

# The Future of Traditional Commerce

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## Abstract

*The paper presents the concept that seems to be getting more and more bigger, namely electronic commerce. The theme is a debate about what the world of commerce means and attracts through its timeliness.*

*Entry into the third millennium has triggered one of the greatest changes in our daily lives - the move towards an Internet-based society. But one of the most significant changes is manifested in the way business is conducted, especially in the way to lead and manage markets and in the way to trade.*

**Key words:** traditional commerce, global economy, e-commerce, traditional markets

**J.E.L. classification:** M1, M12, M15

## 1. Introduction

Trade is one of the areas that has discovered the potential of information technology. From the very beginning, he used the innovations and advantages of this field (Andre, 1999, p.122-125).

The 2000s are the years of globalization (Fingar, 2000, p.144) of the integration of communications and the unprecedented development of intelligent technologies. There is a strong decline in Internet costs, which has led to and will further increase the number of users. Today e-commerce and e-business go through a period of consolidation where enthusiasm for new technologies and ideas is accompanied by a great deal of attention to strategy, implementation and profitability. In addition, it is increasingly recognized that e-business has two parts, not just technology but also trade.

E-commerce has quickly become a component part of globalization, a particular and spectacular component. It is expected that this phenomenon will remain an important area on the international agenda for a good period of time, due to its profound macroeconomic and social implications (Iancu, 2011, p. 296-301). Although it is not yet a global economic force, it is predicted to become significant over the next ten, twenty years.

The rapid expansion of electronic transactions (Kalakota, 1996, p.98-99) is a major opportunity for trade and development, it is the source of a significant number of success stories by which companies can reach new levels of international competitiveness and participate actively in the global information economy.

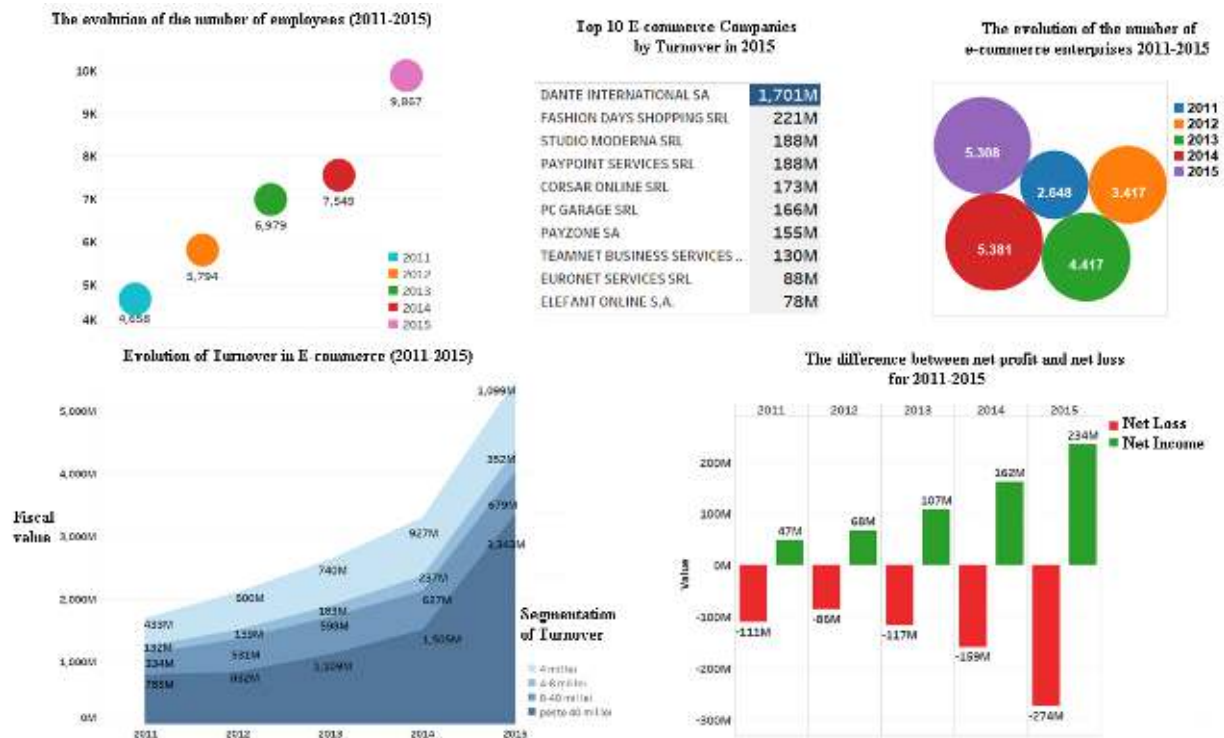
## 2. Developing e-commerce

The Internet represents new opportunities for traditional businesses, including the diversification of services offered and the promotion of new, personalized and attractive services that information and communication technologies make possible. Against this background, the impact of the Internet, which has allowed the development of a new form of commerce - Internet commerce - of global traditional trade is strong. E-commerce stimulates competition and competitiveness by developing new products and markets through the emergence of new players in traditional markets and new types of relationships between suppliers and consumers. But, undoubtedly, the development of e-commerce will not reduce the importance of traditional trade as long as, on the one hand, the infrastructures on which e-commerce is based will still be influenced

by a number of trade barriers and depend on investment; the other, there will be individuals who want physical contact with the product they purchase. The fact is that the development of traditional trade is also boosted by this modern form of commerce, which is the Internet trade.

Against the backdrop of the increase in Romanians' interest in products and services sold on the internet, the profitability of the sector advanced from 47,4 million lei in 2011 to 233,7 million lei in 2015 and a target of over 300 million lei was foreseen for 2016 ([www.keysfin.ro](http://www.keysfin.ro)).

Figure no. 1 The online business in Romania



Sursa: [www.keysfin.ro](http://www.keysfin.ro)

It is true that electronic media have been used in the past for commercial purposes, but the explosion of the Internet has created new opportunities for mankind, while generating an unprecedented development of shopless stores. With the development of e-commerce, the disputes about the future of traditional trade, made by classical means, began. It is known that the development of society has led to an increase in the responsibility of commercial activity, which is why the notion of commerce is defined as a set of activities that concern a product from the time of the investment or the intention to create it until its destruction in the process consumption or use, irrespective of its form.

### 3. E-commerce and Traditional Trades – similarities

According to the given definitions, not only do e-commerce cover not only the commercial transaction itself but also all the interactions and exchanges of information between the seller and the buyer that appear before and after the transaction - advertising, technical support of the purchased product, delivery, commercial services, etc.

Thus, in the case of e-commerce, the same components as in the case of classic trade are encountered, but with specific changes, namely (Pascu, 2016, p.10-15):

- product / service - there is a product or service that is material or digital;
  - Place of sale - In the case of Internet trade is a website on the network that presents the products or services offered;
  - Advertising - a way has been developed to get people to come to a particular website;
  - the way of selling - an online form for Internet shopping;
  - Payment method - Internet commerce is increasingly being applied to e-banking, a way to cash in - usually a bank account with credit card payments. E-banking implies the existence of a secure order page and connection to a bank;
  - the delivery method - delivery of the products purchased through the Internet is done either by mail, courier or classic - by moving the buyer to the seller's warehouse.
- Any trading transaction can be divided into three main stages:
- the search and advertising stage;
  - the contracting stage;
  - the delivery and payment stage.

Obviously, all of these phases can be achieved via the Internet, so that all trade activities are covered by the e-commerce concept. So, e-commerce activities do not differ from those of traditional trade (Iancu, 2017, p.302-306):

- a simple sales cycle without intermediary, in which only shipment of tangible goods can not be carried out by electronic means;
- databases useful for e-business;
- electronic business activities - advertising for goods and services, promotional actions, merchant communications, online delivery of software packages, electronic magazines, newspapers and newsletters, fund transfers, commercial auctions, direct marketing, pre- launching orders, transferring transport documents, contracting services, etc.

To achieve a certain level of profit, retailers are interested in the commercial vendor of their operations unit, the architecture of the location, its interior and exterior layout, the different ways of attracting customers, displaying and displaying traded goods , the forms of sales practiced and, last but not least, the complexity of the commercial services offered. But companies doing e-commerce are also subject to rules similar to those in the real market.

#### **4. E-Commerce and Traditional Trades - differences**

With few exceptions, e-commerce does not differ greatly from traditional trade in terms of the steps needed to complete transactions. But there are other issues that delimit the two forms of trade. First of all, it is about the sphere of action or coverage of the two forms of trade.

However, e-commerce can not be limited within a territory, because there are at least two e-commerce features due to Internet technology, namely - the market is open on a global scale and it represents the network and the partners are unlimited, being so well known both unknown and unknown. The development of e-commerce was possible due to another very important aspect in defining traditional e-commerce, namely the trading time. Ecommerce reduces the importance of time by shortening production / sales cycles, allowing businesses to operate more efficiently and consumers to participate in transactions at any time.

Another relevant aspect in the definition of traditional e-commerce refers to the categories of products marketed. Traditionally, traditional trade provides all the goods that are produced to customers because it acts as a distributor and service provider for consumers. Instead, eMarketer eCommerce firms sell: computer hardware (software, accessories), books, music, financial services, entertainment, home electronics, gifts and flowers, tourist services, toys, tickets shows and travel, information and too few foods due to their perishability.

## 5. Conclusions

Concluding, it is clear that the emergence and leaps and bounds of e-commerce change the business world, threatening the existence not only of firms but of the entire industry.

For some businesses, e-commerce means any financial transaction that uses computer technology. For others, the notion of e-commerce covers the complete sales circuit - including marketing and selling itself. But e-commerce is, broadly, a much deeper on the evolution of business and includes, in fact, not only new acquisitions trade but also all the activities that support the marketing objectives of a company, which may include, for example, advertising , sales, payments, after-sales, customer service, etc.

It is clear that this development has a major impact on the economy, in terms of creating new businesses, diversifying existing ones and, in particular, the potential of the market, the labor force and its employment in the future.

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