

SS1 Commerce – Week 2: Introduction to Commerce (Continued)

Lesson Title

Introduction to Commerce (Part 2)

Lesson Objectives

By the end of this lesson, students should be able to:

1. Identify and explain the **characteristics of commerce**.
 2. Define **e-commerce** and describe its features.
 3. Explain how **commerce is measured** in a modern economy.
 4. Discuss the major **functions of commerce** with examples.
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1. CHARACTERISTICS OF COMMERCE

These are the **basic features or qualities** that define and distinguish commerce as an activity within the economic system.

Key Characteristics:

Characteristic	Explanation
Exchange-based	Commerce revolves around the exchange of goods and services between buyers and sellers.
Profit-oriented	The goal is to earn a profit either through trading or supporting trade.
Non-production activity	Commerce does not involve production but ensures products get to consumers.
Utility creation	It creates place, time, and possession utility (makes goods available <i>when, where, and how</i> needed).
Requires aids to trade	Commerce cannot operate efficiently without banking, insurance, transport, warehousing , etc.

Characteristic	Explanation
Dynamic and evolving	It evolves with changes in technology, markets, and customer needs .
Legal and ethical	It operates within the rules, contracts, and laws that regulate trade.
<p>📌 <i>Example:</i> Transporting rice from Kebbi to Lagos creates place utility, storing it in a warehouse creates time utility, and selling it to a buyer creates possession utility.</p>	

2. E-COMMERCE

Meaning:

E-commerce stands for *Electronic Commerce*. It is the **buying and selling of goods and services over the internet** using electronic devices like computers, smartphones, and tablets.

Examples of E-commerce platforms:

- **Jumia, Konga** – Nigeria-based online marketplaces
- **Amazon, Alibaba** – International platforms
- **Instagram/Facebook Marketplaces**

Types of E-commerce:

Type	Description	Example
B2B	Business to Business	A company selling tools to a retailer
B2C	Business to Consumer	Jumia selling shoes to a customer
C2C	Consumer to Consumer	An individual selling used phones on OLX
C2B	Consumer to Business	A freelancer offering services to a company

Features/Characteristics of E-commerce:

Feature	Description
Online transactions	All activities are done via the internet.

Feature	Description
Digital payment	Payments made via cards, bank transfers, or mobile wallets.
Global reach	Buyers and sellers can connect from different countries.
24/7 availability	E-commerce stores are open all the time.
Convenience	Customers shop from anywhere.

 **Class activity idea:** Ask students to name items their families have bought online and what platform was used.

3. MEASURING COMMERCE

Commerce in an economy can be measured by observing the **volume and value** of transactions and support activities. This helps determine its **contribution to economic growth**.

 **Methods of Measuring Commerce:**

Method	Explanation
Volume of trade	The number of goods/services exchanged within a time period.
Value of trade	Total money worth of goods/services exchanged.
Employment generated	Number of jobs created in commercial activities (traders, bankers, delivery agents, etc).
Number of businesses	Growth in retail shops, e-commerce platforms, warehouses, banks, etc.
Contribution to GDP	How much commerce adds to the country's income.

4. FUNCTIONS OF COMMERCE (Expanded View)

We touched on this briefly in Week 1. Here's a deeper view:

Function	Explanation	Example
Facilitates distribution	Moves goods from producers to consumers.	A wholesaler buys rice in bulk and sells to retailers.
Bridges production and consumption	Ensures that goods reach users.	A farmer produces yam, commerce helps you eat it in the city.
Encourages mass production	Producers can make more since goods will be sold and distributed.	A soap company produces in bulk because commerce helps sell across the country.
Creates employment	Many roles: sales agents, marketers, truck drivers, bankers, etc.	Logistics companies like GIG employ hundreds.
Enhances specialization	People focus on what they do best: produce, market, transport, etc.	A web designer builds e-commerce sites; a marketer promotes them.
Supports industrial development	Provides access to raw materials, tools, and sales channels.	Shops and markets boost industries.
Improves living standards	Goods and services are available where and when needed.	You can buy clothes, food, and gadgets conveniently.