

Abstract: b2c e-Commerce Practices: a SWOT analysis

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In the last few years, while the macroeconomic parameters were decreasing almost all over the world, data about b2c e-commerce revealed a strong increasing trend, although in a very differentiated way.

Such a differentiation seems depend both on subjective (age and clients' instruction level) and objective (connection facilities, product features, and so on) parameters. This is true also for Italy, a country that presents traits in some mode intermediate between more digitalized and "traditional" countries.

On the whole, e-commerce is going to dramatically change commerce practices in almost all market sectors, albeit in many distinguished ways: sometimes, replacing "traditional" physical market models with (often totally different) virtual ones; in other cases supporting "as usual" business approaches with ICT virtual tools, particularly for CRM (Customer Relationship Management).

So, it can be interesting to develop a synthetic S.W.O.T. (Strengths, Weaknesses, Opportunities, Threats) analysis of b2c e-commerce current practices, as a way to describe their possible next evolutions.

Strength factors of b2c e-commerce are principally connected with its dramatic scale effects: in a virtual store it is possible to extend the "shelves" of offered products with no space limits, and catch up with people everywhere in the world at a very low cost. So we can develop profitable business also by offering virtual products for free to most "clients", as long as some client (also a relatively small percent) is willing to pay for an "improved" (or "professional") version of the same products, or for the possibility to propose their advertising to the "for free" clients (as for search engines and social networks).

On the other way, the weaknesses of b2c e-commerce for all "physical" products depend on the absence of a direct, material contact between the potential client and the offered goods. This limit is particularly important for fashion and handcrafted products, where the fitting and "touching" experiences can be critical for the buying decision. Furthermore, the delivering process can be another important limit of b2c e-commerce of physical products, for the connected cost and time problems, and for the necessity of an efficient logistical chain.

The more important opportunities of b2c e-commerce are connected, of course, with the impressive global diffusion of internet connections (that enlarge the potential markets), and with the possible passing of physical limits: if we can download a software or a song, or a book, once sold in "material" forms (CD, paper, and so on), one of the two principal weakness factors is totally passed.

Eventually, the more important threats are probably connected to the difficulties to solve the above-illustrated weaknesses (physical contacts and logistic processes), and to the vulnerability of the web to criminal activities (identities' thefts, paying processes, etc). The reputational features of the commercial relationship are also very important: in the early stages of e-commerce it was, perhaps, the most important obstacle to the large diffusion of some e-business activity, because it seemed very difficult to substitute the shared knowledge of "neighbour" communities about the commercial reliability of sellers. Nowadays, moreover, the massive use of reputational on line tools seems to be able to constitute a good virtual substitute of the traditional "word of mouth" development of the commercial reputation of a supplier.

Summarizing, we can conclude that b2c e-commerce will probably meet – in next years – a broader diffusion both by a geographical and a typological point of view.