

Impact of E-Commerce on Supply Chain Management and Logistics

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Abstract - To be competitive, businesses need to continuously integrate into a network of organisations. Companies who don't take on this issue will eventually fall behind their rivals. We look at the relationship between supply chain management (SCM) and the internet in this essay. This article will explore the concepts of the influence of e-commerce on the supply chain and its possible future implications by answering a variety of questions.

Keyword - Supply Chain Management, E-Commerce

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INTRODUCTION

The growth of e-commerce has been fueled by the digital revolution. Although there have been some early uses since the 1960s, e-commerce did not gain popularity until the 1990s as a result of the widespread use of the Internet. Ecommerce makes use of communications tools like electronic data interchange (EDI), point-of-sale (POS), electronic mail, file transfers, video conferencing, workflow, and remote computer interaction to increase the effectiveness of supply chain management decisions and logistics processes.

Based on customer demand, supply chain management (SCM) offers a shared focus on related goods and services, enterprise information resources, Internetbased software products as a management tool, the entire channel with all pertinent processes to maximize net value added and enhances a platform's efficacy and efficiency. This chapter describes the e-

commerce trends in logistics and supply chains, as well as the progress of these fields. Subsequently, the integrated e-commerce and e-commerce logistics are discussed, and the paper concludes with recommendations for further research.

BACKGROUND

While today's e-commerce is still in its infancy in undeveloped economies, it is growing and becoming an essential component of daily business operations. In developed economies, e-commerce is currently the newest leader of change in physical distribution networks and supply chain management (SCM). Over the previous forty years, this field underwent significant evolution and is still expanding today. E-commerce was first fueled by convenience and low prices, but these days, e-tailers, or online retailers, are more focused on any form of goods, service, and purchasing encounter. As e-commerce continues to grow from its infancy to a critical mass in terms of gross revenue, most retailers especially multi- and omni-channel retailers or transport service providers (TSPs) are still only beginning to understand the potential benefits this will have for their physical distribution network infrastructures and retail logistics. In fact, ecommerce is now considered to be a supplemental form of retail to traditional brick-and-mortar stores.

Effect of E-Commerce on Supply Chain Management (SCM)

In a B2B supply chain management (SCM), all stages of commerce are included, from procuring the raw materials to delivering the product to a

customer. Supply Chain Management, as well as distributing the right product to the right client on time, includes manufacturing, inventory tracking, order entry, warehousing, and management. In the case of eCommerce, SCM plays a vital role in the platform's front end, effectively linking the supplier and the client.

A successful B2B eCommerce SCM should have a solid strategy and execute processes that are beneficial for the company as well as its clients. As e-Commerce occurs within businesses, an efficient SCM plays a crucial role in B2B e-Commerce, where the goods delivered may get distributed to customers, employed to manufacture more products, etc. The SCM system of one company might be linked with another, which can result in dependencies.

For the successful functioning of e-commerce, effective supply chain management is key that requires optimization. This may signify several things, including maintaining a solid relationship with the suppliers, business process automation, readying for demand spikes or troughs before time, and management of inventory management that is "smart."

Alleviating the client's known challenges, specifically, while online shopping, necessitates successful optimisation. If the supply chain's visibility can be improved along with guaranteeing that the correct data is through the firm, the e-commerce plan will be easy. The clients can be provided with an online sales and revenue channel that can maximise communication and transparency if a well-managed supply chain and the required data are available (and, therefore, success and profitability). It can also assist the company in saving costs and generating more new revenue.

Role of E-commerce in Supply Chain Management

E-commerce's growth has affected supply chain management in many ways. Primarily, it increases the demand for on-the-dot delivery, which puts pressure on the suppliers for delivering products faster and more efficiently. Also, compared to shopping offline, it makes everything easier for consumers, which has led to rising price competition within suppliers. Hence, ultimately, it has produced new opportunities for firms to contact customers uniquely and creatively. Owing to e-commerce, businesses are now able to directly sell products to consumers while avoiding conventional retail channels.

E-Commerce and its Influence on Supply Chain Management

E-commerce influences supply chain management by allowing transportation companies to exchange documents through the fulfilment process electronically. In addition, it helps freight forwarders, shippers, and trucking companies to simplify their record management processes without creating considerable monetary or time investments.

E-commerce allows businesses to lower total costs, streamline supply chain services, improve customer service, increase data accuracy, and shorten business cycles. Technology, e-commerce, and globalization are intertwined, and businesses are grabbing the opportunity of enhancing their connectivity and transaction speed. Companies are able to directly communicate with clients by fulfilling their needs and comprehending their shopping habits due to advances in technology.

E-Commerce has made the supply chain more flexible and efficient. Companies are able to collect information readily regarding the wants and needs, to reach a wide range of customers, sell online, and deliver products fast at a low cost.

E-commerce Performs a Dual Function in Supply Chain Management

As far as selling directly to customers is concerned, e-commerce can be used in multiple ways, including the retailer's website or through an online marketplace such as eBay or Amazon. One more benefit of the adoption of e-commerce platforms is that consumers might obtain items and raw materials from dealers, producers, and distributors. Clients have the choice to buy directly from suppliers via their websites or a program like AliExpress or Alibaba that perform same as merchants.

Businesses that use e-commerce for product purchases and sales may do away with their supply chain management thanks to drop shipping. Rather, an order purchased from the retailer's website is immediately placed with the distributor or manufacturer, who directly sends the item to the consumer when it is received. Here the arrangement includes the responsibility of the retailer being limited to accepting charges from the client and, in return for the payment, paying the supplier.

Advantages of SCM in E-Commerce

Improved supply chain network: Supply chain management software provides complete visibility across the entire supply chain network. It allows users to monitor the status of all activities across all suppliers, production plants, storage facilities and distribution centers. This enables more effective tracking and management of all related processes, from the ordering and acquisition of raw materials to manufacturing and shipping of finished goods.

Enhanced CRM: SCM plays a vital role in establishing a relationship between enterprise and customer. SCM removes intermediate stages of delivery of product and establishes communication between customer and enterprise directly using websites and internet. Websites help enterprise to keep in touch with the customer directly and they

can get requirements and feedback about products directly.

Trade Globally: SCM provides facility to trade globally. If a business wants to do business globally then their SCM should be such that they can import raw material from anywhere through SCM or can export their finished product in any country easily. Indian market is also growing day by day. Business organizations have adopted ICT in their businesses. These organizations are purchasing raw material from different countries, bringing them in their factory, then converting it into the finished product and sending their products to other countries by using proper SCM.

Virtual Businesses: With the advent of dynamic websites, organizations are focusing on virtual businesses like they are listing their products on websites rather than providing it to distributor or C&F by which many people can see their products and can purchase it from websites and further delivery of the product is dependent upon SCM logistic department.

Minimized delays: Many supply chains are plagued by delays that can result in poor relationships and lost business. Late shipment from vendors, hold-ups on production lines and logistical errors in distribution channels are all common issues that can negatively affect a company's ability to satisfy customer demand for its products. With SCM software all activities can be coordinated and executed from start to finish.

CONCLUSION

Effective supply chain management is increasingly being chosen by businesses as their preferred competitive approach in the corporate sector. An essential tool for efficient operational supply chain management is e-commerce. It connects consumers, merchants, manufacturers, suppliers, and employers through ICT, significantly raising the bar for enterprise management. SCM creates a balance between supply and demand, enables quick access to market information, boosts economic benefit and production rate, lowers production costs, expedites product distribution, and strengthens an organization's fundamental competitive advantage.

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