

# [E commerce assignment](https://assignbuster.com/e-commerce-assignment/)

The number of Internet users Is expected to Increase by 5% every year. E- commerce has become an economic phenomenon that broadly affects the production, exchange, distribution, and consumption of products and services all around the world. China is one of those countries that it is still adjusting with its new development strategies, and still has to face many other challenges in E-commerce. Under the pressure of E-commerce, many Inefficient distribution channels will be enhanced. Many industries are still meeting consumer’s rejections against E- commerce.

Therefore, the issue facing China is not to worry about this kind of ejection and disappearance, but how to face challenges, grasp potential chances, and advance E-commerce. E-commerce Problems in China From the Journal referred E-commerce industry in China mainly having problem with the E-commerce fundamental business. It means that most e-commerce activities remains focused on business-to-customer (BBC) activity. This contrasts sharply with the current global market, where the number of EBB transactions has surpassed BBC transactions and is growing by leaps and bounds.

Besides that dealing with customer feel about security aspect while perform online transaction also being the ajar problem for E-commerce industry in China. Customers mistrust online merchants and the concept of secure electronic payment. Online shoppers were concern with the security, with respect online business security, 55. 5 percent of business have no firewall, 64. 9 percent have no security auditing system, 67. 2 percent have no invasion monitoring system, and 72. 3 percent have no automatic recovery system. At the practical level, Chinese consumers prefer to transact in cash or debit rather than use online system.

The Chinese consumers also prefer buying things in person. Furthermore many people are worried that the development of E- amerce in China would replace the traditional retail and wholesale business. Low speed internet bandwidth and the high cost of online access also being one of major problems for China E-commerce development. Recently service charges have been considerably reduced, leading to substantial improvements in the telecoms infrastructure, but such charges still remain far too high to allow for a rapid expansion of E-commerce.

Service charges for renting frequency bands of sufficient width for Web sites are so high that most E-commerce providers can only afford to rent narrower bands, leading to long waiting times for downloading. Further, access charges are very high. China’s E-commerce vendors cannot provide the benefits that customers in other countries have learned to expect, such as reduced prices that are usually lower than those found in conventional stores, superior service including 24- hour, seven-day-per week hours as well as reliable delivery systems.

It is not surprising, therefore, according to one survey, that Just 40% of the online buying public said they ere satisfied with internet shopping (versus 90% globally). E- commerce faces further problems in the realm of China’s supply and delivery yester. In the United States, efficient private delivery companies such as Fed and UPS offer not only EBB linkages, but also door-to-door services from businesses to their customers. China currently relies on hybrids of online shopping and traditional labor-intensive delivery systems, even employing bicycles in some areas.

But these will be inadequate if the E-commerce system continues to expand. Moreover, advanced logistical systems like those in the United States require sophisticated, Internet-based information systems to operate? China must advance on both fronts simultaneously. Piracy and counterfeiting are a primary concern for all companies before they start the E-commerce business. This issues even more important significance for companies selling or interested in selling their products online.

From this point of view, notwithstanding the big steps made by Chinese authorities in piracy remains widespread in China and foreign brands are the primary victims. Paradoxically, however, an increasing number of international brands decide to sell their products through online stores to stop or at least limits the selling of counterfeit goods. A significant problem brands operating in the Chinese e-market is the luminous number of laws and regulations to comply with and the constantly changing regulatory framework.

To give an idea of the problems that may arise from regulatory changes, on 22 June 2011, China’s Culture Ministry unexpectedly announced regulations for online gaming that severely affected companies operating in China’s online games market. Fraud issues also another problems facing by E- commerce development in China. The most serious weaknesses of the internet is that it seems to lack any reliable means for filtering the massive amounts of information available online.

Too much information coming from too many questionable or dubious sources raises significant problems of discernment for most online consumers. In terms of E-commerce, serious concerns have been raised about fraud, privacy incursions, information security, spamming, copyright infringement, trademark violations, the sale of goods and services banned in some Jurisdictions, and inadequate or vaguely defined consumer protection laws. Conclusion The coming years promise to be an interesting period in the development of China” s E-commerce.

On the one hand, efforts on the part of various local and central overspent agencies to regulate areas of the internet that affect them can be expected to accelerate; therefore, we can expect more regulations of the kind already issued. At the same time, the Chinese government is likely to step up efforts to regulate E-commerce in a more integrated fashion. According to the report, the guidelines include a discussion of comprehensive changes needed to China” s legal system in order to support the development of E-commerce. Foreign companies can also be expected to become increasingly interested in China E-commerce.