**Question no 1 part (a)**

**Answer:** Retailing has been a very convenient way of buying and selling of goods and services from a very long time, but still humans are trying to lower the cost and make it less time consuming and more convenient as the world is changing and the introduction of new technology its been very easier and more reliable to buy and sell goods and services now a days, its all possible because of E-commerce. By using E-commerce shopping can be done online using our finger tips and we don’t have to go on foot, furthermore geographical barriers becomes blur and we can easily ship our product to another country by ordering online. Also advancement in technology using search engines we can quickly search things and also compare it for better price information. Also we can download the software from internet online and we don’t have to go out to the shop and can pay online using credit card , another benefit is a lot of variety is there so we can choose according to our choice. In the future we may see intelligent software with the help of artificial intelligence called mobile agents which helps to shop online through internet for us.

**Part (B)**

**Answer: Draw backs of E-commerce**

**Technical Disadvantages**

* There can be absence of, reliability or standards ,system security due to poor implementation of e-commerce.
* The development industry of software is still changing and keeps changing excessively.
* Many countries around the world, bandwidth network might cause an issue.
* Special types of web servers might be required by the seller , setting the e-commerce environment apart from network servers.
* Sometimes, it becomes difficult to integrate an e-commerce software or website with existing applications or databases.
* There could be software/hardware compatibility issues, as some e-commerce software may be incompatible with some operating system or any other component.

**Non technical disadvantages**

* Initial cost –it may be very costly to make a software related E-commerce in your home.it would take a lot of time and also due to lack of experience it would take a lot of time.
* User resistance – There are a lot of scams happening in online stores and softwares so its difficult to convince people to move from physical to online shops due to trust issues.
* Security/ Privacy – In online transactions it becomes difficult to ensure people of security and privacy of their assets .
* You cannot touch and feel the quality of a product you want to buy online so it’s a drawback or disadvantage of e commerce
* As E-commerce is still changing and evolving so we have to keep up with advancement and technology.

Internet is still expensive for a lot of people and a lot of people are unable to use the technology for example, those living in remote villages

**Question no 2**

**Answer: factors contributed towards Enormous growth of Ecommerce**

**Mobile traffic:** with the introduction of smart phones and its growth around the world , people are now using phones and everybody has it now a days , the advancement of mobile industry , desktops are losing market as everybody it becomes more easier to use smartphones any where and shop online and its increasing the growth of e commerce .

**Social media:** we all know that social media is a hub of business now a days , even a single software like face book has 2 billion customers and they are doing everything online with the introduction of such software people shop online post their ads and buy and sell thing all around the world and can advertise their product more easily which helps in the growth of e-commerce.

**Search engine optimization:** it started with online media and every website consider it compulsory for searching out things it becomes more easy to search and select things , Unlike search engine marketing where each new customer comes at a marginal cost to the retailer , now that e-commerce have immense its value to attract more potential customers to their websites.

**Shopping online:** One of the reasons why customers prefer to shop online than in brick-and-mortar stores is that the internet gives them the chance to weigh their options and get the best deals. They can quickly search for promotions and coupons and compare prices from several retailers. Moreover, the internet fulfills customer demand instantaneously, through immediate delivery. And, a buyer needn’t worry about the availability items that are difficult to source locally. The sheer convenience of online shopping has contributed a lot to the growth of e-commerce.

**Faster Payments:** Modern payment processing technologies have made completing purchases in online stores as smooth as ever. Thanks to high-risk merchant account providers, customers can conveniently buy products safely and instantaneously using their credit cards. Mobile-based payment gateways have particularly been on the rise and are poised to lead the global payment markets in the coming years, further fueling the growth of e-commerce.

It is surely a great time to be an online merchant. Business is booming, and if the factors above continue to play their part, things will get even better.

**Question no 3 part (a)**

**Answer**

**Advancement in technology:** With the enormous advancement in technology it becomes possible to shop online more conveniently and less time consuming. The development of new softwares day by day is giving much growth to e retailing and we can shop online without going to the physical shops , if there wasn’t advancement in technology it wouldn’t be possible to shop online .

**Globalization:** As the world is connected now due to the internet we can buy and sell goods online towards with other countries and shop products from other countries which are not available in our country , this brought huge revolution in e retailing , it is also done in larger capacity like between country to country online transactions takes place for buying bigger machinery for construction etc.

**Improved delivery process:** delivery process has been a very important factor in online shopping that makes or shows the overall image of the business people prefer those online businesses which are best in delivering products in less time , as the delivery services are improving people are becoming more attractive towards e retailing as they will be getting their product online in less time even across the country also some websites give free shipping costs which attract customers towards e retailing which helps in the enormous growth of the E retailing.

**Question no 3 part (b)**

**Answer**

**Specialization by function:** specialization by function is specializing in a particular product line or product eg cds , books , cars , clothes and sell this particular product and specialize In it ,it could choose to position itself at the very expensive end of the market eg Gucci and Armani ,alternatively it could do more mass marketing by selling non brand names at a much lower price.

**Example:** LASTMINUTE.CO , they sell travel tickets , gifts in the last time for people who want to purchase these items in a very short notice. Generally when someone purchase ticket a short notice he has to pay premium an extra charge for the convenience for booking the travel. Sometimes giving discounts and other promotions the last minute website realized that there are customers who want to pay for the premium for doing this shopping in the last minute eg the airline companies have some seats left which they have to fill and the last minute provide a platform for all the seats available on the different flights in the last minute so the airline companies had an agreement and the last minute website sell those tickets on premium so it’s a win win situation this type of specialization by function is difficult kind of specialization unless one utilizes the internet to carry out this kind of specialization