E Commerce
Introduction & Models

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COMMERCE

- Commerce is a division of trade or production which deals with the exchange of goods and services from producer to final consumer
E-COMMERCE

- It is commonly known as electronic marketing.
- It consists of buying and selling goods and services over an electronic system such as the internet.
- E-commerce is the purchasing, selling & exchanging goods and services over computer network or internet through which transactions or terms of sale are performed electronically.
E-commerce vs. E-business

- We use the term e-business to refer primarily to the digital enablement of transactions and processes within a firm, involving information systems under the control of the firm.

- E-commerce include commercial transactions involving an exchange of value across organizational boundaries.
The process of E-commerce

1. Order placed by user
2. Shopping Cart
3. Credit card is charged
4. Order Form
5. Credit card is charged
6. Order is completed
7. Email is sent to Customer and merchant
8. Sent to Warehouse for fulfillment
9. Shipping carrier picks up shipment
10. Shipment sent to Customer
The process of E-commerce

- A consumer uses Web browser to connect to the home page of a merchant's Web site on the Internet.
- The consumer browses the catalog of products featured on the site and selects items to purchase. The selected items are placed in the electronic equivalent of a shopping cart.
- When the consumer is ready to complete the purchase of selected items, she provides a bill-to and ship-to address for purchase and delivery.
The process of E-commerce

- When the credit card number is validated and the order is completed at the Commerce Server site, the merchant's site displays a receipt confirming the customer's purchase.

- The Commerce Server site then forwards the order to a Processing Network for payment processing and fulfilment.
E Commerce Models

Different types of e-commerce

- Business-to-business (B2B)
- Business-to-Consumer (B2C)
- Business-to-government (B2G)
- Consumer-to-consumer (C2C)
- Government to consumer (G2C)
- Government-to-business (G2B)
What is B2B e-commerce?

- B2B e-commerce is simply defined as ecommerce between companies. About 80% of e-commerce is of this type.

- Examples:
  - Intel selling microprocessor to Dell
  - Heinz selling ketchup to Mc Donalds
B2B E-commerce

Diagram:
- Wholesaler supplies orders to Business Organization.
- Business Organization processes orders and routes them to Website.
- Website serves Customers.
- Customers purchase products from Website.
- Wholesaler sells products to Business Organization.

Key Relationships:
- Supplies: Wholesaler to Business Organization
- Orders: Business Organization to Website
- Sells: Wholesaler to Customer
- Order Processing: Business Organization to Website

What is B2C ecommerce?

- Business-to-consumer e-commerce, or commerce between companies and consumers, involves customers gathering information; purchasing physical goods or receiving products over an electronic network.

Example:
- Dell selling me a laptop
B2C E-commerce
What is B2G ecommerce?

- Business-to-government e-commerce or B2G is generally defined as commerce between companies and the public sector. It refers to the use of the Internet for public procurement, licensing procedures, and other government-related operations.

Example:
- Business pay taxes, file reports, or sell goods and services to Govt. agencies.
B2G E-commerce
What is C2C ecommerce?

- Consumer-to-consumer e-commerce or C2C is simply commerce between private individuals or consumers.

Example:
- Mary buying an iPod from Tom on eBay
- Me selling a car to my neighbour
C2C E-commerce

- Customer 1: Wants to sell products
- Customer 2: Wants to buy products
- Website: Places advertisement
- Customer 1 receives products
- Customer 2 receives money
- Customer 1 and Customer 2 are connected through the website.
G2C E-commerce

- This Model is also a part of e-governance.
- The objective of this model is to provide good and effective services to each citizen.
- The Government provides the following facilities to the citizens through website.
  - Information of all government departments,
  - Different welfare schemes,
  - Different application forms to be used by the citizens.
G2C E-commerce
G2B E-commerce

- Government-to-business (G2B) is a business model that refers to government providing services or information to business organisation.

Government uses B2G model website to approach business organizations. Such websites support auctions, tenders and application submission functionalities.
G2B e-commerce
ADVANTAGES OF E-COMMERCE

- Faster buying/selling procedure, as well as easy to find products.
- Buying/selling 24/7.
- More reach to customers, there is no theoretical geographic limitations.
- Low operational costs and better quality of services.
- No need of physical company set-ups.
- Easy to start and manage a business.
- Customers can easily select products from different providers without moving around physically.
DISADVANTAGES OF E-COMMERCE

- Unable to examine products personally
- Not everyone is connected to the Internet
- There is the possibility of credit card number theft
- Mechanical failures can cause unpredictable effects on the total processes.