

Advantages and disadvantages of eCommerce

Think of eCommerce and the first few features that strike any mind are – a global marketplace – increased sales – increased profits! Not that you start claiming better margin of profit online, but because various expenses relating to marketing, promotional material, order processing, customer care, inventory management, information storage, telecommunications et al, considerably slash down.

eCommerce offers tempting but economical boost to any size or kind of business. By opting for eCommerce, you can expand your market margins to global horizons or squeeze them to highly focused market segments, as per subjective business acumen and discretion. Even a small-scale business offering quality and reliability with confidence can easily find itself brushing shoulders with its esteemed competitors in least gestation period. It facilitates wishful manifestation of your business entity – as grand and sophisticated as you wish it to be. Budget would not really restrain you here from showcasing your attitude and essence through your website and online shopping cart.

Things considerably simplify with eCommerce – be it changing prices listed on your web page or customization of products; applying innovative business models or business process re-engineering; implementing higher degree of specialization or enhancing productivity and customer care – everything hardly takes time to implement/ incorporate and exhibit.

Not to mention, quality eCommerce services collect and manage valuable customer-related information, including customer's ordering patterns, to build a comprehensive customer database. This database vitally sharpens your marketing and promotion strategies to be remarkably on target.

As regards your business partners, eCommerce aids you in minimizing supply chain inefficiencies, bringing about reduced inventory requirement and lessened delivery delays, thereby rendering you more confident about your business collaborations with your suppliers and service companies. eCommerce inherently streamlines and automates the entire backend business process, assimilating speed and efficiency to your business activities.

As you introduce eCommerce facility to your customers, you render their shopping experience highly fluent and convenient. eCommerce seems all the more indispensable for your customers in the wake of consistently shrinking time with them to spare for shopping offline. What's more, online shopping lets your customers reap benefits of online economies, as they often pay lesser price for identical products/ services available offline.

eCommerce-based business benefits the society as well! As your onsite manpower requirement reduces, it lessens the burden on infrastructure and lowers demand for elaborate office complexes and spacious parking lots.

As good as it may sound, eCommerce has its own share of obstacles too that hold it back from assuming it's full potential. To begin with, Internet in itself is still to touch the lives of a large chunk of people as an integral way of life. There are tangible privacy and security issues that keep people on guard, as they face a dilemma each time they need to divulge highly personal information online, as and when they transact online.

Non-standardized protocols for certain processes, insufficient telecommunications bandwidth and ever-evolving software tools (with incrementing versions), are some of the technical issues that contain eCommerce from being a seamlessly integrated component of the contemporary organizational IT systems.

While technical limitations are completely resolvable, non-technical issues including people's resistance to change and lack of trust for faceless and paperless transactions, is bound to take its due time before it completely erodes. In fact, eCommerce is fast catching up with the rest of the world, as USA online markets lead them by example.