Measuring Effectiveness of E-Commerce System

Poojaba V. Rana
I/C Principal
G. L. Kakadia College of Comm. & Mgt.
Bhavnagar.

ABSTRACT　　Successfully conducting business on the Internet calls for new marketing paradigms that meet the requirements of the unique combination of its inherent characteristics: electronic markets, technological platform, and marketing issues. In this context, electronic markets are the framework in which market transactions are performed on the Internet. Underlying Internet technology forces marketing activities to be different from the ones applied to traditional sales channels and performance marketing is the essential ingredient for creating the best offering for the customer. The Web Assessment model unites these ingredients into a unified approach for the evaluation of commercial Web sites. The Web Assessment methodology has been developed over the last one and a half years and the initial ideas have appeared in conference proceedings Based upon the Web Assessment methodology a software tool has been created in order to enable Web users to make an online evaluation of their favorite Web sites. The paper describes the underlying model and presents preliminary usage observations. The findings outlined in this paper were collected from participating Internet users who completed the online questionnaire. The data is a collection of subjective user assessments of various Internet commerce applications. There are various kinds of observations which can be made with the Web Assessment tool. We selected examples portraying a "single company profile" and an "inter-business comparison". The inter-business comparisons are explored in more detail using the examples of two bookstores – the virtual Amazon.com versus the traditional bookseller Barnes & Noble. The assessment of the effectiveness of e-commerce websites is of critical importance to online retailers. However, the current techniques for evaluating effectiveness are limited in that they do not allow for formal empirical measurement of the productivity and performance of the website. In this paper, we use the theoretical perspective of production economics to measure the performance of Internet-based selling websites. We model the website as a production system where customers consume inputs (i.e., use various functionalities of the website) to produce an output (i.e., a basket full of items at checkout). With this basic perspective, we propose an analysis methodology for measuring and comparing website efficiency and attributing observed inefficiency to customer inefficiency or website design inefficiency. The application of the proposed evaluation methodology to a currently operational e-commerce website demonstrates the value of our technique.

Key words:　e commerce system.

INTRODUCTION:-

The Internet could be, at least from a technological point of view, the closest approximation of a perfect market and a frictionless economy. Ubiquitous information allows buyers to compare the offerings of vendors worldwide. One prediction of customer behavior claims that all marketing activity can be reduced to one factor, namely price. Today, many approaches for the assessment of Internet marketing strategies are based on existing marketing paradigms.

Website design includes both marketing and technical issues. Next to that, the electronic realm creates entirely new marketing opportunities that call for new concepts. The Web Assessment model is based on the three market transaction phases – information, agreement, and settlement– and a special "community component". The model goes beyond traditional concepts by dedicating special attention to the unique feature of the Internet to build loyal virtual communities.

The Web Assessment model does not focus on the electronic commerce strategy for a certain firm or the ex-ante decision of whether to go online and invest in this type of technology platform. Instead, the model provides a useful analysis of the quality of a commercial website from a consumer perspective. The model can be used by researchers and Internet marketers. Merchants might want to assess the status of their current website and develop ways for improvement. Researchers can use the model in order to identify best practice examples and to list strengths and weaknesses of existing sites from a consumer perspective.

With increasing demand for online purchasing, more and more businesses are moving to e-store from brick and mortar stores. In the US, more than 60% of people are purchasing goods online from the comfort of their home and this figure is increasing constantly. By considering this percentage, we can say that e-commerce is expanding tremendously because of its complete range of benefits that any industry vertical can enjoy.

Today, e-Commerce has revolutionized the way companies are doing business. Now, consumers can purchase almost anything online 24*7 a day and get an ultimate shopping experience. Before you opt for an e-Commerce business, have a look on its comprehensive benefits that you can enjoy

Convenience & Easiness:

For many people in the world, e-Commerce becomes one of the preferred ways of shopping as they enjoy their online because of its easiness and convenience. They are allowed to buy products or services from their home at any time of day or night.

The best thing about it is buying options that are quick, convenient and user-friendly with the ability to transfer funds online. Because of its convenience, consumers can save their lots of time as well as money by searching their products easily and making purchasing online.

Offer Product Datasheets:

Consumers can also get description and details from an online product catalog. For your customers, it is very much important to get information about the product no matter whether the time of day and day of the week. Through information, your customers and prospects are making decision to purchase your products or not.

Attract New Customers with Search Engine Visibility:

As we all know that physical retail is run by branding and relationships. But, online retail is also driving by traffic that comes from search engines. For customers, it is not very so common to follow a link in the search engine results and land up on an ecommerce website that they never heard of.

Comprise Warranty Information:

No matter whether you are looking to choose including warranty information with product descriptions and datasheets or providing it from within an ecommerce shopping cart, you need to make sure that customers must be aware of important terms and conditions that are associated with their purchase.

Decreasing cost of inventory Management:

With e-commerce business, the suppliers can decrease the cost of managing their inventory of goods that they can automate the inventory management using web-based management system. Indirectly, they can save their operational costs.

Keep Eye on Consumers' Buying Habit:

The best thing is e-commerce retailers can easily keep a constant eye on consumers' buying habits and interests to tailors their offer suit to consumers' requirements. By satisfying their needs constantly, you can

improve your ongoing relationship with them and build long-lasting relationships.

Competence:

For effective business transactions, e-commerce is an efficient and competence method. Setting-up cost is extremely low as compare to expanding your business with more brick and mortar locations. Very few licenses and permits are required to start-up an online business than physical store. You can save your lots of money by using fewer employees to perform operations like billing customers, managing inventory and more.

Allow Happy Customers to Sell Your Products:

With lots of customers' reviews and product ratings, you can easily increase your sells as new customers find that your products are good and effective. Make sure that you mention your clients' testimonials, reviews and product ratings as such things can help your new customers to purchase your products.

Selling Products Across the World:

If you are running a physical store, it will be limited by the geographical area that you can service, but with an e-Commerce website, you can sell your products and services across the world. The entire world is your playground, where you can sell your complete range of products without any geographical limits. Moreover, the remaining limitation of geography has dissolved by e-commerce that is also known as mobile commerce.

Stay open 24*7/365:

One of the most important benefits that ecommerce merchants can enjoy is store timings are now 24/7/365 as they can run e-commerce websites all the time. By this way, they can increase their sales by boosting their number of orders. However, it is also beneficial for customers as they can purchase

products whenever they want no matter whether it is early morning or mid-night.

Economy:

Now, you don't have to invest your money in the physical store, insurance or infrastructure as all you need is a wonderful idea, unique products and well-designed website to reach your precious customers to sell your products and services. We can say that this makes an e-commerce a lot more economical and reasonable.

Boost Brand Awareness:

As like e-commerce business can help B2B organizations to get new customers, so it will be helpful for e-commerce businesses to boost their brand awareness in the market. Developing pages that can be indexed by search engines crawlers is one of the best ways to enhance your website' search engine optimization and enhance the target audience on your site.

Decrease Costs:

One of the most positive things about e Commerce is that you can decrease the costs of your business. Below are some of the costs that you can reduce by opting for ecommerce:

- **Advertising & Marketing Cost:** If you opt for ecommerce, you don't have to spend your money on advertising and marketing. However, organic search engine traffic, social media traffic and pay-per-click are some of the advertising channels that are cost-effective.
- **Personnel:** A complete automation of check-out, billing, inventory management, payments and other type of operational costs lower the total number of employees that you require to run your ecommerce business.
- **Eliminate Travel Cost:** Now, customers do not have to travel long distances to reach their desired stores as ecommerce

allows them to visit the e-store anytime without traveling. With few mouse clicks, customers can make their purchase and have wonderful shopping experience.

Offer Huge Information:

- One of the best benefits of ecommerce for customers is they can get huge information that is not possible in a physical store. We all know that it is quite difficult to equip employees to respond to customers who are looking for information on different product lines.
- But ecommerce websites offer additional information to their customers without any hassle. All the given information is provided by vendors so that their customers find it easy to purchase products with information.

Analytics:

We can say that business 2 business offers an excellent platform to organizations to launch their complete range of analytics campaign. Through ecommerce, organizations can easily calculate and evaluate sales effectiveness, customer effectiveness, marketing campaigns, product mix, customer engagement and more.

Expand Market for Niche Products:

It is difficult for buyers and sellers to find each other in the physical world, but it becomes very easy for them with the inception of e-store. Customers can search their required products on the web and can purchase it from any corner of the world. No matter what kind of product customers are looking, they can find all types of products without any hassle.

Scalability:

With effective ecommerce solution, you and your organization grow and scale easily to meet market demand as well as customer requirements by introducing different sales channels and reaching market segments.

Ability of Multi-site:

With ecommerce platform, it becomes easy for businesses to launch channel specific and particular brand ecommerce website. This ability enables you to provide co-branded websites for your specific customers and allows for websites catering to specific international spectators.

Conclusion:-

The evaluation of user satisfaction is an established means of assessing Information Systems (IS) effectiveness. However, the advent of e-Commerce has shifted the location of the traditional user of Information Systems out of the physical domain of the organization or business. E-Commerce businesses now have to deal with a new type of user viz. the e-Customer. Furthermore, the integral role that IS plays in delivering core business services or a product implies that evaluation of the satisfaction of the e-Customer is implicitly an evaluation of service quality as well. In light of this, already established instruments that measure user satisfaction of IS in traditional (brick and mortar) businesses are not completely appropriate

The Direct Marketing Association has an online guide to help entrepreneurs develop a privacy-policy statement. The guide encourages companies to complete a questionnaire and create a privacy-policy statement consistent with the association's Privacy Principles for Online Marketing. The successful companies of the future will be those that take e-commerce seriously, dedicating sufficient resources to its development. E-commerce is not an IT issue but a whole business undertaking. Companies that use it as a reason for completely re-designing their business processes are likely to reap the greatest benefits. Customers need not to travel to shop a product thus less traffic on road and low air pollution-

Commerce helps reducing cost of products so less affluent people can also afford the products-Commerce has enabled access to services and products to rural areas as well which are otherwise not available to theme-Commerce helps government to deliver public services like health care, education, social services at reduced cost and in improved way.

References:-

1. Sarkar et al. 1996 Sarkar, M.; Butler, B.; Steinfield, C.: "Intermediaries and Cybermediaries: A continuing role formediating players in the Electronic Market", in *Journal of Computer Mediated Communication (JCMC)*, Issue 3, 1996.

2. Agrawal, V., Arjona, L. D. and Lemmens, R. (2001). "E-Performance: The Path to Rational Exuberance". The McKinsey Quarterly, 2001(1), pp. 31-43.

3. Srivastava, J., Cooley, R., Deshpande, M. and Tan, P.-N. (2000). "Web Usage Mining: Discovery and Applications of Usage Patterns from Web Data". SIGKDD Explorations, 1(2), pp. 12-23.

4. www.useit.com/papers/heuristic/heuristic_list.html.

5. www.gogle.com

6. www.wikipedia.com

7. www.e-mcom.com

8. www.measuring e-mcom.com

Courage is not the absence of fear, but rather the judgement that something else is more important than fear.

~ Ambrose Redmoon