



SWOT ANALYSIS: A STUDY OF BUSINESS TO CUSTOMERS E-COMMERCE WEBSITES/COMPANIES

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ABSTRACT

SWOT analysis was first time applied in 1960. It stands for Strengths, Weaknesses, Opportunities and Threats. E-commerce involves with the function of the internet and the web to transact business. Business-to-consumer (B2C) indicates a financial transaction between a business and consumer. E-commerce market in the B2C space is growing in demand in the present dynamic scenario; SWOT analysis of e-commerce which will comprise of strengths, weaknesses, opportunities and threats faced by e-commerce in current scenario has been discussed. It has been concluded as well as suggested that if e-commerce is introduced effectively and efficiently, any country can be efficient and industrialized. It reduces business overhead and enhances business management. However, limitation cannot refer to the development of an SWOT analysis simply to defend the goals and objectives decided before.

Key Words: E-Commerce, E-Commerce Websites/Companies, SWOT

1. INTRODUCTION

SWOT analysis was first time applied in 1960. It stands for strengths, weaknesses, opportunities and threats. Strengths –strengths are the current factors that have prompted

outstanding organizational performance. They are the qualities that help to achieve organisational goals and objectives.

E-commerce involves with the function of the internet and the web to transact business. It creates many benefits for companies and users like buying and selling 24/7 is possible, there is decrease in transaction costs comparatively, no physical set ups required to sell the product and comparison of prices is possible of the same product and service available among different websites.

Business-to-consumer (B2C) indicates a financial transaction between a business and consumer. It involves an exchange of a service or product from a business to a consumer whereby selling products to consumers. A business sells online goods to the consumers directly is considered as B2C. Housecleaning services, restaurants and retail stores are examples of B2C companies. Websites that offer consumer products are B2C. The B2C sales cycle is shorter and consumers are always tempted to buy the products immediately but it also gets confusing when the product is marketed to consumers but goes through several steps to get to the customer.

2. REVIEW OF LITERATURE

SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis is emerging as a new way of helping business enterprises to compete in the market and thus contributing to economic success. SWOT analysis of E-commerce which will comprise of strengths, weaknesses, opportunities and threats faced by e-commerce in current scenario (Kiran Yadav and Divya Sharma, 2014; Mohd Asim Khan and Preeti Sagar, 2015). Critical use of SWOT analysis as a technique which can quickly be conceived without critical thought leading to a deformation of the forces, weaknesses, opportunities and threats in an internal and external environment of an inline organization(Seyed Mohammad Hassan et al, 2014).

4. PROBLEM STATEMENT

As of the through cut competition, it becomes very necessary for e-commerce websites/companies to provide not only good products and services but also to focus on strength, weakness, opportunity and Threat of the business in light of the customers. Keeping these view point, this research has been carried out.

5. SIGNIFICANCE OF THE STUDY

The conclusion of this study will provide appropriate direction to e-commerce websites/companies to focus on their strengths, weakness, opportunity and threat and give their best to meet the needs of customers.

6. OBJECTIVE OF THE STUDY

The objective of the research is to spotlight on strength, weakness, opportunity and intimidation of Business to Customers (B2C) e-commerce websites/companies.

5. RESEARCH METHODOLOGY

This research work is based on the theoretical aspect. For the purpose, a panel of 30 research experts who have made transition with online e-commerce websites/companies has been formed. After the discussion on strength, weakness, opportunity and threats of B2C e-commerce websites/companies, statements have been framed.

7. LIMITATIONS OF THE STUDY

This study is limited to Business to Customers e-commerce websites/ companies only.

8. SWOT ANALYSIS FOR E-COMMERCE WEBSITES/COMPANIES

SWOT Analysis is a famous tool to analyze strategic position of the business as well as its environment. It is the strategic technique for evaluating the potentials and limitations as well as the likely opportunities and threats faced by the firm from the external environment. It analyses all positive and negative factors inside and outside the firm that affects the success of the organisation. It is consistent study of the environment in which the firm operates helps in predicting the changing trends and also helps in including them in the decision-making process of the organization.

8.1 Strength

Strengths are the positive aspects of the organization and are what the company is well-versed and expertise in as well as the distinct features that give the organization its consistency.

As a sky is the limit for the bard, e-commerce websites/companies have also no limit to do business in the world. And it is the main strength for these e-commerce websites/companies. This business is the time saving business and it has no time constrain. In this business, customer can easily compare the product as well as price with others. There is no mediator in this business. So, the cost remains lower to compare retailers as good as wholesalers. E-commerce websites/companies can directly communicate with the customers as they can improve customers' instructions. There is no need of physical set up in this business. As a result, the investment cost remains lower. The buying procedure, transaction payment option and product find out are very easy to learn.

8.2 Weakness

Weaknesses are the qualities that prevent the company from achieving its objectives and goals and work on its full potential. They deteriorate influences on the organizational success and growth. Weaknesses can be controlled and should be minimized and eliminated.

Nothing is perfect in this world. There are always two sides of a coin. As online business has its own strengths, it is also having some weaknesses. And the most important weakness of this business is that the customers cannot physically see or touch the product. So, they cannot get 100% idea about the quality of the product. Some time, the shipping charge remains very high to compare with the price of the product. Moreover, for a while it takes long time to deliver the product. In addition, there are so many question raised regarding the security as well as fake and fraud websites.

8.3 Opportunity

Opportunities are presented by the environment within which the organization operates. An organization can plan and execute strategies and earn more profit by taking benefit of conditions in the current environment and can gain competitive advantage by making use of opportunities.

Technology is very important; everything is changing in every moment. Technology works like a tool to increase effect and productivity of retailers. Improved online shopping cards are a good example. The new ones are quicker ensuring a more customer-friendly experience. To increase product sales, a good environment for low cost promotions are social Medias. The ability of a company to have 24/7 business makes it to be accessible for all days of the week that customers will be able to order anytime they like even for midnights orders.

8.4 Threats

Threats are factors that could negatively affect organizational performance. It is the challenge posed by the unfavourable situation or specific disturbance in the environment. Threats are uncontrollable and if the firm is not prepared to face such threats, then it will be thrown out of the business.

Laws associations are making some difficulties for cards recently. This have more impacts on risky industries. Competition of top e-business like eBay and Amazon most of the time effects on smaller businesses price and forces them to give up. Less limits for going into ecommerce are also threats, nowadays anyone can start a company even without need of paying for website costs. As far as giant supermarkets concerned, e-shopping enables to not just have their customers contact addresses but allowed them to get to the customer with new ways, offering a various items food and other product and services. Losing online customers means losing great part of population. People fear about extends to privacy issues and identity with consumers will skip to give personal information via the internet.

9. BIFURCATION OF SWOT

Statements related to strength, weakness, opportunity and threats are framed on the bases of above discussed theory. Following table shows the bifurcation of strength (S), weakness (W), opportunity (O) and threats (T).

Statement	Attribute			
	S	W	O	T
Quick feedback and comment forms are main features to interact with customers.	√			
It becomes quite easy to arrange the product.	√			
It gives better and quick customer services.	√			
Customers can compare price and product effectively and efficiently.	√			
Information can easily share between merchants and customers.	√			
Social networking sites can be mediums to buzz about online store.	√			
The companies can expand the business to global level.	√			
It is very flexible and can be modified anytime.	√			
Logistical problem can be reduced.	√			
Things can be mechanized in a well put into operation online store.	√			

Time and transportation cost are saved.	√			
There is no time constraint.	√			
No need for physical set up.	√			
Financial transactions are very fast.	√			
Financial transactions can be done from any part of the world.	√			
Mostly, everything can be sold on internet	√			
Customers can be easily aware with the schemes and discount on different product.	√			
Shipping charges increases cost.		√		
Fake websites may be scam to customers.		√		
Fake websites may be promise better service and secure dealing.		√		
The delivery time may extend to days or weeks.		√		
Bargaining is not possible.		√		
Personal & financial details can be hacked.		√		
Limited number of product can be available		√		
Customer cannot see or touch the product.		√		
Transaction of unseen and untouched product is a matter of risk.		√		
Security matter confuses customers.		√		
There is a lack in personal services.		√		
Limited advertising opportunities are available.		√		
If internet is not accessible, e-commerce business is not possible.		√		
It is available for 24 × 7 days in week			√	
People feel more comfortable to shop online.			√	
Ecommerce can be operated anywhere any time without any interruption.			√	
Online customer services is a competitive advantage for the company			√	
It has wide scope and broader vision to grow.			√	
Direct interaction of customer and the seller is necessary.				√
Fears that information can be misused lead to spam email or identity fraud.				√
Innovation in product, place, promotion and price is necessary.				√
Change in law and regulations can affect.				√
Competition is increasing day by day.				√
To operate e commerce can damage the confidence and faith of common people.				√

10. CONCLUSION

Now it becomes very easy to enter to business-to-consumer (B2C) e-commerce market. So, customers' attraction in B2C e-commerce is a crucial question in this competitive market. If e-commerce is introduced effectively and efficiently, any country can be efficient and industrialized. It reduces business overhead and enhances business management. However, limitation cannot refer to the development of an SWOT analysis simply to defend the goals and objectives decided before. This SWOT analyzes involves limitations on the possibilities of reflection and the identification "reality" of analyzes

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