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The Impact of E-Commerce in Modern Business

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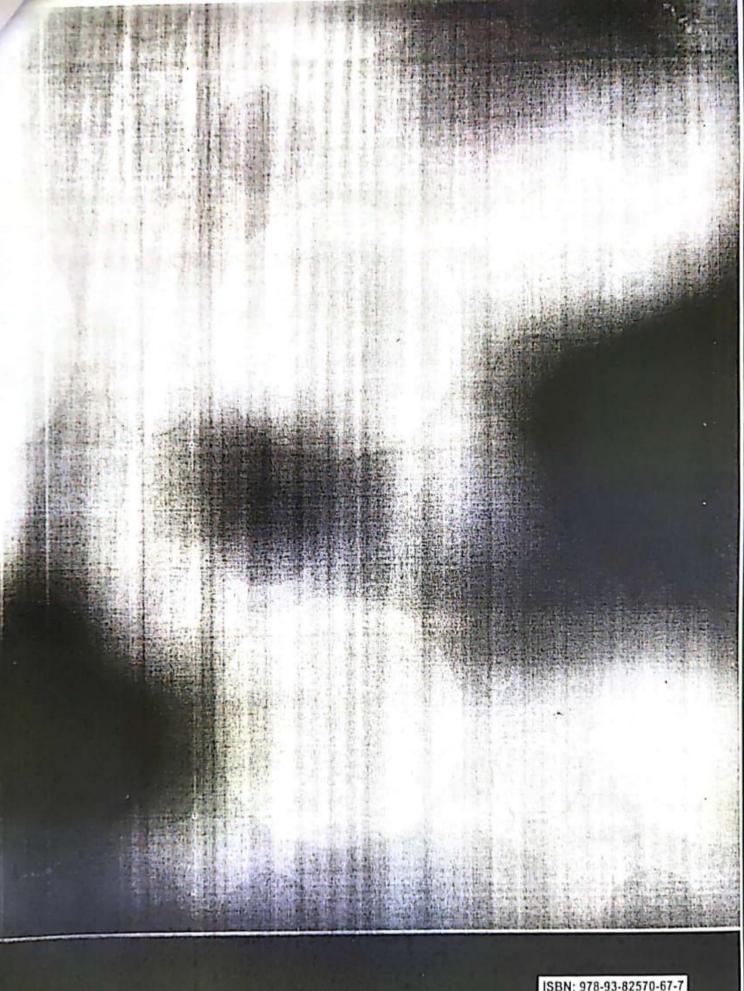*Editor:* **Dr. A. Sumathi**

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The Boom in E-Commerce Attributed to Technological Advancements

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ABSTRACT

Over the past few years e-commerce which defines the phenomenon of purchasing or spending money online has grown in size, strength and popularity. The idea of spending money online has become more and more approachable, from people looking at it with uncertainty, to a point where e-commerce has grown to such an extent that it is now a widely accepted form of business and transactions around the world. People have started to acknowledge online spending as a quick and efficient manner of purchases and payments due cyber protection.

Keywords— e-commerce, payments, tools, business, transactions

1. INTRODUCTION

The introduction of most retail products on popular websites has given consumers an extra option in regards to purchasing or paying. One of the highest sold products on the internet is books, clothing items and travel tickets. The global trend shows that when it comes to purchasing items most of the consumers prefer retailers that only have an online presence. One of the best driving factors about online shopping is the ease of access. Most people have submitted reviews about products or services that they have used and in a buyer's decision making process this step fits in perfectly when the buyer surveys his options

2. TOOLS IN E- COMMERCE

The proliferation of smart phones and tablets poses some interesting challenges to e-commerce. Simply offering customers a web portal through which to buy products is no longer sufficient. Some experts suggest that, within just two years, more users will use mobile devices as their primary method of Internet access than use desktops. Accordingly, there are e-commerce solutions appearing to address this phenomenon. GPS-based options, for example, can allow a given portal to offer products specific to a geographic location. When combined with SMS or email marketing campaigns, mobile ecommerce sites are about to be integral to any successful ecommerce strategy.

There will probably always be a place in the publishing world for gorgeous collectors' item hard covers and quality trade paperbacks; books themselves will also be available digitally. There are other products that, while they still require physical delivery, are becoming good candidates for ecommerce. There's no better time than now to make a move in ecommerce. The key to success is keeping up with these technologies and trends.

2.1 Managing Issues in E- Commerce

Three technology platform components an e-retailer cannot afford to overlook are fraud detection, chargeback prevention and customer authentication. Manually screening transactions after the consumer places an order but before the order is shipped consumes 52% of the e-retailer's annual fraud management budget. It is a huge pain point for e-retailers because it can take five to 15 minutes to complete a manual review and still lead to false positives, where the e-retailer deems the purchase too risky to approve, even though the consumer is in fact legitimate. Manual reviews can also result in a request for further information from the customer to validate his identity, which some consumers find frustrating.

Industry surveys show that retailers manually review 25% of all online orders, costing merchants between $1.87 and $5.61 per transaction. Typically, 75% of manually reviewed orders are accepted and 25% are rejected. Of those orders rejected, 7% turn out to be false positives.

Rather than hire an army of fraud analysts to manually review a quarter of transactions, retailers can automate the entire review process with risk-based authentication, so that the decision on approving a transaction is made in seconds and is not a guessing game. "Merchants want transaction reviews to be done quickly and seamlessly. If the risk score of a transaction crosses the merchant's risk threshold, the customer can be asked to authenticate himself.

A retailer can ask a customer to authenticate himself by seamlessly incorporating Verified by Visa, MasterCard Secure Code or Safe key by American Express within the shopping cart. The consumer enters a password and authenticates himself directly with the bank that issued his credit or debit card. If a consumer has not registered his card with his issuing bank he can do so when the retailer requests authentication.