

A TAXONOMY OF E-COMMERCE “RISK AND FAILURES”

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ABSTRACT

The Internet economy is a broader concept than e-commerce and e-business. It includes e-commerce and e-business. The Internet economy pertains to all economic activities using electronic networks as a medium for commerce or those activities involved in both building the networks linked to the Internet and the purchase of application services such as the provision of enabling hardware and software and network equipment for Web-based/ online retail and shopping malls (or “e-malls”). It is made up of three major segments: Physical (ICT) infrastructure, business infrastructure, and commerce.

INTRODUCTION

Electronic commerce, commonly known as e-commerce or E-commerce, consists of the buying and selling of products or services over electronic systems such as the Internet and other computer networks. The amount of trade conducted electronically has grown dramatically since the spread of the Internet. A wide variety of commerce is conducted in this way, spurring and drawing on innovations in electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), automated inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web at least at some point in the transaction's lifecycle, although it can encompass a wider range of technologies such as e-mail as well. A small percentage of electronic commerce is conducted entirely electronically for "virtual" items such as access to premium content on a website, but most electronic commerce involves the transportation of physical items in some way. Online retailers are sometimes known as e-tailors and online retail is known as e-tail. E-commerce or electronic commerce is generally considered to be the sales aspect of e-business.

E-commerce (electronic commerce or EC) is the buying and selling of goods and services on the Internet, especially the World Wide Web. In practice, this term and a newer term, e-business, are often used interchangeably. For online retail selling, the term e-tailing is sometimes used.

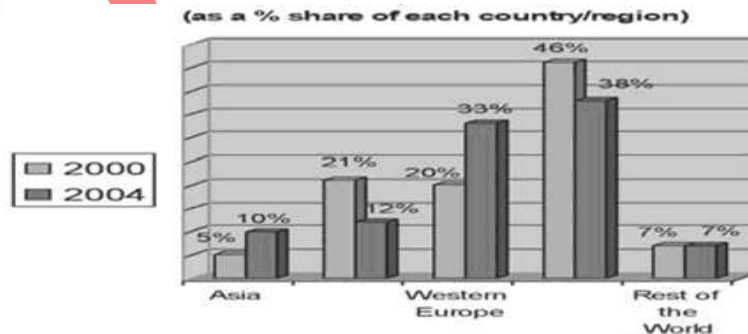
E-Commerce Can Be Divided Into

- E-tailing or "virtual storefronts" on Web sites with online catalogs, sometimes gathered into a "virtual mall"
- The gathering and use of demographic data through Web contacts
- Electronic Data Interchange (EDI), the business-to-business exchange of data
- e-mail and fax and their use as media for reaching prospects and established customers (for example, with newsletters)
- Business-to-business buying and selling
- The security of business transactions

E-Tailing or the Virtual Storefront and the Virtual Mall

As a place for direct retail shopping, with its 24-hour availability, a global reach, the ability to interact and provide custom information and ordering, and multimedia prospects, the Web is rapidly becoming a multibillion dollar source of revenue for the world's businesses. A number of businesses already report considerable success. As early as the middle of 1997, Dell Computers reported orders of a million dollars a day. By early 1999, projected e-commerce revenues for business were in the billions of dollars and the stocks of companies deemed most adept at e-commerce were skyrocketing. Although many so-called dotcom retailers disappeared in the economic shakeout of 2000, Web retailing at sites such as Amazon.com, CDNow.com, and ComputataOnline.com continues to grow.

International Data Corp (IDC) estimates the value of global e-commerce in 2000 at US\$350.38 billion. This is projected to climb to as high as US\$7.14 trillion by 2007. IDC also predicts an increase in Asia's percentage share in worldwide e-commerce revenue from 5% in 2000 to 18% in 2007. Asia-Pacific e-commerce revenues are projected to increase from \$76.8 billion at year-end of 2001 to \$438.5 billion by the end of 2007.



*Worldwide E-Commerce Revenue, 2000 & 2004
(As a % share of each country/region)*

RELEVANT COMPONENTS OF AN E-BUSINESS MODEL

An e-business model must have:

1. **A shared digital business infrastructure**, including digital production and distribution technologies (broadband/wireless networks, content creation technologies and information management systems), which will allow business participants to create and utilize network economies of scale and scope;
2. **A sophisticated model for operations**, including integrated value chains-both supply chains and buy chains;
3. **An e-business management model**, consisting of business teams and/or partnerships; and
4. **Policy, regulatory and social systems**-i.e., business policies consistent with E-commerce laws, teleworking/virtual work, distance learning, incentive schemes, among others.

Is e-commerce the same as e-business?

While some use e-commerce and e-business interchangeably, they are distinct concepts. In e-commerce, information and communications technology (ICT) is used in inter-business or inter-organizational transactions (transactions between and among firms/organizations) and in business-to-consumer transactions (transactions between firms/organizations and individuals).

In e-business, on the other hand, ICT is used to enhance one's business. It includes any process that a business organization (either a for-profit, governmental or non-profit entity) conducts over a computer-mediated network. A more comprehensive definition of e-business is: "The transformation of an organization's processes to deliver additional customer value through the application of technologies, philosophies and computing paradigm of the new economy."

REVIEW OF LITERATURE

Bargaining

This is found to be the strangest form of commerce transaction; The United States is not a country with a vibrant bargaining culture, but if you travel internationally you will encounter cultures that thrive on bargaining. In the U.S., buying an automobile or shopping at collector's conventions is often a bargaining experience.

While these may be different types of commerce transactions, they are all clearly related. They share elements like the roles involved (seller and buyer), steps in the transactions (price must be agreed upon, money must change hands), and underlying concepts (the value of this merchandise to me, do I know this merchant?). Ultimately, these different transactions differ only slightly on some few elements, with the bulk of the transaction adhering to the internal models that we have built for what commerce is like. In fact, based on our experience, we build frameworks to describe these transactions, with steps and meaningful elements, and we use these frameworks to understand every new commerce transaction in which we engage. These frameworks are called

schemas, and we use these schemas to make sense of E-commerce web sites when we take our shopping online.

Catalogue store

Smaller towns sometimes have catalogue stores, where a large merchant doesn't see a local demand to keep a store stocked with merchandise, so they instead provide a storefront where people can come in and look at catalogues, and order from a company representative. Sears is a company that operates catalogue stores (or at least they used to), and Service Merchandise functions as a catalogue store for much of their "stock".

Phone order from a catalogue

Mail order catalogues, with their operators standing by, have been around longer than the internet. While you can't touch and feel the merchandise prior to ordering, you can at least speak with a live person when placing the order; I've had some excellent shopping experiences with mail order catalog customer service reps.

RESEARCH METHODOLOGY

A Research Methodology defines the purpose of the research, how it proceeds, how to measure progress and what constitute success with respect to the objectives determined for carrying out the research study. I aim to carry out a research which is exploratory in nature.

PRIMARY DATA

I aim to collect primary data through Interview and questionnaire method

Sample size: 50

Sample area: NCR Delhi

Sample units: Users of E-commerce in NCR Delhi

Sources of secondary data: I aim to collect secondary data for my research work through the following sources-

- ⇒ Books
- ⇒ Magazines
- ⇒ Journals
- ⇒ Articles,
- ⇒ Reports in the field of E-commerce and
- ⇒ Internet.

OBJECTIVES OF THE STUDY

1. To study and understand about the basics of E-Commerce

2. To study the major elements of E-Commerce
3. To access and analyze the challenges in implementation of E-Commerce in India
4. To study the differences between the traditional marketing and E-Commerce
5. To study the advantages and disadvantages of E-Commerce

PROPOSED RESEARCH WORK

E-commerce (electronic commerce or EC) is the buying and selling of goods and services on the Internet, especially the World Wide Web. In practice, this term and a newer term, e-business, are often used interchangeably. For online retail selling, the term e-tailing is sometimes used. How popular it has become today we will find out in our research work.

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