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THE ANALYZATION OF THE USAGE AND IMPLEMENTATION OF E-COMMERCE AND INFORMATION MANAGEMENT SYSTEM BY INDIA MART COMPANY

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Abstract

The focus of this paper was to assess and analyze the usage and development of e-commerce in India specifically in case of India Mart company which is considered as the biggest e-commerce marketplace in the country. As we know e-commerce is the application of information and communication technology (ICT solutions) to run a business. In addition, the challenges that e-commerce companies like India Mart have been facing is exposed and the attempt has been made to provide appropriate recommendations and solutions to the mentioned challenges in order to solve these barriers. Moreover, the initiatives that have been undertaken by the Indian government to make India a digitalized nation were mentioned since it has direct effect on the conduct of e-commerce. It has been found out that despite the challenges and limitations of using e-commerce in India, the prospect of this industry in the country is promising and India Mart's sales as the largest e-commerce company in India has been at attractive valuations despite a significant drop in its revenue compared to other midcap IT businesses.

Introduction

In this research, the attempt has been made to assess and evaluate the usage of e-commerce by the Indian company (India Mart) and how it has used an information management system to run its business successfully. Moreover, the challenges of using ICT solutions in India by the company have been mentioned. E-commerce is known as the use of information and communication technology in business and commerce. ICT is a broad phrase that encompasses the use of computers, including hardware, software, and systems, to exchange, retain, and manage information (Kumar, Arif and Malik, 2014). E-commerce combines a variety of IT solutions, minimizing administrative expenses and streamlining operations. In e-commerce, business information systems are

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utilized for managing inventory and supply chain management. Customer satisfaction is also an important aspect of e-commerce (Khrais, 2019) therefore, we can say that E-commerce is the application or usage of ICT solutions in the business.

Theoretical Framework

Electronic commerce or known as E-commerce is a business approach that enables consumers and businesses to buy and sell goods and services over the Internet. E-commerce can be done on a computer, tablets, smartphones, and other smart devices, and it operates in four key market categories. Ecommerce transactions can be used to buy almost any goods or services conceivable, like textbooks, music, aircraft reservations, and financial services like investing in the stock market and internet banking. As a result, it is regarded as a highly revolutionary technology (Bloomenthal, 2021). E-business enables businesses to reach out to a larger number of customers in a much bigger economic market. Businesses can utilize a website to sell goods and services to global markets. Furthermore, because many businesses do not shutter their websites, selling can take place at any time (elandersamericas, no date).

6 Types of E-Commerce:

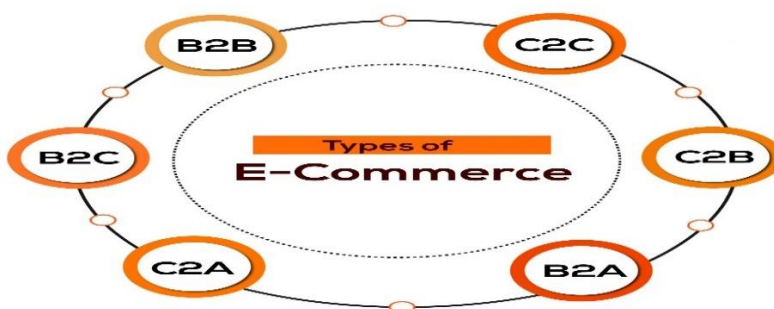


Figure No: 1 (testbytes, 2017)

India Mart

India MART is the largest online B2B marketplace, bringing buyers and sellers together in India. With a 60 percent market share in India's online B2B classified environment, the network seeks to offer a platform to SMEs, small and medium companies, and persons. The objective of the company, which was established in 1999, is to "make conducting business easier" (IndiaMart, 2020). Basically, Dinesh Agarwal, the founder of Indiamart.com, began his career as a fertilizer merchant prior entering the website business in 1996. In India, the term 'e-commerce' did not exist at the time. Thus, Dinesh

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developed a website that provided information on exporting to small companies, as well as created website for other organizations to earn money. The India MART staff converted their firm to become a platform for commercial goods and supplies, as well as a guide connecting customers and suppliers throughout the nation, as information services and website creation become widely accepted.

There are 143 million buyers, 7 million suppliers, and 80 million products and services in the company's database. India MART employs 3,185 people in 32 branches nationwide. For its buyers, India MART provides the flexibility of engaging with sellers at any time and from any location, as well as a larger platform with a diverse choice of products and suppliers and a Professional Indemnity Program. Additionally, the company offers enhanced business publicity, greater brand reputation, a lead management system, and an efficient payment solution: Pay with India MART for its suppliers (IndiaMart, 2020). The corporation sells practically anything, from clothing to home furnishings to gadgets and construction materials. With higher levels of trust and more than two decades of experience India Mart gives business exposure and reputation to its suppliers and buyers (startuptalky, 2022).



Figure No: 2 (Agarwal, 2021)

India`s Largest E-commerce Website

India MART is the biggest online B2B platform in India, with a 60 percent share of the market in online B2B listings. The online Business runs a product and price discovery platform that allows buyers and suppliers to communicate more easily. The platform is unusual in that it allows for two-way communication: suppliers may list their products and customers can post requests for quotes (RFQs). This assists India MART in gaining maximum leads for suppliers as well as evaluating supplier behavior, especially their responses (Edel Weiss, 2019). Policymakers at India MART emphasize in not only driving change, but also in developing a transformational eco-system that allows firms

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to seamlessly transition from traditional to digital business. The company is dedicated to encouraging businesses to grasp the power of digitalization, allowing them to participate as equal players in the country's success(Report, 2020). The business is achieving milestones and transforming thoughts into the finest potential and practicable outcomes with the help of seasoned Industry experts. With its experienced and dedicated workforce, India Mart nowadays is contending against long-established IT companies. Apart from standard IT services, it specializes in Passive Infrastructure, Networking, Database Servers, IPT, Smartphone Apps, Smart Phone Management, CCTV and Security, VTS, Call Billing, Advanced Training, and professional IT staffing. By working with Cellphone Solutions in Finland, India MART was the first to introduce Mobile Device Management software to the Indian market. Customers can benefit from Push Mail services, Mobile Device Management, Asset Tracking, and other corporate productivity products in the mobile space(IndiaMart, 2008).



Figure No: 3 (thewechatagency.com, 2021)

Challenges

Despite the fact that E-commerce has grown in India and it is possible to buy any type of goods and services online through websites like IndiaMART.com, yet there are some major challenges that threaten the progress and development of companies like India MART. The followings are the main challenges of E-commerce in India:



Figure No: 4 (thestatesman, 2021)

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Problem with Internet

E-commerce relies heavily on the Internet. Sadly, India's internet connectivity is still relatively low. This makes the work very difficult for E-commerce companies like India MART as their whole operation will be dependent to Internet(Babu and Sridevi, 2018)..

Traditional Payment Method is preferred over online payment method

Due to the low use of credit cards and little trust to pay through internet and online in India, most customers choose to pay cash on delivery. Physical cash gathering, unlike computerized payouts, is risky and costly(Ansari, no date).

Information and Data security

One of the greatest issues in online business is security problems. When it comes to e-commerce, there is indeed a plethora of information/data included, and a data-related technical problem can severely harm a company's regular activities and also brand recognition(Team Vue.ai, 2021).

Issues with Supply Chain Management

Timely delivery is frequently a massive issue due to transportation systems, location, and inevitable bottlenecks amid transitions that cause orders to be canceled. If the goods are not delivered on time, an unhappy consumer is a lost cause. This is a time-consuming process that necessitates extensive R&D on the part of all e-commerce companies when deciding on a supply chain management(Ansari, no date).

Inaccurate Postal Addresses

If you place an online order, the provider will phone you to inquire regarding your precise location. Because there is always a minimal consistency when writing postal addresses, the provided location is insufficient. And it's one of India's major issues when it comes to online businesses. This has caused many problems for India MART being the country`s largest B2B E-commerce website(Ansari, no date).

Beside the mentioned challenges, based on my own experience in India many customers return the goods they order online due to quality default. Additionally, many people are not familiar with using E-commerce on their phones, either due to lack of knowledge and using feature phones instead of smartphones.

Recommendations

Internet Issue

Thanks to the “**Digital India**” campaign of the Indian government, the number of internet users in India has grown dramatically, but yet the country`s internet penetration is low comparing to China. Thus, e-commerce companies like **India MART** have been

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affected by it and there is a need to take necessary actions to solve this problem. To solve this problem in India companies like India MART and the government should come together and work on a pan-India digital literacy programme and initiatives that complement existing literacy and education programs such as the National Literacy Mission and the Sarva Shiksha Abhiyan. The goal should be to make at least one each family members an internet proficient(Dharmakumar, no date).

Promoting Online Payment

To strengthen the economy, it is necessary to eliminate cash transactions and increase cashless transactions. The Indian government has taken steps to provide tax advantages for online payments while also enacting regulations to make the online payment process easier. The government is attempting to shift away from a cash-based economic system(Khushiramani, no date). In case of India MART some customers complain about not receiving material and not getting refund after they pay online. The company should take all necessary actions to solve this problem otherwise it would be hard to make customers believe in the company and its online payment system.

Information and Data Security

Though India MART has made sure that its clients` data and information would be safe but yet e-commerce industry is among the most susceptible ones when it comes to data and information breach. As a result, it is recommended that India MART, as an e-commerce company, maintain its apps up to date, limit staff with access, encrypt data across all systems, and take extra precautions(Radak, 2021).

Supply Chain Management

Managing supply chain process is a tough job in B2B business since some business do not own the whole supply chain and a mistake at one side can cause problem for the whole system. In Case of India Mart some customers who had bought products from suppliers using India Mart platform were not receiving their products on time or some products have been delivered late and faulty. To solve this problem India Mart needs to make sure that Businesses using its website should stick to standards, keep their promises and increase the supervision on supply chain management. Any misconduct from either of the businesses doing business using India Mart can leave a negative image for the e-commerce company since end customers will blame India Mart other than the company that has failed to deliver quality products on time and as promised.

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Inaccurate Postal Addresses in India

This is a common problem for all e-commerce businesses in India and many times deliverymen won't be able to find the exact address by just reading the given postal address. To solve this issue some companies like Amazon in India are trying to find solutions which can help all e-commerce businesses to tackle this issue. For instance, Amazon purchased a share in Zippr, a company that provides 8-digit numerical codes as an alternative for conventional addresses, allowing users to specify exact locations on a digital map. Flipkart, a competitor, has invested in MapmyIndia, a digital map firm. Moreover, Apple has opened a maps development center in India (Rai, 2017). India Mart also can follow the same path and look for similar initiatives to solve the postal address problem.

Conclusion

Overall, India Mart has been a successful Business to Business company and the largest B2B marketplace that has effectively used ICT solutions to run its business in India. It has also been noted that while e-commerce business face several challenges like low internet penetration, Indian customers' tendency to pay in cash other than online pay and some other infrastructural issues in the country, but there has been a boost in the industry indeed. GlobalData predicts that the Indian e-commerce sector would expand by 21.5 percent by 2022. The Indian e-commerce market has had rapid expansion in recent years, and this development is anticipated to continue, with e-commerce revenues forecasted to rise by 21.5 percent to INR5 billion this year (globaldata, 2022). In case of India Mart, the company in the last several months, like other new-age e-commerce enterprises in India and around the world, has seen a significant drop in revenue. Despite the fact that, unlike other publicly traded e-commerce enterprises, it is increasing its profitability and selling at attractive valuations comparable to many midcap IT businesses (Mint, 2022).

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