

# THE E-COMMERCE EXPLOSION

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## *Introduction*

The most important new communications system developed during the second half of the 20th century - child of the high-tech 1990s- is the internet. It is considered the most modern invention unlike other communication systems.

What exactly is the internet. It is like a huge online library, which gives the user access to all web sites. These web sites are specific nodes containing information, updated all time and available immediately for a search. Furthermore, as an international communications system, the internet is particularly interesting in that it is not governed by any regulatory authority. In spite of the fact that this lack of a regulatory authority is a big default, it makes internet highly attractive to people living in countries with poor national infrastructure in telecommunications or in countries where the government has a strict control of broadcast and communications systems.

The enormous popularity of the internet is undeniable, as the volume of internet traffic is doubling every 100 days. Reliable estimates suggest that by 2002, about 350 million people will have regular access to the internet. At the same time reliable industry evidence proves that the number of websites is continuing to increase in a geometric rate. This internet's popularity is not difficult to be explained as it is easy and friendly to use, normally readily accessible. The problems of that system -due to burgeoning demand for the service and overloaded technology as a result- will be soon solved.

However, the importance of internet is more than one-way communication tool -where the user is obtaining information rather than providing it. Its real potential and importance is its ability to facilitate the two-way (online) communication. For example a user can explore the various web sites that interest him/her, respond to an invitation or dialogue available on one web site, and receive a response from the web site operator (person or organization running the web site).

Internet in fact facilitates offline or online interactive communications in which relatively complex information can be communicated, which can be accessed at either party's convenience. Due to that advantage, internet can be used to enable things to be bought and sold. This is a process which is broadly known as electronic commerce (e-commerce), one of the most exciting applications of the internet.

### ***A Brief History of E-Commerce***

At the beginning (in the early 1970s), the extent of e-commerce applications was limited to large organizations, or financial institutions with innovations as fund transfers (EFT). Then came the electronic data interchange (EDI), which expanded to other transaction processing and enlarged the participating companies to retailers, services, manufacturers.

Many other applications followed (such as telecommunication applications) till 1990s, when the commercialization of the internet combined with the development of networks and the increase in business competition and pressures, helped e-commerce applications to expand rapidly.

Nowadays, as every large-sized or medium-sized organization in the United States or Europe already has a web site, e-commerce is being developed with huge rythms.

### ***The E-Commerce Market: Main Advantages***

From the archaic days till nowadays, commercial transaction is not only bying/selling products or services but exchanging information as well. Before the internet was widely available, businesses used basically three channels for exchanging information with consumers and vice versa.

These three channels were:

- face-to-face contact, at a physical level,
- by post,
- by telephone.

All these channels had serious disadvantages as they were seriously limited in many ways.

On the other hand, with Internet -which is described as the «fourth channel» for commerical activity - we have serious and specific advantages as:

- the internet does not put byers under serious time pressure,
- the internet's cost is relatively low,
- the physical location of the byer or the seller is irrelevant,
- there is no limitation to the amount of information that can be conveyed by the seller, in a variety of media,
- the internet is both a visual and sound medium,
- for a retailer, selling via internet is enormously less expensive than any other sales channel,
- all the specific information needed can be transmitted readily over the internet,
- the internet practically operates 24 hours a day every day of the year with an enormous facility which offers to the process of procurement.

All these points make the internet a commercial medium with power, flexibility and appeal, with no other rivals. It is a fact that the internet is the bying and selling market not only of the future bur of the present as well, as it enables e-commerce to have a remarkable expansion.

*To be continued*

### ***Bibliography***

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