UNIT 1

Overview of E Business

WORLD WIDE WEB (WWW):

The **World Wide Web** (WWW) is combination of all resources and users on the **Internet** that are using the Hypertext Transfer Protocol (HTTP). "The **World Wide Web** is the universe of network-accessible information, an embodiment of human knowledge."

The Web, as it's commonly known, is often confused with the **internet**. Although the two are intricately connected, they are different things.

The internet is, as its name implies, a network -- a vast, global network that incorporates a multitude of lesser networks. As such, the internet consists of supporting infrastructure and other technologies.

In contrast, the Web is a communications model that, through HTTP, enables the exchange of information over the internet.

Tim Berners-Lee is the inventor of the Web in 1989. Berners-Lee developed hypertext, the method of instant cross-referencing that supports communications on the Web, making it easy to link content on one web page to content located elsewhere. The introduction of hypertext revolutionized the way people used the internet. The World Wide Web has been widely available since 1991.

Overview of Electronic payment:

Electronic payment system is a system which helps the customer or user to make online payment for their shopping.

To transfer money over the Internet.

¬Methods of traditional payment.

Cheque, credit card, or cash.

¬Methods of electronic payment.

Electronic cash, software wallets, smart cards, and credit/debit

Two storage methods:

1. Online:

a. Individual does not have possession personally of electronic cash
b. Trusted third party, e.g. online bank, holds customers' cash accounts

2. Offline:

a.Customer holds cash on smart card or software wallet

b. Fraud and double spending require tamperproof encryption

Some Examples Of EPS:

a. Online reservation
b. Online bill payment
c. Online order placing
d. Online ticket booking

TYPES OF ELECTRONIC PAYMENTS:

Payment Cards

Electronic Funds Transfer (EFT)

Electronic Cash Systems

Electronic wallets

Electronic Cheque (Echeque)

Micro Payment Systems

1. PAYMENT CARDS: • Electronic card payments continue to have a meaningful impact on the world.
   • Most of consumers use credit cards to pay for online purchases.
   • Card transaction volume grew at an annual growth rate of 10.8% in 2016, compared to 8.4% growth in 2015.
   • More than 85% of worldwide consumer Internet purchases are paid for with credit cards.
2. ELECTRONIC FUNDS TRANSFER (EFT):
   EFT is used for transferring money from one bank account directly to another without any paper money changing hands
   • It can be Direct debit payments or Electronic bill payment in online banking
3. ELECTRONIC CHEQUE (E-CHEQUE)
   • An E-cheque is an electronic version of paper check.
   • Fast cheque processing and very low transaction cost.

• Digital signatures can be seen.

4. ELECTRONIC CASH SYSTEMS:
   • System usually is developed based on an electronic payment protocol which supports payment transactions.
   • Basic attributes are Acceptability, Guaranteed payment, No transaction chargers and Anonymity
   • PayPal is still growing rapidly with 78 million active accounts (200 million total) worldwide.
   ♣ PayPal
   ♣ Bitcoin
5. ELECTRONIC WALLETS:
   • Allows customer to store name, address, credit card information on the site.
   • Allow high speed efficiency and high security for shoppers.
   • Paytm
   • Freecharge, Mobikwik

SOME SECURE EPS INFRASTRUCTURE:

1. Authentication:
   • Many tools available to confirm the authenticity of a user.
   • Passwords and ID numbers are used mostly
2. Public Key Cryptography:
   • Use one public and one private to encrypt and decrypt data
   • Sender can then encrypt the message with the public key and receiver can use the private key to decrypt the message.
3. Digital Signature:
   • An electronic one use to authenticate the identity of the sender of a message

ONLINE BANKING:

Online banking, also known as internet banking, is **an electronic payment system** that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. The online banking system will typically connect to or be part of the core banking system operated by a bank and is in contrast to branch banking which was the traditional way customers accessed banking services.

Internet banking software provides personal and corporate banking services offering features such as viewing account balances, obtaining statements, checking recent transaction and making payments.

SECURITY IN ONLINE BANKING:

Security of a customer's financial information is very important, without which online banking could not operate. Similarly the reputational risks to banks themselves are important. Financial institutions have set up various security processes to reduce the risk of unauthorized online access to a customer's records, but there is no consistency to the various approaches adopted.

The use of a secure website has been almost universally embraced.

Though single password authentication is still in use, it by itself is not considered secure enough for online banking in some countries.

HOME BANKING:

Home banking is the practice of conducting banking transactions from home rather than at branch locations. Home banking generally refers to either banking over the telephone or on the internet (i.e. online banking). The first experiments with internet banking started in the early 1980s, but it did not become popular until the mid-1990s when home internet access was widespread. Today, a variety of internet banks exist which maintain few, if any, physical branches.

The increasing popularity of home banking has fundamentally changed the character of the banking industry. Many people are able to arrange their affairs so that they seldom have need of a physical branch. Online-only banks have profited from this shift in the industry. The absence of brick and mortar locations allows many online banks to offer favorable interest rates, lower service charges, and many other incentives for those willing to bank online.

Home Banking and Cybersecurity Concerns

With the increased shift to online banking, new security threats have arisen. All information, such as customer account information, balances, recent transactions, and more, which is stored on a computer, other electronic device, or in the cloud, is vulnerable to hackers and theft. Many commercial banks with online arms have put into place cybersecurity measures to prevent such dangerous theft from occurring. Cybersecurity has become essential as the world is more reliant on computers than ever before.

CUSTOMER RELATION MANAGEMENT (CRM):

CRM or Customer Relationship Management is a strategy for managing an organisation's relationships and interactions with customers and potential customers. A CRM system helps companies stay connected to customers, streamline processes, and improve profitability. When people talk about CRM, they are usually referring to a CRM system, a tool that is used for contact management, sales management, productivity, and more. The goal of a CRM system is simple: Improve business relationships

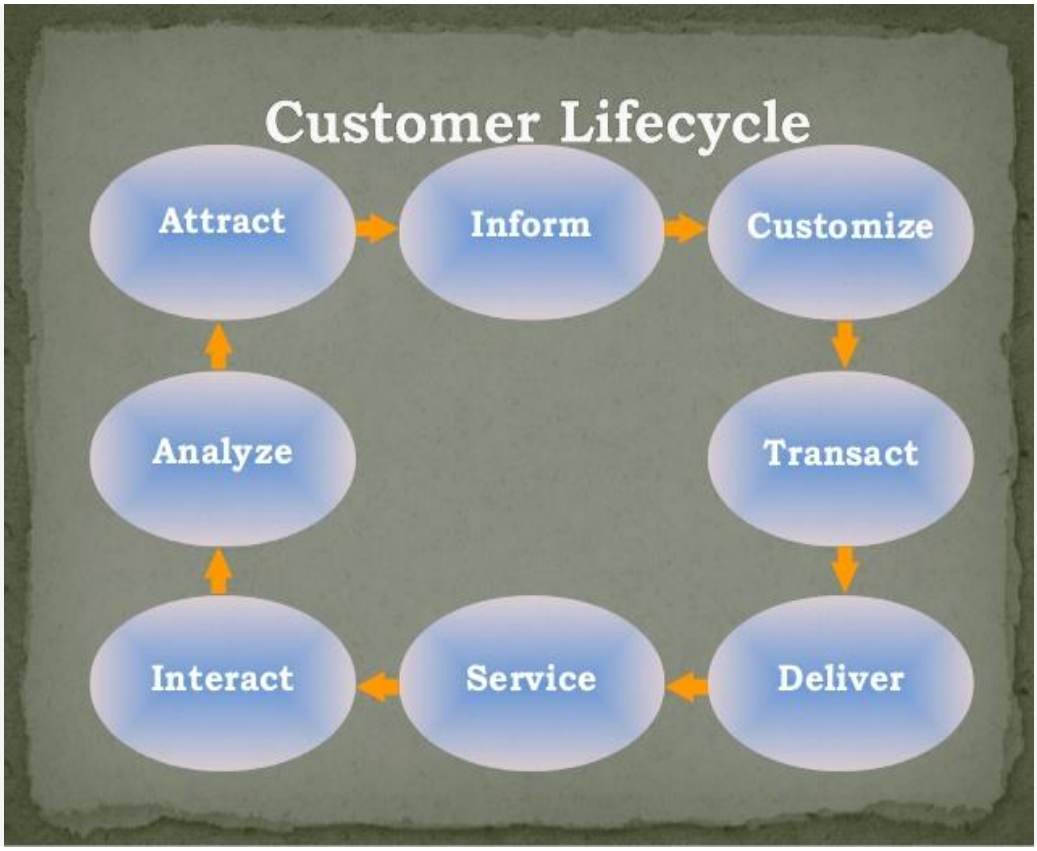
What does CRM software do?

CRM software records customer contact information such as email, telephone, website social media profile, and more. It can also automatically pull in other information, such as recent news about the company's activity, and it can store details such as a client's personal preferences on communications.

The CRM system organizes this information to give you a complete record of individuals and companies, so you can better understand your relationship over time.

The benefits and advantages of CRM include:

1. Enhanced contact management
2. Cross-team collaboration
3. Heightened productivity
4. Empowered sales management
5. Accurate sales forecasting
6. Reliable reporting
7. Improved sales metrics
8. Increased customer satisfaction and retention
9. Boosted marketing ROI
10. Enriched products and services



CRM ARCHITECTURE

CRM system architecture can be broken down into 3 broad categories:

1. Collaborative
2. Operational
3. Analytical

1. Collaborative

All communications between a business and its customers are recorded, organized and processed in the collaborative section of the software. This means communication by telephone, in person, and by email.

Customer relationships can be nurtured using data already provided by them which demonstrates their shopping patterns and behaviors, likes and dislikes, the times they are most likely to buy, and how much they spend on average.

Businesses use this information to provide enhanced customer service, cross-sell products based on previous buying history, and offer targeted deals to segments of their customer base. Customers can be segmented by various criteria including geographical location, age, gender, and profession, and can be targeted via personalized emails or newsletters offering discounts and deals.

2. Operational

This category within a CRM system deals with the automation of business processes including customer service, data on competitors, industry trends, customer account information and management.

Data is collected and stored within the database, ready for use in day-to-day operations such as management of customer accounts, in addition to overall strategic planning. Detailed information about special customer needs, destined for the sales force, is also stored here. Use of this type of data further enables a business to personalize its approach to customers.

3. Analytical

Analytical CRM might result in cross-selling certain items to particular customers based on their previous buying habits, or imparting information relevant only to certain segments of a customer base.

This part of the CRM architecture is also invaluable for identifying changes in the industry as a whole, so that businesses remain agile and respond quickly to changing market demands. Data can be analysed in a number of ways, and graphs, reports and diagrams produced to better illustrate the results.

This is the basic architecture of a customer relationship management system, but the rise of social media and mobile working has brought other, more defined systems to the market. Popular 'add-ons' to the basic structure of a CRM solution might include cloud based systems that are accessible from any device.

The key word in CRM is integration – integration of data so that it can be put to use in a way that benefits not only the business, but also customers, suppliers and the workforce. Using mobile technology and social media was the obvious next step in this process, and targets a whole new potential customer base.

CRM TRENDS:

1. Cloud-Based CRM

Cloud computing services continue to rise, and CRM has not been left behind in this area. According to Peter Coffee, Salesforce.com vice president and head of platform research, cloud-based software is a cost-efficient means of gathering customer data. Unlike before, on-site resources no longer need to scout for leads to input into a system for future sales calls; sources of customer data are already available. Cloud-based CRM will gain momentum as cloud-based applications continue to progress.

2. Social CRM

In 2008, Comcast was one of the first companies that took to Twitter to interact with customers, confirming the power of social CRM. Social media marketing remains on an uptrend and companies are paying attention. Consumers are empowered by social networking sites to influence product or brand image and perception. Negative feedback no longer simply routes a

call to customer service; businesses can expect feedback to reach potential markets before they do.

3. Centralized Data

By centralizing customer data through CRM, businesses will be able to target and engage customers more effectively. CRM data won't end with generating leads for the sales team but will be a continuing process that also includes maintaining relationships with a growing customer base.

4. Mobility

Customers are no longer bound to PCs and are constantly accessing data on the go. Frontline employees and customer service resources will increasingly be empowered by mobile devices for support. On the other side of the coin, customer perception will also be shaped not only by real-world involvement, but also by online and mobile experiences.

5. Flexibility

Flexibility for CRM users is key because it allows them to customize the software to meet their needs. Ease of integration and multichannel publishing are key corporate considerations. As a result, a flexible and accessible CRM platform is becoming increasingly important for users.

SELLING CHAIN MANAGEMENT:

Goals of Selling Chain Management business strategy

- Engage your prospects, and turn them into customers
- Make ordering process easy for the customer
- Add value for the customer
- Make it easy to order customized products
- Increase sales force effectiveness
- Coordinate team selling

LIFECYCLE OF SELLING CHAIN MANAGEMENT:

1. Identifying prospective customers
2. Understanding their needs

3. Exploring possible solutions
4. Translating them into production
5. Price and delivery terms
6. Presenting the proposal to customers
7. Revising if needed
8. Preparing an order

Business Forces Driving SeCM

1. The rise of the self-service order
2. The excessive cost of presales technical support
3. The increasing cost of order errors
4. The proliferation of channels
5. The increasing complexity of products