

The Impact of Electronic Commerce on Business

Feroz Ahmad Balouch¹, Khan, Mohammad Wafa², Dr. Ali Ahmad³

¹Student of Information Technology, Computer Science Faculty, Bost University Helmand Province, Afghanistan

²Dean of Computer Science Faculty, Bost University Helmand Province, Afghanistan

³Assistant Professor, Department of Agricultural Economics and Extension, Faculty of Agriculture, Helmand University, Afghanistan

Received
10-04-2022

Accepted
26-04-2022

Published
02-05-2022

Abstract: In this paper we seek to highlight the impact and effect of E-Commerce on business. E-commerce has been observed as the activity of buying and selling products and services using the internet. The business model is designed in a way that it provides its offerings online and gives the opportunity to the consumers for selecting and purchasing the desired products. Web based business is a method for leading business over the Internet. E-commerce has changed the nature of business so quickly and pervasively that where once it was revolutionary, now, it is simply evolutionary.

Keywords: E-Commerce, impact of E-Commerce, Advantages and Disadvantage of E-Commerce and Future of E-Commerce

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INTRODUCTION

E-commerce is a business model that allows organizations and people to sell and buy things over the internet. With the presence of E-commerce, businesses have been given the opportunity not only to market their products and services online but also to offer the products for purchase to a huge set of consumers. Among the most powerful forces affecting the world's economy and commerce today is the substantial increase in globalization through the use of Information and Communications Technologies (ICTs) (Kaynak et al., 2005).

Web based business significantly affects business expenses and efficiency. Web based business has an opportunity to be broadly embraced because of its basic applications. Electronic Commerce gives the capacity of purchasing and offering items and information on the web and other on-line benefit. Electronic trade or web based business alludes to an extensive variety of online business exercises for items and administrations (Kaur et al., 2018).

Objectives of the Study:

- To investigation the concept of e-commerce.
- To investigation the impact of e-commerce.
- To introduce the advantage and disadvantage of e-commerce.
- To study the future of e-commerce.

MATERIALS AND METHOD

This paper entitled "The Impact of Electronic Commerce on Business" is a review paper which is based on secondary data, conducted in 2022. Overall, the paper briefly

outlines the impact of electronic commerce on business and its benefits in our daily business. The paper is mostly concerned the introduction and importance of e-commerce to the highly business organizations in order to consider them for maximum profits. The sources of secondary data used in this paper is from well-known Journals, books, data bases and websites.

RESULTS AND DISCUSSION

The Definitions of E-Commerce:

e-commerce refers to various online commercial activities focusing on commodity exchanges by electronic means, internet in particular, by companies, factories, enterprises, industrial undertakings and consumers.

The following are definitions given by transnational corporations Intel, IBM and HP respectively

- Intel: E-commerce = electronic market + electronic trade + electronic service
- IBM: E-commerce = information technology + web + business
- HP: E-commerce is to accomplish commercial business by electronic means.

Electronic Commerce:

For many businesses, electronic commerce means using the Internet as a distribution channel to market and sell goods and services to the consumer. This narrow definition really defines only Internet commerce. Electronic commerce is much broader in what it encompasses. According to Malcolm Frank, V. P. Marketing, Cambridge Technology Partners, electronic commerce is the electronic exchange of information, goods,

services, and payments and includes the creation and maintenance of Web-based relations. Therefore, E.C. includes, but is not limited to, the Internet, intranets, extranets, electronic data interchange (EDI), and others. Examples of electronic commerce include transaction processing with electronic payment, coordination with business partners such as inventory management, customer self-service such as tracking order status and researching problem resolution, and using a corporate intranet for ubiquitous information distribution.

Benefits of E-Commerce to Business:

- a) International Marketplace - What used to be a solitary physical market place located in a topographical territory has now turned into a borderless market place including national and global markets? By getting to be e-commerce enabled, businesses currently approach individuals all around the globe. In effect all online business businesses have turned out to be virtual multinational corporations.
- b) Operational Cost Savings - The expense of making, preparing, distributing, storing and recovering paper-based information has diminished.
- c) Mass Customization - E-business has reformed the way consumers buy merchandise and ventures. The preparing takes into account items and services to be tweaked to the client's necessities. In the past when Ford originally began making engine autos, clients could have any shading so long as it was dark. Presently clients can configure an auto as per their specifications inside minutes on-line by means of the www.ford.com site.
- d) Lower Telecommunications Cost - The Internet is significantly less expensive than value added systems (VANs) which depended on renting phone lines for the sole utilization of the association and its approved accomplices. It is additionally less expensive to send a fax or email through the Internet than direct dialing site (Kaur et al., 2018).

Benefits to the Customers:

Mass customization has been used for some time now (Pine, 1993); it endeavors to create specific products for each customer, based on his or her exact needs. Customization to create specific products for customers can now be possible for the information bank of electronic commerce. In the future, electronic commerce links between customers and suppliers will suppress the need for

an infrastructure to gather customer data, and will allow customers to do it from home, their office or on the road. This direct link also allows the supplier to gather very detailed data on customer profiles, their needs, patterns of buying etc. (Igwe and Egbo, 2014).

Benefits of E-Commerce to Society:

- a) Enables more Flexible Working Practices - This improves the personal satisfaction for an entire host of individuals in society, empowering them to telecommute. Not only is this more advantageous and gives more joyful and less upsetting working environments, it additionally possibly decreases ecological contamination as fewer individuals need to make a trip to work frequently.
- b) Connects People - Enables individuals in creating nations and rustic are as to appreciate and get to items, administrations, information and other individuals which otherwise would not be so effectively accessible to them.
- c) Facilitates Delivery of Public Services - For instance, wellbeing administrations available over the Internet (on-line conference with specialists or medical attendants) filing taxes over the Internet through the Inland Revenue site (Kaur et al., 2018).

The Impact of Electronic Commerce on Business:

The most telling impact of e-Commerce on business probably has been the ease of business continuity in the face of a global pandemic that has otherwise led to the closure of several businesses, regardless of size or industry. Thanks to the convenience offered by online shopping and selling, it was business as usual, in spite of nationwide lockdowns almost all over the world. The scope of e-commerce is certainly huge, and we can understand this from the fact that e-commerce sales crossed USD 850 billion last year - 2020, and globally, it's expected to come close to USD 5 trillion by the end of 2021.

Online business and E-Business are not exclusively the Internet, sites or website organizations. It is about another business idea that incorporates all past business management and financial ideas. As such, E-Business and E-Commerce impact on numerous territories of business and controls of business management contemplates.

- Management Information Systems - Analysis, structure and usage of e-business systems inside an association; issues of reconciliation of front-end and back-end systems

- Human Resource Management – Issues of on-line enlisting, home working and 'Ambitious innovators' takes a shot at an undertaking by task premise supplanting lasting representatives.
- Finance and Accounting – On-line keeping money; issues of exchange costs; accounting and auditing implications where 'elusive' resources and human capital must be substantially esteemed in an undeniably learning based economy.
- Economics – The impact of web based business on nearby and worldwide economies; understanding the ideas of an advanced and learning based economy and how this fits into monetary hypothesis
- Production and Operations Management – The impact of on-line preparing has prompted reduced cycle times. It takes seconds to convey digitized items and administrations electronically; comparatively the ideal opportunity for preparing requests can be diminished by more than 90 percent from days to minutes. Generation systems are incorporated with finance marketing and other utilitarian systems and with business accomplices and clients (Kaur et al., 2018).

Advantages of E-Commerce to Business:

Doing business online gives numerous advantages to the entrepreneur like speed, flexibility, cost savings, wider reach, and so on. Let's take a look at them in detail (Webandcrafts, 2021).

Less Expensive:

When you open a physical store, your capital layout and day-to-day expenses are huge. You need to buy, lease, or rent space, spend money on the décor, furniture, warehousing/storage, light fixtures; then you have electricity and utility bills, salaries and benefits paid to employees, and so on. However, with an online store, you only need to spend to get your website up and running, and for hosting. Here you have several options – you can start with a simple site and free or shared hosting which will not cost you an arm and a leg. If you have even just a little technical know-how you can even create the site yourself, as there are many tools available in the market, some for free. You can upgrade as your business grows. One could hazard, that one of the impacts of E-Commerce is that entrepreneurs have been able to drastically reduce their capital outlays

and overheads to start and maintain or continue their business.

Greater Reach

With an online storefront, your potential customers can literally be anywhere in the world, provided you are willing to ship. You are not limited by geographical borders. Your site can be accessed almost anywhere in the world. This is not possible if you only have a conventional store. You can also serve customers at any time of the night or day, on holidays, weekends, and so on. There are no time limits.

Speed and Flexibility

Opening a physical store takes a lot of time in addition to money – an ecommerce store on the other hand can be made operational in just a couple of weeks, or even days. What's more, you can easily add and remove content on your site like product images, descriptions, change or edit things like the price, color scheme, and so on. In an actual store, doing all of this will obviously take much longer, and a lot more effort as well. With an online store, you can even work from home; you just need a little storage space for your products.

Actionable Data

This is probably the biggest impact of e-commerce; data and analytics. Websites collect all sorts of data; for an entrepreneur, it's a big boon. You can get information about your customer like the kind of products they like, how much time they spend on your site, their payment preferences, and so on; you also get information like which products or designs are trending, what kind of advertising or marketing is getting results, and what is not. This can help you deliver customized shopping experiences to your potential customers, thereby increasing the chances of them buying a product from you. You can also provide detailed info to customers about every product, including price comparisons with other brands or sites, helping them to make better decisions.

Disadvantages of E-Commerce to Business

Despite its many advantages, E-commerce is not a bed of roses. It has its fair share of drawbacks, so let's see what they are (Webandcrafts, 2021).

Your Website is Your Store

This fact is probably one of the biggest limitations of e-commerce. You need to make sure that your website is efficient and does what it's

supposed to do because you aren't likely to get a second chance. In a physical store, the manager may be able to convince a leaving customer to stay on and take another look and so on, but it doesn't work that way online. You need to ensure that your website has the following:

- **Good Navigation** – they should be able to easily find what they are seeking, or they will leave, and not return. For this your product categories have to be logically organized, and the layout of your site needs to be intuitive, and not confusing. Don't litter the site with unnecessary elements and information. So website navigation is important.
- **Security** – people will not trust a site if they don't see security certificate, or ironclad privacy policy statements. After all they are going to share their sensitive financial information while making purchases. Data security is very important, and a breach can cause havoc.
- **Uptime** – make sure that your site is stable and remains up and running most of the time. If your online store is prone to frequent crashes, customers will go elsewhere.
- **Credibility** – people are always more likely to believe other people rather than a faceless company. Make sure to include customer reviews on your site, as it helps build trust in your brand. For the first few reviews you can even try sample give-away.

Mobile Shopping is Increasing

This is one impact of e-business that tends to get overlooked, but should not. With more and more people preferring to shop on the go via their mobile devices, it is imperative that you cater to this segment. You need to do two things for this: 1. You need to ensure that your website is responsive, and that it functions smoothly irrespective of which device, browser, and OS is used to access it. 2. You need to build a mobile app, which makes it super easy, smooth, and convenient for mobile shoppers to browse your products and shop anytime they want.

Logistics

While your store may be virtual, your products are not – they are very real. In a physical store, your sale is complete when the customer checks out the product and hands you the money. In e-commerce, you still have a long way to go. That is because you have to now pack and dispatch the product and follow up with the shipping company to ensure that they deliver the

package to the right address. Your sale cycle becomes complete when the customer actually receives the product from the shipping company; depending on distance, weather, and other factors, this could take from a few days to a couple of weeks. Poor service in delivery can lose you, customers.

Returns

Your customer doesn't know you or where you really are; it helps to have a user-friendly return and exchange policy. Without that, you may find that customers are reluctant to purchase from you. When you have a clear policy that is displayed prominently, the customers will be more likely to trust you, once they know that they are not just going to lose their money.

Future E-Commerce Systems

E-commerce systems architecture plays a significant role in envisioning Omni channel systems of the future. As the basics of EC systems software architectural requirements, the current elements and quality of the systems are still prevalent. Interoperability and decentralization of systems will, however, require the relationships among systems to advance. As systems operations remain ubiquitous with unique innovative capabilities for seeing advancements to supporting services developed to consumer, supply chain, business and enterprise systems is crucial.

Current e-commerce systems design automation, through IoT and AI capabilities such as, AR, Intelligent agents, wearables, machine learning, cognitive and autonomous computing advance, enhancements in e-commerce customer experiences and supply chain visibility foresees expansions across businesses. At the top of every organization list is to solve the issue of last mile approach i.e. the seamless process of end-to-end delivery in the supply chain.

Progression of systems expect autonomous systems to play a crucial role in delivery integrate and interoperate to cater to the supply chain demand. Operating in the fourth industrial revolution, the evolution of commercial systems demand interconnection, information transparency, technical assisting systems and decentralized decision making for sustain ability of electronic commercial systems. Hence, envisioning commercial innovative solutions requires seamless and interoperable solutions which are accepted throughout the commercial

ecosystem. This intern demand high network connectivity speed, scalable communication between systems and devices in storage and

architecture as well as decentralization of transaction process (Mohdhar and Shaalan, 2021).

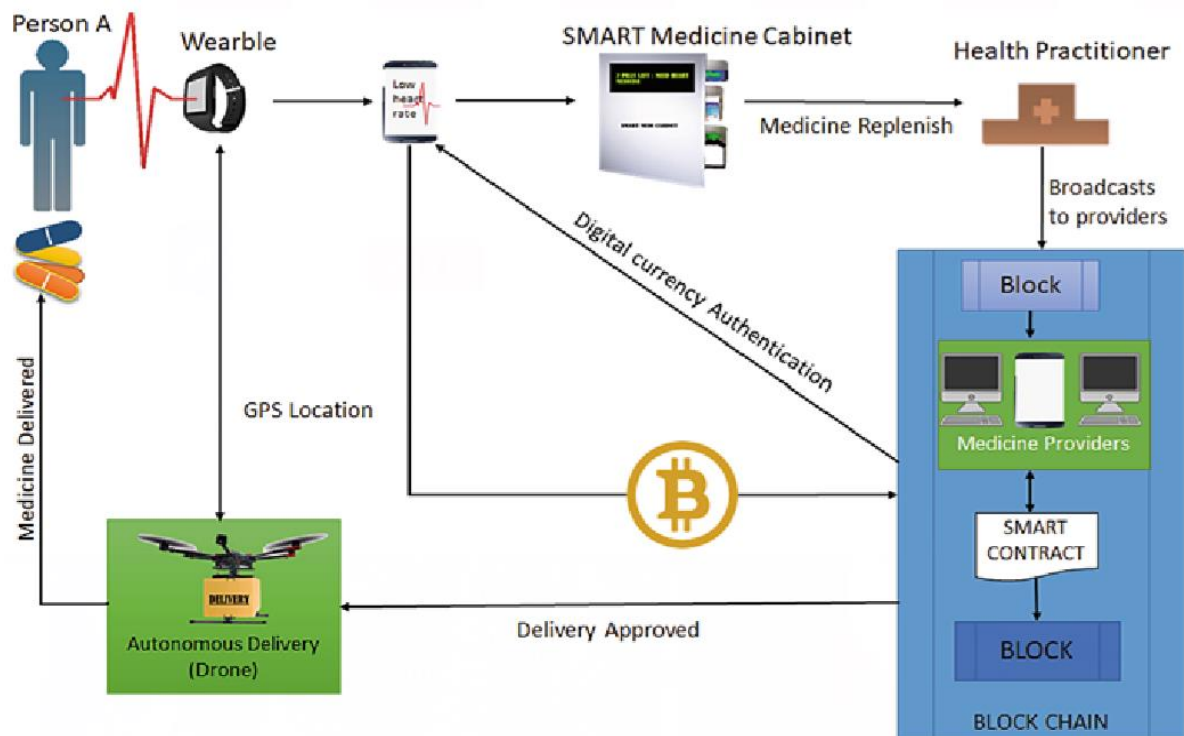


Fig.1: The Future of E-Commerce Systems: 2030 and Beyond

CONCLUSION

With the advent of modern technology, we need to keep our daily business up to date with the latest technology to make our business more efficient and profitable. With these technologies we can do our business online and in less time we can do our business flourish. We can conduct e-commerce through the various website and online applications from any part of the world. With e-commerce we can buy and sell merchandise with other countries and in the country we can sell our merchandise online to our customers. Organizations have been able to attain various opportunities and benefits on which they have optimized to attain a good position and image in the market place. e-commerce prevents the additional costs in our business. My advice to my countrymen is to use new modern technologies on their business to bring better services to our people. Along with several advantages, firms also face certain limitations and challenges related to implementing Ecommerce. When we use e-commerce technology so we should pay attention to the security of our business website or business application to prevent the cyberattacks.

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