Potential of E-commerce in Vietnam

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Abstract—**Total Internet users in Vietnam have soared 153 percent from 28 million to 43 million, in a span of just 5 years from 2009 to 2013. That explains why E-commerce market size in Vietnam not only does not stop, but also grow tremendously with large potential. The purpose of the authors is to prove that there are much potential to grow e-commerce in Vietnam. From the survey, the results show that about 75 percent of the online population is potential buyers and 45 percents people said that they purchase online goods at least than one times a week.**

I. Introduction

The Internet in global has been developing rapidly, especially in Vietnam. Total Internet users in Vietnam have increased from 23 million to 33 million, in a span of just 5 years from 2009 to 2013 [1]. On average, online time of Vietnamese by desktop, laptop is 4 hour 37 minutes by smartphones; tablet is 1 hour 43 minutes [2]. At the end of 2013, there are 116 registered e-commerce website [3]. In 2013, Vietnam B2C Ecommerce sales estimate. [4] From fact and figure above, the authors see that Vietnam have Infrastructure for E-commerce. Moreover, many Vietnamese want to purchase goods online for the first time [5]. That is the reason why Vietnam has potential for E-commerce. In this project, we study about potential of E-commerce.

We conduct survey for students who are studying at university in Ho Chi Minh City. They carried out the survey about the habit of buying things online and what the consumers concern most and reveal a surprising result. For each 80 people get access to the Internet, 19 percents of them do not know the Ecommerce and 45 percents rarely use E-commerce. However, 34 percents of respondents willing to participate in E-commerce.

The rest of this paper is organized as follows. In section III we present data from our survey. Information and analysis about customer engagement is given in section IV and Section V. We provide some solution in section VI. Finally, section VII will be our conclusion.

II. Background and Related Work

A. Background

Electronic commerce (e-commerce) means electronic buying and selling on the Internet.[6] Two major form of e-commerce are Business-to-consumer (b2c) and business-to-business (B2B). Why Business-to-consumer target consumer, business-to-business refer to one business sell its products to other business. [7]

When we refer to e-commerce, many of us think e-commerce is buying thing on online store, website. In fact, buying thing on online store is only one aspect of e-commerce, Business-to-consumer (B2C). Business-to-consumer (B2C) is transactions conducted between consumers, who are end-users of its products, and businesses on the Web.[8] For example, when you buy a book on tiki.vn for you to read, then that is Business-to-consumer.

Business-to-business (b2b) is transaction conducted between business to other business. [8] That form of e-commerce is involving a manufacturer and wholesaler, between wholesaler and retailer. [9] The typical supply chains include many business to business transaction. [9] The simple example for business to business is candy manufacturers. Many ingredients are manufactured independently and the candy manufacturers must purchase these ingredient separately. Sugar, milk can be manufactured by sugar manufacturers, cattle farms, and sells directly to candy manufacturer or through other reseller.

As technology grow, there is new form of e-commerce, which is mobile-commerce. Mobile-commerce defined "the delivery of electronic commerce capabilities directly into the consumers hand, anywhere, via wireless technology." by Kevin Duffey at Global Mobile Commerce Forum. Some retailer offer mobile version of website which is customized for the smaller screen and limited user interface of a mobile device. [10] There are also content purchase and delivery on mobile such as wallpapers, games, ring-tone, movies. The development of smartphones and tablet is increasing the purchase and

delivery of full-length music tracks and video. The download speed of 4G allow customer to purchase and download a movies in few second .[11]

Beside the development of E-commerce,the customers are still lack of knowledge about the payment methods. .They tend to use the way of using credit card or purchasing online. However,some systems enable the customers to pay by alternative means,such as :

- Billing to mobile phone and landlines [12]
- Cash on delivery (C.O.D) : A type of transaction in which payment for a good is made at the time of delivery. If the the buyer don't pay, the good will be return to the seller.Cash on delivery is usually done through a shipping company, which delivery good to customer and collect their payment for seller. This type of payment is minimize the risk of fraud, scam for both buyer and seller.[13]
- Cheque or check
- Debit card : A payment system in which the payer authorises the payee to take funds from his bank account. Typical examples are monthly premiums for an insurance policy, or electricity bill payments[14]
- Direct debit
- Electronic money
- Gift card
- Postal money order
- Invoice : a document sent to a buyer that specifies the amount and cost of products or services that have been provided by a seller.An invoice indicates what must be paid by the buyer according to the payment terms of the seller. Payment terms usually specify the period of time that a buyer has to send payment to the seller for the goods and/or services that they have purchased[15]

Because E-commerce helps those who live far away from the goods purchase them,product delivery is one of the most important aspect. One a payment has been accepted the goods or services can be delivered in the following ways :

- Downloading : this method is used for the digital products like software, music,movies,..etc
- Drop Shipping : the retailer does not keep any merchandise in stock. Instead, customer orders are sent to either the manufacturer or to a wholesaler that then ships the items directly to the customer.[16]
- In-store pick-up
- Will call : the customer picks up the goods at the seller's place of business, primarily in North American commerce. It may also refer to the department within a business where goods are staged for customer pick up.

B. Relative work

1) A Study on the Effects of Online Consumer Reviews on Purchasing Decision of two authors K. Vimaladevi and Dr. M. Dhanabhakaym, they show that consumer reviews have a causal impact on consumer purchasing behavior and an effect on choosing the products by consumer. [17]

2) Moving from B2C to Social Commerce: Case Study Zalora.com of four authors Nur Intan Md Dawot, Jenne Landan Song, Hasnatul Balquies Hashim and Ab Razak Che Hussin, the findings showed that any B2C commerce needs to move towards social commerce in order to leverage their business by applying all the social commerce design features that are necessary. [18]

3) E-commerce: Impacts and Policy Challenges of Jonathan Coppel, the author show many challenges for development of E-commerce in global economy.[19]

4) Social Commerce Research: An Integrated View of three authors Lina Zhou, Ping Zhang and Hans-Dieter Zimmermann, this essay starts by proving a brief overview of social commerce research framework with an integrated view of social commerce that consists of four key components: business, technology, people and information. [20]

5) Trust and E-commerce: A Study of Consumer Perceptions of three authors Brian J. Corbitt, Theerasak Thanasankit and Han Yi. These findings complement the previous findings on E-commerce and shed light on how to establish a trust relationship on the World Wide Web. [21]

6) E-commerce: Legal Issues of The Online Retailer in Virginia of Jonathan D. Frieden and Sean Patrick Roche [22]

III. CONCLUSION

The conclusion goes here.

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