

## Unit - 2

### E-Commerce - Payment Systems

E-commerce sites use electronic payment, where electronic payment refers to paperless monetary transactions. Electronic payment has revolutionized the business processing by reducing the paperwork, transaction costs, and labor cost. Being user friendly and less time-consuming than manual processing, it helps business organization to expand its market reach/expansion. Listed below are some of the modes of electronic payments –

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- Credit Card
- Debit Card
- Smart Card
- E-Money
- Electronic Fund Transfer (EFT)

#### Credit Card

Payment using credit card is one of most common mode of electronic payment. Credit card is small plastic card with a unique number attached with an account. It has also a magnetic strip embedded in it which is used to read credit card via card readers. When a customer purchases a product via credit card, credit card issuer bank pays on behalf of the customer and customer has a certain time period after which he/she can pay the credit card bill. It is usually credit card monthly payment cycle. Following are the actors in the credit card system.

- **The card holder** – Customer
- **The merchant** – seller of product who can accept credit card payments.
- **The card issuer bank** – card holder's bank
- **The acquirer bank** – the merchant's bank
- **The card brand** – for example , visa or Mastercard.

#### Credit Card Payment Proces

Step	Description
Step 1	Bank issues and activates a credit card to the customer on his/her request.
Step 2	The customer presents the credit card information to the merchant site or to the merchant from whom he/she wants to purchase a product/service.
Step 3	Merchant validates the customer's identity by asking for approval from the card brand company.
Step 4	Card brand company authenticates the credit card and pays the transaction by credit. Merchant keeps the sales slip.
Step 5	Merchant submits the sales slip to acquirer banks and gets the service charges paid to him/her.
Step 6	Acquirer bank requests the card brand company to clear the credit amount and gets the payment.
Step 6	Now the card brand company asks to clear the amount from the issuer bank and the amount gets transferred to the card brand company.

## **Debit Card**

Debit card, like credit card, is a small plastic card with a unique number mapped with the bank account number. It is required to have a bank account before getting a debit card from the bank. The major difference between a debit card and a credit card is that in case of payment through debit card, the amount gets deducted from the card's bank account immediately and there should be sufficient balance in the bank account for the transaction to get completed; whereas in case of a credit card transaction, there is no such compulsion.

Debit cards free the customer to carry cash and cheques. Even merchants accept a debit card readily. Having a restriction on the amount that can be withdrawn in a day using a debit card helps the customer to keep a check on his/her spending.

## **Smart Card**

Smart card is again similar to a credit card or a debit card in appearance, but it has a small microprocessor chip embedded in it. It has the capacity to store a customer's work-related and/or personal information. Smart cards are also used to store money and the amount gets deducted after every transaction.

Smart cards can only be accessed using a PIN that every customer is assigned with. Smart cards are secure, as they store information in encrypted format and are less expensive/provides faster processing. Mondex and Visa Cash cards are examples of smart cards.

## **E-Money**

E-Money transactions refer to situation where payment is done over the network and the amount gets transferred from one financial body to another financial body without any involvement of a middleman. E-money transactions are faster, convenient, and saves a lot of time.

Online payments done via credit cards, debit cards, or smart cards are examples of emoney transactions. Another popular example is e-cash. In case of e-cash, both customer and merchant have to sign up with the bank or company issuing e-cash.

## **Electronic Fund Transfer**

It is a very popular electronic payment method to transfer money from one bank account to another bank account. Accounts can be in the same bank or different banks. Fund transfer can be done using ATM (Automated Teller Machine) or using a computer.

Nowadays, internet-based EFT is getting popular. In this case, a customer uses the website provided by the bank, logs in to the bank's website and registers another bank account. He/she then places a request to transfer certain amount to that account. Customer's bank transfers the amount to other account if it is in the same bank, otherwise the transfer request is forwarded to an ACH (Automated Clearing House) to transfer the amount to other account and the amount is deducted from the customer's account. Once the amount is transferred to other account, the customer is notified of the fund transfer by the bank.

E-payments have been part of us for some time and have shown their importance, especially during the pandemic when we try to maintain social distance, where e-payments help us pay anyone anytime as per our convenience. Let us see what are the main advantage as well as disadvantages of this payment method.

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### **Advantages:**

#### **1. Increased speed:**

We do not have to worry about carrying paper money or wait in line to withdraw money from ATMs. Through E-payments you can pay anyone at any time.

#### **2. Increased Sales:**

As people are able to pay to anyone and are not much dependant, the demands of products in the market have increased which resulted to increase in sales of almost every product.

### 3. **Instant Receipts:**

As soon as you make an online payment, you receive receipts and feedback almost instantly.

### 4. **Better Deals:**

As people are getting more indulged in e-payments, almost every payment service provider has started giving exciting offers helping people get good deals.

### **Disadvantages:**

#### 1. **Service Fees:**

Many a time while using e-payment services we are liable to pay service fees or a convenience fee which adds to our expense.

#### 2. **Risk of Theft:**

There have been many incidents in which cybercriminals have manipulated people and money has been looted.

#### 3. **Technical Problems:**

As it is an online service, it may go down due to technical issues and people who get 100% reliable on this service for their payments may face an issue.

#### 4. **Remote Areas:**

Remote areas still rely on cash. You might find it difficult in making payments on the go while traveling to some remote areas.

## **Advantages and disadvantages of having a debit card**

**There are several benefits of using Debit cards as it the most popular way for cashless transaction.**

Debit cards are one of the most popular instruments these days for cashless transaction. You can use the cards at both retails and online stores for any transaction. You can also use the same card to withdraw money from the ATM.

### **Advantages of debit card**

There are several advantages of a debit card. The key advantages are as follows:**Debit card can be easily obtained:** When you open a savings or current account, most banks issue a free debit card. Make sure that you fill in the necessary documentation to receive your debit card.

**Very convenient to use:** One of the advantages of a debit card is that it can be swiped for transactions as well as withdrawal of cash from ATMs.

**No more debts:** When you have a credit card, you are more likely to make impulsive purchases. But a debit card keeps you in check as it is linked to your bank account. You are only able to spend the amount that is in your account. You don't have to worry about the mounting credit card bills anymore.

**Easily accepted:** Debit cards are accepted widely all over India and at international destinations. Make sure to authorise international transactions by simply calling your bank. These debit cards can be used for

cash withdrawal at international ATMs too. So you don't have to carry cash with you when you are travelling.

**Earn rewards:** Offers are not restricted to credit cards alone. Using your debit card too can help you gain rewards and cashback offers. Several online and retail outlets offer cashback offers for every purchase made on the debit card. The points can be redeemed at any time to either purchase products from an online catalogue of the bank or to earn shopping vouchers from various brands.

### **Disadvantages of debit card**

There are certain disadvantages associated with using a debit card:

**No credit allowed:** A debit card is linked to your bank account. There is no possibility of making any transaction on credit. All transactions and withdrawals are limited to the balance available in your account.

**Difficult to dispute fraudulent use:** It is easier to fraudulently use your debit card. In case someone steals the details of your card, especially the PIN and CVV, the chances of a fraudulent transaction are very high. It is difficult to dispute such transactions with the bank.

**Additional fees on ATM withdrawals:** Every bank offers you a limited number of free ATM transactions and other non-financial transactions per month at the branches of other banks. Once you exceed the limit of free withdrawals/ non-financial transactions, fees are levied.

### **Components of a debit card**

A debit card has the following details:

**The card number:** this is a 16- digit number. The card number is unique and is not the same as the bank account number.

**The issue and expiration date:** The issue date is also printed in the MM/YY format. The expiry date is also printed in the same MM/YY format.

**The Logo:** The card has the logo of the bank that has issued it. It also has the logo which determines the type of debit card it is: Visa, Mastercard or RuPay logo.

**Customer service number:** The toll-free number is printed on the back of the card. You can call this number in case of any questions or to report the loss or theft of your card.

**The signature bar:** A signature bar is provided on the back of the card. It is important that you sign the bar as soon as you receive the card. This can help you to prevent fraudulent transactions. Some merchant retail outlets do not swipe the card unless the signature is verified.

**CVV number:** Also known as the card verification value number, the CCV number is unique to every debit. This number needs to be provided at the time of making online payments. It provides an additional layer of security to the card.

## **Advantages and disadvantages of credit cards.**

### **Advantages of using credit cards**

There are many advantages when using a credit card as a method for purchasing goods. It does not necessarily mean that you do not have funds to cover those purchases. The use of a credit card, instead of cash or personal funds, offers the following advantages:

1. Building credit history.
2. A quick source of funds in an "absolute" emergency

3. No accrued interest if bill is paid on time and in full each month
4. Zero liability as consumers is not responsible for fraudulent charges when reported promptly.
5. Consumer protection (\$50.00) if fraudulent charges are reported promptly in case the card is stolen or lost.

### **Disadvantages of using credit cards**

Along with the advantages listed above, the use of credit cards can also have several disadvantages:

1. Established credit-worthiness needed before getting a credit card
2. Encouraging impulsive and unnecessary “wanted” purchases
3. High-interest rates if not paid in full by the due date
4. Annual fees for some credit cards – can become expensive over the years
5. Fee charged for late payments
6. Negative effect on credit history and credit score in case of improper usage

### **Advantages and disadvantages of UPI**

UPI stands for unified payment interface, it is a unique user ID that bank uses to accomplish real-time money transactions. The national payments corporation of India set up by the reserve bank of India and the Indian banks association back UPI. It facilitates the transfer the money between bank accounts and interconnectivity through IMPS, which is much faster than the traditional NEFT. So here this article gives information about the advantages and disadvantages of UPI to better understand this topic.

#### **Pros or Advantages of UPI:**

1. Using the UPI pin, you will be able to make the most secure payment. This is a very safe medium, it just gives you a single PI, through which you can transfer money.
2. If you make payment from UPI, you will not have to pay any charges as this is completely free by the Indian government.
3. UPI that you can also send any payment at one time or ask for it in your account. It either deposits money into your account or transfers money to another account in a matter of seconds.
4. UPI offer access to all your bank account through a single mobile application
5. You can send payment to any unified payments interface support bank, which is very easily without any charge, the State bank of Panjab national bank, and all other banks.
6. UPI is easy to access, you can use 24\*7 hours a day, at any time and any place, even on public holidays.
7. UPI is the one that does not need to fill in the various details like ATM card number, IFSC code, account number.
8. The UPI payment is very simple, with the help of this, you can send money quickly and easily to another account.
9. If you send any money to another account holder, then if you send the same payment through the UPI, they are given some cashback in it. You can get a lot of benefits from it.

#### **Cons or Disadvantages of UPI:**

1. UPI is a deal for smaller fund transfers, when an amount is high then other modes of online transfer are preferable.
2. Another issue with UPI is that it is difficult to persuade customers to download the bank application to their smartphone for a single payment interface because they are concerned about online fraud.
3. Do not tell your personal information such as the date of birth, The UPI pin, and other information to any other person, so that your account will be safe.

4. If you want to transfer payment in the UPI, then you can transfer up to Rs 10,000 as much as possible. You should send it one at a time if you need to send it more than once.
5. You must know that you have to transfer money from the unified payment interface pin is also known as the UPI pin, and it is a very small digit, 4 to 6 digit while having a small digit, it is not safe, so make your payment carefully and its information does not let anyone else know.
6. It does not work on the slow of the internet.
7. UPI is a very fast and safe medium, but sometimes it takes a lot of time to send the payment after the bank's server down.
8. If you want to pay using the UPA, you won't need the UTI support app, which you'll need to install on your Android smartphone and use regularly take your mobile RAM too much. So that your mobile hangs or uses too much internet to avoid it, you can clear app cache and background data to the user can also shut down.

## **Advantages and Disadvantages of Smart Card**

### **Advantages of a smart card:-**

Following are the advantages of a smart card:-

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#### **Advantages of a smart card:-**

Following are the advantages of a smart card:-

##### **1. More secure:-**

Smart cards offer more security and confidentiality than any other financial or transaction card on the market.

They use encryption and authentication technology which is more secure than previous methods associated with payment cards.

##### **2. Safe to transport:-**

Another advantage to having a smart card is their use the banking industry.

These cards give the holder the freedom to carry large sums of money stolen.

They are also safe because the cards can be easily replaced, and the person would have to know the pin number to access its store value.

##### **3. Offer a variety of benefits:-**

Smart cards Offer a variety of benefits to merchants, financial institutions, and other card issuers such as faster transaction, increased sales, reduced costs, easier book-keeping, and fewer losses.

##### **4. Time-saving:-**

Making a payment with a smart card saves a lot of time because its chip contains details about the owner in a non-encrypted form and the user doesn't have to explicitly provide details for verification.

##### **5. Double as an ID card:-**

They can provide complete identification in certain industries. There are numerous benefits of using smart cards for identification.

For example, a driver's license that has been created using smart card technology can give the police the ability to quickly identify someone who's been stopped for speeding or reckless driving.

## **6. The safe place to store sensitive information:-**

Smart cards are a safe place to store sensitive information such as keys, passwords or personal information.

## **7. Less expensive:-**

As compared to debit and credit cards, smart cards are less expensive and provide faster transaction processing.

## **8. Prevents fraud:-**

Other benefits of using smart cards for identification can be used by governments to prevent benefits and social welfare fraud to ensure the right person is receiving the welfare benefit.

## **Disadvantages of smart card:-**

Following are the disadvantages of a smart card:-

### **1. Easily Lost:-**

Smart cards are small, lightweight and can be easily lost if the person is irresponsible. Since smart cards have multiple uses, the loss may be much more inconvenient.

If you lose a card that doubles as a debit card, bus pass and key to the office, you would be severely inconvenienced for a number of days.

### **2. Security:-**

Another drawback of using smart cards is their level of security. They are more secure than swipe cards.

However, they are not as secure as some in the general public would believe.

This creates a false sense of security and someone might not be as diligent as protecting their card and the details it holds.

### **3. Slow Adoption:-**

If used as a payment card, not every store or restaurant will have the hardware necessary to use these cards.

One of the reasons for this is since technology is more secure, it is also more expensive to produce and use.

Therefore, some stores may charge a basic minimum fee for using smart cards for payment, rather than cash.

### **4. Possible Risk of Identify Theft:-**

Smart cards are vulnerable to hardware hacking, which means that data stored in the card can be altered or corrupted.

For criminals seeking a new identity, they are like gold, based on the amount of information it can contain on an individual.

Electronic money has many names, like e-money, digital money and e-currency. It is a type of money that is digitally stored compared to tangible paper or coin currency. You can easily use e-money via online and wireless transfers. E-money is the easiest way to make purchases and to receive payments anytime anywhere, 24 x 7, 365 days of the year.

The use of E-money is likely to keep increasing because of the on-going pandemic which gives an impetus to avoid unnecessary physical transactions. Though there are several advantages to switch to E-money, there are also few drawbacks which can scare the customers in terms of fraud, privacy issues, bad credit history, etc.

To get a more clear look, here are some pros and cons of E-money

Pros	Cons
Lesser pick pocketing because there's no tangible money to steal.	Chances of leaking personal information to a possible data breach.
Effective with handling, storing, and depositing paper money.	Not everyone has a bank account to enjoy cashless money.
Less money laundering because there's always a digital paper trail	During data breach if all your money is taken away by fraud then you will have no money to rely on.
Easier currency exchange while traveling internationally	Universal truth is that virtual money is harder to save than physical cash.
Cash Management Costs Money like deposits, lockers, etc	The temptation to overspend may increase.

### **Web marketing**

Marketing that done via the internet (online), is often called as web marketing or online marketing. More people prefer to do web marketing now because it's less expensive. Some kind of web marketing even free to do. For example, you can start a blog or upload your video on Youtube for free.

#### **Web marketing types**

There are several types of web marketing. Some of them can be used alone, and some only can work fine if used together with other types.

- **SEO (Search Engine Optimization)**

SEO is a process to improve a site's rank in the search result with various kind of methods. It was done so it would be easier for people to be able to find a particular site. Basically, the higher the rank is the better. SEO is quite important now. Why? That is because people use a search engine like Google to look for an answer or solution for their problems.

It is also not only about ranking and search result. A good SEO practice can help improve the usability of the site and makes it more user-friendly.

Search result on Google or other search engines is based on a complex algorithm. The algorithm will take various kind of factors to decide the ranking and the position of the sites in the search result.

In a simple way, SEO can be divided into 2 main stages:

- On-site SEO

On-site SEO is the rules that can be used on your site to make it more search-friendly.

- Off-site SEO

The methods that used to promote your site or blog so it can rank well in the search result.

#### **2. Email marketing**

Even with other newest form of web marketing, email is still considered as one of the most important types of online marketing. Email probably not as cool as it's younger partner, social media, but if you prefer something more private and direct, then email marketing is the best choice for you. This is also one of the reasons why email marketing is still widely used even now.

To make it work, you need to focus on the private aspect of the email's nature and treat your subscribers in a special way, more than non-subscribers. For example, you can give them special discounts, exclusive content, personalized offers, or other special things that non-subscribers can not get.



However, at the same time, you also need to be extra careful when you manage your email marketing system. Make sure your email does not violate the spam laws.

### **3. Pay per click ads**

Pay per click ads or PPC is a type of web marketing where the advertisers will pay a fee everytime someone clicks on their ads. Basically, you will pay so someone visits your site, instead of relying on an organic result.

If you do it properly, PPC may become the fastest method for you to get traffic into your site. But if not, then you may waste away your money for nothing.

Keyword research for PPC itself can be time-consuming, but at the same time, it is also very important, especially if you want to do it properly. PPC campaign is built around keywords, after all.

An effective keyword for PPC should be :Exhaustive, Relevant, Expansive

### **4. Blog marketing**

What is blog marketing? Blog marketing is the process to reach your target market with a blog. Nowadays, it is easier for a business owner to integrate both of the website and the blog, so it will be easier to manage and easier for the customers to access.

Why should you use a blog for your web marketing tactic? Here are a few reasons why:

- Help drive more traffic to your site.
- Convert traffic into leads
- Give you a long-term result
- Help establish authority

### **5. Video marketing**

As you may know, Youtube has become one of the most visited sites and also the second largest search engine in the world now.

Even though video production is not cheap and easy, but it will pay you big time. In fact, about 76% businesses say that video offers a good return on their investment. Besides, editing and taking videos are not that expensive right now. Some video editing software can be used for free, and you can make a decent video with your smartphones.

### **6. Social media**

Now more and more people like to use social media platforms to promote their brand and products.

Social media marketing refers to the process to get more traffics via social media platform. There is various kind of activities for this kind of web marketing, such as making and uploading videos, posting images and text, and other content that can drive audience and engage them directly.

Before you decide to do your social media campaign, first you will need a plan. Starting a social media campaign without any goal in mind is like wandering in a forest without a map and a compass. It probably fun, but in the end, you will get lost.

## **7. Content marketing**

Content marketing is a long-term web marketing strategy where the main focus is to build a strong and long-lasting relationship with the audience by giving them a good quality content that relevant with your products or brand.

### **Advantages and Disadvantages of Online Digital Marketing:**

New and old business companies are turning to online digital marketing to improve their online presence, sales, and brand awareness.

#### **Advantages of Online Digital Marketing:**

The advantages of online digital marketing are given below one by one.

##### **1. Global Reach to Audience:**

Online Digital advertising and marketing help organizations and people to reach the audience globally easily.

As modern technology advances day by day and moves to handy devices,

It is very easy for businesses to reach a global audience in less time, and regardless of geographical boundaries.

Social media platforms and website allows you to find new markets and trade globally with the world.

##### **2. Increase Engagement:**

Using traditional advertising and marketing strategies might not provide the engagement you may get in online digital advertising and marketing.

It allows you to pay more attention to your buyers and customers.

Contentious engagements help you to stay survive in competitive markets.

Online digital marketing helps you to stay actively participating together with your customer via different media channels.

##### **3. No Time Barriers:**

Times are not any more barriers to marketing with online digital marketing.

Your customers and clients can enter your website or social media profile at any time they want and can interact with your business.

#### **4. Brand Development:**

The main advantage of online digital marketing is the brand development of your business.

It can increase the value of your brand through personalized content and direct campaign from the perspective of your customers.

A brand is not about its name or products it's about its voice and the message required to be established in the market.

A brand receives not only a wider reach but people also look upon the brand's trusted name.

#### **5. Online Digital Marketing is Cost-Effective:**

One of the best advantages of online digital marketing is cost-effectiveness.

Online digital marketing saves a lot of money for businesses and companies to reach their targeted audiences compared to traditional marketing.

Well-targeted and properly planned digital advertising and marketing campaigns can reach the right user in less time and lower cost.

Online digital marketing can save a lot of money for the business and companies in marketing.

#### **6. Easy to Setup and Manage:**

Organizing and setup up the accounts of all social media and online platforms are very easy and free.

It requires an average knowledge to open and organize an account on online platforms.

Anyone can set up and run an online campaign through their mobile phones easily.

#### **7. Online Sale:**

Online digital advertising and marketing campaigns can impact the purchases decision of the customers.

Typically, people share stories and information online with other people, which leads them to purchase online.

If you have an online website and social media profiles, then your customers are a few clicks from making an online purchase from you.

Online digital marketing is not like other media people get up and go out to the store for purchasing.

Online digital marketing can be seamless and fast.

## **8. Online Digital Marketing is Super-Fast:**

Another benefit of online digital marketing for businesses to utilize digital marketing is it is super-fast than traditional marketing.

Instead of traditional marketing online digital marketing is very fast and effective.

With the help of online digital marketing, you can reach the right audience in less time and effort.

In just a few minutes you can create a marketing campaign and publish it and reach your audience.

## **9. Online Digital Marketing is Measurable:**

With the help of digital marketing, you can easily measure how your marketing campaign is going, how many people have visited your website, and how they are interacting with your business.

You can find it easily from google analytics, and interestingly Google analytics is completely free and provided by Google.

Therefore, many businesses find it effective and easily measurable to determine their online advertising budget.

## **10. Personalized Approaches:**

The indispensable benefit of online digital marketing is its ability to find and target the right audience.

And interact with them and find out what they are looking for.

Figuring out what your audience wants and interacting with them is very important for your brand reputation and loyalty.

Online digital marketing is more environmentally friendly than traditional marketing.

Whenever your audience visits your website, you can greet them with new offers and their interest.

The more they buy from you, the more you can refine their profiles and accordingly market to them.

Online digital marketing gives you the platforms for your businesses and companies for individual marketing, to design their content and advertising.

That gives the feeling to the customers that the brand is addressing their needs.

## **11. Social Currency:**

Online digital marketing enables you to create engaging content and campaigns utilizing content marketing ways.

The content materials include photos, videos, and blogs, articles that can help you to achieve social currency. Being passed from user to user and becomes viral.

## **12. Online Digital Marketing Accessibility:**

Online digital marketing makes the brand accessible to customers from anywhere at any time.

And it increases the chance of the existing customers to leave a review for a good experience and also place recommendations for everyone as well.

Thus online digital marketing provides a platform for customers to leave a review and recommendations for businesses.

Also, may the customers want to know about the location of the store, and services they offered, opening and closing hours, availability, brand specialize in, and much other information.

Online digital marketing helps your customers to stay connected to your businesses.

## **13. Better Customer Relation:**

Online Digital Marketing helps you to interact and understand your customer's behavior and need and make a better relationship with them.

An online digital marketer can treat them according to their need and behavior and satisfy them.

It helps a lot of businesses to build better customer relations and promote their brand reputation and loyalty.

## **14. Less Risky:**

One of the good things about online digital marketing is it doesn't involve too many risks.

As compared to traditional marketing, Television, Newspaper Advertisements, Billboards, and many others, online digital marketing and social media marketing are much cheaper.

With online digital marketing, you have to take a lot of risks.

So, these are the advantages of online digital marketing, I hope you have gone through it,

Now I am going to discuss the disadvantages or we can say the bad side of online digital marketing.

## **Disadvantages of Online Digital Marketing:**

Before you begin working on online digital marketing, it's very important to about its limitations.

Otherwise, you may regret it afterward,

So, before starting online digital marketing there are some limitations and challenges in online digital marketing you should aware of.

### **1. Negative Feedback and Review:**

In online digital marketing, any negative feedback, review, or criticism about your brand can be visible throughout review websites and social media platforms.

If your customer had a bad experience with your business and may decide to give a negative review about your business, it can create a bad image of your business brand.

Single negative feedback, comment, and review can decimate the reputation of your business brand.

### **2. Global Competition:**

With the help of online digital marketing, you can reach your audience globally, you also come in against global competition.

It means that you are going against a large number of competitors who are also targeting the same audience.

In fact, global reaching to the audience comes up with global competition also.

It can be a big challenge for the business to come up against a large number of competitors and grab the attention of the customers.

### **3. Different Skills and Training:**

For online digital marketing, you need proper skills and training in online digital marketing tools and strategies.

You have to make sure that your employees and staff have the right knowledge and experience to carry out online digital marketing with success.

Online digital marketing requires plenty of skills and knowledge about different aspects of digital marketing to be successful.

Many businesses and companies consult digital marketing companies to help them in their online marketing strategies.

Because online digital marketing comes up with a lot of different strategies, tools, and competitions.

It's not an easy task, it requires a lot of computer and social media knowledge and managing skills.

Web Development, SEO (Search engine Optimization), Photography, Video Editing, good writing skills, and many more are required for effective online digital marketing.

Also, the marketer should handle many social media platforms, such as LinkedIn, Twitter, Facebook, and Pinterest to properly promote your business products and services.

### **4. Reliance on Technology:**

Online digital marketing is completely based on modern technological devices, gadgets, and internet technology.

Without the usage of technology and the internet, you cannot do online digital marketing.

Internet is not available, website downtime, slow page loading speed, and rough site design can be the reasons for the ineffectiveness of marketing.

This can lead your customers to switch to other brands,

Therefore, to avoid this, you have to test your website and all the component of online digital marketing.

### **5. Time Consuming:**

One of the biggest disadvantages of online digital marketing is its time-consuming nature.

Unorganized tactics and improper strategies might consume a lot of time.

This will eventually lead to negative outcomes, therefore before coming to online digital marketing is to focus on the proper strategies and proper planning.

### **6. Security and Privacy Issues:**

Security and privacy is the main requirement are the main requirements for the brands and businesses executed by the digital marketer.

Customer data security and privacy are some of the major issues in online digital marketing.

That's why customers feel hesitant to join new online and social media platforms.

That's why it is very difficult for businesses and companies to attract customers to their businesses.

### **7. Online Digital Marketing will not be taken Seriously:**

If the online digital marketing campaigns are not done professionally then they will not be taken seriously by their targeted audience.

Businesses, companies, and digital marketers should focus on bringing the online digital campaign to the professional levels.

The first impression is the last, whether you are using traditional marketing or online digital marketing.

If your campaign is not looking professional, then it will be not taken seriously by your targeted customers.

Many businesses and companies do not focus on the professional level of the marketing campaigns and they lost their customers.

### **8. Online Digital Marketing May Not Be Acceptable for Your Products:**

Some businesses and companies and services providers have targeted audiences that may not be reached by the online digital platforms internet.

Some products and services targeted the wrong audience, only a few are techy and may not know how to use the technology or access it.

In that case, you will be only wasting your time and assets in digital marketing.

Online digital marketing is completely based on the strategies and planning of the business, you have first to identify your business types and accordingly make the strategy and planning to be executed and make digital marketing effective for themselves.

### **9. Maintenance Cost:**

Online digital marketing reduces many costs, but it can increase the cost of buying tools and maintenance costs.

You have to hire techy professionals and developers to manage your online platforms.

And also you have to buy many inline tools for digital marketing which can cost a lot of money.

When combining all of the costs of the online digital marketing components then it becomes a large amount of expense you invest for online digital marketing.

### **10. It Can Take Control Out of Your Hand:**

Online digital marketing can be a bad thing when someone leaves negative feedback and reviews about your business and it goes viral.

Whenever you put your business online, you're going to be given both positive and negative feedback.

There would be no way to stop the backlash, and it can ruin your entire business reputation.

### **Conclusion:**

Millions of people around the world are using digital and social media platforms on daily basis. As we are now in the digital world.

And usage of digital technology is continuing to grow day by day, and it has a lot of benefits for businesses and companies.

But it has also a lot of limitations, whether a small business or large should be aware of all the advantages and disadvantages of online digital marketing.

Before coming to online digital marketing, you should know your market, find a suitable platform and create the right content and prevent its limitations.

You should learn the perfect timing for your brand to campaign to grow your brand.

Marketing whether online digital or traditional is all about connecting and targeting the right audience with the right timing and right place.



## **M-Commerce**

Buying and selling products and services through mobile devices are the new trend. A housewife can purchase her kitchen appliances from the comfort of her living room, a busy person can order lunch from office, one can use mobile platforms to sell goods and services – all with a few clicks.

### **What is M-Commerce?**

Mobile commerce or simply M-Commerce means engaging users in a buy or sell process via a mobile device. For instance, when someone buys an Android app or an iPhone app, that person is engaged in m-commerce. There are a number of content assets that can be bought and sold via a mobile device such as games, applications, ringtones, subscriptions etc.

### **How does M-Commerce Work?**

Let's look at some of the points that you need to remember as business, while engaging in m-commerce –



### **Decide Where to Sell**

Before you sell your products or services via m-commerce, you need to decide what type of outlets or stores suit your business best. Let us suppose you have created ringtones – you can sell them either at specific third-party outlets or to independent aggregators who charge you a commission for the service.

You can also sell your ringtones on mobile stores or app stores such as Android marketplace or App store (Apple). These stores are frequently visited by many buyers and hence ideal for making sales easily and efficiently. Finally, you can also sell via your own mobile store by creating a mobile website specifically for sales or as by setting-up an m-commerce page on your main website.

### **Set up Mobile Billing**

Once you have decided where to sell, the next step is to set up your merchant account. For instance, you can use third-party services such as PayPal. This is ideal for small businesses or also large companies. A third-party application makes it really easy for you as well as your customers to make the payments, but then they do charge commission on the transaction.

You can also set-up your own billing and payment gateway, but make sure that you make it really easy for users. Mobile users do not use keyboards or a mouse so make sure that the design of your m-commerce site is intuitive, with easy navigation tools and the right display sizes. Basically, make your m-commerce site optimized for Smartphone users.

### **Benefits of M-Commerce**

The major benefit of engaging in m-commerce is the sheer size of potential sales. The probability of your potential customers owning a Smartphone is very high, so you can safely assume that you will get much more positive response from mobile devices than your website. M-commerce is recommended for every business irrespective of its type, scale, and size.

## **Mobile Marketing Strategies**

People use their mobile phones to not only remain in contact, but also for reading the review of the products, knowing about the new products in the market, and of course online purchasing. In such a condition, developing a masterly designed mobile marketing strategy is significant for your business.

### **What is Mobile Marketing Strategy?**

Before you begin developing a mobile marketing strategy, you should figure out how it will fit with your other marketing plans. It will help you to find out what is important to your business. Is product branding a current goal? Or is customer acquisition and lead generation a priority task? Maybe it's none of these and more about social media engagement and viral marketing. Whatever it is, you have to synergize your marketing strategy with the current priorities of your company.

That being said, let's look at how you can go about developing a mobile marketing strategy.

### **Research for Information**

Market research related to your business is the first step. Here are some tips on what kinds of research you should be doing –

- Research how mobile marketing is done in your industry, you can join online forums or partner with someone;
- Gather data relevant to your product or service such as case studies, research analysis reports, whitepapers, etc.; and
- Do a comparative analysis by surfing their websites, press releases, online campaign, etc.

### **Identify Your Target Audience**

Identifying your target audience and their choices will help you to take better decisions and develop successful marketing campaign. Following are the three important steps that you need to follow while identifying your target audience –

- Make a detailed list of potential customers and give them actual names and identities;
- Conduct online surveys, emails of customers etc. to understand what questions they have;
- Create customer personas by visualizing specific attributes such as their age, profession, task they perform etc.

### **Define the Value of Your Offerings**

One of the most significant steps before designing a mobile campaign is to have the answers ready for the following questions –

- How is your product/service beneficial to your customers?
- What are the additional benefits you are offering in comparison to your competitors?
- How is it going to fulfill their needs?
- How will it fit their budget?

Understanding the value or **unique selling proposition** (USP) of your product or service helps you to engage your customers better right from the time you first communicate with them to the time they become repeat customers. Once you define the value offering in your marketing strategy, the task of making new customers and maintaining the existing ones become much easier.

## Outline Your Goals & Objectives

What you want to achieve with your marketing efforts is one of the most important questions. It determines the budget you allocate towards marketing and the channels you choose to market your product and services. You have to define it clearly what you want to accomplish. Is it more sales? Or is it more brand awareness? The outlining of your goals and objectives is the cornerstone of your marketing strategy.

## m-commerce

Short for mobile commerce, m-commerce refers to any commercial transactions that take place via apps or mobile sites. Mobile commerce can be understood broadly as a subcategory of e-commerce, or as the mobile version of e-commerce. The mobile commerce vertical is growing rapidly, with the percentage and share of digital purchases that are taking place on mobile increasing each year. As making purchases on mobile gets more convenient and as more people globally gain access to smartphones and tablets, the capacity for mobile purchases to be made continues to soar.

In short, the definition of m-commerce is: the buying and selling of items via mobile devices.

### **What is the difference between m-commerce and e-commerce?**

Electronic commerce includes all commercial transactions that take place digitally, and mobile commerce is strictly mobile (or tablet), dealing with digital transactions that take place on smartphones. Although m-commerce is a subcategory of e-commerce, the latter typically refers to transactions that take place on desktop computers. So, if you browse a clothing website on a desktop and make a purchase, that's an e-commerce transaction, if you access a clothing brand or retailer via an app or mobile site, that's a mobile commerce transaction. What m-commerce essentially enables is the ability for users to access online shopping platforms, browse and make purchases as conveniently and seamlessly as possible using a mobile device.

**The e-commerce and m-commerce space is constantly growing and adapting to the needs of consumers on mobile. Learn about the latest developments in Adjust's E-commerce App Report 2021.**

### **M-commerce examples and types**

Broken into three main categories (mobile shopping, mobile payments, and mobile banking), the highest growth areas for m-commerce are:

- In-app purchasing (such as buying clothing items via a retail app)
- Mobile banking
- Virtual marketplace apps like Amazon
- Digital wallets like Apple Pay, Android Pay, and Samsung Pay
- Mobile ticketing

There is significant crossover with fintech, but that's only because mobile commerce doesn't strictly refer to the buying of products, it also encapsulates the smartphone behaviors that lead to making a mobile purchase and the technology that enables it.

### **Key m-commerce areas include:**

**Browsing and buying:** Similar to an e-commerce flow on a desktop, this form of m-commerce involves the user browsing apps, clicking around mobile websites, and making purchases. This typically occurs via dedicated apps, but can also take place as a 'social commerce' purchase, with social media platforms including TikTok, Instagram and Snapchat offering purchasing options in-app.

**Convenience purchases:** Many of the purchases that take place on mobile aren't retail-related, and m-commerce is not restricted to 'shopping' per se. These purchases include ordering food or grocery deliveries, and booking taxis or ride-sharing.

**Mobile app payments and wallet payments:** There are various ways to actually make an m-commerce purchase, and digital wallets are growing in use. Instead of inputting credit card details to each individual app, a user's digital wallet can be loaded (as a popup/overlay) and the purchase can be made with a single click or by simply using a thumbprint.

**Digital content (purchasing and renting):** Subscriptions apps are extremely popular on mobile, most commonly with music and video (think Netflix and Spotify). Users pay a subscription fee and can then access an entire library of content from their mobile app.

### **Growth of mobile commerce**

As mobile ownership rates continue to rise globally, alongside access to high-speed internet, m-commerce is set to continue taking market share within the e-commerce sector. If we think about the fact that more internet usage currently comes from mobile than from desktop, a clear picture of the future of online/digital commerce can be understood. Businesses that do not take advantage of this shift to m-commerce will limit their reach as the shift to mobile continues.

### **What exactly is M-commerce? What are the top applications of M-commerce?**

**Mobile commerce** means doing commercial transactions online like online banking, paying bills, purchasing something with the help of wireless devices like **mobile phones or tablets**. It is a very similar term to **E-commerce**. The only difference is that users do not require a laptop or PC for this purpose. They can use portable devices like smartphones and tablets. This way, users can access online shopping sites as well as other online services anywhere and anytime.

By using M-commerce, a customer can get a huge variety of products delivered to their doorstep. They even get several discounts and offers. Also, a wide range of payment modes like UPI, Debit Card, Credit Card, Cash On Delivery makes it easier and more convenient for the users.

Now, talking about its type, it includes three types. First is **Mobile Shopping** which means online shopping can be easily done through smartphones by using online shopping websites and apps. Next is **Mobile Banking**, which means the transfer of money has become very easy. By using banking apps like Google Pay, Paytm etc, users can send or receive money anytime without the trouble of visiting the bank or an ATM. The last type is **Mobile Payments**, which means several bills like electricity bills, phone bills, TV cable bills etc, can be easily paid through smartphones.

### **What are the top applications of M-commerce?**

Let's have a glance at the top ten applications of **M-commerce**. You will definitely get amazed after seeing how mobile commerce functions and the importance of mobile phones.

- **M-commerce and mobile marketing-** Business organizations can advertise their products and offers by sending SMS to consumers. Also, they can give reward points to customers to increase their sales.
- **For finance-** People who use mobile phones can make transactions easily from anywhere. Even if they have to make a payment of something, they can easily do so and will also receive a receipt regarding the payment.

- **For retail and after-sale services-** Customers can view a product online to know its price and details. Also, they can buy products or can even ask for service online.
- **Hotel reservations-** Hotel rooms can be booked online through smartphones, making it more convenient for the user.
- **Healthcare and Medicine-** Apart from ordering medical supplies online, patients can send their health status to their doctors and get help, making it easier for old age people.
- **For intraoffice communication-** Salespeople often need to check the latest prices and offers on the company's products while they may not be in office. They can access all the information easily through their smartphones.
- **For gaming-** Online games are becoming very popular these days. The multiplayer games can be easily accessed by smartphones.
- **For information-** People can check the news, cricket scores etc. Also, students can check their university exam results easily.
- **Mobile entertainment-** Users can access thousands of tv shows, web series, and movies, all through their portable mobile devices.
- **Mobile Ticketing-** Tickets of flights or trains can be booked online, without the hassle of going and standing in a queue only through your mobile phones.

### **Best eCommerce Case Studies to Learn**

Whether you are new to the online shopping market or your shop is already selling thousands of products globally, it's always essential to constantly learn from other successful eCommerce brands. These inspiring eCommerce case studies below help you gain valuable insights into how these brands turned web technology into a powerful weapon to get a huge advantage in the e-shopping competition.

#### **1. Al-Bahar**

*Al-Bahar's website*

##### **Al-Bahar concerns**

Al-Bahar is a Kuwait-based brand selling a wide selection of FMCG products, electronics, office equipment-related products from big brands like Unilever, GE, Al Alali and many more.

Being one of the most favoured and trusted companies in the Middle East, Al-Bahar received a huge number of visitors to their online website every day. However, the old Al-Bahar presence encountered several concerns that related to web speed, stability and infrastructure. There were major speed issues due to both insufficient hosting solution and a disappointing CMS, along with severe downtimes in terms of stability. More than that, as the old Al-Bahar website was based on Magento 1 which had come to its EOL, the store site was surely in need of significant improvements on both its frontend and backend. However, the migration on such a huge scale might pose some significant threats such as data corruption and other incompatibility issues, which left Al-Bahar with serious consideration.

##### **Solution**

After consulting with SimiCart, a Google qualified PWA development agency, Al-Bahar has agreed with SimiCart solution to transform the old company website. SimiCart offered a clear action plan to rebuild the Al-Bahar front-end into a headless Magento PWA using Magento PWA Studio and migrate the existing Magento 1 backend to Magento 2. All the data from their old Magento 1 was transferred to Magento 2,

while the store could benefit considerably from a headless PWA storefront, such as better speed, more flexibility, improved scalability, and a seamless shopping experience for the customers.

## **Results**

After the transformation, Al-Bahar's frontend became app-like and engaging, and page load was no longer an issue thanks to PWA's enhanced caching machines. The store received a higher purchase conversion rate on mobile, and a drastically reduced mobile cart abandonment rate as well.

## **2. HP Inc.**

*HP's website*

### **HP Concerns**

HP is one of the pioneers in computers, workstations, and printers manufacturing. When HP expected to expand their market to the Asia-Pacific region with 5 new online stores, they came to a realization that the new online platform must support multiple HP stores on a global scale. In order to win the heart of potential customers, from individual shoppers to small businesses in new regions, HP Asia needed to deliver localized experiences across multiple geographies. However, this mission might be quite challenging when they're a huge, multinational technology company. More than that, HP team also wished for controlling omnichannel, project management and customer relationship management (CRM) in one place, which required a comprehensive online platform to support.

### **Solution**

Magento Commerce became HP Asia-Pacific's first choice to deliver the true taste of local experience that could attract potential customers from different backgrounds. Thanks to Magento Commerce, HP was able to create several new online stores across different regions and countries that are equipped with an exclusive set of content management, payments processing, and language translation functionality.

## **Results**

HP has utilized Magento Commerce to expand their online business to 5 different countries. 23% of customers decided to make a purchase online rather than going to in-person stores, and an excellent user experience is recorded both from online shoppers and HP Asia-Pacific employees.

## **3. DeBra's**

*DeBra's website*

### **DeBra's Concerns**

DeBra's is an Australia-based company selling women's undergarments, lingerie and swimwear since 2000. Over the past 21 years, DeBra's has experienced significant growth in both online and offline channels. However, thanks to the development of modern technologies, DeBra's online business had surpassed their expectations, which required DeBra's to find a new online platform that could facilitate further growth in the future. They wanted to ensure their online presence could deliver a digital experience equivalent to an in-store fitting, especially amid the Covid-19 outbreak when the demand for women shopping online was rapidly increasing.

### **Solution**

DeBra's team believed BigCommerce would be the best option for their business, logistics and marketing requirements. With BigCommerce's open API functionality, DeBra's website could easily integrate with other technologies, such as a POS system, to help advance its marketing and customer experience. BigCommerce also supported DeBra's to introduce a virtual fitting service, in which their in-store staff work as virtual assistants to help customers experience a professional digital fitting.

## **Results**

With the new eCommerce solution, DeBra's saw a significant **215%** increase in revenue, **234%** increase in site visits and **627%** increase in customers.

#### **4. elph ceramics**

*elph ceramics' website*

##### **elph ceramics Concerns**

elph ceramics is a sister-led brand creating and selling contemporary ceramics in Paddington, Sydney. Since their business grew, the inventory management process became quite troublesome, especially when they sold products on both elph ceramics' physical and online stores. Their old POS system didn't update automatically when sales, returns or exchanges were processed.

##### **Solution**

elph ceramics chose Shopify as their online selling platform, and at the same time utilized Shopify POS to run their brick-and-mortar stores. By unifying their sales channels from one back office, they were able to manage inventory and update product information across sales channels with ease. Since all data is centralized, potential customers could also see accurate inventory quantities when they shop online. Also, capturing customer data became less stressful as this could be done in just a few clicks during checkout.

##### **Results**

Since choosing Shopify POS, elph ceramics has lifted the retention rate to nearly **30%** and significantly grown their customer database.

#### **5. Burrow**

*Burrow's website*

##### **Burrow concerns**

Burrow is a B2C store selling furniture founded in 2017 with the idea of eliminating the hassles of traditional furniture shopping. Since their business reached \$3 million in sales, they constantly run into system issues with the existing online platform due to the fact that their business growth has outgrown their eCommerce solution. More than that, Burrow team's also in need of effective sets of content management tools that help them update landing pages without much technical expertise.

##### **Solution**

Burrow decided to separate their website frontend and backend using headless commerce. Being headless gave them the flexibility to craft a unique shopping experience. Burrow team was free to utilize the available templates as well as customize marketing-focused content as wished thanks to a headless CMS. They could constantly update and adjust content across channels to make it appropriate with targeted customers. In addition, Burrow found it essential to offer customers special logistical aspects, including the ability to delay orders and have signatures on delivery.

##### **Results**

Only 2 months after implementing a headless solution to their website, Burrow achieved a **50%** increase in site speed and performance and a **30%** increase in conversion rate.

#### **6. Rakuten 24**

*Rakuten 24's website*

##### **Rakuten 24 concerns**

Rakuten 24 is an online store by Rakuten, the leading e-commerce company from Japan. This Japanese online store delivers a wide range of daily products such as groceries, medicine, healthcare items and more.

Having been soon aware that mobile commerce is growing faster than ever, Rakuten 24 put building an excellent mobile experience for users on their top priority. However, as Rakuten 24 is relatively new to Japanese shoppers, it might not be efficient to invest a huge amount of time and money in developing a platform-specific app for iOS and Android. Therefore, they believed that Rakuten 24 mobile web would work as an alternative method, as long as they can make an installable and responsive mobile web with all unique design and functionality.

## **Solution**

In order to gain market share and improve user retention, Rakuten 24 decided to build a Progressive Web App to deliver a smooth web experience across all browsers. Their PWA did an excellent job in combining the best of native app features and the broad reach of the mobile web. Rakuten 24 also provided a detailed guide on how to install the PWA manually on both Android and iOS devices for their mobile web users.

## **Results**

With the new PWA technology, Rakuten 24 reported an impressive **450%** increase in visitor retention rate compared to the previous mobile web, a **150%** increase in sales per customer and a **200%** increase in conversion rate over a 1-month timeframe.

## **7. Mainline Menswear**

*Mainline Menswear's website*

### **Mainline concerns**

Mainline is an online clothing retailer that distributes many designer brands in fashion. As Mainline Menswear offers market presence in over 100 countries via seven custom-built websites and an app, it's of increasing importance to continually deliver an excellent web browsing experience. Their main goal was to complement their current mobile website with native app features that focused on mobile-friendly design and functionality.

### **Solution**

Mainline Menswear made a strategic decision to build and launch Progressive Web Apps to provide a smooth and seamless customer experience on the web, as well as ensure the best performance. They believed transforming the original version of the Mainline Menswear website to a PWA would enable them to take advantage of the fast-moving web technology, and ensure the website framework (Nuxt.js, utilizing Vue.js) would be future-proof.

### **Results**

With the new PWA technology, the Mainline Menswear website enjoyed a **55%** higher conversion rate, and a **243%** higher revenue per session in PWA compared to the old web.