

## ELECTRONIC-COMMERCE - ADVANTAGES AND DISADVANTAGES

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### Introduction

Before forty years the commerce concept created very important aspect in its area and turned into E-commerce, which is the buying and selling of products or services through the internet.

### What is E-commerce?

- 01) It is the ability to deliver products, services information or payment via network.
- 02) E-commerce means information and transactions exchange Business to Business (B2B), Business to customer (B2C), Consumer to consumer (C2C), Business to Government (B2G).
- 03) E-commerce is an electronic environment that allows sellers to buy and sell products, services and information on the internet.

### Definitions of E-Commerce

1. A commercial transactions conducted electronically on the Internet.
2. **E-commerce** is a transaction of buying or selling online.
3. According to **Arnauld Dufour**-E-commerce encompasses all kinds of commercial transitions that are concluded electronically mostly via the internet.

### Object of the study :-

- 1) to study the concept of E-Commerce
- 2) To study the Advantages and disadvantages of E-Commerce

**Research Methodology:** - Present research paper is based on secondary data, for this studies various books, reference books; articles in newspapers are referred to be considered.

**The types of E-Commerce:** -There are five types in E-Commerce

- 1) Business to Business (B2B)
- 2) Business to customer (B2C)
- 3) Consumer to consumer (C2C)
- 4) Business to Government (B2G)
- 5) Mobile Commerce (M-Commerce)

**Business to Business (B2B):-** In this type marketing relation between Business to Business



**Business to customer:** - In this type of e-commerce sales of goods and services directly to customer.

**Consumer to consumer:** - This type of e-commerce commerce between private individuals or consumers.

**Business to Government:** - In this method generally defined as commerce between companies and the public sector.

**Mobile Commerce:** - This type of e-commerce buying and selling of goods and services through wireless technology. For example-Cellular telephones.

**Advantages of E-Commerce:-**

In today's every business organization was require E-Commerce. Following are the advantages of E-Commerce

**1: No Standing in Queues or Being Placed on Hold Forever**

For customers, this is one of the most popular conveniences of e-commerce.

**2: Lack of Personal Touch**

I miss the personal touch and relationship that develops with a retail store. In comparison, e-commerce is far more sterile.

**3: Easier to Compare Prices**

There are several shopping search engines and comparison shopping websites that help consumers locate the best prices. While buyers love this, sellers find it too restrictive as many of them get filtered out of the consumer's consideration set.

**4: Access to Stores Located Remotely**

Especially for people who are not situated in major urban centers, this can be a big advantage. Likewise, e-commerce opens new markets for e-commerce businesses.

**5: Inability to Experience the Product before Purchase**

There are many products that consumers want to touch, feel, hear, taste and smell before they buy. E-commerce takes away that luxury.

**6: No Need for a Physical Store**

Since there is no need for a physical store, e-commerce businesses save on one of the biggest cost overheads that retailers have to bear.

**7: Need for an Internet Access Device**

E-commerce can only be transacted with the help of an Internet access device such as a computer or a smartphone.

**8: Need for an Internet Connection**

Not just does one need an access device, one also needs Internet connectivity to participate in e-commerce.

**9: Common Availability of Coupons and Deals**

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Though there is nothing about ecommerce that makes it intrinsically oriented to discounts, the way online business has evolved has led to lowered prices online. This is an advantage for the buyer, but a disadvantage for the seller.

**10: Lots of Choices**

Since there are no shelf size or store size limitations, ecommerce businesses are able to list many different items.

**11: Stores Are Open All the Time**

Eliminating the limitation of store-timings is a big convenience for consumers.

**12: Credit Card Fraud**

Consumers and businesses alike suffer from credit card fraud. Some doomsayers go so far as to predict that fraud will lead to the demise of online business.

**13: Security Issues**

Consumers run the risk of identity fraud and other hazards as their personal details are captured by ecommerce businesses. Businesses run the risk of phishing attacks and other forms of security fraud.

**14: Ability to Buy and Sell to Other Consumers**

Auction sites and listing sites allow individuals to buy and sell from each other. This opens a whole new paradigm of ecommerce. The most famous enabler of consumer to consumer (C2C) ecommerce is eBay.com.

**15: Instantaneous Purchase of Digital Goods**

No longer does one need to go and buy a CD of one's favorite music. Within a few minutes, one can download digital products, such as music, and start using them immediately.

**Disadvantages of E-Commerce:-**

**Technical Disadvantages**

- There can be lack of system security, reliability or standards owing to poor implementation of e-Commerce.
- Software development industry is still evolving and keeps changing rapidly.
- In many countries, network bandwidth might cause an issue as there is insufficient telecommunication bandwidth available.
- Special types of web server or other software might be required by the vendor setting the e-commerce environment apart from network servers.
- Sometimes, it becomes difficult to integrate E-Commerce software or website with the existing application or databases.
- There could be software/hardware compatibility issue as some E-Commerce software may be incompatible with some operating system or any other component.



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#### Non-Technical Disadvantages

- Initial cost: The cost of creating / building E-Commerce application in-house may be very high. There could be delay in launching the E-Commerce application due to mistakes, lack of experience.
- User resistance: User may not trust the site being unknown faceless seller. Such mistrust makes it difficult to make user switch from physical stores to online/virtual stores.
- Security/ Privacy: Difficult to ensure security or privacy on online transactions.
- Lack of touch or feel of products during online shopping.
- E-Commerce applications are still evolving and changing rapidly.
- Internet access is still not cheaper and is inconvenient to use for many potential customers like one living in remote villages.

#### Conclusion:

With the study of above information we can say that E-Commerce plays very crucial role in the business and economy. Every business must properly use E-commerce and running successfully their business.

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