials, parts, completed merchandise, and imports and fares. In India, the chance to actualize clever coordinations has been constrained by the appropriation of standard delivery holders. As of now, 50 to 60 percent of Indian cargo is containerized, fundamentally not exactly in created economies and China.
- Freight that is in compartments set apart with CNR (holder number acknowledgment) images— an expansive configuration scanner tag—can be filtered and followed electronically, accelerating forms at terminals and maintaining a strategic distance from blunders. RFID labels—economical labels with information about the character and substance of a holder—are additionally regularly used to track compartments, beds, and individual items as they move through coordinations frameworks. RFID-based terminal mechanization frameworks, which screen RFID-labeled vehicles and hardware and in addition load, design the stream of freight, resources, and vehicles crosswise over terminals progressively. The framework gathers information that can likewise be utilized to mechanize yard administration and arranging, berthing administration, and booking. A wise port framework can diminish the turnaround time for stacking and emptying payload by 50 percent and altogether decrease working costs RFID-empowered brilliant cargo frameworks are

likewise being sent for stockroom robotization: computerized stack picking, online scope quantification and booking, streamlined capacity outline, and stock administration.

## **CONCLUSION**

- "Technology" is vehicle to improve store network aggressiveness and execution by upgrading the general adequacy and productivity of coordinations framework. Henceforth picking the correct innovation for different coordinations exercises or sub-forms is exceptionally essential to any business to increase upper hand in the present focused market.
- Example – A cycle maker must perceive how it can coordinate the littlest part supplier to be specific, a brake shoe provider and furthermore the merchant at the provincial focus, with a specific end goal to streamline generation run and hold the client as opposed to losing to the contender. Today incorporation in the inventory network is conceivable because of accessible innovation prompting proficiency in the store network just if the production network accomplices receive the correct procedure.
- Internet business does not dispose of the need of the physical coordinations frameworks; truth be told, it even expands their significance. The Internet can be utilized as an appropriation channel just for a constrained scope of merchandise, which can be put away, handled and transmitted in an advanced organization. Notwithstanding, the Internet can be utilized to deal with the educational side of any exchanges, e.g. trade of data, inventories, following conveyances and giving in-line client benefit.
- The Internet can't dispose of or supplant the established capacities performed inside an advertising channel, however can rebuild them. The stream of data between the organization and its providers, accomplices and clients can be proficiently overseen over the Internet, decreasing the expenses and expanding the speed and the nature of information exchange. Then again, the virtual organization ought to arrange a correlative physical coordinations framework with a specific end goal to circulate material items to its customers.
- The elements of the physical coordinations framework can be subcontracted by the virtual organization from other specific firms. One might say that the execution of the Internet is changing the structure of the traditional conveyance channel, empowering an expanded specialization of the physical conveyance capacities. The idea of "significant worth systems administration" is rising, in which the virtual organization is sorting out and dealing with an unpredictable arrangement of associations with physical coordinations specialist organizations. Then again, as a rule, the virtual organization will choose to make its own particular physical resources keeping in mind the end goal to give a predictable nature of item conveyance.

## SUGGESTIONS

- Evolution of coordinations scene in the nation will be an imperative factor in deciding the course for the e-retailing industry. Coordinations advancement will be important to understand the potential vigorous development.
- Despite a tremendous potential, long haul productivity of the e-retailing industry in the nation is still under inquiry. After such a large number of years of operations, all the significant e-retailers are yet to begin making benefits. In the wake of skinny edges and imperfect framework bringing about higher conveyance cost, the long haul benefit still appears a far off plausibility.
- FDI in the stock drove retail will likewise be an imperative factor in getting down to business the eventual fate of the business. In the present situation, worldwide e-retailing monsters like Rakuten and Alibaba are peering toward a section into Indian e-retail advertise. Amazon has as of late reported a 2 billion USD speculation working on commercial center model. FDI stipend could be an essential factor in drawing in huge ventures bringing about better framework and strong supply chains.
- Evolution of tax assessment strategies in the nation will largely impact the way businesses work on warehousing. With consistency in tax collection laws the nation over, e-retailers are relied upon to draw nearer to utilization focuses with an expect to address the deceptions in the coordinations chain by expelling the covers in type of conveyance and sortation focuses which are generally nearer to the utilization focuses. It will likewise bring about continuous access to the e-retailing market. In a current case, a south Indian state had sent an assessment notice to e-retailers bringing about all e-retailers pulling back administrations in the specific state on account of varying expense arrangements.
- The advancement of the current coordinations suppliers and more players entering the 3PL space will bring about acknowledgment of the enormous capability of the e-retailing industry. Major 3PL players, (for example, FedEx, DHL, UPS, Gati, and so forth.) should outfit to the expanding requests of the e-retailing industry accordingly helping in justification of conveyance costs and give genuinely necessary harmony between utilizing hostage coordinations arrange and 3PLs. To accept the open door and help the e-retailing industry to overcome infrastructural bottlenecks, revival of the Indian Postal Service can be a distinct advantage. Teaming up the solid last-mile ability no sweat the reliance on alternate methods of transportation. In the wake of taking an all encompassing perspective of the business patterns, web based business is balanced for an energizing time of detonating development in a time of three to five years. This is relied upon to prompt significant interests in supporting foundation and inventive and amusement changing plans of action.

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