

**E-COMMERCE:  
IS IT THE BRIGHT AND SHINING FUTURE ?  
PERHAPS, BUT NOT JUST NOW**

While tens of billions of dollars are spent, annually, by companies in creating websites in order to engage in the trade in their goods and services via what has come to be known as B2C (**B**usiness **T**o **C**ustomer), statistics indicate that there are grave questions as to whether or not the expense is commensurate with the financial rewards.

In a recent survey in Germany, it was discovered that the cross-border share of total sales of goods and services accounted for less than 10 percent of total sales in 80 percent of the shops that were surveyed.

To be sure, the fast growth of digital technology has wrought fundamental changes to the way in which the consumer thinks about goods and services about which he may be interested from time to time.

Aside from acting as direct advertisements for companies, Internet websites of companies, engaged in trading and offering services of one kind or another, tend to be selling platforms for companies' goods and services, also.

Many prospective purchasers of goods and services appear to be hesitant to take full advantage of the ease of the Internet to engage in e-commerce for a number of seemingly very valid reasons.

The main reason for reluctance on the part of many prospective customers of e-commerce is trust.

The idea of purchasing a Persian carpet via B2C appears to be in the very far distance (if at all) because consumers prefer to be able to inspect such items, up close, to feel the texture of the material, to take careful note of the continuity of the design of the article, and to note the closeness of the stitches, among other things.

While the Internet can display almost exact colours and tonal qualities of goods, it, still, cannot replace the satisfaction (or the lack of it) of the consumer in an up-close inspection.

Further, the matter of payment for goods and services continues to be another sticking point for many consumers when considering the Internet as a portal for commerce.

In short, many people, still, do not trust companies, which sell their goods, electronically, and demand payment in advance of acceptance of an order.

The e-vendor of goods and services, rightly so, may not trust a prospective customer for his goods and services and, as such, demands payment up front; and, likewise, the prospective customer, rightly so, may not trust the e-vendor and, as such, is reluctant to release credit-card details or to send in a cheque to cover the cost of the goods or services that he would like to acquire.

The result: A Mexican standoff.

No sale.

Hence, as in the German survey, less than 10 percent of sales are transacted via e-commerce (assuming that the extrapolation is valid).

Prospective customers, by and large, consider the matter of security as being foremost when considering an e-purchase, but the matter of security appears to vary according to the sex of prospective customers, his or

her experience with B2C e-commerce, and the prospective customers' age.

The male prospective customer, it was determined, attaches greater importance to technical security than do the prospective female customer.

Inexperienced e-shoppers, it was discovered, tend to be more confident in engaging in e-commerce when the web portal has, what is considered, a trustworthy design.

The elderly e-shoppers are more loyal to well-known brands and are more reluctant to be adventurous in trying unknown products or services.

Web portals tend to provide greater transparency, to be sure, but it appears that the potential for the large-scale sales of goods and services is still a long way down the road.

Service providers and retailers are using web portals to strengthen existing customer relations and, at the same time, it is hoped that the portals will attract new customers through online marketing.

In many cases, it is working.

In many cases, however, the cost of establishing web portals and the maintenance of these web portals cannot be justified when analysing the tangible results.

It is well recognised that the Internet is a sales channel for many companies, but, to date, the success of sales via web portals as a percentage of total sales of retail companies continues to be relatively small.

The anonymous and impersonal world of e-commerce is making only very modest inroads in distant trading.

At this point in the way in which goods and services are traded across international borders, the Internet cannot replace that pleasant smile of a salesperson who says, as a prospective customer enters a store: *'Good morning, may I help you?'*

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