

E-Commerce Applications Development

Introduction

Week 1

Course Introduction

Course Outcomes



- Gain good understanding of how Ecommerce works, need of online business, Other benefits and features.
- Gain intuitive and quantitative understanding of Ecommerce business models, differences, benefits of each model and how the behavior of each model can be used by an organization to improve sales .
- The fundamental components of an online business framework.
 - Website Interface/ User experience
 - Products catalogue
 - Wishlist
 - Cart options
 - Order products
 - Payments methods
 - Customer feedback
- Learn different technical aspects required for development of ecommerce platform.

Quiz/ Assignment Policy

- Quizzes will be announced/unannounced.
- There will be multiple assignments, individual and group wise.



Textbook/Reference book

- **Textbooks:**
 - PHP 5 E-commerce Development by Michael Peacock
 - Electronic commerce by Gary Schneider
 - E-business and E-commerce by Henrik Stormer

Topics to be covered

- Introduction
- Defining the term
- History, from Brick 'N Mortar to online stores.
- Business Models and their importance
 1. Business to Business B2B
 2. Business to Consumer B2C
 3. Consumer to Consumer C2C
 4. Consumer to Business C2B
 5. Intra-business Ecommerce
 6. Non-Profit Ecommerce.
- Need of business models
- E-Commerce Software services

Defining the term

- E commerce : Electronic commerce, commerce alone means “buying and selling”

Simply put, Electronic commerce is just normal trading or transaction that is performed using electronic means.

Definition (cont..)

Usually dictionary defines ecommerce as:

*“It is a process of **buying** and **selling** or **exchanging** of **products** , **services** and **information** via computer networks including the internet.”*

Now it is important to note that ecommerce not only means exchanging of products but it also includes services and information.

We will briefly discuss a few examples to make things clear.

Definition (cont..)

- Exchange of products:
 - Online marketplace like Amazon, flipkart, daraz etc
- Exchange of Services:
 - websites like UpWork, TaskRabbit, Handyman etc
- Exchange of Information:
 - Usually non-profit organizations like online government portals, Ebanking etc

Ecommerce Business Models

There are 6 types of E-commerce business models:

1. Business to Business B2B
2. Business to Consumer B2C
3. Consumer to Consumer C2C
4. Consumer to Business C2B
5. Intra-business Ecommerce
6. Non-Profit Ecommerce

Ecommerce Business Models

1. Business to Business B2B:

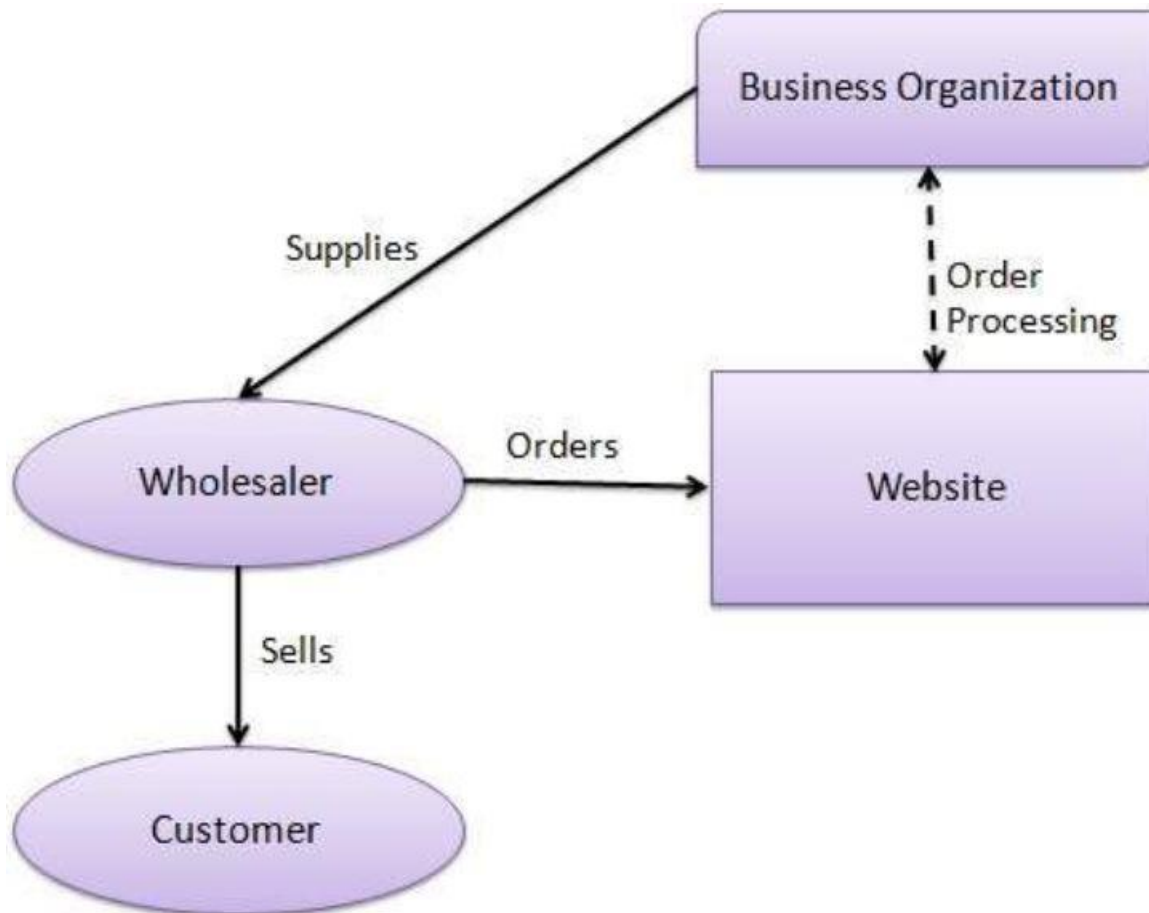
- Transactions that take place between two organizations/ companies or industries.
- No individuals are involved directly.

Example:

If a Mobile Chip manufacturing company performs transaction with another company that manufactures mobile cameras.

Ecommerce Business Models

1. Business to Business B2B:



Ecommerce Business Models

2. Business to Consumer B2C:

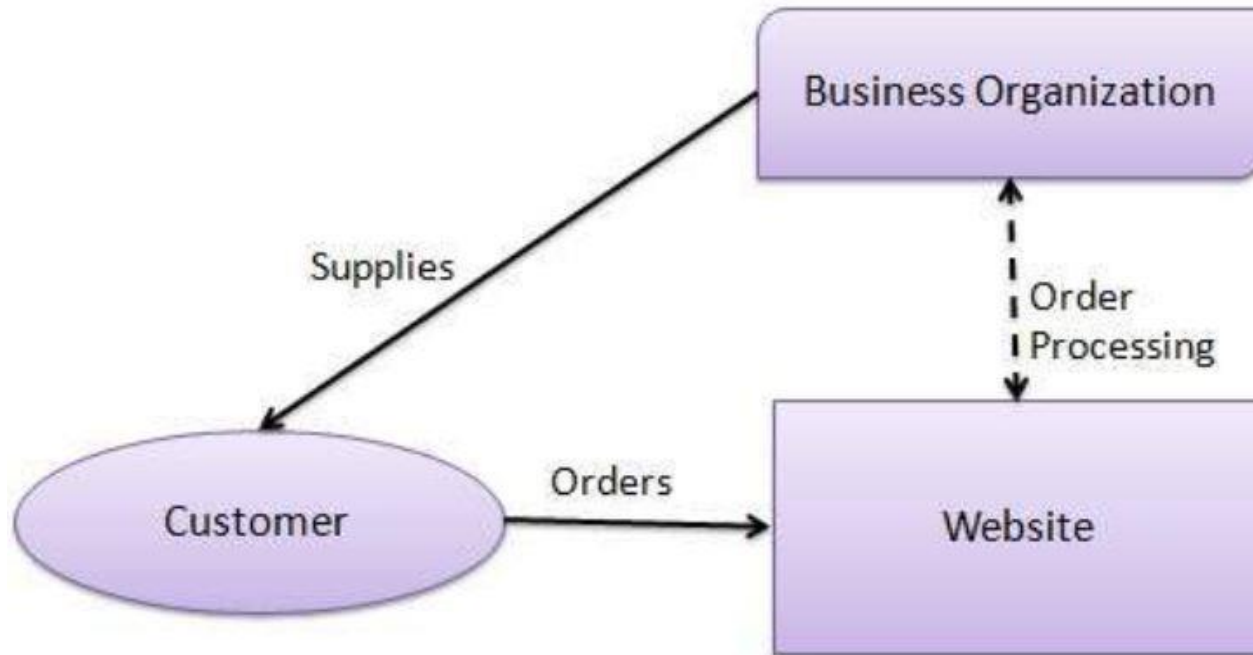
- Transactions with individual customers/ end users. In this model, a business sells its product directly to a customer.
- Seller : organization
- Buyer : individual customer /consumer

Example:

Typical scenario at online shopping websites like Amazon or Daraz, where a consumer buys products.

Ecommerce Business Models

2. Business to Consumer B2C:



Ecommerce Business Models

3. Consumer to Consumer C2C:

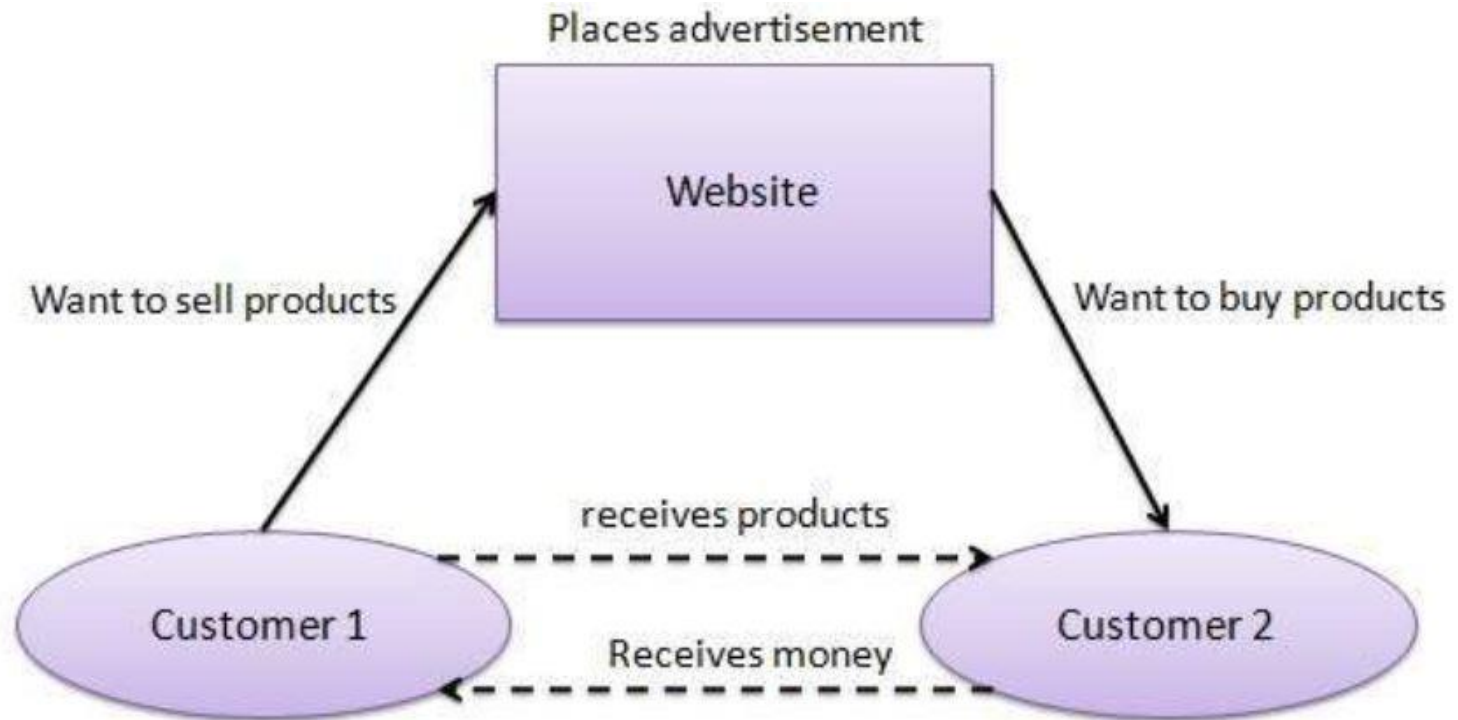
- Transactions that take place between two consumers.
- One customer sells an item or service directly to other customer.
- Some organizations can play a role of intermediary (third party), but they are not involved directly.
- Seller can set the price of his product or service and the buyer makes purchase.

Example:

Classified advertisements, websites like PakWheels etc.

Ecommerce Business Models

3. Consumer to Consumer C2C:



Ecommerce Business Models

4. Consumer to Business C2B :

- Individuals /consumers sell their products or services to organizations / companies.

Seller : Individual Customer

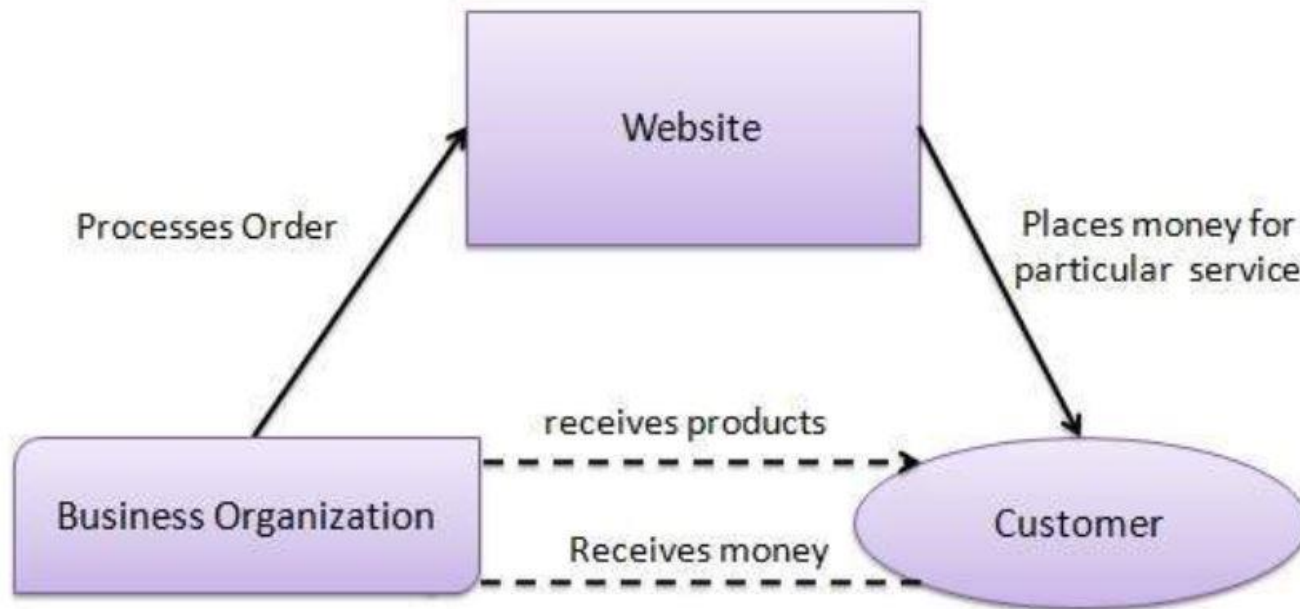
Buyer : Company / Organization

Example:

Online websites like foodpanda, where a single customer can sell bakery items or food products to companies or bakeries.

Ecommerce Business Models

4. Consumer to Business C2B :



Ecommerce Business Models

5. Intra-business Ecommerce :

- Exchange of services or products within an organization/ company.
- Seller : a department A of a company
- Buyer : another department B of the same company

Example:

- Like audit team of a company head office provides services to other branch offices.
- Another example is the employees training sessions within an organization.

Ecommerce Business Models

6. Non-Profit E-Commerce :

This type of business model is mostly used by non-profit organizations like religious, social or welfare organizations.

Their main aim is to provide services for betterment of people in society.

Training institutes developed by government and universities, Research agencies etc

Example:

Organizations like DigiSkills,

Ecommerce Business Models

6. Non-Profit E-Commerce :



Ecommerce Business Models

Now Why do we classify E- Commerce models?

What is the need to know any business type?

Ecommerce Business Models

- And answer is that we (individual/company) need to know our online business.
- Any organization and company should know what type of business they are doing,
- These business models develop marketing standards and it facilitates in developing legal policies for each type of business models.
- Each business model has its own policies, rules and regulations either imposed by government ,courts trading companies.

(For example legal notices and copyrights claims vary in different models)

Advantages of Ecommerce

Let us discuss some advantages of Ecommerce,

- Low financial start-up cost:

One of the major benefits is that ecommerce requires low initial financial cost to start and run a business.

- Business beyond time barrier:

Another important benefit is that in ecommerce business, there is no time restriction and therefore online business can run 24 hours a day and 7 days a week. This means that a person can easily purchase during daytime or even at midnight. Similarly it goes for freedom of region restriction. A person living anywhere can make purchase while sitting in his house at any time.

Advantages of Ecommerce

- **Business beyond boundaries:**

It is beneficial for both buyer and seller. A seller can sell products 24/7 to customers spread across country or even go internationally. Similarly a customer can purchase a product while sitting in his home at any time.

- **Easy to showcase bestsellers:**

Ecommerce easily helps in showcasing best selling products or new users. A company with better User Experience of their website can take advantage of so many related strategies.

- **Easier to scale online business:**

A seller can easily expand his business by just increasing budget on marketing, adding more products to list and reaching more potential customers.