

A Study on E-Commerce

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Abstract: *The Electronic commerce are both technological (under the tremendous pressure of innovation) oriented and business. This paper will highlight some guidelines for companies who are entering into E-commerce to create an E-commerce strategy Advantage of have an E-commerce presence to revise their existing strategy. E-Commerce is now seen as a reality for many businesses and a normal part of a business plan. The immediate benefits, in terms of cost savings, efficiencies and enhanced profitability are clear at every stage in the supply chain. Adopting e-business is no longer a competitive advantage, but a normal business process, without which an enterprise is unlikely to survive in the New economy companies built up and many companies going into E-commerce however now it is a different story, more and more companies are failing, and investors are becoming cautious to invest money into Internet ventures. There is more cash needed than was expected. Some of them had to get on the bandwagon as everybody else were and didn't want to be left behind, E -Commerce is now seen as a reality for many businesses and a normal part of business plan.*

I. Introduction

The evolution of information technology has brought has in many changes in the business activity's E-commerce (Electronic commerce) the last concept which helps the executives to take a browser view and to understand that technology will refers the very rules of business. The concept is new in India and yet gathers momentum. But in development countries it is passing thought a mature phase. E-commerce (electronic commerce) is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet. These business transactions occur either as business-to-business (B2B), business-to-consumer (B2C), consumer-to-consumer or consumer-to-business. E-commerce is the activity of buying or selling of products on online services or over the Internet. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems E-Commerce or Electronic Commerce means buying and selling of goods, products, or services over the internet. E-commerce is also known as electronic commerce or internet commerce. These services provided online over the internet network. Transaction of money, funds, and data are also considered as E-commerce

Objectives of E-commerce

1 .Development of Business Relationships

The Business development can be done though the E-commerce being the primary and the basic object. As their direct contract in between the company and the consumer.

2. Better Customer services

As it is done round the clock customer will always have online help regarding the product. As all the information is furnished to the customer.

3. Getting more customers

In these days it become the man date of the companies it double it is customers and this can be done by recording the value add service and maintaining the quality.

II. Types of E- commerce

There are several ways in which E-commerce product and service can be sold. All these kinds of selling is the part of the following five levels of e- commerce.

1 Business to business (B2B)

As the name indicates business that sell to other businesses. For example Intel sells its Chip to the other business OEMs who make computer

2) Business to consumer (B2C)

Hero businesses directly sell to the end customer. Some enterprising players have already started offering online shopping with books flower and other gift items.

3) Consumer to consumer (C2C)

Not very common at person. Most visible example of auction sides If one has something to them he can get it listed at an auction site and other can bid for it

4) Business to Government (B2G)

In this level such services as filing of IT returns by corporate houses corporate taxes renewal of trade licences

5) Government to consumer (G2C)

Records of land revenue and licence by Govt renewals of driving licence by Govt renewals driving licences passport filing IT returns filling complaints payment of bills payment of dues.

| | Business | Consumer | Government |
|------------|--|--|--|
| Business | B2B <ul style="list-style-type: none"> Wholesalers, software and service providers Alibaba, Nop-Templates, Spectrum Audio | B2C <ul style="list-style-type: none"> Retailers (most common category) Amazon, Walmart | B2G <ul style="list-style-type: none"> Private-sector suppliers of services Web-based applications, databases |
| Consumer | C2B <ul style="list-style-type: none"> An individual who has something to offer Bloggers, hiring websites | C2C <ul style="list-style-type: none"> Auction websites eBay | C2G <ul style="list-style-type: none"> Public Government auctions |
| Government | G2B <ul style="list-style-type: none"> Online collection of taxes and fees | G2C <ul style="list-style-type: none"> Online collection of taxes and fees | G2G <ul style="list-style-type: none"> Document exchange, sharing public administration registers |

Importance of Electronic commerce frame work**Networking Hardware**

- Router
- Switch
- LAN cards
- Wireless router
- Cable

Networking Software

- Network operations and management
- Operating system
- Firewall
- Network security application

Network Service

- T-Line
- DSL
- Satellite

- WAP (Wireless Application Protocol)
- IP Addressing

Benefits of E- commerce

- ❖ Improved cash flow
- ❖ Inventory reduction
- ❖ Improved customer services
- ❖ Enhanced office productivity
- ❖ Faster information flow
- ❖ Accuracy of the information

Advantages Of E-Commerce

1. E-commerce helps organizations to reduce the cost to create process, distribute, retrieve and manage the paper based information by digitizing the information.
2. E-commerce improves the brand image of the company.
3. E-commerce helps organization to provide better customer services.
4. E-commerce helps to simplify the business processes and makes them faster and efficient.
5. E-commerce reduces the paper work.

Disadvantages Of E-Commerce

1. Any one, good or bad, can easily start a business. And there are many bad sites which eat up customers' money.
2. There is no guarantee of product quality.
3. Mechanical failures can cause unpredictable effects on the total processes.
4. As there is minimum chance of direct customer to company interactions, customer loyalty is always on a check.
5. There are many hackers who look for opportunities, and thus an ecommerce site, service, payment gateways, all are always prone to attack.

E-Commerce Organizations

1. Using e-commerce, organizations can expand their market to national and international markets with minimum capital investment. An organization can easily locate more customers, best suppliers, and suitable business partners across the globe.
2. E-commerce helps organizations to reduce the cost to create process, distribute, retrieve and manage the paper based information by digitizing the information.
3. E-commerce improves the brand image of the company.
4. E-commerce helps organization to provide better customer services.
5. E-commerce helps to simplify the business processes and makes them faster and efficient.
6. E-commerce reduces the paper work.
7. E-commerce increases the productivity of organizations. It supports "pull" type supply management. In "pull" type supply management, a business process starts when a request comes from a customer and it uses just-in-time manufacturing way

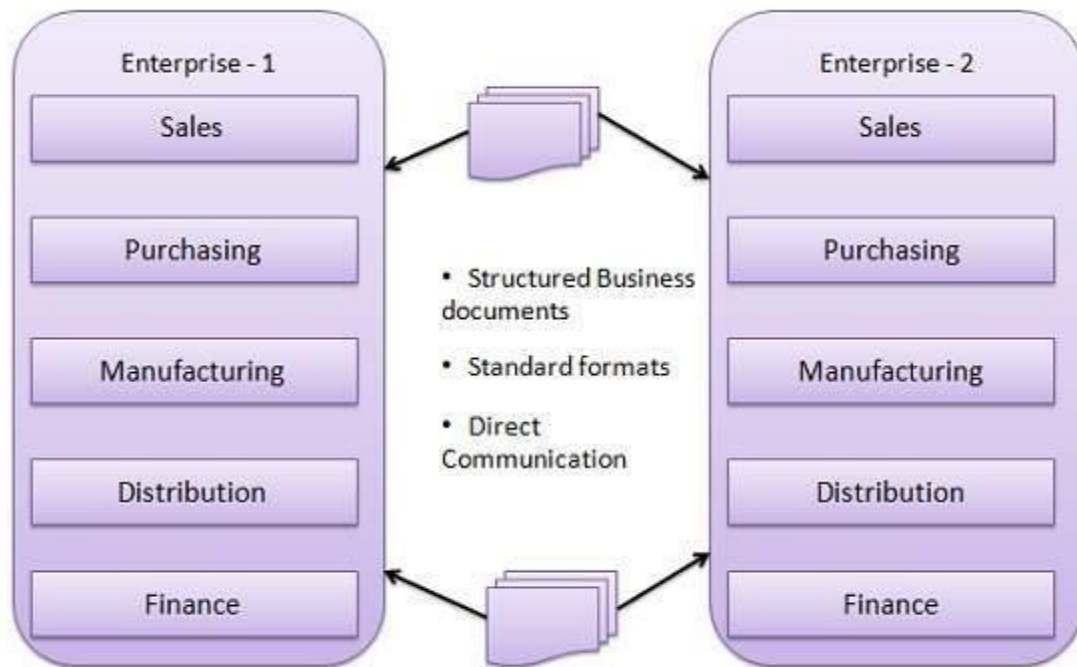
E-Commerce - Security Systems

Security is an essential part of any transaction that takes place over the internet. Customers will lose his/her faith in e-business if its security is compromised. Following are the essential requirements for safe e-payments/transactions –

- **Confidentiality** – Information should not be accessible to an unauthorized person. It should not be intercepted during the transmission.
- **Integrity** – Information should not be altered during its transmission over the network.
- **Availability** – Information should be available wherever and whenever required within a time limit specified.
- **Authenticity** – There should be a mechanism to authenticate a user before giving him/her an access to the required information.
- **Non-Reputability** – It is the protection against the denial of order or denial of payment. Once a sender sends a message, the sender should not be able to deny sending the message. Similarly, the recipient of message should not be able to deny the receipt.
- **Encryption** – Information should be encrypted and decrypted only by an authorized user.
- **Auditability** – Data should be recorded in such a way that it can be audited for integrity requirements.

EDI stands for Electronic Data Interchange

EDI is an electronic way of transferring business documents in an organization internally, between its various departments or externally with suppliers, customers, or any subsidiaries. In EDI, paper documents are replaced with electronic documents such as word documents, spreadsheets, etc.



EDI Documents

Following are the few important documents used in EDI ☐

- Invoices
- Purchase orders
- Shipping Requests
- Acknowledgement
- Business Correspondence letters
- Financial information letters

EDI System

The Following steps in EDI System.

- A program generates a file that contains the processed document.
- The document is converted into an agreed standard format.
- The file containing the document is sent electronically on the network.
- The trading partner receives the file.
- An acknowledgement document is generated and sent to the originating organization.

Advantages of an EDI System

- **Reduction in data entry errors.** – Chances of errors are much less while using a computer for data entry.
- **Shorter processing life cycle** – Orders can be processed as soon as they are entered into the system. It reduces the processing time of the transfer documents.
- **Electronic form of data** – It is quite easy to transfer or share the data, as it is present in electronic format.
- **Reduction in paperwork** – As a lot of paper documents are replaced with electronic documents, there is a huge reduction in paperwork.
- **Cost Effective** – As time is saved and orders are processed very effectively, EDI proves to be highly cost effective.
- **Standard Means of communication** – EDI enforces standards on the content of data and its format which leads to clearer communication.

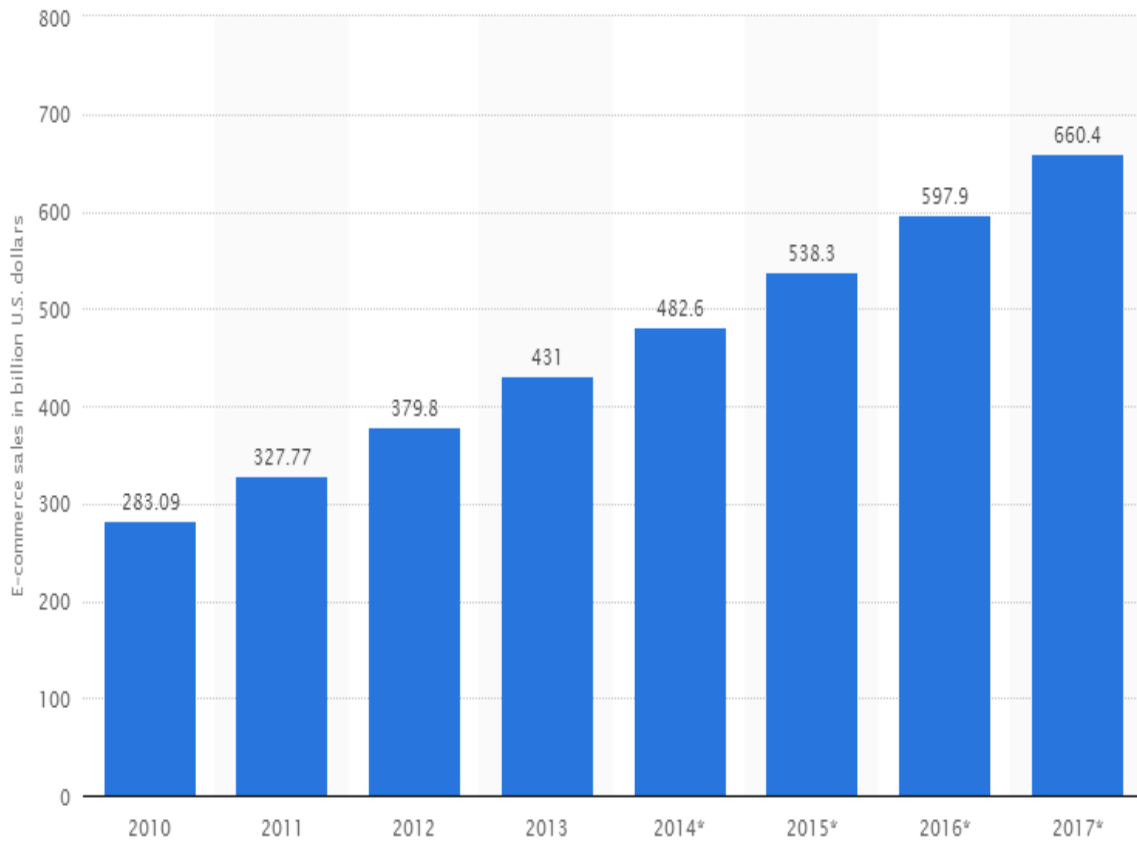
B2C E-commerce

B2c identifies both the seller as well as the buyer as business entities. B2c covers a large number of applications, which enables business to form relationships with their distributors, re-sellers, suppliers, leading

items in B2c E-Commerce. In B2C model, a business website is a place where all the transactions take place directly between a business organization and a consumer.

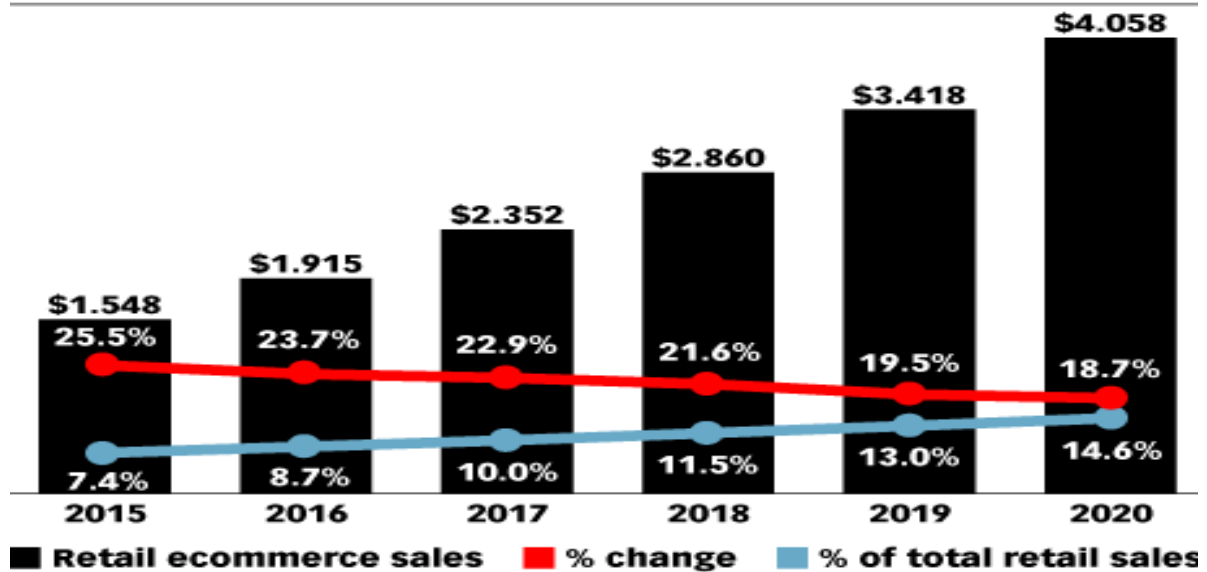
- Searches available items on the website meeting the requirement.
- Compares similar items for price, delivery date or any other terms.
- Places the order.
- Pays the bill.
- Receives the delivered item and review/inspect them.
- Consults the vendor to get after service support or returns the product if not satisfied with the delivered product.

B2C e-commerce sales in North America from 2010 to 2016 (in billion U.S. dollars)



Retail Ecommerce Sales Worldwide, 2015-2020

trillions, % change and % of total retail sales



Functions of E- Commerce

There are four function of Electronic Commerce.

- 1) Communication
- 2) Process Management.
- 3) Service Management.
- 4) Transaction Capabilities.

E-commerce Information and distribution Technology

- File Transfer Protocol
- Hypertext Transfer Protocol
- Electronic Mail
- Simple Message transfer protocol
- News Group
- World Wide Web

E-COMMERCE EXAMPLES

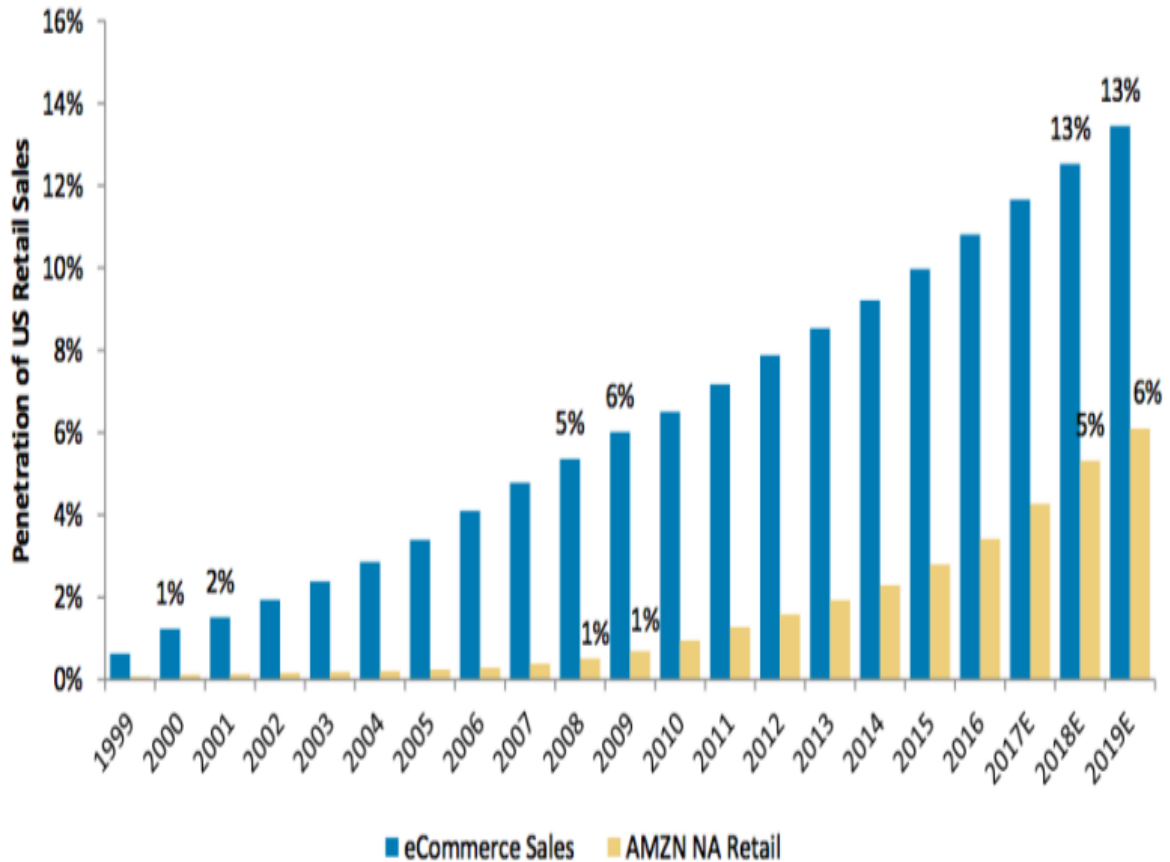
Examples of e-commerce transactions are:

- An individual purchases a book on the Internet.
- A government employee reserves a hotel room over the Internet.
- A business calls a toll free number and orders a computer using the seller's interactive telephone system.
- A business buys office supplies on-line or through an electronic auction.
- A Retailer orders merchandise using an EDI network or a supplier's extranet.
- A manufacturing plant orders electronic components from another plant within the company using the company's intranet.
- An individual withdraws funds from an automatic teller machine (ATM).

Identifying e-commerce transactions often is not as straight forward as the previous examples may make it appear. Some additional examples that demonstrate the complexity of implementing the proposed definition are provided below.



Exhibit 47: Ecommerce has grown to 12-13% of retail sales, while Amazon is ~5-6%



Source: US Census Bureau, Company data, Morgan Stanley Research

III. Conclusion:

The fast and dramatic changes in information technology specially in last one decade has given new concept of marketing in which buyer and seller do not see each other face to face nor see the goods physically; the whole transaction is carried out with the help of ‘on line’ communication. The entire deal is carried out with the help of computer – telecommunication and net working with associated hardware. Identifying e-commerce transactions often is not as straight forward as the previous examples may make it appear. Some additional examples that demonstrate the complexity of implementing the proposed definition are provided below.