



A Study on E-Commerce

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Abstract

This paper provides full information about e-commerce. E-Commerce conducting business online. Selling goods, in the traditional sense, is possible to do electronically because of certain software programs that run the main functions of an e-commerce Web site, including product display, online ordering, and inventory management. Ecommerce (e-commerce) or electronic commerce, a subset of e business. It is the purchasing, selling, and exchanging of goods and services over computer networks (such as the Internet) through which transactions or terms of sale are performed electronically. Contrary to popular belief, ecommerce is not just on the Web. In fact, ecommerce was alive and well in business to business transactions before the Web back in the 70s via EDI (Electronic Data Interchange) through VANs (Value-Added Networks).E-commerce is the purpose of Internet and the web to Conduct business but when we concentrate on commercial deals among organizations and individuals demanding selective information systems under the guarantee of the firm it accepts the form of e-business. Nowadays, the word ‘e’ is hitting momentum. If you’re looking to get into this business, one of the fore most things you have to have is a virtual private cloud hosting keeping the traffic in mind and respecting customer’s valuable time. Business conducted through the use of computers, telephones, fax machines, barcode readers, credit cards, automated teller machines (ATM) or other electronic appliances (whether or not using the internet) without the exchange of paper-based documents. It includes activities such as procurement, order entry, transaction processing, payment, authentication and non repudiation, inventory control, order fulfillment, and customer support. When a buyer pays with a bank card, swiped through a magnetic-stripe-reader, he or she is participating in e-commerce. This paper contains introduction of e commerce, meaning, definition, type, advantages, disadvantages and conclusion of e-commerce.

Key Words: e-commerce, EDI, B2B, B2C, C2C

Objectives of the study :

1. To know about e-commerce.
2. To know about importance of e-commerce
- 3.To know about types of e-commerce

Introduction : The history of e-commerce dates back to 1970, when for the first time, electronic data interchange (EDI) and electronic fund transfer were introduced. History of ecommerce is unthinkable without Amazon and EBay which were among the first Internet companies to allow electronic transactions. Thanks to their founders we now have a handsome ecommerce sector and enjoy the buying and selling advantages of the Internet. Currently there are 5 largest and most famous worldwide Internet retailers: Amazon, Dell, Staples, Office Depot and Hewlett Packard. According to statistics, the most popular categories of products sold in the World Wide Web are music, books, computers, office supplies and other consumer electronics. Since then, a rapid growth of e-commerce has pervaded almost every aspect of business such as supply chain management, transaction processing, Internet marketing, and inventory management. Growing importance of e-commerce in the global economy is the rapidity with which Internet use has grown and spread during the last decade. The boom in e-commerce also includes increased use of other media for trade, such as the telephone, television, fax, and electronic payment. Because e-commerce became such an integral part of the global economy, the WTO has begun to consider how it fits into the multilateral trade framework, and what rules or regulations should apply.

Meaning of E-Commerce: Electronic commerce (E-Commerce or EC) is an emerging concept that describes the process of buying and selling or exchanging of products, services, and information via computer networks including the Internet. It is the use of the Internet and the Web to transact business.

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Doing business online, typically via the Web. It is also called "e-business," "e-tailing" and "I-commerce." Although in most cases e-commerce and e-business are synonymous, e-commerce implies that goods and services can be purchased online, whereas e-business might be used as more of an umbrella term for a total presence on the Web, which would naturally include e-commerce (shopping) component.

E-commerce may also refer to electronic data interchange (EDI), in which one company's computer queries and transmits purchase orders to another company's computer.

Definition:

Simple Definition of e-commerce: activities that relate to the buying and selling of goods and services over the Internet.

Full Definition of e-commerce: commerce conducted via the Internet.

Electronic commerce (e-commerce) is the process of trading across the Internet, i.e. a buyer visits a seller's website and makes a transaction there. Less rigidly it includes deals where the Internet plays some role, e.g. assisting the buyer in locating or comparing products and/or sellers.

There are primarily five types of e-commerce models : E-commerce is the process of buying and selling of various products and services by businesses through the Internet. It deals various kind of business concern, from retail site of the consumer, which includes auction. The main focus is to concentrate on business substitutes involving goods and services between various corporations.

E-commerce is the purpose of Internet and the web to Conduct business but when we concentrate on commercial deals among organizations and individuals demanding selective information systems under the guarantee of the firm it accepts the form of e-business. Nowadays, the word 'e' is hitting momentum. If you're looking to get into this business, one of the fore most things you have to have is a virtual private cloud hosting keeping the traffic in mind and respecting customer's valuable time.

(1)**Business to Business (B2B):**B2B stands for Business to Business. It consists of largest form of Ecommerce. This model defines that Buyer and seller are two different entities. It is similar to manufacturer issuing goods to the retailer or wholesaler. Dell deals computers and other associated accessories online but it is does not make up all those products. So, in govern to deal those products, first step is to purchases them from unlike businesses i.e. the producers of those products.

“It is one of the cost effective way to sell out product throughout the world”

Benefits:

Encourage your businesses online

Products import and export

Determine buyers and suppliers Position trade guides

(2)**Business to Consumer (B2C):**B2C stands for Business to Consumer as the name suggests, it is the model taking businesses and consumers interaction. Online business sells to individuals. The basic concept of this model is to sell the product online to the consumers.

B2c is the indirect trade between the company and consumers. It provides direct selling through online. For example: if you want to sell goods and services to customer so that anybody can purchase any products directly from supplier's website.

Directly interact with the customers is the main difference with other business model. AsB2B it manages directly relationship with consumers, B2C supply chains normally deal with business that are related to the customer.

(3) **Consumer to Consumer (C2C):** C2C stands for Consumer to Consumer. Consumer to consumer e-commerce means consumers sell products to other consumers. An example would be one consumer selling something that he or she no longer needs or wants to another consumer via a site like eBay or Amazon. It helps the online dealing of goods or services among people. Though there is no major parties needed but the parties will not fulfill the transactions without the program which is supplied by the online market dealer such as eBay.

(4) **Peer to Peer (P2P):** P2P stand for peer to peer. It is a discipline that deal itself which assists people to



instantly shares related computer files and computer sources without having to interact with central web server. If you are going to implement this model, both sides demand to install the expected software so that they could able to convey on the mutual platform. This kind of e-commerce has very low revenue propagation as from the starting it has been tended to the release of use due to which it sometimes caught involved in cyber laws.

(5) M-Commerce: m-Commerce stands for Mobile Commerce. It deals with conducting the transactions with the help of mobile. The mobile device consumers can interact each other and can lead the business. Mobile Commerce involves the change of ownership or rights to utilize goods and related services. Companies using internal networks to offer their employees products and services online--not necessarily online on the Web--are engaging in B2E (Business-to-Employee) ecommerce.

G2G(Government-to-Government),G2E(Government-to-Employee),G2B(Government-to-Business),B2G (Business-to-Government),G2C (Government-to-Citizen), C2G (Citizen-to-Government) are other forms of ecommerce that involve transactions with the government--from procurement to filing taxes to business registrations to renewing licenses. There are other categories of ecommerce out there, but they tend to be superfluous.

Advantages and Disadvantages of e-commerce:

The invention of faster internet connectivity and powerful online tools has resulted in a new commerce arena – Ecommerce. Electronic commerce can allow consumers to access their favorite store at any time, day or night. This benefits both buyers, who might not be able to visit a store during typical business hours, and sellers, who can peddle their products around the clock.

(1)Global Reach: The greatest and the most important advantage of e-commerce, is that it enables a business concern or individual to reach the global market. It caters to the demands of both the national and the international market, as your business activities are no longer restricted by geographical boundaries. With the help of electronic commerce, even small enterprises can access the global market for selling and purchasing products and services.

(2)Better Deals for Customers: Electronic commerce gives the customers the opportunity to look for cheaper and quality products. With the help of e-commerce, consumers can easily research on a specific product and sometimes even find out the original manufacturer to purchase a product at a much cheaper price than that charged by the wholesaler.

(3)Open 24/7: Even time restrictions are nonexistent while conducting businesses, as e-commerce empowers one to execute business transactions 24 hours a day and even on holidays and weekends. This in turn significantly increases sales and profit.

(4)No Hassles of conventional Shopping: Online commerce also offers buyers a wider range of products and services to choose from, as opposed to conventional shopping, without the hassles of lugging around heavy shopping bags and getting stuck in messy traffic jams, which turns out to be more convenient and time-saving. Besides these, people also come across reviews posted by other customers, about the products purchased from a particular e-commerce site, which can help make purchasing decisions.

(5)Lower Costs for the Business For business concerns: e-commerce significantly cuts down the cost associated with marketing, customer care, processing, information, and storage and inventory management. It reduces the time period involved with business process re-engineering, customization of products to meet the demand of particular customers, increasing productivity and customer care service.

(6) Gain New Customers with Search Engine Visibility: Physical retail is driven by branding and relationships. In addition to these two drivers, online retail is also driven by traffic from search engines. It is not unusual for customers to follow a link in search engine results, and land up on an ecommerce website that they have never heard of. This additional source of traffic can be the tipping point for some ecommerce businesses.

(7)Overcome Geographical Limitations: If you have a physical store, you are limited by the geographical area that you can service. With an ecommerce website, the whole world is your playground. Additionally, the advent of m commerce, i.e., ecommerce on mobile devices, has dissolved every remaining limitation of geography.



(8)Eliminate Travel Time and Cost: It is not unusual for customers to travel long distances to reach their preferred physical store. Ecommerce allows them to visit the same store virtually, with a few mouse clicks.

(9)Enable Deals, Bargains, Coupons, and Group Buying: Though there are physical equivalents to deals, bargains, coupons, and group buying, online shopping makes it much more convenient. For instance, if a customer has a deep discount coupon for turkey at one physical store and toilet paper at another, she may find it infeasible to avail of both discounts. But the customer could do that online with a few mouse-clicks.

(10)Quick Comparison: E-commerce also enables you to compare price among several providers. In the end, it leads you to smart shopping. People can save more money while they shop.

Disadvantages of e-commerce

Although electronic commerce is becoming increasingly popular, there are still a few concerns. Some people aren't comfortable making financial transactions over the Internet and/or are worried about the possibility of identity theft. Additionally, some consumers are skeptical of items that aren't sitting right in front of them or worried about not getting what they ordered. Questions about sizing persist for consumers purchasing clothing or shoes, and products can get damaged or lost in the shipping process... However, there are certain challenges concerning the security of a customer's confidential information that need to be taken care of. Ecommerce offered many advantages to companies and customers but it also caused many problems. There are two types of Disadvantages;

(1) Technical disadvantages.

(2)Non-Technical Disadvantages

Technical disadvantages:

There can be lack of system security, reliability or standards owing to poor implementation of e-Commerce.

(a)Software development industry is still evolving and keeps changing rapidly.

(b)In many countries, network bandwidth might cause an issue as there is insufficient telecommunication bandwidth available.

(c)Special types of web server or other software might be required by the vendor setting the e-commerce environment apart from network servers.

(d)Sometimes, it becomes difficult to integrate E-Commerce software or website with the existing application or databases.

(e)There could be software/hardware compatibility issue as some E-Commerce software may be incompatible with some operating system or any other component.

Non-Technical Disadvantages:

(a) Initial cost: The cost of creating / building E-Commerce application in-house may be very high. There could be delay in launching the E-Commerce application due to mistakes, lack of experience.

(b)User resistance: User may not trust the site being unknown faceless seller. Such mistrust makes it difficult to make user switch from physical stores to online/virtual stores.

(c)Security/ Privacy: Difficult to ensure security or privacy on online transactions.

(d)Lack of touch or feel of products during online shopping.

(e)E-Commerce applications are still evolving and changing rapidly.

(f)Internet access is still not cheaper and is inconvenient to use for many potential customers like one living in remote villages

Electronic commerce has given consumers and companies the ability to conduct business anywhere in the world. The convenience and cost-effectiveness of electronic commerce has made it increasingly popular. However, drawbacks, such as security issues and the lack of a tangible product, have prevented some consumers from buying into electronic commerce.

Conclusion

In 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 implemented.

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