INTRODUCTION

It is difficult to say how large the Internet has grown, but by the end of 1996 there were at least 10 million users in the USA (Miers & Hutton, 1997). The Internet has changed the way companies do business. The new market place on the Internet allows organizations to interact with customers on a scale that was never before thought possible. Preparing for growth is difficult. Organizations that wish to maintain their competitive advantage must also adapt to new technology as it is developed.

Summarized below are the findings of this study that examined a multitude of organizations which have attempted electronic commerce. The results of the study were very convincing that there are certain things the organizations who are successful in utilizing electronic commerce do as contrasted to the organizations, who were not successful, did not do.

ASPECTS OF SUCCESSFUL ELECTRONIC COMMERCE

Leveraging the Internet

Planning and developing a strategy are always important to an organization when adapting to the challenges of any new technology. Whatever the strategy, it should be funded with the expectations of long-term market-building rather than short-term payoff. Too many organizations have had their strategies fail because they could not meet the expected tangible payoff in a short time frame (Borsook, 1996). The impact of the Internet on electronic commerce is no exception. Today’s electronic commerce is evolving rapidly. Adapting to the challenges of electronic commerce requires new strategies. Every business should immediately consider the implications of the new era for themselves and their markets. Those companies that are the first to offer an effective combination of electronic commerce and the Internet will likely be the most profitable players and will have an undue influence on the development of this market.

Planning for Growth

Planning for future growth, as well as understanding current needs are essential to maintaining an organization’s competitive advantage gained through electronic commerce. As Paramount Pictures discovered, the unexpected popularity of their Web site caused disappointment to many potential customers who were unable to access the site because of the tremendous volume. Paramount Pictures’ solution to their problem was to outsource the site to CerfNet’s farm of Web servers.

A Web farm is a collection of servers and management technologies that allows an organization to distribute information needed for a Web site. The Web farm lets an organization and individuals access the site as if it were on a single server under the control of the local owner (Eskow, 1997).

Business Process Redesign (or Re-engineering)

From an organizational perspective, the benefits associated with electronic commerce include reduced paperwork, more accurate and speedy business transactions, quicker and easier access to information, and reduced need to re-key information into computers (Alper, 1997). The potential for realizing the benefits of electronic commerce do not come automatically.
The Internet has been instrumental in shaping today’s global market. Time, location, and even whom one conducts business with are not limitations. Electronic commerce is the key to conduct business in the global community. This will require businesses to rethink their strategies and philosophies and to focus on well-defined market niche’s understood by the organization’s founders (Borsook, 1996).

Simply replacing existing paper based systems will reap few real benefits. It may reduce administrative costs and improve the level of accuracy in exchanging data, but it does not address the questions of whether business is being done efficiently in the first place. Electronic commerce applications can help reshape the ways in which business is conducted and has often acted as a catalyst for companies to use Business Process Redesign (BPR).

Business Process Redesign (or Re-engineering) is about reassessing the ways in which an organization conducts business. It is about looking at the flows of information and/or objects through production processes. It is about optimizing the use of resources and communicating more efficiently with trading partners. BPR requires lateral thinking to reappraise how to conduct business both internally and with trading partners.

Value-added Products and Services

On the Web, the customer will almost certainly know more about the supplier than the supplier knows about the customer. Thus, the Web site should be highly customizable for customers and extensively cross-linked from other sites throughout the Internet (Borsook, 1997). Electronic customers are not passive targets. If the trust relationship is right, they quickly become active partners and advocates introducing new customers without further encouragement from the supplier. Such relationships are built with partners, not targets.

It is not enough just to have a Web based billboard acting as a token gesture to Web surfers. It is not enough to have information systems which support static interpretations of yesterdays problems. Once the novelty wears off, customers must have an incentive to keep coming back to a Web site. The services provided to the customer must be superior to alternatives. Customer must have a personalized experience by allowing them access to information tailored to meet their specific needs. The best way to attract customers into an Internet shopping environment is to offer value-added services that they cannot get in the traditional marketplace (Chase, 1996).

Integration

Integration is the link that exists between suppliers, retailers, and customers or between business processes within an organization itself. This link has become an important strategic issue for companies wanting to establish trading partners in the rapidly changing environment of electronic commerce. The merger of the Internet and electronic commerce has dramatically increased the capacity to obtain and apply information within processes. Access to this information has become a key strategic issue. The integration of electronic commerce creates a competitive advantage when everything is linked together and supports the core business process.

CONCLUSION

The authors of this paper have spent an extensive amount of time in researching the multitude of successes and failures in the area of electronic commerce. We trust that the findings of our study will be utilized by other educators to enrich their students’ knowledge on electronic commerce.