

Beyond the Internet Business: Building Trust

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Abstract: The New Millennium sees Malaysia transform from production economy (P-economy) into knowledge economy (K-economy). Consequently the managers are now concerned with production efficiency workers' productivity , dynamism creativity and product and service innovation ,work ethics and changing functional work, culture. The increasing use of computers in business and marketing of products and services is encouraging in line with the development of information and Communication Technology (ICT) and Multimedia Super Corridor (MSC). At this moment there are approximately 503 MSC status firms (Table 1). These firms are involved in the ICT sectors. As such many have noticed the rise of internet-business as a result of improvement and development of ICT infrastructure and other government ICT incentives such as the National IT Council (NITC) that provides grants to applicants to develop the networks which enhance these five areas: E-Public Services, E-Community, E-Economy, E-Learning and E-Sovereignty. A few examples of types of firms which use their websites for their businesses in Malaysia are shown in Table 2. This paper covers the study of selected real global dot.com retailers suggest that building the customers' trust initiatives make these companies as the leading global shopping choices.

Key Words: Networks, ICT MSC,E-Public Service, E-Sovereignty.

I. INTRODUCTION

The New Millennium sees Malaysia transform from production economy (P-economy) into knowledge economy (K-economy). Consequently the managers are now concerned with production efficiency workers' productivity , dynamism creativity and product and service innovation ,work ethics and changing functional work, culture. The increasing use of computers in business and marketing of products and services is encouraging in line with the development of information and Communication Technology (ICT) and Multimedia Super Corridor (MSC). At this moment there are approximately 503 MSC status firms (Table 1). These firms are involved in the ICT sectors. As such many have noticed the rise of internet-business as a result of improvement and development of ICT infrastructure and other government ICT incentives such as the National IT Council (NITC) that provides grants to applicants to develop the networks which enhance these five areas: E-Public Services, E-Community, E-Economy, E-Learning and E-Sovereignty. A few examples of types of firms which use their websites for their businesses in Malaysia are shown in Table 2. This paper covers the study of selected real global dot.com retailers suggest that building the

customers' trust initiatives make these companies as the leading global shopping choices.

II. THE RISE OF INTERNET BUSINESS

The existence of internet technology has made internet business, i.e. e-purchasing, e-selling and other businesses on website as additional and complementary to traditional and conventional business. This internet business is an added-value (Value for time) to the customers. It has been said that internet business (e-commerce) gives advantage to the business, customers suppliers and even the government. The advantages of e-commerce to are numerous. These include increasing market development and deepening market penetration reduction in operation and administration costs, enhancing service and product quality as well as improving the business relations. Business to Business relationships and Customer to Customer (C2C) and even Business to Government (B2G) relationships. Such increased business opportunity and networks allow the internet business to be more efficient and even more profitable. The Amazon.com for example, stores over 1 million book titles, over 220,000 CDs and over 23,000 VHS and titles. In this sense, the Amazon.com is not only the e-retailer but also acts as a service provide. The Dell.com receives 500 million page request per quarter at 86 country sites in 21 languages /dialects and 40 currencies. The drugstore.com boasts more than 1.8 million customers and employs 416 full-time employees. The computercarecentre.com offers online support services with minimum monthly rates. It is an online merchant for over 100,000 information technology (IT) products. The onlinesports.com offers tens of thousands of sports items and the catalog is constantly being updated. The ashford.cingom ships its 25,000 products from 400 leading brands to 23 countries. The streamline.com a Boston based, offers for USD 30 per month a regular housekeeping service which includes dry cleaning video rental, pizza delivery and photo processing and grocery delivery. These real dot.com companies also allow the customers to experience enjoyable shopping activities as it provides various customer services and not just selling. The cases of global leading e-retailers are examples. Table 1 show the reaction and comments of customers on internet shopping with one leading global e-retailer. Table-2 shows the types of customer services and relationships the internet business could offer shopping assistance to the customers worldwide.

Table -1
Shopping Experience

Thrilling
Enjoying
Exciting
Miracle
Simple transaction-
Promising
Easy to understand buying procedure
Safer buying.
Prompt delivery
Quality product
Quality customer services
Professional advices

Table-2
Types of Customer Services and Relationships Offered by the Internet Business

Service Offer
Recommendation of products//services
Consultations
Negotiation
Brokering services (meeting customers with suppliers)
Customer services
Invitation to Purchase
Notification of current products and services
Notification of new products/services launched
Notification of offers and Sales

In Malaysia the types of government agencies and businesses on the website are listed in Table-3.

Table-3
Malaysian Business on The Web

General Information
Banking, Finance, Stocks & Related
Supplier, Manufacturing & Related
Professional Services & Related
Transportation, Shopping & Related
Travel & Related.

III. INTERNET BUSINESS: BUILDING TRUST

As mentioned earlier internet business provides strategic business opportunities and advantages

To the internet business and offer “memorable” shopping experiences to the shoppers. It is widely understood that the internet business involves non-face to face transaction and these

Commercial transaction may go beyond the national boundaries and jurisdiction. In this

“Borderless world” of globalization of commercial activities issues pertaining to the enforcement of e-commerce transaction, capital market control and good corporate governance need serious attention. It has been found that the development of ICT architecture and infrastructure and the penetration of internet into the country to some extent may cause numerous crisis and disasters to the business and the society. Computer crime such as internet gambling, illegal internet share trading, illegal internet “get-rich-quick” schemes, internet frauds, sex-cyber, illegal internet “pyramid systems” are found to affect the integrity and sustainability of the internet business sector. As internet buying and selling involves cross-border transactions. problems of sale contract and purchases agreement between two or more parties from different countries (on-line contract)and negotiations need to be solved immediately.

In the case of Malaysia, the cyber laws (Computer Crime Act 1977;Multimedia and Communication Act 1998, Digital Signature Act 1997) and the future consideration for Electronic Transaction Act, the revision of Direct Selling Act 1993 and the suggestion for Anti-Pyramid Act are constructive instruments to control the cyber/ multimedia explosion. On the part of the internet business, transparent and prudent corporate governance of internet business companies, good ethical conduct and being socially responsible, in fact will certainly build and maintain the society’s trust on the internet business. The cases of selected real global retail dot.com companies in building their customers’ trust are explored.

A study was conducted to examine the building trust initiatives of selected global dot.com companies. These six leading global dot.com companies are selected based upon their global business with global product range. Table-4 shows the six selected dot.com companies and their business.

The study showed that these leading dot.com companies disclose their business profile and operations to their customers. Table-5 to Table-8 show the types of valuable information available on the website for building the customer trust on the companies.

Table-4
Selected Real Global Dot.Com Companies

Dot.Com Companies	Business
Amazon.Com	Books greeting cards, CDs
	Pal Video games, PC accessories
	Toys and games and

	electronics
Ashford.Com	Vintage watches ,jewellery, fragrances Leather accessories, diamonds, ties, Scarves,writing instruments
Computercarecenters.com	computer maintenance & diagnosis Computers, printers and IT products
Del.com	Servers & storage, notebooks & desktops, Handhelds, software & peripherals,Services
Drugstore.com	Health, beauty, wellness personal care Pharmacy products.
Onlinesports.com	Sports memorabilia, products and services

Table-5

Building Trust: Company General Information

Company Profile
Name of CEO
Corporate biographies
Data of incorporation
Place of incorporation
Headquarter address
Equity structure
Size of company
Affiliation
Corporate philosophy
Mission statement
Financial report
Sales report
Market Share/types of customers
Business partners.

Table-6

Building Trust: Product/ Service Information

Product/Service
List of product/services
Brand names

Contents
Directions
Usage
Warnings
Weights

Table-7

Building Trust: Transaction and Distribution

Transaction
Prices
Sales tax
Discounts, promotion, rebates
Payment procedures
Order policy
Purchase agreements (if any)
Purchase privacy policy
Distribution
Warehouses
Delivery time
Door to door delivery
Types of delivery services (sea, land, air)
Shipping costs
Local distribution center
International distribution networks
Delivery Tracking systems
Custom declaration , tariff, Taxes
International Shipping Procedure/restriction

Table-8

Building Trust: Customer/Social Services

Customer Service
Returns policy
Cancellation policy
Customers inquiry
Product warranty
After sales services
Privacy policy
Money-back guarantee
Manufacturer warranty
Retailer warranty
Support services

Company Social/ Community Activities

Company bulletin

Company Newsletter P.T.O

Company social events (spot teams)

Company awards

Employment

Community initiatives

III. CONCLUSION

It is not denied that the development of ICT and internet infrastructure in the New Economy are changing all walks of life (life at work and life at home). The availability of computer telephones, faxes, e-mail, mobile phone, and the easy access to internet facilities in urban as well as in rural areas have made the communication among individuals and businesses much faster cheaper and quicker. The internet business allows easy accessibility to business information; and by a simple “click” to the “offer” and the “invitation” at the site to just what he/she wants, the transactions are transmitted online. In the analysis of six selected global dot.com retailers, the internet business proves its advantages, benefits and added value to the shopping activities. In comparison to conventional marketing and shopping, the internet business (eSelling, eBuying, ePromotion and eDistribution of product and services) lets the customers navigate hundreds of sites that provide shopping choices, shopping satisfaction, personalized shopping, convenience, time reduction and eliminating purchase-order processing cost to the customers. At the same time the internet business, particularly the real global dot.com retailers and service providers generate business and social networks between customer to customer (C2C), business to customer (B2C), customer to business (C2B) and business to business (B2B).

In spite of the appeal of the internet shopping and compelling for customers, the global internet transaction seem quiet confusing and complication as they involve individual customers, sellers, suppliers from all part of the world. Thus

matters relating to legality of the business, the validity of sale contract and purchase agreement, business transparent, if not properly handled and solved, may affect the integrity and the sustainability of the internet business. Even so, the mistrust of internet business will damage the e-business industry. As such, the e-business industry needs to be monitored by the government and controlled through effective and comprehensive cyber law. At the same time, the internet business companies need to be very transparent about what and how they are doing and are going to be in the near future. The study of selected real global dot.com retailers suggest that building the customers’ trust initiatives makes these companies as the leading global shopping choices.

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