



CSC-370

E - Commerce

(BSc CSIT, TU)

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Module Structure

- Semester : VI
- Nature of the Course
 - Theory + Lab + Assignments
- Full Marks : 60 + 20 + 20
- Pass Marks : 24 + 8 + 8
- Credit Hours : 3

Introduction

- Electronic commerce (e-commerce) remains a relatively new, emerging and constantly changing area of business management and information technology.
- E-commerce is digitally enabled commercial transactions among organizations and individuals.
- Digitally enabled transactions include all transactions mediated by digital technology e.g. Internet
- Commercial transactions involve the exchange of value (e.g., money) across organizational or individual boundaries in return for products and services
- Exchange of value is important for understanding the limits of e-commerce. Without an exchange of value, no commerce occurs



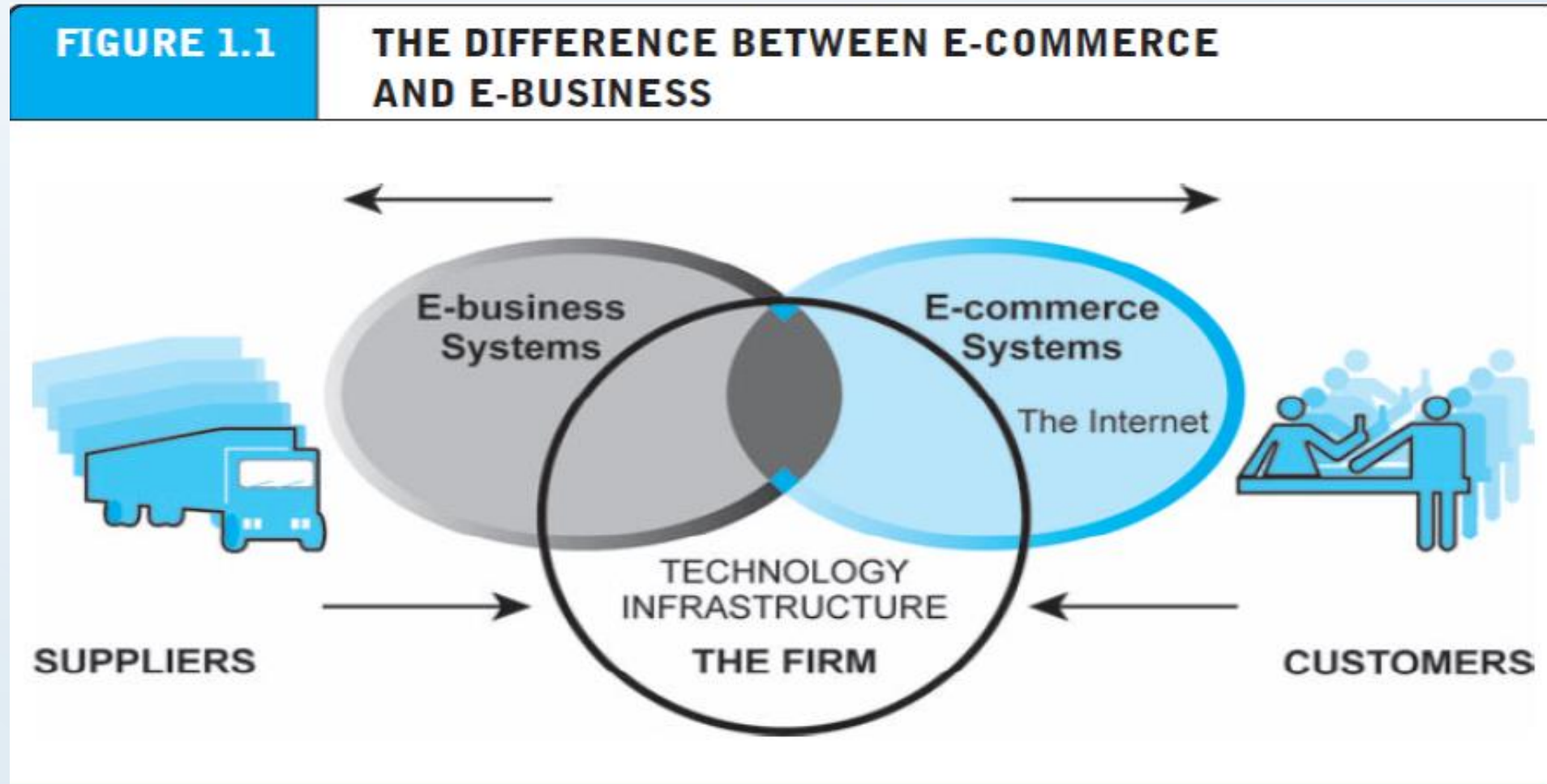
Introduction

- Some of the definitions of e-commerce often heard and found in publications and the media are:
 - Electronic Commerce (EC) is where business transactions take place via telecommunication networks, especially the Internet
 - Electronic commerce describes the buying and selling of products, services, and information via computer networks including the Internet.
 - Electronic commerce is about doing business electronically.
 - E-commerce is defined as the conduct of a financial transaction by electronic means



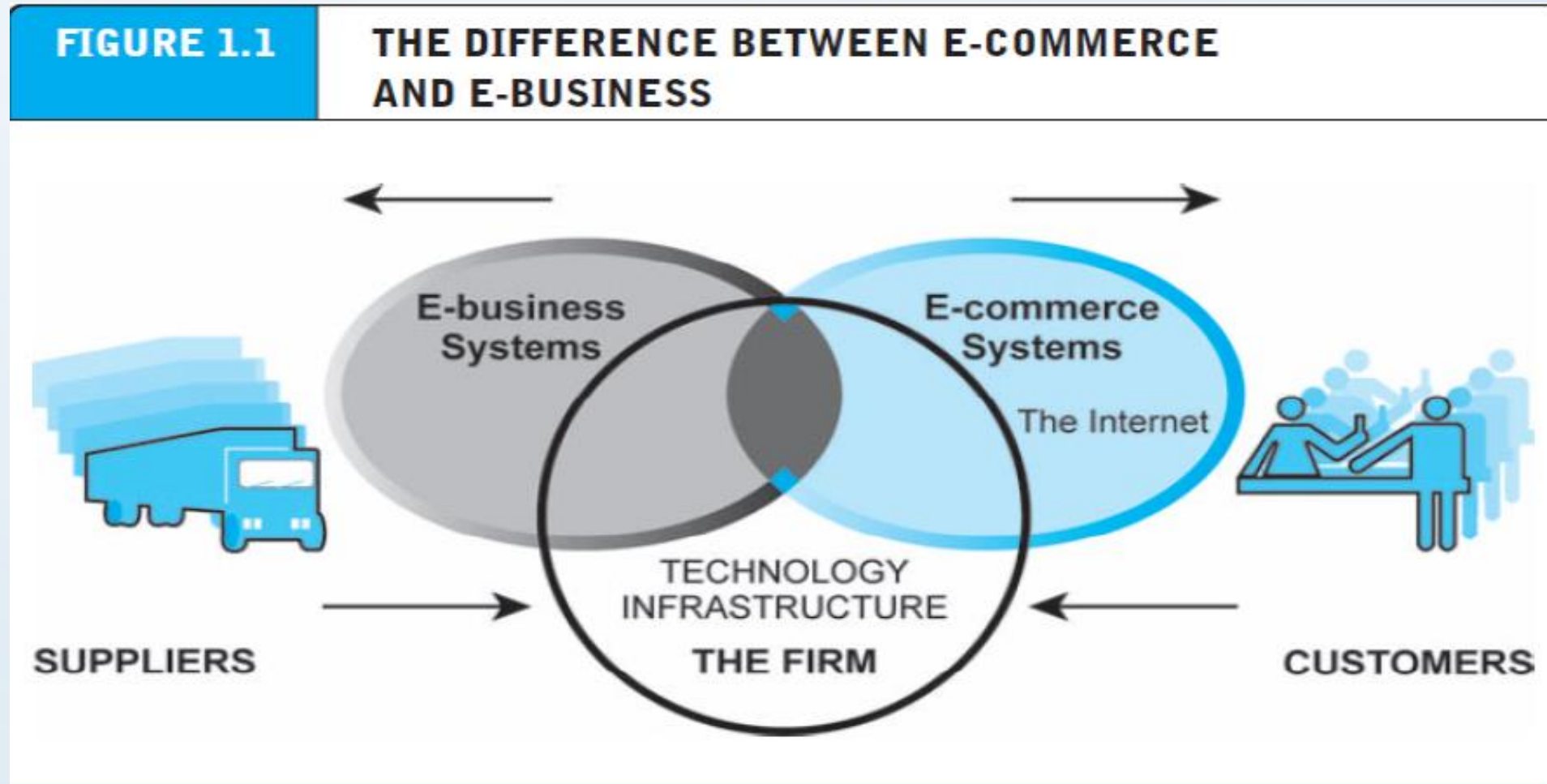
Difference between E-Commerce and E-Business

- **E-Business** refers to the digital enablement of transactions and processes within a firm, involving information systems under the control of the firm as shown in figure.



Difference between E-Commerce and E-Business

- **E-commerce** involves transactions that cross firm boundaries as shown in figure.



Difference between E-Commerce and E-Business

- **E-Business** does not include commercial transactions involving an exchange of value across organizational boundaries.
- For example, a company's online inventory control mechanisms are a component of **e-business**, but such internal processes do not directly generate revenue for the firm from outside businesses or consumers, as **e-commerce**, by definition, does.
- It is true, however, that a firm's **e-business** infrastructure provides support for online **e-commerce** exchanges; the same infrastructure and skill sets are involved in both **e-business** and **e-commerce**.
- **E-commerce** and **E-business** systems may blur together at the business firm boundary, at the point where internal business systems link up with suppliers or customers.

Benefits of E-Commerce

- The benefits of e-commerce can be seen to affect three major stakeholders: organizations, consumers and society

1. Benefits of e-commerce to organizations

- **International marketplace** : Single physical marketplace located in a geographical area has now become a borderless marketplace including national and international markets. Businesses now have access to people all around the world
- **Operational cost savings** : The cost of creating, processing, distributing, storing and retrieving paper-based information has decreased.
- **Mass customization** : E-commerce has revolutionized the way consumers buy good and services. Organizations now customize their products according to the customers' need and feedbacks online.
- **Lower telecommunications cost** : The Internet is much cheaper than value added networks (VANs) which were based on telephone lines for the use of organization. It is also cheaper to send a fax or e-mail via the Internet than phone calls.

Benefits of E-Commerce

1. Benefits of e-commerce to organizations

- **Digitization of products and processes** : Particularly in the case of software and music/video products(digital products), which can be downloaded or e-mailed directly to customers via the Internet in digital or electronic format.
- **No more 24-hour-time constraints** : Businesses can be contacted by or contact customers or suppliers at any time(online order and delivery)

Benefits of E-Commerce

2. Benefits of e-commerce to consumers

- **24/7 access** : Enables customers to shop or conduct other transactions 24 hours a day, all year round from almost any location. For example, checking balances, making payments, obtaining travel and other information.
- **More choices** : Customers not only have a whole range of products that they can choose from and customize, but also an international selection of suppliers
- **Price comparisons** : Customers can 'shop' around the world and conduct comparisons either directly by visiting different sites. (for example www.pricenepal.com for electronic products).
- **Improved delivery processes** : This can range from the immediate delivery of digitized or electronic goods such as software or audio-visual files by downloading via the Internet, to the on-line tracking of the progress of packages being delivered by mail or courier
- **An environment of competition** : where substantial discounts can be found or value added, as different retailers for customers.

Benefits of E-Commerce

2. Benefits of e-commerce to society

- **Enables more flexible working practices** : enhances the quality of life for a whole host of people in society, enabling them to work from home. It also potentially reduces environmental pollution as fewer people have to travel to work regularly(eg, Zoom)
- **Connects people** : Enables people in developing countries and rural areas to enjoy and access products, services, information and other people which otherwise would not be so easily available to them.
- **Facilitates delivery of public services** : For example, health services available over the Internet (on-line consultation with doctors or nurses), paying taxes, bills over the Internet.