E-Commerce And Small Business?

If you have not decided whether an online presence for your enterprise is worth exploring, you could be missing out on a powerful business tool.

Electronic commerce, commonly known as e-commerce or eCommerce, consists of the buying and selling of products or services over electronic systems such as the Internet and other computer networks. The amount of trade conducted electronically has grown extraordinarily with widespread Internet usage. The use of commerce is conducted in this way, spurring and drawing on innovations in electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web at least at some point in the transaction's lifecycle, although it can encompass a wider range of technologies such as e-mail as well.

The Internet is proving to be a significant business leveler, allowing small and medium-size companies to compete with the giants on the same global playing field.

Whether you are a consumer or a business-to-business resource, some of the most efficient marketing and selling tools are available via the Internet, and the potential of reaching a vast audience is open to you through the World Wide Web.

Forrester Research, Inc. estimates that 220 million North American users have online access. Also, in a recent article of the Economist, it was reported that economists have theorized that e-commerce will lead to intensified price competition, as it increases consumers' ability to gather information about products and prices. Research by four economists at the University of Chicago has found that the growth of online shopping has also affected industry structure in two areas that have seen significant growth in e-commerce, bookshops and travel agencies. Generally, larger firms have grown at the expense of smaller ones, as they are able to use economies of scale and offer lower prices. The lone exception to this pattern has been the very smallest category of bookseller, shops with between one and four employees, which appear to have withstood the trend.

Time-starved consumers are becoming more comfortable using credit and bank cards to make purchases from security-backed virtual retailers. They comparison shop over the Internet for the best quality and cost and they purchase a range of goods from groceries to high-tech products. As the electronic-consumer trade continues to soar, business-to-business E-Commerce will be even stronger.
Many larger corporations have already mandated the use of online transactions to their downstream vendors. According to the U.S. Small Business Administration (SBA), the introduction of electronic commerce in federal contracting is moving ahead, and small business owners must adopt this new business strategy to remain fully competitive.

For more information about starting or operating a small business here in Southeast Minnesota, contact SCORE on our website: www.score-seminnesota.org

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