Benefits of Applying E-Commerce in Companies of Vietnam

Nguyen Tan Danh

Abstract--- The scientific and technological revolution has been bringing about dramatic changes throughout the world. The application of information technology in economic activities brings tremendous benefits to the whole society. E-commerce is a field of economic activity that is no stranger to many countries. People no longer have to spend time, effort and money on economic transactions. The application of 5G technology in business activities is an indispensable trend, and Vietnam - in the integration process is not outside the development trend. The process of developing e-commerce in Vietnam still faces many difficulties and requires objective studies on the law of e-commerce advocacy and development from which to build and deploy strategies for developing this field of commercial activity. The paper focuses on analyzing the importance of e-commerce and its application in national economic development in order to improve competitiveness in terms of integration.

Keywords--- Development, E-commerce, Economy, Technology.

I. INTRODUCTION

Along with the economic recovery, Vietnam's e-commerce has been growing faster. However, major obstacles remain unchanged, including low consumer confidence in online shopping, unpopular online payments, delivery services and order fulfillment that have not kept pace. Besides, cross-border e-commerce and multi-channel sales are emerging quickly. At the same time, the great difference between localities in information technology and communication infrastructure, domain names, and per capita income has contributed to creating a huge gap in the e-commerce index. To close this gap requires the great attention and efforts of state management agencies and organizations related to trade, investment, information technology and communication [1].

II. RESEARCH CONTENT

Concept of E-commerce

The development and perfection of digital has led to the "digital revolution", promoting the birth of "digital economy", and "information society" of which electronic commerce is a component. E-commerce is the use of electronic methods to do business, in which "commerce" is not only the trade of goods and services, but - as is the member countries of the Union United Nations Agreement - covering almost all forms of economic activity, and the adoption and application of e-commerce will change the whole form of society's activities.

E-commerce is one of the relatively new fields; even it can be called as "online trade", "electronic business", "paperless trade", etc. E-commerce is the use of electronic methods to do business. To be more precise, e-commerce is the exchange of commercial information through electronic technologies, which generally do not need to be printed on paper at any stage of the entire transaction process [2].

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Modern Technical Facilities of E-commerce

Phones are a universal, easy-to-use device, and often a prelude to commercial transactions. Some types of services can be provided directly by the phone (such as postal services, banking, inquiries, advice, and entertainment). With the development of mobile phones, satellite communication, the application of mobile phones is and will become more widely available.

However, from a business point of view, the phone has a drawback that only transmitting every transaction must end in paperwork. In addition, the transaction costs of telephones, especially long distance and overseas phones are still high [3].

The fax machine could replace the traditional mailing and dispatching service, today it almost completely replaces the telex that only transmits the text. But fax machines have a number of limitations such as being unable to transmit sound, not yet able to transmit complex images, in addition to the high price and cost of use.

Besides, the number of television users worldwide is now very large, making television one of the most popular electronic tools today. Television plays an important role in commerce, especially in advertising goods, more and more people buy goods thanks to advertising on television, some services have been provided via television. But, television is only a "one-way" telecommunications tool; via TV customers cannot find offers, can't negotiate with sellers about specific terms of sale. Now that a television is connected to an electronic computer, its tools are expanded.

The ultimate goal of every sale is that the buyer receives the goods and the seller receives payment for the goods. Payment, therefore, is the most important stage of commerce, and e-commerce is indispensable for electronic payment tools through electronic payment systems and electronic money transfer systems which are essentially automatic means of transferring money from one account to another (now appears the form of automatic cash transfer through "electronic purse"). Electronic payment widely used automatic teller machines (Automatic Teller Machine), credit card of all kinds, purchasing card (purchasing card), smart card, etc.

Today, due to the widespread use of Internet technology in the construction of internal and external networks, it is nowadays more and more understood that the intranet and the internal network are the "subnets" of the Internet. And later, when we accepted the Internet as a general communication tool, we would understand the Internet as including those sub-networks. The advent of the Internet and its development have greatly boosted globalization [4].

The concept of "online economy" (also called "online economy") in every country, region, and the whole world today is connected to the Internet. All communication is via Internet / Web, and other modern means of communication. Therefore, "online economy" also has other names as "virtual economy", "control economy". The Internet has created a new step in the communication industry, moving from the world "one network, one service" to the world "one network, many services" and has become the most important tool of e-commerce. Even without using the Internet / Web, it is still possible to do electronic commerce (via other electronic means, via intranets and intranet networks). But today, talking about e-commerce often means referring to the Internet and the Web, because commerce has been in the process of globalization and efficiency, and these trends all require thorough use [5].

Effective E-commerce Application

According to the above survey results, 31% of e-commerce websites faced difficulties due to human resources that did not meet the requirements of e-commerce development, 25% rated customers lack trust in quality. However, 22% of websites said that online safety or payment problems were hindering their business operations. Besides, unfair competition among businesses also makes it difficult for 20% of websites. Other obstacles include customers concerned about the disclosure and purchase of personal information; network security is not guaranteed; difficulties in integrating e-payment cause less obstacles, affecting about 10 - 17% of e-commerce websites [5].

The Benefits of E-commerce

The first is to grasp rich information. E-commerce (especially when using the Internet / Web) firstly helps businesses capture rich information about economy and commerce, so that building production and business strategies suitable to the development trends of the domestic, regional and international markets. This is especially significant for small and medium-sized businesses - the driving force of growth in today's economies [4].

Second, e-commerce helps reduce production costs, first of all office costs. Paperless offices occupy a much smaller area, and the cost of searching and transferring documents decreases many times (in which printing is almost completely eliminated) [6].

Third, e-commerce helps lower sales and marketing costs. By means of Internet / Web, a salesperson can deal with a lot of customers, the electronic catalog on the Web is much richer and frequently updated compared to a gender-limited printed catalog term and always outdated.   Fourth, e-commerce via Internet / Web helps consumers and businesses to significantly reduce transaction time and costs (transaction is understood as the process of advertising, initial contact, order transactions), payment transactions). Trading time via the Internet is only 7% of the transaction time via Fax, and only equals to 0.5 thousand of trading time by mail. The cost of trading via the Internet is only about 5% of the cost of trading via Fax or by mail. The cost of electronic payment via the Internet is only equal to 10% to 20% of the regular payment cost [7].

Fifth, e-commerce facilitates the establishment and consolidation of the relationship between the elements involved in the trade process. Through the network (especially using the Internet / Web) participating factors (consumers, businesses, government agencies) can directly and continuously communicate with each other ("online" communication) near such as no longer geographic distance and time, so that both cooperation and management are carried out quickly and continuously [8]. New customers, new business opportunities are quickly discovered on a national, regional and global basis, and there are more opportunities to choose [4].

III. CURRENT SITUATION OF E-COMMERCE DEVELOPMENT IN VIETNAM

Status of Internet Usage in Vietnam

In 2019, Vietnam's population will reach approximately 100 million, with an urban population rate of 36%. In the same year, there were 64 million Internet users, up 28% compared to 2017. There were 58 million social networking users on mobile devices as of early 2019, this number increased to 8 million compared to the same

period last year. The number of internet users is considered to be at a high level in the world, but the ratio of users is still average [7].

According to a survey by the Department of E-Commerce and Technology, 10% of the respondents said that the daily usage of internet is less than 3 hours. 36% of respondents use the internet from 3-5 hours a day.

Laptops and mobile phones continue to be the most popular medium used by internet users, with 75% and 65% respectively. The number of people accessing the internet through other devices such as tablets has also increased. The majority of respondents use the internet daily to join forums, social networks (81.2%), access e-mail (73.8%), watch movies, listen to music (64, 8%) and academic research (63.9%). For activities such as personal purchases, the majority of respondents have a monthly activity frequency (36.2%).

These Factors Promoting 5G Development in the Future

E-commerce in Vietnam, if considered broadly (including traditional means such as telephone, telex, fax, etc.), has been formed long ago. However, if considered in a more strict sense (e-commerce is mainly conducting data exchange and trading of materials, goods and services via the Internet and its sub-networks), the participation of Vietnam has only started since the late 90's. Although the necessary infrastructure conditions for the development of e-commerce have not been fully formed, due to the integration activities of our country along with the trend in the general development of the world, Vietnam has begun to take certain steps to participate in e-commerce.

According to the latest market research by International Data Group (IDC), globally, the number of 5G connections is forecast to increase from about 10 million in 2019 to 1.01 billion in 2023.

This represents a cumulative annual growth rate (CAGR) of 217.2% over the forecast period 2019-2023. By 2023, IDC expects 5G to account for 8.9% of all mobile communication device connections.

Factors that will Accelerate the Adoption of 5G

The first factor is the creation and consumption of data. The amount of data generated and consumed by mobile users and businesses will continue to increase in the coming years. With the growing trend of users using more data and moving to 5G services, operators will be able to manage network resources more efficiently, improving performance and reliability.

The next factor is connectivity. As the Internet of Things (IoT) continues to grow, requiring support for millions of connected devices at the same time will become increasingly important. With the ability to allow a much larger number of simultaneous connections, the capacity advantage of 5G is key for mobile network operators in providing reliable network performance [9].

Factors that will Accelerate 5G Development in the Future

The first factor is speed and real-time access. The speed and latency that 5G allows will open up new use cases and add mobility as an option to existing use cases. In particular, many businesses are looking to take advantage of 5G technology to deploy into applications such as edge computing, artificial intelligence and their cloud services. In

addition to building 5G network infrastructure, mobile operators will have to do a lot of work to ensure payback for their investments.

The next factor is the creation of unique and different applications. Mobile network operators need to invest in developing 5G mobile applications and work with developers to create unique and powerful applications, especially those that can take full advantage of the speed, latency and connection density provided by 5G.

The last element is the partnership. We need deep cooperation with software, hardware and service providers, as well as close relationships with industry partners to integrate the diverse technologies needed to present Realize the most complex 5G use cases and ensure 5G solutions that best suit the real needs of everyday users [9].

Prospects of Developing 5G Technology Applications

Looking further into the future, the most successful mobile network service providers will have to create a deep, broad ecosystem of stakeholders in market development, which is committed to the boom of 5G service improvements. This is particularly important in the field of commerce, where fully integrated systems and the availability of professional services will be required in the enterprise [11].

IV. SOME RECOMMENDATIONS TO ACCELERATE THE DEVELOPMENT OF E-COMMERCE

Vietnam's economy is facing a great challenge that it is necessary to develop stronger activities of e-commerce, because only that can help Vietnamese businesses (mainly businesses. medium and small) stand firm in the trend of globalization and trade liberalization. But to do this requires great efforts of the state and businesses in removing barriers set out on the path to Vietnamese trade and participating in global "e-commerce".

Macro Solutions at the National Level

The State should accelerate the construction and development of information and communication technology infrastructure to meet the development requirements of electronic commerce [10]. Regarding technology, besides importing equipment to supplement, it is necessary to take advantage of the ability to cooperate in joint ventures and technology transfer to develop a number of establishments manufacturing and assembling informatics equipment according to the approved plans, and at the same time, we need to develop facilities for designing and manufacturing specialized communication and informatics equipment to meet domestic demand, especially for automation and current needs [12]. However, industrial infrastructure is not only available, but also implies economic affordability, that is, the cost of equipping information technology and translation costs. The communication service must be cheap enough for a wide range of users to be accessible [13].

The Government needs to promote the modernization of communication systems, apply information technology and increase the transmission speed, especially deploying ADSL (Asymmetric Digital Subcribers Lines) technology and improving the capacity of the bandwidth.

It is very important for the Government of Vietnam to raise awareness for businesses as well as encourage people to study about e-commerce through mass media, seminars and seminars. Besides, we need to build and train human resources for e-commerce to be able to effectively participate in e-commerce, we need to build a strong team

of computer experts, often constantly catch up with newly developed information technologies to serve the digital economy, in parallel with the development of a large and familiar population and proficient in online operations and use English.

In addition, the government should encourage the opening of computer training schools and classes with short-term practical programs of different levels, aiming to equip computers - labor tools for an increasingly crowded workforce.

In order to create a legal framework for electronic payment, the Central Bank should soon issue legal documents related to this activity. The Government should soon issue legal documents to support e-commerce to be truly developed in Vietnam.

Micro Solutions at the Enterprise Level

Businesses need to raise awareness and improve the computer and foreign language skills of the management team and employees in the company. Enterprises must also regularly train and attend employees attending computer courses and foreign languages. The training can be in the form of funding employees to attend school or organize lessons at the company. It is important to follow some principles in building a management computer system. Those are the system access principles when studying and applying informatics into management, it is necessary to comprehensively consider the economic, technical and organizational issues of the management apparatus. Optimizing some components without taking into account the relationship with other modules will not bring the optimal performance for the whole system [13].

Businesses must develop an online business strategy. After you have decided to put your business online, it is necessary to develop an online business strategy. Because the cost of building and maintaining a Website is very expensive, businesses need to have an appropriate business strategy to make the network's operation really effective. At the same time, businesses need to build good relationships with partners over the Internet, so they should join the common networks of small and medium enterprises or industry associations so that they can learn from experience, seek help from partners [14].

V. CONCLUSION

E-commerce has really brought tremendous benefits to the whole society. No country has denied the importance of e-commerce and many countries increasingly promote e-commerce development in the development of the national economy. Developing e-commerce in Vietnam is an indispensable in the context that Vietnam increasingly integrates into the world economy. In order for e-commerce to develop, it is necessary to have the support, orientation and supervision from the State and the Government in building a legal corridor for e-commerce activities, promoting the development of information technology infrastructure and human infrastructure. Domestic businesses also need to be aware of the importance of e-commerce. Take advantage of the opportunities provided by e-commerce, overcome challenges and challenges to be able to stand firm and overcome in the context of increasingly fierce economic competition.

VI. ACKNOWLEDGMENTS

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