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Role of digitalization in E-Commerce

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Abstract

Due to digitization, e-commerce and online distribution is an ever-expanding, fast-growing industry. High-quality e-commerce must mirror the offline world. In the next few years, the Digital Natives will grow into their most affluent stage in life. The ability of a company to adapt to ever-changing demands of buyers is no longer the finishing touch, but a must-have to not be overtaken by the competition. In the international market, it is not enough to provide multilingual brochures or websites. Companies that sell their products in web shops also face the challenge to offer the products in the language of the potential buyer. They need to adapt as well as possible to the target market, considering cultural particularities or different preferences.

Keywords: Digitization, E-Commerce

Introduction

Due to digitization, e-commerce and online distribution is an ever-expanding, fast-growing industry. High-quality e-commerce must mirror the offline world. In the next few years, the Digital Natives will grow into their most affluent stage in life. The ability of a company to adapt to ever-changing demands of buyers is no longer the finishing touch, but a must-have to not be overtaken by the competition.

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Role of the digitalization

Digitization being a key to the economy in the present era integrate the economy by creating digital markets. Firms, prices and productivity are the three benefits derived by an economy. In India, increasing networking facility and rapid technical adoption of gadgets like smartphones, tablets, etc, have led to an attractive online customer base and unprecedented growth of e-commerce. Digitalization in the present era has increased the value of market and trade and his role as follows

- **Digital presence**

The most visible advantage is presence on the Internet, through tools such as online stores, social networks, blogs, corporate pages, etc. For some companies, this presence is the focus of their digital strategy, and they have even shifted their business from traditional forms to online commerce, with all that that entails.

- **New contact channels with customers**

It also opens a new ways of communicating with customers. Email, apps, social networks... nowadays, the clients of any business with a digital presence have multiple ways to contact the company and its another way to increase sales, loyalty and customer loyalty.

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- **The customer as the priority**

The digital transformation involves placing the customer at the centre of the business, and while this involves work and responsibility. Contacts such as those established in social networks or opinion polls and websites, facilitate the always important task of finding out what users think about our products or services. The proximity to the customer implies this responsibility. At the same time, every day we have new technological means at our fingertips that offer us new options to improve the customer experience. It is true that sometimes it will cost effort and an economic investment, but by acting wisely the result will be the progressive.

- **Decision-making**

Digitization goes hand in hand with data management, data is knowledge, and knowledge leads to better decisions. The digitalization of business makes it possible and continuous contact with the customer to get to know him/her better. Some companies go further and apply Big Data when making all kinds of decisions that affect almost the entire business (marketing, production process, etc.).

- **Improves efficiency and productivity**

Digitalization also allows you to make better decisions, and technological tools to make your work more efficiently. When used intelligently, the digitalization of business can lead to a significant increase in productivity and can reduce some costs.

- **It encourages innovation**

The digital transformation encourages to a dynamic of innovation that allows it to be more aware of new trends and the possibilities offered by new technologies. It also help foster innovation among the team members Innovation will not only depend on digitalization, but it will also help to achieve the target.

- **Makes communication and teamwork easier**

Both through the alignment of goals and the opening of new communication channels, the digitalization of business improves internal communication. We can observe this both through the teamwork (e.g. inter-departmental) that will be needed to implement measures of digital transformation, and through such basic choices as implementing an internal chat.

- **Working conditions Improves**

Digitalization increases the possibilities to improves the working conditions at the work place and makes positive benefits to all. New employment options, such as flexible working hours or teleworking, need the support of digitalization in order to be able to carry them out. Without this, it would be much more difficult, or even impossible.

Still all these above advantages and benefits to company, traders, customers market there are some challenges to tackle and to learn new things

Organizational resistance to change

The great architect and innovator Matt Taylor once said "the future is rationale only in indsidht." When Bell Atlantic was making those critical decisions that fundamentally transformed what it was as a company, the outcome was far from clear or free of risk.

Lack of a clear vision for a digital customer journey

Companies still in the dark need to do four things:

- First, take stock of your assets - your brand, your customers, your intellectual property, and the strengths and talents of your organization.
- Second, study your market to understand your customers' unmet needs and what your competitors are doing.
- Third, be on top of technology trends, which includes keeping apprised of relevant emerging technology and shifts in consumer behavior as it pertains to technology.
- Fourth, establish processes designed to generate portfolios of potential ideas for the future state of the customer journey.

Legacy business model

Companies that successfully "cross the chasm" to digital effectiveness often discover they need to provide for free what they used to charge for, sell as a subscription what used to be "a la carte," monetize via advertising things that used to be paid for in other ways, and re-think how they derive revenue from the value that they create. Those that do so flexibly can often find that the adoption of a digital strategy offers more scale, revenue and profit than the legacy approach, but it takes experimentation, an assumption of risk, and – to be blunt – some failure along the way. Whereas this approach is widely accepted among startups, it is one that the management and investors in mature companies generally fear. Yet, this is the gauntlet they must run in order to achieve digital success.

Conclusion

Cash continues to be an attractive means of payment because the payer and the payee do not have to pay any additional charges and is anonymous. The reason why digital payment has not become popular with small merchants in India is cost and poor infrastructure. At the least, merchants have to pay for a POS machine. India has an internet user's base of about 475 million as of July 2018, about 40% of the population. The industry consensus is that growth is at an inflection point.

- In India, cash on delivery is the most preferred payment method, accumulating 75% of the e-retail activities. Demand for international consumer products (including long-tail items) is growing much faster than in-country supply from authorised distributors and e-commerce offerings.

As of 2017, the largest e-commerce companies in India are Flipkart, Amazon, ShopClues, Paytm, Snapdeal and e-bay. According to a Google and The Boston Consulting Group report, Digital Payments 2020, the total payments made through digital payment instruments in India are likely to be about US\$500 billion by 2020, which is 10 times the current level. The report also estimates that non-cash transactions, which currently constitute about 22% of all consumer payments, will overtake cash transactions by 2023.

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