

SWOT ANALYSIS OF BUSINESS OR ELECTRONIC COMMERCE (E – COMMERCE)

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Abstract

This research paper describes the invention and accessibility of internet connectivity and powerful online tools has resulted a new commerce area that is e-commerce deals with selling and purchasing of goods and services through internet and computer networks. E-commerce can enhance economic growth, increase business opportunities, competitiveness, better and profitable access to markets. E-Commerce is emerging as a new way of helping business enterprises to compete in the market and thus contributing to economic success. In this research paper we will discuss about advanced SWOT Analysis of E-Commerce which will comprise of strengths, weakness, opportunities and threats faced by-commerce in current scenario.

Keywords: E-commerce, competitive advantage, Internet.

INTRODUCTION

E Commerce stands for electronic commerce and caters to trading in goods and services through the electronic medium such as internet, mobile or any other computer network. It involves the use of Information and Communication Technology (ICT) and Electronic Funds Transfer (EFT) in making commerce between consumers and organizations, organization and organization or consumer

and consumer. With the growing use of internet worldwide, Electronic Data Interchange (EDI) has also increased in humungous amounts and so has flourished e-commerce with the prolific virtual internet bazaar inside the digital world which is rightly termed as e-malls.

We now have access to almost every knick-knack of our daily lives at competitive prices on the internet. No matter one is educated or illiterate, an urbane or a countryman, in UAE or in U.S.A all you need is an internet connection and a green bank account. With e-commerce then, you can buy almost anything you wish for without actually touching the product physically and inquiring the salesman n number of times before placing the final order. Here is a beautiful picture depicting how has human life evolved to adapt to the digital world and hence trading over the internet. As seen, from pizza and potted plant to pair of shoes, we have everything on sale on the internet available in tempting offers ..!! Snapdeal.com, Amazon, eBay, Naaptol, Myntra, etc are some of the most popular e-commerce websites .

Basically e-commerce is the buying and selling of goods and services on the internet and on different online networks especially World Wide Web. The development of e-commerce has led to companies moving much of their business efforts to online environments. Dot com craze has stimulated a global commercial environment which is now being exploited by many firms who are engaged in e-commerce.

Advanced SWOT Analysis of E-commerce Strengths

- O Boundary less A(global location)
- O Time saving
- O No time constraints
- O Price/product comparison
- O Cost effective
- O Direct communication with consumer
- O Improved customer interaction

- O Flexible target market segmentation
- O Simple and easier exchange of information
- O Lowers transaction cost
- O Easy arrangement of products
- O Faster buying procedure
- O No physical company set up
- O Easy transactions
- O Niche products
- O Low operating cost
- O Time saving
- O No time constraints
- O Price/product comparison
- O Cost effective
- O Direct communication with consumer
- O Improved customer interaction
- O Flexible target market segmentation
- O Simple and easier exchange of information
- O Lowers transaction cost
- O Easy arrangement of products
- O Faster buying procedure
- O No physical company set up
- O Easy transactions
- O Niche products
- O Low operating cost

Weaknesses

- o Security
- o Fake websites o Fraud
- o Fewer discounts and bargaining
- o Long delivery timing
 - o No idea about quality and physical condition of the product
- o Limitation of products
- o Lack of personal services
- o More shipping cost o Limited exposure
- o Limited advertising
- o Customer's Satisfaction

Opportunities

- o o Changing trends
- o New technologies
- o o Global expansion
- o o High availability (24 hour and seven days a week)
- o Wide business growth
- o Cut down on local competition
- o o Advertising

o Threats

- o Competitors
- o o Changes in environment, law and regulations
- o Innovation
- o Privacy concerns
- o Fraud
- o o Risk

Strengths

1. Boundary less (global location)

E commerce can be dealt globally as no specific boundary is required .It enables all the companies to expand them to global level.

2. Time saving

It saves time and transportation. Because there is no need to go anywhere physically.

3. No time constraints

It can be used anywhere any time as there is no time constraints.

4. Price/Product comparison

Helps consumers to compare price and product effectively and efficiently.

5. Cost effective

Reduces logistical problem and puts a small business on a par with giants.

6. Direct communication with consumer

Social networking sites, online advertising networks can be mediums to buzz about online store.

7. Improved customer interaction

Quick feedback and comment forms are main features to interact with customers.

8. Flexible target market segmentation

Target market segment is important feature of e-commerce. It is very flexible and anytime can be modified.

9. Simple and easier exchange of information

Improves information sharing among merchants and customers.

10. Lowers transaction cost

Things can be automated in a well implemented online store. If download facility is available then distribution cost can be cut off.

11. Easy arrangement of products

Product can be arranged in the shelves within minute's. With online store it is quite easy.

12. Faster buying procedure

E-commerce means better and quick customer services. Online customer services make customer happier. Due to absence of intermediaries for buying products, so buying procedure will be fast and quick.

13. No physical company set up

E-business is cost effective because no physical set up is required.

14. Easy transactions

Financial transactions through electronic fund transfer are very fast and can be done from any part of the world.

15. Niche Products

Almost everything can be sold on internet. Even if products targeted to smaller markets the buyer easily find out through internet.

16. Low operating cost

It can be started and continued with very low investment. Staff cost is very low.

Weaknesses

1. Security

Security matter confuses customers especially about the integrity of the payment process.

2. Fake Websites

Many fake websites are available on net which promise better service & secure dealing. These websites can not only disagree with e-commerce but also bring bad name to e-commerce.

3. Fraud

Personal & financial details provided for trading purpose are misused by hackers through their personal internet.

4. Fewer discounts and bargaining

Hardly online businesses offer discounts and bargaining cannot be possible.

5. Long delivery timing

The task of delivery is usually outsourced; who does not care about the timing of the seller. They provide their services as per their own convenience. Sometime the delivery time may extend to days or weeks which cannot wait for.

6. No idea about quality & physical condition of the product

Products whose choice is merely depend on its physical condition of the product with need personal touch before selection are not suitable for e-commerce business. As online products cannot be touched; wear; or sit on the product.

7. Limitation of products

Limited number of product can be available.

8. Lack of personal services

Physical products can be available but lack in personal services which are intangible.

9. Shipping cost is more

Shipping cost increases if we order online.

10. Limited Advertising

Limited advertising opportunities are available because in e-commerce one can not go for mass advertising.

11. Limited exposure

In developing areas where internet is not accessible will have no or little exposure to e-commerce.

12. Customers satisfactions

There is no interaction between customer & the seller. Therefore the scope of convincing the customer does not exist. Many times customers prefer to buy the product by reaching personally to the market rather than purchasing through internet.

Opportunities

1. Changing trends

Ecommerce is fast and effective even financial transactions can be made from any part of the world. People of tomorrow will feel more comfortable to buy products through internet only.

2. New technologies

Daily Number of internet users is increasing. People feel more comfortable to shop online.

3. Global expansion

Ecommerce can be operated anywhere any time without any interruption.

4. High availability (24*7 days in week)

Along with each and every click of the mouse business is in operation.

5. Wide business growth

E business has wide scope and broader vision to grow.

6. Cut down on local competition

Online customer services is a competitive advantage for the company.

7. Advertising

Advertising is cost effective as compare to conventional offline system.

Threats

1. Competitors

Competition is increasing day by day big companies have already entered in this field. They are marking people habitual at the cost their companies.

2. Changes in environment, law and regulations

Change in trends fashion and fad can distress e commerce side by side change in law and regulations can also affect it.

3. Innovation

Customers nowadays are always in search of innovative products .innovation can be either in product, place, promotion and price.

4. Privacy concerns

Fears that information can be misused lead to spam email or identity fraud.

5. No direct interaction

In e-commerce there is no direct interaction of customer and the seller. That's why bargaining does not exist. People prefer to buy physically as compared to online.

6. Fraud

Persons using unfair means to operate e-commerce can damage the confidence and faith of common people.

7. Risk

Nature of fraud and risk is different because when a customer relies on an unseen set-up, he trusts and makes transactions. In such a way he is ready to face risk.

CONCLUSION

A developing country can be rationalized and mechanized if it introduces e-commerce effectively and efficiently. It will enhance its output and give a competitive advantage. Information technology (IT) has boosted e-commerce worldwide. Now it's easier to enter a new market and one can evaluate his/her product and company's performance. It reduces business overhead and enhances business management.

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