**An Empirical Study of Impact of Electronic Commerce on Business**

**Feroz Ahmad Baloch1 , Khan Mohammad Wafa2 and Mohammad Naeem Dost3**

1Teaching Assistant of Information Technology Departement, Computer Science Faculty, Bost University Helmand Province – Afghanistan

2Dean of Computer Science Faculty, Bost University Helmand Province – Afghanistan

3 Vice Chancellor (Academic & Student’s Affair) and Assistant Professor Department of Civil Engineering, Helmand University, Helmand Province, Afghanistan

**Abstract:**

In this paper we seek to highlight the impact and effect of E-Commerce on business. E-commerce has been detected as the activity of buying and selling products and services using the internet. The business model is designed in a way that it provides its offerings online and gives the opportunity to the customers for choosing and purchasing the desired goods. Web based business is a method for leading business over the Internet. E-commerce has changed the nature of business so quickly and extensively that where once it was revolutionary, now, it is simply evolutionary. The key objectives of the study are: to investigate the concept and impact of E-commerce and to introduce the advagated and disadvantages of E-commerce. Considering the objectives of the study mainly the effectiveness of E-commerce and the problems of traditional business which businesspersons have to face many issue constantly. As a busnissmen to enter the market in traditional way, you will indeed realized that, competition is higher than ever, innovation costs plus building and hiring your team requires massive efforts. Solving problems and to stay on top of the game, has severe financial implications for the company. For you as a startup to enter the market needs more planning and even more cost-efficient clarifications. However this paper focuses on doing sales and marketing online which can be more effective than traditional ways. At last the pupose of the paper is to follow up E-commerce considering the effectiveness in comparison to traditional business.

**Keywords**: Impact, Advantages / Disadvantages of E-Commerce, rationality and future of E-Commerce

1. **Introduction**

E-commerce is a business model that allows organizations and people to sell and buy things over the internet. With the existence of E-commerce, businesses have been given the opportunity not only to market their products and services online but also to offer the products for purchase to a huge set of consumers. Among the most powerful forces affecting the world’s economy and commerce today is the substantial increase in globalization through the use of Information and Communications Technologies (ICTs) (Kaynak et al., 2005).

Web based business significantly affects business expenses and efficiency. Web based business has an opportunity to be broadly included because of its basic applications. Electronic Commerce gives the capacity of purchasing and offering items and information on the web and other on-line benefit. Electronic trade or web based business alludes to an extensive variety of online business exercises for items and administrations (Kaur et al., 2018).

Electronic commerce plays an important role in advancing information technology as well as communication. This is particularly true in the territory of the economy. In the age of globalizing economics, many bazaars have become progressively international and competitive. Even as the covid-19 pandemic further leads industries in heavily impacted areas to insource towards local production as global trade was blocked, e-commerce can aid the economy on a local scale (Taher, 2021).

Today electronic commerce is thought of as phenomenal as its powerful concept and processes have profoundly changed the present life. For many, business electronic commerce has become a priority (Nanehkaran, 2013; Abdulaali et al., 2019).

 Electronic commerce has opened doors to business organizations. It provided them with opportunities to further improve and advance prevailing market position by delivering an inexpensive, more operational distribution sequence for their products and/or services (Abbas et al., 2021). The key objectives of the study is to investigation the concept of e-commerce, to investigation the impact of e-commerce, to introduce the advantage and disadvantage of e-commerce and to study the future of e-commerce.

1. **Materials and Method**

This paper entitled ‘‘An Empirical study of Impact of Electronic Commerce on Business’’ is a review paper which is based on secondary data, conducted in 2022. Overall, the paper briefly outlines the impact of electronic commerce on business and its benefits in our daily business. The paper is mostly concerned the introduction and importance of e-commerce to the highly business organizations in order to consider them for maximum profits. It is a library research which focuses on various aspects of E- commerce and the sources of secondary data used in this paper is from well-known Journals, books, data bases and websites. This is a quantitive and descriptive type of research. The method used for data collection is based on creditable, reputable and reliable papers which has highly importance for the readers. In this study, cross sectional or one shot research design was applied for data collection.

1. **Results and Discussion**

**The Definitions of E-Commerce:**

e-commerce refers to different online commercial activities focusing on commodity exchanges by electronic means, internet in particular, by companies, enterprises, factories, industrial undertakings and consumers.

The following are definitions given by transnational corporations Intel, IBM and HP respectively

IBM: E-commerce = information technology + web + business

Intel: E-commerce = electronic market + electronic trade + electronic service

HP: E-commerce is to accomplish commercial business by electronic means.

**Electronic Commerce:**

For many businesses, electronic commerce means using the Internet as a spreading channel to market and sell goods and services to the customer. This narrow definition really defines only Internet commerce. Electronic commerce is much broader in what it encompasses. According to Malcolm Frank, V. P. Marketing, Cambridge Technology Partners, electronic commerce is the electronic exchange of information, goods, services, and payments and includes the creation and maintenance of Web-based relations. Therefore, E.C. includes, but is not limited to, the Internet, intranets, extranets, electronic data interchange (EDI), and others. Examples of electronic commerce include transaction processing with electronic payment, coordination with business partners such as inventory management, customer self-service such as tracking order status and researching problem resolution, and using a corporate intranet for ubiquitous information distribution.

**Benefits of E-Commerce to Business:**

1. Operational Cost Savings - The expense of making, preparing, distributing, storing and recovering paper-based information has diminished.
2. International Marketplace - What used to be a solitary physical market place located in a topographical territory has now turned into a borderless market place including national and global markets? By getting to be e-commerce enabled, businesses currently approach individuals all around the globe. In effect all online business businesses have turned out to be virtual multinational corporations.
3. Mass Customization - E-business has reformed the way consumers buy merchandise and ventures. The preparing takes into account items and services to be tweaked to the client's necessities. In the past when Ford originally began making engine autos, clients could have any shading so long as it was dark. Presently clients can configure an auto as per their specifications inside minutes on-line by means of the www.ford.com site.
4. Lower Telecommunications Cost - The Internet is significantly less expensive than value added systems (VANs) which depended on renting phone lines for the sole utilization of the association and its approved accomplices. It is additionally less expensive to send a fax or email through the Internet than direct dialing site (Kaur et al., 2018).

**Benefits to the Customers:**

Mass customization is used for some time now (Pine, 1993); it deeds to create definite products for each customer, based on his/her exact requirements. Customization that create specific products for the customers can now be possible for the information bank of electronic commerce. In the future, electronic commerce links between customers and suppliers will suppress the need for an infrastructure to collect customer data and this will allow customers to do it from thier homes, office or on the road. This direct link will also allows the supplier, to collect detailed data on customer profiles, their needs and patterns of buying (Igwe and Egbo, 2014).

**Benefits of E-Commerce to Society:**

a) It enables more Flexible Working Practices: This improves the personal satisfaction for an entire host of individuals in the society and empowering them to telecommute. Not only is this more beneficial and provides more pleased and less upsetting working environments. It moreover possibly declines ecological contamination by way of fewer individuals need to make a trip to work commonly.

b) Connects People: It Enables individuals in generating nations and rustic are as to appreciate and achieve to items as well as administrations, information and also other individuals that otherwise would not be so effectively reachable to them.

c) Facilitates Supply of Public Services: For example, wellbeing administrations accessible over the Internet (on line conference with specialists and medical attendants) filing the taxes over the Internet over the Inland Revenue site (Kaur et al., 2018).

**The disadvantages of E-commerce:**

Like any other, business which there are always ups and downs. E-commerce has profits and disadvantages. Running this kind of business, has challenges either. However, awareness of such challenges will support people in charge of this business avoid common consequences. The e-commerce downsides can be classified into two main categories: technical and nontechnical (Taher, 2021).

**Non-technical disadvantage:**

 **Inability to test items first-hand before buying:**

 one of the most common problems faced, while shopping online. With this kind of shopping, customers are not able to try item before getting them (Al‐Abrrow et al., 2020). In another sense, e-commerce takes away a critical part of the procurements process which is testing the product. Videos that are promoting the products might have been made, in a very professional and undoubted way, but still several customers are hesitant and uncertain to buy any item which they have not tested and seen before. This is so due to the fact which many customers, do not see a real assurance of the product quality.

**Lack of the personal touch:**

E-commerce, is missing one of the factors which many customers consider to be important, that is the personal touch. In other words, some of the consumers need to feel the intimate experience from the physically going to store and interrelating, with sales assistants. Thus, with the online shopping, there isn’t place for the new relationships to be born ( Al-Abbrow et al., 2019).

 **Delay in delivery:**

 Waiting for the product is one of the online shopping structures, which results into a problem. If customers did not have enough patience. Shopping online means, to wait up to one week or sometimes more than that in oder to have your order in your hands. The satisfaction anyone gets it while doing real shopping is always delayed while shopping online, which customers do not hold the physical item in their hands for a while after the procurement (Bhasin, 2019).

**Cost and product feature comparison:**

Through the cyber shopping, buyers can associate with several items and buy the cheapest cost. While shoppers, love being able to compare the prices, providers catch it too restrictive as many prices are eliminated from suggested and recommended items based on the price range the customer set it.

**Damage during the Transportation and Delivery:**

 The product which is bought online can be damaged and spoiled during delivery.

**Restricted Consumer Services:** In the case which a consumer has any enquiries about a convinced item, in a physical shop, the assistant and the cashier or even the store manager, all are ready to help. In dissimilarity, the customer service on the ecommerce websites, can be restricted, the site may only offer services at a definite work schedule and sometimes a call to the consumer services division may place the consumer on callhold for a long time ( Alnoor et al., 2020).

**Technical Disadvantages:**

 **Security Issue:**

the Cyber security is a worldwide issue which needs to get resolved. Ultimately, the lack of consistent security systems creates a risky experience for the customers shopping online. In recent years, the world has observed a number of reputable organizations and international businesses falling targets of scammers, that steal consumer data from their databank. This could result in lawful and monetary assertions. Similarly, it also distorts the confidence that took years to be built between the customers, and their providers.

**Need for Internet Connection:**

 Connectivity to the web and online access is required for the contribution of customers in online shopping. They also necessitate devices whivh connect to the Net (Bhasin, 2019).

**Software development:**

Software is regularly being developed and adapted. This poses the limitations, on online mpanies. For example, it requires companies to constantly, update the software and hardware that required to support the development of the software.

**The Impact of Electronic Commerce on Business:**

The most effective impact of E-Commerce on business, probably has been the comfort of business steadiness in the face of a global pandemic which has otherwise led to the closure of businesses, regardless of industry or size. Thanks to the suitability offered by online shopping and selling, it was the business as usual. In spite of national lockdowns almost all over the world. The scope of e-commerce is positively huge and we can understand it from the fact which e-commerce sales crossed 850 billion USD last year, 2020 and worldwide, it’s expected to come closer to 5 trillion USD by the end of 2021.

E-Business and Online business are not entirely the Internet sites or the website organizations. It is about the another business idea which incorporates all the past business management, and financial ideas. As such E-Business and E-Commerce impact on the numerous territories of business and controls of business management intends.

 1. Management Information Systems: Analysing the structure and usage of e-business systems inside an connotation, issues of reconciliation of front-end, and back-end systems.

 2. Human Resource Management: The issues of on-line enlisting, home working and 'Ambitious innovators' takes a shot at an undertaking by task premise supplanting long-lasting representatives.

3. Finance and Accounting: On the line keeping money, issues of exchange costs, accounting and auditing allegations which 'elusive' resources and human capital must be substantially esteemed in an unquestionably learning based economy.

4. Economics: The impact of web based, business on nearby and universal economies, understanding the ideas of an progressive and learning based economy and how this fits into monetary hypothesis.

 5. Production and Operations Management: The impact of on-line making has prompted compact cycle times. It also takes seconds, to carry digitized items and administrations electronically, relatively the ideal opportunity for making requests can be reduced by more than 90 percent from days to minutes. Cohort systems are incorporated with finance marketing and other useful systems and with business assistants and clients (Kaur et al., 2018).

**Future E-Commerce Systems:**

E-commerce systems architecture plays essential role in envisioning Omni channel systems, of the future. As the fundamentals of EC systems software architectural requirements, the current elements and quality of the systems are still predominant. Interloper capability and decentralization, of systems will however necessitate the relationships among systems, to advance. As systems processes remain omnipresent with unique innovative abilities for seeing improvements to supporting services developed to consumer, supply chain, business and initiative systems is vital.

Current e-commerce systems policy automation, through IoT and AI capabilities, such as, wearables, AR, Intelligent agents, machine learning, cognitive and autonomous computing advance, improvements in e-commerce customer, experiences and supply chain visibility foresees developments across businesses. At the top of every organization, list is to be solved the issue of last mile methodology i.e. the unified process of end-to-end delivery in the supply chain.

Development of systems expect autonomous systems, to play a critical role in delivery integrate and interoperate to furnish the supply chain demand. Functional of the fourth industrial revolution, the evolution of marketable systems demand interconnection, technical assisting systems, information transparency and decentralized decision making for withstand ability of electronic commercial systems. Therefore, foreseeing commercial innovative solutions, requires seamless, and interoperable solutions that are accepted throughout the commercial ecosystem. This detain demand high network connectivity speed, mountable communication between systems and devices, in storage and architecture and decentralization, of transaction process (Mohdhar and Shaalan, 2021).

**Conclusion**

With the advent of modern technology, we need to keep our daily business up to date with the latest technology to make our business more efficient and profitable. With these technologies we can do our business online and in less time we can do our business flourish. We can conduct e-commerce through the various website and online applications from any part of the world. With e-commerce we can buy and sell merchandise with other countries and in the country we can sell our merchandise online to our customers. Organizations have been able to attain various opportunities and benefits on which they have optimized to attain a good position and image in the market place. e-commerce prevents the additional costs in our business. My advice to my countrymen is to use new modern technologies on their business to bring better services to our people. Along with several advantages, firms also face certain limitations and challenges related to implementing Ecommerce. When we use e-commerce technology so we should pay attention to the security of our business website or business application to prevent the cyberattacks. e-commerce refers to different online commercial activities focusing on commodity exchanges by electronic means. For many businesses, electronic commerce means using the Internet as a spreading channel to market and sell goods and services to the customer. The benefits if E-Commerce involved, operational cost savings, international marketplace, mass customization and lower telecommunications cost in spite, E-Commerce provide benefits to the Society either such as It enables more flexible working practices, connects people and facilitates supply of Public Services however E-Commerce has some disadvantages like lack of the personal touch, delay in delivery, cost and product feature comparison and product damage during the transportation and delivery. Considering the advantages and disadvantages I would like to recommend the businesspersons to go for it because E-Commerce has many benefits and also play an essential role in modern economy and development.

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