

E-Commerce Opportunities and Challenges

Shivali Tyagi

Assistant Professor, Department of Commerce, Garg P.G. College, Haridwar, India

Abstract: At present time the importance of E-commerce is increasing day to day. Everyone knows about E-commerce, which is acronym for electronic commerce. Today every person's life has become very busy. So, everyone wants to save his/her precious time. For saving this precious time new technologies are made out of which internet is one. We save more time with the help of internet. Internet has become human's life is very easy. Through internet we can buy and sell goods and services by seating anywhere in the world. The scope of e-commerce is very wide.

Keywords: uses of e-commerce, opportunities and challenges

1. Introduction

Electronic commerce is the buying and selling goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet. E-commerce has started in 1960s, when businesses started to share their business documents with other companies by using Electronic Data Interchange. In 1979, the ANSI (American National Standards Institute) developed ASC*12 as a universal standard for businesses to share their documents through internet. The amount of trade conducted electronically has grown dramatically since the spread of internet. Some people assume that e-commerce and m-commerce are same but both have different meaning, though both aim at making customer's lives easier. Simply put e-commerce is an umbrella term for buying and selling online, while mobile commerce is a sub-category of e-commerce that focuses on purchasing via mobile devices. MaMITs provide a website that offers different products and services at one internet location.

2. Functions of E-commerce-

- *E-banking*- E-banking means any person connects to his bank website with the personal computer to perform virtual banking function. To use e-banking services, we need internet access and web browser software.
- *E- Training* - E- training means the delivery of training program by electronically with the help of internet companies provide training to its employees. E-Training is divided into two parts synchronous training and asynchronous training. In the synchronous approach, both learning and teaching take place in a real time but in the asynchronous approach both learning and teaching take place with time delay.
- *E-learning*- E-learning is a learning platform where

we can easily learn about any topic on the internet.

- *E-recruitment*- Nowadays, companies use this type of website to reach job seekers and hire talented candidates at a low cost. The two kinds of e-recruitment are – job websites and resume scanners.
- *E-publishing*- E-publishing is also referred to as electronic publishing or digital publishing. E-publishing types are E-book, E-Database, E-Journal, E- Archive and back file, Bulletin boards, Multimedia resources, E-thesis and dissertation.
- *E-searching*- E-searching refers to search any query using internet service. Three types of e-searching are-
- *Informational*- Use to find only information about anything.
- *Navigational*- Use to find an official website, person or company.
- *Transactional*- Use to find seeking something in particular.
- *Online auction*- Direct selling of goods and services is known online auction. This is done between customer to customer.
- *Online booking*- Online booking helps the customer to book flights, hotels, holiday packages, insurance and other services online. Types of booking are yearly booking, block bookings, Ad-Hoc bookings, bar booking.
- *E-Retailing*- E-Retailing is the selling of goods and services from Business to Customer through electronic stores.

3. Opportunities of E-commerce-

- Overcome Geographical limitations.
- Gain new customers with search engine visibility.
- Lower cost of advertising.
- Locate the product quicker.
- Eliminate travel time and cost.
- Provide comparison shopping.
- Enable deals, bargains, coupons and group buying.
- Provide abundant information.
- Create targeted communication.
- Remain open all the time.
- Create markets for niche products.

4. Challenges of E-commerce

- *Security*- The biggest drawback of e-commerce is the issue of security. People fear to provide personal and financial information, even though several improvements have been made in relation to data encryption.
- *Lacks of privacy*- Many websites do not have high encryption for secure online transaction or to protect online identity.
- *Tax issue*- Computation of sales tax poses problems when the buyer and seller are in different states.
- *Fear*- People fear to operate in a paperless and faceless electronic world. Some of the business organizations do not have physical existence; people do not know with whom they are conducting commercial transactions.
- *Product suitability*- Sometimes, when the products are delivered, the product may not match with electronic images. Finally, it may not suit the needs of the buyers. The lack of touch and feel prevent people from online shopping.
- *Cultural obstacles*- Habits and culture of the people differ from nation to nation. They also pose linguistic problems. Thus, differences in culture create obstacles to both the business and the consumers.
- *High labour cost*- Highly talented and technically qualified workforce are required to develop and manage the websites of the organization. Since internet provides a lot of job opportunities, business

organizations have to incur a lot of expenses to retain a talented pool of employees.

- *Legal issues*- The cyber laws that govern the e-commerce transactions are not very clear and vary from country to country.
- *Technical limitations*- Some protocol is not standardized around the world. Certain software used by vendor to show electronic images may not be a common one. It may not be possible to browse through a particular page due to lack of standardized software.
- *Huge technological cost*- Technological infrastructure may be expensive and huge cost has to be incurred to keep pace with ever changing technology.

5. Conclusion

E-commerce has spread all over the world but in India there are some rural areas where E-commerce has not come properly. People in rural areas do not believe buying goods and services online due to lack of proper knowledge of technology. So government should take some steps for guiding them. Government make scheme digital India but in rural areas mostly people are illiterate so how can they use computer or smart mobiles and how can they buy and sell online.

References

- [1] Book- Ecom Hell: How to make money in Ecommerce without getting burned , Author Mr. Shirley Tan
- [2] www.Searchcio.techtarget.com
- [3] www.quora.com
- [4] www.balancesmb.com
- [5] www.accountlearning.com