



UNIT - 3

E-commerce \Rightarrow it stands for electronic commerce
 E-commerce is the activity of purchasing or selling products via the internet. E-commerce offers almost everything to buy, making it extremely competitive. Some

Ex \Rightarrow amazon, flipkart, e-Bay and myntra.

How does E-commerce work?

- ~~1. Customer visit your online store and browse the products~~
- ~~2. The customer finally chooses~~

Features / advantages \Rightarrow

1. Non-cash payment \Rightarrow e-commerce enables the use of credit cards, debit cards, smart cards and other modes of electronic payment.
2. 24x7 service availability \Rightarrow They provide 24x7 services to their customers. It is available anytime, anywhere.
3. Advertising / Marketing \Rightarrow E-commerce increases the reach of advertising of products and services of businesses. It helps in better marketing management of products/services.
4. Improved sales \Rightarrow Using e-commerce, orders for the



products can be generated any time, anywhere without any human interaction. It gives a big boost to existing sales volumes.

5. Support → e-commerce provides pre-sales and post-sales assistance to provide better services to customers.

5. Communication improvement ⇒ e-commerce provides ways for faster, efficient, reliable communication with customers and partners.

Disadvantages ⇒

1. The cost of creating / building an e-commerce application may be very high.
2. Users may not trust the site being an unknown faceless seller.
3. It is difficult to ensure the security or privacy on online transaction.
4. Lack of touch or feel of products during online shopping is a drawback.
5. Internet access is inconvenient to use for many potential customers.

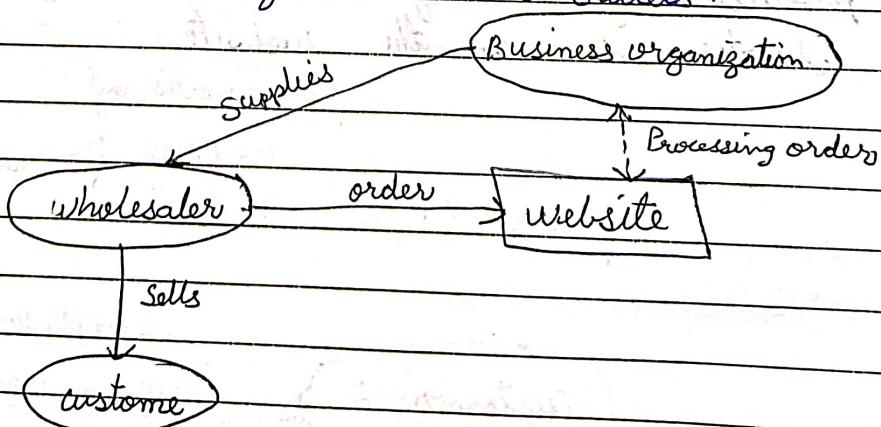
Business models for e-commerce

1. Business - to - Business (B2B)
2. Business - to - Consumer (B2C)
3. Consumer - to - Consumer (C2C)
4. Consumer - to - Business (C2B)
5. Business - to - Government (B2G)
6. Government - to - Business (G2B)
7. Government - to - citizen (G2C)

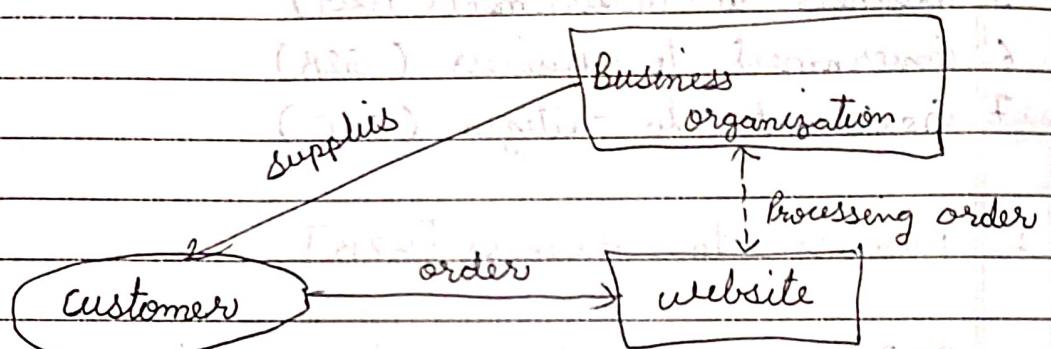
1. Business - to - Business [B2B]

B2B business model sells its products to an intermediate buyer who then sells the product to the final customer.

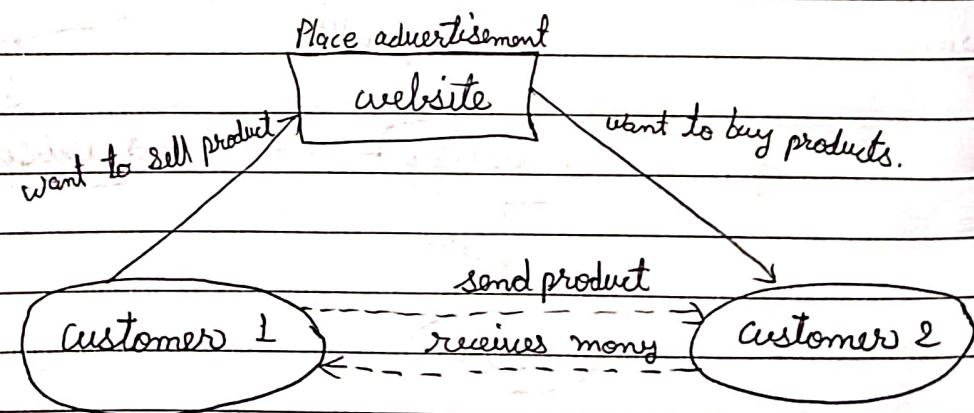
Ex => wholesaler places an order from a company's website and after receiving the delivery, sells the endproduct to the final customer who comes to buy the product at one of its retail outlets.



2. B2C \Rightarrow B2C business model sells its products directly to a customer. A customer can view the products shown on the website and choose a product and order it. The website will then send a notification to the business organization via email and the organization will dispatch the product to the customer.



3. C2C \Rightarrow C2C business model helps consumers to sell their assets like residential property, cars, motorcycle, rent a room. by publishing their information on website. website may or may not charge the consumer for its services. another consumer may buy the product of the first customer by viewing the advertisement on the website.



4. C2B \Rightarrow C2B business model, consumer's own products or services is sold to a business or organization.



* Community Model \Rightarrow An e-commerce model in which different user communities share their data, opinions, photos, etc.

Ex \Rightarrow facebook, flicker, wikipedia

- These sites depends mainly on user loyalty.
- Such business models earn money through advertising or voluntary donations.
- The types of businesses in this category are -
 - \Rightarrow open source model - red hat
 - \Rightarrow Public Broadcasting
 - \Rightarrow Knowledge Networks - students, teachers.

* Subscription model \Rightarrow

- ① the e-business organization charges the users for using their services.

② Business organizations can charge them on a daily, monthly or annual basis.

③ The types of businesses in this category are -

- \Rightarrow content services model
- \Rightarrow internet service providers

Ex \Rightarrow Netflix, amazon prime

* advertising model \Rightarrow extension of the traditional media broadcast model.

- generates good web traffic, along with advertisements which generate revenue.
- can offer free/paid-mail, chat services or forums.
- various sub-types that are included in the advertising
 - \Rightarrow Portal
 - \Rightarrow classifieds - shaddi.com.

○ Contextual advertising - based on search experience.

Ex \Rightarrow Google ads.

* Brokerage model \Rightarrow extension of traditional brokerage model.

- Brings buyer & seller organization together on the web.
- Brokers get a commission on every sales transaction they enable.
- The formula for fees may vary from business to business or from broker to broker.
- various sub-types that are included in the advertising
 - \Rightarrow Buyers/Sellers - transaction Broker
 - \Rightarrow Marketplace exchange - search agent (Trivago, policy Bazar).
 - \Rightarrow auction Broker (eBay).

Ex \Rightarrow NoBroker.com

(अपना Product नोटे है ताकि अपनी website पर sell करते हैं)

- * Manufacturer's model => ① Allows manufacturers / producers of various products or goods to sell their products directly to the customers.
- ② It will enable them to stay away from the middlemen such as distributors, dealers etc.
- ③ Provides efficiency, improved customers satisfaction and a better understanding of the customers' preferences to the business organization.

Ex => Sugar product, titan

- * Affiliate model => ① it provides purchase chances as and when people are surfing on the internet.
- ② It offers financial incentive or commission based on the percentage of revenue to be given to the affiliated business partners.
- ③ The affiliate thus provides an opportunity to the e-business organization to add purchase point click-through.
- ④ The variations in this type of business model are.
 - => Pay per click
 - => Banner exchange
 - => Revenue sharing model.

Ex => flipkart affiliate model