

MERITS AND DEMERITS OF E - COMMERCE

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What is E-Commerce?

Now-a-days E-Commerce is accepted as one of the methods to do commerce. Doing commerce through internet and its allied facilities is referred to as Electronic Commerce and in short form it is called E-Commerce. E-Commerce is made possible through the buzzwords like internet, world wide web (W W W) etc., The business transactions are conducted electronically through computer linked to internet.

Ordinary Commerce and E-Commerce

In ordinary commerce, people entering into business dealing get in touch with each other either personally or through correspondence - by exchange of letters while in E-Commerce the business contacts are made only through computers connected to internet. There is no person to person contact in the ordinary sense except through computers connected to internet. Communication between people can be possible instantly through computers.

In general, E-Commerce comprises the following broad types of activities/segments.

- * Business - to - Business
- * Business - to - Consumers.
- * Business - to - Government
- * Intra - Organisational.

Of the four segments, business - to - business is currently the biggest one. E-Commerce which is ideally suited for some types of products and services, can take two forms; First Direct E-Commerce where product/service viz., music or professional legal advice is delivered to the buyer electronically. Second the Indirect E-Commerce where the product is ordered on the net but is delivered in the normal way.

Under E-Commerce, business message/information like product/service details, terms and conditions of sale etc., are provided through internet. The distinct feature is that the parties to the business transactions make the contacts/communications through internet. Even payments are also made electronically by special arrangements made through banks. The only physical delivery of goods and services are left out of internet commerce.

E-Commerce is thus a new way of conducting, managing and executing business transactions and services through electronic media and net-works. It is a modern methodology that addresses the needs of

organisations, consumers, banks and financial institutions to reduce costs while improving the quality of goods and services.

Merits of E-Commerce

There are several merits of E-Commerce but most important of them are summarised below.

1. **Global Market:** E-Commerce provides a virtual global distribution market place. Internet is used by millions of people throughout the world and therefore, conducting of business through this new system is unlimited and endless.
2. **Inventory Costs:** E-Commerce helps to minimise inventory costs many times by adopting just-in-time systems. It also enhances the firm's ability to forecast demand of an industry more accurately.
3. **Consumer Service:** It is known fact that the cost incurred towards customer and after sale services generally account for not less than 10% of the operating costs. Under E-Commerce, many of the services be put on-line alongwith improvement in product/service in quality.
4. **Distribution period:** Under E-Commerce, the customers place orders immediately on the net and goods are delivered under normal way. This leads to the reduction of distribution period while comparing with ordinary commerce. A study reveals that under E-Commerce, the time needed to process orders of customers declined by ranging from 50% to 96%.
5. **Easy Reach:** With the help of Internet small and medium size companies get an opportunity to provide information on its products and services to all the potential customers in the world over with a minimum cost.
6. **Direct Link:** Through internet, companies can establish a direct link to customers and critical suppliers or distributors to complete transactions or communicate trade information more easily. A company can bypass retailers or distributors and sell directly to the customers.
7. **Customer loyalty:** Companies can build direct connections with customers and personalise interactions and build customer loyalty. They can tailor the information and options according to the needs of the customers.

8. **Introduction of new products and Services:** It is easy for a company to introduce new products and services inexpensively through internet at global level. This is possible by displacing marketing and service costs.

Demerits of E-Commerce

There is no system free from drawbacks/risks. Similarly the following are some of the demerits of E-Commerce.

1. The Internet becomes an open network. It is a pity that information through internet is vulnerable at many points.
2. In E-Commerce, some one other than the intended recipient (third party) reads sender's message.
3. There is a strong scope for forgery

i.e., some one sends message in others' names.

4. Under E-Commerce, it is possible that some one intercepts the mail, changes it and sends it to its original destination.
5. There is absence of uniform laws and regulations to ensure the integrity and confidentiality of transactions through internet.
6. There is no appropriate mechanism for settlement of disputes arising out of E-business, protection of intellectual property rights, prevention of cyber frauds/crimes, institution of quality of standards, business ethics etc.,
7. There is a lacuna in the promotion of mutual confidence and trust among people effecting commercial dealings through internet.

Conclusion

The E-Commerce at global level depends upon global information and telecommunication network of countries. In future the development of electronics and telecommunication will largely depend upon growth of Internet and its allied services. Internet based E-Commerce is poised for growth. It is absolutely necessary that Indian Industry gets ready to do business in this medium. It is equally necessary that the Government takes all steps to put the infrastructure in place. □

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SPRAY AWAY HAY FEVER

A new spray that could revolutionise the treatment of hay fever was tested by human volunteers in the United Kingdom this summer. In the spring and summer months, the condition reaches almost epidemic proportions affecting one in five people in the UK. The new spray works by dampening down immune system response to the allergies from ryegrass, the most common source of problem for sufferers in the UK.

In contrast, conventional treatments include antihistamines and decongestants but these are of limited use as they are designed to give relief from the symptoms rather than attacking the root cause of the problem, which is the immune system's overreaction to the allergens. So, instead of taking drugs to combat the symptoms, volunteers at the Common Cold Centre Cardiff University in Wales sprayed their noses for a month with the new treatment that is designed to give protection against hay fever for the whole four-month season. The spray could be on the market within two years. *-BIS*

BETTER DESIGN FOR MEDICAL DEVICES

Lots of factors drive development of medical devices, but top of the list are the key factors of safety and effectiveness. Convenience of use by the patient - or for that matter, a doctor or a nurse - an end up as something of an afterthought. Research on this subject demonstrates widespread global dissatisfaction with much of the existing equipment.

British businesses combining the knowledge of doctors with the skills of product designers are now leading to medical products which please the eye in addition to fulfilling their primary aim of providing relief from some medical condition.

OBSTETRICIANS ON CALL

Pregnant women are receiving expert medical treatment by being linked to specialist doctors at a top London hospital via a special television-telephone link developed by BT (British Telecom) Health. The Deptford Market Women and Children's Centre in South London, where the facility is being used, is a collaboration between Guy's and St Thomas Hospital Trust, BT Health and other local agencies. Using BT's advanced integrated services digital network (ISDN) technology, the centre offers ultrasound scanning where live images are transmitted from the centre in Deptford down the telephone line to a TV screen at Guy's where the obstetricians are located. The images are accurate enough for them to make their diagnoses as precisely as if they are carrying out the examinations on site.