A mini review on electronic commerce in IRAN

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ABSTRACT: Electronic commerce usually called e-commerce is really shopping for and commerce of product and services (Wikipedia, 2008) like on-line stock and bond transactions, the downloading and commerce of "soft merchandise" (software, documents, graphics, music, etc.), business-to-business transactions and different styles of looking over the web or different electronic networks. this text covers the present e-commerce standing in Persia, its benefits and drawbacks and ments in Persia's banking industry needed to expand e-commerce in Iran. It conjointly covers the mental efforts that has to be done to assist e-commerce prosper in Iran.

Key Words: Electronic commerce, Iran

INTRODUCTION

E-commerce is apace reworking the means accounting functions ar performed. Distinct as they're from typical industrial activities, electronic transactions have expose new challenges to the accounting profession. Besides, additional and additional accountants nowadays ar mistreatment data technology, be it in a job or within the observe of the profession. it's helped the fraternity of accountants to enhance the service levels and type of services to the shoppers.

Electronic commerce normally called e-commerce is truly shopping for and mercantilism of product and servic-es (Wikipedia,2008) like on-line stock and bond transactions, the downloading and mercantilism of "soft mer-chandise" (software, documents, graphics, music, etc.), business-to-business transactions and alternative kinds of looking over the net or alternative electronic networks. it's the paperless exchange of business data mistreatment electronic information interchange (EDI), e-mail, electronic bulletin boards, fax transmissions, and electronic funds transfer. It refers to web looking as an entire (businesstown, 2008). Talking regarding the thought of e-commerce we are able to say that it's all regarding mistreatment the net to try and do business higher and quicker. it's regarding giving customers controlled access to the pc systems of a corporation and property individuals serve themselves. it's regarding committing the corporate to a significant on-line effort and group action the online web site of that company with the guts of its business (businesstown, 2008). Asian country as a developing county is active some e-commerce connected activities. this text is regarding the exist-ing practices in Asian country with regard to shopping for and mercantilism on-line. It covers the subsequent subjects:

1. Advantages and drawbacks of e-commerce
2. limitations and limits of e-commerce in Iran
3. Iran's banking industry that supports on-line payments
4. What quite businesses will go online?
5. wherever is Persia in international e-commerce competition?
6. What opportunities will e-commerce give for Iranian business people?

LITERATURE REVIEW

E-commerce is changing into in style among the organizations these days across the globe. several surveys are created to estimate the expansion of e-commerce in varied countries.

Carr (1985) conducted a study of twenty- four organizations in U.K. The study is predicated on the responses of 344 certified accountants out of communication questionnaires to 1192 certified accountants. The study was conducted to seek out the modification that data technology is transfer to the suggests that by that organizations set up, develop and structure their additional ancient processing systems. The survey advised that the profit which could arise by giving technological support to accountants are going to be principally within the sort of time saving and improved work quality. The technology can facilitate the businessperson to hold out the observe of accounting additional effectively instead of modification the character of accounting.

PRTM, Washington, conducted Associate in Nursing e-business survey in 1999 for sales and promoting management. The survey participants enclosed executives from a crosswise of industries.

The survey found that for sixty six per cent corporations, client service was the most e-business goal. eighty five per cent of the businesses surveyed regarded e-business strategy as necessary to their promoting and sales success. seventy nine per cent expected their e-business contacts with customers via the net to make loyalty on condition that supported by different media and private interaction.

According to Webmergers.com (2001), 210 web corporations went out of the business within the year 2000. Of these, regarding sixty per cent shut look within the half-moon of the year. In December alone, around forty start-ups within the U.S. logged off permanently, cost accounting investors $ one.5 billion, forty six dotcoms stop working in Gregorian calendar month, 2000. Nearly 15,000 folks lost their jobs thanks to the autumn out. seventy five per cent of the dotcoms that went out of business were within the B2C sector. fifty five per cent were e-commerce corporations and around thirty per cent were content providing corporations. Around thirty per cent of the shut downs came about in CA, whereas the japanese coast of the United States of America accounted for nearly twenty per cent of the overall. regarding eleven per cent were Western European.

Pricewaterhouse Coopers (2001) conducted a study of seventy eight giant producing companies within the us. It found that solely forty per cent of enormous corporations might receive orders on-line and solely twenty eight per cent might settle for payments on-line. These corporations, however, believed that the portion of their revenue from e-commerce would jump from but five per cent to a minimum of twenty per cent by 2003.

Data from Forrester analysis, Cowles and Simba data indicates that shopper disbursement on line was solely $ 240 million in 1994. However, it multiplied to $ 993.4 million in 1996 and was expected to achieve $ vi.9 billion by 2000. Of this, it absolutely was projected that thirty two per cent of the resources would be spent on pc merchandise, twenty four per cent on travel, nineteen per cent on recreation, ten per cent on getting gifts and flowers, and five per cent on shopping for attire.

Jupiter (2001) suggests that in 2005, eighty per cent of B2B transactions are going to be e-commerce transactions, accounting for a few United States of America $ vi.3 trillion. Beantown Consulting cluster (2001) comes an increase from thirteen per cent of inter-company gross purchases (US $ four.8 TRILLION) in 2004. whereas the figures from these 2 sources take issue, it's clear that B2B irresistibly dominates e-commerce. In fact, business analysts argue that shortly business can drop the "e" from e-commerce, as a result of group action are going to be undertaken no different approach.

A study by Cisco Systems INC. found that the net economy contributed quite $300 billion in U.S. revenue and it absolutely was chargeable for one.2 million jobs. the yank cluster, Beantown forecasted the degree of transactions to extend from $ 138 billion in 1999 to quite $541 billion in 2003, a compound rate of growth of forty one per cent over 5 years.

The Thomas Register and Visa, USA conducted a survey of 3,000 getting executives operating in producing, government, construction and engineering industries. They disclosed that regarding twenty five per cent of the executives purchased between $1,000 and $10,000 price of products per month via the net. Moreover, eight per cent of the executives purchased quite $10,000 price of products per month over information superhighway.

Another survey was conducted collectively by Wielson Media analysis, O'Reilly and Associates, and Georgia technical school. to see the demographics of the net user. They found that the standard user of the net had a median age within the middle 30's, with a median financial gain between $ fifty,000 and $60,000 and customarily had a university degree. what is more, the proportion of the feminine user multiplied chop-chop. They conjointly reportable that electronic business-to-business (B2B) market was a hundred times above the web shopper market.

According to International Technology Firm, Gartner, the amount of web users in Asia can reach 188 million by the top of 2004. this could imply Associate in Nursing virtually five-fold increase over a five-year amount. The report expressed that China, Japan, peninsula and Bharat would be the most countries transfer sizable amount of individuals on-line. Of the expected 188 million, around ten million would be from Bharat, whereas regarding fifty one million (27 per cent) are going to be from China.

At the country level, projections for us e-commerce sales place it within the initial place, with the best sales within the world throughout the amount 2000-2004. web commerce within the us is anticipated to quantity to US$ 488.7 billion and US$ three.2 trillion in a pair of000 and 2004 severally, followed by Japan wherever electronic transactions square measure expected to extend from US$ thirty one.9 billion in 2000 to US$ 880.3 billion in 2004. Germany's e-commerce sales, that square measure expected to earn it third place, can quantity to US$20.6 billion and US$386.5 billion in 2000 and 2004, severally. These figures indicate that the 3 commerce giants square measure reaching to conduct additional and additional of their business electronically. The 2004 e-commerce sales as a share of total sales square measure expected to achieve thirteen.3 per cent within the us, 8.4 per cent in Japan and vi.5 per cent in FRG. This trend can most likely drive the remainder of the globe into

increasing their e-commerce activities. Business can most likely contend with different businesses that also are e-business, and businesses that square measure outside the electronic chain would possibly most likely be left aside. These figures ought to compel developing countries to undertake serious preparations for effective engagements in e-commerce.According to Forrester analysis INC., on-line retail sales can grow from $172 billion in 2005 to $329 billion in 2010. E-commerce can represent thirteen per cent of total United States of America retail sales in 2010.

Advantages of e-commerce

The following list is that the range of benefits that may be achieved victimisation e-commerce

1. Business will be conducted all day daily (marcbowles, 2008).

2. As all (or most) of the communications and fund transfers ar done electronically, the general speed of doing business is high (marcbowles, 2008).

3. victimisation e-commerce, corporations have access to world market places and do business with each different company or individual WHO is connected to the net (marcbowles, 2008).

4. There ar variant opportunities to search out the initial makers over the net and buy product and services cheaper or with higher quality and support (marcbowles, 2008).

5. because it is declared before, e-commerce is somehow client self-serviced and a part of the task will be done by clients (is spoken as customer outsourcing) (marcbowles, 2008).

6. As e-commerce unremarkably done via net, application that is employed within the web site of an organization or different applications will be developed with efficiency. And additionally computers have the power to speak through net freelance of their platform and operational systems (marcbowles, 2008).

7. there's a list flexibility and on-line change is quick (isos, 2008)

8. As selling and advertising expenses reduces, there's a higher probability in competitory with larger corporations (isos, 2008).

9. Business relationships with dealers and suppliers ar additional economical (isos, 2008).

10. Payment systems and fund transferring systems ar encrypted and secured (isos, 2008).

Disadvantages of e-commerce

There also are some disadvantages in e-commerce which might be listed as follow:

1. Delivery of physical product desires time and you can not one thing them as before long as you buy it (marcbowles, 2008).

2. There ar continuously some levels of uncertainty. the client can't be one hundred certain that the vendor is legiti-mate and he/she can receive the merchandise that he/she is purchased (marcbowles, 2008).

3. cargo of perishable product isn't a simple job (marcbowles, 2008).

4. By selecting to shop for one thing through net we have a tendency to can't be certain concerning the standard and if the nice is what we actually need (marcbowles, 2008).

5. Returning of the products isn't continuously satisfactory once it involves refund, come back postage fees, re-quired time, etc problems (marcbowles, 2008).

6. Potential frauds in identity, personal data and payment data (marcbowles, 2008).

7. Feedback concerning however individuals react to product and repair offerings additionally tends to be of very little use, victimisation net primarily based sales (marcbowles, 2008).

8. terribly tiny or terribly massive transactions can't be done on-line as unremarkably these transactions ar done employing a mastercard (marcbowles, 2008).

9. bit orders tend to possess terribly high cargo costs that aren't appropriate for people (marcbowles, 2008).

Limitations and bounds of e-commerce in Asian nation

It has been a few years that e-commerce has came to Asian nation. tho' the speed of e-shopping is increasing there ar still some limitations and issues to be resolved. "Trust" is one in all the most issues that e-commerce is facing. Iranian folks don't trust suppliers whom they can not see or talked to. it's troublesome for them to pay cash on-line and stay up for delivery rather than planning to a store and find the products as before long as they pay the money. alternative problems that should be thought of ar as follow:

1. on-line payment and fund transfers aren't on the market for many of the folks that use debit cards of most of the Iranian banks expect for Parsian Bank and rain tree Bank.

2. Suppliers/ sellers aren't sure by folks as they are doing not give satisfactory info regarding themselves.

3. Lack of acceptable legal framework (Abbasi, Alireza, 2007).

4. Security

5. Low web affiliation speed and high costs of connecting to the net. though new ISPs (in-ternet service providers) ar being introduced daily and broad band connections like ADSL with up to two Mb/sec speed ar on the market in recent years, still there ar ample those that solely have access to low speed web affiliation at high costs that makes the electronically transactions vulnerable.

6. Absence of technical information among traders and businessmen (The National Report on E-commerce in Asian nation, 2004).

Iran's banking industry and E-Banking developments

In order to support e-commerce Iran's banking industry has been developed and currently offers totally different services like automated teller machine machines (ATMs), type Message causation (SMS) services, debit cards, credit cards, on-line payment systems (available by Parsain Bank and zaman Bank mostly), purpose of sell (POS) machines,Bulletin Board system (BBS), machine-driven phonephone banking, bill payment systems, etc (Abbasi, Alireza, 2007). All governmental and most of non-governmental banks ar members of Shetab network in Islamic Republic of Iran|Persia|Asian country|Asian nation}|Persia|Asian country|Asian nation} providing the antecedently mentioned services for costumers of different banks in Iran however in my opinion these services ar remote from a true e-banking in Iran. so as to realize a fascinating e-banking the subsequent needs should be considered:
1. Payment gateways should be used at Iranian banks (Abbasi, Alireza, 2007).
2. International credit cards should be offered by these banks (Abbasi, Alireza, 2007).
3. exchange machine-driven system should be developed (Abbasi, Alireza, 2007).
E-banking is one in every of the most important steps that should be taken so as to develop e-commerce in Islamic Republic of Iran.

What reasonably businesses will go browsing in Asian nation

As a matter reality each business will go browsing. no matter is said to product and services are often listed via net. a number of services that area unit presently offered on-line are:
- net banking that is that the service of Iranian banks that has access to customer's account via the web site of the bank.
- Bus, Train and ticket purchases.
- edifice reservation
- Utility bill payments
- News services
- Book ordering
- Advertising
- E-government
- E-learning
- Virtual libraries
- Domain registration and internet hosting services
- on-line product sales (mostly for laptop hardware)

- traveller services

Where is Asian country in international e-commerce competition?

The value of North America's transactions amounted to $3.5 trillion in 2004 (Abbasi, Alireza, 2007). Asia-Pacific, with $1.6 trillion and Western Europe, with $1.5 trillion area unit severally second and third within the re-gion. geographic area with $81.8 billion and different regions with $65.6 billion stand at fourth and fifth within the re-gion. the worth of e-commerce in Asian country was presupposed to reach to twelve.8 billion in 2006 (The National Report on E-commerce in Asian country, 2004). in keeping with the ministry of commerce – country written report (2005), e-payment equipments that area unit offered through Iranian banks area unit as follow:

	Cards	ATM	POS	POS in branches
Total	13,511,529	4,458	68,532	11,268

These statistics are grownup drastically nowadays (2008) however it's still removed from the international e-commerce statistics.

What opportunities will e-commerce offer for Iranian business people?

Iranian business individuals will get pleasure from the varied blessings of e-commerce just in case the wants of web searching and e-commerce ar totally provided. they will have access to International market places, gain the flexibility to contend with giant foreign firms, scale back prices, have higher advertising and promo-tional facilities at lower costs and face huge style of customers.

Conclusion

E-commerce is spreading throughout the globe at high speed and considering its blessings and wide selection of opportunities that it offers, it's extremely needed that Iranian government puts therefore should effort proving the idea and developing the technologies like ICT, e-banking, e-government, e-insurance, etc. so as to assist it grow quicker. there's nice potential in Iran's market to form use of benefits of e-commerce and it's already begun however firm foundation is needed to assist it proceed.

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