

## Explain the myths of e-commerce

Confusion regarding what e-commerce can and cannot do are discussed as e-commerce myths. These include the following:

- i. **Setting up a Website is easy.** It is true but ensuring availability and performance of Website is difficult.
- ii. **E-commerce means end of mass marketing.** Even an e-business has to market itself using traditional marketing tools.
- iii. **Everyone is doing it.** E-commerce may not suit many types of businesses.
- iv. **E-commerce is lucrative.** Small and medium size organizations may not have finances and willingness to invest in e-commerce.
- v. **E-commerce is revolutionary.** Though Internet technology has created a new way to shop, most rules of retailing still apply.
- vi. **Online retailing is always the low-cost channel.** Internet retailers spend up to five times what store and catalogue dealers spend on customer acquisition.
- vii. **All products can be sold online identical business models.** Different products need different marketing techniques and customer support.
- viii. **Customers can be bought.** Customers bought with price promotions and giveaways are rarely loyal customers.
- ix. **Online firms face less pressure to grow and achieve economies of scale.** Economies of scale remain crucial for even the web business models. Scale is important in businesses that carry physical inventory.
- x. **Size is not important for online firms.** To a first-time visitor, a small website is no different than that of a major seller. Yet size is critical to online firms as it pays off in brand awareness and allows the firm to take advantage of lower costs.
- xi. **Middle man is out.** Intermediaries are the traditional organizations that deliver products to the retailer from the manufacturer or the wholesaler. Despite the interface between consumers and merchants who deliver products directly to the consumer, new intermediaries have surfaced on the web.