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ABSTRACT

Given the impact of the Internet on all aspects of economic life, it can be regarded as a source of emergence of new electronic economy with an extremely rapid growth, creating new opportunities for Industrial and business activity, increase employment opportunities.Robust economic activity on the Internet or by using its capabilities led to the emergence of a new concept- electronic commerce. The proposed system helps in building a website to buy, sell products or goods

online using internet connection. Unlike traditional commerce that is carried out physically with effort of a person to go and get products, eCommerce has made it easier for human to reduce physical work and to save time. The basic concept of the application is to allow the customer to shop virtually using the Internet and allow customers to buy the items and articles of their desire from the store.E-commerce is fast gaining ground as an accepted and used business paradigm.

INTRODUCTION

Advances in communication technologies within the last decade of the twentieth century paved the way for innovations, promoting rapid globalization. The convergence of telecommunications and computer technology has given birth to a new business organizational system called the internet. New web technologies are offering companies, unprecedented opportunities to rethink strategic business models, processes and relationships .

Electronic commercial transactions over the Internet, known as "e-commerce," have grown rapidly over the last five years that many experts continue to under estimate its growth and development. Whether retail business-to-customer or business-to-business transactions, e-commerce is now a significant part of commercial

transactions. In turn, policy makers in the world are likely to face increasingly complex issues of security, privacy, taxation, infrastructure development and other issues related. More and more business houses are implementing web site providing functionality for performing commercial transactions over the web. eCommerce websites provides consumers with less expensive products and services by allowing them to shop in many places and conduct quick comparisons. Customer selected some items, but in his credit or debit cart haven't that much balance, then he was logout from the website, the selected items are stored at cart with specific users with his allotted carts, he bought those items then automatically deleted from the cart.

DEFINITION OF E-COMMERCE

Taking into account that business - is any activity, including a one-time nature, aimed at making profit, e-commerce should be viewed as a form of business, realizing a large extent through the introduction into the business processes of information and telecommunication technologies and systems.

Commerce - a type of business activities related to trade and organizational operations, aimed at implementing the process of buying and selling goods and services for profit.

Points of sale (merchant account) on the Internet are online shops and online auctions. Often the sale of goods

and services the company arranges for a site without creating a separate store .

Among the models of e-commerce there are the following:

1) B2B (Business to Business),

 2) B2C (Business to Consumer),

3) B2G (Business to Government),

4) B2A(Business to Administration),

5) C2C (Consumer to Consumer),

6) G2B (Government to Business)' 7) A2B

(Administration to Business), Model of e-commerce B2B and B2C is the fundamental, since they provide the bulk of transactions..

B2B (Business to Business) - as a seller and buyer services are commercial organizations. This group includes electronic markets and intra-organizational systems in which the Internet is used for interaction between departments of one enterprise. Most of all committed transactions now account for just this model.

B2C (Business to Consumer) - the seller of goods or services is a commercial enterprise and the consumer - the individual.

The main advantage of e-commerce over traditional commerce is the user can browse online shops, compare prices and order merchandise sitting at home on their PC. Secure registration and profile management facilities for Customers. Shopping Cart feature allows online shopping customers to "place" items in the cart. It Decreases the cost of creating, processing, distributing, storing and retrieving paper-based information. Expands the marketplace to national and international markets. Upon "checkout" the software calculates as total for the orderincluding shipping and handling postage, packing and taxes, if applicable. Reduces the time between the outlay of capital and the receipt of products and services.

Customers should be able to mail the Shop about the items they would like to see in the Shop.

STAGES OF DEVELOPMENT OF E-COMMERCE MARKET

(1993) Creating David Chaum, head of the cryptography department CWI, electronic money. It was a system of eCash, the principle of which is incorporated in most existing electronic payment systems today. ECash idea was that it kept cash, in fact, on the hard disk of a personal computer, and for its management and transactions had to be special software and an Internet connection.

(1994) The U.S. implemented the first purchase through the Internet using technology eCash (the operator is a company organized Chaumom DigiCash, which subsequently went bankrupt for various reasons). The emergence of the first Russian payment system "Golden Crown".

(1995) Creation of the first concurrency microprocessor cards for small purchases (Belgian company Proton) Mondex payment system developed world's first electronic wallet.

(1996) Developed regulations and standards in the market of electronic payments, as well as information security. That's how they saw the light uniform requirements for the manufacturing technology of microprocessor cards (EMV) and a special protocol for electronic transactions, called SET. It is worth noting however that the latter, despite the promise, for several reasons, are not widespread, but nonetheless used in a number of solutions.

(1997) Creation of the first Russian electronic payment system CyberPlat.

(1998) In March, the first transaction was carried out in the CyberPlat, and in August of the same year, the first payment was made via the Internet for the benefit of the operator of Beeline. The high popularity of electronic payments has led to uncontrolled, even chaotic increase of players in this market. Already in the second half of the 90's, there were hundreds of electronic payment systems, many of which do not comply (to the same fuzzy) rules of the game in this market . A large number of financial frauds, unsuccessful projects and more have led to some stagnation in the market of electronic payments and the disappearance of these set of players. In the world today there is still a significant number of electronic payment systems, but, nevertheless, the amount of at least any significant ones already run into tens among the largest `others'. In Russia, the popular ones are ChronoPay, Cyberplat, WebMoney, Yandex and many others.

PAYMENT SYSTEMS. IDENTIFICATION AND TYPES

Electronic Payment System (EPS) - a technology (when it comes to implementation, service), is a combination of methods, arrangements and technology, allowing to make payments between counterparties to data networks. In most cases, under the latter means the Internet.

Payment systems can be divided by technology of payment.

Off-line payment systems :

When a payment is made without the participation of the Internet, it is referred to as an off-line payment. According to the types of payment, off-line payment systems are divided into:

Instant payment system - payment by cash payment terminals (USIP, Eleksnet, CyberPlat).

Card payment system - payment by credit card payment systems (Visa, MasterCard, Amex,) by POS-terminals or ATMs.

Online payment systems-

Payment is made via the Internet. According to the types of payment online, payment systems are divided into:

a) card payment system - payment by bank card (Visa, MasterCard, American Express, etc.) online at the seller of goods or services (UCS, Sberkarta, etc.) .

b) Operators of digital cash - payment is made on the Internet so-called digital cash - a kind of internal currency that can be cashed at the relevant actors EPS (WebMoney, Yandex, etc.).

c) Payment Gateways - represent a synergy of card systems and operators, digital cash, providing ample opportunities for mutual conversion and ways to pay for goods and services on the Internet . It is worth noting that much of the existing EPS refers specifically to the locks, despite the fact that many of them emit a certain type of payment as the dominant (ChronoPay, Assist, etc.). It is important to note that EPS can be both offline and online payment system, however, in e-commerce, it should be treated merely as the latest.

EVOLUTION OF E-COMMERCE

The evolution of e-commerce can be attributed to a combination of developmental and technological innovation. Though Internet (which played an important role in the evolution) appeared in the late 1960s, e-commerce now took off with the arrival of the World Wide Web and browsers in the 1990s.

E-Commerce was first developed in the early 1970s with innovations like: electronic funds transfer (EFT) - funds can be routed electronically from one organization to another. Electronic data interchange (EDI) – used to electronically transfer routine documents, which expanded electronic transfers from financial transactions to other types of transaction processing. Inter- organizational system (IOS) – a system which allows the flow of information to be automated between organizations in order to reach a desired supply-chain management system, which enables the development of competitive organizations.

Below are years of which important historical events in the evolution of e-commerce:

1984: EDI, or electronic data interchange, was standardized through ASC X12. This guaranteed that companies would be able to complete transactions with one another reliably.

1992: CompuServe offers online retail products to its customers. This gives people the first chance to buy things off their computer.

1994: Netscape arrived. Providing users a simple browser to surf the Internet and a safe online transaction technology called Secure Sockets Layer.

1995: Two of the biggest names in e-commerce are launched: Amazon.com and eBay.com.

1997: DSL, or Digital Subscriber Line, provides fast, always-on Internet service to subscribers across California. This prompts people to spend more time, and money, online.

1999: Retail spending over the Internet reaches $20 billion, according to Business.com.

2000: The U.S government extended the moratorium on Internet taxes until at least 2005[2].

The growth of the internet has a special significance on the growth of e-commerce. It has the potential to involve general people into the process, thereby increasing its reach far beyond large companies.

FUTURE OF E COMMERCE

Experts predict a promising and glorious future of ecommerce in the 21st century. In the foreseeable future e-commerce will further confirm itself as a major tool of sale. Successful e-commerce will become a notion absolutely inseparable from the web, because e-shopping is becoming more and more popular and common. At the same time severe rivalry in the sphere of e-commerce services will intensify their development. Thus prevailing future trends of e-commerce will be the growth of Internet sales and evolution. According to a new study from the Center for Research in Electronic Commerce, e-commerce will become the industrial revolution of the 21st Century.

Each year, the number of e-commerce deals grows exceptionally. Sales of on-line stores are more than comparable with those of physical one and the tendency will continue, because a lot of people are "imprisoned" by work and household duties, while Internet saves a lot of time and gives opportunity to choose goods at the best prices. Present-day Internet sales boom is the foundation for magnificent e-commerce future.

The "quantity to quality" tendency of e-commerce is also becoming more and more obvious, as the Internet has excluded geographical factor from the sale equals to accessibility. So it doesn't matter any more whether your store is situated in New York or London or in a small town .

To survive, merchants will have to adapt rapidly to the new conditions. To attract more customers, e-store-owners will not only have to increase the number of available services, but also to pay more attention to such elements such as attractiveness of designs, user-friendliness, appealing presentation appeal of goods, and thereby, they would have to apply modern technologies for their businesses to become parts of e-commerce future. It has been observed that the business of e-commerce will continue to boom, provided all the benefits are offered to the typical consumer.

TODAY'S E COMMERCE

Ecommerce today brings us a remarkable experience. It has transformed traditional shopping beyond expectation. If some years ago ecommerce was a buzz word, now it has become the order of the day. People seem to shop literally everywhere – at their workplaces during lunch times, in rush hours, when there is nothing else to do but switch on their laptops and start surfing. The trend has made a tremendous impact on the industry in general.

E-commerce today gained so much popularity because of its underlying technologies that are evolving at giant steps. We are even offered to "feel" the product with a 3D mouse to better understand its shape, size and texture.

Why step out somewhere, when all you have to do, is place an order, choose the shipping method, put up your feet and wait till the order, is delivered right at your doorstep[18]. However, there are some drawbacks in e-commerce such as delivery issues, security issues, consumer's trust, international legislation such as custom, and product description defeats. There are hopes of overcoming these drawbacks with the advent of much better technology in the near future.

All aspects of businesses has its strengths and weaknesses and it all depends on personal preferences on how one could oversee the drawbacks and reap in the benefits of this technology to make the best use of the good technological advantages.

DISCUSSION

The boom in e-commerce also includes increased use of other media for trade, such as the telephone, television, fax, and electronic payment. E-commerce has an impact on three major stakeholders, namely society, organizations and customers (or consumers).There is various advantages, that include cost savings, increased efficiency, customization of products and services and global marketplaces that enables the global use of products.

Everyone can reach this product with a click. It removes location and availability restriction. Another advantage of e-commerce is that it isn't time consuming. It is sensitive to the elderly and the disabled, to be able to enjoy the same services irrelevant of their handicap of age or disabilities.

There are also limitations arising from e-commerce which apply to each of the stakeholders. These include information overload, reliability and security issues, and cost of access, social divisions and difficulties in policing the Internet. Major drawback of this latest trend is security and privacy issues as stated above.

There are a percentage of consumers in this world that still chooses to shop in physical stores rather than these online locations, due to the insecurities associated with the online transactions and the scams that are so notoriously associated with the internet. There are also those who believe in seeing the product in person.

They believe that products online can be deceiving. Delivery of products is also an issue with regards to customer satisfaction. Some small issues such as viruses attack are also sensitive issues that affect customer satisfaction during such online transactions. Successful-commerce involves understanding the limitations and minimizing the negative impact while at the same time maximizing the benefits.

CONCLUSION

Use of the Internet continues to grow at an explosive rate. While entertainment, education and communication serve as important applications of the Internet, e-commerce continues to emerge as an increasingly significant business phenomenon. E-commerce is the necessity of international business, and vice versa, international business boosts developmental demand of e-commerce. The development of computer science and communications sciences, has laid a solid foundation for e-commerce. The development of information security makes e-commerce reliable in a secure way.

The Internet has lead to the birth and evolution of electronic commerce or E-commerce. E-commerce has now become a key component of many organizations in the routine operation of their business.

E-commerce challenges traditional organizational practices, and opens up a vast array of issues that the organizations must address seriously. By focusing on the varying levels of an organization, it becomes apparent what effect E-commerce can have on the various levels of the industry. It is concluded that E-commerce has contributed in the globalization of the industry and society in general is in sync with the fast modernized world that we live in currently.

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