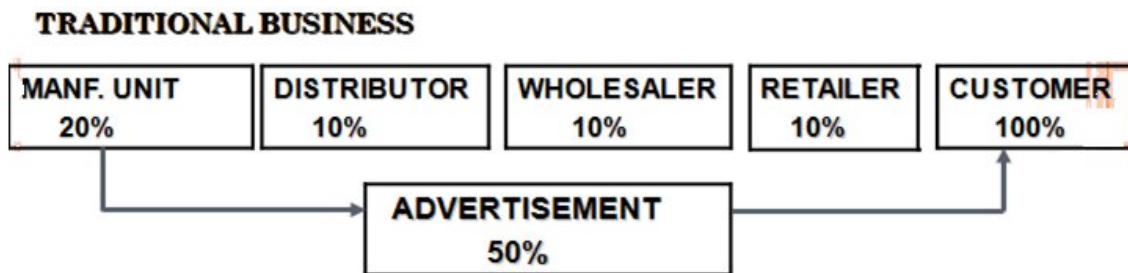# CHAPTER -1
Introduction to E-Commerce

1.1 Commerce:

Commerce is a division of trade or production which deals with the exchange of Goods and services from producer to final consumer.

TRADITIONAL BUSINESS

MANF. UNIT 20%	DISTRIBUTOR 10%	WHOLESALER 10%	RETAILER 10%	CUSTOMER 100%

ADVERTISEMENT 50%

1.2 E-Commerce:

E-commerce (electronic commerce or EC) is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network (Internet), through which transaction or terms of sale are performed electronically.

DIRECT SELLING

COMPANY	→	CUSTOMER

Advantages:

➢ No checkout queues

➢ Reduce prices

➢ You can shop anywhere in the world

➢ Easy access 24 hours a day

➢ Wide selection to cater for all consumers

Disadvantages:

➢ Unable to examine products personally

➢ Not everyone is connected to the Internet

➢ There is the possibility of credit card number theft

➢ On average only 1/9th of stock is available on the net

Eg: www.flipkart.com, www.snapdeal.com

1.3 Types of E-commerce:
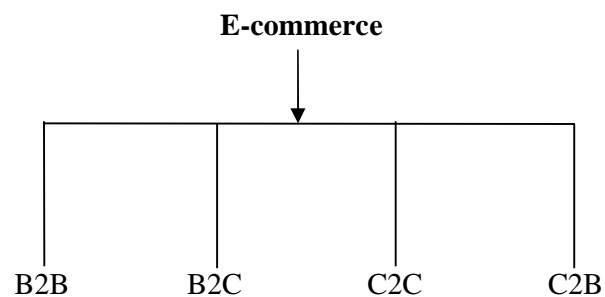
1. **B2B(Business to Business):**
   - ➢ Companies sell products or services to other companies over the Internet.
   - ➢ Producers and traditional commerce wholesalers typically operate with this type of electronic commerce.

   Eg: **GoDaddy**, which sells domain names, websites, and hosting services to other businesses.

2. **B2C(Business to Consumer):**
   - ➢ Business sells products or services directly to consumers.
   - ➢ It corresponds to the retail section of e-commerce, where traditional retail trade normally operates.
   - ➢ When compared to buying retail in traditional commerce, the consumer usually has more information available in terms of informative content and there is also a widespread idea that you'll be buying cheaper.

   Eg: Buying a dell laptop from dell website

3. **C2C(Consumer to Consumer):**
   - ➢ Consumers sell products to other consumers.
   - ➢ Generally, these transactions are conducted through a third party, which provides the online platform where the transactions are actually carried out.

   Eg: ebay, amazon

4. **C2B(Consumer to Business):**
   - ➢ Consumers selling products or services to businesses.
   - ➢ This type of e-commerce is very common in crowd sourcing based projects. A large number of individuals make their services or products available for purchase for companies seeking precisely these types of services or products.

   Eg:
   a. You've ever completed a paid online survey where you've given your opinion about a product.
   b. Designers present several proposals for a company logo and where only one of them is selected and effectively purchased