RECENT TRENDS IN ELECTRONIC COMMERCE

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Abstract

In 21st century, technology becomes necessity and therefore, its application in business and commerce are not a matter of choice but a matter of compulsion. This is why the global competition could be faced with the five vital components namely: quality, cost, convenience, communication and time. These five facets are also of paramount significance when we have to face stiff and throat cutting competition. The seeds of the trends, issues and challenges now taking hold in e-commerce and mobile commerce were infused or injected into business during early days, long before the shakeout began. Today, as the dust settles, are those trends, issues and challenges have come up to show clearly towards the future of e-commerce transforming into mobile commerce. The emerging trends, issues and challenges in e-commerce include multi-channel retailing; more satisfied users; users doing own things; losing out the mid-size e-tailer; losing human relations; and more profits. The emerging economies known as BRICS countries have come out with online merchants incredible growth potential and opportunities, but also challenges when it come to developing specific local payment plans. Today, we are transacting through mobiles which is called m-commerce. There is a possibility that in coming years m-commerce become less attractive hence some improved devises may come up.

Key words: E-commerce, traditional commerce, mobile commerce, electronic data, etc.

1. Introduction

Due to continued technological innovations, the world had seen drastic changes in almost every sphere of life. The advent of internet-based electronic commerce over the past decade or so has given businesses an unprecedented marketing opportunity. Brick and mortar businesses can find it difficult to compete with web based businesses because the latter usually have lower operating costs and greater flexibility. As the internet using population has grown, so too has the potential market size for any business that sets up a shop on the web. With the advent of each new day, new technologies were developed in the wake to make life easier. This development resulted in the transformation of the world from ecommerce to m-commerce. The reasons for these developments can be traced back mainly to technology innovations, like faster data transmission technologies and better mobile devices equipped with improved computing capacity, enhanced data storage and better user-interface. Some other factors like the increasing penetration of society by mobile phones and the integration of world economies have also increased the need for mobility. The availability of mobile phones, which is greater than that of computers in most countries, is leading to concepts of new, innovative mobile services, collectively described as m-commerce.

2. Traditional commerce

Traditional commerce can broadly be defined as the exchange of valuable objects or services between at least two parties. Such activity includes all of the processes that each party undertakes to complete the transaction. The earliest form of traditional commerce is the barter system. A traditional street-side business that deals with its customers face-to-face in an office or store that the business owns or rents. Henceforth, all the components in traditional commerce are physical. The activities which most businesses engage in as they conduct commerce are called business processes. Classic business processes include: transferring money and information, placing of orders for products, sending of invoices to consumers and delivery of goods. In short, traditional commerce means communicating with customer and supplier using different applications in many time consuming different steps

3. E-commerce

Commerce has a long tradition of profiting from innovative systems and tools. As technologies emerge, successful businesses are quick to identify developing opportunities and expand their commercial capabilities. Conducting commerce electronically is no different. For many businesses, new technologies that digitally exchange text and monetary information are effective tools to serve traditional business goals of streamlining services, developing new markets, and creating innovative business opportunities. In addition, they offer the potential to develop types of services that are so innovative and distinct from tradition that they define a new type of commerce. Electronic commerce is the synthesis of traditional business practices with computer, information and communication technologies.

4. Types of e-commerce

The major types of e-commerce include the following:

B2B e-commerce: B2B e-commerce is simply defined as e-commerce between companies and involves companies conducting e-procurement, supply chain management, network alliances, and negotiating purchase transactions over the internet. Businesses use ecommerce to lower transaction costs of conducting business and to make savings in terms of time and effort when conducting business. Being the largest category of e-commerce, it is expected by most of the experts that B2B e-commerce will continue to grow faster than the B2C segment.

B2C e-commerce: Business-to-consumer e-commerce, or commerce between companies and consumers, involves customers gathering information; purchasing physical goods or information goods; and for information goods, receiving products over an electronic network. It is

the second largest and the earliest form of e-commerce. Its origins can be traced to online retailing.

C2C e-commerce: Consumer-to-consumer e-commerce is simply commerce between private individuals or consumers. Being characterized by the growth of electronic market places and online auctions, particularly in case of vertical industries where firms can bid for what they want from among multiple suppliers, it perhaps has the greatest potential for developing new markets. This type of e-commerce comes in at least three forms: auctions facilitated at a portal, such as eBay, which allows online real-time bidding on items being sold in the web; peer-to-peer systems, such as the Napster model and other file exchange and later money exchange models; and later money exchange models; and classified ads at portal sites such as Excite Classifieds and eWanted.

B2G e-commerce: Business-to-government e-commerce is generally defined as commerce between companies and the public sector. It refers to the use of the internet for public procurement, licensing procedures, and other government related operations. This kind of e-commerce has two features. First, the public sector assumes a pilot/leading role in establishing e-commerce; and second, it is assumed that the public sector has the greatest need for making its procurement system more effective. Web-based purchasing policies increase the transparency of the procurement process. To date, however, the size of the B2G e-commerce market as a component of total e-commerce is insignificant, as government e-procurement systems remain undeveloped.

5. M-commerce

As content delivery over wireless devices becomes faster, more secure, and scalable, the novel inventions led the generations into the new era of mobile-commerce, and some believe that m-commerce will surpass wire-line e-commerce as the method of choice for digital commerce transactions. This may well be true for the Asia-Pacific where there are more mobile phone users than there are internet users. Mobile commerce is the ability to conduct commerce using a mobile device, such as a mobile phone, a personal digital assistant, a smart-phone, or other emerging mobile equipment. To put in simple words, m-commerce is the buying and selling of goods and services through wireless technology i.e. hand-held devices such as cellular phones and personal digital assistants.

6. History of m-commerce

Mobile commerce was born in 1997 when the first two mobile phones enabled Coca Cola vending machines were installed in the Helsinki area in Finland. The machines accepted payment via SMS text messages. The first mobile phone based banking service was launched in 1997 by Merita Bank of Finland, also using SMS. A major leap took place when two major national commercial platforms for mobile commerce were launched in 1999. These included Smart Money in the Philippines, and NTT DoCoMo's i-Mode internet service in Japan. Mobile commerce related services spread rapidly in early 2000. Norway launched mobile parking payments. Austria offered train ticketing via mobile device. Japan offered mobile purchases of airline tickets. Manufacturers such as Nokia, Ericsson, Motorola, and Qualcomm are working with carriers such as AT&T Wireless and Sprint to develop WAP enabled smart phones. Smart phones offer fax, e-mail, and phone capabilities. Since the launch of the i-Phone, mobile commerce has moved away from SMS systems and into actual applications. SMS has significant security vulnerabilities and congestion problems, even though it is widely available and accessible. In addition, improvements in the capabilities of modern mobile devices make it prudent to place more of the resource burden on the mobile device. This is seen as a bridge between the gaps created by e-commerce and in-store shopping, and is being utilized by physical retailers as a way to compete with the lower.

7. Products and services available

- Mobile ticketing.
- Mobile vouchers, coupons and loyalty cards.
- Content purchase and delivery.
- Location based services.
- Information services.
- Mobile banking.
- Mobile store front.
- Mobile brokerage.
- Auctions.
- Mobile browsing.
- Mobile marketing and advertising.

8. Conclusion

From the above discussion we can easily put-forth that commerce has gone through revolutionary changes to keep pace with changing world. In this wake, it has traveled phase of traditional commerce to e-commerce. E-commerce had played game changing role for businesses around the world. Albeit, having some drawbacks, it had generated enormous opportunities for businesses to accelerate upon others. Even, it opened the path for future technological development possibilities for the businesses for ensuring easy access to customers. This possibility and innovations in technology led to emergence of a recent phenomenon called "m-commerce". Innovation in mobile market had made it all possible. However, with it had aroused certain concerns regarding its use and security. Seeing the enormous opportunities in this field, it is required that the initiatives should be carefully framed out keeping in mind all possible loopholes that may arise in future, to escape it from any failures.

9. Reference

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