



Asian Journal of Management and Commerce

E-ISSN: 2708-4523
P-ISSN: 2708-4515
AJMC 2021; 2(2): 136-140
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www.allcommercejournal.com
Received: 18-08-2021
Accepted: 21-09-2021

Gangadhara
Assistant Professor,
Department of Commerce,
Government First Grade
College, Belthangady, D.K.
Karnataka, India

Advantages and disadvantages of E-commerce Growth: The status of E-Commerce in the Background of the COVID-19 Pandemic

Gangadhara

Abstract

In order to advance communication and information technology, electronic commerce is crucial. This is especially valid in the context of the economy. Many markets have steadily internationalized and become competitive in the era of economic globalization. E-commerce can help the economy on a local level even though the COVID-19 epidemic further forces industries in severely affected areas to insource towards local output because global trade was shut down. Nearly every firm is now able to buy, sell, and communicate on a worldwide scale because to innovations in the internet, information technology, and logistics and deliveries. As a result, cultures now show an unexpected interest in electronic trade. However, despite the fact that e-commerce has dominated the market, online services and trade have both significant advantages and disadvantages. This essay clarifies the main characteristics of e-commerce as well as its negative effects on both businesses and consumers. Understanding the advantages and disadvantages is crucial since what may be an advantage for the customer may be a disadvantage for the company. Before making any business decisions, prosperous company organizations are highly aware of the advantages and disadvantages. The conclusion of the essay reads, 'Despite the drawbacks of e-commerce, the many benefits of this industry successfully draw the attention of both businesses and consumers. Due to the rapid advancement of technology, it is possible that in the near future we may see a significant reduction in technological flaws.

Keywords: E-commerce, customers, commerce, internet, COVID - 19, websites, payment methods, business

Introduction

Customers' expectations have changed dramatically as a result of COVID-19, forcing companies to be responsible and responsive. From being merely a convenience, digital commerce has developed into a need. The following themes will emerge in 2023 after an era of Omni channel expansion, mobile-first acceptance, and proliferation of AI-powered solutions: Although e-commerce provides a substitute for physical stores, it has both benefits and drawbacks for businesses. You could be tempted to build an online store and sell your goods there, but you need to know what you're getting into. Although many business owners love e-commerce, it might not be the greatest option for your particular industry. The amount of resources needed to create an e-commerce website is something you should take into account, especially if you need to hire a specialist. Additionally, each of your products needs to have an image, a title, and a description. Additionally, you need to regularly check your website for errors or bugs that can compromise consumer data or interfere with payment processing. What are the benefits and drawbacks of adopting e-commerce for business? This article will discuss what e-commerce is, its benefits and drawbacks, and whether it is appropriate for your company.

What is e-commerce?

So, exactly what is e-commerce? E-commerce describes business dealings that take place online, like the sale of a product. The virtual storefront on e-commerce websites often contains a title, an image, and a description for each product. When a customer locates a product they want to buy, they can add it to their shopping cart and use their debit or credit card to complete the transaction. Even accepting payments using cryptocurrencies and other alternative payment methods is possible with some payment processors.

Correspondence
Gangadhara
Assistant Professor,
Department of Commerce,
Government First Grade
College, Belthangady, D.K.
Karnataka, India

Definition of Electronic Commerce

Since its inception, internet trading has been acknowledged and researched by professionals, students, and scholars. Scholars, researchers, and authors have given e-commerce a variety of definitions. They did not imply limitations in their conceptions of internet commerce. The numerous characterizations of e-commerce as well as the researcher's own as stated by Chahar *et al.* (2013) ^[26] will be stated in this section of the article. E-commerce is the use of telecommunication networks to automate commercial relationships and workflow, according to Jamsheer (2019) ^[14]. E-commerce, on the other hand, is strongly asserted by (Bristol, 2001) ^[9] to be the conduct of trade in goods and anemities with the use of telecommunication and telecommunication centred devices. Additionally, according to (Rose *et al.*, 2019) ^[27], e-commerce refers to the exchange of organisational data, the maintenance of commercial relationships, and the performance of operational activities using telecommunication systems. In the end, e-commerce is defined as the use of computer, internet, and shared software technology to exchange product descriptions and illustrations, offers, and procurement details, as well as other information needed to be communicated to customers, providers, staff, or the community (Kalakota & Whinston, 1997; Abdullah *et al.*, 2021) ^[15, 3]. Online shopping, commonly referred to as e-commerce, is the act of buying or selling goods or services through the internet. Using ecommerce as opposed to traditional business practises like visiting a store can save you time and money. Any product may be sold through e-commerce, and finding clients is also made simpler by the millions of websites where consumers conduct their online shopping. But there are advantages and cons to conducting business online, just like with anything else. In this article, we'll discuss some of the benefits and drawbacks of this new method of doing business, known as ecommerce.

Advantages of e-Commerce

1. Market Any Good, Anywhere

You can sell any kind of product through e-commerce without being constrained by location. You don't have to worry about having merchandise to store and distribute to customers when you use e-commerce. A computer and internet connectivity are all you need to get started. Thanks to technology, you can even run your business from anywhere. Ordering products is possible from anywhere. Customers can place orders with your eCommerce business as long as they have internet connectivity.

2. Affordable

Even compared to the majority of brick and mortar establishments, it is less expensive to launch an offline business. A typical retail establishment requires far more time to operate than an E-Commerce store. The main benefit is that launching an online business is less expensive than opening a physical store, both in terms of rent and in terms of set-up fees from third-party vendors. Because everything is done online, there are less overhead expenses for printing, shipping, and handling, which results in lower costs.

3. Maintain an inventory log and use minimum viable stock

Only what you sell is stocked. Storage and warehousing are not required. Due to this, running an eCommerce business is

significantly simpler and less expensive than owning a physical location. You don't need to rely on other people for the operations of your firm. You are always fully aware of the whereabouts of your stock and the items it contains. This aids in improving your financial management and production planning.

4. Quick Sales

Customers make immediate payments, typically via PayPal or credit cards. Sales data is trackable. You can keep track of the precise locations where each product is sold using an e-Commerce platform.

5. There is no minimal order quantity

It won't take long for your orders to be delivered to your door. You can instead only order what you want. Fewer payments and a speedier cash flow result from no large orders. As a result, managing an online store is significantly simpler and less expensive.

6. Speedy client assistance

Instant customer service is available. Since you can respond to inquiries immediately with e-Commerce, you can provide superior customer service. By doing this, you may avoid missing orders and make sure that your clients perceive you as a person. Additionally, your data have less errors, which makes it simpler to locate missing goods. Any time, day or night, customers can get in touch with you or your support staff.

7. Personalization

Anything that a customer wants can be ordered and customized. They may change, add, or remove anything. Through its web interface, an e-Commerce business often provides customization possibilities.

8. Speedy Reaction

E-commerce has a quicker turn-around time than conventional retail and wholesale establishments. This implies that if you want to launch your store today, you may move into online mode without waiting for months for merchandise to arrive. Once you receive your purchase, you may begin fulfilling it immediately and ship it off to your clients.

9. Availability round the clock

The ability for clients to shop from their preferred e-commerce website whenever they want is the main advantage of electronic commerce. Sellers have the option of staying open all the time. It doesn't require you to wait for a holiday, half-day, or the weekend in order to go shopping for the necessary items. With the help of e-commerce, websites may operate around-the-clock and provide customers with accurate product information, reviews, warranty information, and product descriptions to help them make the best decision.

10. Simple Online Marketing and Advertising

Promoting a product doesn't have to cost a lot of money for retailers. Online marketing can be done in a variety of ways that are quick, inexpensive, and accessible in the world of e-commerce. Since ecommerce marketplaces are visual platforms, vendors may really flaunt and market their goods there. For instance, Amazon merchants can add

infographics, videos, and high-resolution photographs using the advertising tools. Infographics are already used by 45% of content marketers, and 38% want to use them for the first time in 2022. 91% of US companies use social media as a medium for marketing. Social media websites today are crucial to business marketing initiatives. Therefore, companies decide to add social media feeds to Shopify websites to expand their e-commerce and attract new clients.

11. Utilize the most recent technologies

The world has entered a new era where digital technology has virtually taken over all facets of our existence. E-commerce is expanding at an exponential rate thanks to digitization. The major trends in the upcoming years will be chatbots, voice search, contactless commerce, augmented reality, and virtual reality. These technologies are going to aid e-commerce owners to enhance sales. These new technologies have the potential to transform the retail industry and support e-commerce business owners in increasing sales. Customers are being engaged by several

major e-commerce brands through service chatbots, virtual interactions, and voice search. Sellers can give clients virtual experiences that let them explore things by building digital showrooms or letting them virtually try products on without going to physical stores. Chatbots are used to respond to consumer questions and help them if they run into any problems. Chatbots may significantly increase conversion rates and increase sales. For instance, the cosmetic giant Sephora saw a rise in makeover bookings of 11% after launching its Sephora Assistant chatbot.

12. Individualization

The capacity to tailor information for specific users depending on their behavior and interests is referred to as personalization. Increased efficiency and effectiveness in marketing and commerce result from this personalization. We now have access to enormous volumes of data from our interactions with websites thanks to the Internet. Marketers and merchants may develop more efficient plans of action by analyzing how we interact with various ecommerce components.



Fig 1: Shows the facts about percentage details of individualization or personalization

Adidas, for instance, promotes related products in addition to the one the buyer is viewing or intends to purchase. This customized experience is provided in accordance with consumer preferences, past purchases, browsing patterns, etc.

Disadvantages of e-Commerce

There are many benefits to internet buying over traditional brick and mortar retailers, but you should be aware of some drawbacks as well.

1. The Internet is your store

The fact that your website doubles as your store is one of the main drawbacks of e-commerce. This implies that once a customer leaves, you probably won't get a second chance, so you need to make sure that your website is appealing, effective, user-friendly, and performs what it should. In a physical business, you might be able to persuade a consumer who is about to leave to wait, take another look, and so forth, but this is not possible online.

You must make sure that your online store has the following crucial components

- **Improved navigation:** If customers can't discover the things they want quickly, they'll leave and never come back. For this, your website needs to have clear navigation, clearly organised product categories, and an intuitive website structure. Remove any extraneous details or information.
- **Security:** Maintaining security is one of the most crucial aspects of operating an e-Commerce business. When a website lacks a security certificate or privacy policy statements, people are less likely to share their financial and personal information with it and are less likely to trust it. Customers are reluctant to divulge financial information since there are far too many fraudulent activities. Data security is crucial because poor data security might impede the development of e-commerce.
- **Credibility:** People are more likely to believe what other people say than what a company says, so make

sure you gather and post customer reviews on your eCommerce website because they help develop trust in your brand. You should also include your contact information, such as an address and phone number, because people prefer to do business with people they can easily get in touch with.

2. Tax Concern

In cases when there are multiple geographic regions, sales tax becomes a problem. Merchants have frequently run into problems while calculating sales tax. Compliance, accounting, and taxation might become quite complicated as a result of this. Moreover, traditional establishments run the danger of losing customers if online transactions are not subject to taxes.

3. Clients Cannot Try Before Purchasing

Some customers like the personalised service and the chance to test the items in person. Such a personal touch is essential for companies offering high-end goods since buyers want to acquire high-quality products and have a positive shopping and customer experience.

4. Technical Restrictions

E-Commerce needs cutting-edge technology platforms for improved performance and outcomes. The flawless operation of an e-Commerce website can be hampered by a number of restrictions, including network and software problems, a bad domain, and others.

Delivery Warranty

Many consumers worry when purchasing online that their purchase won't arrive or that the website is a scam. To increase the value of their website, online business owners must try to increase client trust through testimonials, comments, reviews, and other means. Another drawback is that client products are delivered too slowly. To better serve your consumers, be sure to employ superior shipping services.

Conclusion

On the subject of e-commerce, several research and analyses have been done. The expansion of electronic commerce over the past 10 years has been rapid, and it is anticipated that this growth will continue-if not accelerate. As more businesses move parts of their operations online, the boundaries between "conventional" and electronic trade will become increasingly muddled in the coming years. In the upcoming years, there will unquestionably be a considerable expansion in electronic trading (Sharp, 1998) ^[20]. Despite what was previously stated in this essay concerning the technical and non-technical drawbacks of e-commerce, the many benefits of this industry are able to effectively draw in both businesses and customers.

The avoidance of technical faults in particular may be seen in the near future since, as we have already indicated, technology is advancing much and swiftly. It is also important to keep in mind that a new generation of influencers is now emerging and will soon be influencing the direction of e-commerce. People from Generation Z, those born between 1995 and 2010, have entered the workforce, for instance, and are bringing change and problems with them. These individuals are truly "digital natives," having grown up with access to the internet, social

media, and mobile devices. Additionally, those members favour flexible work schedules and remote employment. They like employment that involve a lot of technology and are located in outlying places. In conclusion, the future of trade is electronic. Here they are: e-commerce's benefits and drawbacks, which will help you understand how they will affect your company. E-commerce is increasing, and during pandemics, there is a surge in the sector since buyers are more likely to shop online rather than go to physical businesses. In the next years, e-Commerce is only going to increase. Do you want to start your own online store?

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