E-Commerce Technology Advances

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Abstract

E-commerce is still a fairly young form of business and is rapidly evolving. As technology advances, it is expected that E-commerce will take advantage of these developments and continue to evolve. Also, with more companies choosing to start online storefronts, e-commerce is becoming a more prominent force in the business universe.

Introduction

The internet has gained increasing reputability and popularity throughout the last decade with users consistently adopting the technology to increase their business productivity and shape their personal lifestyles. This easily accessible network of users is ideal for getting a message or objective across to a large group of people, giving it great potential as an advertising channel.

Electronic commerce, or e-commerce, takes advantage of this opportunity by developing various systems in order to advertise, buy, and sell products and services over mass communications networks, primarily the internet. This fairly new channel of business transaction is a reasonably inexpensive and easy way to reach a large target audience and many companies are utilizing this technology in order to expand globally. Additionally, because of its inexpensiveness, it is a viable option for entrepreneurs or prospective small business owners to reach a large audience easily and at a low-cost.

Individuals and companies interested in this increasingly popular mode of business must take into account some barriers to the success of an online storefront. Search Engine Optimization (SEO), detailed in Section 3, is integral to the development of any website that wishes to reach the largest target population possible. In addition, a clear business model must be chosen to maximize the effectiveness of a company’s strategy. Although debated, some sources claim that there is also a specialized channel of ethics that tailors itself to the practice of e-commerce, since the scope and delivery of a business differs from a physical storefront. It is up to the potential e-commerce participant to decide what business model, methods, and ethics to implement in order to capitalize on this increasingly popular field of business.

Ethics of E-Commerce

The study of business ethics has been investigated for many years and is an important part of any business’ operations. A large amount of investment, research, and testing has been implemented into developing the study of ethics, making it an important component to think about while considering new business opportunities. As the internet becomes a more attractive business opportunity, an issue arises with ethics. Companies are considering how the globalized nature of the internet effects ethical decisions of conducting business online. While some analysts say that there is no need for specialized ethics for e-commerce, there is compelling evidence of new ethical aspects that arise from online commerce.

A Business Ethics Quarterly article outlines that the rapid advancement of technology, has created ethical lag. Essentially, the constant evolution that the internet experiences has yet to be matched by ethical findings and breakthroughs. Consequently, this lag accounts for the lack of evidence for the need to differentiate online and offline ethics. One reason why there is a lag is due to the fact that ethics update in reaction to changes in the world, making it a lagging variable. (Corritore & Kracher, 2004).

Some sources state that while the internet does have seemingly unique issues, there are problems that can arise in offline businesses. The differences between on- and offline ethics are the reach of these issues and how they develop. Examples of e-commerce ethical components, outlined by Corritore and Kracher (2004), include “access,
Table 4.1 Outline of the Descriptive Framework for Personalisation of E-Business (Koutsabasis et al., 2008)

<table>
<thead>
<tr>
<th>Framework element</th>
<th>Basic questions</th>
<th>Typical personalisation features/clusters</th>
</tr>
</thead>
<tbody>
<tr>
<td>User information</td>
<td>What customer information is required for personalization of E-business services?</td>
<td>Customer characteristics Customer preferences Identification information</td>
</tr>
<tr>
<td>Knowledge and awareness infrastructure</td>
<td>How do customers become aware about interesting products? How do customers obtain knowledge about products and services? How can customers communicate with other customers?</td>
<td>Email Automatic notifications Multi-linguality Virtual communities News-events Product reviews</td>
</tr>
<tr>
<td>Support for customer search</td>
<td>How can an e-business guide customer search to interesting products with minimum time and maximum relevance?</td>
<td>Keywords Advanced search Product catalogue Personal guide Product proposals</td>
</tr>
<tr>
<td>Support for customer selection</td>
<td>How is the customer supported for making purchase decisions?</td>
<td>Personal collection Virtual try Designer’s opinion Comprehensive information Product comparison Discount offers Order tracking</td>
</tr>
<tr>
<td>Support for mass customisation</td>
<td>To which degree may products be customised? How is the customer supported during the customization task, minimizing/avoiding errors?</td>
<td>Aesthetic customization Dimension and fit customisation Customization help Visualisation of customization</td>
</tr>
</tbody>
</table>

intellectual property, privacy and informed consent, protection of children, security of information, and trust.” These are all potential issues for both offline and online businesses, differing only in the way they arise and the number of people potentially affected by them.

Challenging this theory, other sources claim that e-commerce ethics is a developing field of study that will become vital for an optimized online business model, with the topics of privacy and security at the forefront of ethical issues. One important difference between online and offline business is that online business lacks the face-to-face interaction between a store representative and customer. This makes it harder for the customer to identify how ethical or unethical a particular store is, especially among less-experienced customers (Román & Cuestas, 2008). With only a storefront to look at, customers have little knowledge of how the business runs and whether they should initiate a business transaction with them. Counteractions to this problem include the addition of an ‘About Us’ link, testimonies from past customers, and guarantees. Unfortunately, the information shown could easily be fabricated and owners of online storefronts are harder to locate than traditional business owners if they do perform deceitful activities.

Uninformed customers have an option of utilizing brand knowledge, by choosing an online company that operates under a bricks-and-clicks businesses model. These companies have an established name that can help to assure customers that they are dealing with an ethical company online, if that is how they appear while visiting their physical storefronts. There are certainly some interoperable aspects of offline and online commerce, creating confusion and debate of what the differences, if any, are between e-commerce ethics and offline business ethics.

Global exposure is one aspect of e-commerce that is often discussed when dealing with this form of ethics. Cultures differ around the world, with diverse interests, values, and beliefs of what is acceptable. Ethically responsible websites need to be culturally-sensitive and take the needed procedures to appear ethically responsible as a company, globally. Established, high-traffic website such as Yahoo! and MSN have already created several versions of their website, optimized for viewing by different countries (Bin,
Chen & Sun, 2003). This allows the content of the website to be more relevant to the user, as well as taking different cultural values into consideration while creating the site.

Conclusion

As companies begin to grasp the potential of e-commerce, it is likely for this channel of business to be the primary source of distribution in many corporations. Some customers will always prefer physical storefronts for some products, such as shoe and clothing stores; however the appeal of having an option so intuitive that customers can shop from the comfort of their home can benefit a company immensely.

This is especially true in a bad economy when more prospective customers are staying at home to save money. Whereas a physical storefront reaches a customer base of the surrounding region, e-commerce opens up any business, small or large, to a growing number of prospective clients around the world at any time of the day. Therefore, the potential for success through e-commerce cannot be understated and if implemented correctly, is a constantly evolving and growing opportunity for many businesses.

References


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