MODULE - 1

E Commerce Consumer Applications

Consumer applications include :
- entertainment on demand
- electronic retailing
- interactive distant education
- video conferencing.

① Consumer applications and social interaction

- Applications oriented towards social interaction.

Radio, TV — Home shopping channels

Toll free services

News

Online chat services

TV or online computer services.

② What do consumers really want?

Two key questions :

Do customers want new services and will they pay for them?

eg: video on demand.

- consumers require quality and reduced cost of service

- Consumers will assist new system which

requires more steps [2].

— consumers are passive by nature.

③ what are consumers willing to spend?

If consumers are unwilling to spend the amounts, then network operators might look to advertisers to fill the gap.

④ Delivering products to customers

Movies are using electronic media as the distribution channel, instead of traditional distribution through stores.

⑤ Consumer research and electronic commerce

Companies argue that surveys are misleading.

eg: Consumers rated entertainment & shopping sites rated lower compared to other online services.

E commerce Organization applications

Companies adopt technology to save money and improve bottom line.

① changing Business environment.

changing trading partners, platforms carriers and networks at will.

* Inter-networking, whether internally or externally with customers and business partners can be a useful tool to facilitate time based competitive strategies
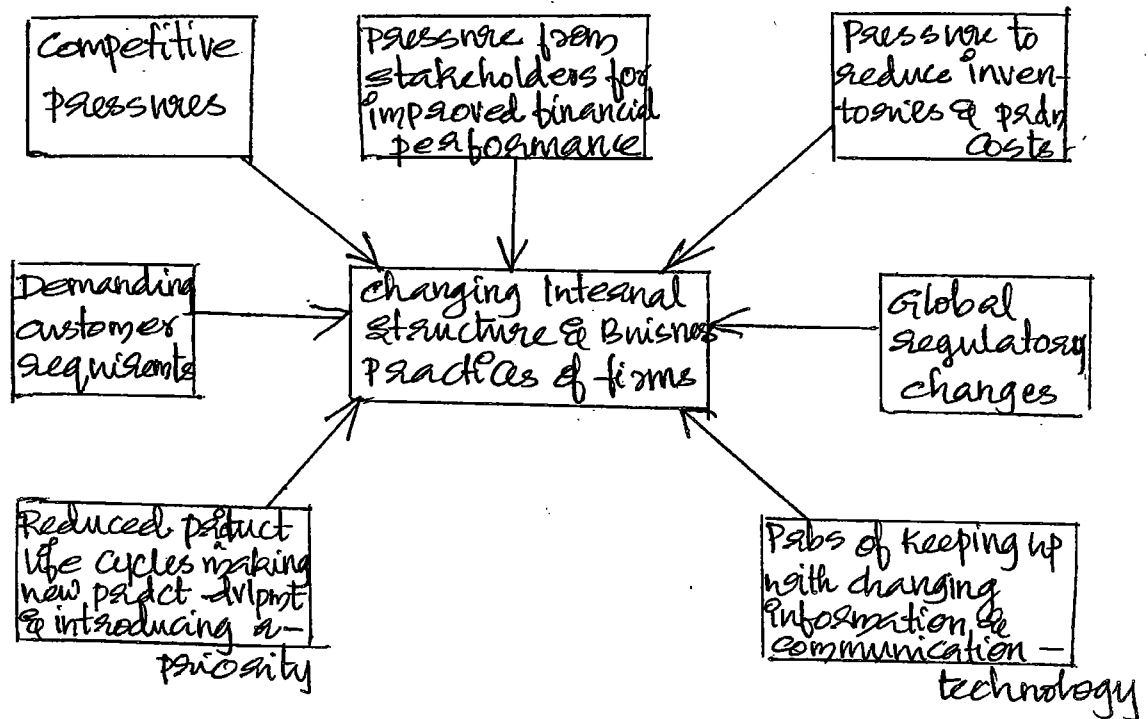

| Competitive pressures | Pressure from stakeholders for improved financial performance | Pressure to reduce inventories & pdn costs |

Demanding customer requirements → Changing Internal Structure & Business Practices of firms ← Global regulatory changes

Reduced product life cycles making new pdct dvlpmt & introducing a priority

Prbs of keeping up with changing information & communication technology

fig: pressures influencing business

* Firms utilize consumer and market research

② Electronic Commerce and the retail industry

Consumers are pushing retailers for lower prices, higher quality and longer selective of goods.

Retailers are slashing costs, reducing profit, reduced cycle times, buying wisely and making huge investment is technology

③ **Marketing and E-commerce**

Companies rethink the ways of

Target marketing — Isolating and focusing on a segment of population.

Relationship marketing — Building and sustaining a long term relationship with existing & potential customers.

Event marketing — Setting up virtual where interesting people come & visit

E-comm goes for — Interactive marketing

Consumer Information services

④ **Inventory management and organization applications.**

Computerized "paperless" operations

ⓐ **Just in time manufacturing**

Inventory management in the manufacturing industry. "Integrated management system consisting of a number of different management practices depending on the characteristics of specific plants".

Two principles: ① Elimination of waste

(time, material, labour & equipment)

5) **Supply chain management (SCM)**

SCM means integrating the internal and external partners on the supply and process chains to get raw materials to the manufacture and finished products to the customers. SCM includes the following functions :-

- Supplier management — The goal is to reduce the number of suppliers and get them to become partners in a win/win relationship.

- Inventory management — The goal is to shorten the order-ship bill cycle.

- Distribution management — The goal is to move documents related to shipping (ie reduce paper work)

- channel management — The goal is to quickly disseminate information about changing operational conditions to trading partners.

② Empowering workers.

JIT purchasing is considered as an integral part of JIT. It focuses on the reduction of inventories throughout the logistical systems of the manufacturing firms involved and provides a careful audit of the production process. Materials from the supplier will be ordered only if the production plant can sell its product.

(b) Quick Response retailing

Version of JIT purchasing.

```
        (1)              (2)              (3)
┌──────────┐    ┌──────────┐    ┌──────────┐    ┌──────────┐
│Product on│    │consumer  │    │Information│   │Information│
│store shelf│──▶│purchases │──▶│automatically│ │collated  │
│          │    │product   │    │recorded by │  │by store  │
│          │    │          │    │point-of sale│ │computer  │
│          │    │          │    │(POS) device│  │          │
└──────────┘    └──────────┘    └──────────┘    └──────────┘
     ▲                                                │
     │                                                ▼
```

If there is shortage, send order for restocking to distributor or vendor

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     (6)              (5)              (4)
┌──────────┐    ┌──────────┐    ┌──────────┐
│Store     │    │orders the│    │vendors computer│
│receives  │◀───│closest ware-│◀│receives order │
│material &│    │house to ship│  │          │
│restocks the│  │the requested│  └──────────┘
│shelf     │    │material  │          │
└──────────┘    └──────────┘          ▼
                              ┌──────────┐
                              │vendors manufacturing│
                              │department is ordered│
                              │to produce more of the│
                              │product   │
                              └──────────┘
```
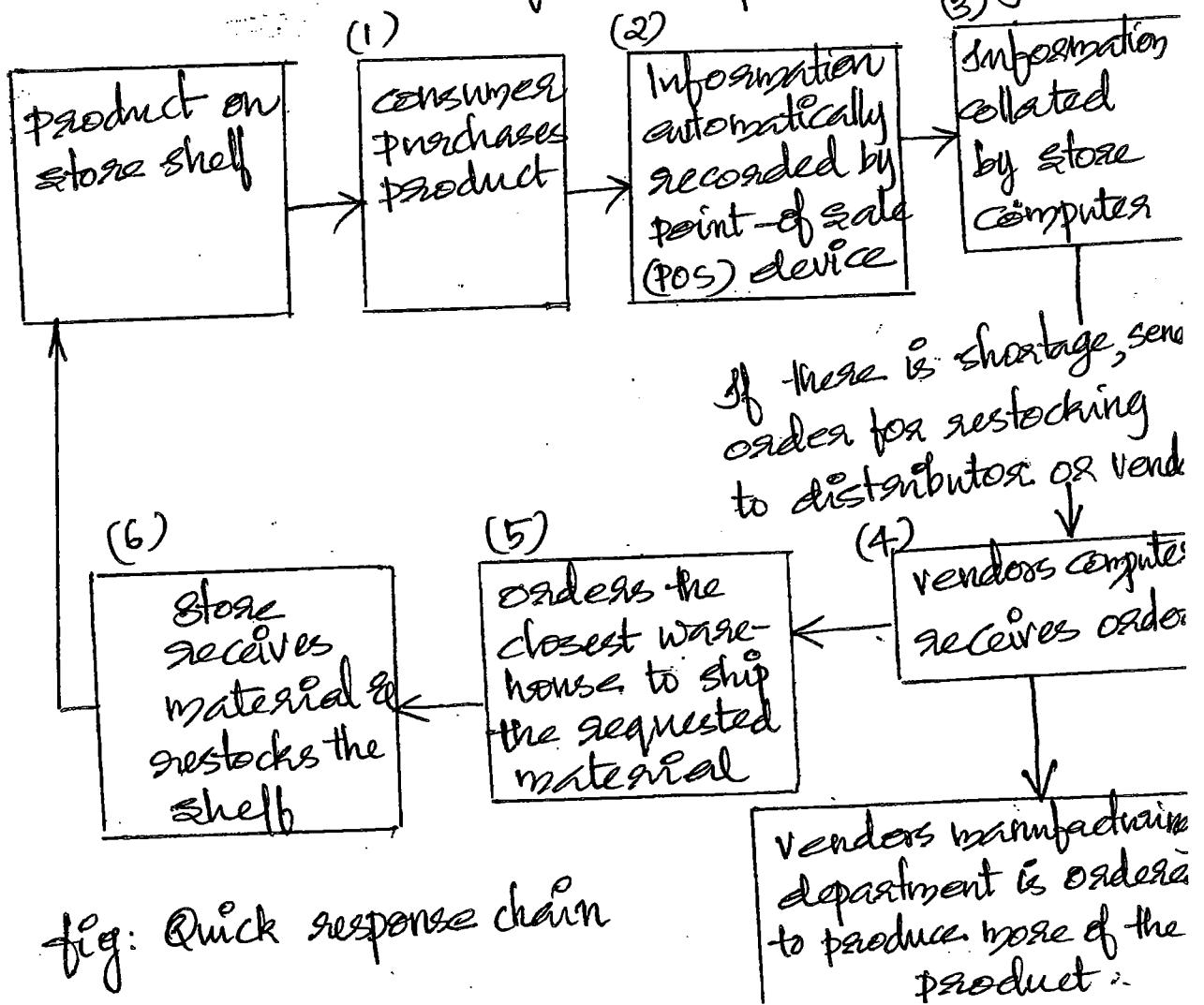
fig: Quick response chain

- Payment management — The goal is to link the company and the suppliers and distributors to so that payments be send and received electronically.
- Financial management — The goal is to enable global companies to manage their money in various foreign exchange
- Sales force productivity : The goal is to improve the communication & flow of information among the sales, customers and production functions .

⑥ work group collaboration applications

E-com provides internet that enable easy and inexpensive connection of various organisational segments. video conferencing is the best established application .

Previous Year Questions

May 2015

Q Explain ISP (3)

Q Write short notes on E-commerce framework (5)

Q Explain in detail about anatomy of E-comm applications

OR

Q Elaborate the architectural framework for electronic commerce (12)

May 2013

Q Explain the various consumer access devices.

Q Explain the major functions of SCM (12)

OR

Discuss the anatomy of e-commerce applications

December 2012

Q. What is hypertext. Explain (4)

Q What is meant by business to business transactions (4)

Q Discuss the e-com organisational application in detail

OR

Q Explain the architecture of e-commerce (12)

May 2008

Q. What is e-commerce? Mention any 2 advantages and disadvantages of it.

Q. What are the various languages used in designing e-com applications.

Q. Discuss briefly about the different applications of e-commerce with simple example (12)

OR

Write notes on:
a) Types of e-commerce   b) Internet Service Provider's

November 2010

Q. What is meant by www? Name some popular Internet browsers.

Q. Discuss e-commerce architecture

Q. Explain www architecture and Internet Service Provider (12)

OR

Give the anatomy of e-commerce and its applications

November 2011

Q. Write notes on hypermedia and hypertext.

Q. Explain various consumer to business transactions

Q. Highlight the various aspects of e-com organisation applications. OR

Q. Discuss how the www serves as the backbone of e-comm architecture. Bring out the benefits and drawbacks.