

Case study: e-commerce solution for business

[Technology](#), [Computer](#)



The implementation of e-commerce solutions for any business is critical in opening up the entity to new possibilities, opportunities and benefits. From creating new revenue streams to improved operations performance, e-commerce has immense positive outcomes for small businesses. These positive impacts can be broken down into opportunities and benefits.

The opportunities that Organic Toy Company will create for venturing online are: it will create a Global Marketplace for its toy products; through adoption of continuous operations, the toy company will be able to cater adequately to its global customers located in different time zones; it provides cost cutting possibilities by avoiding set-up costs and operational expenses required in brick-and-mortar stores; and it will enable the company implement flexible pricing models that will be based on external market factors, market needs, product demand, the introduction of new products and competition (MacGregor & Vrazalic 2004).

In addition, some of the possible benefits the experience include: improved internal communication through cost effective and efficient information exchange platforms; improved human resource management via a managed employee portal; effective sales management and after sales support through automated responses; improved customer satisfaction through personalized and customized services; harnessing competitive advantage through the adoption of new technologies and utilization of data collection and analysis mechanisms; utilizing an information system in business decision making across organizational levels; supply chains optimization and developing complex production lines that reduce time from production to new markets; and reliable support for purchasing functions through market

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status analysis and application of responsive pricing models (Ghandour et al. 2006).

A case in point is the transformation of Alibaba from a small enterprise, started in 1999 and located in Hangzhou, China, to a global leader in mobile and online commerce. By leveraging technology and the internet platform, Alibaba was able to grow exponentially and effectively compete in the global and domestic economies. In addition, it was able to grow from a retail outlet into a leading online retail and online marketplace that includes business offerings such as mobile solutions, network and cloud-computing services, electronic payments, and advertising and marketing services (Alibaba Group 2017).

However, as is the case in other sectors, the disruption to any established systems and processes attracts threats and problems – adoption of e-commerce included. While e-commerce benefits are immense, a proper understanding of the organization's possible hurdles and threats is critical in the development of mitigation measures. Some of the possible problems and threats include: business relations, hidden costs, multiple parallel channel support and privacy and security threats.

Business relations can be strained or severed by adopting process automation, especially if the business partners' or suppliers' processes cannot be integrated into the new system. In terms of costs, there may be hidden costs that may emerge in the e-commerce deployment affecting the overall business budget. This is mostly associated with e-commerce development, deployment and maintenance, where cost implications are

relative and can escalate. The need for a multiple parallel channel support may hinder a successful e-commerce implementation as the small business must allocate the limited resources equitably between the new e-commerce transactions and maintain the existing offline operations. Finally, the most critical threat to e-commerce adoption is privacy and security threats to business transactions and information. These threats may vary from human to computer threats, which include: hacking using viruses, malware and malicious attacks; theft of information, hardware, or software that is critical to business functions; and service disruptions through hardware or software failure.

For instance, Willem De Groot, a security expert reported that approximately 5, 900 e-commerce sites had been breached in 2016 and malware installed, resulting in the theft of customer credit card details. The victims of these breaches varied from non-governmental organizations (such as Science Museum), to carmakers, to clothing stores, among others (Latest Hacking New 2016).

Ultimately, it is prudent for any business to implement possible solutions to prevent, mitigate or remedy possible threats encountered. The solutions may vary based on the type of threat. However, one overall strategy that a business may adopt is risk assessment, which includes: security management, which entails provision of security measures, policy guideline and rules; security protection, which implements encryption mechanisms, regular backup, and anti-virus and anti-malware installations; security audit, which includes system monitoring, review of security audits, system logs

maintenance, audit trails, and deployment of user authentication and controls; and security restoration, which involves event response, restoration plan and techniques, backup deployment, and alternative solution implementation.

For example, AddShoppers (a retailers' commerce platform) implements tracking numbers for each order made to curb chargeback fraud; My Trio Rings, an online jewelry store, has implemented real-time analytics tools to provide round the clock site monitoring; NIC Inc., a technology firm, provides regular security training to all its employees, especially to combat social engineering; and Vault Labs, a digital agency, that implemented system alerts, whenever suspicious transactions occur, particularly using the same IP address (Schiff 2013).

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