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Analysis of E-Business Supply Chain Management Strategies in Modern World

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Abstract: This paper will explain different critical participants of supply chain management of e-commerce companies. With stiff competition e-commerce companies are using their supply chain management strategy as a benchmark over their competitors. Uncertain market has forced companies to continuously adapt different strategy based on demand.

Keywords: E-commerce, Supply chain management, Competitors, Customers, Satisfaction.

I. INTRODUCTION

Modern technology advancement has given the opportunity for e-commerce companies to grow and measure the efficiencies of their problems. Consumers can compare the prices of product offered by different e-commerce companies. It becomes important for companies to position themselves ahead of their competitors. A company can position itself on cost, quality, flexibility and speed. E-commerce players need to establish a superior supply chain management with their rivals. Supply chain strategy are not alike for different for e-commerce companies. The transformation of e-commerce companies is a factor for supply chain management increased its strategy. The main objective of supply chain management is to link production, procurement and distribution in efficient flow process without any bottleneck. The link has to facilitate the electronic flow of information and manage fluctuation in demand. Inventory management can be done in that form of linkages. Electronic supply chain management (E-SCM) is the use of technology and to satisfy customers demand in the market.

II. OBJECTIVES

The study has the following objectives

1. To study ecommerce supply chain management
2. To identify prospects of ecommerce industry.

III. COMPLEXITY IN SUPPLY CHAIN MANAGEMENT

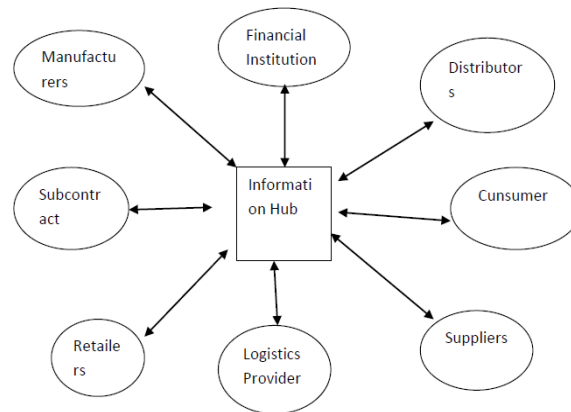
Technology innovation creates problem in collaboration among companies. Supply chain management tends to overcome the problem. Design and operations of e-commerce Company can cause more complexity between buyer and seller. Supply chain integration into e-business thus becomes critical factor for study. Therefore, the supply chain integration dimensions are:

- Information Integration
- Planning synchronization
- Work Flow coordination
- New Business Model

Information integration is the sharing of information on real time on online platform. Planning synchronization is mutual coordination among different members of supply chain participants. Workflow coordination is the smooth flow of activities in supply chain. Most companies are innovating for new business strategy to shift their ideas. The distortion of information occurs when partners take advantage of local demand and pass that information to their other partners in supply chain. These distortions are considered critical factor of inefficiencies along the supply chain. During peak time, it may be a major loss of customers for e-commerce companies.

IV. THE INFORMATION HUB MODEL

The internet based supply chain integration which can share information to different participants in a supply chain management. It is like a cross-docking to distribute package to individual customers along the logistics environment



V. E-SUPPLY CHAIN MANAGEMENT FACTOR

Transition from supply chain management to e-supply chain management is the demand in the market and requirement of business to respond quickly to market. The following are the factors for e-supply chain management

- Reduction in cost and managing customers
- Digitalization is the reason for of e-supply chain
- Outsourcing the service
- Due to increased competition of e-commerce

VI. ISSUE IN SUPPLY CHAIN MANAGEMENT

As e-commerce business is growing, direct-to-consumer distribution is creating complexity and flexibility of supply chain to introduce unique challenges to a process. Direct-to-consumer order fulfilment creates a various issues over demands on distribution operations. Since customers have very high expectation of tracking their items, it is the role of distribution centres to handle the situation. The challenges of e-commerce are that selling product where stocks are unavailable at their warehouse. In peak season there may be huge demand but less number of staff at distribution centre can mismatch their strategy. There is difference in internet order fulfilment as compared to retail order fulfilment. The unit measure used by them is different from unit measure used by the store. Retailers outsourced their e-commerce order fulfilment to third party logistics service provider. Wall mart has designed their supply chain to meet their online demand. The challenges of e-commerce are order fulfilment, delivery on same day and changing retail environment. One of the critical factors is that customer may provide wrong delivery address; this is a serious issues in supply chain. The last mile delivery is only link in the supply chain that touches customer face- to –face. This can be critical component for the company. The option of click and collect in e-commerce sites creates unavoidable problem for the supply chain. Even though with the trends in technology of e-commerce, its supply chain has a long way to go to adapt to the changes in supply chain process

VII. ROLE OF IT IN SCM

The following are the factors for adoption of information technology in supply chain management

- Attitude, knowledge and support of owner
- Resource availability
- Suppliers
- Customers
- Competitors
- Government
- IT vendor

Many businesses have invested on e-business to change the operation and supply chain strategy. E-business allows coordination among its supply chain partners. E-supply chain can improve by smooth flow of coordination along the supply chain. The internet needs to be integrated into overall business strategy as it affects business cycle. Information visibility is very important due to large volume of information it needs to be shared among customers and suppliers.

PROBLEM FOR SCM AND E-BUSINESS

Problem of supply chain management	How e-business technology can reduce problems in SCM
Cost Reduction in manufacturing Forecasting Delivery of product Inventory cost Analysis of Product Development	Paper less work Information sharing by customers Efficient delivery of items Reduction in inventory cost Development of product through demand

COMPETITIVE ENVIRONMENT:

Competitive environment has changed the supply chain to reduce cost, increase innovation and improve service quality. This factor has changed the scenario of many e-commercials players to build an edge to gain customers over their rivals.

CHANGE MANAGEMENT

Traditional organizations system can be changed according to market scenario. It can be difficult for business process re-engineering (BPR) but the integration can have a huge impact to the business. This is mandatory to have an effect on their organization. To compete in the changing environment, change management is an important strategy for the organization.

CUSTOMER SATISFACTION

With intense competition improved customer service becomes a key factor and has led many supply chain to practice to change their strategies and service approach. In the process of supply chain often a value is created between customers and suppliers. E-commerce players need to build on this segment to build trust and relationship with its consumers and build customer loyalty.

MANAGING PARTNERSHIP

For successful implementing supply chain strategy, it is important to have trust and loyalty towards its customers. By building relationship with its customers, the efficiency of performance can be improved.

E-Business Customer Perspective	Measure
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OBJECTIVE	
Customer retention is increased	Number of recurring customers
Service improvement	Number of enquiries
Customer satisfaction	Number of customer complaints
E-Business Internal Processes Perspective	
Minimum cycle	Comparision of process
E-business integration	Support process
E-Business Learn and Growth Perspective	
Employee skills	Training ratio
It resource	Efficiency in implementation
E-Business Financial Perspective	
Online shopping	Order or customer Turnover
Cost optimization	Cost reduction

VIII. FUTURE CHALLENGE

New markets will evolve and e-commerce industry needs to shift their strategy according to the challenges. There will be change in demographic trends as huge markets may evolve in the urban population. Trends in new technology in the future that was not existed will evolve. Current transportation and infrastructure won't be able to meet the future service levels. Information sharing will be a critical factor which will determine to work effectively in the changing environment. Supply chain has to depend not only their capabilities but needs innovation.

IX. CONCLUSION

E-commerce supply chain varies according to respective companies. Designing of supply chain will be according to e-commerce specific needs. E-commerce is likely to decline the mass market that existed in the present system. E-commerce has made several supply chain practice to implement in efficient method.

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