



Research Paper

Electronic Commerce: A Study on Benefits And Challenges In An Emerging Economy

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ABSTRACT

In a rising country like Bangladesh, information technology is playing a critical role in the future development of financial sectors and commercial practices. More attention must be paid to e-commerce security in light of the increased usage of smart mobile services and the internet as a new distribution channel for commercial transactions and international trading. The development of information and communication technology has had a significant impact on all aspects of human life. E-commerce provides a number of advantages that increase consumer satisfaction and help the company obtain a competitive advantage over its rivals in the marketplace. In a rising economy, there are certain obstacles that this study foresees.

KEYWORDS

E-commerce, information technology, customer satisfaction, business

I. INTRODUCTION

Now-a-days in a developing economy, online shopping is becoming increasingly popular. In 1995, the first commercial transactions through the internet were made. Transactions can only be carried out with the use of digital products. Products that can be distributed via a digital network are known as digital goods (Laudon and Laudon, 2013). Faster than ever before, e-commerce is altering the way businesses do business among themselves, as well as with customers and governments. Emerging and developing economies are experiencing rapid growth in online retailing as a result of changes in the ICT landscape (UNCTAD/IER/15). As the Internet's commercial transactions have grown, so have the technologies aimed to improve them. As a result of unsolved privacy issues raised by purchasers, we haven't yet reached the Internet transaction utopia we had hoped for (Alberto, Avila and violeta-2007). A growing number of people believe that E-commerce can help poorer nations get a better foothold in the global economic system. Economic development in developing countries can be facilitated by the use of electronic commerce (WTO-2013). Ecommerce will continue to develop and evolve as more people utilize the Internet, tablet devices, and smart phones, as well as more people have more trust in their purchasing decisions. Social media's explosive growth in recent years has made it easier for businesses and customers to communicate and conduct business online. With the help of emerging technologies like augmented reality, online merchants are working to improve the quality of their products and the shopping experience for customers. More people are making purchases while on the go thanks to the rapid growth of mobile commerce (Miva-2011). Improved market efficiency for enterprises in developing countries could be achieved through increased supply chain management through e-commerce. Buying and selling products and services through the Internet is known as e-commerce. When making a purchase online or at a brick-and-mortar store, many individuals utilize the Internet to research prices and new products before making a final decision. Some people use the phrase E-business as a synonym for the same thing. But it is more typically used to describe a more general process of how the Internet is altering company practices, consumer and supplier relationships, and the way marketing and logistics are viewed. For this study, e-commerce is defined as conducting business online. Lindsey P.

Business-to-business (B2B) e-Commerce is becoming increasingly popular as a result of the widespread use of information and communication technologies (ICTs), notably the Internet. When consumers have access to the global market via the Internet, they get a distinct advantage since they are able to compare costs across locations, determine whether prices change due to order fragmentation, and become aware of alternatives. Customers may readily compare the services of numerous e-commerce sites because of the openness of the market. When it comes to online shopping, competitors are just a few clicks away from the customer. Customers who are dissatisfied with a particular e-commerce site's items, prices, or services can quickly switch to a different one. Sellers, on the other hand, don't require a physical shop to sell their products.

OBJECTIVE OF THE STUDY

The main objectives of the study are as follows: to get a full acquaintance of the E-commerce, to identify the benefits of E-commerce and to know the challenges in E-commerce.

BENEFITS OF E-COMMERCE

The key benefit from the customers' point of view is huge rise and saves of time and eases access from anywhere in the globe. Customer can place a purchase order at any time. The key benefits of ecommerce for clients are as follows:

- Participating in a market with lower transaction costs.
- Increased convenience - transactions can be conducted at any time of the day or night without the need to physically engage with the company organisation.
- Saving time is possible since the internet allows customers to buy and sell virtually any item at any time.
- Access to information will be more convenient for the customer because they will be able to check information on multiple websites with a single click.
- From the convenience of one's own home or workplace, customers can make purchases and sales from any location they choose.
- Customers can easily switch to another firm if they are dissatisfied with the service they are receiving from a current provider.
- There are products available to customers that were previously unavailable in the local or national market, giving them a larger selection of product options than ever before.
- Before making a purchase, a consumer can read other people's reviews of a product and leave their own, as well as read the reviews of others.

As a seller, e-commerce has numerous advantages, including increased income and lower operating and maintenance costs:

- increase revenue.
- Reduces operation and preservation costs.
- Reduces purchase and procurement costs.
- Raises customer loyalty and retention.
- Reduces transportation costs.
- Develops customer and supplier relationships.
- Improves speed of the process of selling.
- Improves internal and external communication.
- Develops the company image and brand.

CHALLENGES IN E-COMMERCE

Sellers and buyers encounter the following difficulties when conducting business transactions via the internet:

- The e-commerce business is not being developed by a private and public corporation at the same time. In order to grow the ecommerce industry, both private and public sector involvement is required. Credibility is essential for the growth of an online firm, and joint initiatives help to build that credibility.
- System security, dependability, standards, and some communication protocols are lacking. If the website of an e-commerce site is hacked, the customer loses their money. Lack of cyber security is the most typical problem with an e-commerce website.
- Banking and financial institutions: In undeveloped countries, financial institutions and banks are reluctant to get involved in promoting e-commerce. The banks' cooperation is necessary for retailers to expand the attractiveness of e-commerce as well as to avoid fraud and losses due to credit card fraud. Banking and other financial sector intermediaries face additional challenges in developing secure and reliable online transactions in places where credit cards are not widely used (Anupam-2011).
- People in less developed nations are used to haggling over the price of a product while buying it, which is not an option with e-commerce because of the absence of infrastructure.
- It is a major problem to reduce the cost of the internet. It is the goal of the government to keep the cost of bandwidth down. Low internet prices are difficult to maintain because of the enormous costs of building and maintaining networks.
- When it comes to using electronic settlements, the most critical consideration is building trust. The validity and legality of e-commerce transactions may be questioned if traditional norms and regulations, which are based on paper, are followed. Modern regulations and the implementation of impartiality in e-commerce are the foundation for trust in industrialized countries.
- The absence of a well-developed legal and judicial system Ecommerce transactions suffer from a perceived or actual lack of security. When it comes to cash on delivery in many poor countries, even cheques

and credit cards aren't widely accepted (Roni Bhowmik-2012).

It is important to note that new methods of conducting transactions will require legal definition and recognition as well as authorization from the relevant authorities. This includes defining an electronic signature and recognizing it as a legitimate kind of signature. Rethinking the idea of what constitutes a bank as well as the concept of national borders will also be necessary (chavan-2013).

In addition the above challenges, the rising economy also face the following challenges:

- Lack of education
- Cultural tradition
- Poor concept of online marketing
- Less marketing or promote
- Political problem
- High cost of products/services comparing traditional market
- Internet coverage arena is limited
- Communication is haphazard over the country
- Lack of trustable business and enterprise and
- Lack of experience of meeting directly with merchant and customer.

II. CONCLUSION

In the future years, the e-commerce industry will be the most popular in the electronic commercial world. New opportunities have been created and borders have been easily broken thanks to the e-commerce revolution. E-COMMERCE has had a major impact on the traditional business sector, making it easier for individuals to get things done and improving their quality of life in the process. The benefits of e-commerce to both the buyer and seller outweigh the problems that traditional businesses face in the marketplace. Developing countries confront a wide range of challenges when compared to developed countries when it comes to implementing e-commerce. E-commerce will thrive when the cost of the internet is low, and many traditional businesses will go out of business as a result. E-commerce provides customers with a number of advantages, including the ability to shop whenever and wherever they want. This is because customers may make purchases and orders through the internet from virtually anywhere. E-commerce service providers should priorities each and every one of their customers by providing quick and flexible payment choices, as well as a wider range of online capabilities. Expansion of the product line and regional reach are two more advantages. However, e-commerce businesses confront a number of obstacles in their efforts to grow.

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