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Task 1

Access the core business function of ACE TRAVE. In your report you have to include valid examples and other evidences to strengthen your report. (1.1 M2)

1. Introduction to Business Functions

If an individual or a group performs economic activity continuously on a regular basis and is/are based of production or distribution of product or service, we term it as business. According to **Dicksee (N.A)**, "*Business refers to a form of activity conducted with an objective of earning profits for the benefit of those on whose behalf the activity is conducted.*" ACE TRAVELS is a new business institution and it is working as a travel agency.

Every business has objectives and goals to achieve. To achieve those goals they must follow some of the process or functions according to their need. **Business functions** are the actions carried out by firm/organization/company to achieve those goals. (EUROSTAT, N.A). They can be categorized into core functions and support functions.



FIG.1 (BUSINESS FUNCTIONS)

1.1. Core business function

BIZMANUALZ (N.A.) claims, in any business there is presence of a common set of core business processes that must be followed by that business firm/company to run properly. These are main functions of any organization.

According to Barnard (2008), core business function is key process/function of any organization that supports the reason of existence of that company/organization. These functions are directly related to basic business. In fig.1 some of the core business function is shown. Core business function of a business company may different according to their nature and core objectives.

1.2.Supportive business function

Support Business Processes are those functions that facilitate the Core Business process (Sharon P. Brown, 2008). These functions help to insure company has affiliated their core business function properly. Some of supportive business function of an organization can be core business function of another organization; it depends upon the nature of that organization. For example, finance can be core function for banking businesses where as it can be support function for educations businesses.

2. Core Business functions of ACE TRAVELS

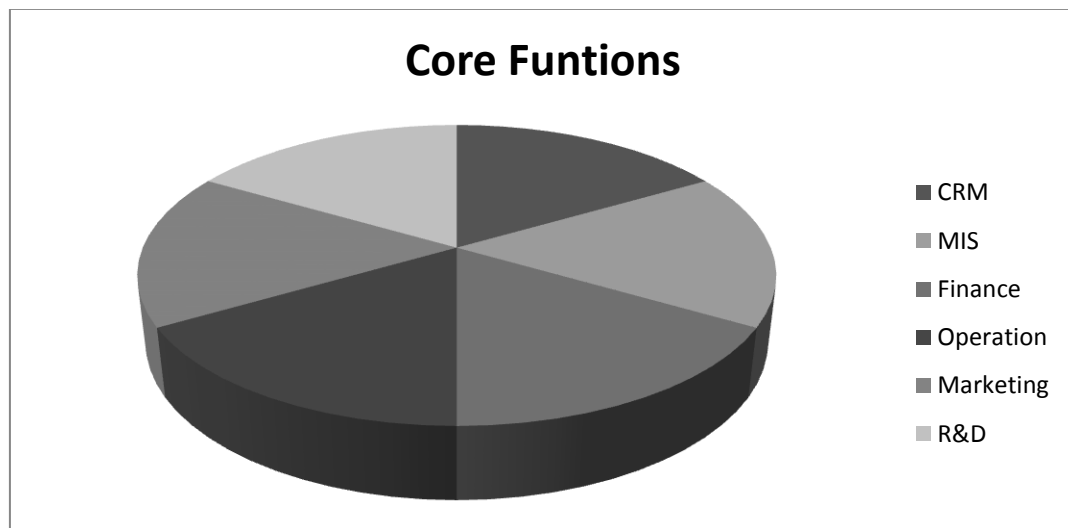


Figure 2 Core Business functions of Ace Travels

As already explained Core business functions are primary activities done by a business company to achieve its goals and objectives. ACE Travels is newly established organization that must carry out a number of tasks to ensure their business runs smoothly. Their core goals are to facilitate customers/tourists with traveling arrangement and gain financial profit. To achieve them they have followed some core business functions as below.

2.1.Operation

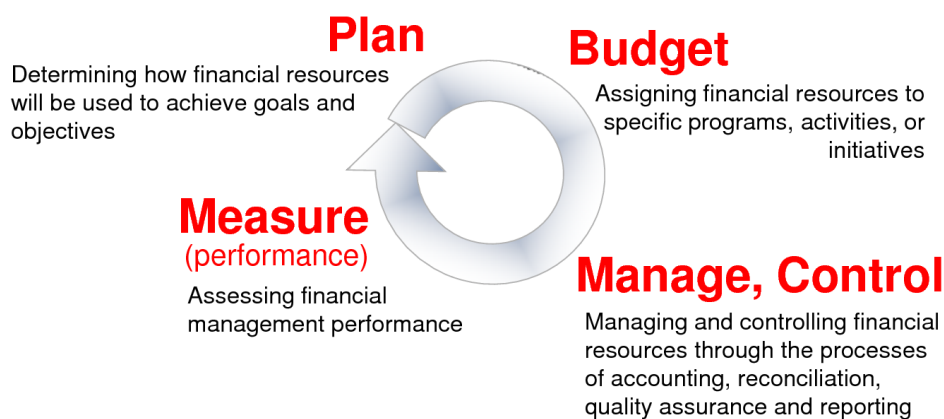
SMALLBIZ (N.A.) claims, part of an organization that are responsible of managing the resources which are dedicated to the production and delivery of products and services are termed as operations functions. Operations are those activities that transform input into output. To be more precise it is process of selling customer product or service. In ACE Travels, they deliver services to their customers.

2.2.Account/Finance

Account/Finance is very important function of any organization. According to BUSINESSCASESTUDIES (N.A.), business finance helps companies define their financial objectives so that they can determine their progress and development. It involves records of business transactions, flows of finance and the financial position

ACE Travels is profit based company; hence importance of account function in their company is even bigger. They need to keep track of bills, payrolls and sales etc. Fig.2 below shows some of basic sub financial functions that this company has.

Finance Management Function Management Business Process (sub-functions)



Web version 1

Figure 3 (Sub Finance Functions)

2.3. Marketing

Marketing is activity to inform current or potential customers including promotion, advertising, and telemarketing about product or service. This function maintains regular interaction with those potential and current customers and informs them about new product and services (Jain, 2010). ACE Travels currently perform marketing function in traditional ways. They are using newspapers, magazine etc. In fig.4 it's an image of a promotional program of an international company which is example of its marketing function.



FIG.4 (Promotion Program by Marketing Team)

2.4. Research and Development (R & D)

INVESTOPEDIA (N.A.) defines, research and development is function by mean of which business can experience future growth by developing new products and service or processes to improve and expand their operations. This function is that part of organization that works on research task according to customer's need and propose new product and service to Operation function.

ACE Travels has core function of R&D and this department works on finding and developing tourism related ideas. They search for new travel destination potentials, tourism packages etc.

2.5.Customer Relation Department (CRD)

“As mounting global competition makes products and services increasingly similar, customer relationships have become one of the most important assets of sales and marketing-driven businesses. (ROLANDBERGER, N.A.).” It is a strategy that is typically employed by business organizations in the management of long term relationships with their customers.

As ACE Travels is tourism based travel agency it works on maintain relation with its current, past and potential clients. It has CRM shell which insures smooth customer's relation help growth in company.

2.6.Management Information System (MIS)

This function is to manage all information of clients, employees and potential customers.

INC (N.A) states, management information system (MIS) is a computerized database of financial information that is organized in such way that can produce reports on any level.

ACE Travels has its own software that they use for MIS. MIS is very important function as this helps to maintain clients' records. This function helps other functions like marketing; operation and R&D. Fig.5 demonstrate how MIS is helpful to keep and individual records.

FIG.5 (MIS software)

3. Summery

Every organization/firm/company/business has its core goals and objectives. To achieve those goals they do some activities which are termed as business functions. Core business function is key functions which is directly links with company's goal and objectives. Whereas supportive functions helps core functions to facilitate.

ACE Travels is newly established Tourism based travel agency. After doing proper case study, some of core business functions have been revealed. Their core functions are relevant to their working field and are managed properly. This helps them to run their organization smooth, to work on their goals and enables them to grow.

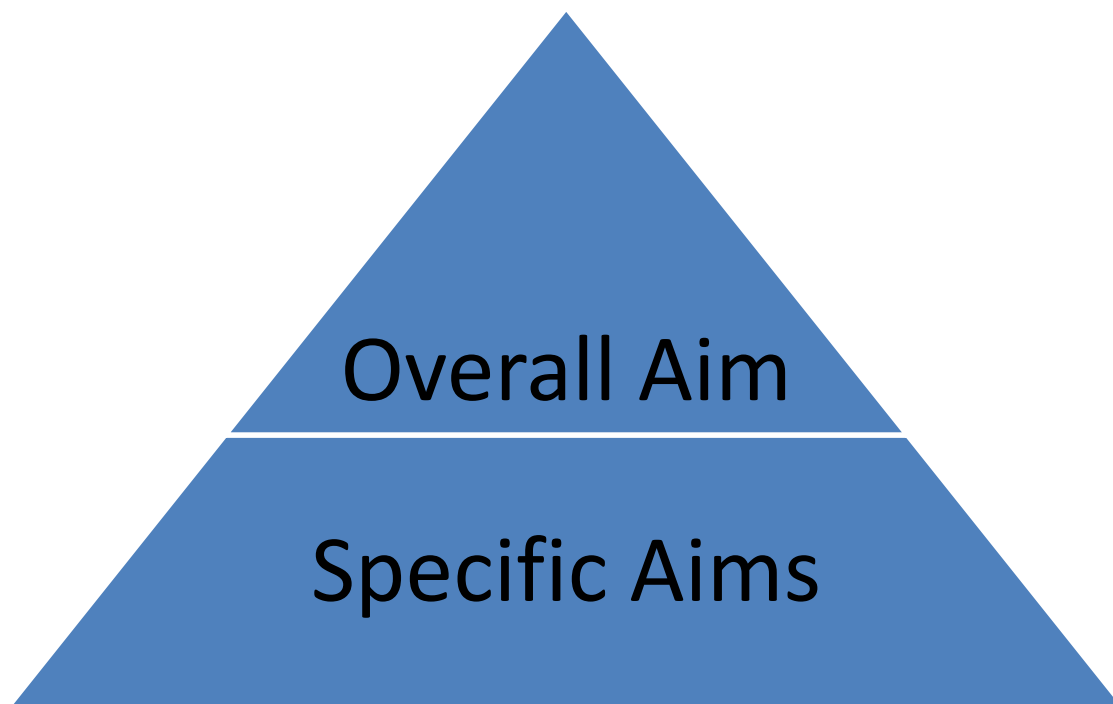
Task 2

“Ace Travel aims to take care of all needs of travelers and provide the customers with perfect travel experience and unforgettable memories”. Evaluate ACE Travel’s aims and explain how they relate to stakeholders. (1.2, M3)

1. Introduction

In the earlier report (TASK 1), I discussed about how different core functions of an organization works towards organizations aims. In this report, I am discussing about what are the aims of ACE travel’s and how they relate to their stoke holders.

As noted by Carysforth and Neild (2000), aims are the goals that business wants to achieve. A business’s aims are goals that they want to successfully achieve in certain time span. In another word it’s the position where an organization wants to be in future. Their aim must be measurable, achievable, and realistic. Figure 1 demonstrates aims of an organization are categorized into overall aims and specific aims. Further in this report, I have discussed what is ace travels overall aim and how they have set other specific aims in order to work towards overall aim.



Composition of Aims Pyramid

Figure 1 (AIMS OF A BUSINESS)

A business may have many aims like survival, growth, increased profit or increasing market share (BBC, N.A.). But any organization including Ace travels have an overall aim on which all functions work together to achieve that. According to BUSINESSOBJECTS (N.A) company gives their staffs a written sheet to compare their efforts, if they are working towards the overall goals of the

company.

Ace travels works on travels and tours sector and they have set their mission statement as “*Ace Travel aims to take care of all needs of travelers and provide the customers with perfect travel experience and unforgettable memories*”. According to their mission statement, their overall aim is to become ‘Partner of Choice’ for customers (travelers) and have maximum profit from it. Being a new business institution, winning the trust of customers requires lots of efforts but this enables Ace travels to grow new market. As their mission states, their job is to provide perfect travels experiences to their customers.

Ace Travels deliver best quality of ground tour solutions as well as offering the top value and experience to their customer worldwide. They offer their customers full travel care and best services at low price. Now Ace travels must work on other specific aims and objectives in order to achieve their overall aims.

2. Other Specific aims of Ace Travels

Most organizations have overall aims which they can break down into specific aims or targets BUSINESSCASESTUDIES (N.A). Ace travels have set themselves some of the specific aims that have impact on their overall aims. Some of the other specific aims of this institution are noted below.

2.1.Surviving First year and brand building

As Ace travels is new institution its aims is to survive first year. Searching for market and establishing brand name is one of the aims that they have set for themselves in order to make sure they can work on other aims.

2.2.Reducing Cost and Increasing profit

Ace travels aims to reduce its marketing and processing cost by 30% and looking ways to increase its profits. They are looking for alternative ways for effectives and cheap marketing tools likes of possibilities of ecommerce.

2.3.Maximizing Value for Stakeholders

To understand how Ace travels aims to maximize value for its stakeholders we need to understand who their stake holders are and how Ace Travel’s aim relate to them.

3. Understand Stakeholders

CTB (N.A) defines stakeholders of a company as, those who may be affected by or have an effect on

an effort of that company. In another word its individual of group than somehow affect or be affected by company's activities. As both parties can affect each-other they need to show co-operation. Similarly according to BOUNDLESS (N.A.) Stakeholders are individuals or group with an interest in the success or failure of the organization. Stakeholder of a company can be categorized in two ways.

3.1. Primary and Secondary Stakeholders

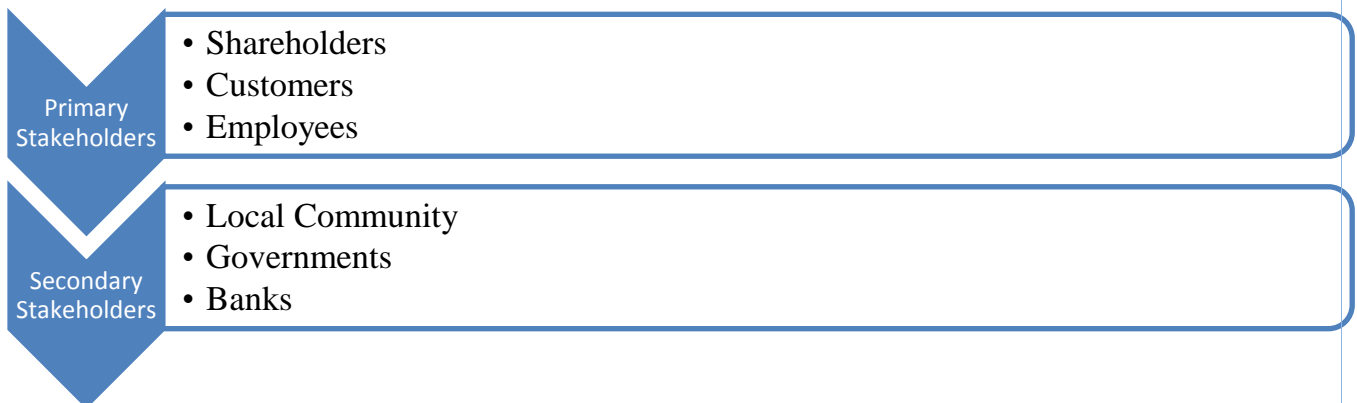


Figure 2 Primary and Secondary Stakeholders

According to STAKEHOLDERGUIDE (2008), primary or key stakeholders are referenced to who are directly impacted by company's activities. Some examples of primary stakeholder of a company are staff, shareholder, customers, strategic partners etc.

Secondary Stakeholders are normally indirectly affected. *Gomez (N.A) exemplified*, secondary stakeholders might include people who live near an industry and are thus affected if the industry decides to pollute water sources or business employing local workers. As shown in figure 2, examples of secondary stakeholders are banks, local communities, governments etc.

3.2. Internal and External Stakeholders:

Internal stakeholders are groups within a business. According to PROFESSIONALACADEMY (N.A) Internal Stakeholders are usually members of the organization. Examples of Internal stakeholders are managers, directors and other primary stakeholders.

External stakeholders are generally referred to secondary stakeholder who has indirect impact on the business. In Figure 3, examples of some Internal and External stakeholders are shown.

Internal Stakeholders

- Company shareholders
- Distributors
- Primary Stakeholders
- Employees

External Stakeholders

- Secondary Stakeholders
- Press/Media
- Society
- Local Community

Figure 3 Internal and External Stakeholders

4. Ace Travels Aims and its Stakeholders

Now as I have described stakeholders, let's discuss about who the stakeholders of ACE travels are and how they relate to the company's aims. In figure 4, different stakeholders of Ace Travels are shown.

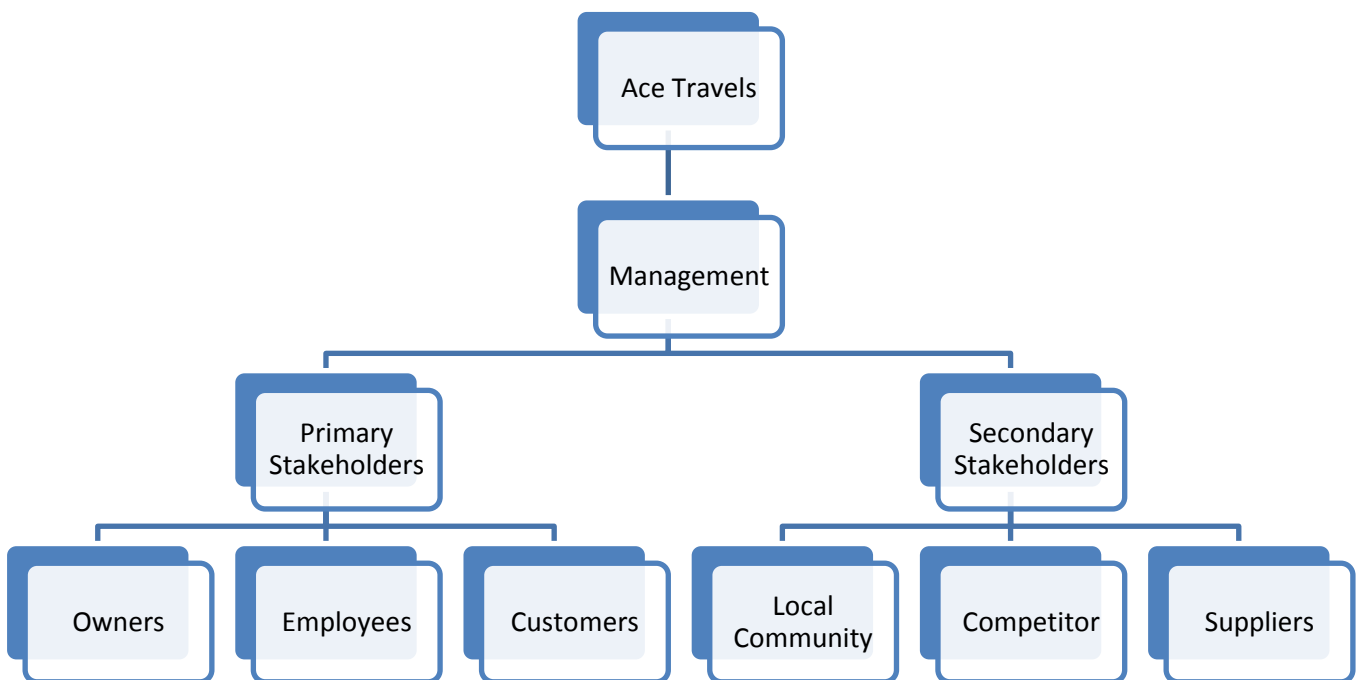


Figure 4 STAKEHOLDERS of ACE Travels

4.1.Stakeholder Management

PROJECTSMART (N.A) defines stakeholder management, “Stakeholder management is the process of managing the expectation of anyone that has an interest in a project or will be effected by its deliverables or outputs”. Stakeholder management team ensures good stakeholder relationship, provide them necessary info and keep them involved in company growth.

A. Primary Stakeholders

4.2.Owners/shareholder

Owners/shareholders are most important stakeholders. They are the ones who make a profit if the business is successful. In a sole trader they are the owner whereas in a limited company, they are the shareholders. Ace Travels aims to make maximum profit hence its owners/shareholder can have financial profit from it.

4.3.Customers

CHRON (N.A) argues that company’s main task is to provide products or services according to the need of its target customers. Ace Travel’s mission is to provide perfect travel solution to its customers. Hence customers are other important stakeholders of that company.

Customers want good value, high-quality products and great service and that is what ACE Travels aims to do. They are looking for best ways to provide good services to its clients.

4.4.Employees

Employees of all level at Ace Travels are its important stakeholders. Hence they want to have energetic and capable staffs. This helps the business to provide the highest levels of customer service attract potential customers and keep the existing ones.

Employees may become unemployed if company doesn’t run smooth. They look for job security, raise prospects, a right wage, and worthy working circumstances. Hence employees show great effort toward achieving company overall and specific goals.

B. Secondary Stakeholders

4.5.Local Community

Local community is very important stakeholder for Travel Company like ACE Travels. Industry Canada (N.A) explained businesses should take interest in community’s wellness to generate community support, loyalty and good will. This can be referred to as building “social license to operate”, a key business objective for any industry.

Ace travel treats local community as an important stakeholder. Community provides those employees, customers and marketing possibilities. Community plays big role in Ace Travel's aims. Similarly Ace Travels has its own impact on community through employment.

4.6.Banks

According to SUNARTO (N.A), the bank relation is 'special' that it creates potential net profit for both banks and its client. Ace Travel Provides information flow on their business management including accounts, in a timely manner to keep banks informed about their business progress. Good relationship with bank transmits positive signal to customers and other stakeholders

BUSINESSSTRATEGYBLOG (N.A) states, managing bank as a stakeholder requires company to maintain regular contact, similar to their key customers or suppliers. Bank should be treated as a stakeholder in business, and not the enemy, and then it is likely to result in a supportable relationship for both parties. This enables Ace travels to work towards its aim of first year survival and brand building.

4.7.Suppliers

Suppliers of services are upon which the ACE travels depends to produce its outputs. Without suppliers, the engines of marketing and production won't rum smooth. Suppliers provide services only if they are treated well, hence they need to be treated well (THECQI, N.A).

Ace Travels aims to make good links with various service suppliers like travel agents, transportation service providers and insurance companies. To achieve their overall aim and aim of reducing costs, Ace travels manage these stakeholders in good manner. Hence this stakeholder group has its own importance.

5. Summery

Every institution has overall aim and other specific aims and Functions of that institution works toward achieving those aims. Ace travels aims to be travel and tourism powerhouse in future that customers will trust their brand. Their main aims are to earn profit while providing quality and cheap service to customers.

Stakeholders of a company are those who are affected by or can affect that company's performance. Role of stake holders and relation between company and stakeholders are essential for the growth of that company. Ace Travels aims to maximize value of their stoke holders.

TASK 3

Your manager has asked you to organize a seminar for the Directors of Ace Travels for that he asked you to analyze the impact, including the risks of introducing an e-commerce system to their institution. The report should include case studies, example and other evidences to support your opinions. (2.1, D2)

1. Introduction

The Internet has made distances shorter and the world smaller. The growth of users of revolutionary internet technology is breathtaking. According to Zhou (2004), in United States the number of internet users is increased from 24 million to 95 million between time span of 1994 to 2001. Similarly INTERNETWORLDSTATS (N.A) claims the total number of internet user worldwide as of September 2012 is 34.8 of total world population which is astonishing 2,439 million.

These numbers shows how current businesses can find large number of customers though internet. The increase in the use of technology and internet has now improved the market space for businesses. This fact shows how essential e-business has become. Before discussing about ecommerce in Ace Travel and what impact we may get, let's understand e-commerce first.

1.1.Understanding E-commerce

Bajaj and Nag (2005), states e-commerce as the paperless form of business performed using electronics data exchange, e-mail, WWW, web fund transfer and other network based technology. In simpler words e-commerce is Transacting or facilitating business though electronic medium such as "Internet". The idea of buying or selling a product or service via electronic systems falls under e-commerce.

Everywhere in the world, business companies are constantly looking for effective ways to search potential customers and promote their products or services. Most business companies of today are pretty much depending on the rapidly changing field of internet and broadband services to market their business with customers (worldspace2008, N.A). Some examples and forms of e-commerce are shown in figure 1.



Figure 4 Examples of E-Commerce

These businesses can be categorized into many other models. Here is four basic and popular models (Figure 2) based on type participation on that business process.

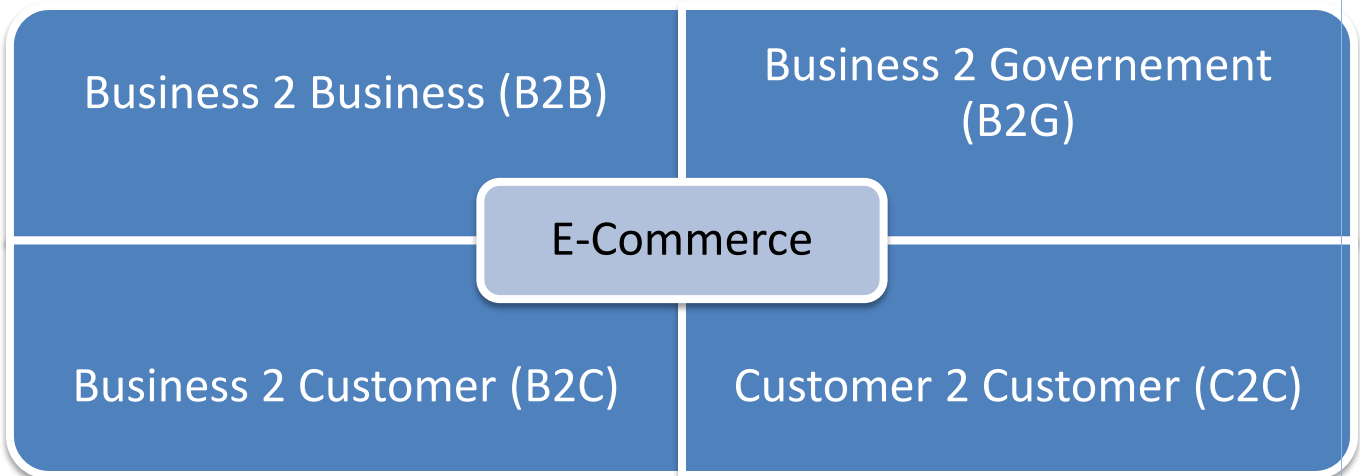


Figure 5 Classifications of E-Commerce

1. Business To Business (B2B)

In these types of business model, business between two companies takes place. According to INVESTOPEDIA (N.A) B2B is commercial interaction between businesses. Here one company acts as provider and other acts as client. Some examples of these b2b in ecommerce are constantcontact.com and Salesforce.com.

2. Business To Government (B2G)

According to TECHTARGET (2010) B2G takes place between companies and government through web or other electronic system. Some examples of B2G are e-bidding and tax payment through web. Site like lockheedmartin.com does big contracts with government agency via web technology.

3. Business To Customers (B2C)

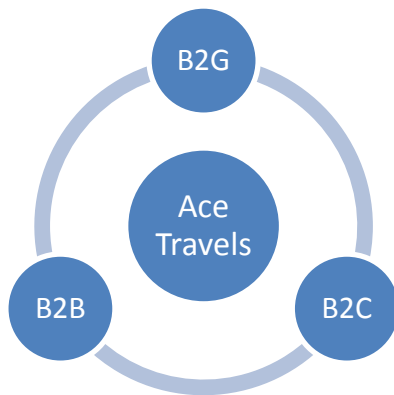
DIGITSMITH (N.A) defines B2C, as the business done with public by companies through electronic medium. These type of business occurs when companies directly does business with its customers. Sites like amazon.com, Samsung.com are example of B2C. A customer directly buys products or services from companies via electronic system.

4. Customers To Customers (C2C)

SQA (N.A) defines; “E-commerce involves electronically-facilitated transactions between individuals, often through a third party”. In these types of e-commerce, customers perform business with other customers. Here one party acts as company and other as client. Flipcart.com, quick.com are example of these types of e-commerce.

2. E-Commerce in ACE Travels

Travel Agencies like Ace Travels need to have a business planning and that planning should be



based on e-commerce. Web Site of that company should be implementation of their planning. Multiple categories of e-commerce (Figure 3) process can take place when Ace Travels implement e-commerce into its system.

B2C

Customers will directly purchase services from Ace Travels via electronic media. They will visit Ace Travel's websites for information and service purchasing.

B2B

After implementation of E-commerce Ace Travels can start its business with other companies like suppliers, travel agents and transportation services via web.

B2G

Ace Travels will continue its business with government, but now via web or other electronic medium. Ace Travel will be able or to participate in E-tender, pay taxes via electronic payments and improve relation with government.

Positive Impacts

Market Exploration

According to GRAY and ZAPPALA (2006), while traditional marketing used to be one sided modern electronic marketing are 2-way communication with customers now can question, give feedback or browse.

Introduction of E-commerce at Ace Travels will help them explore new potential market. They can spread their marketing campaign to large number of internet users. Ace Travel now can connect with international customers. This is one of the most important impacts of e-commerce in any institution including Travels.

Cost Effectiveness

According to web hosting guide (N.A), one of the greatest benefits of Ecommerce is cost! It simply is the most cost effective way to open a business. Ace Travel will experience cost effective system after introduction of E-commerce. Cost on promotion, research and human resources will reduce and

Figure 6 Ace Travels and Ecommerce Models

provide better return.

Faster and Efficient Service

Use of internet by travelers for booking their trip is growing. Customers seek perfect service from their travel agency. Introduction of e-commerce will let Ace travel to maintain customer relation. With replying their queries via mail or SMS customers no longer need to visit travel agency's office. This makes process faster and more efficient.

24 Hour Service

One of the basic benefits of e-commerce is allow customers to access products, services and information at any time of day or night (LIBRARY.UNT, N.A). This is big benefit of e-commerce that Ace travel can grab. Customer will be able to visit their website any hour and gather information. They can book and purchase any time.

Implementation of e-commerce means Ace Travel will open 24 Hour. This will surely increase revenue and make them popular among customers. Now as the positive impacts of e-commerce on Ace Travels are discussed, below I have discussed about some of the risk that Ace Travels may need to face.

Risks

Technology that makes web market a wonderful business platform also makes it scary and risky. Like tradition commerce had its own risks, e-commerce comes with its own set of risks. INTERPARTY (N.A) states, buyer and the seller do not know one another. Consequently, e-commerce can be quite risky. Some of the risks that Ace Travels may face are discussed below.

Security/Spam

E-commerce has issue regarding spamming. An example can be amazon.com faced a spamming issue; spamming mail in their name to other customers sent attached a file which in turn contains a malicious virus (DYNAMOO, 2013). Ace travels may receive fake reservation, enquiries. Spammer may attack e-commerce site for fake promotion purpose.

Systems connected to internet/network are always at risk of getting hacked by attacker. Implement of E-commerce in Ace Travels means there is risk of security breach. Attacker may hack into company's site and steal money, data, edit contents. Some hackers attack site for specific reason and some may do it for fun just to show they can do it, whatever the reason may be, if the system gets hacked chances of losing trust of customers is high. Hence these can destroy reputation and market position of that company.

Privacy

"Privacy continues to be something that consumers say is holding them back," Forrester analyst Christopher Kelley told the E-Commerce Times (ECOMMERCETIMES, 2014). According to him customers are afraid of privacy issues.

It is easy to collect a lot of personal information from a customer and employee in e-commerce. Attackers (Hacker) can hack into system and steal information about employee and clients, resulting risks of identity theft and selling important data to rival.

ISP Connection Lost

Another big risk that Ace Travels may need to face after introduction of e-commerce is internet connection failure. KHURRANA (N.A) wrote, not just does one need an access device; one also needs Internet connectivity to participate in ecommerce. As all the business process now depends on internet, even short time of internet connection loses my cause a big problem. Company need to be connected with its suppliers, customers and other parties hence ISP connections lost certain risk that company need to take care off.

3. Avoiding/Reducing Risks

- Train Staffs
- Select the right payment processor
- Create and maintain an internal fraud prevention structure
- Maintain ISP connection regularly

4. Conclusion

E-commerce is process of performing any form of business via electronics systems like internet or SMS or e-mails. Four most popular e-commerce models are B2B, B2C, B2G and C2C. As the internet users of whole world are increasing day by day, businesses are more interested in e-commerce rather than traditional commerce.

Implementation of E-commerce in Ace Travels will cause several positive impacts. This will help Ace Travels to reach its aims and objectives. As every system has some flaws introduction of e-commerce may force them to face some of the risks. But those risks can be minimized if Ace Travels manages to handle situation with care. They need to educate their staff about the new system they are about to introduce. Despite the fact there are some risk (traditional commerce also has risks); implementation of e-commerce will make life easier for Ace Travel and work toward their overall aims.

TASK 4

Discuss the global impact of E-commerce to present in a workshop to the Directors of ACE Travel for the institute's future prospects on E-commerce. You have to conduct extensive research on this topic to evaluate your own work and justify your claim or finding. (2.2, D1)

Note: The Boards of Directors at 'ACE Travel' are not particularly IT literate and thus all technical terms incorporated in your report should be clearly explained.

1. E-commerce and Global Business

In the modern era, ecommerce has a radical effect on business all over the world. Introduction of e-commerce has brought drastic changes in traditional business worldwide. LETVIN (N.A) states, "International e-commerce has the potential to radically change the aspects of international trade by overcoming the traditional barriers of distance between markets and lack of information about market opportunities".

This has made effect on both business world and the society all over the world. In this report I have discussed about some important topic like Global impact of ecommerce in both business and society, its future and the prospect of e-commerce in Ace Travels.

1.1.Global Impacts of E-commerce in Business world

Internet has made impact in our life in such way that our whole lifestyle has been changed. As discussed in earlier report 'Impact of e-commerce in Ace Travels' the number of users of internet and e-commerce customers are ever growing. E-commerce is a global term with no geographical boundaries. Below in this report impact of e-commerce in global business has been discussed.

1.2.Globalization of Marketing

Electronic commerce improves promotions of products or services through direct, information-rich and interacting contact with public or customers (ARTICLESBASE, 2010). With no geographical boundaries, marketing in e-commerce is done in global scale. Internet user of all over the world can access the business website to view informations, promotion and products or services. E-commerce gives small businesses the help against large multinational organizations in the global market.

1.3. Positive Impact Customer Service



Ashleigh Brondou Grates

Love the generic email I just received from your company regarding an email about my disappointment with the quality of your furniture. And to add insult to injury I was actually given a number to call when I am ready to replace my slipcover/cushions on my three year old couch. Needless to say I will not be utilizing that number...

Like · Comment · Monday at 12:55pm



Pottery Barn Hi Ashleigh: We are very sorry to hear that your concerns were not addressed and would love the opportunity to help. Would you please forward the email you received to us at support@potterybarn.com? We will make every effort to assist you in this matter.

Monday at 1:30pm · Like · 1

Figure 7 Customer Service Via social Network (Source: shopify.com)

Implementation of E-commerce has made positive impact in customer services worldwide. Customer services can be provided through e-mails, SMS, live chat, social media or though video conference. E-commerce has taken customer service to whole new

level. SHOPIFY (N.A) wrote, Online customers use Facebook to contact merchants about orders,

or even complain about a bad experience. E-commerce companies can utilize it to provide enhanced customer service via social media.

1.4.Information Ability

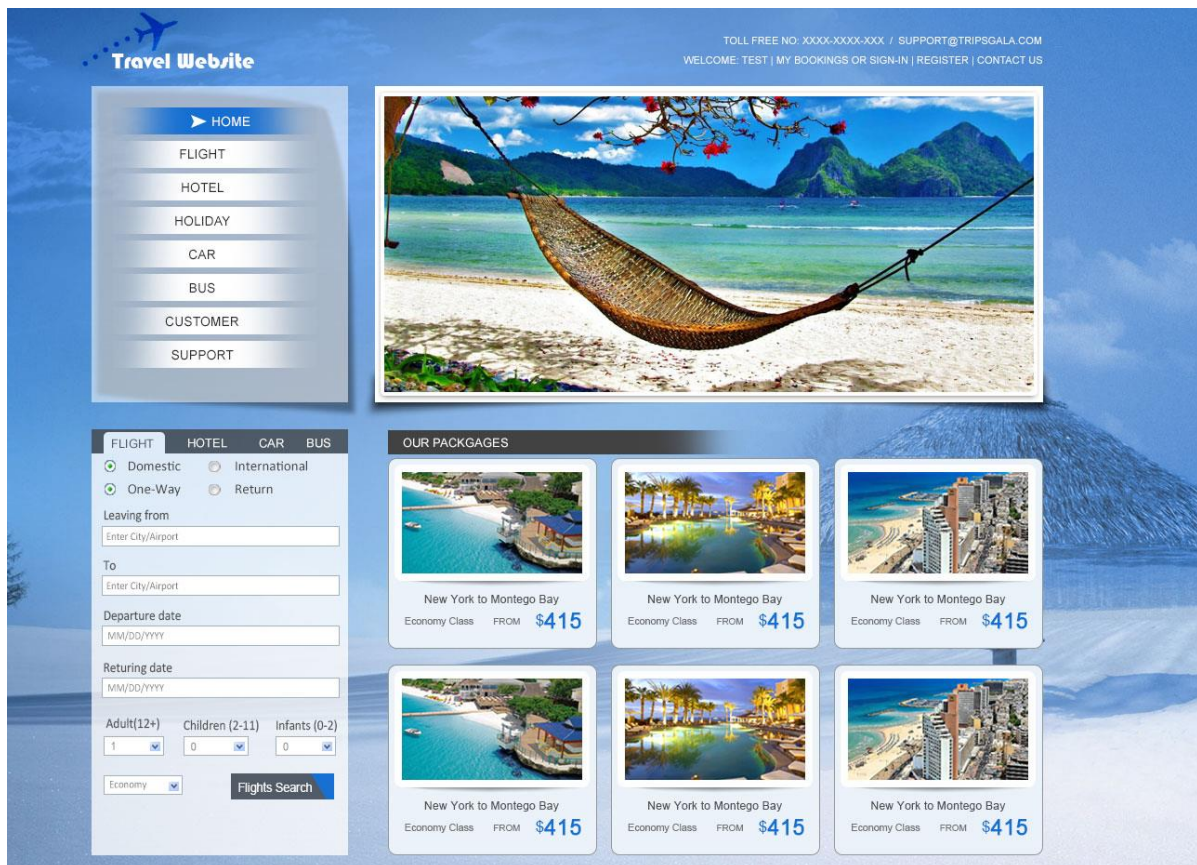


Figure 8: Model Website providing informations

The ability of providing information to customers through website is bigger and better than that of done though physical. As shown in figure 1, E-commerce has enabled the customers to visit the website anytime and gather information they need.

1.5.24 Hour business

SOFOSSOFTWARES (N.A) claims, “By upgrading to electronic commerce or Ecommerce you ensure that your company’s information and sales channels are available to your customers 24 hours a day, throughout the year.” Indeed, one of the main advantage and impact of e-commerce is business around the world is live and online 24 hour a day. Customers from all over the world can purchase from e-commerce website anytime.

1.6.Global Price Cutting of Products and Services

Due the global price war and cost efficiency of e-commerce, price of products and services eventually goes down. Customers now can purchase things at lower cost compared to the traditional business. In a report published in APPLEINSIDER (2013), due to price war in India between Apple and Samsung Company, apple gave \$128 of cash discount on apple 4 whereas Samsung gave 15 % of discount on various Samsung mobile sets.

2. Global Impacts of E-commerce in Society**2.1.Involvement of Disabled and Aged member**

In china, more and more disabled member of society are getting involve in business and managing online stores, thanks to internet and e-commerce (XINHUANET, 2012). E-commerce provides opportunity on aged members and disabled members of society to do business either as customer or a business person from home. They don’t need to go office and perform paper works.

Some positive/negative Impact of E-commerce**2.2.Employment/Unemployment**

E-commerce is based on internet and computer causing the drop in rate of employment. Only few staff compared to traditional business is needed in e-commerce system hence the number of unemployment increases. On the other hand DATAPLUSDESIGN (N.A.) suggests, unemployed member of society can go to web and look for job that he/she can do from home.

2.3.Loss to Local Retailers

A person tends to buy thing online from home or office rather than going to retail shop. Harvard Business review (N.A.) explains, “more and more shoppers are finding that online shopping offers greater convenience, lower prices, more information, and a more personalized user experience that makes buying online preferable to going to a store”.

2.4. Price War

In e-commerce or e-business service and product are open and anyone can view them via their computer. Hence different companies tend to compete with each other to provide better service with fewer prices, leading them to price war. In news published in ECONOMIC TIMES (2013), the non-e-commerce companies are protesting and asking for protection against their e-commerce company's counterparts from selling production in cheaper rate. This is of course beneficial to customers as they can now get products and services at lower cost.

2.5. Increased Web Crime

Bad guys (criminals) are big threat to e-commerce. Theft of information, money, credit card attack and identity theft are some of the major disadvantage of e-commerce. These crimes were done in past too in tradition business but information era, experts can perform these crimes more easily from home.

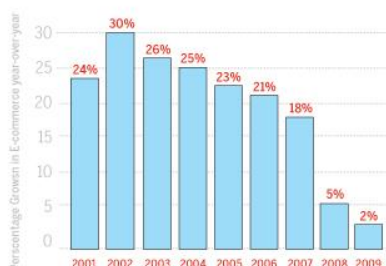
According to a recent article in CNN (2009), these crimes pose threats to e-commerce. According to the recent survey conducted by CYBERSOURCE (N.A), these frauds cost approximately \$4 billion every annual.

2.6. Wrong Information

Websites cannot always be reliable to provide honest and correct data (PHILB, N.A.). Due to open completion and price war companies may give wrong information about their product and services. They may also give wrong information about price and warranties. There can be plenty of examples found about websites giving wrong information. Like www.malepregnancy.com claims male pregnancy, this is clearly a website giving wrong information to attract customers or viewers.

3. Future of E-commerce: Case Study

Despite the presence of some negative impact and disadvantages the future of e-commerce looks secure and ever growing. If the surveys and research are to be believed the customers who purchase online are increased compared to past and continue growing. According to INTERNETRETAILER (N.A) in US, the growth of e-commerce is not stopping and made 30% of huge growth in 2002. In



E-commerce Percentage Growth

Year	% Growth	Year	% Growth
2001	24.64%	2006	21.70%
2002	30.38%	2007	18.43%
2003	26.33%	2008	4.90%
2004	25.38%	2009	1.88%
2005	23.58%		

Source: Internet Retailer, U.S. Department of Commerce

2009 the growth was by 2%. In another report same site says, surveys shows global e-commerce growth is huge 19%. All these statics of surveys and research shows tradition commerce will be taken over by e-commerce in some point in future.

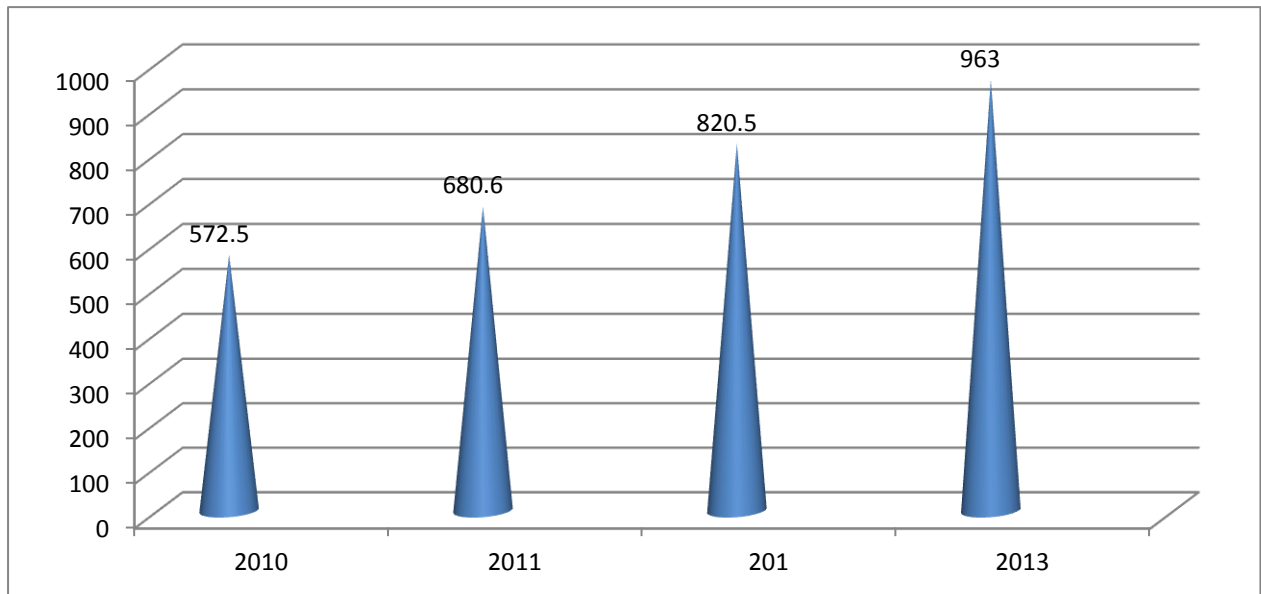


Figure 4: Global E-commerce Sells Growth
(Source: www.internetretailer.com)

4. Summary: Future aspect of E-commerce in ACE Travels

In developing countries like Nepal, number of internet user and concept of e-commerce is developing in encouraging ratio. Hence the adaption of E-commerce in Ace Travels is essential. Customers from all over the world will be able to visit Ace Travels website to purchase its services and gather information.

The more web visitors there will be the more potential customers Ace Travels will have. And as above written in this report the number of internet user and customers who prefer to buy online is ever increasing, Ace Travel's future aspect of e-commerce seems secure if they manage to the apply proper e-commerce strategy.

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