

E - COMMERCE

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PREFACE

Due to the penetration of Mobile networks to the remotest part of the world, E – Commerce has reached the fingertips of the common man. It has changed considerably the way people do business. Therefore, the time has come to offer the subject “E- Commerce” to the Under Graduate Students. The purpose of this book is to make E - Commerce a student friendly subject. This book serves three objectives – one to understand the subject, secondly remember the concepts for a longer period and, thirdly simplifying the complexities to make the stake holders comfortable with the subject.

This book is meant for the I semester B.Com. students of Mangalore University (CBCS – Elective Paper).The book has been divided into 4 units. Each unit is discussed keeping the student and faculty in mind and the subject. The subject is presented in a clear and systematic way and the language used is simple to ensure better understanding. At the end of each unit questions are given for the practice by students.

We have referred several standard books available, articles on websites, discussed the better way of presentation of various concepts and placing before academicians and students. We are enormously indebted to all these writers. As authors we feel that students' expectations in a text book for academic learning are fulfilled here. We hope the academicians and student community will widely refer this book.

This book is published by the most experienced publisher New United Publishers, Mangaluru. We are thankful to the publisher for the committed efforts to bringing out this book in a unique way and at reasonable cost. We gratefully accept the opinions and suggestions for the improvement of this book.

Seema Prabhu S.

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SYLLABUS
E-COMMERCE

Unit 1: Introduction to E-Commerce: 5 Hrs

Introduction to E-Commerce – Definition, History of E-commerce, Functions and Scope, Difference between E-Commerce & E-Business, Comparison of Traditional Commerce and E-Commerce and Advantages & Disadvantages of E-Commerce.

Unit 2: E-Commerce business models: 5 Hrs

E-Commerce Models: Business to Business (B2B) Model, Business to Customer (B2C) Model, Consumer-to Consumer (C2C) Model, Consumer-to-Business (C2B) Model, Peer to Peer (P2P) Model – Emerging trends.

Unit 3: E-Commerce and ITES Tools: 7 Hrs

Web Server – Internet – World Wide Web, Web hosting choices, Concept and scope of BPO, KPO, LPO, ERP and Utility Blogging (Theory only).

Unit 4: E-Commerce Techniques: 7 Hrs

Hosting a product – Direct or Online Platform, Stages in Buying a product on the internet, Web Auctions, Virtual Communities, Portals, E-business revenue models.

UNIT 1: INTRODUCTION TO E-COMMERCE

Information Technology has transformed the way people work. Electronic Commerce (E- Commerce) has unleashed yet another revolution, which is changing the way businesses buy and sell products and services. Associated with buying and selling of information, products and services over computer communication networks, e – commerce helps conduct traditional commerce through new ways of transferring and processing information, since it is information which is at the heart of any commercial activity. Information is electronically transferred from computer to computer, in an automated way.

E- Commerce is booming in India offering new ways of doing business. Referring to aspects of online business involving exchanges among customers, business partners and vendors, e-commerce has increased the speed and ease with which business can be transacted today, resulting in intense competition between enterprises. Companies are at the crossroads, with just two vistas ahead of them – either go online or go out of the business.

E-Commerce an abbreviation for Electronic Commerce, is the 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. The standard definition of E-commerce is a commercial transaction which is happened over the internet. Online stores like Amazon, Flipkart, Shopify, Myntra, Ebay, Quikr, Olx are examples of E-commerce websites.

E-Commerce

- “Sale or Purchase of Goods or Services through electronic mode is E- Commerce”. This could include the use of technology in the form of Computers, Desktops, Mobile Applications, Etc.
- “E- Commerce or Electronic Commerce, a subset of E-Business, is the purchasing, selling and exchanging of goods and services over computer networks (such as Internet) through which transactions are performed”.
- “E-Commerce is a modern business methodology that addresses the needs of organizations, merchants and consumers to cut costs while improving the quality of goods and services and increasing the speed of service delivery by using Internet”.
- E-Commerce takes place between companies, between companies and their customers, or between companies and public administration.

Characteristics of E – Commerce

1. Establishment of B to B relationship.
2. Electronic payment.
3. e – distribution of products & services.
4. Exchange of information.
5. Pre and Post – sales support.
6. Customer Relationship Management.

A recent report on India’s e-commerce growth forecasts that as a result of rising internet penetration as roughly 350 million

Indian citizens are already online and that number is expected to nearly double to 600 million by 2020. This number is more than projected users in USA by that time. Above fact is an indicator that India's e-commerce shall be growing very fast as internet penetration increases.

History of E-Commerce

Nowadays the thought of living without ecommerce seems unfathomable, complicated and an inconvenience to many. It wasn't until only a few decades ago that the idea of ecommerce had even appeared.

History of ecommerce dates back to the invention of the very old notion of "sell and buy", electricity, cables, computers, modems, and the Internet. Ecommerce became possible in 1991 when the Internet was opened to commercial use. Since that date thousands of businesses have taken up residence at web sites.

At first, the term ecommerce meant the process of execution of commercial transactions electronically with the help of the leading technologies such as Electronic Data Interchange (EDI) and Electronic Funds Transfer (EFT) which gave an opportunity for users to exchange business information and do electronic transactions. The ability to use these technologies appeared in the late 1970s and allowed business companies and organizations to send commercial documentation electronically.

The history of ecommerce started 50 years ago and, to this day, continues to grow with new technologies, innovations, and thousands of businesses entering the online market each year. Electronic Data Interchanges and teleshopping in the 1960s

paved the way for the modern-day ecommerce store. The history of ecommerce is closely intertwined with the history of the internet. In 1979, the American National Standards Institute developed ASC X12 as a universal standard for businesses to share documents through electronic networks.

Michael Aldrich (22 August 1941 – 19 May 2014) was an English inventor, innovator and entrepreneur. In 1979 he invented online shopping to enable online transaction processing between consumers and businesses, or between one business and another, a technique known later as e-commerce.

Online shopping only became possible when the internet was opened to the public in 1991. Amazon.com was one of the first ecommerce sites in the US to start selling products online and thousands of businesses have followed since. The convenience, safety, and user experience of ecommerce have improved exponentially since its inception.

Consumers can now purchase endless amounts of items online, from e-tailers, typical brick-and-mortar stores with e-commerce capabilities and one another.

E- Commerce Timeline:

Year	Major E- Commerce Event
1969	The first major ecommerce company, CompuServe, is founded.
1979	Michael Aldrich invents electronic shopping.
1982	Boston Computer Exchange launches as one of the first ecommerce platforms.