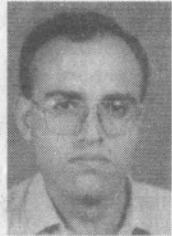# E-shopping: apprehensions and future

E-commerce /I.T. ? 19/1/04 The Nation

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E-commerce is not merely confined to the Internet Besides exchanging information, it includes financial transactions using a network of some kind (normally a computer network). It encompasses all stages of a business process including marketing, sales, and Procurement, Payment, Delivery and Customer satisfaction Payment function however, has the central role.

An atmosphere of trust: In practical business, foremost factor is presence of mutual trust and commitment between a buyer and a seller.

But in e-commerce world, this trust though not impossible, is difficult to achieve. Repute and personal integrity of both buyer and the seller carry their respective weight. B2B deal is an electronic extension of practical business world.

A kind of trust and cooperation already exist in their respective environment, on the basis of negotiation and business transactions.

This trust is difficult to attain between B2C. According to a joke, no one knows who is male or female on net. In a paperless environment where no paper check signing and no receipt involved, it shall take time to strengthen confidence in business transactions.

How does e-biz proceed?

Digital or e-cash works in such a manner that to obtain the facility of using e-cash, one has to open an account with a participative bank. After doing this, one can download digital coins from the bank. These coins carry bank serial numbers and a denomination. These coins shall store on hard disk, handled by a software called "Wallet'.

The same software is used to make payments to the merchants who accept this form of payment.

There is another software at the disposal of the merchant called 'Cash Register'. This software does forward these coins to the bank where they will be deposited in the merchant's account. The same process is valid in case of C2C.

Digicash uses a 'blind signatures' device to protect the privacy of the person using digital coins on the Internet. Digital certificates and digital signatures play a key role in transactions. Cyber Trust, Nortel and Verisign issue digital certificates to individuals and businesses.

Before conducting business deals with internet merchants, it is possible for customers to seek assistance from any 3rd party that is impartial and trustworthy, for the purpose of confirmation.
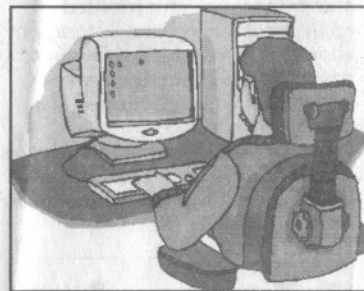
e-thurst planned in 1997, offers such 3rd party intermediary neutral service on net.

Besides these neutral service, banking enjoy maximum public trust. Every bank issues its token. In this context, each bank has its respective service quality which settles bank's rating among fierce banking competition. While exchanging digital cash, bank rating and merchant standards decide bank weight age. A viable banking sector is the guarantee of a complete e-commerce infrastructure.

On-Line Catalogues play an important role in B2B, B2C commerce catalogues are continuously updated from corporate database. They seldom come under any standards.

Software Objects: These are automated programmes, those act upon user' advice. A buyer can instruct through query a software agent to find and compare product information from multiple catalogues. A

buyer can instruct a software agent to find and compare product information from multiple catalogs. In other words, a software agent serves as an interface between a buyer (conveying results and receiving queries) and manufacturer's catalogue Manufacturer catalogues offer a great diversity in shopping.

E-Mail: It occupies an important place like e-commerce that provides internet based services. EDI VAN (Electronic Data Interchange Value added Network) use E-Mail for data exchange among trading partners.

In the past, businesses used to hesitate using Web-based e-mail for business e-commerce. That was because of lacking adequate security, Directory Services and other options. New security protocols like S/MIME and standards have improved security over Internet e-mail. With the combination of S/MIME and digital Signatures, data transferred is far more secured than ever before.

ISP provides internet services through their extensive network. Owing to their immense importance, they are assumed as 'backbone' of Internet. ISP's has business targets. They strive for enhanced pace of business traffic but with minimised effect on Consumer Virtual Private Corporate Networks.

A good ISP is like a good recipe to enjoy the results. Internationally, World net, AT&T, America On-Line offer tremendous Internet Service Provider.

The whole activity has been depicted in the diagram sketched below:

E-commerce is a great source of communication and sharing ideas with each other. It is a combination of fine techs, creativity and business folk. Institute and universities should alter curricula to promote e-commerce as a subject.

Our under-developed economy needs fresh blood in form of free flow of information and huge business opportunities, excitingly available on Internet. But excitement is itself not enough for economic boom, it is the business practicality that leaves its impact by doing something wonderful. This smart technology requires smart management at every level of hierarchy.

What requires is to build a solid IT infrastructure which would enable Pakistani businesses to compete rest of the world. First step is to drive them to net that is possible through developing local business. Organisations are must to provide computers and e-mail accounts to their staff members.

This shall establish a meaningful web presence which will turn into a viable internet strategy. For this purpose IT companies can avail total quality consulting and development services.

USA has a flourishing investment in this regard; by providing such services through mail order. Popular companies are Amazon Com and eBay. Amazon Com ranks high in selling books, magazines, CD's and other material on Web at www. Amazon.com.

E-Bay is a fine example of profitable e-business right from the start. It has the market value of $1.88 billion. These are worthy examples to motivate the people to use their credit cards for online shopping.

There is more activity required from financial and government sector to create awareness and devise innovative strategies to infuse a spirit of development and comfort among masses. there is a widespread trend of purchasing mobile cellular phones in society. Despite having insufficient knowledge, illiteracy and means to enjoy this technological facility with its full potential. Nobody seems using internet on its mobile set. This type of innovative trend can transform meaningless carrying of mobile phone into a purposeful and creativity activity.

To bring e-commerce revolution in the homeland, propagation of Credit Card System is need of the time. It is high time to devise alternative payment mechanism to facilitate (NRP) Non-Resident Pakistanis to remain on-line.

Example of Indian economy that is growing consistently on the wheels of Internet, is a clear example of liberalisation of the IT policy. their customers and competitors are in direct contact with the bank through internet.

Resultantly, marked increase in bank's deposits has been recorded. Mailing and Courier costs have cut short into sizable savings. Bank's account opening or other purpose application forms are readily available for downloading. In this way, sophisticated Information Technology has proved itself Cost-effective, speedy, time saving, accurate and brought boom in Indian market responsiveness.

E-shopping: E-commerce

19/1/04 The Nation

There is a striking feature about developing countries where a major segment of population lacks access to information; being unable to afford computers and internet connections. Establishment of more and more net cafes and kiosks are like building carpet roads to ensure swift communication.

Role of PTCL is good in this regard. This organisation has taken tangible steps by bringing down the service charges of leased Lines. However, there is much more required to achieve in the wake of customer satisfaction. PTCL should focus quality management and customer's king policy to achieve overwhelming satisfaction of general masses and total quality in every department to generate real revenue. Proactive approach should be the hallmark to meet the future information bombardment.

Future of E-commerce in Pakistan

Apart from the importance of sophisticated technology, role of our administrative and financial institutions cannot be ignored. Technologies are meant for developing decisions taken by these institutions.

With the shift from non-computer devices like TV, ATM and Smart Cards to networking, future of e-commerce is ever growing. Smart card acts like an electronic wallet. It has its own process chip, Ram, Rom, Interface and even an operating system. They are used to store value, identification numbers and do calculations. Smart card technology enables a peer to peer data transfers without the interference of any 3rd party. There is a high degree of privacy and transaction authentication behind smart card technology.

Tomorrow's payment systems will enable the consumer to make purchases in different ways:

Conclusion:

E-Commerce environment is characterised by the following chief elements:

+ Bank's Financial Institutions.
+ EDI Vendors (Vans, Internet)
+ ISP
+ Government Regulations
+ Standard Bodies

Vendors of Internet Commerce Products (Microsoft Netscape, Oracle, Cyber cash etc).

An optimum policy resulting in a fair combination of all these elements, can ensure success and smooth development of e-biz.

World Trade Organisation moratorium on the question of Custom duties on e-transmission recognises e-commerce transactions liable to imposition of Custom Duties.

However, no custom duty is charged on telephone call, fax messages across the International borders or when computer accesses databases throughout the world.

These matters are likely to be resolved through devising strong legislation before the advent of WTO regulation. A close benchmarking of Indian and Australian IT policies can help to devise an optimum IT policy to ensure consistent and competitive approach of future vision.

(The author is a Lahore based writer, and serving at Lahore Customs).

bestowed on the nation?