

# Comparative Analysis on Matters Affecting the Global Economy

## A Case Study of E-Commerce Business

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**Abstract:-** Electronic commerce (e-commerce) is generally viewed as the buying and selling of products over the internet, however, any transaction that is concluded exclusively through electronic means can be regarded as e-commerce. E-commerce may have great economic impacts in subsequent times. Internet commerce will transform the physiognomy of business endlessly. Furthermore, it has impacted the information technology (IT), electronic, social, and e-commerce has increased the productivity development globally in the recent times. The effect of e-commerce on developing economies for curtailing in competencies for trading and to enhance productivity in terms of economies with competitors globally. There are several measures to expedite the increase of productivity by reducing costs, enhancing competencies, and curtailing time and distance, e-commerce could emerge as a significant device for growth and increase in all sectors. Frameworks for information security is clearly applied to the features that affect e-commerce that incorporates computer security, data security, and other broader compass of the information security framework. E-commerce security possess its own particular distinctions and is one of the topmost visible security features that affect the consumer through to acquire e-business finance and value investment, globetrotting, and its internet embodiment.

**Keywords:-** E-commerce, COVID-19, Global, Economy.

### I. INTRODUCTION

E-commerce (electronic commerce), is an innovation in business practice. Organizations that plan on leveraging on new internet technologies must however, take a strategic perspective (i.e care must be followed to make a close connection between corporate tactics and electronic commerce tactics).

In a wider perspective, e-commerce is the utilization of computer networks to enhance organizational conduct (Watson,2008). Some of the organizational conduct benefits possible e-commerce which includes; raising gains, profiting market share, upgrading customer service, and delivering products swiftly. E-commerce surpasses just making orders for goods from an online inventory or archive, it necessitates every feature of a company's electronic communications with

its stakeholders, the individuals who decide the coming times of the organization. Therefore, electronic commerce consists of activities such as creating a web page to assist investor interactions with buyers who are potential customers.

Summarily, e-commerce necessitates the utilization of information technology to boost communications and transactions with every of an organization's stakeholders. Such stakeholder consists of suppliers, customers, government controllers, financial institutions, managers, workforce, and the public in general.

All organizations also need to contemplate if it should have an internet presence and where this becomes attainable it is important to know the depth of its involvement. To get the appropriate reaction to this, two major factors have to be considered.

Firstly, what number of subsisting or prospective customers are likely to utilize the internet? Where a notable fraction of a company's customers are internet users, and the search expenses for the product or service are moderate and considerably high, then an organization should have an existence ; or else it will be losing out on opportunities to hint and communicate with its customers. The web is a relatable and extremely suitable source of information for several customers. However, where a company does not have a website then there is a risk tendency that prospective customers who are web experienced, will proceed to competitors who have a web existence.

The second aspect is to understand the information power of a firm's products and services. An information power product is one that needs moderate information to delineate it entirely. For example, what is the best way to delineate a compact disc (CD) to a prospective customer? Preferably, text would be utilized for the album notes making a list of the tunes, artist, and playing duration; graphics would be utilized to showcase the compact disc cover; sound would provide a pattern of the music; and a video clip would display the artist performing. Therefore, a compact disc is information in-depth; multimedia (mm) are helpful in delineating it.

In addition to other environmental challenges, organizations are confronted with three crucial tactical challenges such as demand risk, revolution risk, incapability

risk. It is pertinent to note that the internet, and particularly the web, can be a tool for mitigating these risks (Watson, 2008). Using a comparative analysis, this paper will juxtapose and counter views in respect to Electronic commerce using four publications from OECD source and RAND source as instructed by the course tutor.

## II. UTILIZING E-COMMERCE FOR SUSTAINABLE DEVELOPMENT & HOW E-COMMERCE HAS EXPANDED IN THE TIMES OF COVID-19

In the process of the global economy enlarging digitally and affecting additional trade ventures, it is significant to contemplate how strategies can aid in utilizing e-commerce for viable growth.

❖ *Current Trends in Electronic Commerce have Pinpointed the Most Leading Chances and Confrontations Linked with Transformation from Physical (Offline) to Virtual (Online) Trade. Some of these Challenges Includes the Following:*

➤ *Electronic-Commerce is Developing Fast, Yet Data are Scare:*

The worldwide environment of e-commerce is increasingly developing importance in the direction of growing nations. Although, the absence of data on electronic trade is a crucial confrontation for delineating electronic trade intake and considering its effect (OECD, 2017).

There are no extensive official statistics on the principle of local and foreign e-commerce. It is just few nations, mostly the evolved ones that currently compute statistics on e-trade profit. Only very few recount data on cross-border electronic trade. There is universally more details available on B2B (business-to-business), and B2C (business-to-consumer) dealings.

More so, official statistics put together through UNCTAD for B2C and B2B sales in the key electronic markets in 2015 as displayed within OECD/WTO (2017) table, proves that the worldwide Business to Business and Business to Commerce electronic trade attained US Dollars 25.3 trillion in 2015, a significant US Dollars 9 trillion more than the 2013 worth. According to OECD (2017), B2C sales summed up to only above USD 2.9 trillion, a little above 11% of the entire worldwide estimate. B2B sales realized above USD 22 trillion, nearly 8 times the B2C worth. Nonetheless, while B2B constitutes the greater share of electronic commerce, B2C seem to be expanding swiftly (UNCTAD, 2015).

It is also pertinent to note that the Chinese nation was the globe's biggest B2C electronic commerce in 2015, at the sum of USD 617 billion, followed keenly by the U.S at the sum of USD 612 billion (OECD, 2017). However, the U.S have being

the foremost in Business to Business sales, at above US Dollars 6 trillion, clearly ahead of Japan at USD 24 trillion. In the 10 nations for which data were put together, electronic commerce sales correlated with more than a third of the cumulative GDP. In Japan and Korea, they constituted clearly more that 50% (OECD, 2017).

The above available details, proposes that the merchandise for electronic commerce extended notably in the past decade, and it keeps growing. Such remarks are aided by estimated conducted through private advising companies. While world-wide e-commerce is still influenced by developed nations, the highest development perceived in growing environments, particularly in Asia.

➤ *Assessing Inter-Regional Electronic Commerce is Demanding:*

The provided estimates above entails both local and inter-regional electronic commerce. An important strategy confrontation presently be obliged to decide the inclusion of e-commerce to foreign trade, in clear terms, to assess the allotment of e-commerce that is inter-regional. It is pertinent to note that the absence of formal statistics in this region makes it tough to provide a general image (UNCTAD, 2016b). According to OECD (2017), subsisting data approximation propose that the allotment of inter-regional e-commerce may be high up in specific growing nations.

However, in several growing nations, the inter-continental extent of electronic trade is still moderate. For instance, the European electronic trade sales are mainly local in nature. Whereas in 2015, 20% of the businesses in the EU's European Union-28 sold virtually (online), averagely, just 8% recounted making electronic sales to other European Union nations (Eurostat,2017).

There are also numerous factors that affect electronic commerce readiness, however, national policies can help enable e-commerce. Amidst these challenges, and on the contrary e-commerce expansion has become significantly important in the recent times. This will be buttressed below

➤ *The Need for Strategy Makers to Certify that Electronic-Commerce Carry Everyone along now more than ever:*

The recent COVID-19 crisis has hastened the extension of electronic trade in the direction of new companies, consumers, and types of commodities.

For humans, electronic commerce warrants physical distancing, while keeping access to the complete product variety. While electronic commerce before now for several consumer groups was revolved around high technology goods, toys or books, it is currently and increasing involving commodities thereupon attainability is crucial through a great share of the population, which includes groceries, medicine, and other demands (OECD,2020). Electronic trade has further

warranted continuous approach, either virtual, or offline, to specific areas of public life, such as gig shows, museums, or swimming pools, including by effectively sharing time stamped tickets to steer clear of overcrowding. Comparably, for several companies e-commerce is presently an important choice or supportive sales strategy (OECD, 2020), permitting continuous performance irrespective of contract limitations and more restricted means.

It has thus, become rapidly vital to abut remaining automated splits. For consumers, these can be connected to factors as access, revenue, cognizance, or expertise. For instance, the aged, a sector of the population that would specifically profit from electronic commerce-enabled physical distancing, have consistently been falling behind in the aspect of e-commerce involvement in several nations (OECD, 2019).

Notable and constant gaps also continue to exist for low-earning households or persons with poor education which pertains given the reduced costs of linkage, the pervasiveness of digital techs and the rising concept of products available virtually. However, closing these split ups, governments also need to certify that consumers, and specifically the elderly (the most vulnerable), are adequately safeguarded from unjust, deceitful and fraudulent commercial virtual practices, which have become high up in the recent crisis (OECD, 2020).

### III. ANTICIPATIONS FOR APPROVAL OF AUTOMATED MONEY & ITS CHALLENGES

#### ➤ *Adoption and Use of Crypto-Currencies:*

Participants of the Thought Leadership Program held in the Corsham Institute 2017, which included “Digital learning”, noted that Bitcoin (BTC), the major leading crypto-currency, is still dreadful for some individuals (Stewart et al., 2017). Nonetheless, during the time it is yet utilized by some persons for fraudulent purposes, specific drive element like the absence of geography, effectiveness, and poor-cost transactions is making the crypto-currency gain more approval, with additional organizations and hedge finance entering into the merchandise and anticipations for machine-to-machine transactions. Some proposed that it was becoming simpler to purchase BTC as an outcome of the evolvement of better exchanges, nonetheless, a partaker of the event acknowledged that BTC endures been utilized more frequently as a store of worth instead of used as a means of exchange.

Perspectives of the prospective role of crypto-currencies in daily transactions were mixed (Stewart et al., 2017). Some persons in the group were of the opinion that automated techs were mitigating the demand for substantial money, specifically within the younger circles, who are more acquainted to engaging with digital platforms and online communications. In respect to this, it was proposed that such regularization of digital tech and specifically the capability of transacting using smart-phones could necessitate decreased

need for physical currency, or even fiat currency more widely, with nationals able to potentially keep hold of a range of digital monies for distinct objectives and to transact respectively as needed.

The perception that crypto-currencies would continuously evolve in eminence among the public was however being confronted accordingly that in the interval that transitory might be good for investors, currencies an increased depth of stabilization like those supported through a primary organization that are better for daily transactions (for instance paying bills and placing trade price list). Amidst the embracement, utilization and benefits of crypto-currency, there are some challenges that are eminent.

#### ➤ *Persistent Challenges:*

Regardless of the wide-ranging prognosis about the potential of crypto-currencies and the fundamental Blockchain technology for social transformation, such transformation is by no means unavoidable. Major worries remain, which may impact the level to which digital monies become established monies of choice for people. These challenges include:

- General trust and credence in innovative methods of transaction (Stewart et al., 2017)
- The demand for a direct rationale to transform transaction practices
- Absence of direct governing infrastructure and central government
- Security and protection of crypto-currency and digital platforms (Stewart et al., 2017)
- Network impacts and intake of specific platforms

### IV. CONCLUSION

This paper utilized a comparative analysis to discuss matters affecting the global economy, particularly on perspectives regarding e-commerce. The paper elaborated on these matters taking cognizance of two publications from OECD and another two reporting from RAND.

Additional research and discourse are required to suitable acknowledge the inferences of Electronic trade for viable growth and to identify the demands of growing nations in attempt to create nearly all electronic commerce opportunities. In this regard, there are number of identified global for a for multi-stakeholder discourse, which suggest a better neutral platform for interchanging information, creating contacts and speaking out bothers. These comprises of; the UNCTAD intergovernmental Group of professionals on Electronic-commerce and Digital Economy, the UNCTAD Electronic commerce for All enterprises, the global meeting regarding the information society Forum, different OECD bodies and the World Trade Organization (WTO) international support for Trade Review.

To certify an effective electronic commerce environment that carries everyone along, strategy makers should additionally promote the licensed topography for virtual ventures in areas such as digital connectivity, (global) logistics and business, including in automated products and services. Postal services for instance, are a sector with immediate bearing for electronic commerce.

By the utilization of contemporary automated podiums, new merchandise beginners and non- monetary organizations are capable of engaging with distinct areas of the monetary services segment that have consistently been the conserve of financial organizations.

Digital tech has transformed the manner with which we buy goods and services in intense ways. While prophecies have been progressed about the unruly and obvious prospective of such innovation as crypto-currencies and shared ledger technologies, the effect of digital platforms on the manner we transact has until now, been one of gradual advancement. However, it remains a start for crypto-currencies.

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