Potential risks to E-commerce

If you are a small company like cookoo and you are thinking about becoming a clicks and bricks company and you want to commit to an e commerce system, there are a few risk that you may come across. First of all, you need to think will it be worth it. Are you going to make enough money from becoming an online company to make back the money you had to spend to join the e commerce system? You could end up losing a lot of money if you don’t earn enough profit from your website.

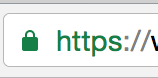
Secondly if you go to e commerce you have to risk not being able to keep up with the demand. Your business could end up doing really well online, to well and you could end up not being able to keep up with the amount that is being purchased. Before you go online you need to make sure that you have a large amount of stock and you have a large rea to store all of the stock. This is so that you are ready for when you go online.

Thirdly, you need to make sure you have enough staff to keep up the website going smoothly and dealing with the stock. It’s all good having the stock but you are also going to need to man power to keep the website up. You need someone who has the knowledge to be able to fix the website if it crashes, but you are going to need people who can organise the stock which has been reserved by people online. But having the extra staff to do all of this also means that the costs will increase again. Staff will be one of the most expensive parts of going online.

Finally, you need to find a deal with a delivery company. You need to have a way to get all of your products to the customers. This again will add to the cost of going online. The more reliable delivery companies will be more expensive as well so you will need to make sure that your products will be arriving on time to the customers.

Overall the price is the main problem when it comes to going online. You will have the cost of everything that you will need to set the website up and then maintain it but you also have the cost of producing the products at a greater rate and then the staff to make sure that everything stays organised and up to date. Finally, you have the cost of getting the products out on time. The cost is either going to make companies bankrupt or it could make the business thrive and they will be successful.

There are some solutions for some security issues with e commerce. I will go over three. First of all, we have a solution for some of the issues with password protection. This is the SSL. This stands for Secure Sockets Layer. This is a way to secure your password, this is done by encrypting text which in this case is a password, but can be anything. The encryption can the only be un encrypted by the person that created the password and then the website.

SSL can also do more than that. The SSL will identify secure websites and will then show you which these are by displaying a green URL Bar, it will display a closed lock next to the HTTP and it will also have an S in the HTTP. This is so that you know when you are joining an unsecure webpage, other users will be able to see your passwords and other information because it wont be as heavily encrypted as the SSL pages. The SSL will also make sure that if you encrypt and text and it gets changed, the change wont be saved unless it is verified by you. So if someone manages to gain access to your data they can’t make any changes. Finally, they also display when pages are not verified and will give you the choice to leave the page. One more feature is that the verified pages that use SSL will be closer to the top of the search engine. However there can be websites which are just much smaller than the SSL verified websites which are completely legitimate and this means that they are not going to get seen as much.

Secondly we have hacking and identity theft. Identity theft is something that can happen after your information has been hacked. There are loads of different ways to hack into someone’s information. One of the most common is called brute forcing. This is where there will be a program which can try every possible option that the website will allow. This way is very likely to succeed but can take a very very long time given how complex the password is you are trying to crack. If a hacker were to hack an admin on an e commerce website they would be able to change all of the website to what ever they want, get products for whatever price they wanted and they would be able to get whatever information they wanted. This could ruin a business completely. If this were to happen, the website would have to be shut down until the problem was resolved and then until they found a way to stop someone from doing It again. This would cause the company to lose loads of money and the trust of heir users so could cause them to lose money in the long run as well. You then have identity theft. If the hacker was able to get the personal information from a website user, they would be able to get all of their personal information like where they lived and contact number and they would be able to get their banking details. This means that they would be able to purchase what ever they wanted. If this were to happen the company that had the information stolen from them would have to pay you any money that you had stolen. This is because they lost the information. This could cause the company loads and loads and all trust could be lost.

Finally, we have password options this is one of the most important parts when you need to change them every month really to keep them safe. This is so that if someone does get your password it is changed often so that they can’t use the password for to long. Most e commerce websites will have a certain level of security required. This is so that it is much harder for them to hack your profile. The websites will normally want you to have at least one number and a combination of upper case and lower case. There are also other password options like fingerprint scanners and facial recognition. This is used on the much more important pieces of information. If you do however choose to use a password and you don’t choose a very strong one there is a much higher chance for your account to get hacked.

Impact of introducing an e-commerce system

Introduction

When you are deciding whether or not to introduce your company into an e commerce system you have to consider what the benefits are drawbacks will be. You will also have to decide whether or not you want to go completely online and shut the store or you have to decide whether or not you want to become clicks and bricks. Finally you have to consider if it will benefit your customers and will it bring in more.

Customer Benefits

When a customer’s store goes online it Is a great benefit to both the customer and the store. It allows the customer to be able browse on the store website whenever they want. It means that they are able to see a much greater variety of products and they are able to browse at their own speed.

Secondly when there is a store website there tends to be online discounts. When a website is online they are able to offer many more discounts as the company will start to make more money with the website than with the store in some examples. This means they are able to reduce the price online so that customers will prefer to shop online. This also makes it easier for the customer as they don’t have to go to the store to get the cheapest prices.

Thirdly there are some customer which would not normally be able to access the store. They may have disabilities which would stop them from getting into the store. Having the website means that they are able to view the products and make purchases from the comfort of their own homes.

Finally, the website will be open 24/7. This means that no matter where you are you’ll be able to access the store whenever. So for example, people that work late will be able to access the store online when they get home or they will be able to access the store in their spare time in work.

Customer Drawbacks

There are some drawbacks though for the customer when you store goes online. The first one is that there can be problems with delivery services. If you purchase something you want it to arrive when it says it will. If there are any delays or product gets lost the customer wont be happy. This is one of the main reasons why people don’t buy online.

Secondly there are payment security issues with some websites. This will completely deter some people from buying online. Customers should check the to see if the website is verified for security before making payments to stop the risk of losing private information.

Thirdly and finally it stops customers from getting out and going to their local shops. It can lower people’s health. It will create a social divide between the people which go out to stores to look at goods and the people which stay indoors and look at goods online.

Social Implications

There are quite a few social implications as well. For example, in 2013 the estimated amount of e commerce sales was £557 billion. There was that much money which was being spent online and not in the local high street stores. This means that they money was not staying within the local communities and it was going else where. This could be to online using fees or delivery services.

In 2011 the e commerce was growing by 30% and the eBay website was growing by up to 60% as well. This shows how many people were going to online shopping and it also shows the damage that is being done to smaller local shops. Because of the amount of people shopping online there are no where near as many people shopping at their small local stores. This means the local small stores will slowly disappear.

Conclusion

In conclusion there are many positives for the customers but there are also a lot of problems as well. I personally think that the positives out way the negatives. I do however believe that e commerce will be the reason why we lose all of our local stores.

References: <http://www.ijccr.com/November2011/9.pdf>

http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/rel/rdit2/e-commerce-and-internet-use/analysis-at-uk-level/sty-the-impact-of-e-commerce-on-the-uk-economy-.html

There are many different option you can choose when you are going to pay for something online. You need to make sure you choose the correct one when you are making a payment so that your personal information is safe and you make no other extra charges.

First of all, we have the debit and credit card. This is what most people use when they make payments. The user will enter the details off of their card and then the money will then be removed from the account that the information matches. The credit card has no limit but the money that you spend on it needs to be paid off. This will happen every month. The debit card on it however has a limit and once you have spent all of your money from the account you can no longer purchase anything.

We also have Apple pay. This is where the user will have a bank account which is compatible with Apple Pay, the account information will be put in on the Apple Pay application and then the user will then be able to pay using the application. You will then be able to use the app on phone to pay. All you have to do is tap the phone on the card reader and the money will be removed from your account. This Is probably the fastest payment system on the market at the moment.

Thirdly and finally we have E Check. This is a simple but effective way to transfer money. This is just an electronic version of a check. the check that is received from the customer will be scanned in or the information will automatically be entered and then the money will have transferred once the payment has been authorised.

There are a lot of advantages for using the payment systems each different to the system you choose. Using a debit card will mean that you are able to have the money all in one account, instead of the option to use PayPal and other online banking options. This also means that you are able to see how much you are spending easily. The other positives are that you are you have the choice to save all of your banking details when you are spending online. This means that you are able to quickly automatically enter your information for quick transferred.

Apple Pay is something I personally have used and think that it is a very great choice for a payment option. You only have to enter your information once so that when you go to use the payment system you can very quickly make payments. The way you make payments is also contactless so that you only have to tap your mobile phone on the card reader and the purchase has been made. This makes for very quick purchases. The app is also rather secure. Whenever you go to make a payment with the apple pay you have to use your fingerprint to unlock the option. This means that only the user can make the payments so if the phone gets stolen no payments can be made.

Finally, we have the advantages for the E check. The E check is very quick to transfer money and the money is very secure, just like normal checks. They are also very useful because they eliminate the need to take in any checks that you receive to the bank. You are able to just scan them into the computer and the money will be transferred. All the receiver needs to do Is run it through a reader and it will pick out the information that it needs and then it will complete the transfer from the account.

There are some disadvantages to payment systems though. Starting with the credit and debit cards, it is much easier for the private information to get stolen. If you have to automatic fill on and the devise you are losing gets stolen they will have access to your banking details. This means that they will be able to make any purchases they want, and you don’t really have an easy way to stop them apart from closing the account. Secondly if you are using a credit card and the information for that gets stolen, the thieve is able to spend as much as they want and they will just put you into debt. The credit card then wont be able to be closed if there is money to be paid off on it.

Moving onto Apple pay there are a few disadvantages, but not to many. The main disadvantage I would say is that you currently are not able to use it pay online. You are only able to pay in stores at the moment. So if you using apple pay when you are in stores you will still need to use either your bank card details or something similar to PayPal to make any purchases online. You then also have the limits on the amount that you can spend via contactless in one payment. At the moment you can’t spend over £30 in one transaction.

Finally, we E checks which have very few disadvantages. The main disadvantage that the E check has is that compared to the normal checks the money is taken straight away from the account, whereas with normal checks the money is removed straight away so you have time to get money into the account before the money is removed. Apart from that E checks you need someone sort of reader to be able to scan the check in. This means that not a lot of people will be able to accept them, which is why they are not to popular in high street shops.

Overall I personally would say that out of these three using a credit or debit card will allow you to keep all of your money in one account and you will be able to make purchases no matter where you are. If you are to choose apple pay you may need to still use your bank card anyway, all apple pay will do is speed up your smaller in store purchases. And finally I wouldn’t really recommend the E check. it isn’t accepted in many stores as it takes a bit of time whilst you are there in the store. The check needs to verified and then scanned in all whilst you are there to make sure it isn’t a fake. If I were cookoo I would choose debit and credit cards as it will be what the majority of people use and it is one of the safest payment methods, so you it will be the least likely to get hacked.

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There are some implications to all the payment methods though. When you are choosing a payment method you must consider if the company takes a cut of the money that the transaction takes. For example I wouldn’t recommend using PayPal. This is because the company can take a small fee for using there services. If you were to send the money to Germany from northern Europe PayPal would take 3.8% as a fixed Fee. Another implication to cuckoo would be that you can only do small £30 payments, and if people wish to use apple pay this will limit the customer what they can buy. Because of this I would recommend that if you choose apple pay you also choose to get card machines as well, for the more expensive payments.

Also if you were to choose to use the apple pay or debit cards, you would have to invest into getting some card readers, which wouldn’t be cheap. So this is something that would take more money just to get the company up and going. But apple pay and credit cards would be a necessity as some of the prices of the clocks would be expensive, and the customer may not want to have to carry a lot of cash around with them. There are some companies however that can help you get set up, send you the card machines and you would be ready to go. There is also the consideration of the amount of time that cuckoo will need to have to get all of this up and running. They will need 3-4 weeks to get the payment method up and running with the account that you will be putting all of the money into. You will also need extra time to get all of the cash registers uo and working, a way to store and look after the cash like a safe and much more.

You also need to consider which payment methods you could use when you are purchasing online. You could have an option to reserve online and then you could pay cash in store. You will need to have options for people that wont want to do this.

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There is also RSA this is one of the original cryptosystems. It is mainly used for data transmission and it works with the use of ‘keys’. There is the public key, which gets shared around and there is the private key. Each key can carry and encrypt a message, but only the opposite key can decrypt the key. The reason it is so popular is because the RSA means that the information can remain confidential, only someone who can have both keys can get the information. Some other protocols like SSL need to have the RSA algorithm to function.