

# [Describe and explanation of ecommerce information technology essay](https://assignbuster.com/describe-and-explanation-of-ecommerce-information-technology-essay/)

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## Introduction

This assignment I had chosen E-commerce as my topic related to Internet Technology. I choose E-commerce because the critical advantage for business today is Electronic Commerce. Most people think E-commerce means online shopping. But Web shopping is only a small part of the E-commerce picture. The term also refers to online stock, bond transactions, buying and downloading software without ever going to a store. Besides that, E-commerce includes business-to-business connections that make purchasing easier for big firms. While there is no one correct definition of E-commerce, it is generally described as a method of buying and selling products and services electronically. The main vehicles of E-commerce remain the Internet and the World Wide Web, but use of email, fax, and telephone orders are also customary.

## Objective

The objective of the E-commerce: Develop an awareness of Internet-enabling technologies in E-commerce of Internet applications. Introduce student to the current and latest technical issues in E-commerce of the Internet applications and technologiesDevelop the students’ practical ability to report on current uses on E-commerce of the Internet applications and technologies.

## Describe and explanation of E-commerce.

What is E-commerce? Electronic commerce is among trading partners to the pursuit of business objectives with the application of communication and information sharing technologies. E-Commerce can be defined as a modern business technique that addresses the needs of organizations, suppliers, and customers to cut costs while improving the quality of goods and services and increasing the speed of service delivery. E-commerce is associated with the buying and selling of information, products and services via computer networks. Key element of e-commerce is information processing. The effects of e-commerce are already appearing in all areas of business, from customer service to new product design. It facilitates new types of information based business processes for reaching and interacting with customers – online advertising and marketing, online-order taking and on-line customer service. It can also reduce costs in managing orders and interacting with a wide range of traders and trading partners, areas that typically add significant overhead to the cost of products and services. Also E-commerce enables the formation of new types of information-based products such as interactive games, electronic books, and information-on demand that can be very profitable for content providers and useful for consumers. Virtual enterprises are business arrangements in which trading partners separated by geography and expertise are able to engage in complex joint business activities, as if they were a single enterprise.

## Describe and explanation of technical on E-commerce.

While many technologies can fit within the definition of " Electronic commerce," the most important are: Electronic data interchange (EDI)Bar codesElectronic mailInternetWorld Wide WebProduct data exchangeElectronic forms

## Electronic Data Interchange (EDI)

EDI is the computer-to-computer exchange of structured business information in a standard electronic format. Information stored on one computer is transformed by software programs into standard EDI format for transmission to one or more trading partners. The trading partners’ computers, in turn, translate the information using software programs into a form they can recognize.

## Bar Codes

Bar codes are used for automatic product identification by a computer. They are a rectangular pattern of lines of varying widths and spaces. Specific characters (e. g. numbers 0-9) are assigned unique patterns, thus creating a " font" which computers can recognize based on light reflected from a laser. The most obvious example of bar codes is on consumer products such as packaged foods. These codes allow the products to be scanned at the check-out counter. As the product is identified the price is entered in the cash register, while internal systems such as record and accounting are automatically updated. The special value of a bar code is that objects can be identified at any point where a stationary or hand held laser scanner could be employed. Thus the technology carries fantastic potential to improve any process requiring tight control of material flow.

## Electronic Mail

Messages composed by single and sent in digital form to other recipients via the Internet.

## Internet

The Internet is a decentralized global network of millions of diverse computers and computer networks. The networks can all " talk" to each other because they have agreed to use a common communications protocol called TCP/IP. The Internet is a tool for communications between people and businesses. The network is growing very, very fast and as more and more people are gaining access to the Internet, it is becoming more and more useful.

## World Wide Web

The World Wide Web is a collection of documents written and encoded with the HTML. With the aid of a relatively small piece of software (called a " browser"), a user can ask for these documents and display them on the user’s local computer, although the document can be on a computer on a totally different network elsewhere in the world. HTML documents can contain many different kinds of information. For example, text, pictures, video, sound, and pointers, which take users immediately to other web page. Because Web pages are continually available through the Internet, these pointers may call up pages from anywhere in the world. It is this ability to jump from site to site that gave rise to the term " World Wide Web." Browsing the Web can be a fascinating activity, especially to people new to the Internet. The World Wide Web is by far the most heavily used application on the Internet.

## Product Data Exchange

Describe a product that is needed to refer to any data called product data. Sometimes that data is in graphical form, as in the case of pictures, drawings and CAD files. In other cases the data may be character based, as in the case of specifications, bills of material, manufacturing instructions, engineering change notices and test results. Product data exchange differs from other types of business communications in two important techniques. Firstly, because graphics are involved users must contend with large computer files and with problems of compatibility between software applications. Secondly, version control very quickly gets very complicated. Product designs, even late in the development cycle, are subject to a great deal of change, and because manufacturing processes are involved, even small product changes can have major consequences for getting a product into production.

## Electronic Forms

A technology that combines the familiarity of paper forms with the control of storing information in digital form called electronic forms. Imagine an ordinary paper form, a piece of paper with lines, boxes, check-off lists, and places for signatures. To the user an electronic form is simply a digital analogue of such a paper form, an image, which looks like a form but which appears on a computer screen and is filled out via mouse, and keyboard. Those extra functions come about because the data from electronic forms are captured in digital form, thus allowing storage in data bases, automatic information direction-finding, and integration into other applications.

## Critical comments and analysis

On my opinion, E-commerce has many advantages and disadvantages. The advantages of E- commerce are:

## Gain New Customers with Search Engine Visibility

Branding and relationships is driven with physical marketing. In addition to these two drivers, online retail is also driven by traffic from search engines. It is not unusual for customers to follow a link in search engine results, and land up on an ecommerce website that they have never heard of. This additional source of traffic can be the tipping point for some ecommerce businesses.

## Lower Costs

One of the most noticeable positives of ecommerce is the lowered cost. A part of these lowered costs could be passed on to customers in the form of discounted prices. These are some of the methods that costs can be reduced with ecommerce: Advertising and MarketingOrganic search engine traffic, pay-per-click, and social media traffic are some of the advertising channels that can be cost-effective. Personnelthe automation of checkout, billing, payments, inventory management, and other operational processes, lowers the number of employees required to run an ecommerce setup. Real Estatethis one is a no-brainer. An ecommerce merchant does not need a prominent physical location.

## Locate the Product Quicker

It is no longer about pushing a shopping cart to the correct aisle, or scouting for the desired product. On an ecommerce website, customers can click through intuitive navigation or use a search box to immediately narrow down their product search. Some websites remember customer preferences and shopping lists to facilitate repeat purchase.

## Eliminate Travel Time and Cost

It is not unusual for customers to travel long distances to reach their preferred physical store. Ecommerce allows them to visit the same store virtually, with a few mouse clicks.

## Provide Comparison Shopping

Ecommerce facilitates comparison shopping. There are several online services that allow customers to browse multiple ecommerce merchants and find the best prices.

## Enable Deals, Bargains, Coupons, and Group Buying

Though there are physical equivalents to deals, bargains, coupons, and group buying, online shopping makes it much more convenient. For instance if a customer has a deep discount coupon for turkey at one physical store and toilet paper at another, she may find it infeasible to avail of both discounts. But the customer could do that online with a few mouse-clicks.

## Provide Abundant Information

There are limitations to the amount of information that can be displayed in a physical store. It is difficult to equip employees to respond to customers who require information across product lines. Ecommerce websites can make additional information easily available to customers. Most of this information is provided by vendors, and does not cost anything to create or maintain.

## Create Targeted Communication

Using the information that a customer provides in the registration form, and by placing cookies on the customer's computer, an ecommerce merchant can access a lot of information about its customers. This, in turn, can be used to communicate relevant messages. An example: If you are searching for a certain product on Amazon. com, you will automatically be shown listings of other similar products. In addition, Amazon. com may also email you about related products.

## Remain Open All the Time

Store timings are now 24/7/365. Ecommerce websites can run all the time. From the merchant's point of view, this increases the number of orders they receive. From the customer's point of view, an " always open" store is more convenient.

## Create Markets for Niche Products

Buyers and sellers of niche products can find it difficult to locate each other in the physical world. Online, it is only a matter of the customer searching for the product in a search engine. One example could be purchase of obsolete parts. Instead of trashing older equipment for lack of spares, today we can locate parts online with great ease. Then, the disadvantages of E-commerce are:

## Ecommerce Lacks That Personal Touch

Not that all physical retailers have a personal approach, but I do know of several retailers who value human relationship. As a result, shopping at those retail outlets is reassuring and refreshing. Clicking on " Buy Now," and piling up products in virtual shopping carts, is just not the same for me. Different people sing to different tunes. For me, the demise of the personal touch in online transactions is the biggest disadvantage of ecommerce. Different people sing to different tunes. For me, the demise of the personal touch in online transactions is the biggest disadvantage of ecommerce.

## Ecommerce Delays Goods

Unless you are using a website to merely order a pizza online, ecommerce websites deliver take a lot longer to get the goods into your hands. Even with express shipping, the earliest you get goods is " tomorrow." But if you want to buy a pen because you need to write something right now, you cannot buy it off an ecommerce website. Likewise with candy that you want to eat now, a book that you want to read tonight, a birthday gift that you need this evening... You get the idea. An exception to this rule is in the case of digital goods, e. g. an e book or a music file. In this case, ecommerce might actually be faster than purchasing goods from a physical store.

## Many Goods Cannot Be Purchased Online

Despite its many conveniences, there are goods that you cannot buy online. Most of these would be in the categories of " perishable" or " odd-sized." Think about it, you cannot order a Popsicle (also referred to as an ice pop or ice lolly) or a dining table set. Well, you could order both of them online, but consider the inconvenience. The Popsicle would have to be transported in refrigerated trucks. Unless the seller was willing to make a huge loss, the cost of shipping that popsicle would far exceed the cost of the popsicle. Likewise, a dining table set can certainly be purchased online. In some cases, the cost of logistics is bearable. But if you have to return the furniture, you will get well-acquainted with the inconvenience of ecommerce.

## Ecommerce Does Not Allow You to Experience the Product Before Purchase

You cannot touch the fabric of the garment you want to buy. You cannot check how the shoe feels on your feet. You cannot " test" the perfume that you want to buy. You get the idea. In many cases, customers want to experience the product before purchase. Ecommerce does not allow that. If you buy a music system, you cannot play it online to check if it sounds right? If you are purchasing a home-theatre system, you would much rather sit in the " experience center" that several retail stores set up.

## Anyone Can Set Up an Ecommerce Website

We live in an era where online storefront providers bring you the ability to set up an ecommerce store within minutes. I have tried it, and it is possible to set up a basic store in under 10 minutes. But if anybody can set up a store, how do I know that the store I am purchasing from is genuine? The lowered barriers to entry might be a great attraction to the aspiring ecommerce entrepreneur. But for the buyer, reliability can be an issue. This could lead customers to restrict their online purchases to famous ecommerce websites.

## Security

when making an online purchase, you have to provide at least your credit card information and mailing address. In many cases, ecommerce websites are able to harvest other information about your online behavior and preferences. This could lead to credit card fraud, or worse, identity theft. Conclusion