E-Commerce

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Abstract:

E-commerce means Electronic Commerce. The world economy is witnessing a transition. Electronic Commerce is process of doing business through computer networks. A person sitting on his chair in front of a computer can access all the facilities of the Internet to buy or sell the products.

Unlike traditional commerce that is carried out physically with effort of a person to go & get products, ecommerce has made it easier for human to reduce physical work and to save time.   E-Commerce which was started in early 1990's has taken a great leap in the world of computers, but the fact that has hindered the growth of e-commerce is security. Security is the challenge facing e-commerce today & there is still a lot of advancement made in the field of security.

The main advantage of e-commerce over traditional commerce is the user can browse online shops, compare prices, and order merchandise sitting at home on their PC.

For increasing the use of e-commerce in developing countries the B2B e-commerce is implemented for improving access to global markets for firms in developing countries. For a developing country advancement in the field of e-commerce is essential. The research strategy shows the importance of the e-commerce in developing countries for business applications.

Keywords: Electronic Commerce, computer networks, online shops, developing countries

Introduction:

E-Commerce means electronic commerce. Which involves buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, mainly the Internet. The term electronic commerce (E-Commerce) related to a business model thar allows companies and individuals to buy and sell goods and services over the internet. These business transactions occur either as business-to-business (B2B), business-to-consumer (B2C), consumer-to-consumer or consumer-to-business. The terms e-commerce and e-business are often used interchangeably. The

term e-tail is also sometimes used in reference to the transactional processes that make up online retail shopping.

In the last decade, widespread use of e-commerce platforms such as Amazon and eBay have contributed to substantial growth in online retail. In 2007, e-commerce accounted for 5.1% of total retail sales; in 2019, e-commerce made up 16.0%. E-commerce' and 'online shopping' are often used interchangeably but at its core e-commerce is much broader than this – it embodies a concept for doing business online, incorporating a multitude of different services e.g., making online payments, booking flights etc.
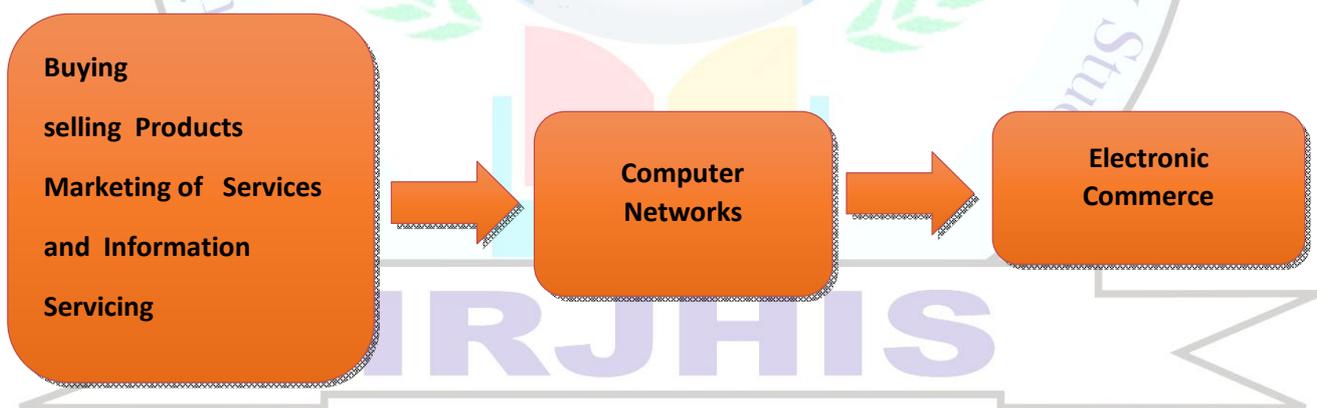
Objectives of the Research Study:

Many E-Commerce business activities present different objectives. These may be specific and immediately measurable objectives as well as more general and complex. The most commonly cited objectives of the impact of electronic commerce on business are:

1. To study the theoretical concept of E-Commerce.

2. To study the E-Commerce Models of Business.

3. To study the impact of E-Commerce on Business.

4. To study the benefits of E-Commerce to Organizations, Consumers and Society.

Meaning of Electronic Commerce:

E-commerce Involves:

Multimedia, advertising, product information, customer support on the world wide web, internet.

| Buying selling Products Marketing of Services and Information Servicing | → | Computer Networks | → | Electronic Commerce |

EnterpriseUsers Internet, Intranets, Extranets,

→   And Other Networks.

Definition Of E-commerce:

LLLL This term as evolved from its simple notion of electronic shopping which in terms means all aspects of business and market processes enable by the Internet and the World Wide Web technologies. Products could be trading of any physical products such as tractors, cars trucks etc. E-commerce business a business conducted exclusively through an electronic format. It is derived from

the phrase electronic commerce. It is buying and selling, marketing and servicing and delivery and payment of products, services and information over the Internet, intranets, extranets and other networks, between an inter-networked enterprise and its prospects, customers, suppliers, and other business partners.

E- commerce can be considered as:

    i)   A strategy

    ii)   A technology

    iii)   A system

    iv)   A separate business

    v)   A sales approach

Importance Of E-Commerce:

1. E-Commerce Helps You Reduce Your Costs:

E-commerce also can reduce transaction costs by streamlining supply-chain management and distribution. If a store expands its product selection online, more orders can be shipped from the warehouse or wholesaler directly to the customer. The store can now serve lucrative niche markets.

2. E-Commerce Offers Better Marketing Opportunities:

E-Commerce site is the best marketing tool that you would ever have. Thanks to the internet, now anyone can market through online tools like social media marketing, email marketing, search engine marketing, pay per click ads, and SEO help you build very useful links and contacts.

3. E-Commerce Is Easier & More Convenient:

From an end user's perspective, ecommerce websites are very convenient to purchase products and services online. ... Customers and potential buyers can be provided with a lot of information that make their shopping experience quicker and easier as well as improved customer service.

4. Improve the Image of Your Business:

Among the advantages of having an online store, there is no doubt that it also includes improving the image of your company. Offering a good online sales platform to users will give your company a great corporate appearance.

History of Ecommerce:

Most of us have shopped online for something at some point, which means we've taken part in ecommerce. So, it goes without saying that ecommerce is everywhere. But very few people may know that ecommerce has a history that goes back before the internet began.

Ecommerce goes back to the 1960s when companies used an electronic system called the Electronic Data Interchange to facilitate the transfer of documents. But it wasn't until 1994 that the

very first transaction. took place. This involved the sale of a CD between friends through an online retail website called Net Market.

The industry has gone through so many changes since then, resulting in a great deal of evolution. Traditional brick-and-mortar retailers were forced to embrace new technology in order to stay afloat as companies like Alibaba, Amazon, eBay, and Etsy became household names. These companies created a virtual marketplace for goods and services that consumers can easily access.

New technology continues to make it easier for people to do their online shopping. People can connect with businesses through smartphones and other devices and by downloading apps to make purchases. The introduction of free shipping, which reduces costs for consumers, has also helped increase the popularity of the ecommerce industry.

How does E-commerce work?

E-commerce is powered by the internet, where customers can access an online store to browse through, and place orders for products or services via their own devices.

Platforms that host e-commerce transactions may include online marketplaces that sellers simply sign up for, such as Amazon.com; software as a service (SaaS) tool that allow customers to 'rent' online store infrastructures; or open-source tools for companies to use in-house development to manage.

Types of E- commerce:

1. Business to consumer (B2C):

As the name suggests, the B2C model represents a business that sells products or services to individual consumers. B2C ecommerce is the most common business model among both physical and online retailers, as the number of potential customers is larger, and scalability is higher. An example of a B2C business is Coco kind.

B2C ecommerce brand that sells skin care products online to the people who are going to use them. Thus, you can see them enhancing their customer experience with quizzes, routine builders, and blogs to incentivize their target audience to purchase their products for personal use.

2. Business to business (B2B):

B2B businesses that sell products also exist, and they're often vendors or manufacturers selling to retail stores or manufacturers depending on their place in the productive chain. A simple example is Avery Dennison's store. It sells labellers and attachers for business customers who are often packaging stuff. Its catalogue is extensive enough to cover everything you might need as a busy retailer.

3. Consumer-to-consumer (C2C):

It is a type of e-commerce in which consumers trade products, services, and information with each other online. These transactions are generally conducted through a third party that provides an online platform on which the transactions are carried out.

Online auctions and classified advertisements are two examples of C2C platforms, with eBay and Craigslist being two of the most popular of these platforms. Because eBay is a business, this form of e-commerce could also be called C2B2C -- consumer-to-business-to-consumer.

Consumer-to-business (C2B) is a type of e-commerce in which consumers make their products and services available online for companies to bid on and purchase. This is the opposite of the traditional commerce model of B2C.

4. Consumer to business (C2C)

The C2B business model represents a transaction in which individuals create value for businesses. Unlike the traditional business-to-consumer model, consumers provide companies with products or services, co-operate on projects, and ultimately help companies increase their profits.

Shutter stock comes to mind as a great C2B example. It allows professional photographers to sell royalty-free photos that businesses might use for their marketing efforts. This model allows regular individuals to make money by helping businesses with high-quality media that might result in greater productivity.

5. Business-to-administration (B2A):

It refers to transactions conducted online between companies and public administration or government bodies. Many branches of government are dependent on e-services or products in one way or another, especially when it comes to legal documents, registers, social security, fiscals and employment. Businesses can supply these electronically. B2A services have grown considerably in recent years as investments have been made in e-government capabilities.

6. Consumer-to-administration (C2A):

It refers to transactions conducted online between individual consumers and public administration or government bodies. The government rarely buys products or services from citizens, but individuals frequently use electronic means in the following areas:

Education: Disseminating information, distance learning/online lectures, etc. Social security: Distributing information, making payments, etc Taxes: filing tax returns, making payments, etc. Health. Making appointments, providing information about illness
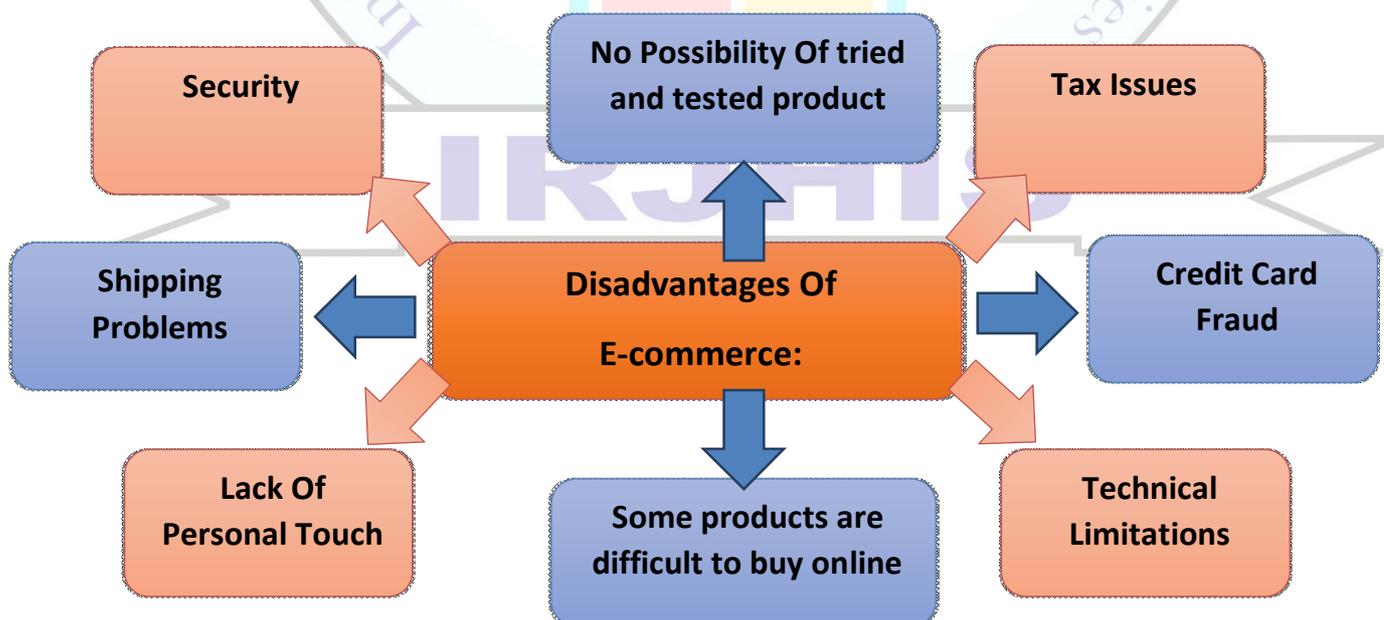
Advantages and Disadvantages of E- Commerce:

Advantages of E-Commerce:

Save time · Easy Setup · Flexibility · Increase Income · Convenience · Save Earth · Cost Effective · Loyalty · Faster Delivery · No Reach Limitations

Advantages Of E-commerce:

Disadvantages Of E- Commerce:

Security · No Possibility Of tried and tested product · Tax Issues · Shipping Problems · Credit Card Fraud · Lack Of Personal Touch · Some products are difficult to buy online · Technical Limitations

Disadvantages Of E-commerce:

Progress of Electronic Commerce in India:

In simple terms, e-commerce is selling of products on the Net. It encompasses the use of technology process of management practices that enhance organisational competitiveness through the strategic use of electronic information. Any process related to the core business activities of buying and selling of physical/electronic goods and or services through an electronic medium falls in the domain of electronic commerce.

However, e-commerce in a different form has existed from the last two decades where companies have used the medium of fax and phone to place orders and conduct trade. Privately-run Value-Added Networks (VANs) have been used for Electronic Data Interchange (EDI) and Electronic Fund Transfer (EFT) transactions.

E-commerce needs radical changes in the

- Marketing process
- Product sales
- Pricing strategies
- Advertising and
- Promotional campaigns.

Marketers have understood that valuable information can be collected from the customer online with minimum effort and low cost which otherwise would have taken a lot of time and substantial investments.

The business world has witnessed rapid changes from the last decade with globalisation, increased Competition and technological advances. Internet is mainly responsible for this. Organisations today are developing new relationships with customers, distributors, suppliers and partners. Kotler's observation about marketing management is becoming true in India's case and truly applies to Indian companies:

Entire markets are disappearing because of managed trade policies technology and innovative competitors.

- Mass markets are fragmenting into micro-markets.
- Power is shifting from the manufacturer to the retailers and
- Multiple distribution channels are replacing single channels.

Broad Goals of Electronic Commerce:

As already defined, e-commerce is a modern business methodology which addresses the needs of the organisations, merchants, and consumers to cut costs while improving the quality of goods and services and increasing the speed of service regarding delivery. It is associated with the buying and selling of information products and services via computer network today and in the

future via any one of the myriads of networks that make up the information super highway. It is well suited to facilitate re-engineering of business processes occurring at many firms. The broad goals are:

i) Reduced costs

ii) Lower product cycle time

(iii) Faster customer response

(iv) Improved service quality

E-commerce is a new way of conducting, managing, and executing business transactions using computer and tele-communication networks. It is expected to improve the productivity and competitiveness of participating businesses, by providing unprecedented access to an online global marketplace with millions of customers and thousands of products and services.

Lessons from Electronic Commerce Evolution:

The following are considered as checklist regarding the evolution of e-commerce.

- No one that has properly embraced ATMs, credit or debit cards ever went back to the old ways.
- Customers want extended hours. Of course, 24 hours per day is the ceiling.
- Customers want expanded locations - closer to their homes, the better. The home is the limit.
- Customers change the way a businessman does business, technology is merely the facilitator.
- If convenient, people will gravitate to it after experimenting with it.
- There is an inevitable trend in its emergence and e-commerce is here to stay.

Conclusion:

E-Commerce has certainly become an important part of our society. The successful companies of the future will be those that take E-Commerce seriously, devoting sufficient resources to its development. E-Commerce is not an IT issue but a whole business undertaking. Companies that use it as a reason for completely re-designing their business processes are likely to reap the greatest benefits. Moreover, E-Commerce is a helpful technology that gives the consumer access to business and companies all over the world.

General, today's businesses must always strive to create the next best thing that consumers will want because consumers continue to desire their products, services etc. to continuously be better, faster, and cheaper. In this world of new technology, businesses need to accommodate to the new types of consumer needs and trends because it will prove to be vital to their business' success and survival. E-commerce is continuously progressing and is becoming more and more important to

businesses as technology continues to advance and is something that should be taken advantage of and applied.

There are several factors and variables that need to be considered and decided upon when starting an e-commerce business. Some of these include types of e-commerce, marketing strategies, and countless more. If the correct methods and practices are followed, a business will prosper in an e-commerce setting with much success and profitability.

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