

Chapter 7

Digital Marketplace as a New Frontier of Electronic Commerce

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ABSTRACT

The digital marketplace is a major competitor now for the conventional marketplace especially in Southeast Asian countries (ASEAN) where digital marketplaces are booming and developing at an aggressive rate. The study also focuses on the challenges of eBay as a leading digital marketplace in battling their privacy and security threat, handling customer complaints about their services, or how government intervention provides an impact to their business, and competing with similar service providers. The other challenges are also associated with geographical distribution for marketing strategic location and why eBay should maintain their business like any other conventional business practices. Finally, the authors explore how concerned they are towards customer service as fundamental for any business.

INTRODUCTION

Electronic business (e-business) is the handling, trading, and offering of goods byways of transmitting funds or information through digital networks such as the Internet (Jovarauskiene & Pilinkiene, 2015; Anshari et al., 2019). According to internetlivestats.com, there were around 3,424,971,237 internet users around the world in 2016 (Roser et al., 2015). The fact that billions worldwide are now able to access the Internet demonstrates its effectiveness as a tool in the trade as well as in the advertisement of goods

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or services. E-business can conveniently be done from any place and at any time through the use of simply any electronic devices such as smartphones, personal computers (PCs) or tablets (Hasmawati et al., 2020; Ahad et al., 2017). This phenomenon has enabled many business organizations to establish and grow extensively in contrast to the traditional ways of doing business.

eBay is a multinational e-commerce company founded in 1995 by Pierre Omidyar. eBay is an online shop that contains several vendors coming from the public crowd to the big companies. Vendors or sellers from around the world are given independence in their product choices and method of delivery of such products. The e-business provides a stage for the general world population to conduct sales and purchases within online consumer-to-consumer and business-to-consumer platforms (Almunawar & Anshari, 2014; Almunawar et al., 2015). As the big company operating in 30 countries worldwide, it has reached 162 million registered users, including 25 million sellers, with more than 800 million items computed in its market places (Smith, 2016). This shows that e-commerce has the potential to establish and grow a company. Although with the advantages it brings to companies and customers, there has also arisen resulting problems (Anshari et al., 2021; Almunawar et al., 2013b).

Section 2 discusses the literature reviews are compiled from reports about e-commerce, its definitions as well as the benefits, problems, and challenges faced by companies and customers involved. Then Section 3 highlights methodology followed by discussion in Section 4. Finally, the conclusion is made in regards to the case study on eBay.

LITERATURE REVIEW

Electronic business, as stated by Sukumar and Edgar (2009), is a phenomenon of buying and selling through an online platform that is becoming more broadly accepted. E-business has recently been forecasted to reach an indeed high amount, i.e. 1,115 billion dollars in sales relating to goods and services (Chaffey, 2016). The Internet and the massive adoption of the smartphone have become an enabler of online transactions. This is further augmented by the fact that billions of people are now able to buy or sell items online, at any time and from anywhere (Eugene Franco and Bulomine Regi, 2016; Mulyani et al., 2019).

E-business is the use of the Internet to network and empower business processes, electronic commerce, organizational communication and collaboration within a company and with its customers, suppliers, and other stakeholders (Combe, 2006, p. 1). In simpler terms, it is another way of conducting business, which is with the use of the Internet (or other electronic networks) through electronic devices (Mohan, 2015). While, e-commerce, on the other hand, is similarly using the Internet, only it is in the purchasing and selling of goods and services, whether as transactions of Business-to-Business (B2B), Business-to-Consumer (B2C), Consumer-to-Consumer (C2C) or Consumer-to-Business (C2B) (Rouse, n.d.). Because e-business often also includes e-commerce, these two terms are frequently interchangeable synonymously (Anshari & Lim, 2018).

Among the most common e-business models is that of B2C and C2C, where B2C refers to business forms that are conducted straightforwardly between business agents and last purchasers (Jovarauskiene & Pilinkienė, 2015). While C2C is where two parties execute business between each other, possibly with the involvement of a mediator in enabling the exchange to occur. In the case of C2C, the mediator would incur a charge or commission (not of the item trade) for its service of providing the stage for the

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