



A Review of Ecommerce Competitive Advantages in International Trade

Fahimeh Rahimzadeh¹ and Mohammad Heydari^{1*}

*1*Management Department, Naragh Branch, Islamic Azad University, Naragh, Iran

Original Article:

Received 30 May. 2017 Accepted 20 Sep. 2017 Published 17 Nov. 2017

ABSTRACT

Since the commencement of the internet revolution, many organizations have attempted to seize and utilize the opportunities it offers. The internet market has become a commonplace business and contributes to nearly 30% of the global GDP. Even though there are geographical disparities in the utilization of ecommerce, the role and benefits of electronic commerce in economic activity and in trade across the globe is quantitatively and qualitatively substantial. In this paper, the objective is to critically review, the electronic commerce in international trade in emerging economies. We specifically investigate the influence of ecommerce on the international global consumer by critically reflecting on its advantages and disadvantages.

Keyword:

Ecommerce,
globalization, theory,
internet network

* Corresponding author: **Mohammad Heydar**

Peer review under responsibility of **UCT Journal of Management and Accounting Studies**

Introduction

With the development of technology and globalization, there is a visible trend of increasing number of shops online and this has brought significant improvement to international trade. Electronic commerce is a new form of buying goods or services which is over the internet without an intermediary. It is the new shift in the concept of shopping across the globe and is both a process of human nature and a flow with operation. The basic process of ecommerce is searching goods, selecting products, making payment, product delivery from different parts of the world. Due to its technological and geographical necessities, ecommerce requires consumers to have access to internet network and a modicum of global business knowledge. In general, the middle class in emerging markets is one group that uses computers with high frequency hence internet shopping has become indispensable in their daily lives. There is no denying the fact that ecommerce has enjoyed wide popularity by young adults these years nevertheless, ecommerce also has its demerits hence some customers still prefer shopping in local stores. This review investigates the influence of ecommerce on consumers by critically reflecting on its advantages and disadvantages.

Theoretical Framework for Ecommerce

Existing literature on the consumer behaviour have already provided a strong basis for which online consumption pattern have been analysed. This position is well articulated in the study of Zhu and Kraemer (2012) who compared the provision of the consumption value theory, the utilitarian consumption value, the uses and gratification theory, the social cognitive theory and the technology adoption theory to explain the trend growing trend in the internet usage in most parts of the world. In explaining the pattern of ecommerce by appealing to the Sheth et al' (2015) consumption value theory Bélanger et al (2012) explains that five major values which affect customers decision to shop online in the same way as they affect their decision to shop offline.

These are the functional values which examine the extent to which customers believe that they can get good and quality and functionally superior product from the internet, the emotional value of shopping on the internet, the social value that is accompanied by shopping on the internet, the epistemic values as well as the conditional values.

Explaining further what is meant by the above Bellman et al (2016) explain that some people consider shopping on the internet as emotionally engaging as its interactive nature makes people emotionally attracted to the internet. More recent studies that have been done on the Facebook advertisement even suggested that several people have become addicted to Facebook and other social networking sites to the point that they view any product that is advertised on it as one that agrees with their life preferences

and choices hence become loyal to such a product. Bin (2013) explain that emotional marketing strategies which have recently become very key components of strategies marketing have all developed as result of the emotional value which customers are attaching to product purchase such as online marketing It is the reason why certain online platforms have developed loyalty and interactive component of their operation to constantly engage customers so that they become continuously align with their brand.

According to Chan & Lau (2011) there are many people who think using the online purchasing system comes with some great degree of social value particularly in countries where offline shopping remains an important part of the social system and where online marketing has not developed very well. Conditional factors may be related to the convenience and the speed with which the internet shop can address the situational challenges of customers.

Bandura's (2015) Social Cognitive Theory has also in several ways been used to explain consumption behaviour online. In the opinion of Goh (2015) online consumption decision and pattern are generally influenced by personality factors as well as environmental conditions. The environmental condition has to do with the political, economic, socio-cultural technology and legal and physical environmental conditions within which an individual has been oriented (Goh, 2015).

As far as the political and environmental condition are concern, Haley (2012) explains that customers may be prevented from accessing all websites or even using the whole system for transaction purposes altogether due to legal and political policies. For example, until recently China and Cuba has policies that were directly opposed to the use of platforms such as Facebook and yahoo and other international platforms to make business dealing and promoted their own forms of online business practices which were limited to China and other nearby countries (Kennedy, 2000). Even in Cuba it was completely illegal to make use of yahoo and its allied business activities since the law frowned on accessing such global platforms for security reasons. In the opinions of Childers, et al (2011) it is not only in respect of the suppression in the use of ecommerce sites which is a barrier or a hindrance but sometimes effective regulatory framework can hamper or enhance its usage.

This view is also shared by Kennedy (2016) whose investigation in some part of South Korea, Africa and Canada in longitudinal research revealed that many people do not use online shops because they do not believe in the system, they do not feel protected by the laws but that is in sharp contrast to the case in the UK where laws such as the Data Protection Act 2015, the Consumer Protection (Distance Selling) Regulations 2000, the Electronic Commerce (EC Directive) Regulations 2012, the Electronic

Signatures Regulations 2012, the Privacy and Electronic Communications (EC Directive) Regulations 2013, and the Payment Services Regulations (2016) that have been passed to streamline and regulate online business practices also encourages several people to use online services (Kennedy, 2016).

Even in the case of UK, Bellman, et al (2016) has found out that the lack of or the difficulty in enforcing such laws especially in trading arrangements that are carried over different jurisdictions remains a major deterrent for people who want to do genuine business on the internet

This directly link ups with the level of technological development of the nation. In most parts of Africa where technology and even internet services have not reached, there is little emphasis on ecommerce services (Kennedy, 2016). People are either not aware or where they are aware they do not have easy accessibility to the internet either because it is far away from them or it is expensive to use internet services in that country or area. In that respect because of technology constraints at where an individual is located, it can determine the extent to which that person will be a patron of internet shopping or not. Economic conditions are also important factors which Bandura claims affect customer's decision making (Bandura, 2000).

While some people consider online platforms as less expensive in view of the convenient and cheap for the fact that it helps them to save time from the commuting from shop to shop, there are other people who consider accessibility to internet and maintenance of a computer as very expensive hence will prefer going to the market themselves to buy.

Social cultural factors have been indirectly used to explain why certain people will prefer to buy product or online while others will not desire to provide. Culture as explained by Hofstede (2000) involves differences in people's orientation arising out of their own experiences, the orientation, challenges, believes, religious notions, attitudes, conception of the universe and other things which they have acquired by virtue of their membership of a particular society and other important factors. Hofstede (2011) further explains that Chinese have a culture that is very high on uncertainty avoidance which means that they take some time before they accept new things and uncertainty even while others are very exploratory and are willing to withstand surprising tendencies and unstructured situations. Most of the time people who have been oriented with high uncertainty avoidance culture may have limited trust in things they have not seen before they commit resources into them hence will want to have a physical encounter with the product before they make a choice of their product (Hofstede, 2011).

Similar studies have also been done to identify the differences which different gender classes and generational differences have when it comes to accessibility and interest in online banking and shopping. Uses and gratification

theory have had been used to explain why some people have some good attitude toward online purchases while others do not have. In the view of Foucault & Scheufele (2012) people are go beyond merely becoming passive consumers to become very active participants. They are very serious and conscious in the interpretation and integration of the media into their own lives. For this reason, uses and gratification theory suggest that that customers being responsible choose media platforms that meet their needs. This therefore suggests that customers will only make use of the media to fulfill specific gratifications (Foucault & Scheufele, 2012).

This theory would then imply that the media compete against other information sources for viewers' gratification. There are people who do not get the desired gratification from the use of certain media while others also get and that accounts for differences in the choice of media platforms which they use. For such people who have gratification for information generated by internet, they are more likely to have interest in ecommerce while those who do not will also do others. The last theoretical exposition that has been done as far as the case of customer usage of internet marketing opportunities is in relation to the technology adoption theory by Rogers (2015). According to Roger (2015) customer and people in general have their own rate of adoption of technology or the rate at which people adopt to technology are not the same across people. Roger identifies five main categories of people when it comes to the adoption of technology.

These are innovators which are usually few but largely more educated, more prosperous and more risk-oriented (Goldsmith & Goldsmith, 2012). As far as online marketing or shopping is concerned these will be the very first people to be involved in ecommerce due to their interest in technology. This is followed by the early adopters which are generally younger, more educated, tended to be community leaders (Goldsmith & Goldsmith, 2012). The next categories of users that adopt technology are the early majority.

These are generally more conservative but open to new ideas, active in community and influence to neighbors and they will be followed by the late majority who are older, less educated, fairly conservative and less socially active and the finally the laggards. Roger (2015) explains the laggards as very conservative, had small farms and capital, oldest and least educated. Depending on the location of the individual as far as innovation or technology adoption is concerned that person will have different appreciation level for online marketing and shopping. Among students all of the following class of people can be located as explained by Goldsmith & Goldsmith (2015) in a research amount university student.

Empirical Studies on Internet Usage

In real life marketing a number of primary researches have been collected to agree or support the view of literature as far as customer choice of online marketing is concerned in the study by George (2012) his focus was in making a comparative study in Britain and China where he sought to find out the specific category of people who are actually interested in ecommerce. The first demographic feature that was examined was gender. It came out that both men and women are equally attracted to shop online although more men were seen to frequent online shops. In that same research where the respondents were within the age range of 18 and 50 they were asked about their shopping experience online and it was disclosed further that those who were between the ages of 18 to 25 years old were more attracted to ecommerce than those who were over 25 years old although all of them were very much interested in shopping. It was also very significant to have noticed that irrespective of the income status of the individual and the level of education using the internet was to them an important way by which they were carrying out modern shopping as opposed to the traditional approach (George, 2012).

Among respondents in a research in Shanghai it was noted by Childers, et al (2011) that the most common website (consumer to consumer) website that is usually patronized by customers were Taobao (www.taobao.com), Amazon (www.amazon.cn), eBay (www.ebay.cn), Yiqu (www.eachnet.com), PaiPai (www.paipai.co.), Youa (youa.baidu.com) (Childers, et al, 2011). On the other hand among respondents in another research in Belgium and France it was noticed that most University students also appreciated eBay and Amazon .com more than other websites although their use of others were not in doubt. The highest ranked products that were collected by Casas, et al (2011) in UK of what customer especially young people usually buy online were diverse and they include Electric/Digital product, Dummy market (including online top up), Clothing, Sports/Outdoor products, Hairdressing/Make-up products, Clothing, accessories/Jewelry products, General merchandise/Food, Car and accessories

Jaillet (2012) studied the factors or the reasons why customers were making use of online marketing or shopping as opposed to the offline. That research identified the fact that most customers thought that online method of shopping give customer access to lower priced products, price transparency and the ability to compare product variety and other prices to make appropriate choices. Further in that respect it was also necessary for them because they could buy product at any time any place. This flexibility was also considered by Jaillet (2012) in his research as the most important for students in Dubai who also explained that the ability of ecommerce to save time and also provide

entertaining shopping environment were invaluable attractive factors to shop online. While the studies of Case et al (2000) focused on customer and ecommerce experience that of Casas, et al (2011) centered on factors that will make a customer choose a particular online supplier. In the case of the former, they observed factors such as the attractive design of the company's websites, the influence which they get from the word of mouth witness by friend and colleague and the discount that are offered by online retailers as all essential motivating factors that facilitate their choice.

Further it was also observed that some customers prefer ecommerce because of attractive adverts given on websites, adequate information that is given on the websites about a product at any time any place and the opportunity to access variety of products available on website attracts them to buying online.

When Bellman, et al (2016) asked customers about the essential concern they have when they are using the online platform for which they are careful not to use any website or any supplier, it was indicated by several of them that the major concerns are the price of product, security/Privacy (about product and transaction), variety of products available, the level of customization of product by the suppliers, the delivery on time and speed, the product quality or whether the website supplier provides after sales services. Finally the extent to which the supplier has a good reputation by measuring popularity and customer feedback will be very instrumental in making the choice.

While the above information presents some of the areas where there are potential challenges that customers may have in their ecommerce, Haubl and Trifts (2000) is very forward with his criticism of ecommerce as demonstrated by respondents in his research. He explained that customers combined about deficiency of online services in respect of inability to feel or touch the product, ordering but never receiving the product, delivery wrong quality and type of product, complex websites, internet fraud activities and others (Haque, et al, 2016). The information completely suggests that online customers are faced with consumer adoption (about risks perceived), economic risk (monetary loss, inability to return a product etc), performance Risk (fear of not getting what customer wants and privacy Risks (loss of personal information such as credit card pin etc)

Advantages of Ecommerce

Examining available literature there is a strong indication that the internet marketing platforms are very important and beneficial to both the marketers and the consumers who are engaged in this virtual market platform. According to the McGoldrick (2012) who did research among several internet marketers and shoppers, the motivation to use internet comes along with some of its major disadvantages such as the ability to reduce the cost of operations. Similarly, the

cost of using the internet has also been the reason why a number of customers have also been encouraged to change their lifestyle from shopping from the traditional market to shopping online. In terms of finance Brown et al (2013) suggest that online stores means the customers do not have to spend on transportation or the cost of parking and have the convenience of accessing different range of online stores and this provide the customers with a better trading platform to choose from. (Brown et al, 2013)

Another specific advantage for low cost budget customers as far as using the internet is concerned is that on-line shopping helps to avoid cost of entertainment that accompanies shopping in the traditional market. This position is further justified by Paolisa and Askham (2014) who laid claim to the fact that many customers are better off shopping online because generally many economies are still in a downturn and customer's purchasing power or disposable income has also reduced exceedingly. In such situation, the online platform thus provides them with the most cost effective platforms that will be able to contain their limited budgets (Barua et al, 2015). In other words with online platforms, customer are offered the opportunity to easily change their consumptions pattern in relation to changes in their economic conditions due to the array of product which it offers at relatively cheaper cost. It is also the contention of Batalia (2011) that several online marketers have also adopted measures that will fit into the specific need of the customers by reduction. For example online retailers are using different online campaigns to offer discounts and coupons in order to attract as many consumers who use ecommerce mode. Driven by an attractive price, consumers are encouraged to go after the best offers that are available online (Bhatnagar and Ghose, 2014). The use of cost-effective mode of retail online stores are able to provide consumers with the desired lifestyle in an affordable way in addition to the a wide range of product which will not be available to them if they choose to go to the traditional market due to the cost and time spent on having to move from one shop to the other. Another advantage of ecommerce is that while ecommerce gives the customers a lot of shopping option it in effect offer them array of option in term of price comparison.

This means that customers are empowered to save cost as much as possible by comparing prices and products quality and variety so that they will make the most appropriate choices. Even in these choices online platforms do not simply leave customers with little information but most online platforms provides opportunities to customers to be educated on the effective capacity of each product and how to use it. Unlike the situation where the retailers in the traditional market themselves may not know the nitty-gritty of the using a particular product, online retailing is usually from the source of production hence offers the company the most appropriate provide some education on how customers can make use of the products in order to achieve the best of

results with the products (Brown et al, 2013). In another study on the advantages of ecommerce the focus of York and Tunkel (2000) is on the convenience of shopping. They argue that man lives in an environment where it is very difficult to spend hours on shopping at the expense of very engaging or important activities. The online platforms thus solves this problem by offering customers the ability to shop and at the same time work and this relieve them of the challenges which they have to go through the traffic and their losses which they suffer. So even in terms of cost it is not only the out of pocket cost which they save but are also able to lay hold of or avoid the opportunity which cost which they will have been able to get should they opt for a traditional market platform as a result of the convenience of shopping online (Wigand, 2016) Carrying capacity is a very important advantages which online stores also provides for the customers as a result of effective and convenience of purchasing in an online store. The reason is that because the customers have maximum convenience to purchase the product or service without having to travel to meet the customer trade and carrying capacity problems are completely eliminated. Large scale buyers in particular can now buy goods in as much quantity they are looking for and all of that will be delivered to the doorstep of the customer without having to worry about carrying capacity as well as the problems that are associated with logistic transportation and other factors (Schaupp and Belanger, 2015). This means that in countries such as China and other African countries where it has been reported by Van and Van (2016) that a lot of corruption and bureaucracy goes into this these arrangement, the customer is offered the opportunity to avoid all of these social challenges and instead focus on the more essential issue of having to receive and inspect the goods and then report back to the supplier on its quality level. Many online suppliers that see internet-shop as a new one-stop shopping destination are also offering incentives to attract many customers in respect of providing the client with free shipping when they order a certain amount of products.

This also adds to the convenience of access to services. Another major issue sin convenience shopping which Lui (2015) describe in their study on China is the availability of access to online suppliers on a twenty-four hour basis. This is both advantageous to the customer and the marketer as they have equal access to each other on a permanent basis without the usual break or closure of work. While the marketer is unrestricted in selling times the shopper is also unrestricted in shopping on the basis of time. With the geographical location distribution of the world showing different time zone, it only means that the customer and the shopper can interact from different parts. In study done by Goldsmith (2012) he concedes that for many white-collar businessmen that shops only on

weekends, the weekend shopping brings unpleasant experience, such as traffic jams and crowds in the street.

With a convenient mode of shopping, these segments customers can have relaxed weekend shopping. It is the contention of Thompson (2110) that the growing popularity of online store has changed the behaviour of people's shopping and many of the traditional concepts of stores. Shopping and weekly seasonal peaks is now more evenly distributed to every households during the year with the nature of discounts on purchases online. Increased sales online retail market has also contributed to the development of multimedia and the growing demand ecommerce experience. Finally reviewing the study of Anderson (2110) on internet market, he puts out arguments in support of the fact that there is more interactivity and personalised services in online marketing rather than in the traditional market. According to him, the customer has the opportunity to be involved in the process of designing and production of the products and services and for that matter can make inputs into it.

The customer can make specific request by asking for the inclusion or exclusion of specific features of the product and further negotiate on other major elements of the marketing mix such as the mode of distribution and the prices and as well as the payment methods. The customer can have the opportunity to request specific services which may not even be available to all other people and that make the concept of personalisation a very important issue in online marketing.

Disadvantages of Online Marketing

It the argument of Barnes (2110) that despite the convenience of ecommerce and cost effective nature for many consumers there are a lot criticisms which customers and even marketers agree affect the effective capability of online stores and for that matter their services. This is not related to the seemingly slow delivery alone but the nature of the delivery of most of the online products flattens the usual excitement associated with ecommerce experience. In a study by Brown et al (2013), they demonstrated that the sense of status and social value which accompanies the traditional marketing is completely eliminated due to the absence of communication. According to Sheth et al (2015) customers do not just buy products but buy also the social and emotional value associated with product. This is particularly the case in communities which are traditionally known as high power distance communities. In that case certain people patronize certain marketers in order to identify with the social value that is associated with the pace and not for the want of the products which are there. For this reason, the internet barrier that complete cut out person encounters between the customers and the buyer affects the customer expectations, satisfaction and purchasing interest in a number of ways . It is also the contention of Thompson (2110) that in a research on many

customers in Thailand, HongKong and Oman, he noticed that along with all other features of a products customers are also equally excited in the "buying" process than the "receiving process" of the whole marketing process. Reflection on the work of Bandura (1974), the former points out the fact that consumer behaviour is shaped by the acquisition of emotion which is an important part of the motivating factors for consumer's shopping consumers. (Donthu, and Garcia, 2015) Without the support of the motivation, consumers are likely to be disappointed. Therefore the consumers' role as only actively involved in the receiving process without the active involvement in the buying and logistic process greatly reduces the shopping experience, thus the nature of online retailers cannot effectively meet consumers' real purpose of arousal.

This position is also justified in the study of Brown et al (2013) who explains that not only the experience or the emotions attached to purchases is lot but more importantly the perceived entertainment experience of shopping which is spoken of by Resnick (2015). Here the contention is that there are so many large scale sellers of basic goods, who think they will succeed on the Internet simply because they are making shopping more convenient but they end up missing the point. The reason is that online shoppers are equally interested in how lively and entertaining the website and the shop experience is through the adoption of more interactive interfaces and other inclusion which may end up adding to the cost and complexity of managing online services.

According to Resnick (2015) in the absence of experience relaxation, ecommerce is still less competitive than the traditional method of shopping. Some customers go shopping in the acquisition target, but others just want to use as a commercial way to relax and have fun. This is a disadvantage as a company may spend time to adopt more interactive measures online only for the customer to use it to entertain themselves without making any effective purchases which is the ultimate goal of all marketers.

Besides shopping, the nature of the product is a major determining factor in the feasibility or appropriateness of using the internet as a distribution point.

For many textures and materials related traditional products such as antiques and handmade crafts, the lack of sensory experience can frustrate the desired volume of sales in the online buying mode (Huang, 2013). Ecommerce's only visual and hearing experience existed as a burden for selling many types of products online.

Physical Encounter

Another major limitation or challenge which has been pointed out as affecting the credibility of the online platforms is in the study of Reinsch (2015) who argues about the lack of personalization in most online platforms

which reduces the social legitimacy of the transaction which takes place within the medium. Unlike the traditional shopping, there is a physical encounter between the customer and the marketer and this is very important to the extent that it enforces the legitimacy of the contract and an opportunity to seek clarification on all other issues which may be affecting the transactions.

With the growth in the use of the internet, these challenges have been resolved to a large extent as many suppliers are adopting measures and strategies to introduce some level of interaction through online chat system or regular exchange of mails as well as direct telephone calls. All of these are very significant and affect the way customers are appreciating the use of ecommerce methods.

Challenges with Social Issues

One of the challenges which have emerged with the popularization of the internet is the issue of social problems. Over the years, the internet has become place for all manner of activities such as such internet drug deals, adult product code and other complex crime and socially unacceptable patterns of behaviour which are creating threats. According to Allsop (2110) drugs deal which used to take place on the street has gradually been replaced with internet base drug dealings which has become more complicated for police to monitor and control. Drug trafficking is often linked to other criminal activities, which has a negative impact on the community. For this reason is finding new ways to combat online drug deals has become a major drug dealing target in anti-drug policing.

There are also internet ID problem that sometimes lead to unwanted adult products sold by and to young consumers who are within very unacceptable age groups. In the traditional market the "ID" process is carried out face to face forms of by retailing units and for that matter it is very visible to all. A retailer is able to identify who is buying what and who is not buying what so that there will some regulations across the domain. The case is rather easy on online stores which provide the invisible platform for sellers and buyers who have an impossible ID verification system. In the opinion of Chow (2012) the closest form of monitoring by most online stores on adult sites is to carry product ID verification systems by simply asking "for more than 18 or not," although some sites require birth dates of all the customers, ID verification process can be regarded as a form but not as real actions to control the accessibility. In addition, the increase in the entry of small online shops has even made control very difficult ensure. As a result, it is practically impossible to fully control the process of checking ID for ecommerce.

In direct relationship with this point of view is the issue of crime. Brown et al (2013) asserts that to most online shoppers, online fraud is possibly the scariest issue when they engaged in online payment. 'The internet fraud losses on UK credit and debit cards totalled £440m in 2016 which was a drop of 28% compared with the previous year. As a

result, the total amount of online banking losses reached £59.7m in 2016, a 14% rise compared with the previous year'. (BBC, 2016) Online fraud has threatened customers from using ecommerce. Consequently retailers are suffering losses generated by online fraud.

By stealing customers' financial information, criminals can send fake email to customers pretending they are bank staff. Using of the mirror site link in email can trap customers to provide their password or bank access detail. 'As a result, the total amount of online banking losses reached £59.7m in 2016, a 14% rise compared with the previous year'. (BBC, 2016) Faced by the challenge, ecommerce mode needs improvements to keep its competitive position Johnson and Johnson, 2110).

Challenges on Cultural Issues

Cultural problems related to ecommerce cannot be ignored. Research found that 'most retail web sites that can take orders online are unable to register international addresses or estimate delivery costs across borders'. (Forrester, 2016) More and more customers from international market started criticising the problem. The advantage of ecommerce includes international sale opportunity. However the register problem for international address has disappointed overseas customer from buying from internet (Reinsch, 2015). English language dominated websites are also widely discussed as a cultural problem for ecommerce. Especially with the world top three internet search engine (Google, Yahoo, and Bing) companies are all based in United States. (Thomas, 2110) Many non- English speaking countries people felt their language have been discriminated. It is understandable that some small online retailers are not financially available to design multi language online platform. However for large retail groups multi language online retail platform is not only a way to be profitable, but also an ethical consideration. Record by Van and Van (2016) shows that majority of the international shopping sites assume potential customers' first language as English. From many retailers' point of view, English is an international language which can be effectively used to communicate global customers. From cultural view, the increasing use of English dominated internet will eventually cause the extinction of small languages. 'In less than one hundred years, one-half of the world's 6000 or more language may be extinct.' (Crystal, 2015) Therefore to sustainably develop ecommerce to global market, not only profitable but also cultural consideration needs to be taken into account.

Legal Challenges

One of the issues with ecommerce is definitely the issue of crime and other legal issue and other related challenges which are affecting the use of the online platform. In the opinion of Vogt (2016) he indicated that cyber legal environment is an unknown, and can only be known once a law suit develops'. In other words the difficulty has to do with the lack of effective laws and regulations at different

levels to manage and track the tendency to have crime and develop resilience to them. In study done by Reinsch (2015) he posited that the popularization and fast spread of internet crime that threatens ecommerce development. Apart from the crimes which are associated with fraud which has become more popular, there are serious problems with regulations in respect of customer rights and intellectual property rights. With the internet market have put in place all manner of systems to collect information from customer which are later used against them or which are not supposed to be given by customer without opportunity to question them.

Further there are large problems associated with copyright breaching problem is another widely discussed issue to online business. The internet has become the place where copyright thieves hide and operate a lot of illegal transactions for themselves and for others. There are several books and music which are pirated and sold cheaply on the internet while communication are also intercepted by the same medium and converted to things which are profitable for them. In the opinion of Yvonne (2016) even though intellectual property is protected under the legal system, the speed of the development of the internet bandwidth provides a more convenient and effective channel for criminals to sell illegally acquired copies of software and video. Further Rosen (2016) argues that in China ecommerce mode is encouraging criminals in their use of similar ways to sell their products. It is even to the point that sometimes, it is not possible to detect the legal status of the items which have been put out for sale and this affects the ability to see through real and counterfeit products. This is further enhanced by the lack of physical contacts which encourages consumers to carry out purchasing activities to illegal dealers. That has given legal system very much difficulty on fighting the invisible criminals.

Customer Rights

As a measure to respond the growing value of online business in the United Kingdom, several pieces of legislation were designed and enacted to regulate electronic commerce and promote the protection of online consumers. Among these laws are: the Data Protection Act 2015, the Consumer Protection (Distance Selling) Regulations 2000, the Electronic Commerce (EC Directive) Regulations 2012, the Electronic Signatures Regulations 2012, the Privacy and Electronic Communications (EC Directive) Regulations 2013, and the Payment Services Regulations 2016 (Forrester Research, 2016). The problem with these laws are that they were passed within a short period of time hence many of the people who should be have access to them do not have them either because they have not been widely circulated or that the customers and the marketers do not see any necessity for them.

References

- [1] Allsop D (2110) Consumers in the market space - the ethical aspects of electronic commerce. Proceedings of The Fifth International Conference on the Social and Ethical Impacts of Information and Communication Technologies.
- [2] Anderson D (2110) Mobile customer relationship management: underlying issues and challenges". Business Process Management Journal 13 (6): 772.
- [3] Bandura (1974) Social Cognitive Theory, McGill, London
- [4] Barnes S (2110) Internet marketing: a practical approach. Butterworth-Heinemann. p. 49.
- [5] Barras (2016) Response Rates Are Down All Over! [<http://www.iconocast.com>] Accessed Jan 13, 2112
- [6] Batalia, E., J., (2011) 'Electronic Commerce: Online Payments' C.T.L.R, Issue 4
- [7] BBC, (2016), Online banking fraud 'suffers increase'
- [8] Berr D (2016) The New Marketing Era. New York: McGraw-Hill,
- [9] Bhatnagar, A. and Ghose, S., (2014), Segmenting Consumers Based on the Benefits and Risks of Internet Shopping, Journal of Business Research Vol. 57
- [10] Boiral T (2111) Email Marketing: Reaching Customers and Driving ROI. iInsight Report
- [11] Brown, M., Pope, N. and Voges, K., (2013), Buying or Browsing? An Exploration of Shopping Orientations and Online Purchase Intention, European Journal of Marketing Vol. 37, No. 11/12
- [12] Calori, Johnson, et al. (2111) Electronic Marketing. New York: John Wiley & Sons, Inc.
- [13] Carter. S & Jones-Evants, D., (2016), Enterprise and Small Business, 2nd Edition, FT Prentice Hall.
- [14] Centre for Retail Research (2111) Online Retailing: Britain and Europe (Online). Available at: <http://www.retailresearch.org/onlineretailing.php>].
- [15] Chau, P., Cole, M., Montoya W., and O'keefe, R. M., (2012), Cultural Differences in the Online Behavior of Consumers, Communications of the ACM Vol. 45, No. 10
- [16] Chow R (2012) Ethical and Online Privacy Issues in Electronic Commerce.(Industry Overview). iBusiness Horizons,
- [17] Donthu, N. and Garcia, A., (2015), the Internet Shopper, Journal of Advertising Research Vol. 39, No. 3
- [18] Eric Menhart, (2016),Taxing the Internet: Analyzing the States' Plan to Derive Online Sales Revenue,
- [19] Forrester Research, (2016), e-Commerce Web Site Performance Today
- [20] Goldsmith, R. E., (2012), Explaining and Predicting Consumer Intension to Purchase

- Over the Internet: An Exploratory Study, Journal of Marketing Theory and Practice Vol. 10, No. 2
- [21] Gunderson, B and Aliaga, M., (2012): Interactive Statistics. Thousand Oaks: Sage.
- [22] Hristov G (2014) Entangled on the Web. University Press, Lund, Sweden
- [23] Hristov G (2016) Ethical Marketing for Competitive Advantage on the Internet. Academy of Marketing Science Review
- [24] Huang, M. H., (2013), Modeling Virtual Exploratory and Shopping Dynamics: An Environmental Psychology Approach, Information & Management Vol. 41, No. 1
- [25] Hughes (2016) UK Leads Euro E-Marketers, Journal of International Management
- [26] Internet World Stats, (2110), World internet statistics
- [27] Johnson D and Johnson R (2110) Permission Marketing. New York: Simon & Schuster,
- [28] Johnson S (2012) Privacy Online: A Report to Congress, Pelican Press Manchester
- [29] Lui T (2015) SMS marketing here to Stay, University Press, Chicago
- [30] Marcoulides H (2015) Application of Electronic Marketing in Business Process Reengineering. Doctoral dissertation. Wroclaw University of Economics. Faculty of Management and Computer Science.
- [31] Marcoulides, G. A. (2015) Modern Methods for Business Research. NY: Lawrence Erlbaum Associates.
- [32] McGoldrick D (2012) Technical Histories of the Internet & other Network Protocols, Computer Science Department, University of Texas Austin
- [33] Morris-Cotterill, Nigel, 2015. Use and Abuse of the Internet in Fraud and Money Laundering. International Review of Law Computers & Technology, 13(2), 2015, pp.211-228.
- [34] Neal, Dave, 2110. Half of UK population are e-shoppers (Online). Available at: <http://www.v3.co.uk/v3-uk/news/1971246/half-uk-population-shoppers#ixzz1RwQVG14Q>. [Accessed 10 Jan. 2112].
- [35] Paolisa Nebbia and Tony Askham (2014), EU Consumer Law (Richmond : Richmond Law & Tax, 2014) [INTL KJE 6577 .N43 2014].