

# Commerce in a Box

**Anurag Shah** explains one of the most comprehensive, out-of-the-box e-commerce solutions on the market today

Whether a business is a start-up or a long-established corporation, conducting business through e-commerce is undoubtedly part of the daily routine in today's world. Electronic commerce or e-commerce allows us to cross borders and time zones in real time with a single mouse click. E-commerce involves the buying and selling of goods and services and the transfer of funds through digital communication.

During the internet boom, many companies rushed to build e-commerce sites to capture their share of the exploding demand for goods and services online. Fully developed e-commerce packages were not commercially available, or were unable to meet the requirements. As a result, these organisations had little choice but to invest in elementary, stand-alone solutions that were largely homegrown. In many cases, organisations created their own search, content

management, shopping cart and product catalogue capabilities. As they were pressured to establish an online presence quickly, though it was not yet clear what the strategic implications of e-commerce would be, most companies designed and developed their e-commerce platforms without taking into consideration their long-term needs. Over time, e-commerce has proved to be a viable and profitable sales channel and has demonstrated its potential to improve business in all other channels. Companies now view e-commerce as an integral part of their business strategies. Unfortunately, homegrown e-commerce platforms fail to meet more sophisticated customer demands and prevent companies from realising the full strategic benefits of e-commerce. Hence, there is a need for a robust, well-designed and comprehensive model of e-commerce to help such organisations exploit the full potential of online marketplace.



## E-commerce in India

There is a tremendous scope for e-commerce in India. With the advent of the Indian IT industry, high real estate prices, time-starved lifestyles and growing preferences for credit cards, Indian customers are moving towards online shopping. New RBI norms after August 2009 have added a new security layer in online transactions, making Indian consumers more confident during online transactions, giving them the full benefit of online shopping.

E-commerce in India can be divided into two broad categories: travel and non-travel. Travel is the biggest e-commerce category in India contributing nearly 60 per cent of business. This segment includes train, airline, taxi and hotel bookings. Indian Railway Catering and Tourism Corporation (IRCTC), which contributes to one-third of India's e-commerce industry, sold 38.7 million tickets (as of February 2009) and estimated gross sales stand at Rs 3,400 crore, while India's total e-commerce industry stands at an estimated Rs 9,210 crore. In the non-travel segment, categories which are showing growth potential in Indian e-commerce market include electronic gadgets, home appliances, music, movies, office supplies, software, photography, financial transactions, books, apparel, gifts, jewellery, beauty products and toys. Essentially, Indian consumers' online shopping behaviours are still need-drivenó they are only buying standard items.

Some of the major barriers to e-commerce in the mind of the Indian consumers are:

- ◆ There are no guarantees of product quality
- ◆ The absence of bargaining/negotiation power
- ◆ No surety of security of transactions/fear of credit card misuse
- ◆ The medium lacks the 'touch and feel' factor before ordering the product
- ◆ Apprehensions about delay in delivery
- ◆ A lack of trust about online transactions

But with the rise of the 'screenager' generation, who are always onlineóon their mobiles and laptops on social networking websitesóit is essential for e-commerce websites to incorporate more features and become up-to-date to suit the changing Indian consumer profile.

## The rise in demand for e-commerce

E-tailing or online retailing is fast catching up in India, with major retailers setting up online shops. Success in electronic retail requires an effective strategy for both B2C and B2B operations, seamlessly integrating existing channels with new complementary channels. The cost-effective and well-managed integration of existing systems with new systems and new technologies is one of the major challenges that retailers face while moving towards the future. Retailers have made e-retailing a

strategic priority and are pursuing B2C initiatives like ever before.

Some factors for rise in demand of robust e-commerce solutions in India are:

◆ **The rise of the empowered, multichannel customer**  
Both consumers and business customers have grown accustomed to the always-on nature of the Web and have already experienced what technology-savvy sellers can do for them. They now demand to do business on their own termsówhenever, wherever and however they want. Their loyalty is hard-won and harder kept. It is no longer sufficient to offer them an online catalogue for placing orders, consumers and business customers demand a convenient, enjoyable and informative online experience, along with consistent, streamlined multichannel interactions. Robust e-commerce solutions help companies to incorporate the newest technology features in the market and hence cater to customer needs.

◆ **The need for achieving growth with cost reductions**  
Many companies are balancing the need to control costs with the desire to increase revenue and reach in the current market. They want to lower costs and increase operational efficiency by automating and streamlining processes. At the same time, the increasing corporate focus on revenue growth demands a strong focus on differentiated customer service and experience. Only robust e-commerce platforms have capabilities that can contribute to cost reduction as well as provide innovation and growth in the current market.

◆ **The growing importance of employees and partners**  
More and more companies are forming partnerships (for example, with resellers, agents, dealers and affiliates) to help them increase reach and improve sales. They are also trying to empower their employees to better serve customers. All these constituents are vital participants in customers' experiences, online or offline, and hence e-commerce implementation on a multichannel-enabled platform is the need of the hour.

## Buying or building an e-commerce solution

A critical decision for organisations is whether to buy a packaged e-commerce solution or build a homegrown solution. As mentioned earlier, homegrown solutions are not scalable and not robust enough to stay competitive in the long term with changing market demands.

Some of the reasons why organisations believe a build approach is best:

- ◆ Requirements are unique and cannot be sufficiently met with a packaged solution
- ◆ A packaged solution doesn't allow a company to



innovate or to differentiate business

- ◆ Don't want to pay for an out-of-the-box solution with more features than required
- ◆ Complete control of the solution and its future direction, without reliance on a vendor
- ◆ Presence of a large, talented IT department capable of building a solution

Some of the key challenges in homegrown e-commerce solutions are:

- ◆ Limited capabilities that can't meet customer expectations or address new business opportunities
- ◆ An inability to meet scalability and performance requirements
- ◆ Inadequate integration with other applications and systems
- ◆ High operational and maintenance costs
- ◆ Long, disruptive update cycles
- ◆ Isolation of the Web channel from other sales channels

Traditionally, companies have chosen to buy solutions for reasons such as:

- ◆ Having a proven foundation provides a starting point; starting with a complete, working system means one can get to market more quickly and focus on business issues
- ◆ As technology upgrades become available with product updates, one gets new, fully tested functions ready to deploy
- ◆ If the company needs experienced help, it can turn to vendors or qualified partners

### Balancing build and buy

Commerce-in-a-box automates and integrates online marketing and sales processes across multiple channels

by implementing the e-commerce portal. It enables easy implementation on a customer interaction platform, which jumpstarts a company's online presence.

Commerce-in-a-box takes e-commerce technology to the next level by providing a unique balance between buy and build options, allowing organisations to take advantage of out-of-the-box readiness and virtually unlimited flexibility, adaptability and extensibility. Commerce-in-a-box is designed to simplify the deployment of e-commerce sites, reducing the time it takes to implement, test, tune and integrate the solution and its associated infrastructure.

It provides a sound, proven foundation on which organisations can build a differentiated online business, including hardened software components that can help put them ahead of the game, so that they don't have to build the solution entirely from the ground up.

### A complete, pre-integrated infrastructure and supporting components

Commerce-in-a-box provides what companies need for a production deployment, including Web and application servers, a database, systems management tools, a development environment, and native integration tools and technologies.

### Hundreds of out-of-the-box processes

Commerce-in-a-box is one of the most comprehensive, out-of-the-box e-commerce solutions on the market today, delivering hundreds of processes for marketing, merchandising, content management, order management, guided selling, B2B trading, digital media, customer service and more.



### Implementation accelerators

The product includes a number of tools and resources to help organisations get up and running quickly, such as wizards, preconfigured business models (for B2C, B2B direct and channel selling models), starter stores, integration adapters and sample codes.

### A standards-based development environment

Commerce-in-a-box uses and extends the award-winning WebSphere integrated team development environment that is based on open-standards-based Eclipse technology.

### Comprehensive documentation and education

Commerce-in-a-box comes with complete documentation for every aspect of the system, for every user role including administrator, developer and business user. Self-study and classroom courses are also available for these roles.

### Benefits of Commerce-in-a-box

Commerce-in-a-box offers companies the benefits of homegrown platforms as well as professionally-built platforms. It reduces delivery time, labour cost and the time taken for business processes and enables online business, both B2B and B2C, on a single platform. Commerce-in-a-box also provides a rich and relevant buying experience for online customers and integrates e-commerce components with the backend operations. It optimises and rationalises costs, reduces catalogue management costs, reduces direct cost of sale and process errors.

The features of commerce-in-a-box include:

- ◆ Product management
- ◆ Order management
- ◆ Inventory management
- ◆ Catalogue management

- ◆ Loyalty management
- ◆ Search services
- ◆ Personalisation services
- ◆ Payment services
- ◆ Campaign/Promotion management
- ◆ User management
- ◆ MIS reports and data analytics
- ◆ Cross-selling and up-selling
- ◆ Payment gateway integration
- ◆ SAP integration (optional)

### Key Benefits

- ◆ Expanded geographical reach
- ◆ Available 24x7x365
- ◆ Build customer loyalty
- ◆ Optimises and rationalises costs
- ◆ Reduces catalogue management costs
- ◆ Reduces direct cost of sale
- ◆ Reduces process errors
- ◆ Improves response time
- ◆ Improves up-sell and cross-sell
- ◆ Improves sales revenue with e-mail marketing strategy
- ◆ Improves product and marketing management productivity
- ◆ Provides customers valuable information about the business

Resources get wasted in maintaining a homegrown e-commerce application. Unless organisations intend to be in the application development business, a build option can return their resources to a noncore competency because they have to allocate resources to maintain the developed code. E-commerce is a critical enterprise application with interconnections to many other critical applications in the enterprise and possibly at other trading partner systems. The strategic business value of the initiative and market leaders' experiences suggest that commerce-in-a-box offers the most beneficial approach for e-commerce initiative.

Operational benefits of e-commerce include reducing both the time and personnel required to complete business processes, and reducing strain on other resources. It's because of all these advantages that one can harness the power of e-commerce and convert a business to e-business by using powerful turnkey e-commerce solution of commerce-in-a-box made available by e-business solution providers. Looking at the exponential growth of internet penetration in India and the increase in online shopping every passing day, it is the right time for companies to book a space in the online market and make their presence felt in the e-commerce market in India. 🇮🇳

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