



E-COMMERCE APPLICATION

DEPLOYMENT UNIT- 1

E-Commerce: -

Definition:-

1. E-commerce is also referred to as Electronic commerce or internet commerce. It is the process of selling and buying goods as well as services via internet. Some popular e-Commerce platforms are Shopify, WooCommerce, BigCommerce, Magento, Wix, and Squarespace.
 2. E-Commerce or Electronics Commerce is a methodology of modern business, which addresses the need of business organizations, vendors and customers to reduce cost and improve the quality of goods and services while increasing the speed of delivery.
- There are four types of Ecommerce models - Business to Consumer (B2C), Business to Business (B2B), Consumer to Consumer (C2C), and Consumer to Business (C2B).
- E-commerce can be drawn on many technologies such as mobile commerce, Internet marketing, online transaction processing, electronic funds transfer, supply chain management, electronic data interchange (EDI), inventory management systems, and automated data collection systems.

Features of E-Commerce:

1. **Improved sales** - E-Commerce gives a large improvement in existing sales volume. Using e-commerce, we can generate orders and products from any time, anywhere, without any human intervention.
2. **Cashless Payment** C- E-Commerce allows the use of electronic payment. It allows the transaction from credit cards, debit cards, electronic fund transfer via bank's website, and other electronic payment methods.

3. **24x7 availability** - E-Commerce provides 24x7 service availability. It is available anywhere, anytime. It automates the business of enterprises and their process of providing services to their customers.
4. **Advertising and Marketing** - E-Commerce helps in good marketing management of products and services. It helps to increase the reach of advertising of products and services of businesses.
5. **Improvement in communication** - E-commerce gives faster, efficient and reliable communication with customers and partners.

Objectives of E-Commerce:

1. Reach More Customers:

The biggest objective of eCommerce is to reach more customers and by that increase sales in business. The customers can be new or old ones. The customers can be those who have been difficult to access, or too expensive to serve. Every brand's mandate somehow includes increasing customers. This essentially means closing out new sales without losing old ones.

2. Optimize Traditional Operational Costs:

E-Commerce covers all stages of the digital buying experience. These stages are available 24/7 by default with no need for actual physical input after setup. In the same vein, this allows a brand to deliver better results consistently. This makes it easier to cut on traditional costs by reducing the need to respond to every request manually. Examples of such stages (or requests) are discovery, evaluation and support of a brand, its products and its services

3. A Better Customer Experience:

E-Commerce allows customers quickly and easily find the best solution for their needs. As a result, the customers to get information and answers to their questions, and make a purchase of that solution. All this sums up to the ability of eCommerce to greatly improve the experience of customers and the reputation of service providers. Customer support services for purchased items are deliverable

online. Subsequently, turnaround time is greatly reduced and customer satisfaction well increased.

4. Improves available data for marketing and product development

E-Commerce gathers accurate usage information. As a result, it helps clarify things like top selling products, least selling products and so on. This data is very useful in creating targeted marketing campaigns that achieve Objective.

Scope of E-Commerce:

The potential for e-commerce development is enormous. Now a days one can buy products online through some sites like Flipkart and Amazon. In the age of e-commerce everything from gym equipment to laptops are available online. E-Commerce is a super set of business cases. It includes E-trading, E-Franchising, E-Mailing, E-Engineering etc. Scope of e-commerce can be enumerated as follows:

1. Exchange of digitized information
2. Technology-enabled
3. Customers retention
4. Accounting
5. Supplier integration
6. Support the exchange

1. Exchange of digitized information:

The digitized information exchange can represent communications between two parties, coordination of the flow of goods and service, or transmission of electronic orders. This exchange can be between organizations or individuals.

2. Technology-enabled:

E-Commerce is about technology-enabled transactions. Web browsers are perhaps the best known of these technology-enabled customer interfaces. However, other interfaces including automated teller machines (ATMs) also fall in the general category of e-commerce. Business once managed transactions with customers and markets strictly through human interaction; In e-commerce, such transactions can be managed using technology.

3. Customers retention:

E-Commerce enables organizations to get classified and customized market information that helps in retaining customers through fast order fulfillment and effective customer relationship management (CRM). End-to-End supply chain management in e-commerce provides the opportunity the overall flow of demand and supply and results in fruitful customer retention.

4. Accounting:

Financial accounting, treasury management and asset management are best possible in e-commerce because of integrated database. Financial planning and strategy determination become more convenient in e-commerce.

5. Supplier integration:

For lowering inventory-carrying costs and broader availability of material and opportunities suppliers network can be integrated through EDI to implement just-in-time (JIT) inventory management.

6. Support the exchange:

E-Commerce includes intra and interorganizational activities that support the exchange. The scope of e-commerce includes all electronically based intra and interorganizational activities that directly or indirectly support marketplace exchange. In this sense, we are talking about a phenomenon that affects both

How business organizations relate to external parties' customers, suppliers, partners, competitors, and markets and how they operate internally in managing activities, processes and systems.

Advantages of E-commerce:

E-commerce is beneficial for organizations, society, and customers. So we can categorize its benefits into three categories: benefits to consumers, benefits to society, and benefits to organizations.

Advantages to Consumers:

- It is also mentioned in features of e-commerce that it provides 24x7 supports to its consumers. It provides the facility of placing orders anytime, anywhere, or from any location.
- It provides more options to its customers and gives a faster delivery of products.
- Users can select cheaper and better options via e-commerce as it provides more options to its customers.
- Before the final purchase of a product, a customer can see the reviews and comments of a particular product and can also put their reviews and comments about a product.
- It provides the information in an easy way, i.e., the information is not hard to read. A customer can see the detailed information of a product within some seconds instead of waiting for days.
- Because of e-commerce, the competition between the organization increases, and as a result organization gives ample discounts to its customers.

Advantages to Society:

- It is majorly beneficial for reducing air pollution because e-commerce customers do not require to travel, and as a result, there will be less traffic on the road.

- It provides the facility to rural areas to access services and products that are otherwise unavailable to them.
- E-commerce is helpful to government in delivering the public services like education and healthcare in a better way and at a minimal cost.
- It is beneficial to society in many ways, as it helps to reduce pollution, and other benefits include saves time, anytime, anywhere accessibility, and many more.

Advantages of organizations:

- Using e-commerce, paperwork is reduced.
- With minimum investment, organizations can expand their business or market to national and international levels.
- E-commerce helps to improve the company's brand image.
- It is also helpful to organizations to provide better services to their customers.
- E-commerce digitizes the information that helps to manage the paper-based information, reduce the cost of creating processes.
- It helps to increase the productivity of organizations.

Disadvantages of E-commerce:

- As there is a requirement of the internet to use e-commerce, it is possible that the internet may be slow.
- It does not have any universal standard for reliability and quality.
- There can be compatibility issues.
- Security is another concern of using e-commerce. We have seen security breaches many times where the customer's information got stolen. Some of the big concerns with customers include identity theft, credit card theft, etc.
- E-commerce uses a public key that is not secure.
- It is a major drawback in E-commerce that there is a lack of feel or touch of products while purchasing them online.
- It is inconvenient to use the internet for those people who are living in remote villages, and it is still not cheaper.

- The cost of the creation and building of an e-commerce application may be very high.
- It is hard to convince traditional users to purchase products online rather than in physical stores.
- Sometimes, there is a risk of purchasing unsatisfactory products via E-commerce.

Traditional commerce VS E-Commerce

Traditional commerce	E-Commerce
Traditional commerce refers to the commercial transactions or exchange of information, buying or selling product/services from person to person without use of internet.	E-commerce refers to the commercial transactions or exchange of information, buying or selling product/services electronically with the help of internet.
it is difficult to establish and maintain standard practices.	it is easy to establish and maintain standard practices.
direct interaction through seller and buyer is present.	indirect interaction through seller and buyer occurs using electronic medium and internet.
Traditional commerce is carried out by face to face, telephone lines or mail systems.	E-commerce is carried out by internet or other network communication technology.
processing of transaction is manual.	processing of transaction is automatic.
delivery of goods is instant.	delivery of goods takes time.
Its accessibility is for limited time in a day.	Its accessibility is 24×7×365 means round the clock.
Traditional commerce is done where digital network is not reachable.	E-commerce is used to save valuable time and money.
Its resource focuses on supply side.	Its resource focuses on demand side.
Its business scope of business is a limited physical area.	Its business scope is worldwide as it is done through digital medium.
For customer support, information exchange there is no such uniform platform	For customer support, information exchange there is exists uniform platform.

