**THU DUC COLLEGE OF TECHNOLOGY**

**FACULTY OF INFORMATION TECHNOLOGY**

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**PROJECT**

**ENGLISH FOR IT**

Project: Introduction to E-commerce

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**Ho Chi Minh City, 29/11/2021**

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# BASIC CONCEPT

* E-commerce (electronic commerce) is the activity of electronically buying or selling of products on online services or over the Internet. E-commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. E-commerce is in turn driven by the technological advances of the semiconductor industry, and is the largest sector of the electronics industry.
* Typical e-commerce transactions include the purchase of products (such as books from Amazon) or services (such as music downloads in the form of digital distribution such as iTunes Store).[1] There are three areas of e-commerce: online retailing, electronic markets, and online auctions.

# THE CHARACTERISTICS AND TYPE OF E-COMMERCE

## The characteristics

* The characteristics of e-commerce are reflected in many aspects and everything is preeminent, fast and modern, meeting the new development trend of the times.

### Ubiquity

* E-commerce is widespread, that is, it is available everywhere always. It sets free market from being restricted to a physical space and makes it possible to shop from computer (such as desktop, laptop). The result is called a market space.
* For consumers, ubiquity cuts transaction costs for exploring products in a market. Consumers can acquire any information whenever and wherever they want, regardless of their location. It is no longer necessary that buyer spend time and money for traveling to a market. In all, it saves the cognitive energy needed to transect in a market space.

### Global Reach

* E-commerce technologies enable a business to easily reach across geographic boundaries around the earth far more conveniently and effectively as compared to traditional commerce. Globally, companies are acquiring greater profits and business results by expanding their business with e-commerce solutions. As a result, the potential market size for e-commerce merchants is approximately equal to size of online population.

### Universal Standards

* Universal Standards are standards shared by all the nations around world. These are technical standards of Internet for conducting e-commerce. It gives all the ability to connect at the same "level" and it provides network externalities that will benefit everyone. Universal technical standards lower entry costs and minimal search costs.

### Interactivity

* E-commerce technologies permits two-way communication between customer and sellers which makes it interactive. It proves as significant feature of e-commerce technology over the commercial traditional technologies of the 20th century.

### Information Density

* Information density means total amount and quality of information available over Internet to all market buyers and sellers. Internet vastly increases information density. Information density offers better quality information to consumer and merchants. E-commerce technologies increase accuracy and timeliness of information. For example, flipkart.com store has variety of products with prices.

### Richness

* Richness refers to the complexity and content of a message. Richness means all commercial activity and experience, conducted through a variety of messages. For example, text, pictures, videos, sound, links, SMS (Short Message Services) etc.

### Personalisation

* E-commerce technology offers personalisation. Personalisation means designing marketing messages according to particular individuals by customising it as per customer personal details like name, interests, and past purchases record. Products or services can be modified or altered according to the user's choice or past buying record.

## Type of E-commerce

### Business to business (B2B)

* The business of selling a product or service to another business rather than the public.
* Ex: An electronics company buys accounting software.

### Business to consumer (B2C)

* The business of selling a product or service to the public rather than to another business.
* Ex: Department stores sell a wide variety of products from other manufacturers.

### Consumer to consumer (C2C)

* When a person sells a product or service to another member of the public via a website.
* Ex: Craft or second-hand items they own and want to resell.

### Business to government (B2G)

* When a private company makes an exchange of goods or services with another public entity.
* EX: An information technology company can respond to the proposal to manage the city's computer hardware system.

### Consumer to government (C2G)

* This model includes paying taxes online and purchasing goods from government agencies that are auctioned online.
* Ex: Pay for car parking with smartphone apps.

# E COMMERCE ADVANTAGES AND DISADVANTAGES

## Advantages of E-Commerce

### Faster Buying Process

* E-commerce has speed up the whole buying process for customers. They do not need to visit physical outlets for shopping and can purchase products by just sitting at their home. It saves huge times and performs faster transactions.

### EliminatesOperating Cost

* It has reduced the overall operating cost of businesses. E-commerce has eliminated the need of opening physical outlets by the business. For operating an outlet, there are huge expenses in terms of rent, utilities, various bills, and staff salaries. It saves all these expenses and operates all business activities through an online website.

### Personalize Shopping Experience

* E-commerce enables customers in enjoying personalized shopping experience. Customers can search for a large variety of products as per their choice and needs without any restrictions. Online business shows products to customers according to their interest and their location.

### Available 24×7

* Online shopping facility is available at all the time that is 24 hours a day and 7 days a week. This is one of the major advantages of e-commerce that customers can access online products at any time. Unlike physical outlets, there is no official opening and closing time here.

### Connects far and wide

* Online businesses are able to reach and connect to customers at far distant places with no geographical limits. People can place their orders from any place and get their orders delivered at their location.

### Detailed Product Information

* Peoples can acquire a full description in detail regarding the products online. It gives full information so that customers can make a comparison with other products easily and choose the best one.

### Retargets the Customers

* Online shopping has made it easy for a business to retargets their customers. The electronic business acquires vast information about their customers while they are doing their shopping online. Customers can be contacted from time to time by sending them personalized emails, messages, coupons and discounts offers.

## Disadvantages of E-Commerce

### Lack of Personal Touch

* Customers lack the facility of touching and feeling products in case of online shopping. They are sometimes more satisfied by purchasing at physical outlets by properly checking the product before buying.

### No Guarantee about Product Quality

* Customers cannot get ensured regarding the quality of products available online. They may be cheated by companies and receive faulty products.

### Security Issues

* Customers may lose their essential credentials while shopping online. There are various hackers over the internet which may steal customer’s data and may cause great loss to them.

### Long Delivery Period

* Another major disadvantage of online shopping is that customers need to wait for longer time periods for getting their products delivered. In the case of offline shopping, customers get on-spot delivery of their products.

### Cannot try before Buying

* Customers cannot take a trial of products before purchasing when they are doing online shopping. They don’t have a facility of negotiating the prices and cannot acquire better information regarding usage and features of the product as in case of the physical outlet where salesperson interacts directly.

# E-COMMERCE IN VIETNAM

* According to a report by Vietnam e-Commerce and Digital Economy Agency (governed by Ministry of Industry and Trade), with 53% of the population shopping online, the e-commerce market in Vietnam grew by 18% in 2020, reaching 11.8 billion USD, which accounted for 5.5% of total retail sales of consumer goods and services.
* According to the National E-Commerce Development Master Plan for the period 2021 – 2025, 55% of the population will have participated in online shopping by 2025 with the average value of online purchases of goods and services reaching 600 USD / person / year. Revenue of B2C e-commerce model is forecasted to increase by 25% / year, reaching 35 billion USD, accounting for 10% of total retail sales of goods and services.
* The Covid pandemic has clearly promoted the change of traditional consumer shopping behavior to e-commerce
* -Vietnam's e-commerce market is recorded as having the fastest growth rate in Southeast Asia, Vietnam's e-commerce growth rate in 2020 will reach about 18% with a scale of about 11.8 billion USD and will continue to grow after the pandemic with a lot of growth potential
* According to statistics, since the outbreak of the epidemic, up to now, more than 70% of the Vietnamese population has accessed the Internet, of which nearly 50% of Vietnamese users have shopped online, 53% of people have used e-wallets. death, and pay for purchases online.