Information systems- e-commerce and the internet

What is the most profound way in which e-commerce and the Internet has changed the relationship between companies and their s? Support your answer. With the development of the Internet in the last twenty years, the nature and manner in which business transactions and interactions with customers are carried out has undergone a sea change. In its early days, the Internet was used solely for purposes of communication. But in recent years the role and scope of the Internet has assumed new dimensions with the introduction of commercial transactions. What has come to be called e-commerce has its origins in the dotcom boom of the late 1990s. But it is only after the inevitable dotcom bust in the early years of the millennia that e-commerce established itself as a viable and dependable method of conducting business. Technological innovation in terms of developing security software aided this process and so did the process of globalization. As a culmination of these parallel but complementary processes, e-commerce in general and electronic financial transactions in particular has firmly taken root in mainstream global economy. Since the beginning of the 1990s, and with the advancement in global telecommunications technology, e-commerce has really taken off. And online retailing comprises an integral part of this broader phenomenon. In advanced countries, traditional brick and mortar retail stores have extended their services through the Internet, adding new dimensions to the experience of shopping for consumers. New and exclusive online retailers have also sprung up to cater to the newly created demand by consumers online. While there are complaints and concerns about this new mode of business (especially security issues), there are also numerous redeeming features of e-shopping, without which the market share for this fledgling industry would not have risen to 10 percent

approximately. In the United Kingdom, for example, this 10 percent market share translates into 12 billion pounds annually, which is no insignificant amount (Yang & Jun, 2008). The advantages that online shopping provides customers are listed below: " Counter-balancing the disadvantages and the slow responses of many e-retailers in addressing them, there is a number of advantages for shoppers. First, in ranked order from Cap Gemini survey: ' convenient/easy', ' saves time' and ' fits in with other activities'. Other commonly cited advantages, typified by responses to other surveys: ' breadth and depth of products', ' prices favorable' and ' convenient'. According to the same survey, ' cost effectiveness' (rather than just low prices) is the key reason for shoppers to buy online, followed by convenience and ease of purchase." (Bharadwaj et, al., 2007) As scholarly literature on the subject shows, customers who shop online on a regular basis are comfortable with what this medium offers and are likely to be loyal, long term customers. The most difficult part is establishing that loyalty. That is why separate efforts have to be made to woo potential customers. Studies have also shown that online customers expect prompt and proper customer support. They also expect to have choices in the form of availing telephone hotlines, online chat support, email support, etc. And the customer support personnel have to be polite, respectful, willing to help and assist. He/she should also have adequate knowledge of the e-retailing processes adopted by the company so that customers' queries can be answered. (Bharadwaj et, al., 2007) If all these criteria are met then the retailing websites will retain existing customer s and add new ones. The realities of e-commerce industry are emergent and as a result the criteria for evaluation service quality also tends to be ephemeral and specific to segments within the e-commerce

industry. For example, the shopping experience with online book retailer www. amazon. com would be quite different from other specialty websites. And what is an advantage with respect to one domain can be a disadvantage when it comes to another. For example, one of the reason clothing stores have not taken off in the Internet is because women want to feel and try out the clothes that they are purchasing, which is not possible through the Internet. On the other hand, for a book retailer like Amazon, the Internet business model works perfectly, as it is the content of the book and not its physical and aesthetic appeal that is most important. In this context, websites should be specialized while at the same time adhering to core service quality values. Works Cited: Bharadwaj, P. N., & Soni, R. G. (2007). E-Commerce Usage and Perception of E-Commerce Issues among Small Firms: Results and Implications from an Empirical Study. Journal of Small Business Management, 45(4), 501+. Quader, S., & Quader, R. (2008, April/September). The Utilization of E-commerce by Traditional Supermarkets in the UK through Strategic Alliances with Internet Based Companies. Journal of Services Research, 8, 177+. Yang, Z., & Jun, M. (2008). Consumer Perception of E-Service Quality: From Internet Purchaser and Non-Purchaser Perspectives. Journal of Business Strategies, 25(2), 59+.