

CREATING A GOOD ENVIRONMENT FOR E-COMMERCE IN ORDER TO DEVELOP SUSTAINABLY IN A WORLD OF UNENDING COMPETITION

NGUYEN TAN DANH

Lecturer, FPT University, Vietnam

ABSTRACT

E-commerce has been widely applied in many areas of social life in general and businesses in particular. It has changed the world a lot and the countries' economies have gradually grown compared to previous years. For businesses, e-commerce has been contributing to the formation of new business models, in addition, this type also helps to improve business efficiency and open a wider market. This is considered one of the important motivations for promoting economic development quite important because the application of e-commerce that any business, even in a distance, can be easily accessed. into major markets through the Internet. The commercial activities of businesses beyond and beyond the national scope and become a global activity. And in the context of increasing consumer confidence and choice of online shopping for the convenience that it brings, investors in the field of e-commerce are also more confident in finding and Invest in new potentials. This has helped many of these trade models get more attention. This article explores the factors that lead to the success of e-commerce, the difficulties as well as challenges when applying this model and from which there are more appropriate solutions.

KEYWORDS: *Advantages; Businesses; E-Commerce; Development; Challenges*

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1. INTRODUCTION

Information technology and e-commerce have been widely applied to social life in general and businesses in particular. For businesses, e-commerce contributes to the formation of new business models, increase sales, reduce costs, improve business efficiency and open a wide market for all customers in and foreign. For consumers, e-commerce helps buyers to just sit at home and still be able to choose goods and services in markets everywhere in the world with a few mouse clicks. E-commerce is one of the important driving forces promoting economic development, a key factor to accelerate the internationalization of world economic life. Thanks to the e-commerce application, any business, even in the poorest country, a remote area of the globe, can easily access large markets through the Internet. E-commerce has made the commercial activities of businesses go beyond the national scope and become a global activity [1].

E-commerce is widely used and advanced in the countries of the Association of Southeast Asian Nations, contributing to improving the competitiveness of enterprises and national competitiveness, promoting accelerate the process of industrialization and modernization of the country. Recently, information technology has contributed significantly to the state management of agencies [2]. E-commerce in Vietnam has been developing since about 2000, growing at a relatively fast pace, but e-commerce application of Vietnamese enterprises has not developed as strong as expected. Technological complexity, inadequate investment in infrastructure, lack of professionalism of human resources, business skills, foreign languages, etc. being a barrier, making e-commerce

deployment difficult. Meanwhile, the potential as well as opportunities for application and development of e-commerce in enterprises have not been grasped and developed [3].

How to solve outstanding issues in developing e-commerce in businesses in Vietnam is a question that many people are interested. What factors affect the development of e-commerce in businesses, solutions to develop e-commerce to improve their business efficiency and competitiveness should be more concerned. We need to research and develop e-commerce in businesses fully and comprehensively. At the same time, the reality and factors affecting the development of e-commerce need to be analyzed to find out the measures and policies to promote the development of e-commerce. The research and development of e-commerce in businesses will be of great significance in the implementation of the country's economic development policies [4].

2. THE NEED TO DEVELOP E-COMMERCE IN BUSINESSES

There are many different definitions of e-commerce. E-commerce is considered the process of buying, selling, transporting or exchanging products, services and information through computer networks, including the Internet. E-commerce involves many forms of information exchange between enterprises, between customers and businesses and between customers and customers. It includes activities supported directly by network links. E-commerce is an environment that allows the purchase and sale of products, services and information on the Internet. The product may be tangible or intangible. Meanwhile, the United Nations provides quite sufficient definitions for countries to refer to as a standard, creating a basis for building an appropriate e-commerce development strategy. E-commerce is the implementation of all business activities including marketing, sales, distribution and payment through electronic means [5].

E-commerce has a positive impact on businesses and the economy, opening up the economy to new directions of development, creating more new industries, more jobs, cutting unnecessary costs, creating faster capital turnover, stimulating competition, stimulating the society and stimulating the development of products in order to satisfy maximum consumer demand, stimulating enterprises to be always active in management and creativity. Looking for new business ideas. It can be said that e-commerce is the perfect motivation and promoting the development of the economy [6].

E-commerce opens up new opportunities for businesses in seeking new markets due to increasingly fierce competition pressure. Featuring intangible products businesses that do not have a specific standard for evaluating product quality, competition in this industry is very important, advertising through the Internet is extremely necessary, especially in the age of information explosion, social networks, and digital world today. The application of e-commerce in businesses will create more benefits for businesses (Figure 1).

Figure 1 shows with the advent of the website, it really helped bring humanity closer together, not only in electronic communication but also in the transmission and access of information. Software with a combination of personal computers and email is a breakthrough in workflow. The work is broken down into different stages; the software system allows individuals to perform anytime, anywhere in the world. Obviously, the development of e-commerce is essential not only for businesses but also for the whole economy in the process of integration and development into the global economy. This is also derived from the benefits that e-commerce applications bring to businesses [7].

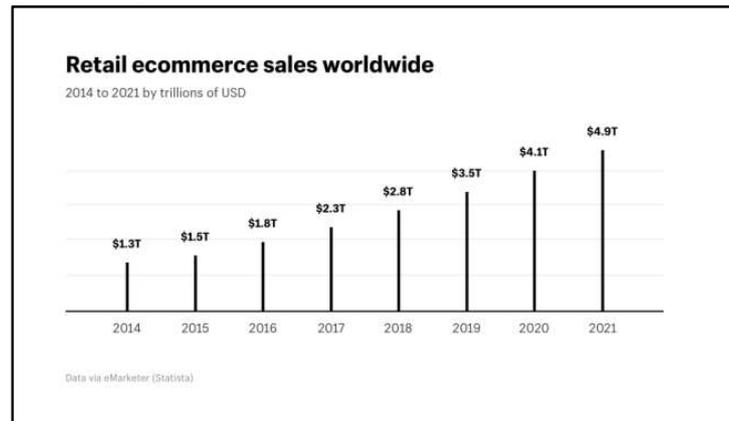


Figure 1: Retail Ecommerce Sales Worldwide (Source: The Global Ecommerce Playbook).

3. BENEFITS OF E-COMMERCE FOR SERVICE BUSINESSES

E-commerce benefits organizations because it expands the scope of transactions in the global market. With a minimum amount of capital, businesses easily and quickly reach many customers, choose the best supplier and identify the most suitable business partner.

E-commerce reduces the cost of collecting, processing, distributing, storing and using information. For example, applying electronic procurement, businesses can cut procurement management costs. In payment, by using electronic payment facilities, the company can cut the cost of issuing paper checks, the cost of moving from company to bank [8].

E-commerce reduces the time from payment of money to the receipt of goods and services. E-commerce stimulates creativity and facilitates the launch of new business ventures, increasing the likelihood of successful business options by making reasonable process changes and increasing the productivity of salespeople. Equip knowledge for employees, especially managers.

E-commerce contributes to improving the image of the business, improving the quality of customer service, finding business partners, simplifying business processes, shortening cycle and delivery time of goods, increasing productivity, paper removal, faster information processing, reduce transportation costs, increase business flexibility. E-commerce benefits consumers. E-commerce allows customers to shop and make transactions 24/24 hours a day, all days of the year and not limited by geographic scope [9].

E-commerce provides customers with more choices, customers can choose from a variety of supply facilities, from vending machines to supermarkets, a wide selection of product types, from Durable electronics come a gift. E-commerce reduces customers' spending on the products as well as services they receive through accepting suppliers regardless of location and geographical location of suppliers, comparable and selected houses. The fastest supply, the most suitable price [10]

E-commerce has benefits for our society. It allows many people to work at home, minimize shopping, thus reduce traffic on the road, minimize accidents and pollute the living environment. It leads to lower prices, so more people can buy larger quantities of goods, increasing the standard of living and enjoyment of the people. It also enables people in developing countries or rural areas to enjoy products and services that they cannot access, they also have opportunities to improve career skills. And get a higher degree [11].

It promotes the provision of public services such as health care, education and the delivery of government social services at low cost or improves the quality of those services.

4. INTERNATIONAL EXPERIENCE IN DEVELOPED COUNTRIES

Amazon is an American multinational technology company, by innovating technology and large scale, Amazon has changed the mind about this industry. Next is Taobao, which is China's online shopping site, with about 500 million users, then India also shows a very interesting number (Figure 2). Taobao supports retail customers by providing sales platforms for individuals or small businesses. In addition, Walmart is one of the most popular shopping destinations in the US. As ecommerce evolved, Walmart developed itself into a popular shopping platform. Walmart offers customers a wide range of choices such as clothing, appliances, electronics, and sports goods. And eBay is also a famous e-commerce site based in the US. EBay attracts buyers and sellers from around the world especially on holidays, eBay will offer many great promotional codes [11].

Considered to be the country with the most advanced e-commerce, with a much better development than other countries in Asia. But the success of companies based on e-commerce application and development is largely attributable to the large amount of capital, good manpower and equipment infrastructure and especially care for habits of customers [12].

In addition, Integrating with the common trend in the world, social networks also become popular in the whole society and popular in all ages. In particular, the fashion apparel industry in the retail sector increased dramatically. The two most popular social networks today are Twitter and Face book, with a total of 30 million members joining the two networks. The percentage of customers using regular media remains high, but it is worth noting that, according to consumer reviews, the efficiency of using social networks has increased almost equal to TV, especially the role of product comparison and product review websites [13].

The diverse use of home delivery forms or the association with highly distributed infrastructure in Japan has created e-commerce in Japan with its own characteristics.

Firstly, businesses focus on e-commerce applications for products and services with specific and specific characteristics. These are goods that are highly adaptable to e-commerce applications, which can have a mutual impact, and some businesses in Vietnam today, especially Shopee or Lazada is really successful (Figure 3). Since then help promote more or less the advantages of e-commerce. Japanese enterprises choose that products and services to focus on more thorough research to apply e-commerce in the most useful way [10].

Second, businesses apply e-commerce to commodity products based on the study of its suitability with e-commerce based on the priority structure of each industry, item and method of storage. information of those goods and services to markets and consumers. Third, to increase competitiveness in an increasingly harsh business environment, this requires Japanese businesses to find ways to bring new products to consumers quickly. This is a favorable environment that has certain influence on the development of e-commerce in Japan. This intangible general has promoted e-commerce activity development.

Fourth, Japanese businesses always take advantage of the advantages and strengths of their country to develop e-commerce. Because, in Japan, the communication facilities are diverse and plentiful, most mobile phone systems are connected to the Internet, which contributes to helping businesses and customers get closer together on the basis of accessing applications electronic.

Fifth, businesses also focus on building a network of supply, distribution and payment of products that are widespread and operating with high intensity. Home delivery services of some carriers, money exchange or home delivery services are increasing rapidly in Japan. This network operates throughout Japan regularly and continuously [14].

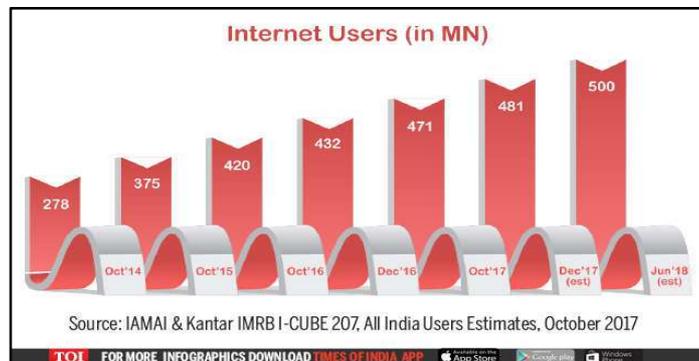


Figure 2: Internet Users in India at the Year of 2017 (Source: IMAI & Kantar IMRB I-CUBE 207).



Figure: The List of Mobile Shopping Apps in Vietnam Today.

5. LESSONS FOR VIETNAMESE BUSINESSES

E-commerce in Vietnam is only at an early stage, many forecasts show that e-commerce will boom in the future. In fact, Vietnam's Internet service is growing rapidly, thanks in large part to the excitement of the properly invested phone and infrastructure market. By the end of 2019, the total number of Vietnam's telephone subscribers was estimated at 135.2 million, up 5 % over the same period in 2018, of which mobile subscribers reached 131.4 million. Bags, up 5.7 %; fixed broadband internet subscribers reached 14.3 million, up 14.5 %. E-commerce in Vietnam is a crowded space with lots of participants. Although the macroeconomics is being affected, growth in the mobile and Internet markets continues to occur, especially as Internet access costs and telephone subscription costs are declining [13].

From the experience of developing e-commerce of countries in the world, especially Japan, businesses need to pay attention to many things.

Firstly, businesses need to prepare well technical infrastructure and technology to serve the Internet connection, solve problems related to internal processes, application of information technology in production and business.

Second, businesses need to take full advantage of available advantages. For businesses with advantages related to the marine economy, the cultural heritage path, and trade with neighboring countries, attention should be paid to thereby applying e-commerce to their business fields [12].

Thirdly, businesses always attach great importance to network security and security first. E-commerce is a completely new form of business; it brings many opportunities and also brings many challenges. Currently, according to the government's Policy on tax declaration, social insurance filing, and implementation of some public services online, etc. Accompanying these transactions is the use of digital signatures to ensure confidentiality.

Fourthly, enterprises in addition to strongly applying e-commerce in their businesses also need to focus on scrutinizing and paying attention to the government's Internet and e-commerce legal framework. The feedback from the business reality of the business is a solid basis for policy makers to issue laws and bylaws, contribute to an e-commerce business environment is equal and ventilation [15].

Fifth, businesses need to focus on building a network of supply, distribution and payment of products widely and operating with high intensity. Compared with other regions, if knowing the joint venture, tight Association will bring great benefits in freight costs, goods distribution, thereby improving business efficiency [16].

6. CONCLUSIONS

Along with the economic recovery, Vietnam's e-commerce has been growing faster. However, the major obstacles remain unchanged, including: consumer confidence in online shopping is low, online payment is not yet really popular, delivery services and order fulfillment have not kept pace. However, e-commerce plays a very important role for the business activities of enterprises in general and of service enterprises in particular. Along with the rapid development of e-commerce in the world, Vietnam e-commerce has made significant progress. Developing e-commerce has practical implications for service businesses, because e-commerce development means creating e-commerce application opportunities in both width and depth. This contributes to helping businesses expand markets, reduce costs, increase specialization, reduce payment time, and reduce telecommunications costs in the process of negotiating and signing contracts, contributing to improving the figure Business photos. E-commerce also assists managers in making timely decisions in business activities, contributing to the development of new types of businesses. In particular, e-commerce helps customers shop and performs transactions the whole day, creating opportunities for customers to participate in online auctions. This type of commerce is borderless, allowing many people to work from home, minimizing travel time.

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