***Benefits and drawbacks of an organisation utilising E-Commerce***

**Introduction -**

This report will be discussing the benefits and drawbacks of an organisation utilising E-Commerce. It will also examine the strategies employed and the impact of E-Commerce on business organisations.

**Advantages of eCommerce**

There are many obvious and not-so-obvious pros to doing business online. Understanding exactly what they are can help you leverage them to your advantage:

**1. A Larger Market**

eCommerce allows you to reach customers all over the country and around the world. Your customers can make a purchase anywhere and anytime, especially more people are getting used to shopping on their mobile devices.

**2. Customer Insights Through Tracking And Analytics**

Whether you're sending visitors to your eCommerce website through SEO, PPC ads or a good old postcard, there is a way to track your traffic and customers' entire user journey to get insights into keywords, user experience, marketing message, pricing strategy, and more.

**3. Fast Response To Consumer Trends And Market Demand**

The streamlined logistics, especially for merchants who do "drop ship," allow businesses to respond to market and eCommerce trends and consumer demands in a nimble manner. Merchants can also create promotions and deals on the fly to attract customers and generate more sales.

**4. Lower Cost**

With the advance in eCommerce platform technologies, it has become very easy and affordable to set up and maintain an eCommerce store with a low overhead. Merchants no longer have to spend a large budget on TV ads or billboards, nor worry about the expense for personnel and real estate.

**5. More Opportunities To "Sell"**

Merchants can only provide a limited amount of information on a product in a physical store. On the other hand, eCommerce websites allow the space to include more information such as demo videos, reviews, and customer testimonials to help increase conversion.

**6. Personalized Messaging**

eCommerce platforms give merchants the opportunity to serve up personalized content and product recommendations to registered customers. These targeted communications can help increase conversion by showing the most relevant content to each visitor.

**7. Increased Sales With Instant Gratification**

For businesses that sell digital goods, eCommerce allows the delivery of products within seconds of making a purchase. This satisfies consumers' need for instant gratification and helps increase sales, especially for low-cost items that are often "impulse buys."

**8. Ability to Scale Up (Or Down) Quickly And Unlimited "Shelf Space"**

The growth of an online business is not limited by the availability of physical space. Even though logistics can become an issue as one grows, it's less of a challenge compared to those for running a brick-and-mortar store. eCommerce merchants can scale up or down their operation quickly, and take advantage of the unlimited "shelf space," as a response to market trend and consumer demands.

**Disadvantages of eCommerce**

Running an eCommerce business is not all rainbows and unicorns. There are challenges unique to this business model -- knowing them will help you navigate the choppy waters and avoid common pitfalls:

**1. Lack Of Personal Touch**

Some consumers value the personal touch they get from visiting a physical store and interacting with sales associates. Such personal touch is particularly important for businesses selling high-end products as customers not only want to buy the merchandise but also have a great experience during the process.

**2. Lack Of Tactile Experience**

No matter how well a video is made, consumers still can't touch and feel a product. Not to mention, it's not an easy feat to deliver a brand experience, which could often include the sense of touch, smell, taste, and sound, through the two-dimensionality of a screen.

**3. Price And Product Comparison**

With online shopping, consumers can compare many products and find the lowest price. This forces many merchants to compete on price and reduce their profit margin.

**4. Need For Internet Access**

This is pretty obvious, but don't forget that your customers do need Internet access before they can purchase from you! Since many eCommerce platforms have features and functionalities that require high-speed Internet access for an optimal customer experience, there's a chance you're excluding visitors who have slow connections.

**5. Credit Card Fraud**

Credit card fraud is a real and growing problem for online businesses. It can lead to chargebacks that result in the loss of revenue, penalties, and bad reputation.

**6. IT Security Issues**

More and more businesses and organizations have fallen prey to malicious hackers who have stolen customer information from their database. Not only could this have legal and financial implications but also lessen the trust customers have in the company.

**7. All the Eggs In One Basket**

eCommerce businesses rely heavily (or solely) on their websites. Even just a few minutes of downtime or technology hiccups can cause a substantial loss of revenue and customer dissatisfaction.

**8. Complexity In Taxation, Regulations, and Compliance**

If an online business sells to customers in different territories, they'll have to adhere to regulations not only in their own states/countries but also in their customers' place of residence. This could create a lot of complexities in accounting, compliance, and taxation.

**Conclusion -**

In conclusion, this report will discuss the benefits and drawbacks of an organisation utilising E-Commerce. It will also examine the strategies employed and the impact of E-Commerce on business organisations.