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E-commerce and Interactive Communications Methods

E-commerce

E-commerce means carrying out of trade and commerce (including shopping) via electronic means. E-commerce can be sub-divided into business-to-business, business-to-consumer, and consumer-to-consumer transactions. E-commerce is sometimes known as e-tail, e-trade or e-business.

There are a number of different uses of e-commerce. E-commerce can be used for marketing of goods and services; retail of goods and services; customer service and supply chain management (also known as E-procurement).

Advantages of e-commerce:

- The ability to reach a wider market

- The ability to find information on competitors and to compete with larger businesses on an equal basis

- Lower operating costs

- The ability to buy as well as sell goods on the internet

- Being faster than traditional retailing

- Cost savings on marketing and promotion, e.g. producing fewer brochures

- Offering more choice than traditional retailing

- Establishing better customer and supplier relationships

Disadvantages of e-commerce:

- Staff- technical staff are an expensive resource

- Building a customer base is expensive

- Distribution- it is difficult when delivering orders to customers within a reasonable time period

- Quality- online products should be equal in standard to the offline products

- Expensive to set up e-commerce systems

- Risk of fraud

Interactive Communications Methods

Interactive media is defined as the following: *'A new telecommunication system designed to permit two-way communications between televisions or computers in one location with software stored on a central computer. Can also allow individuals in distant locations to communicate, teach, or learn from one another'*.

Examples of interactive communications methods include CD-ROMs; letters, memos and e-mails; the intranet; one-to-ones; meetings; phone calls and videoconferencing calls.

Advantages of interactive communication:

- The opportunities it provides for feedback

- The greater degree of confidence it provides that the message has been understood

- The recipient can to some extent control the pace of the communication

- The message can be tailored to better meet the recipient's needs

The Internet

The Internet is the primary interactive media for advertising. It has recently affected many areas of promotion, with interactive advertising, creative sponsorship, sales promotion, public relations, database marketing and prestige value of having a website.

There are a number of other Internet resources which can be used to promote a website. Some of these are mentioned below:

- **Discussion lists-** are a method for individuals to network with others on a particular topic

- **Webcasting-** this is when subscribers list topics of interest and new information is sent directly to their to their computer screen

- **Listservers-**it provide an opportunity to create an e-mail contact database automatically from information sent via e-mail or gathered via a form an a web page

- **Banner advertising-** it is the quickest method of advertising if, they reach the right audience.

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Advantages of internet:

- It is very fast

- Can reach a global audience

- It is easy to use

- The ability to compete with the large companies

Disadvantages of internet:

- Can be very expensive to set up

- Customers can be overloaded with information