

E commerce @ amazon opm 5



**ASSIGN
BUSTER**

E-Commerce at Amazon. com Advantages and Disadvantages of Online Shopping: Electronic Commerce is the transaction of goods and services over electronic medium such as the internet. This kind of trade is becoming immensely popular over the past few years as the internet is becoming a household facility. Selling products online provides companies with many advantages however; usually companies are afraid to venture into online selling keeping in mind the disadvantages. They underestimate the power that online selling can bring to their company. The biggest advantage of online shopping is that it is open for all; expansion of the market to the whole world. No geographical boundaries limit online transactions. Huge market penetration allows companies to gain popularity overnight without much cost. Another huge advantage that e-commerce has to offer is they can effectively evaluate the response to a particular campaign online with the help of tools like frequent visitors etc.

Like any other business, online selling has its set of disadvantages. The biggest disadvantage is the lack of direct contact between the sales force and the customers. All the transactions take place online, limiting contact. Another disadvantage is the security issues that are rising in this medium of selling. With fraudulent activities on the rise, companies selling online now have to take expensive measures to protect the important credentials of their customers such as credit card numbers etc. These measures cannot be taken by small businesses limited on budgets and spending. Another important issue is the delivery of goods over the whole world. This problem however, has been counteracted by Amazon who now has alliances with different companies to deliver goods to various places all over the world. Also, perishable items have to be delivered on time, which requires

exceptionally quick service. This problem has also been covered by Amazon as it is test marketing its service of delivering goods overnight in certain suburbs of Seattle.

2. Downloading of books will affect Amazon. com?

Books are one of the best selling products on Amazon. com. Many books are now available in formats which are downloadable. However, this phenomenon is not very popular. If online downloading of books start, Amazon will be faced by a downfall in sales and share price to a certain extent as one of their main products will not be available online. However, they can venture into this market of downloadable book purchase as well, to make up for the loss on their other sector. In short, Amazon has all the resources to venture into the market of downloadable books as well; they can take full advantage of it without affecting their sales or stock prices in a negative way.

3. Gain of Traditional Stores:

By setting an e-commerce side to their business, traditional stores increase the coverage of their product to the rest of the world. Where ever internet goes, their product gets displayed. If traditional stores have the financial resources to team up with online companies like Amazon. com, they can bank of this facility and increase their sales by a huge amount. According to an article many of the online grocers experienced a growth of 25% in their annual sales; depicting the increasing popularity of this medium (Cathy, 2007).

Works Cited

1. Cathy Doherty. The New Kid in Town. 2007. 24 May 2008 <http://www.highbeam.com/doc/1G1-171541710.html>
<https://assignbuster.com/e-commerce-amazon-opm-5/>