

E-Commerce Industry and the Significance of E-Services

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ABSTRACT:

The e-Services and e-Commerce has become the need of the hour. The e-Service concept and the evolution of it is dealt with in this paper. The e-Commerce for Service Industry detailed. The various components of e-Service and their modus operandi studied in detail. The various e-Services and their significance categorically analyzed and their impact verified. The paper also tries to throw light on the ways these services deal with the customers and satisfy their needs in different ways and their over-riding effects on the traditional ways of marketing. The traditional path of marketing and the e-Service path are compared. How these various e-Services analyzes the customer demands and how they satisfy the customer expectations thereby establishing and marketing themselves are dealt with. The growth of e-Services in the Indian marketing, the present trend and the latest developments in the Indian Market is studied with examples especially in the present scenario of Covid-19.

Keywords: e-Commerce and e-Services, Service Industry, Orientation, Customer Equity, Present Trend, Latest developments, Future of e-Services, Contactless Business

INTRODUCTION:

An archetype shift in trading is experienced throughout the world today due to the introduction of e-commerce. The concept of e-commerce which was coined by Chris Anderson had a steady growth throughout the world. E-commerce can be intertwined with the history of Internet. In 1991, online shopping was made possible only with the help of Internet. United States of America was the first to experience this e-commerce through the platform Amazon which started selling its product online and then thousands of other firms started following this trend. The original meaning of E-commerce was buying and selling of goods and services through electronic medium, without using any paper documents. The World Trade Organization defines E-commerce as, "E-commerce is the production, distribution, marketing, sales or delivery of goods and services by electronic means". Originally, electronic commerce meant the facilitation of commercial transactions electronically, using technology such as Electronic Data Interchange (EDI) and Electronic Funds Transfer (EFT)

The World Wide Web has focused on a new concept of moving beyond e-business and e-commerce into a new form where it offers services to business and consumers through the web. This new concept was developed by Hewlett Packard (HP) called the e-service. The service provided with the help of information and communication (ICTs) is called e-services. Rowley defines e-services as "The deeds, efforts or performances whose delivery is mediated by information technology. Such e-service includes the service element of e-tailing, customer support and service delivery".

THE e-SERVICE APPLICATIONS:

The term e-service has many applications and can be found in many disciplines. The two dominant application areas of e-service are e-business (or e-commerce) and e-governance (or non-commerce). Computer Language Company 2009 defines e-services as an umbrella term for services on the internet. E-service includes e-commerce transaction services for handling online orders, application hosting by application services providers (ASPs) and any processing capability that is obtainable on the web. In short e-services include both services online and offline. The offline e-services includes telephone, fax, personal digital assistant, text message, picture messages, Bluetooth,

tracking system , radio-frequency identifier's, bio-metrics identifiers, email, online chat , electronic ID cards and many other.

THE MAIN COMPONENTS OF e-SERVICES:

- Service Provider : Agencies who provide the services
- Service Receiver : The people who receive the services
- The Channel of Service Delivery (Technology): The main channel of E-service delivery is Internet and other classic channels are telephones, call centers, mobile phones, visual media and public kiosks.

The e-COMMERCE FOR SERVICE INDUSTRY:

The services offered by e-services through internet include stock trading, travel, education, banking, job and career sites, consultancy advices, insurance, real estates, broker services, online publication and online delivery of media content such as videos, computer games etc.

Let us categories these services to understand them in brief:

a) WEB –ENABLED SERVICES:

The e-Services that fall into this category include:

- Banking
- Stock trading
- Education

These services which were provided by humans in their office and or their institutions are now offered through the online. This had enabled to save time, effort for the users, more convenience and user friendly devises which has improved the quality of life to better. Now, during this pandemic situation this has helped all the service providers to give a full-fledged service to their customers through the channel of network used. This has made impossible things possible during the pandemic. Education which should not have a stop could do the best only because of this e-service innovations. Nationalized Banks which were new to this e-service platform had made this service as must for the customers and made the accountholders aware of the uses of these e-services. Through the more friendly and easy ways of using this e-services now each customers know what are the benefits he can reap through online services.

b) MATCHMAKING SERVICES:

The e-Services of this category are:

- Jobs and employment sites
- Travel
- Insurance
- Loans including mortgage loans
- Real estate sales
- Brokers

The needs of the customers are understood and served by the service provider. These services are available in the internet which facilitates the customers to search electronically over a wide range of customized areas as all details are uploaded in the internet customers can use the services without any difficulty.

c) INFORMATION SELLING ON THE WEB:

The e-Services those fall under this category are:

- Consultancy advices
- Specialized financial or other information

These services includes groups who sell information of one sort or the other as per the customers demand and includes e-commerce sites to provide online publishing such as web-based newspapers. So customers who often go through the newspapers now use the internet to browse the required news that they see every day.

d) ENTERTAINMENT SERVICES:

The e-entertainment sector has been providing access to videos, movies, electronic games, music or theme sites etc. This sector has a rapid growth through the years. The Amazon Prime, Netflix and other apps has brought about a drastic change in the entertainment sector which are now viewed by lakhs of customers throughout the world.

PRESSING PRIORITY:

The e-services have emerged as an important means for the world today. What is like water to fish, e-services has become the significant part of all works today. We all use one e-service or the other every day. The e –services has emerged to be stronger and every business provider and Government takes to digitalize their strategies. Government and business houses have to develop smarter online services for their citizens and customers to handle tasks relating to promoting and processing online transaction cross – selling products and services and automating customer’s requests.

The e-SERVICE ORIENTATION:

Service orientation concentrates on customers’ needs and preferences. It creates a positive attitude and behaviors in the organization, making the organization release their need for the shift in the way.

The e-Service concept is customer centric. Customers are more focused on these e-service platforms which increases value of the service provider. At the strategic level, emphasize is more on building customer equity and relationship. At the tactical level e-service is supported by self-service strategies, customization, personalization and security risk management.

FROM PHYSICAL PRODUCTS TO SERVICES:

The transformation of physical products to pure e-Service components has significant implications for building customer relationship and for exploring new service opportunities and markets especially in the domain of network-based, digital and information based products. To remain competitive organization are in the urge to embrace such transformation. Today the market is moving from physical product to the service product, the structure of market are changing to accommodate service providers. Today the organizations that are in the information technology seeks to embrace this transformation to remain competitive. We can take the example of the producers of Microsoft, which view this as a service for the customers to subscribe. Even the entertainment industry s now forced to offer subscription based service over the channel like Netflix, Amazon prime. This service is not limited to information technology but includes the Grocery chains also were the customers look for electronic purchases. By this the customers benefit by reduced search time, increased convenience and a perception of control in their transactions. The design of the software also is customer centric. To achieve competitive advantage, firms have started concentrating on more easy tools to serve the customers and understand their needs better.

TRADITIONAL PATH



E-SERVICE

PATH



FIG.1 – E-COMMERCE PATHS TO PROFITABILITY.

BUILDING CUSTOMER EQUITY:

The theory of customer equity can be defined as the value of the potential future revenue generated by a company’s customers in the entire life time of the firm. So, how well an organization drives its customer equity depends on the opportunity that the firm gets in the long run. This implies the strategic opportunities of e-service orientation. Firms like the McDonalds, Apple and Facebook have very high customer equity and that is why they have a sustainable competitive advantage. E-service orientation calls for the same approach in the B2B domain and B2C domain which need to cultivate relationships with customers so as to keep the customer equity in par. Today the business houses need to formulate strategies for – how to acquire right customers, how to provide value to the customers, how to retain the customers and drive its customer equity. So the firm’s investment is viewed by its impact on the customer equity.

PERSONALIZATION AND CUSTOMIZATION:

By personalization and customization the benefits earned by the firms are

- Increase in Profit Margin
- Personalized experience
- Customers’ loyalty
- Attract the millennial
- Cost-effective
- Make luxury items attractive
- Repeat sales with lower return rates

- Get customers insight
- Ahead of competition
- Stronger online presence
- Streaming the order process

Information based service products and delivery through personation and customization technologies build more customer equity by building customer relationship through superior value given by services. This enables the firms to understand the customer needs better.

SELF SERVICE STRATEGIES:

Today the customers seek to manage their timing effectively with the use of self-service facilities available online. Long gone are the days when a phone call was the only option to reach a support team.

Now the control is in the customers' hands since the services are available 24/7. Order status transparency and remote problem diagnosis make the service more easy access to the customers. Customers demand the need for speed. They want their questions answered and problems solved quickly. According to these demand of customers self-service technology has been designed and implemented thereby customer satisfaction increased and this also has become the bar for competition.

PRIVACY AND SECURITY RISK MANAGEMENT:

There is a quite intense need for privacy and security risk management in the e-service sector. The e-service sector orientation requires that customers' privacy and security risk be effectively minimized. The design of systems and processes should be enabled to increase the comfort level of the customers and the insecurity feeling towards the electronic transactions should be reduced. This will enrich the customers' knowledge about the technology and the design of the firm will also be accepted. A firm which manages these attributes builds the trust of its customers and their life time value is achieved.

THE e-SERVICE MEASUREMENT:

Customers are considered to be the true assessors of the competitive advantage of a firm. Customers value the service provided online and offline. They do the comparative study and decide the level of the firm. The focus of e-service orientation should be on the time taken by the customers in the system, reliability and response times to delivery times are considered to be useful for evaluating the customer level assessment measure. Thus a customer-focused measurement is a key component of an e-service orientation.

GROWTH OF e-SERVICE:

Today, e-service business is in the rise because of the ubiquitous use of the internet and mobile phones. Back in 1994, the Pizza Hut launched the first ever pizza online. Today the world is conquered by this online food delivery business which has turned to be a billion dollar business with all kinds of cuisines available online. Now a days even ticket booking has become easy with the digitalization of all reservations.

i) THE MAJOR SEGMENTS OF e-SERVICES ARE:

- Online food delivery
- Fitness and event tickets
- Dating services

The worldwide revenue of e-services business is US\$184.7billion in 2019 is expected to increase to US\$297.4 billion by 2024.

PRESENT e-SERVICE TRENDS:

The outlook of e-service market is positively impacted by economic, demographic and the technological development through 2021. These include:

- Population growth
- Internet penetration
- Smartphone penetration
- Food expenditure per capita
- Single –person households
- Indoor cinemas per million inhabitants

LATEST DEVELOPMENTS IN e-SERVICES:

Today the technology has grown to that spear that it understands the customer. For instance, the RADIO FREQUENCY IDENTIFICATION (RFID) tag technology in tickets or wrist bands during live events has allowed the organizers of events to analyze the customer behavior and strategies whereby they can improve their marketing policies.

EXAMPLE: The on line giant Amazon has also moved to online grocery delivery service with Amazon fresh available in 18 markets worldwide. The other in this line is the Big Basket which has also spread out over the markets.

Today in India Jio Mart which has opened its branches far and wide of India is doing a technological change in this field. As we know Amazon and Big Basket are businesses that are B2B and B2C types. Jio has started something new that is O2O. Here, Jio mart has used a different approach to attend to their customers. The new service is the JIO mart which has direct connection with the grocery stores of the local area from where the delivery of the products is being done to the customers and Jio acts as an intermediary in between the customers and the grocery shop. By ordering in the JioMart which is connected to the local merchant and he attends to the customer, and if there is no grocery shops in that area the Reliance or Reliance Fresh store will serve the customers according to the requirements. By this, Jio Mart is saving on warehousing costs, inventory and gofers. Ultimately all these expenses are reduced for the customers. Now they are planning for WhatsApp channeling also. Once it is launched in India It will be more user friendly for the customers. Today, Jio Mart is serving more than 3.5 million customers each week through its nearly 10000 physical stores in more than 6500 cities and towns. Put together 8000 reliance Digital and Jio Stores are operating the largest consumer electronics store chain in India.

Another development is the fitness trackers and watches which have expanded to include wearable technology with even the fabric of the clothing for measuring, monitoring and reporting our health.

Customers' needs have taken a different dimension with the introduction of e-servicing and has a rapid transformation today with the expanding market shares. E-services remain an especially intriguing vertical for marketers.

The e-Service is becoming increasingly important not only in determining the success or failure of electronic commerce (Yang et al. 2001), but also in providing consumers with a superior experience with respect to the interactive flow of information (Santos, 2003). Hence, while “Services Capes” and other components of the traditional service satisfaction models may still retain some meaning, the technology element and the lack of personal contacts in the fulfillment of the service completely transform the customer experience in the context of e-

services. Contactless delivery in the time of COVID-19 has not only helped the firms to retain their markets but also to a certain extent increase the turn overs as most domestic markets remain closed due to the Pandemic.

CONCLUSION:

In the present world the visual and electronic media is reigning in all fields and marketing is no exemption. Firms have realized the same and also the need for meeting and satisfying the present customer trends. The companies and services have changed their approach from traditional to the newest means. The customers have less time but at the same time various demands and expectations. The companies are trying to increase their profit by meeting these varying customer demands through e-services and platforms. The traditional marketing has reduced and e-marketing and e-services have come up due to the continuous improvement in technology. In future all marketing and services may be entirely contact free. The signs of the same are visible in the present day marketing due to the introduction of the various house hold services on line. This has become the need of the hour. Marketing has undergone drastic changes through innovations to suit customer needs. The customers can view, compare and select products or services suiting them in both satisfaction and economically through various e-platforms and e-services. The time is not far when all services will be e-based at the click of a button thereby saving the time and energy as compared to traditional marketing and services even though traditional marketing cannot be completely avoided.

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