

E-COMMERCE AS AN OPPORTUNITY FOR ENTREPRENEURS

Professor Ph.D. **Eugen BURDUȘ**
The Bucharest Academy of Economic Studies, Romania

ABSTRACT

For a company to benefit from Internet sales should be known a number of issues regarding the benefits of such trade, understanding the factors that an entrepreneur has to take them into account before using this opportunity, knowledge traps in which the entrepreneur may fall during the transition to such a system for sale, knowing which strategies to adopt a entrepreneur for success in such trade, engineering and design techniques to a web site. Here are some of the concerns of entrepreneurs to be successful using this opportunity. This communication includes only some of these concerns on which it is necessary to focus most entrepreneurs.

1. Need e-commerce for entrepreneurs

A new way of doing business that brings retailers and manufacturers with users through a technology that has not been possible until today is the e-commerce. Ignoring the e-commerce as an opportunity to attract business for any entrepreneur, involved in a sale process, a high risk of being considered by customers surpassed by developments that occurred in this area.

Successful companies use the Internet not only as a way to advertise, but as a new way of doing business by connecting them with suppliers and better meet the requirements of their customers. Although e-commerce will not replace retail, small grocery at the corner, the big supermarkets, no one company can not disregard the impact of the Internet on which they conduct business.

One of the most significant benefits of the Internet is the opportunity they offer to companies to get instant feedback from customers and thus to adapt quickly to their requirements. Internet leads to a new industrial policy, and companies, regardless of their size, which do not recognize this new opportunity are likely to disappear from the market. For the use of e-commerce raises a number of advantages, including:

- offers the possibility of faster growth, by multiplying the opportunities to have more customers for products offered;
- increase the opportunities for new businesses, which entrepreneurs will be able to exploit, because faster and more complete knowledge of consumer demands;
- increasing income entrepreneurs by opening new outlets due to the use boarding;
- provides entrepreneurs access to global market to millions of potential customers who live in all parts of the world;
- an opportunity to be made available to customers at any time of day or night, without concern that the store could be closed;
- the entrepreneur can improve the services it offers both improving products and the after sales service through instant knowledge of customer preferences as a result of the use of e-commerce;
- entrepreneurs opportunity to inform customers and to prepare them for full and proper exploitation of products and services;

➤ allows a reduction in production costs, with all the advantages in efficiency and competitiveness.

For all these benefits can not benefit if the entrepreneur does not take into account a number of conditions be met before using this opportunity to commerce. Thus, before engaging in this form to trade, the entrepreneur must include in its strategy to use such opportunities. Then, you need to know that to use the Internet should be made certain expenses, network maintenance and customer relationship. As such, must invest time, money, knowledge to create an attractive Web site, which is presented products offered for sale.

To use this opportunity to e-commerce entrepreneur must be willing to consume much time and energy, so it is important to check that he is prepared for that. In this regard, the entrepreneur needs to response to a series of questions such as:

- * What do you expect from use electronic commerce?
- * How can you invest in creating the possibility of selling over the Internet?
- * What do you expect to gain from using e-commerce?
- * What is the period during which you expect to gain from such way of sale?
- * What will the impact on e-commerce over the distribution channels used by the company?
- * What mechanisms can be used to ensure that transactions are conducted with customers?
- * How do you think that promote access clients on your own site?
- * How to can test the site navigation by customers?

At the same time it is necessary for the entrepreneur to ensure that the company he runs has enough potential to exploit such an opportunity. For this, it is necessary to consider whether the products they produce would request from potential customers wherever they are, if we want the products to be sold outside the geographical area in which the firm, if it can ensure transport of the economic conditions in all areas, or can be enticed potential customers with reasonable investment.

2. Causes a failure in using e-commerce

Many entrepreneurs with good intentions to exploit these opportunities of e-commerce renounce shortly after the manifestation of intent or even after the first steps taken, for several reasons, almost all resulting from a misunderstanding of how the creation and maintenance of such e-commerce system. For example, *consider the entrepreneurial process of creating and maintaining a site on the Internet as easy and cheap enough*, can lead to failure to use such ways to trade. In fact, time to conception, design and implementation of such work may take several months, and investment can be considerable. And if the entrepreneur is not prepared for that course will be dropped to exploit this business opportunity, which may, in time, to bring benefits.

Another misconception from which to start is the vision that *once formed the site on the Internet, customers will access it continuous, without any expenditure from the enterprise*. As with traditional commerce through retail outlets, maintenance and effective use of these "virtual stores" are necessary investments in advertising, maintaining about customers with producers. For this it is necessary to develop relations with customers, trade associations and other networks that your customers access. *Make money on the Internet is not easy* to reach everyone, on the contrary, if this opportunity is not used professionally, it can lead to significant losses for the entrepreneur.

Free access to many sites of client companies, providing a wealth of information about them *should not lead to the idea that such information may be used in any circumstances, in violation customers need to "privacy" of their companies*. Therefore, in

terms of using e-commerce site must be designed to ensure customers use information about one of their businesses only in terms of ensuring their right to "privacy".

Consider information technology required for a trade as the single important aspect to use this opportunity, is one of the obstacles to use this opportunity to entrepreneurs. More important is that the entrepreneur to understand customer requirements, to adapt their products to these requirements in order to offer valuable products and services at a reasonable price.

Supposed Web site as the only source of success in an e-commerce is another wrong opinion about how to develop a business on the Internet. For that, just as with traditional trade without a well devised strategy, the entrepreneur can not sell products or services. Also, your after sales service should not be considered in e-commerce less important than in traditional trade. Where the entrepreneur fails to meet the appropriate customers who need assistance will damage the relationship between them and the sales will decrease. So, after sales support is as important in e-commerce as in traditional sales through retail outlets.

One obstacle to the successful use of e-commerce is *considering by the entrepreneur design and realization of a Web page that is sufficient to attract customers*. The truth is that without an appropriate structure to ensure prompt service to customers once they have control over the Internet, this form of commerce can not bring the expected benefits. Moreover, this way of doing business should not permanently replace the old retail outlets, because they enable products to be reached, viewed directly, sometimes tested. So, complete waiver of such shops would be a mistake by the entrepreneur.

Entrepreneur must also know that the complete replacement of traditional trade sale over the Internet can lead to expected results, because there are products for which the buyer wishes to view the store to try on. This means that *the two forms of trade, the traditional and electronically must be combined for business success*.

Development of e-commerce is hindered by the misconceive of many entrepreneurs that *is too late to be used this opportunity, if business was started long ago, based on a traditional trade*. Reality has shown that it is never too late for the entrepreneur to use this opportunity, possibly combining it with traditional trade which was based until that time.

3. Ways to electronic trade

Using e-commerce requires that the entrepreneur include the business opportunity in business strategy because it requires a choice of several opportunities to use this trade. Generally there are five ways to make e-commerce, namely:

a. *a sales portal*, or a walk through a "mall", because the supply of products by various small companies. This method has the advantage of simplicity and relatively low cost, the entrepreneur providing only describe the products and possibly some pictures of them. Against a relatively small amount to ensure and maintain an online store. The main disadvantage is that the entrepreneur has no control over the site and who controls it may provide fewer benefits than other competitors;

b. *using an Internet service provider*, to create a virtual store. This method gives the entrepreneur more flexibility and ability to manage their own Web site, involves the use of catalogs on product features and in addition to the virtual store hosting, Internet service provider can provide small companies to increase with increasing sales volume;

c. *hiring professionals to design a site* for the client, if the entrepreneur can afford to spend more to use this business opportunity. This method provides unlimited possibilities for entrepreneurial management site, including full integration services for

clients with services needed only small business owner. The main disadvantage is high costs, which concerned some entrepreneurs may not use this way of doing business;

d. *design and implementation of a Web site in the small business* requires it to afford to hire specialized staff to achieve and maintain that Web site. This method provides the entrepreneur complete control over the site, but the costs are considerable and can not be supported by many small businesses.

In light of these possibilities, each entrepreneur has to consider well the objectives, resources, advantages and disadvantages before opting for one of them on which to implement. The design and implementation of a Web site requires a large consumption of energy, time and money, but most importantly for the entrepreneur is to design and formulate a strategy in this regard.

4. Strategies for success in e-commerce

Objectives through the use of e-commerce are not different from those where the entrepreneur proposes to traditional trade, namely sales growth, and resource efficiency as high a profit by serving customers in best possible conditions. But achieving these goals differ for e-commerce, in that it must be integrated into all business that develops an entrepreneur.

The practice of small businesses revealed some policy options that ensure success in using e-commerce, including:

a) *orientation to meet a niche market*, not to compete with major Internet players who have more resources. In general, it is good for the entrepreneur to focus on consumers who are neglected by big companies geographically, the customer profile, products offered, or other considerations that define a recess;

b) *offer for something free* can draw on the company website visitors who ultimately become products or services small business customers. In general, people are attracted to the satisfaction of obtaining something for free, so the entrepreneur can think of that might offer free no cost too high, but to attract customers on its website and by default owner products or services;

c) *creating a community through various common interests* to urge the members to return the site to exchange information about what unites, loyal group of potential customers that the company sell its products on the site services;

d) *ensuring that Web site is credible to visitors*, which means that it is done professionally, without error, to ensure reliable information sources, to be presented objectively, without interpretation. To be credible website can be used for a brand well known for reliability;

e) *building strategic alliances with larger companies* allows the entrepreneur to use a "brand", which it can not create because of the limited resources available. But before you make such a strategic alliance is required to check up if the vision of the potential partner is in accordance with own opinion, what strategy adopted to achieve objectives, which goes to the potential partner company, which promoted the default values that organizational culture characterized the undertaking, or what type of relationship promotes the potential partner and how they work;

f) *adjustments to the Web site of the market in each country*, if the entrepreneur wishes to address the global market. For this, it is necessary to use multiple languages in which the present site, a translation must be equivalent factor and not literary symbols used must not conflict with the cultural specificities of each country.

5. Attractive Web site - a prerequisite for successful e-commerce

In general, those who use the Internet are not patient people, so do not tarry on a site more than a few seconds, so the entrepreneur who wants to use this opportunity to commerce must design an attractive Web site that would capture visitor's attention and make him to come back.

A good Web site can design and carry out only after the entrepreneur knows very well *the target group of customers*, as needed for good market research. The difficulty of e-commerce come from the need to design a site to ensure the same image, same style and confort for the same client, as in traditional stores. Then, the entrepreneur *must carefully choose the name of the site*, suggesting the area in which the company so that potential customers who visit him to retain the attention of the type of products or services they offer. *The name must be short, easily remembered, related company name and easily typed.*

Another condition to be met is that *the Web site be easy to find*, because poatential customers do not lose too much time when they return to the site, or even for the first time they visit the site. Also the site is better to give customers as much of what they want. So we have to consider that in general customers want more products to choose from, or even be able to purchase more products on the same site.

Forging links with other sites that are selling products or additional services, is an additional attraction for customers to visit the entrepreneur's site. To do this, and given the fact that in general the internet buyers are not willing to fly too far to reach what they're looking, it is necessary that the project site is simple, therefore be carefully chosen graphics or photos to be used.

Continuous updating of the site, and providing customer information security are other conditions to ensure the attractiveness of the site and therefore benefit from the envelope of e-commerce.

In conclusion, we can say that the Internet can lead the entrepreneur to new ways to do business, for example, competitors have the opportunity in a very short time to compare price to similar products of companies that are in different parts of the world. Among the most important reasons for opting for e-commerce entrepreneurs are: *gaining new customers, sell products and services, rapid dissemination of informații, better knowledge of competitors and global market access.*

References

1. Căprărescu Gheorghita – *Managementul strategic al firmei de comerț și turism*, Ediția a II-a, Wolters Kluwer, Romania, 2009
2. Năstase Marian – “Importance of Trust in the Hnowledge Based Leadership”, in *Review of International Comparative Management*, Volume 10, Issue 3, July 2009
3. Donald Sull – „How to thrive in turbulent markets”, in *Harvard Business Review*, February 2009
4. Petrescu Ion – “Quality Issues in Human Capital Management”, in *Review of International Comparative Management*, Volume 10, Issue 3, July 2009
5. Iliș L. Crișan E. – “Logistics Customer Service Management Best Practices”, in *Review of International Comparative Management*, Vol; 9, Nr 4, October 2008
6. Nicolescu, O., Nicolescu, C. – *Întreprinderile și managementul întreprinderilor mici și mijlocii*, Editura Economică, București, 2008
7. Ionescu, Gh. Gh. – „Cultural Caryatides of the Romanian Business Potential”, in *The Romanian Journal of Business Ethics*, Volume 1, Number 2, December 2007
8. Thomas W. Zimmerer, Norman, M. Scarborough – *Essentials of entrepreneurship and small business management*, Fourt Edition, Prentice Hall, 2005
9. Burduș Eugen – *Tratat de management*, Editura Economică, București, 2005