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Strategic Management of E-Commerce

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Keywords	Abstract
Strategic Management E-Commerce Economics	The wave of e-commerce has affected almost all companies in all economies, and these companies are inevitable of entering the field of e-commerce. The initial and fundamental step in formulating a strategy is undoubtedly the formulation and design of strategic goals of e-commerce. Strategic goals of e-commerce, like a guiding light, facilitate all efforts and actions towards the proper establishment of e-commerce and gaining a competitive advantage in the field of the electronic world. Without a proper e-commerce strategy, all efforts of the company towards the establishment of e-commerce may fail and, in addition to wasting financial, human and time resources, even the survival of the organization may be threatened. Strategic management is not a box of monuments or a set of techniques. Strategic management is analytical thinking to achieve commitments. The present study is of a descriptive-analytical type and from the perspective of an applied objective. This research has examined strategic management and its various dimensions in e-commerce and marketing, and studies show that strong strategic management causes the prosperity of e-commerce and increases the productivity of organizations. Market reality demands an effective business strategy for e-commerce, which responds to customer expectations and competitive pressures.

Introduction

Strategic management is the planning and implementation of the main objectives that are determined by senior managers. These objectives are determined by considering the resources and evaluating the internal and external environment that organizations and companies compete in.

One of the most important tasks of senior managers in charge of developing an e-commerce strategy is to determine the organization's e-commerce vision. Superior and excellent e-commerce visions reflect something more than business or revenue goals. Strong and appropriate visions coordinate employees and

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encourage investors to invest more. The existence of a strong, effective and appropriate vision sends signals to the market indicating the organization's ability to gain market leadership and dominate the market. (Jaworski,2002).

E-commerce strategy acts as a means and tool to achieve the strategic objectives of e-commerce, including the realization of the e-commerce vision. The organization must identify the resources and skills that create a competitive advantage in the electronic market.

If the organization has sufficient financial resources to cover the costs of establishing and maintaining e-commerce, has employees familiar with the concepts and principles of e-commerce, has a strong, well-known and reputable brand, and its products can be digitally transformed and have high digital capabilities, the organization can achieve a competitive advantage in the e-market. It is important to note that the e-market and the Internet are not considered competitive advantages in and of themselves.

Research Background

Badri and Andrews (2017), in an article titled Strategic Management in the Global E-Commerce Arena, found that the most important and obvious difference between today's and yesterday's economy is globalization.

Globalization is prescribed for the world's economic diseases and it is claimed that the free flow of capital, labor, goods, and information without government intervention and other forms of intervention is the only way to achieve global prosperity.

Nikbakht and Nasser Asadi (2016), in an article titled Examining the Challenges of Strategic E-Commerce Management, found that the successful implementation and deployment of e-commerce depends on the existence of specific strategies and without these strategies, all the efforts of the organization may fail. Therefore, success in the deployment and implementation of e-commerce lies in the use of appropriate strategic management.

Ashrafzadeh Farsangi and Nasser Asadi (2016), in an article titled Critical Success Factors and Their Impact on E-Commerce Strategy, found that critical success factors are an essential tool for identifying the set of activities that must be performed in order to achieve the goals and missions of your business or project, which a project manager must identify and control. Identifying critical factors as accurately as possible is the most important factor in measuring success.

Research Basis

Definition of e-commerce

If the definition of e-commerce could be summarized in one sentence, it would be:

“E-commerce refers to all processes of buying and selling, warehousing, product exchange, product delivery services, and the information process using social networks and the Internet.” Research on the definition of e-commerce shows that the process-oriented definition of e-commerce provides a broader view of what it is.

In this view, all internal business processes (production, warehousing, financial management, companies, operations), types of e-commerce, business-to-business (B2B) processes, supply chain management (SCM), auctions and business-to-consumer (B2C) processes have also been influenced by e-commerce and network technology.(Sarafizadeh,2004)

What is meant by e-commerce market?

E-commerce is not limited to buying and selling products over the network. Rather, like a local store, it can create an Internet store on the Web and look for customers worldwide. In addition, the owner of this store can search for suppliers of store materials, accounting, banking services, government agencies and competitors on the Internet. (Weill,1995)

E-markets are usually referred to as transactions and auctions on the network, such as stock markets and auctions over the Internet, but the electronic market space refers to an economic phenomenon in which products, intermediaries and customers communicate and exchange electronically. The electronic market space is a virtual representation of physical markets. In general, economic activity under this electronic economy space Electronic. The electronic market space includes the following sectors:

*Market players: namely factories, merchants, wholesalers, intermediaries, stores and customers.

*Goods and services.

*Processes of supply, production, marketing, competition, distribution, consumption, etc.

*Disadvantages of e-commerce for customers.

*Possibility of compromising the security and privacy of users.

*Delay in receiving the goods.

*Lack of direct interaction with the seller.

*Lack of information about the quality of the product.

*Definite need for the Internet.

*Possibility of paying an additional fee after ordering the goods.

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*Advantages of e-commerce for business owners.

*Increase in sales.

*Availability of business services to customers 24 hours a day.

Access to a larger number of customers.

*Convenience in expanding the business.

*Instant receipt of customer payments (Poursahibi, Faraji, 2009)

Strategic Management

Strategic management or strategic management is an analysis of important issues of the organization and is taken by the senior leaders of the organization on behalf of the owners, to control resources in environments outside the organization. This process includes specifying the mission, vision, and assets of the organization and developing the organization's plans and policies that will be needed to achieve it.

Another definition given about strategic management is the strategies and decisions that are supposed to help us and our organization move towards success and achieving goals or in a simpler definition where we are and where we are going to go. In this path, strategic management will help us determine the long-term performance of a company.

Strategic management includes environmental monitoring (external and internal), formulating long-term goals, implementing, evaluating and controlling the strategy. Therefore, the study of strategic management emphasizes monitoring and evaluating external opportunities and threats in light of a company's internal strengths and weaknesses. Strategic management was initially called business policy. Topics covered in strategic management include strategic planning, environmental monitoring and industry analysis. (Pour Sahebi, Faraji, 2009). As can be inferred from this definition, strategic management emphasizes several factors to achieve organizational success:

• Coordination of management

• Marketing

• Finance

• Production (operations)

• Research and development

• Computer information systems (Pour Sahebi and Faraji, 2009).

The process of designing strategy management In general, strategic management has a three-stage process, which are:

Strategy formulation

In strategy formulation, the organization's current goals, missions and mission should first be examined about internal strengths and weaknesses, and with a precise understanding of the current situation explain the organization.

Strategy Implementation

In this stage, it allocates the required human resources and equipment, and it is natural that a strategy can be implemented when the necessary resources are available to implement it, so the strategy becomes operational based on the available resources and capabilities. (Thompson &.Strickland,2003)

Strategy Evaluation

In strategic management, strategy evaluation is considered the last stage. Managers have a strong need to know when their specific and desired strategies are not working; basically, strategy evaluation means that information should be collected in this regard. Three major activities are carried out to evaluate the strategy as follows: Strategic Management

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• Review of internal and external factors that form the basis of current strategies.

• Performance measurement

• Corrective actions

The reason is that strategies should be evaluated is that today's success cannot guarantee tomorrow's success, and success always gives rise to new and diverse issues; An organization that is not satisfied with its status or becomes arrogant and conceited will be doomed to destruction. (Pour Sahebi and Faraji,2009).

Electronic commerce and investors Information and communication technology may affect investment in various ways. This may be done through the way information is transmitted to investors and the methods of information processing by investors.

In all these methods, the final and fixed cost of financial services is reduced. With the introduction of new technology, services related to buying and selling stocks and the brokerage industry, which were previously done traditionally, are now done with computers. (Anahid, 2010)

The role of electronic commerce in the economies of countries

Electronic commerce and technology and communications in recent decades and their increasing speed in recent years have been factors affecting economic integration and global dependence of national economies.

In other words, electronic commerce and the resulting developments have been able to play a broad role in the integration of global markets and the creation of new markets, and on the other hand, support the international production process, and in this way, producers enter the global arena. link each other and become a suitable criterion for creating a competitive advantage.(Thompson &.Strickland,2003)

One of the most important aspects of distinguishing the economy of today and yesterday is globalization. Globalization is the free flow of capital, labor, goods, and information without government intervention. In view of this, McGraw defines globalization as follows:

Globalization is the establishment of diverse and reciprocal relationships between states and societies that have led to the creation of the current world system and through which events based on decisions and activities in one part of the world can have consequences for other individuals and societies in other parts of the world (Malek, 2005).

Electronic commerce and economic development

Electronic commerce can be the origin of the emergence or production of new goods and, by increasing production and, consequently, consumption, provide an increase in welfare. Therefore, at the microeconomic level, electronic commerce can have two major effects:

- It increases the transparency of markets and reaches conditions of perfect competition.

- It paves the way to produce new goods

More transparency, along with higher efficiency and more production and consumption, means positive welfare effects. In addition, electronic commerce reduces inefficiency by strengthening competition in the goods and services market and reducing the number of intermediaries between producers and final consumers and consequently reducing margins. Increase efficiency through reduced procurement costs, warehousing costs, better management of the production chain, better supply of goods and services, and ultimately, reduced transaction costs are other consequences of using electronic commerce. Electronic commerce brings the economies of countries to conditions of full competition, resulting in market transparency. (Mohammed et al, 2002).)

The Internet-based electronic commerce environment allows customers to search for information and purchase goods and services directly from online stores. Online shopping is not based on the actual experience of shopping. Rather, it is based on appearances such as images, shapes, qualitative information, and advertisements of goods. (Lohse &Spiller,1998) One of the most important tasks of the organization's top managers and those in charge of developing an electronic commerce strategy is to determine the organization's electronic commerce vision. Superior and excellent electronic commerce visions reflect something beyond business or revenue goals. (Comprehensive Site of Creativity, Innovation and Entrepreneurship (2009), Stages of Strategic Management in Electronic Businesses)

Appropriate visions coordinate employees and encourage investors to invest more in the organization. The existence of a strong, efficient and appropriate vision sends signals to the market that indicate the organization's ability to gain market leadership and dominance. (Azizi, 2006).

More than ever, managers of organizations need information and communication tools in the field of business competition, because the reduction of competitive advantage is one of the most important consequences of incompatibility with information technology.

Information and communication technology is the most important human achievement over the past few centuries, to the point that the most important commercial commodity of the current century has been introduced as information.

The direct and indirect impact of information and communication technology on all structures and levels of people's normal lives and the influence of the tools of this new era phenomenon has been the most effective factor in the technological development of humanity.(Daaei,2006) Strategic management was initially called business policy. Topics covered in strategic management include strategic planning, environmental monitoring and industry analysis. (Pour Sahebi, Faraji, 2009). As can be inferred from this definition, strategic management emphasizes several factors to achieve organizational success:

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Conclusion

International interactions and the strong economic dependence that is observed today between different countries of the world have been able to connect national economies based on economic parameters and components such as financial markets and foreign investment - size of the economy - size of the foreign trade market - international production and provide the basis for economic integration and integration.

In the meantime, the role of international trade and information and communication technology is important, so that the mutual influence of these two economic parameters has facilitated the process of economic globalization and led to an increase in world trade. E-commerce is a complex process that involves intense coordination between different organizations.

Given the increasing speed of changes in the world of electronic business and the consequent increase in the complexity of organizational decision-making, the need to apply and use a comprehensive plan, which is a strategic plan, has become much more tangible. Strategic management is based on a dynamic, forward-looking and comprehensive thinking of organizational managers, which is a suitable solution for many organizations in the field of e-commerce. To face the challenges of globalization, organizational managers must be able to provide effective strategic management with high quality. Therefore, success in establishing and implementing e-commerce lies in the application of appropriate strategic management.

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