



# POORNIMA

## COLLEGE OF ENGINEERING

### DETAILED LECTURE NOTES

PAGE NO. ....

#### Unit-1

#### Introduction to E-commerce

Electronic Commerce (e-commerce) is a general concept covering any form of business transaction or information exchange executed using information and communications technologies (ICTs).

e-commerce takes place between companies, between companies and their customers or between companies and public administrations.

→ Types of E-commerce

- 1. Business to consumer (B2C)
- 2. Consumer to consumer (C2C)
- 3. Consumer to Business (C2B)
- 4. Business to administration (B2A)
- 5. Administration consumers (C2A)
- 6. Business to Business (B2B)

1. Business to consumer :- The term refers B2C refers to the process of selling products and services directly between a business and consumers who are the end-users of its products or services. Michael Aldrich first

utilized the idea of B2C in 1979.

**Advantages :-** Unlimited market place, Workflow auto <sup>more efficient business relationship,</sup>

**Disadvantages :-**

1. Strong dependence of the visibility of the store in the search engines.
2. small online stores is the join large marketplace such as amazon, Alibabg etc.
3. great dependence on delivery service contractors.

### B2C commerce challenge:-

1. consumer traffic

2. Payment processing

3. client support

4. Product findability

### Types of B2C models:-

1. Direct sellers

2. Online intermediaries

3. Advertising Based B2C

4. Community Based B2C

5. Fee Based B2C

### C2C :- Consumer to consumer :-

C2C is a business model in which third-party companies facilitate transactions for products or services between peer-to-peer consumers without a business participating on either end of the sale.

e.g. eBay, PayPal



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### DETAILED LECTURE NOTES

PAGE NO. ....

#### Types of e-commerce models:-

1. Auction Platforms : Online auction sites let sellers list their goods at a minimum price and then allow multiple buyers to bid on the item until there's a winner.
2. Exchange of goods platform :-
3. Exchange of services platform :- (trading)
4. Payment platforms

#### Advantages:-

1. Higher margins and lower price
2. A larger selection of goods and services.
3. Convenience for both parties

#### Disadvantages:-

1. There's less quality control.
2. Payment isn't always easy.
3. There are higher rates of fraud.

## Consumer -to- Business :-

CB is a type of business model where the customer provides a service or product to the business. Social media & Internet make a CB model possible by connecting customers who can offer their marketing services to companies for a payoff.

## 4. Business to Business :- (Producers and traditional commerce)

In B2B business model, a business sells its product or service to another business ~~for e-commerce~~.

Key technology used in B2B e-commerce :-

1. EDI ( Electronic Data interchange ) : EDI provides for the efficient transaction of recurrent trade exchange between commercial organisations.

2. Internet

3. Back-end information System Integration.

4. EDS : EDS is used in a number of trade sectors for inter-organisation, regular, repeat transactions. EDS system requires EDI standards, EDS spec and EDS network and a trading community.  
*(Transfer of Structured Data)*



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### DETAILED LECTURE NOTES

PAGE NO. ....

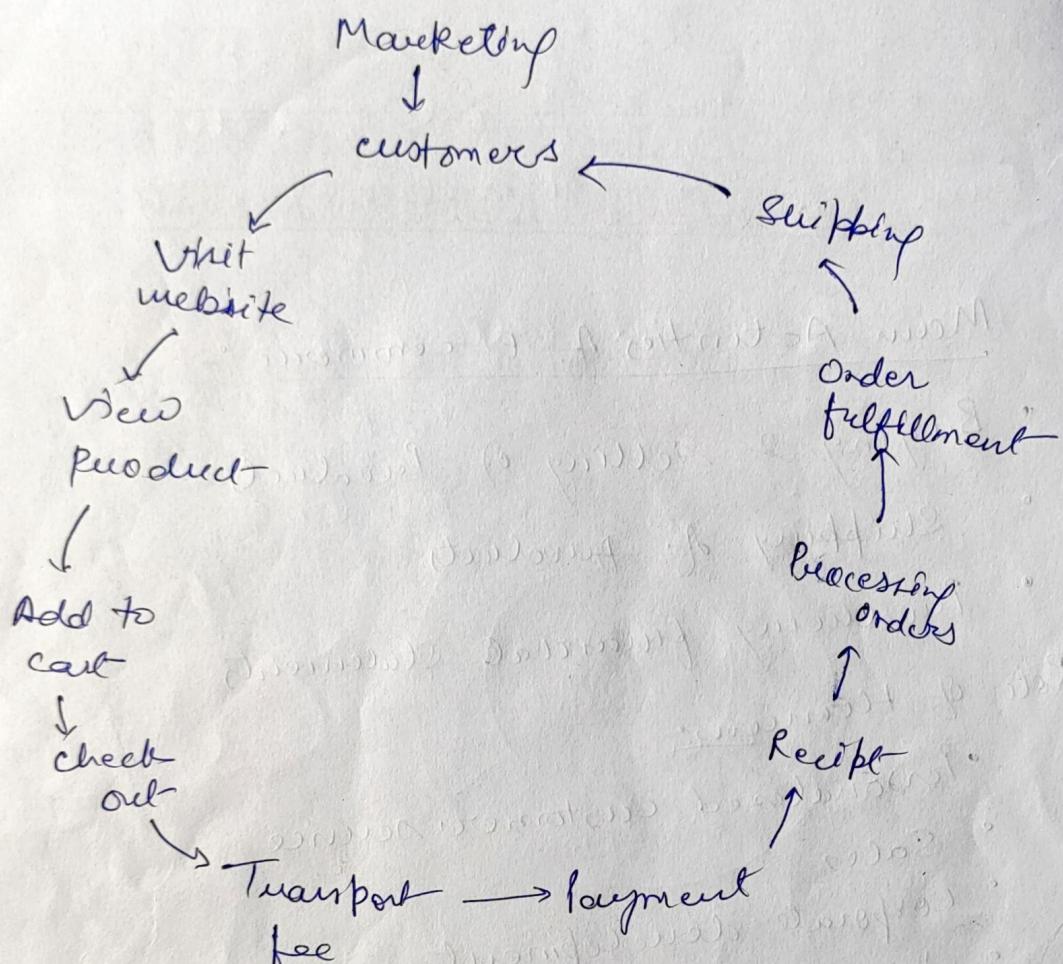
#### Main Activities of E-commerce :-

- Buying & selling of products
- Shipping of products
- Producing financial statements

#### Role of Human :-

- Personalised customer service
- Sales
- Corporate development
- New product Research

## Process of E-commerce :-



## Broadly blocks of E-commerce business:-

1. Receiving Orders
2. Processing Order information
3. Shipping



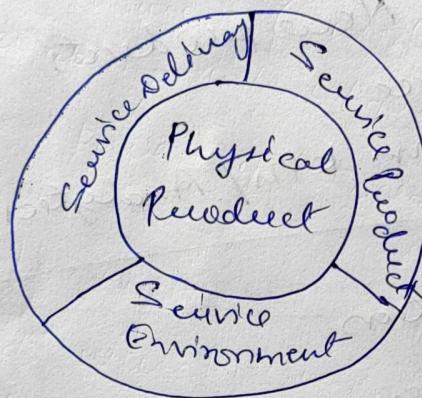
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### DETAILED LECTURE NOTES

PAGE NO. ....

Four main components of a service:-



1. The Physical Product:-
2. Service Product
3. The Service Environment
4. The Service delivery

Industry	Physical Product	Service Product	Service Environment	Service Delivery
① Auto	The car	Title Transfer Warranty Loans	Showrooms Grounds Car lot	→ Repair shop → Test drive & sales pitch
② University	Diploma/ Degree	Residence, Placement	Classrooms Sports fields	→ Negotiations Teaching lesson

## E-commerce functions :-

In e-commerce, the store website is the most visible part of online selling, it's where the "sale" takes place after all.

### Main Functions :-

1. Search Engine Optimization (SEO)
  2. Selecting new Products
  3. Merchandising New products
  4. Customer Service
  5. Monitoring your KPIs / Analytics
- 
1. Communications
  2. Process Management
  3. Supplier Management
  4. Transaction Capabilities



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### DETAILED LECTURE NOTES

PAGE NO. ....

#### Benefits of E-commerce :-

E-commerce benefits can be broadly classified in three major categories.

1. Advantages to Organization
2. Advantages to consumers
3. Advantages to Society

#### ~~Benefits of E-commerce to an Organisation;~~

1. Low costs
2. Flexibility and speed
3. speed up the buying process
4. A comprehensive description of products
5. Keep an eye on buyer's habit
6. Easy availability through search engines
7. Technology at its best
8. Reduce the cost of managing inventory
9. Encourages impulse to buy
10. Retarget your customers
11. Availability of reviews
12. Quick and affordable marketing

- 13. No geographical limitations
- 14. offers eco-friendly services
- 15. Bigger profit margin
- 16. Scalability
- 17. Effective customer service

→ Broad goals of Electronic commerce-

1. inform
2. Attract (users to your company)
3. Engage
4. Guide
5. Nurture
6. Connect

B2B goal:-

1. reach new customers
2. take costs out of serving customers.
3. create a differentiated experience to capture market share.

B2B companies should set clear goals on how their digital capabilities will drive growth.

The first goal is to reach new customers, especially those that may have been difficult to access, too costly to serve, or not valuable enough to pursue within a firm's existing model.



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### DETAILED LECTURE NOTES

PAGE NO. ....

E-commerce achieves profitable growth by expanding customer reach, reducing cost-to-sell, and creating differentiated customer experience. Utilizing this powerful tool wisely has become eminently important for B2B companies.

## Components of E-commerce -

1. Website [invest in SEO]
2. Quality of your product
3. Standardization of product prices
4. Ensuring your store security
5. Reliable and trusted customer support
6. Enabling M-commerce (mobile commerce) [enabling and upgrade app regularly]
7. Utilize the power of social media
  - Sourcing a product
  - Storage and warehousing
  - fulfillment and shipping



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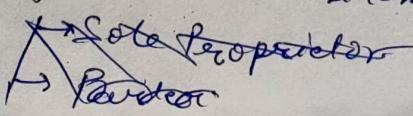
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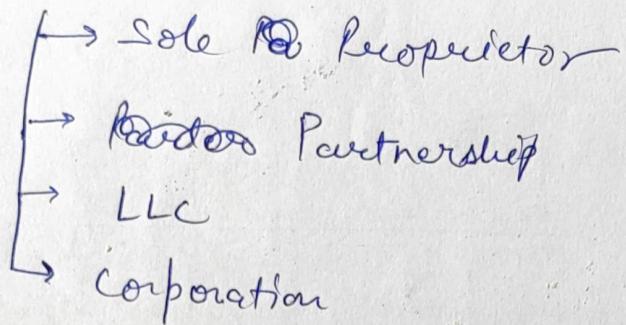
#### Role of Internet and web in E-commerce :-

The internet enable from people from all over the world to connect in a cost-effective and reliable manner. It is a global collection of networks connected to share information utilizing a standard set of protocols as technical infrastructure.

The internet is also an enabler for e-commerce because it allows business to show care and sell their products and services online while also providing potential customers, prospects and business partners with information about these businesses and their products and services that could lead to a purchase.

#### Prerequisites of E-commerce:-

1. Start with Business Name
2. Choose the best platform to build your online store
3. Get Yourself a Business license
4. Select your best business structure  




5. Don't ignore the power of SEO
6. Automate workflow with proper software and apps