CHAPTER-V
Chapter V Summary Findings and suggestion

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5.1 Findings

- For Business-to-Business transactions, Indian industries are expected to reach online penetration of 2% by 2003 and 8% by 2008. This would be about one tenth of E-Commerce penetration in Japanese industries during respective periods.

- It further expected that India's active internet population would spend close to 1.4% of its total regular household spending through internet purchases by 2003.

- Revenue streams would increasingly be aligned with emerging global model. This comprises of majority coming from transactions and a minority coming from advertisement revenues would amount to about 5% of total AD spend.

- At least one out of every five NRIs would make some form of purchase from India based web sites by 2003.

- In the year 1999-2000, Internet and E-Commerce related software and services exports from India are expected to bring US$ 340 million out of estimated US $ 3.9 billion software and services exports.
• Supply Chain Management optimization is one of the strongest drivers of global E-Commerce solutions market, as it spurs Business-to-Business transactions. More than 68% of Indian software houses have informed of strong expertise in Supply Chain and Distribution Management solutions.

• Almost 32% of IT company respondents have identified web based consumer businesses as a major opportunity area, with expected paybacks beginning in 3-4 years.

• Some of the areas of E-Commerce services are-Legacy application integration; Internet application Integration: EDI, Migration to Web based models; new It frameworks and integration with business strategy (strategic IT consulting); E-Commerce training services; Business Web Site Development and Maintenance.

• More than 88% of respondents expressed keen awareness of increasing adoption of E-Commerce and its potential benefits.

• More than 41% of corporate respondents said that E-Commerce transactions are integral to their corporate plans. It may be noted that out of these, nearly 85% were industries which did not have direct or frequent contact with end-consumers.

• About 18% of respondents (primarily corporate) already have some form of e-commerce infrastructure in place. These have been facilitated through upgradation of existing IT systems or fresh installations configured for E-Commerce transactions.
• The most commonly found business practice is to establish extranets or EDI (Business-to-Business) infrastructure for initial or learning period. This is subsequently upgraded to internet based access mechanisms.

• More than 90% of the respondents cited perceived efficiency in Supply Chain Management as motive for Business-to-Business E-Commerce, and enhanced Customer Service (Customer Relationship Management) for Business-to-Consumer transactions. The other cited benefits included moving towards Just-in-Time management.

• Almost 78% of respondents concurred that technology is not a major concern, nor is the required budgetary resources. The high cost of effecting such transactions and inadequate services with regard to telecom, bandwidth etc., were cited as major impediments.

• About 48% of respondents said that given the right framework and cost-effective infrastructure, they would like to move towards adopting E-Commerce at the earliest.

• Some of the key industries that have high potential for early adoption of e-commerce are: Financial (Stock Exchange and Banks), Automobiles, Retail, Travel, IT and.

• Manufacturing: Present hubs of EDI based transactions are Pune and Gurgaon.
5.2 Suggestions

The popular view of e-commerce is that the hype is not backed up by profitable activity on the operational level. The results contained in this research report indicate that this state of affairs is changing with a number of companies trading through electronic channels with plans of integrating them with their supply chains.

✓ Electronic Commerce is Very Important to Business Strategy. It was found that nearly half the organizations surveyed gave importance to e-commerce as a part of business strategy. Only 4 per cent said that it was of no importance to their business strategy.

✓ Improved Productivity, Improved product Quality, & Improved Customer Service Are the Major Benefits Realized.

✓ The Major Potential benefits of E-Commerce Are Improved Customer Service & Improved Productivity. Respondents believed the principal benefits of e-commerce to be Improved Customer Service and Improved productivity. These 2 benefits were given much higher weightage by respondents while the other benefits like Shortened Supply Chain and Reduced Cost were given a similar lower weightage.

✓ Companies Are Held Back By Lack of Standard Payment Infrastructure & Trading Partner+s Technology. Although companies were keen to use e-commerce to improve Customer Service and Productivity, they believed
they were being held back by the Lack of proper Legal Support for electronic transactions and their trading partner's inability to set-up and manage the required technical infrastructure.

✓ Security Not an Insurmountable Problem. Respondents cited security as another major banner to e-commerce. However, security appears to be an overhyped concern as observed in survey of the European market. It was found that companies that take a pragmatic view are more successful in exploiting e-commerce, and companies that had made sales via the Internet were less likely to see security as a problem.

✓ Senior Level Support and Budget Allocation were given due weightage as actions taken for integration of e-commerce technologies with existing processes. Committing manpower and integration with operational activities got a lower weightage.

✓ Preferred Electronic Commerce Technologies. E-mail, www Access, and a www Website were the most widespread technologies currently implemented. Electronic Data Interchange (EDI) and Extranet were the most favoured for initial implementation within 2 years while IVR, Extranet,

✓ Smart Cards, and Debit/Credit Cards were stated for initial implementation in 5 years.

✓ InfoTech Department & Executive Committee are The Biggest Sponsors. While the Executive Committee took the initiative in Funding (65 per cent of organizations) and Championing (33 per cent of organizations), the infotech Department Championed (53 per cent organizations), Developed
(64 per cent organizations) and Maintained (68 per cent organizations) e-commerce initiatives.

✓ Most favoured technological features to implement security. Respondents rated Network Access Controls (95 per cent weightage), Through-The-System Tests & Audits (90% weightage), and Centralised Network Management (88 per cent weightage) as the preferred features to implement security.

✓ Most organizations were not aware of their transaction volumes. Less than half the respondents were able to provide details of the volume of transactions done electronically, while nearly half of these said that they had zero electronic transactions. It was found that the total annual value of transactions done electronically by respondents was about Rs.123 million.

✓ Trading partners Viewed Favourably. Most of the organizations surveyed were favourable to their trading partners in terms of considering their concerns, having explicit role based agreements, quality of communications, long associations, and levels of trust. While most organizations work closely with their business partners, many of these do not trade with them electronically. Hence, it is evident that there is a large, unutilized potential for Business-To-Business implementation of e-commerce in India.