

ADVANTAGES AND DISADVANTAGES OF THE ELECTRONIC COMMERCE

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The development of satellites and telecommunications allow communication on large scale, having a reduced cost. This continual improvement of the communication forms drew the possibility to increase the efficiency to use the computers for communication too. The connection between telecommunications and computers made possible the explosive growth of the Internet and we assist at the creation of specific technologies, especially in the field of the pay security systems, which they will transform into an usual trade instrument.

The third millennium makes us the witnesses of the development of the electronic trade which revolutionize the management of a business and the international trade. The first impact is already experienced in the transactions between firms, not because they would have an easier access at the new technology, but because the phenomenon will be felt soon by the consumers too. Such changes will offer the consumers new possibilities to choose and even to look for the most competitive products on the world's market.

There is no doubt that internet has an extraordinary impact on the business world. This is because of the obvious advantages for both traders and buyers in comparison with the carrying out traditional means of the commercial activities .In spite of these the internet has also disadvantages that are different depending on the involved party, the security of the transactions or confidentiality loss possibility.

Advantages for traders

The possibility of the small companies to compete with the large companies

Due to small expenses incurred by a virtual shop small companies are confronting with one less barrier in penetrating the markets already dominated by the large companies. More than this due to her flexibility and perception towards new the small company has a major advantage in comparison with a large one dominated by birocracy and conservatorism.

Permanent contact with customers for 24 hours and 7 days

Comparing with the common employees who need salaries, a working time table, vacation, with a varying productivity and being subjective a web site is offering information about the company and her products or she is taking and processing orders for 24 hours of 24 and 7 days of 7 continuously with minim costs. This is bringing an advantage, too in case of the

expansion on the foreign markets when the hourly difference making more difficult the contacts between the companies. It also improves the communication with the customers that have not to observe a strict time table thus being able to obtain information and place orders any time.

International markets penetration facilities

The world network is not limited by borders, it does not belong to anyone and the access and publication costs are extremely low. The communication with a customer positioned to the opposite pole of the world is as easy as the communication with someone in the next room. Any producer now can sell his products in any country by the means of the web site and no contacts with local companies or large investments are necessary anymore.

The decrease of the functioning costs

These costs may be drastically diminished by the automatics of the orders process. There is also the possibility of a total automatics by the integration with the administration system thus leading to the increase of the general productivity of the company.

New possibilities for performing a direct marketing (one-to-one)

Comparing with a human being the computer may retain not only the name and personal data of all customers as well as their preferences being capable to adapt the offer and products presentation according to each customer's profile. The study of the customers on internet may be achieved using all available data such as: location, type of browser and operation system, the site where they do come from navigation habits but the customers will not realize at all that they are subject of such studies. This is why many consider this as an infringement of the personal intimacy.

Disadvantages for traders

The Fraud

As in any other activity field, the technology of internet created new fraudulent possibilities. In the lack of a direct contact a client may cheat the trader regarding his identity or his real payment possibilities. Most of the occidental virtual shops hesitate to send commodities to East Europe because of the many successful embezzlement trials initiated by East Europeans with false credit cards.

The Security

Another important problem is that regarding the security of the data. A company that has not access to internet does not have too many worry reasons as regards the integrity of her administration informatics systems. The connection to a public network that can be accessed by anyone more or less authorized and the access to the confidential data of the local network is raising serious problems. Therefore new risks occur these being not present before the apparition of such type of commerce.

Launch and integration costs

Although the launch costs of a virtual shop are much lower in comparison with those of a real one they may be incorrectly estimated. A company that has not implemented yet an administration informatics system or those where the employees do not have minim

technical knowledge may confront with an unexpected increase of the launch costs due to the necessity of the acquisition of training systems for the employees.

Advantages for buyers

Availability for 24 hours of 24 and 7 days of 7

This availability independent on a certain program represents a major advantage for the clients who can purchase during night too when they are not busy with other urgent problems (job, household).

Facilities

Due to the electronic commerce there is no need to go to the commercial places or to the shop next to corner .Everybody may place orders from home sitting in front of the PC and thoroughly analyzing and comparing different products.

Access to information and different products without any restrictions

The apparition of the electronic commerce gave a new meaning of the term 'globalization'. For example in order to buy handcrafted items from Madagascar it is not necessary to travel to that destination but only to open the browser at the address of a shop that is trading such items (address that can be found using the searching motors). Before buying the product the potential future buyer has more free and cheap access to the offers of the producers or trading companies.

Disadvantages for buyers

Security

The most important reason for which some persons hesitate to use internet for purchases-as resulted from most of the opinion polls – is that of being afraid to supply on line information regarding the credit card. But the same persons are giving daily the credit card number, at phone, to other persons they even do not know at all when they buy from catalogues or TVs.

Intimacy

Another important problem is the attempt to the personal intimacy. The potential buyers are afraid that by internet the traders or a bad will person can collect thorough information and they will not realize this at all. Unfortunately these worries are the result of some exaggerations especially in Occident where The Theory of Conspiracies is fashionable.

Absence of human contact

This is the obvious inconvenient generated by the electronic commerce. The low launching and maintenance costs of a virtual shop derives of the advantages of the automatics of the processes and there is no need to employ additional personal, on one hand. On the other hand the absence of the seller, the human presence to which the buyer may appeal to in case he has doubts, represents an obstacle in spreading this form of commerce. In this respect some companies created programs that are permitting the vocal contact or visual one between the customer and one employee of the company during his visit on the web site.

Access to technology

Thoroughly the access to technology refers to both the internet penetration degree and the spread of the computers and specialized knowledge.

As long as a site of electronic commerce will be accessible only to persons who at least know to launch the browser and type the web address most of the potential customers will prefer the next to corner shop.

Besides this although 200 millions of users of internet services, figure registered today, seems to be important it is not as important as it seems considering the population of the earth counting 6 milliards of inhabitants. In Romania the 400 thousands of users represent a small number in comparison with the population of 22 millions of inhabitants.

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