

A Pragmatic Approach to handle barriers and challenges of E-Commerce in current Business Environment

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ABSTRACT

Electronic commerce affects all sectors of economic life and raises a number of difficult concerns of various sectors in general, and business in particular. It entails the integration of several technological, infrastructure, commercial, and public policy factors. To maximise the advantages to the public, all of these parts must work together as seamlessly as feasible. E-commerce technologies bring unique potential and obstacles for organisations, and most crucially, e-commerce necessitates new skills and forms of industrial organisation. Business adoption hurdles to e-commerce may be classified into two categories: E-commerce is either "too complex" or "inappropriate" for the company. Thus, e-commerce allows enterprises to interact with a wider range of parties. The focus of this paper is not on comparing small and large organisations, but rather on the impediments to any business's adoption of electronic commerce. As a result, this study was launched in order to determine the actual and anticipated advantages and hurdles to adoption of e-business technology from the perspective of various enterprises. The obstacles discovered as a result of a review of diverse publications are presented and linked to past research in this field.

Keywords: *E-commerce, E-commerce Challenges, E-commerce barriers, Business Environment, Pragmatic Approach.*

[1] Introduction

The global economy's shift from an industrial focus to knowledge and information brings several possibilities and difficulties for

governments, particularly those in developing countries. This new paradigm has a substantial influence on how individuals expend their lives. Businesses' adoption of e-commerce technology has huge potential. However, much of the present e-commerce literature focuses on adoption issues from the perspective of buyers; little study has been documented from the standpoint of providers' thus far (Davies & Garcia-Sierra, 1999).

It enables firms to adapt to new markets and trade possibilities by improving sales, lowering transaction costs, and enhancing flexibility in interacting with business partners (Tan et al., 2010; Heung, 2003). Nonetheless, major barriers to e-business technology adoption continue, such as a lack of interoperability between present technological infrastructure and e-business technologies (NOIE, 2000).

However, research has shown that the contribution of SMEs to the GDP of many countries has decreased in recent years (Abernethy, 2002). While the causes for this decline are many, SMEs are striving to buck the trend by expanding into global markets. This advancement has been made possible by the introduction of electronic commerce (E-commerce) technology. E-commerce, described as "the purchasing and selling of information, products, and services through computer networks" (Kalakota and Whinston, 1997), is fundamentally altering the business environment and the way people and organisations do business. The focus of this paper is not on comparing small and large organisations, but rather on talks regarding the

hurdles to corporate adoption of e-commerce. The details then move on to a review of the research on the benefits and hurdles to e-commerce technology adoption by various sorts of enterprises. The study's major goal is to look at the impediments to e-commerce adoption in firms and the reasons for customer acceptance/non-adoption of e-commerce. The study also identifies a number of significant benefits and constraints that SME suppliers', owners, and managers should carefully evaluate when contemplating the implementation of e-commerce technology. Secondary research was conducted for the aim of this work. The primary sources were textbooks and articles. Only a few linked journal papers were examined.

[2] E-Commerce

"The use of electronic networks to exchange information, products, services, and payments for commercial and communication purposes between individuals (consumers) and businesses, between businesses themselves, between individuals themselves, within government or between the public and government, and, finally, between business and government."

E-commerce can take place using information and communication technologies : i) between corporations, ii) between firms and their consumers, and iii) between companies and government departments.

Electronic commerce, often known as e-commerce, is defined as the electronic distribution, promotion, sale, or delivery of products and services. Commercial transactions including electronic transfer of items, services, commercial information, commercial documents, or payments, as well as electronic catalogues, marketing, and advertising, are included in this definition. It includes trade uses of newer Internet and Web technologies as well as more established

technologies such as electronic data exchange (EDI). Some of these electronic commerce tools have been in use for decades. The Internet, on the other hand, promises to dramatically alter the number, type, and speed of electronic transactions for businesses in both developed and developing countries.

The best data management methods include data collection, data access, and data integrity, for finding, forming, and keeping productive connections with customers, business partners, and workers. The best practises in analytical capabilities which includes the ability to evaluate customers and partners on any given business statistic as well as the ability to rank certain business rules in order of relevance depending on data. The best communication tools available are online portals, teleservices, marketing collateral, and cellular communications. While these technologies are accessible on their own, the rise of E-commerce technology implies integrating them together in the most effective way to manage, facilitate, and satisfy business regulations. E-commerce has the potential to offer more value to firms and customers in developing nations than it does to wealthy countries. Nonetheless, most firms in developing countries have failed to realise the benefits of contemporary information and communication technology (ICTs).

This paper intends to address a research gap by gaining better knowledge of e-commerce constraints in developing nations and illuminating successful e-business strategies. To do this, we draw on the literature to provide a model of e-commerce hurdles in the developing world, as well as an illustration of a competitive business model used to overcome some of the barriers. The approach is discussed first in the remainder of the text. Following that, the pertinent literature on e-commerce in developing nations is evaluated. Then, we present a case study of a competitive

business model used by Thamel.com, a Nepalese e-commerce company. It is followed by a case discussion. The last section concludes and discusses the ramifications. We examine e-commerce hurdles via the lens of three negative feedback systems: economic, social, and cognitive. While the economic and socio-political components are largely concerned with environmental variables, the cognitive component is concerned with organisational and individual activities. The cognitive component may play a more important role in the initial adoption of e-commerce in underdeveloped nations. Environmental considerations are becoming increasingly important when firms adopt sophisticated e-commerce processes.

Literature Review on E-Commerce Business Environment:

Hadjimanolis is still in use in today's SMEs. Tambini (1999) and Eid et al (2002) discovered that SME managers are still not convinced that E-commerce is appropriate for the products or services that their companies provide. According to research by Bakos and Brynjolfsson (2000), Sawhney and Zabin (2002), and Merhtens et al (2001), there is still a reluctance among SME managers to adapt their operations to the criteria and expectations imposed by E-commerce participation. According to Bakos and Brynjolfsson (2000) and Kulmala et al (2002), many SMEs believe that E-commerce does not fit their present client mix, however Chau and Hui (2001) find that many respondents do not perceive any benefit to implementing E-commerce in their operations. Other impediments identified in the literature include a stated lack of technical know-how (Mirchandani&Motwani, 2001), security issues (Oxley & Yeung, 2001; Reimenschneider& McKinney, 2001), and cost concerns (Oxley & Yeung, 2001; Reimenschneider& McKinney, 2001). (Ratnasingham, 2000; Reimenschneider& McKinney, 2001).

The Technology-Organization-Environment Framework is the theoretical paradigm that supports this research (TOE). This model was created by Tornatzky and Fleisher (1990). It has the technology context, the organisational context, and the external environment context, all of which are addressed in detail in the further sections of this paper.

Some of the internal variables in companies, which are also important for success, are provided by the organisational context. The size and structure of the supplied organisations are two of the most important organisational elements. Other elements include the business's communication mechanism, top-level support, staff expertise, and the availability of resources inside the organisation (Tornatzky and Fleisher, 1990). All of these factors can be argued to have an impact on the performance of ecommerce firms.

The external environment is the arena in which enterprises conduct their operations. Pressure from trade partners such as consumers and suppliers, as well as other competitive challenges, are the two main environmental pressures that e-commerce enterprises encounter (Tornatzky and Fleisher, 1990). A key external environmental issue is the fierce rivalry inside the environment in which the enterprises operate. These factors also have an impact on the performance of ecommerce enterprises. As a result, firms should investigate all external environmental issues and ensure that suitable countermeasures are in place to mitigate any negative consequences.

Various researchers have conducted various studies, and they have offered a number of variables that are regarded as extremely crucial for the success of ecommerce. According to a research conducted by Hasan and Saidul (2010), companies in the

Ecommerce market must provide value in terms of convenience, information value, disintermediation, pricing, and choice. A separate research by Nanekaran (2013) stated that participants in the Ecommerce business should make a strong emphasis on specialised markets.

According to Abbasi, Sarlak, Ghorbani, and Esfanjani (2010), companies in the ecommerce market should retain flexibility. The researchers go on to say that the players should be regionally segmented. According to Abdul and Counsell (2012), ecommerce enterprises should invest in appropriate technology. This will play a significant part in improving customer service as well as increasing the degree of efficiency in the operations of the offered company.

According to AlGhamdi, Drew, and Al-Ghaith (2011), online organisations should aspire to provide great customer service. Customers' retention will improve as a result of this. It will also encourage customers to suggest their friends, increasing the firms' market share. As a result, the profitability of ecommerce enterprises increases. According to AlGhamdi, Nguyen, and Jones (2013), ecommerce players should endeavour to comprehend Internet culture. This will teach them the dos and don'ts of conducting particular company operations, such as digital marketing.

According to Hasan and Saidul (2010), ecommerce firms, like any other, must guarantee that they have strong leadership in place. Highly effective leadership is critical to a company's overall success. The researcher also emphasised the need of firms utilising the appropriate technology. They should employ processes that are very successful in achieving commercial advantages. Ecommerce enterprises must also consider security issues (Hasan & Saidul, 2010). The participants must guarantee that businesses and their consumers

are safeguarded against online fraud, which has grown so prevalent in recent years. They should have several processes in place to safely guide ecommerce transactions.

According to Dong-Jenn, Dai-Hsu, and Liu (2012), ecommerce enterprises should have very severe security procedures in place to defend themselves from dangers such as credit card theft. If this is not done, they risk undermining consumer trust, which can have an impact on company performance. Gilaninia, Danesh, Amiri, Mousavian, and Eskandarpour (2011) proposed a number of strategies that e-commerce firms could implement to increase their performance. The majority of the recommendations made by the researchers focused on operational elements of the firm. It primarily highlighted that the employment of the appropriate technology may assure the smooth functioning of ecommerce enterprises, resulting in major improvements in the businesses.

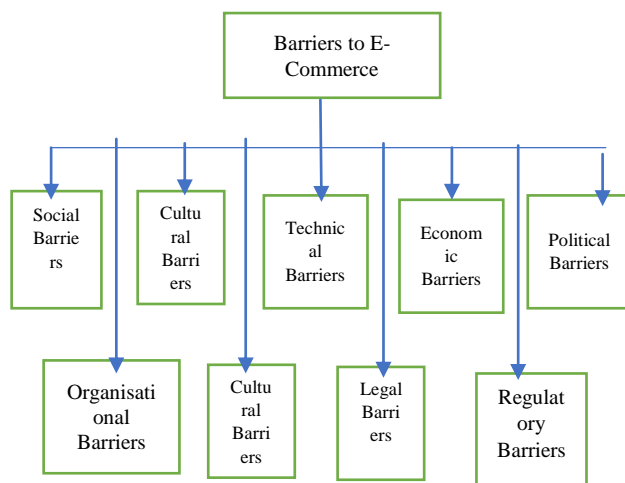
Similarly, Barua et al. (2000) propose eight essential success factors for ecommerce. These include customer-oriented IT systems, system integration, supply-oriented technologies, international operation of the technologies utilised, efficacy of customer-related operations, and effectiveness of supplier-related processes, supplier e-business readiness, and customer e-business readiness. According to Karakaya and Stark (2013), industry participants must devise extremely effective techniques to govern the operations of ecommerce enterprises. This comprises developing highly effective strategies, formulating the offered strategies, and ensuring that they operate toward the accomplishment of the firms' aims and objectives.

Shah, Okeke, and Ahmed (2013) propose developing highly successful marketing techniques. They say that pricing systems

should be particularly effective in achieving company objectives. According to Shahibi and Fakeh (2011), another critical component for the success of ecommerce firms is the deployment of a highly effective website.

Barriers to E-Commerce

The technical environment provides a variety of technologies that participants in the Ecommerce business can employ. These might include both market-available technology and the present equipment of the company. Before industry participants may decide to employ a certain technology, it must be available in the market. At the same time, the provided technologies must be compatible with those currently in use by the firm. Previous research on the elements influencing the performance of ecommerce enterprises has found that the technologies utilised have a significant impact on the success of Ecommerce businesses.



Challenges of E-Commerce

[1] Security : It is critical for the development of e-commerce to create an atmosphere in which customers may feel safe when using e-commerce. In particular, steps should be done to avoid causing problems for customers, and dispute resolution mechanisms should be established if problems arise.

[2] Personal Information : A framework shall be prepared to ensure that people can use advanced information and telecommunications networks without feeling uneasy, by ensuring

the protection of personal information while giving due consideration to the usefulness of itself, i.e. preparation of the basic regulatory framework for the protection of personal information and preparation of the law on the protection of personal information by sector, including the telecommunications sector.

[3] Data : For the rise of e-commerce, it is critical to create an atmosphere in which customers can use IT with confidence. This includes assuring consumer safety. As a result, it is critical in the sphere of e-commerce that this aim is pursued willingly by private-sector enterprises. In contrast, the government must establish consumer protection measures in response to the growing number of problems that customers face while doing e-commerce transactions. The government must also supply customers with helpful information and enhance their awareness.

[4] Disputes : It is critical to foster customer trust in e-commerce by developing a system that allows consumers to select the most beneficial dispute resolution procedure from a menu of possibilities in the case of a disagreement. Efforts will be made to create an atmosphere conducive to the development of easy yet diverse ADR in order to reduce the burden on consumers at a time when international disputes and disputes requiring in-depth knowledge of IT skills are on the rise.

[5] Checkout : The top reasons customers abandon the checkout process, according to surveys, are: hidden charges at checkout, having to register to buy, the customer was simply comparison shopping, shipping charges were too high, the customer did not have time to complete the checkout, and the product was out of stock.

[6] Search : Customers might soon get disappointed if they cannot locate the specific business and product that they want. Customers may abandon a store with poorly thought out categories or a lack of a search function.

[7] Intangibility : It is significantly more probable that the goods or service you purchase from an anonymous organisation would be of poor quality. Shopping online is too impersonal. People like to touch and feel what they are buying, and half the joy is in the out-of-home experience, which is not accessible in the shop-from-your-home/chain e-commerce paradigm. You take the chance of purchasing a "small-rickets" item, only to discover that the gateway that sold you the piece has closed down or adopted a new avatar.

[8] Trust : It is critical for internet businesses to build trusted connections with their clients, just as it is in the real world, where firms guarantee that customers know who they are. However, trust is difficult to develop since organisations attempting to establish an online presence have a degree of anonymity.

[9] Communication : The only way to do business in other cultures is to become a part of them. Language is quite significant in this sense. You should give local language versions of your website as the initial step. There are software solutions available that can translate your website's content into many languages. Some websites translate all of their pages, however if the website is particularly huge, the translation effort might be more selective. From a translation standpoint, the home page, pages connected to marketing and product information, or pages relating to any local interest/advertisement are usually given more importance.

[10] Infrastructure : Internet infrastructure consists of computers and software that are linked to the internet, as well as communication networks that allow data packets to flow. The telecommunications business is either controlled by the government or severely regulated by the government in many countries of the world. Government control or laws have slowed infrastructure expansion to the point that it can

no longer completely sustain internet data flow.

Conclusion

The goal of ecommerce is to enhance how businesses work internally and how they serve their consumers. Ecommerce is much more than a tool for increasing the cost-quality of company offerings. The fast proliferation of the Internet as a low-cost business medium has raised awareness of electronic commerce, attracting enterprises to invest in various sorts of e-business technology. However, reaping the benefits of these technologies is not straightforward since firms must overcome several challenges connected with their implementation. There is no playing field that does not include additional impediments. Any new set of hurdles may be conquered with the right instrument. While huge firms may bring tremendous financial resources to bear in assisting smaller e-Commerce enterprises in removing hurdles and establishing new ones, one does not need to outspend giant corporations to level the playing field. The current study investigates the problem of Lack of trust, a lack of infrastructure; language and culture are all barriers to international ecommerce. Trust is a major hurdle to e-commerce adoption. Barriers may be overcome with the right e-Commerce platform and some simple tactics. A combination of government measures and private sector cooperation can result in a threshold level of electronic commerce participation that will help developing nations in a variety of ways.

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