

NETAJI SUBHASH ENGINEERING COLLEGE



CA1 ASSIGNMENT

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What is e-commerce?

E-commerce is the buying and selling of goods or services via the internet, and the transfer of money and data to complete the sales. It's also known as electronic commerce or internet commerce.

Types of e-commerce

As commerce continues to evolve, so do the ways that it's conducted. Following are the most traditional types of e-commerce models:

1. **Business to Consumer (B2C):** B2C e-commerce is the most popular e-commerce model. Business to consumer means that the sale is taking place between a business and a consumer, like when you buy a rug from an online retailer.
2. **Business to Business (B2B):** B2B e-commerce refers to a business selling a good or service to another business, like a manufacturer and wholesaler, or a wholesaler and a retailer. Business to business e-commerce isn't consumer-facing, and usually involves products like raw materials, software, or products that are combined. Manufacturers also sell directly to retailers via B2B ecommerce.
3. **Direct to Consumer (D2C):** Direct to consumer e-commerce is the newest model of ecommerce. D2C means that a brand is selling directly to their end customer without going through a retailer, distributor, or wholesaler. Subscriptions are a popular D2C item, and social selling via platforms like Instagram, Pinterest, Facebook, SnapChat, etc. are popular platforms for direct to consumer sales.
4. **Consumer to Consumer (C2C):** C2C e-commerce refers to the sale of a good or service to another consumer. Consumer to consumer sales take place on platforms like eBay, Etsy, Fivver, etc.

5. **Consumer to Business (C2B):** Consumer to business is when an individual sells their services or products to a business organization. C2B encompasses influencers offering exposure, photographers, consultants, freelance writers, etc..

What is e-commerce: Examples

Everyone from independent freelancers to small businesses to the largest of corporations can benefit from the ability to sell their goods and services online at scale.

Here are some examples of types of e-commerce:

1. **Retail:** The sale of products directly to a consumer without an intermediary.
2. **Dropshipping:** The sale of products that are manufactured and shipped to consumers via a third party.
3. **Digital products:** Downloadable items like templates, courses, e-books, software, or media that must be purchased for use. Whether it's the purchase of software, tools, cloud-based products or digital assets, these represent a large percentage of ecommerce transactions.
4. **Wholesale:** Products sold in bulk. Wholesale products are usually sold to a retailer, who then sells the products to consumers.
5. **Services:** These are skills like coaching, writing, influencer marketing, etc., that are purchased and paid for online.
6. **Subscription:** A popular D2C model, subscription services are the recurring purchases of products or services on a regular basis.
7. **Crowdfunding:** Crowdfunding allows sellers to raise startup capital in order to bring their product to the market. Once enough consumers have purchased the item, it's then created and shipped.

Successful e-comm sites

E-commerce accounts for trillions of dollars in sales every year. Today it's almost inconceivable that a company wouldn't be using a digital space to drive sales and bottom lines.

Here are some of the top e-commerce companies:

- **Alibaba:** Launching in 1999, The Chinese company Alibaba is by far the world's most successful e-commerce company and retailer, hosting the largest B2B (Alibaba.com), C2C (Taobao.com), and B2C (Tmall) marketplaces across the globe. Their online profits have surpassed all US retailers – including Walmart and Amazon – combined since 2015.
- **Amazon:** Amazon is the largest e-commerce retailer in the United States, and has changed the face of retail so much that a burning question for most retailers is how to beat Amazon.
- **Walmart:** Once the top retailer in the US, Walmart has focused mightily upon their online business, with great results, offering traditional retail sales, as well as grocery delivery and subscription services.
- **eBay:** One of the first e-commerce sites, eBay still dominates the digital market space, allowing for businesses and individuals to sell their products online.
- **Wayfair:** This home furnishing e-tailer is a drop-shipper, carrying hardly any inventory. They manage suppliers, orders, and fulfillment, and credit their success on personalization – meaning they study how their customers engage and offer up products they believe consumers most want.

Benefits of e-commerce

Clearly online commerce offers a plethora of benefits. Let's look at some of the biggest ones.

1. Convenience

Online commerce makes purchases simpler, faster, and less time-consuming, allowing for 24-hour sales, quick delivery, and easy returns.

2. Personalization and customer experience

E-commerce marketplaces can create rich user profiles that allow them to personalize the products offered and make suggestions for other products that they might find interesting. This improves the customer experience by making shoppers feel understood on a personal level, increasing the odds of brand loyalty.

3. Global marketplace

Customers from around the world can easily shop e-commerce sites – companies are no longer restricted by geography or physical barriers.

4. Minimized expenses

Since brick and mortar is no longer required, digital sellers can launch online stores with minimal startup and operating costs.

Disadvantages of E-Commerce

- The start-up costs of the e-commerce portal are very high. The setup of the hardware and the software, the training cost of employees, the constant maintenance and upkeep are all quite expensive.
- Although it may seem like a sure thing, the e-commerce industry has a high risk of failure. Many companies riding the dot-com wave of the 2000s have failed miserably. The high risk of failure remains even today.
- At times, e-commerce can feel impersonal. So it lacks the warmth of an interpersonal relationship which is important for many brands and products. This lack of a personal touch can be a disadvantage for many types of services and products like interior designing or the jewelry business.
- Security is another area of concern. Only recently, we have witnessed many security breaches where the information of the customers was stolen. Credit card theft, identity theft etc. remain big concerns with the customers.
- Then there are also fulfillment problems. Even after the order is placed there can be problems with shipping, delivery, mix-ups etc. This leaves the customers unhappy and dissatisfied.

Advantages of E-Commerce

- E-commerce stores are available at all times. Customers can shop at all hours of any day during the year. In this case, customers, especially those who do not usually have time on their hands to do conventional shopping, can do any purchase anytime through visiting the website.
- Time is money! With the benefit of being fast, E-commerce has facilitated the buying/selling procedures. A key advantage of cyber shops is saving time. In other words, while shopping online, customers would not need more than 15 minutes to perform their purchase. Add to that, providers are so careful as to deliver the products to customers' doorsteps within a week.
- With E-commerce platforms, consumers are provided with more opportunities to see different price points and features and thus pick less expensive and superior options. Comparing choices in a conventional or physical marketing system can be very difficult, since visiting all the stores and asking for prices can be exhausting to the customers. The issue of asking about prices can be a little embarrassing for some customers, and some others do not even dare to ask about the price of a certain item. However, with online shopping, everything is too easy to handle and clear in front of users.
- Location is an issue which an e-commerce business owner never worries about in running a business. All that is required are electronic devices such as laptops or mobile phones and Internet connection. Therefore, e-commerce simplifies the business processes with more speed and efficiency.
- E-Commerce business has significantly lower operational costs and better quality of services, in comparison to the actual stores. There is no staff to employ and recompense, no rent and has a reduced fixed operating expenditure.