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**Assignment - Paper**

**Question 1(a)**

E commerce has changed the retailing in a number of ways :

**MARKETING STRATEGIES EXIST ONLINE:**

E commerce has shifted majority of their marketing to online platforms so now brick and mortar retailers are relying on online marketing engagement to compete.Comsumers says their behaviour changes when they see promotional offers and digital ads online and their behaviour is also affected by comments and reviews the view on social media.Brick and mortar retailers have also started to give instant coupons on checkout

**Retail employment is also growing**

Brick and mortar are facing challenges due to e commerce but the retail employment is also growing in department of “Marketing" employment growth has been seen in this department so they work on their marketing

**Automation drives need for Specialization**

E commerce companies hire less people and have less staff and their warehouses are mostly automated.Brick and mortar retailers will face a problem from this but they can offer something which amazon and walmarts online stores cannot and that is for example clothes retailers can offer fashion consultants which is a unique experience

**Some consumer habits are Changing**

More consumers shop online then shopping from brick and mortar retail shops because online they can find the best price by comparing prices and the other reason is that they can shop easily on there mobile phones.

**Data Base**

E commerce uses data collection better to understand its consumer population.E commerce giants track there consumer spending habits in order to provide the best shopping experience.

**Brick and Mortar are not Obselete**

While E commerce has changed many aspects of consumer behaviour some behaviours may never change.64 percent americans prefer shopping at a physical store over and online store because they want to feel the product in there hands see how it looks on them and then decide.

**Question 1(b)**

1. Security : This a very serious issue and cannot be neglected.Hackers can hack accounts and change passwords and wipe your website.
2. Site Crash : It is a small word but can bring down your business in seconds.A strong bandwidth is needed so consumers could scroll and view the webiste easily.
3. No possibility of tried and tested Product : Consumers cannot try and test the product for his own satisfaction and therefore it is a major drawback
4. Late Delivery : It is a major drawback of e commerce platforms.Consumers are told there products will reach them in 7 days or so but it doesn’t reach them at the specific day and after the delay when the parcel reaches them they aren’t sure of the time there product will reach them
5. Some Products Cannot be bought Online : Not all products could be bought Online like ice cream ,Spectacles ,Metal or gold you cannot trust yourself until you make a purchase without visibly touching it.

**Question 2**

There are a number of factors that contributed to the growth of e commerce some them are the following :

**Urbanization:** Due to urbanization e commerce is growing because with this the online companies are facing less logistical challenges when developing their services

**Mobile Adaptivity:** Majority of the buying and selling is done on mobile phones and tablets.Major brands are making such websites which are mobile friendly.With this better technological improvements like better connectivity and voice activated shopping has brought an increase in online shopping.Furthermore notifications of new releases,ads,promotional offers also developes customers interest.

**Convenience:** It is very convenient to shop online as it can be done 24/7 and throughout the year.During extreme weather conditions unlike brick and mortar retailers which cannot be visited.It is good for those who want to purchase fastly and avoide crowds.Also consumers can compare prices and read reviews without going out of their homes.

**Social Media:** Example can be of facebook which provides free traffick.Facebook boasts 2 billion active users worldwide which is very beneficial for e commerce buisnesses.

**Faster Payments:** Due to online payments customer flow has increased.Customers can easily buy using there debit and credit cards.

**FMCG :** FMCG stands for fast moving consumer goods.We see purchase of laptops,books online but we don’t see grocery bought online that much.The figures are very low.

**Globalization:** Due to better connectivity people can become aware of products that are not produced locally.

**Question 3(a)**

1. Visibility: It is the very important in cyberspace that your website Is visible.This means that we should register it with such well known search engines like Yahoo,Google etc so that it is easily found.And it is also inportant to link our website with other websites which have similar intrests
2. Webiste Development : The look and feel of the website should match with the company’s image as well as the market position that it seeks to address.Suppose if the brand is Armani then the website should be sophisticated looking and if it is other brands then it can be slightly jazzy.The front page is the most important of the website to grab the customer.In other words it plays the same role that the window plays on traditional store.Next inside the store layout should be according to customer intrest.
3. Price: Price is very important because customers can can compare prices throughout the world so competitive pricing should be done.

**Question 3(b)**

Specialization by functin means it is specialized to a particular class of consumers and a specific class of sellers.An Example can be of “Lastminute.com".This website brings last minute sellers of services and products and last minute buyers of products and services.Like airline tickets which are sold due to empty seats at the last minutes or few days earlier so those people buy it who couldn’t buy it earlier because they didn’t had the money or time.Similarly other last minute matching of resturants,holidays,hotels is also done.They sell deals because the sellers have sapre left.