



e-commerce



WHAT IS COMMERCE

- According to Dictionary.com
- Commerce is a division of trade or production which deals with the exchange of goods and services from producer to final consumer
- It comprises the trading of something of economic value such as goods, services, information, or money between two or more entities.

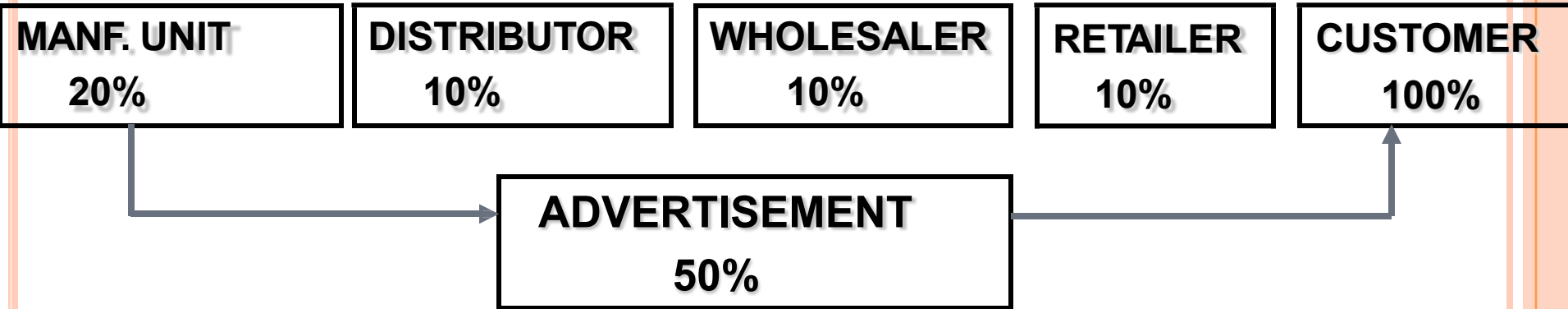


WHAT IS E-COMMERCE

- Commonly known as Electronic Marketing.
- “It consist of buying and selling goods and services over an electronic systems Such as the internet and other computer networks.”
- “E-commerce is the purchasing, selling and exchanging goods and services over computer networks (internet) through which transaction or terms of sale are performed Electronically.



TRADITIONAL BUSINESS



DIRECT SELLING



Why

Use

E-Commerce

.....?



- **LOW ENTRY COST**
- **REDUCES TRANSACTION COSTS**
- **ACCESS TO THE GLOBAL MARKET**
- **SECURE MARKET SHARE**



Brief History Of E-Commerce



- 1970s: Electronic Funds Transfer (EFT)
 - Used by the banking industry to exchange account information over secured networks
- Late 1970s and early 1980s: Electronic Data Interchange (EDI) for e-commerce within companies
 - Used by businesses to transmit data from one business to another
- 1990s: the World Wide Web on the Internet provides easy-to-use technology for information publishing and dissemination
 - Cheaper to do business (economies of scale)
 - Enable diverse business activities (economies of scope)



THE PROCESS OF E-COMMERCE



- A consumer uses Web browser to connect to the home page of a merchant's Web site on the Internet.
- The consumer browses the catalog of products featured on the site and selects items to purchase. The selected items are placed in the electronic equivalent of a shopping cart.
- When the consumer is ready to complete the purchase of selected items, she provides a bill-to and ship-to address for purchase and delivery



- When the merchant's Web server receives this information, it computes the total cost of the order--including tax, shipping, and handling charges--and then displays the total to the customer.
- The customer can now provide payment information, such as a credit card number, and then submit the order.



- When the credit card number is validated and the order is completed at the Commerce Server site, the merchant's site displays a receipt confirming the customer's purchase.
- The Commerce Server site then forwards the order to a Processing Network for payment processing and fulfillment.



TYPES

OF

E-COMMERCE



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.

E.g.: -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.



BUSINESS-TO-CONSUMER (B2C):

- It is the model taking businesses and consumers interaction. The basic concept of this model is to sell the product online to the consumers.
- B2c is the direct 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.



BUSINESS-TO-EMPLOYEE (B2E)

- Business-to-employee (B2E) **electronic commerce uses an intrabusiness network which allows companies to provide products and/or services to their employees. Typically, companies use B2E networks to automate employee-related corporate processes.**



CONSUMER-TO-CONSUMER (C2C)

- There are many sites offering free classifieds, auctions, and forums where individuals can buy and sell thanks to online payment systems like PayPal where people can send and receive money online with ease. eBay's auction service is a great example of where person-to-person transactions take place everyday since 1995.



PROS AND CONS OF E-COMMERCE



PROS



- No checkout queues
- Reduce prices
- You can shop anywhere in the world
- Easy access 24 hours a day
- Wide selection to cater for all consumers



CONS



- Unable to examine products personally
- Not everyone is connected to the Internet
- There is the possibility of credit card number theft
- On average only 1/9th of stock is available on the net

