

1) <u>Back for comparison</u> meaning	E-commerce	E-Business ①
What is it	Trading or merchandise over the internet is known as E-commerce	Running business using the internet is known as E-business
Is it limited to monetary transaction	Subset	Superset
What they carry out	Yes	No
Approach	Commercial transaction	Business transaction
Requires	Extraneous	Ambiguous
Requires	website	website, CRM, ERP etc
Which network is used	Internet	Internet, Intranet and Extranet.

Moreover,

1) E-commerce technology is different, more powerful than previous technologies

2) E-commerce bring fundamental change to commerce

3) What are traditional commerce are:

Physical commerce, sales force driven, fixed price, information asymmetry

v) Common Infrastructure:

(2)

- 1) Packet switching
- 2) TCP/IP
- 3) IP Address
- 4) Domain name, DNS, URL
- 5) client / server computing
- 6) Internet protocols: HTTP, FTP, SSL, Telnet, Email protocols
- 7) utility programs: Ping, tracer, pathping.

1) Packet Switching

- slicing msg into discrete units called packets
- send the packets along different communication paths and then reassembling the packets once they are at destination
- ~~capacity: bps~~ with packet switching communication capacity is increased
- message are digitized into bits
- then, bits are broken into packets.
- then header info passed to each packets.
- Packets travel from one computer to another until they reach their destination.
- Packet switch doesn't require a dedicated circuit, but use almost all available communication line and capacity.

1) TCP/IP

Protocol: set of rules and standards for data transfer to govern the connecting, ordering, compressing and error-checking of messages

TCP/IP: core communication protocol for the Internet

TCP: establish the connection among sending and receiving web computer and make sure that packet sent are received by the correct computer

IP: provides the internet addressing scheme and is responsible for the actual delivery of packets

IP address: Expressed in 32 bit number used for identification of a device in a network.

2 version:

IPv4 and IPv6

Domain Name, DNS, URL

1) Domain name: IP address expressed in natural language

2) Domain Name System: System for expressing ~~numeric~~ numeric IP address in natural language.

3) URL/Uniform Resource Locator: Address used by web browser to identify the location of content of the web

eg: www.igee.in/home/ --- domain name.

Client server computing

(4)

- 1) model of computing in which powerful personal computers in a network together with one or more servers.
- 2) clients: are sufficiently powerful to accomplish complex tasks such as displaying rich graphics storing large files on local disktop / hard held drives.
- 3) Servers networked computers dedicated to common functions that the client computers on the network need (file storage, software applications).
- 4) It is less vulnerable, processing load is balanced, more simple and economical, more computer power with less response by central server.

1) Internet protocol

HTTP \Rightarrow protocol used to transfer web pages
runs on Application layer

SMTP \Rightarrow used to send mail
 \Rightarrow handle e-mail

\Rightarrow retrieving of email using POP3 and IMAP

FTP \Rightarrow Original internet server

Telnet \Rightarrow Protocol runs on TCP/IP

→ need to allow remote login on another computer.
SSL → protocol operates b/w Transport and Application layers

(5)

Utility prog

ping - packet Internet explorer

- Allow to check connection b/w a client computer and TCP/IP n/w.

tracert - is route tracing utility that allow you to follow the path of a message you send from your client to a remote computer on the Internet

pathping - combine the functionality offered by ping and tracert

- It provides the details of path b/w two hosts and statistics for each node in the path based on samples taken over a period.

3) E-business model are based on the relationship of transaction types.

Brokerage model: (One of the model)

Characteristics

- 1) The price-discovery mechanism: key principle
- 2) It is a meeting point of seller and buyers
- 3) Auction and exchange are the mode of transaction
- 4) It is a free market.

⇒ The price and service are determined by the open market and consumer. (6)

- It consist of global net of buyers and seller
- It is a virtual marketplace enable by the internet
- It encompasses in all type of organization.

Adv of brokerage model

- e/c trading
- Allow buyer and seller to trade directly by passing intermediary
- Reduce cost for both the parties
 - - global reach
 - trading convenience
- allow trading at all hours
- Provide continually updated information
- sense of community through direct buyer and seller communication
- efficient access to information

Minimization of the risk of anonymous trading

brokerage -

⇒ Price discovery mechanism :

It refers to the act of determining the proper price of a commodity, or good or service.

3 kind of price discovery mechanism

(7)

1. Auction
2. Reverse auction
3. Market exchange.

→ Auction broker: auction price exceeds an auction grounds.

- └ single auction
- └ double auction

1) English auction (Open-outcry auction)

- 1) frequently used for selling arts, wine, physical goods
- 2) The auction ^{starts} with lowest acceptable price or reserve price

2) Dutch auction (demanding price auction)

opening price is extremely high - then demand with predefined amount at predefined time intervals - until buyers claim the product to be mine.

- 3) Auction time period is short

4) Major type of E-commerce:

1) B2B (Business to Business)

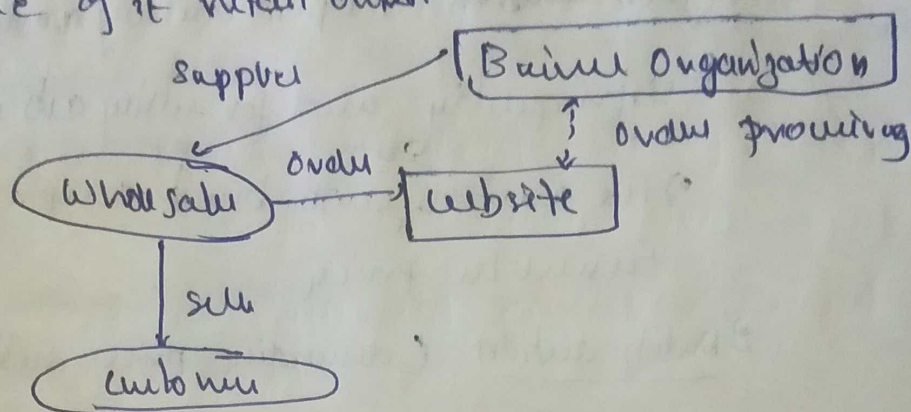
• 1) The two business interchange information electronically.

• 2) The transactions between two business are undertaken via internet and extranet.

⑧

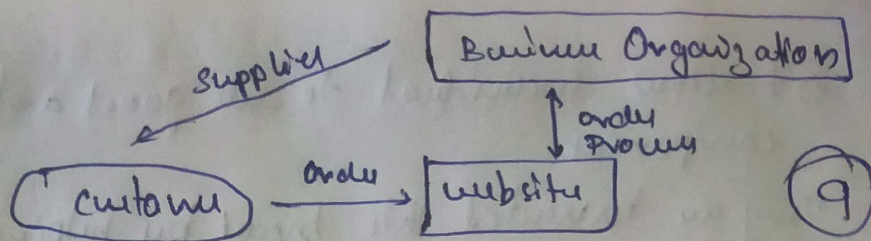
A website following the B2B business model sells its product to an intermediate buyer who then sell the product to the final customer.

Ex: a whole sale place an order from a company's website and after receiving the consignment sell the end product to the final customer who come to buy the product at one of its retail outlets.



b) B2C (Business to customer)

- 1) In this type, business sell product or service directly to customer over the internet.
- 2) A website following the B2C business model sell its product directly to a customer.
 - Customer can view the prodn on the website. He can choose the item prodn and can order the.
 - And the organization will dispatch the good to the customer.

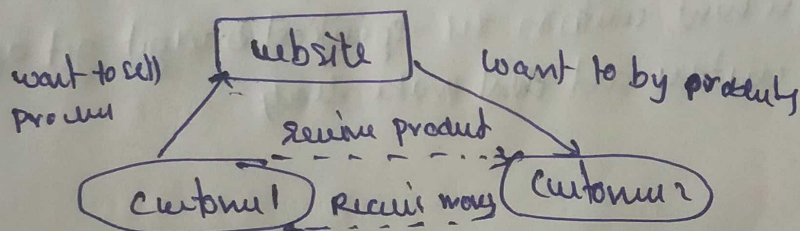


c) customer to customer C2C

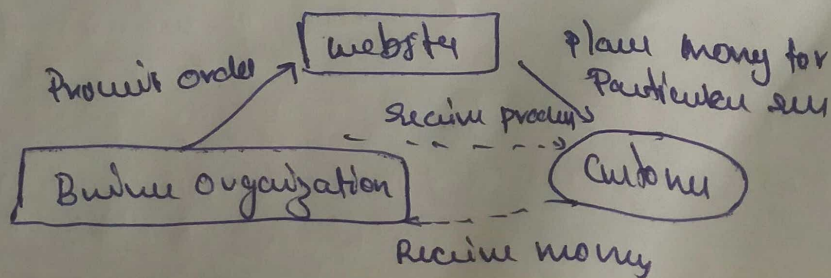
1) A C2C business connects consumers to exchange goods and services and typically make their money by charging transaction or listing fees.

2) Companies like Craigslist and eBay pioneered this model.

3) C2C business benefits from all propelled growth by motivated buyers and sellers, but face a key challenge in quality control and technology maintenance.



d) customer to Business C2B



(10)

• It allows individual to sell goods and services to companies.

• They are invented this model by helping business like Amazon.

• This model's competitive edge is in pricing for goods and services.

• This approach gives consumer the power to have their prices or have business directly compete to meet their needs.

Explanation:

• A consumer approaches a website showing multiple business organization for a particular service.

⇒ here consumer plans and estimate of amount he/she want to spend.

⇒ The business organization who just fill the consumer requirement within the specified budget get approach the customer and deal make deal.