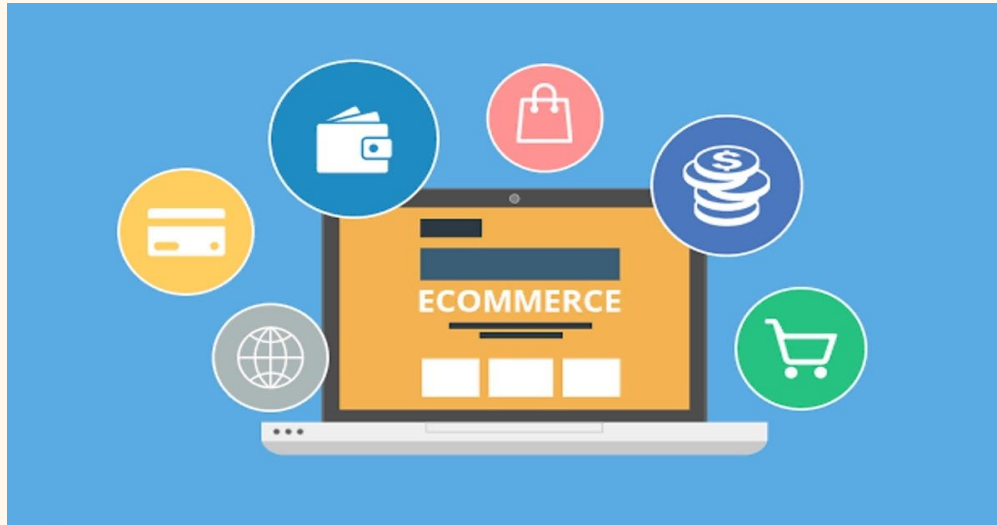


# What is Ecommerce?



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## Reference:

- <https://www.bigcommerce.com/articles/ecommerce/#types-of-ecommerce>
- <https://www.toppr.com/bytes/forms-of-commerce/>
- <https://www.investopedia.com/terms/e/ecommerce.asp>

## What is Ecommerce?

Ecommerce (or electronic commerce) is the buying and selling of goods (or services) on the internet. It encompasses a wide variety of data, systems, and tools for online buyers and sellers, including mobile shopping and online payment encryption.

Most businesses with an ecommerce presence use an ecommerce store and/or an ecommerce platform to conduct online marketing and sales activities and to oversee logistics and fulfillment.

### *E-Commerce or Electronic Commerce*

E-commerce is a popular term for electronic commerce or even internet [commerce](#). The name is self-explanatory, it is the meeting of buyers and sellers on the internet. This involves the transaction of goods and services, the transfer of funds and the exchange of data.

So when you log into your Amazon and [purchase](#) a book, this is a classic example of an e-commerce transaction. Here you interact with the seller ([Amazon](#)), exchange data in form of pictures, text, address for delivery etc. and then you make the [payment](#).

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## Types of E-Commerce Models

Electronic commerce can be classified into four main categories. The basis for this simple classification is the parties that are involved in the transactions. So the four basic electronic commerce models are as follows,

### 1. Business to Business

This is Business to Business transactions. Here the companies are doing business with each other. The final [consumer](#) is not involved. So the online transactions only involve the [manufacturers, wholesalers, retailers](#) etc.

### 2. Business to Consumer

[Business](#) to Consumer. Here the company will sell their goods and/or services directly to the consumer. The consumer can browse their websites and look at products, pictures, read reviews. Then they place their order and the company ships the goods directly to them. Popular examples are Amazon, Flipkart, Jabong etc.

### 3. Consumer to Consumer

Consumer to consumer, where the consumers are in direct contact with each other. No company is involved. It helps people sell their personal goods and assets directly to an

interested party. Usually, goods traded are cars, bikes, electronics etc. OLX, Quikr etc follow this model.

#### **4. Consumer to Business**

This is the reverse of B2C, it is a consumer to business. So the consumer provides a good or some service to the [company](#). Say for example an IT freelancer who demos and sells his software to a company. This would be a C2B transaction.

#### [What is m-Commerce?](#)

##### *Examples of E-Commerce*

- Amazon
- Flipkart
- eBay
- Fiverr
- Upwork
- Olx
- Quikr

##### *Advantages of E-Commerce*

- E-commerce provides the sellers with a global reach. They remove the barrier of place ([geography](#)). Now sellers and buyers can meet in the virtual world, without the hindrance of location.
- Electronic commerce will substantially lower the transaction cost. It eliminates many fixed costs of maintaining brick and mortar shops. This allows the companies to enjoy a much higher margin of profit.
- It provides quick delivery of goods with very little effort on part of the customer. [Customer](#) complaints are also addressed quickly. It also saves time, energy and effort for both the consumers and the company.
- One other great advantage is the convenience it offers. A customer can shop 24×7. The website is functional at all times, it does not have working hours like a shop.

- Electronic commerce also allows the customer and the [business](#) to be in touch directly, without any intermediaries. This allows for quick [communication](#) and transactions. It also gives a valuable personal touch.

#### *Disadvantages of E-Commerce*

- The start-up costs of the e-commerce portal are very high. The setup of the hardware and the software, the training cost of employees, the constant maintenance and upkeep are all quite expensive.
- Although it may seem like a sure thing, the e-commerce [industry](#) has a high risk of failure. Many companies riding the dot-com wave of the 2000s have failed miserably. The high risk of failure remains even today.
- At times, e-commerce can feel impersonal. So it lacks the warmth of an interpersonal relationship which is important for many brands and products. This lack of a personal touch can be a disadvantage for many types of services and products like interior designing or the jewelry business.
- Security is another area of concern. Only recently, we have witnessed many security breaches where the information of the customers was stolen. Credit card theft, identity theft etc. remain big concerns with the customers.
- Then there are also fulfillment problems. Even after the order is placed there can be problems with shipping, delivery, mix-ups etc. This leaves the customers unhappy and dissatisfied.

#### **5. Business-to-Administration (B2A).**

B2A covers the transactions made between online businesses and administrations. An example would be the products and services related to legal documents, social security, etc.

#### **6. Consumer-to-Administration (C2A).**

C2A is similar to B2A, but consumers sell online products or services to an administration. C2A might include online consulting for education, online tax preparation, etc.

B2A and C2A are focused on increased efficiency within the government via the support of information technology.

