

A Study of E-Commerce

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Abstract

To further the development of e-commerce, the federal Electronic Signatures Act (2000) established uniform national standards for determining the circumstances under which contracts and notifications in electronic form are legally valid

Definition

E-commerce, also known as electronic commerce or internet commerce, refers to the buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions. E-commerce is often used to refer to the sale of physical products online, but it can also describe any kind of commercial transaction that is facilitated through the internet.

Whereas e-business refers to all aspects of operating an online business, e-commerce refers specifically to the transaction of goods and services.

Description of E-Commerce

E-Commerce being a diversified field it has relation to vast Allied subjects. What a topic for presentation should mainly depend upon the subject of your choice like it can be marketing, finance, management, etc. But whatever it should be it should have three things:

1. A factual concept
2. A good linkage (practicality or linkage with current business events)
3. A good amount of case studies, examples, and things on which your audience can be involved without making a presentation a one-way communication.

Topic wise a few suggestions

Finance

Principals of accounting and their use in daily book keeping, valuation of shares, capital structure, joint venture and leasing, financial analysis of a company, etc

Marketing

Analysis of the Indian market, recent trends and ways of marketing and advertisement, digital marketing, market research, pricing strategies (everything with practical examples refer to economic times, brand equity, etc.)

Management

Work ethics, work culture, performance appraisal, motivation, brand management, labour laws, production management, functional management.

Types of E-Commerce Business Models Pros & Cons

The first thing that comes to our mind when we talk about E-Commerce is that it is an online commercial or sales transaction that takes place between the supplier and the customer. While the idea of the concept is right, there are more specific factors involved that categorize E-Commerce into six major types. Each of these types has different features and attributes.

Typically, E-Commerce business models can be divided into six major types, such as:

- Business-to-Business (B2B)
- Business-to-Consumer (B2C)
- Consumer-to-Consumer (C2C)
- Consumer-to-Business (C2B)
- Business-to-Administration (B2A)
- Consumer-to-Administration (C2A)

Business-to-Business (B2B)

This kind of E-Commerce consists of all the electronic transactions and dealings related to the goods and services. These basically are conducted between companies and include conventional wholesalers and producers dealing with retailers.

Business-to-Consumer (B2C)

The Business-to-Consumer E-Commerce is related to the transactions and relationship between businesses and the end customers. This is mainly to do with the retail E-Commerce trade that takes place online. With the inception of the internet, B2C E-Commerce has evolved to a great extent. Today, we find scores of electronic shopping sites and virtual stores on the web, that sell myriad products, ranging from computers, fashion items to even necessities.

Consumer-to-Consumer (C2C)

This consists of electronic transactions of products and services between two customers. These are mainly conducted through a third party that provides an online platform for these transactions. Sites, where old items are bought and sold, are examples of C2C E-Commerce.

Consumer-to-Business (C2B)

In this, a complete reversal of the selling and buying process takes place. This is very relevant for crowd sourcing projects. In this case, individuals make their items or services and sell them to companies. Some examples are proposals for company site or logo, royalty free photographs, design elements and so on.

Business-to-Administration (B2A)

In this kind of E-Commerce transaction, there are dealings between companies and public administration. It encompasses different services, such as social security, fiscal measures, legal documents, employment and so on.

Consumer-to-Administration (C2A)

In this E-Commerce model, electronic transactions are carried between individuals and public administration. Some examples are distance learning, information sharing, electronic tax filing, and so on.

The main objective of both the B2A and C2A types of E-Commerce is to increase flexibility, efficiency, and transparency in public administration.

Pros of E-Commerce

Perhaps the greatest benefit of E-Commerce is its huge reach and reception across the global market, with minimum investments. It enables sellers to sell to a global audience and also customers to make a global choice. Geographical boundaries and challenges are eradicated drastically reduced.

Through direct interaction with final customers, this E-Commerce process cuts the product distribution chain to a significant extent. A direct and transparent channel between the producer or service provider and the final customer is made. This way products and services that are created cater to the individual preferences of the target audience.

The process of E-Commerce enables sellers to come closer to customers that lead to increased productivity and perfect competition. The customer can also choose between different sellers and buy the most relevant products as per requirements, preferences, and budget. Moreover, customers now have access to virtual stores 24/7.

E-Commerce also leads to significant cost reduction. It leads to a significant reduction in transaction costs and accordingly customers also get to buy at a lower rate.

Cons of E-Commerce

E-Commerce has its share of disadvantages too, such as:

- It depends strongly on network connectivity and information technology
- There aren't definite legislations both domestically and internationally to regulate E-Commerce transactions
- The whole market culture is not Favorable to electronic commerce (for example customers cannot try the products)
- At times, there is a loss of the privacy, culture or economic identity of the customer

Impact on Markets and Re-Tailers

E-commerce markets are growing at noticeable rates. The online market is expected to grow by 56% in 2015–2020. Traditional markets are only expected 2% growth during the same time. Brick and mortar retailers are struggling because of an online retailer's ability to offer lower prices and higher efficiency. Many larger retailers can maintain a presence offline and online by linking physical and online offerings.

E-commerce allows customers to overcome geographical barriers and allows them to purchase products anytime and from anywhere. Online and traditional markets have different strategies for conducting business. Traditional retailers offer a fewer assortment of products because of shelf space where online retailers often hold no inventory but send customer orders directly to the manufacture. The pricing strategies are also different for traditional and online retailers. Traditional

retailers base their prices on store traffic and the cost to keep inventory. Online retailers base prices on the speed of delivery.

Impact on Supply Chain Management

For a long time, companies had been troubled by the gap between the benefits which supply chain technology has and the solutions to deliver those benefits. However, the emergence of e-commerce has provided a more practical and effective way of delivering the benefits of the new supply chain technologies.

E-commerce can integrate all inter-company and intra-company functions, meaning that the three flows (physical flow, financial flow and information flow) of the supply chain could also be affected by e-commerce. The affections on physical flows improved the way of product and inventory movement level for companies. For the information flows, e-commerce optimized the capacity of information processing than companies used to have, and for the financial flows, e-commerce allows companies to have more efficient payment and settlement solutions.

Impact on Employment

E-commerce helps create new job opportunities due to information related services, software app and digital products. It also causes job losses. The areas with the greatest predicted job-loss are retail, postal, and travel agencies. The development of e-commerce will create jobs that require highly skilled workers to manage large amounts of information, customer demands, and production processes. In contrast, people with poor technical skills cannot enjoy the wages welfare. On the other hand, because e-commerce requires sufficient stocks that could be delivered to customers in time, the warehouse becomes an important element. Warehouse needs more staff to manage, supervise and organize, thus the condition of the warehouse environment will be concerned by employees.

Impact of Customer

E-commerce brings convenience for customers as they do not have to leave home and only need to browse a website online, especially for buying the products which are not sold in nearby shops. It could help customers buy a wider range of products and save customers' time. Consumers also gain power through online shopping. They can research products and compare prices among retailers. Also, online shopping often provides sales promotion or discounts code. Thus it is more price effective for customers. Moreover, e-commerce provides products' detailed information; even the in-store staff cannot offer such a detailed explanation. Customers can also review and track the order history online.

E-commerce technologies cut transaction costs by allowing both manufactures and consumers to skip through the intermediaries. This is achieved through by extending the search area best price deals and by group purchase. The Success of E-commerce in urban and regional levels depend on how the local firms and consumers have adopted e-commerce.

Types of Digital Channels

E-commerce may take place on retailers' Web sites or mobile apps, or those of e-commerce marketplaces such as on Amazon, or T mall from Ali Baba. Those channels may also be supported by conversational commerce, e.g., live chat or chat bots on Web sites. Conversational commerce may also be standalone such as live chat or chat bots on messaging apps and via voice assistants.

Logistics

Logistics in e-commerce mainly concerns Full Fillment Online markets and retailers have to find the best possible way to fill orders and deliver products. Small companies usually control their logistic operation because they cannot hire an outside company. Most large companies hire a Full Filling service that takes care of a company's logistic needs.

Conclusion

In general, today's businesses must always strive to create the next best thing that consumers will want because consumers continue to desire their products, services, etc. to continuously be better, faster, and cheaper. In this world of new technology, businesses need to accommodate the new types of consumer needs and trends because it will prove to be vital to their business' success and survival. E-commerce is continuously progressing and is becoming more and more important to businesses as technology continues to advance and is something that should be taken advantage of and implemented.

From the inception of the Internet and e-commerce, the possibilities have become endless for both businesses and consumers. Creating more opportunities for profit and Advancements for businesses, while creating more options for consumers. However, just like anything else, e-commerce has its disadvantages including consumer uncertainties, but nothing that can - not be resolved or avoided by good decision-making and business practices.

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