

# THE IMPACT OF E-COMMERCE IN ON-LINE BUSINESS

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## **ABSTRACT**

*This research paper has aimed to survey the success and failures of E-Commerce in the first and the second waves, to find out the important role of E-commerce in businesses, and to predict the future of E-Commerce. Those three issues will be the limitation in this research paper. Since this is a literature analysis, it will have some critiques, extend, analysis, and review from the previous literature. In this research paper, there are some factors which contribute the success of E-Commerce including new business strategy, efficiency, and generating profits from new revenue models. The limitations of implementing E-Commerce are derived from technical and non-technical limitation which can lead the failures of E-Commerce. E-Commerce also plays a significant role for business to grow and develop, particularly, in maximizing profits and reducing costs. Hence, there are many strategies and new technologies offered by experts to implement E-Commerce precisely. The growth of E-Commerce will lead to the prediction and speculation of how E-Commerce will be in the next future.*

*Kata kunci : e-commerce, business strategy, net firm, profit, revenue models, investors, consumers,*

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## **INTRODUCTION**

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Electronic Commerce had a fascinating history from the mid of 1990s to early 2000. During that period, E-Commerce grew rapidly in some big companies in United States such as: campusfood.com, Kozmo.com, Furniture.com, eRegister.com, Go.com and Pets.com but then, these on-line businesses suffered a downturn drastically after experiencing failures of uneven spread in this difficult time (Knapp, 2003, p.15 and

Turban, 2006). At that time, United States was the dominant retail commerce in the internet compared to European countries. Schneider assumes that many investors feared that they would miss a money-making opportunity so they invested heavily in some big and promising companies and then divested as soon as the failures occurred, as in the cases of dot-com boom, dot-com bust, or dot-bomb. (Schneider, 2007)

However, there had been some changes which happened between 2000 and 2003, according to