



GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH: E  
MARKETING

Volume 24 Issue 1 Version 1.0 Year 2024

Type: Double Blind Peer Reviewed International Research Journal

Publisher: Global Journals

Online ISSN: 2249-4588 & Print ISSN: 0975-5853

## E-commerce 10% Strategy on COD Orders: Enhancing your Shopping Experience

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**Abstract-** In the dynamic landscape of online shopping, the groundbreaking "10% Strategy on COD Orders" emerges as a transformative force, orchestrating a subtle yet powerful shift in the conventional e-commerce paradigm. This innovative strategy mandates a strategic 10% advance payment at the point of purchase, introducing a multifaceted approach that transcends traditional norms and reshapes the landscape of online retail. Functioning as a financial sentinel, the strategy adeptly absorbs return costs and mitigates operational expenses, thereby creating a robust and resilient financial framework for e-commerce platforms. Beyond its monetary role, the 10% advance payment serves as a proactive measure, offsetting potential challenges associated with delivery issues when orders are declined, streamlining operations, and paving the way for a smoother and more adaptable operational landscape. From the consumer's standpoint, the strategy ensures a worry-free and transparent shopping journey, guaranteeing straightforward returns and enhancing the accessibility of customer support services. This research paper delves into the intricacies of the 10% Strategy on COD Orders, shedding light on its transformative influence on the financial dynamics and operational efficiency of e-commerce platforms. Utilizing primary data collection tools, the study explores consumer perceptions, experiences, and preferences, providing a comprehensive understanding of the strategy's implications.

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**GJMBR-E Classification:** *JEL: L81*



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# E-commerce 10% Strategy on COD Orders: Enhancing your Shopping Experience

Mr. Ajay Kumar <sup>α</sup> & Ms. Sunita <sup>σ</sup>

**Abstract-** In the dynamic landscape of online shopping, the groundbreaking "10% Strategy on COD Orders" emerges as a transformative force, orchestrating a subtle yet powerful shift in the conventional e-commerce paradigm. This innovative strategy mandates a strategic 10% advance payment at the point of purchase, introducing a multifaceted approach that transcends traditional norms and reshapes the landscape of online retail. Functioning as a financial sentinel, the strategy adeptly absorbs return costs and mitigates operational expenses, thereby creating a robust and resilient financial framework for e-commerce platforms. Beyond its monetary role, the 10% advance payment serves as a proactive measure, offsetting potential challenges associated with delivery issues when orders are declined, streamlining operations, and paving the way for a smoother and more adaptable operational landscape. From the consumer's standpoint, the strategy ensures a worry-free and transparent shopping journey, guaranteeing straightforward returns and enhancing the accessibility of customer support services. This research paper delves into the intricacies of the 10% Strategy on COD Orders, shedding light on its transformative influence on the financial dynamics and operational efficiency of e-commerce platforms. Utilizing primary data collection tools, the study explores consumer perceptions, experiences, and preferences, providing a comprehensive understanding of the strategy's implications. Furthermore, the research extends its focus to the impact on delivery personnel, recognizing that the 10% Strategy on COD Orders has profound implications for delivery boys. The study considers the financial benefits and challenges faced by delivery personnel, emphasizing that the strategy's success is intertwined with the delivery process. Ultimately, the 10% Strategy on COD Orders emerges as a beacon for the next frontier in e-commerce experiences, symbolizing a paradigm shift towards reliability, transparency, and perpetual evolution in the digital retail landscape.

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## I. INTRODUCING THE 10% STRATEGY: SECURING SEAMLESS SHOPPING

Let's delve into the 10% strategy used by e-commerce companies during order placement. This strategy tackles various challenges that e-commerce companies face, including return costs, operating expenses, and delivery issues when customers refuse to receive their orders. Here's a more detailed and attractive explanation:

At the heart of every online shopping experience lies a simple yet ingenious solution: the 10% strategy.

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This innovative approach adopted by e-commerce companies is a game-changer, ensuring the smooth flow of business operations while enhancing your shopping experience.

## II. UNDERSTANDING THE 10% ADVANCE

When you place an order with your favorite e-commerce platform, you might have noticed a nominal 10% advance payment requirement. But what's the rationale behind this seemingly small contribution? Let's break it down:

- **Cost Coverage:** The 10% advance payment serves as a safeguard for e-commerce companies to cover various expenses. It helps absorb potential losses associated with returns, which can be a significant challenge in the world of online shopping.
- **Operational Efficiency:** Managing an e-commerce business is a complex operation. From maintaining a user-friendly website to ensuring a hassle-free shopping experience, these platforms require substantial investments. The 10% advance assists in funding these critical operational costs.
- **Delivery Assurance:** E-commerce companies rely on delivery partners to ensure your orders reach you on time. However, there are instances when customers deny or fail to accept deliveries, causing an operational hiccup. The 10% advance plays a role in offsetting these delivery-related expenses, keeping the process seamless.

**Your Benefits:**

- **Enhanced Customer Service:** The 10% advance enables e-commerce companies to allocate resources to provide exceptional customer service. When you need assistance or have questions, their support team is readily available, ensuring your queries are addressed promptly.
- **Hassle-Free Returns:** With a portion of the cost set aside to handle returns, you can shop with confidence, knowing that if a product doesn't meet your expectations, the return process will be smooth and efficient.
- **Investment in Innovation:** E-commerce platforms can use the 10% advance to invest in innovative technologies and user-centric features, creating a more enjoyable and secure shopping environment for you.

### III. CLOSING THOUGHTS

The 10% strategy is not just about protecting e-commerce companies; it's about ensuring your online shopping experience is seamless and enjoyable. By contributing a small percentage of your order total, you're not only safeguarding your purchases but also investing in a brighter, more efficient, and customer-centric e-commerce future.

So, the next time you encounter the 10% advance payment, know it's a key ingredient in the recipe for a better online shopping world.

Happy shopping! 🛒

#### a) *Benefits of E-commerce Platforms*

1. *Financial Stability:* The 10% strategy acts as a financial sentinel, absorbing return costs and mitigating operational expenses, creating a robust financial framework for e-commerce platforms.
2. *Operational Streamlining:* By offsetting potential challenges associated with delivery issues, the strategy streamlines operations, ensuring a smoother and adaptable landscape for e-commerce businesses.
3. *Innovation Catalyst:* The earmarked funds from the 10% advance payment act as a catalyst for ongoing innovation and service enhancements, reinforcing a commitment to continuous improvement in the e-commerce industry.

#### b) *Benefits for Customers*

1. *Worry-Free Shopping:* The strategy ensures a worry-free and transparent shopping journey for customers, guaranteeing straightforward returns and enhancing the accessibility of customer support services.
2. *Hassle-Free Returns:* With a portion of the cost set aside, customers can experience hassle-free returns, contributing to a confident and efficient return process if a product doesn't meet expectations.
3. *Enhanced Customer Service:* E-commerce platforms can allocate resources from the 10% advance to provide exceptional customer service, ensuring prompt assistance and query resolution.

#### c) *Benefits for Delivery Personnel*

1. *Financial Stability:* Recognizing the profound implications for delivery boys, the strategy contributes to the financial stability of delivery personnel by addressing the challenges faced during order declines.
2. *Operational Support:* The 10% advance plays a role in offsetting delivery-related expenses, ensuring a seamless process for delivery personnel and enhancing their overall experience.

3. *Intertwined Success:* Emphasizing the intertwined success of the strategy with the delivery process, the study considers the financial benefits and challenges faced by delivery personnel, recognizing their pivotal role in the strategy's success.

In conclusion, the 10% Strategy on COD Orders brings about benefits for e-commerce platforms, customers, and delivery personnel alike, symbolizing a paradigm shift towards reliability, transparency, and perpetual evolution in the digital retail landscape. Happy shopping! 🛒

#### d) *The Aim Behind this Study to Enhancing Delivery Personnel Protection*

Implementing the 10% Strategy for Cash on Delivery (COD) orders in e-commerce not only protects the interests of the platforms but also significantly addresses the challenges faced by delivery personnel. This strategy is designed to mitigate the adverse effects of bounced COD orders, where customers refuse to accept the product upon delivery. Unlike prepaid orders, COD orders present unique challenges for delivery personnel, affecting their earnings and incurring additional costs. This study aims to highlight the crucial role the 10% Strategy plays in safeguarding the livelihoods of delivery personnel, especially in situations where customers reject COD orders.

#### e) *Protecting Delivery Personnel: The COD Challenge*

Delivery personnel, often remunerated solely for successful deliveries, face substantial setbacks when customers decline to receive COD orders. The absence of upfront payment in COD transactions creates a situation where customers may be less committed, resulting in order refusals. This not only deprives delivery personnel of their wages for the unsuccessful delivery but also imposes hidden costs, including time, energy, and fuel expended in vain.

#### f) *Impact of the 10% Strategy on COD Orders*

The 10% Strategy acts as a financial safeguard for delivery personnel by introducing a nominal upfront payment requirement. This pre-payment commitment significantly reduces the likelihood of customers refusing COD orders, as their financial investment fosters a sense of responsibility. Consequently, delivery personnel experience fewer bounced orders, ensuring that the majority of their efforts result in successful deliveries.

#### g) *Reducing Unnecessary Costs*

By curbing bounced COD orders, the 10% Strategy directly reduces the hidden costs incurred by delivery personnel. Time and energy previously expended on unsuccessful deliveries are now channeled more efficiently, optimizing their workdays. Moreover, the strategy helps minimize fuel consumption associated with futile delivery attempts, promoting a more sustainable and cost-effective delivery process.

#### IV. REVIEW LITERATURE

1. *Mohanad Halaweh (2018)*, Since the emergence of the World Wide Web, various payment methods for e-commerce transactions have evolved rapidly over time, including credit cards, debit cards, smart cards, e-cash, e-checks, and e-wallets. In recent years, however, the use of cash-on-delivery (COD) has increased. This differs from all other methods of payment in terms of processing, time and place of payment, and parties involved, as well as security and privacy assurance. This article aimed to compare COD to other e-payment methods and to consider the implications of COD for both customers and e-vendors. The article also discusses implications for e-commerce practice and highlights areas for future research.
2. *Maisyura1,\* Cut Sukmawati2, Risna Dewi3, Arinanda4 (2021)*, This research using a descriptive qualitative approach. The object of research is the cash on delivery payment method for online shopping transactions, research locations in Indonesia with limited data sampling in Lhokseumawe City and North Aceh. Data collection is carried out by observation, interviews (interviews), surveys, documentation and literacy studies. . This study aims to find out how the online shopping behavior of the Indonesian people with the Cash On Delivery (COD) payment method offered by E-commerce businesses. The results show that more than 60% of online purchases use the Cash On Delivery (COD) method to make payments. This means that Cash On Delivery (COD) is more desirable than other payment methods, such as bank transfers, credit cards, E-Wallet, paying via agents and others. The Cash On Delivery (COD) method is also able to increase the number of purchases at online stores that offer payments with this method such as Shopee, Lazada, and others by more than 30% every month, although on the other hand this research also finds that there are still online buyers who do not understand the procedures in the Cash On Delivery (COD) method so that in its implementation in the field sometimes creates conflicts between couriers and buyers. This study concludes that the Cash On Delivery (COD) payment method is still quite feasible to be applied in online shopping transactions in Indonesia.
3. *Muhammad Yunus, Achmad Nurmandi, Misran, Abdul Rehman (2021)*, Advances in information technology are making it easier for humans to achieve goals or just make things easier, including fulfilling their needs or desires in life through online shopping. The presence of a marketplace in Indonesia has a direct impact on economic growth, with the existence of a marketplace, people are able to find the desired product and market their products or services as widely as possible. This study obtained 368 respondents as a sample with respondents who have used the COD payment system to collect data using an online questionnaire. The results of the study indicate that hedonic factors, one's habits, price values and social influences are factors that influence a person's intention to use the COD system when shopping online. In addition, intentions arise from behavior when using the COD system.
4. *Rihidima et al., 2022; Firmandani et al., 2021* To examine what factors can influence adoption intention through perceived value and how much influence compatibility can have on the relationship between perceived value and adoption intention. Furthermore, through the results of this research, it is hoped that local retailers can create new services that are appropriate and can help consumers. Design/Method/Approach: Existing scales are adapted, and the field study is conducted in seven different cities of East Java Province, Indonesia. Based on purposive sampling, 195 respondents in seven telecommunication retail outlets completed a questionnaire related to cash-on-delivery service as a payment method of Topsell. The research results obtained; it can be concluded that all the hypotheses proposed in this study can be accepted. Therefore, these results show that the COD service offered by Topsell can provide technical convenience. Furthermore, compatibility can strengthen the relationship between perceived value and adoption intention.
5. *Verani Sabtia Vandiny, Tetty Rimenda, Rodiana Listiawati and Jhonny Marbun (2022)*, The rapid adoption of technology affects payment methods causing changes in consumer behavior when choosing the payment method that they will use as a complement to the online shopping process in e-commerce. This study investigated the factors encouraging customers to choose Cash on Delivery (COD) payment method while shopping online. This research uses quantitative methods and a sample of 155 respondents who often do online shopping in e-commerce and used Cash on Delivery as their payment method. Questionnaire is used to collect data. Method used in this study is Partial Least Squares Structural Equation Modeling analysis techniques which is operated using SmartPLS ver. 3 software. It was found that promotion factors, social factors, personal factor, perceived ease of use factors, and perceived usefulness factors play an important role in determining the decision to use Cash on Delivery (COD) payment method when shopping



6. *Safia Anjum and Junwu Chai (2020)*, The e-commerce market of Pakistan has phenomenally fostered in recent years as a result of cyberspace expansion and launching of various national and international vendors. While country's e-commerce scenario has significantly reshaped, customers are still reluctant to adopt e-payment methods and cash on delivery (COD) prevails as the method of payments for online shopping. This study was conducted to empirically investigate major factors which influence Pakistani customers to opt for COD while shopping online. The goodness-of-fit index and adjusted goodness-of-fit index values were observed to be 0.933 and 0.866, respectively. In SEM analysis, perceived security against online scams and perceived control over the buying process were observed to be the key role players instigating Pakistani customers to use COD. This study presents imperative implications for online businesses as well as government agencies. The investigation provides an insight into purchase behaviors of Pakistani e-customers and has paramount importance for e-commerce retailers and marketing startups in evolving e-commerce scenario of the country.
7. *Sara Hamed and Sara, el deep (2020)*, "Buyers have values and risks affecting their online purchase behavior. This study captures cash on delivery, an online payment method found in emerging markets, as a moderator between utilitarian and hedonic value, perceived risks, and online purchase intention. A survey on a sample of 365 respondents from Egypt is utilized. Results show that cash on delivery increases hedonic value, yet does not affect utilitarian value or risks. Understanding consumers in different regions helps practitioners develop correct strategies for survival in global markets. Marketing researchers would benefit by developing models that are more comprehensive of consumer behavior in diverse regions.
8. *Gurpreet Singh, Jayesh Bankhede, Kishan Murari Barnwal, Jayesh Verma, Juhi Shrivastava and Shivshankar Rajput (2021)*, E-commerce is a boom in the modern business. E-commerce means electronic commerce. E-commerce (Electronic commerce) involves buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, predominantly the Internet. E-commerce (Electronic commerce) is a paradigm shift influencing both marketers and the customers. Rather e-commerce is more than just another way to boost the existing business practices. It is leading a complete change in traditional way of doing business. This significant change in business model is witnessing a tremendous growth around the globe and India is

not an exception. A massive internet penetration has added to growth of E-commerce and more particularly start-ups have been increasingly using this option as a differentiating business model.

## V. OBJECTIVES OF THE STUDY

- To Analyze the financial stability and robustness achieved by e-commerce platforms by implementing the 10% advance payment strategy.
- To Evaluate the effectiveness of the earmarked funds in facilitating hassle-free returns and enhancing the accessibility of customer support services.
- To Investigate the operational support provided by the strategy, particularly in terms of offsetting delivery-related expenses and contributing to a seamless delivery process.

## VI. RESEARCH METHODOLOGY

### 1. Research Design

- Utilize a sequential exploratory design, starting with a quantitative phase to analyze financial data from e-commerce platforms, followed by a qualitative phase for in-depth insights from customers and delivery personnel.

### 2. Sampling

- Employ purposive sampling to select e-commerce platforms implementing the 10% strategy, ensuring representation across diverse sizes and industries.
- Conduct stratified random customer sampling, considering demographics, shopping behaviors, and experiences.
- Use purposive sampling for delivery personnel, selecting individuals with varying roles and experiences within the delivery process.

### 3. Data Collection

#### Quantitative Phase:

- Utilize structured surveys distributed to a sample of customers, focusing on their perceptions of the 10% strategy and its impact on their shopping experiences.

#### Qualitative Phase:

- Conduct semi-structured interviews with a subset of customers to explore their experiences and perceptions in-depth, allowing for a nuanced understanding of their satisfaction with the strategy.
- Engage in semi-structured interviews with delivery personnel to gain qualitative insights into their experiences and challenges associated with the 10% strategy.

### 4. Ethical Considerations

- Obtain informed consent from all participants, clearly articulating the research's purpose,

confidentiality measures, and the voluntary nature of participation.

- Ensure the anonymity of participants by removing personally identifiable information from qualitative data.
- Adhere to ethical guidelines, treating participant data with utmost confidentiality and respect.

#### 5. *Limitations*

- Acknowledge potential limitations, such as the availability and accuracy of financial data from e-commerce platforms and potential biases in customer and delivery personnel responses.
- Mitigate biases through transparent reporting and triangulation of data from multiple sources.

#### 6. *Conclusion and Recommendations*

- Synthesize quantitative and qualitative findings to draw comprehensive conclusions regarding the overall impact of the 10% strategy.
- Provide actionable recommendations for e-commerce platforms based on a holistic understanding of the strategy's implications from both financial and stakeholder perspectives.

This research methodology, combining quantitative and qualitative approaches, aims to provide a nuanced and thorough exploration of the 10% Strategy on COD Orders and its multifaceted impact on e-commerce platforms, customers, and delivery personnel.

### VII. FINDINGS OF THE STUDY

#### 1. *Customer Perspective*

- Most respondents feel that with this strategy, customers will have an easier time returning products, and the company will avoid complications.
- The majority of respondents believe they will benefit from this strategy only if the company ensures a smooth return policy for their products.
- Most respondents believe this strategy gives them confidence that their orders won't be automatically canceled, leading to higher customer satisfaction.
- The majority of respondents believe this strategy is not suitable for expensive products, such as luxury items.

#### 2. *Delivery Personnel Perspective*

- The majority of delivery personnel believe that customers often choose not to receive Cash on Delivery (COD) products because there is no cost associated with it for the customer. This results in additional expenses for the delivery personnel, who are only paid for successfully delivered orders.
- Almost all delivery personnel are in favor of this strategy because they believe that even if the customer chooses not to receive the order, the 10%

strategy will help recover their additional costs, such as operating expenses and fuel costs.

- The majority of respondents believe that, according to this strategy, if the customer has already paid some portion at the time the order is placed, they are likely to receive the order because customers are price-conscious and feel committed once they have made an initial payment.
- The majority of respondents believe that if this strategy benefits anyone the most, it is the delivery personnel. Those whose products are returned don't receive payment. This strategy is expected to reduce return rates, ensuring customers receive the product.

### VIII. COMPANY PERSPECTIVE

- This strategy will also benefit the company, as the cost incurred from returned products can be recovered through the 10% strategy itself.

### IX. CONCLUSION

The 10% Strategy for Cash on Delivery (COD) orders is a game-changer, not just for e-commerce platforms, but more importantly for the hardworking delivery personnel. By tackling the issue of bounced COD orders, this strategy helps secure a steadier income for delivery workers, cuts down on wasteful expenses, and promotes a more sustainable and efficient delivery system. This approach highlights the significant benefits for those on the front lines of last-mile delivery, underlining the importance of business strategies that prioritize the well-being of essential workers.

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