***E-Commerce improves elements of business operations***

**Introduction -**

This report will Analyse organisation case studies and examine how E-Commerce has been used to improve an element of business operations. It will also examine the strategies employed and the impact of E-Commerce on business organisations.

**How E-Commerce improves elements of a business operations -**

There are many reasons the world, or those with access at least, seems to gravitate towards e-commerce. As a commercial outlet, the internet can provide business with benefits like wider reach and decreased business costs. All of these pros can add up to have a significant impact on the business as a whole.

**Attract New Customers -**

Online retailers have greater visibility to a wider audience. Whereas a physical store may only be known to passersby, an e-commerce store can be accessed and viewed by an unbounded number of internet users. Some of the best ways to attract new customers using the power of the internet include:

Search Engine Results If your site is optimized properly, you can reach a slew of new customers via their search queries on engines like Google and Bing. The more optimized your site is, the higher up in the results it will display and the more new customers you can attract.

Social Sharing If customers are happy with your products, social sharing makes it easy for them to share their satisfaction with friends and family. This functions in the same way as word-of-mouth does for physical stores, but with the internet, consumers can provide a direct link to the product on your site. Now other consumers know exactly which product their friend loves and exactly where to find it, no fuss.

**No Geographical Limitations**

Similar to its ability to attract new customers, e-commerce theoretically allows you to sell to customers without geographical limitations. Now this, of course, depends on how far you’re willing to ship a product, but the opportunity is there.

**More Accessible**

Unlike a physical store, the internet, and therefore your e-commerce store, is open twenty-four hours a day, seven days per week. This makes your store and it’s products more accessible to consumers. E-commerce can also be accessed anywhere with internet capabilities. Consumers no longer have to spend time and money traveling to your location.

**Customer Analytics**

The power of customer analytics can help you refine everything from the products you offer to the way you market those products. You might be able to gather some customer information in a physical store, but it would be labor intensive and potentially inaccurate. With e-commerce all you need to do is drop a piece of code into your HTML markup and the rest happens automatically. Here are some examples of the type of information customer analytics could provide:

Demographic Data

Products Purchased

Products Viewed

Products Shared

Referring Source

Time Spent on Site

Mobile vs Desktop Views

Time of Purchase

And More!

All this data can then be analyzed to help you make decisions about your business.

**Automation of Discounts**

E-commerce allows you to automate discounts and sales. You can set discount codes on the backend of your site and create expirations for them. This mitigates the possibility of mistakenly accepting an expired coupon which could occur at a physical store.

You can also immediately notify customers of any sales directly on the site. Each product is clearly marked without much manual labor as is required in physical stores.

**Lower Costs**

In general, an e-commerce store will have lower operational costs than a brick and mortar store. You won’t have the overhead cost of real estate and the associated costs of maintaining a physical location. In addition, inventory can be automated with a web-based management system and help to decrease inventory costs.

You may also have to employ less people as you won’t have a store that needs to be managed during opening hours. Typically, small physical stores will have at least two people on staff which are paid an hourly rate. In theory, a small e-commerce store could be managed by a single person, likely the owner, for just a few hours each day.

**SUCCESS FACTORS**

After studying many aspects of electronic commerce, several consulting and analytic firms created guidelines on how to implement and leverage it successfully. In particular, two organizations have developed lists of critical success factors that seem to capture the state of thinking on this topic. First is the Patricia Seybold Group, which publishes trade newsletters and provides consulting services related to using information technology in corporations. This firm identified five critical e-commerce success factors:

Finally, Amazon.com helps to build a community of users through its Associates Program. Under this program, a Web site can host a hyperlink directly to the Amazon.com site. Any time that a visitor to that site buys books through Amazon.com, the Web site owner receives a share of the transaction revenues. This is a very inexpensive way for Amazon.com to extend its marketing and advertising reach across the Web.

Dell Computer also uses personalization and customization tools. For every major corporate customer, Dell creates a special Premier Page, which shows all products covered under purchasing contracts with that firm, as well as the special pricing under those contracts. This ensures that employees of that firm always get the right price for each purchase. Ford Motor Company reports that by encouraging employees to buy PCs from its Premier Page, the company saved $2 million in one year.

Dell also has integrated its e-commerce Web site with all back-office systems, so that when a customer orders a custom-configured PC, that information is automatically transferred to the production system to ensure that the unit is built according to specifications. This also improves customer service; Dell will proactively notify any customer if a production problem or inventory shortage will delay delivery.

These cases and analyses reflect some common lessons learned about the right way to approach electronic commerce:

There are two other key areas where more progress is needed to ensure the healthy growth of e-commerce. First, the emergence of the so-called digital economy is dependent on the creation of a robust infrastructure for all e-commerce, which in turn requires the development of standards. Second, government policy is having an increasing impact on e-commerce activities, and therefore policy needs to begin to catch up with the latest technology. Some of the policy issues that governments must address in regulating e-commerce, as identified by the U.S. government, are:

Financial issues, including customs and taxation, as well as electronic payment systems.

Legal issues, including the uniform commercial code for electronic commerce, intellectual property protection, privacy, and security.

Market access issues, including telecommunications infrastructure and interoperability, content, and technical standards.

Three key issues will determine the long-term viability of electronic commerce. These are:

SEE ALSO: Consumer Behavior ; Customer Relationship Management

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FURTHER READING:

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**Conclusion -**

In conclusion, this report analyses the organisation case studies and examines how E-Commerce has been used to improve an element of business operations. It will also examine the strategies employed and the impact of E-Commerce on business organisations.