

E-TAILING

by Linda Carter

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In April, Forrester Research published a report predicting the demise of most e-tailing companies (defined as those companies doing most of their business on the Internet) by the end of 2000. This prediction was based on competitive factors and a sell-off of dot-com stocks. As a result, we will see more mergers, buyouts and bankruptcies as the year progresses.

While there is still a tremendous market for selling products and services over the Internet, the Information Superhighway has become one huge billboard. As the public has gotten scammed by poor products, poor support, stolen credit cards and more, skepticism has grown in consumers.

Part of the problem is that many of these companies lack solid business plans to become profitable. As the individual success stories grew about overnight multi-millionaires, a number of individuals, bitten by the greed factor, saw a get-rich-quick opportunity. Fortunately, Wall Street has finally developed the sense to prevent unreasonable IPOs from reaching investors. It still amazes me how many people always have a plan to get from "no money" to "wealthy" with little work involved.

What does that mean to the brick and mortar retailer? It means that giving customer service, providing quality products and managing your business is going to be around for a while longer. However, that does not mean you might not want to consider selling goods over the Internet. Notice the Forrester report touched on those companies whose primary business was over the Internet.

As I review software packages for retailers, I notice a lot of good software that can quickly allow a retailer the opportunity to offer merchandise from their web sites. The software, shopping carts, Internet web site charges and other fees necessary to get started are not expensive. It is easy to get started, but there are pitfalls. For more information on one of the pitfalls, read the article on Credit Card Fraud in the archive listing.

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