

EC02

E-Commerce Progression

Learning about e-Commerce
technology and tools

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Objectives of EC Progression

- Transaction Security
- Encryption and Cryptography
- Digital Signature and Security (DSS)
- Electronic Data Interchange (EDI)
- Secure Electronic Transactions (SET)
- E-Payment and E-Transactions

Prerequisites of Course

- E-Commerce Fundamentals
- E-Business Fundamentals
- Computer Network Fundamental
- Internet Fundamental
- Business Transaction and Fundamental
- Understanding of Mobile Banking Applications

E-Commerce & E- Business

Technical Concepts for New Era
Business

Definitions and Concepts

Electronic Commerce

EC describes the buying, selling, transferring or exchanging of products, services or information via computer networks, including the Internet.

Electronic Business

EB is a broader definition of EC, including buying and selling of goods and services, and also servicing customers, collaborating with partners, conducting e-learning and conducting electronic transactions within an organization.

Definitions and Concepts (continued)

Pure versus **Partial** Electronic Commerce depends on the **degree of digitization** involved.

Brick-and-mortar organizations

These are purely physical organizations

Virtual organizations

These are companies that are engaged only in EC (Pure Play)

Click-and-mortar organizations

These are those organizations that conduct some e-commerce activities, yet their business is primarily done in the physical world (Partial EC)

Types of E-Commerce

Business-to-Consumer (B2C)

The sellers are organizations and the buyers are individuals.

Business-to-Business (B2B)

Both the sellers and buyers are business organizations.

B2B represents the vast majority of e-commerce.

Consumer-to-Consumer (C2C)

An individual sells products or services to other individuals.

Types of E-Commerce

Business-to-Employee (B2E)

An organization uses e-commerce internally to provide information and services to its employees. Companies allow employees to manage their benefits, take training classes electronically; buy discounted insurance, travel packages, and event tickets.

E-Government:

The use of Internet Technology in general and e-commerce in particular to deliver information about public services to citizens (called Government-to-citizen [G2C EC]), business partners and suppliers (called government-to-business [G2B EC])

E-Commerce Business Models

Affiliate marketing

Vendors ask partners to place logos or banners on partner's site. If customers click on logo, go to vendor's site, and buy, then vendor pays commission to partners.

E-Commerce Business Models

Viral marketing

Receivers send information about your product to their friends.

Group purchasing

Small buyers aggregate demand to get a large volume; then the group conducts tendering or negotiates a lower price.

Online auctions

Companies run auctions of various types on Internet

Bartering Online

E-Commerce Business Models

Product customization

- Customers use the Internet to self-configure products or services.
- Sellers then price them and fulfill them quickly.

Deep discounters

- company offers deep price discounts

Membership

only members can use the services provided.

Benefits of E-Commerce

Benefits to organizations

Makes national and international markets more accessible

Lowering costs of processing, distributing, and retrieving information

Benefits to customers

Access a vast number of products and services around the clock (24/7/365)

Benefits to Society

Ability to easily and conveniently deliver information, services and products to people in cities, rural areas and developing countries.



Limitations of E-Commerce

Technological Limitations

- Lack of universally accepted security standards**
- Insufficient telecommunications bandwidth**
- Expensive accessibility**

Non-technological Limitations

- Perception that EC is unsecure**
- Unresolved legal issues**
- Lacks a critical mass of sellers and buyers**



Ecommerce Exchanges

- **Vertical Exchanges**
 - It connect buyers and sellers in a given industry.
- **Horizontal Exchanges**
 - connect buyers and sellers across many industries and are used mainly for raw materials
- **Functional Exchanges**
 - needed services such as temporary help or extra office space are traded on an "as-needed" basis.



Query Session

Ask if Any?