



Introduction to e- Business

TOPIC:1, LECTURE:1

Introduction to Lecture 1

- ▶ Topics covered:
 - ▶ Categories of eCommerce
 - ▶ Business models
 - ▶ Advantages and disadvantages of e-commerce
 - ▶ Advantages and disadvantages of e-commerce

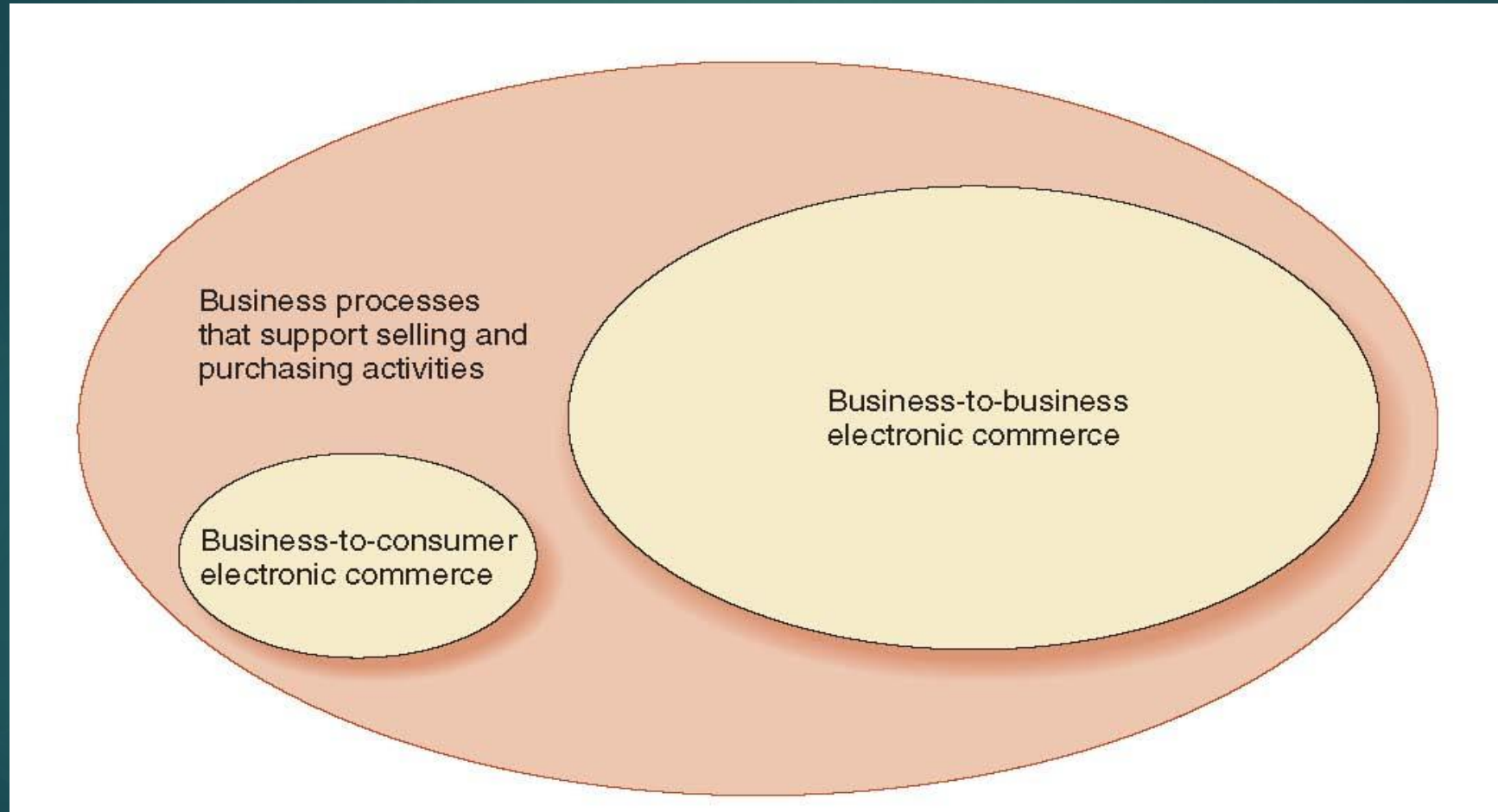
What is Ecommerce?

- ▶ Ecommerce, 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.
- ▶ Ecommerce 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.

History of ecommerce

- ▶ The [history of e-commerce](#) begins with the first ever online sale: on the August 11, 1994 a man sold a CD by the band Sting to his friend through his website NetMarket, an American retail platform. This is the first example of a consumer purchasing a product from a business through the World Wide Web—or “ecommerce” as we commonly know it today.
- ▶ Global retail ecommerce sales are reached to [\\$27 trillion](#) in the year 2020.

Main Elements of e-Commerce



Types of e-commerce Models

1. Business to Consumer (B2C):

When a business sells a good or service to an individual consumer (e.g. You buy a pair of shoes from an online retailer).

2. Business to Business (B2B):

When a business sells a good or service to another business (e.g. A business sells software-as-a-service for other businesses to use)

3. Consumer to Consumer (C2C):

When a consumer sells a good or service to another consumer (e.g. You sell your old furniture on eBay to another consumer).

Types of e-commerce Models

4. Consumer to Business (C2B):

When a consumer sells their own products or services to a business or organization (e.g. An influencer offers exposure to their online audience in exchange for a fee, or a photographer licenses their photo for a business to use).

Examples of Ecommerce

E-commerce can take on a variety of forms involving different transactional relationships between businesses and consumers, as well as different objects being exchanged as part of these transactions.

1. Retail: The sale of a product by a business directly to a customer without any intermediary.

2. Whole sale: The sale of products in bulk, often to a retailer that then sells them directly to consumers.

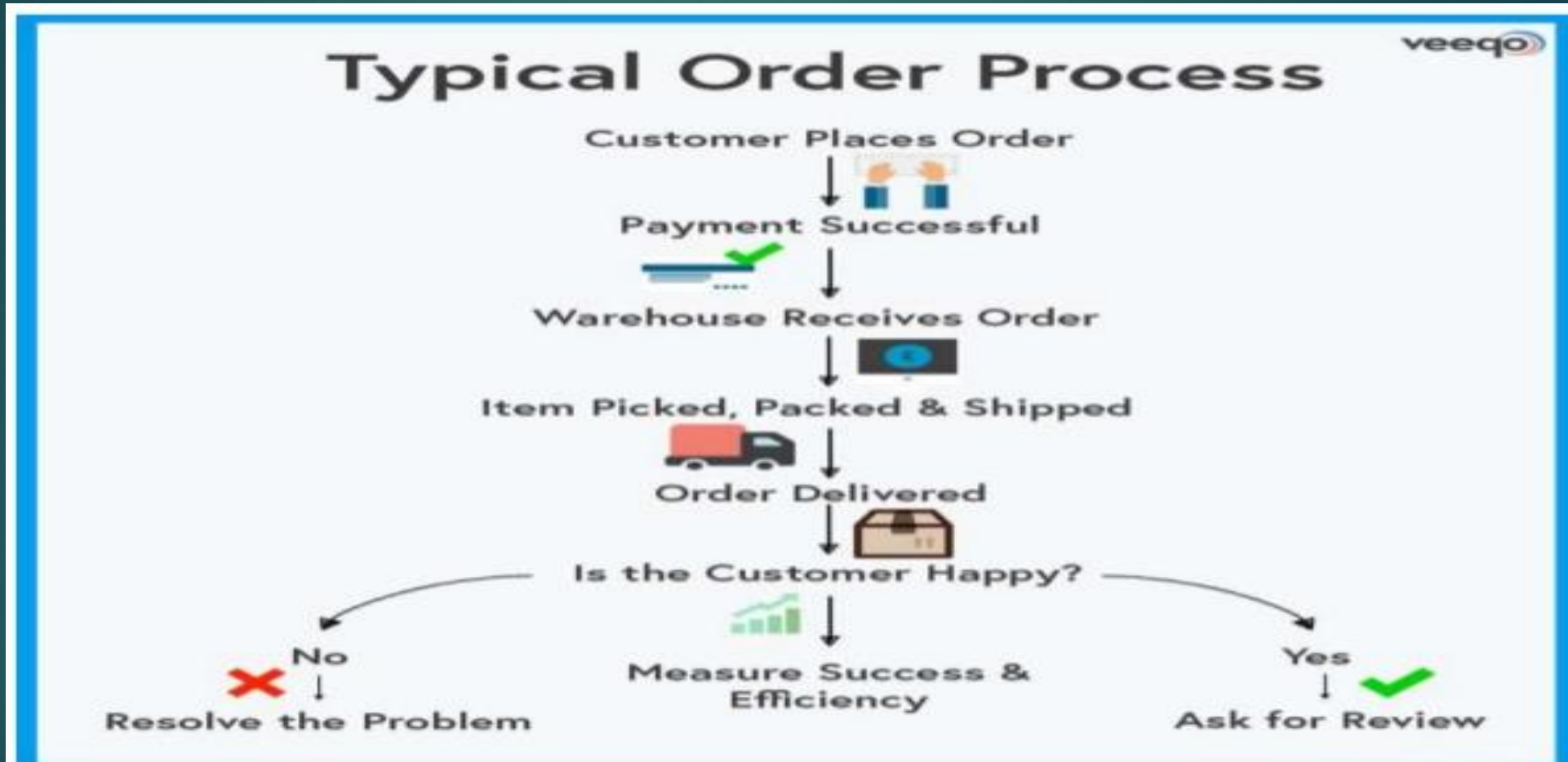
3. Dropshipping: The sale of a product, which is manufactured and shipped to the consumer by a third party.

Examples of Ecommerce



- 4. Crowdfunding:** The collection of money from consumers in advance of a product being available in order to raise the startup capital necessary to bring it to market.
- 5. Subscription:** The automatic recurring purchase of a product or service on a regular basis until the subscriber chooses to cancel.
- 6. Physical products:** Any tangible good that requires inventory to be replenished and orders to be physically shipped to customers as sales are made.
- 7. Digital products:** Downloadable digital goods, templates, and courses, or media that must be purchased for consumption or licensed for use.
- 8. Services:** A skill or set of skills provided in exchange for compensation. The service provider's time can be purchased for a fee.

Process of e-commerce



Advantages of E-commerce

- ▶ Faster transactions
- ▶ 24/7 available
- ▶ More reach to customers
- ▶ Low operation cost & better quality
- ▶ No need physical complete infrastructure
- ▶ Choose the products without movement

Dis- advantages of e-commerce

- ▶ Unable to examine the product personally
- ▶ Not everyone connected to the internet
- ▶ Chance to Hacking

Definition of E-Business

- ▶ Electronic Business, shortly known as e- business, is the online presence of business. It can also be defined as the business which is done with the help of internet or electronic data interchange i.e is known as E- business

Types of E-Business

- ▶ Pure-play: The business which is having an electronic existence only.
Ex: Hotels.com
- ▶ Brick and click The business model, in which the business exists both in online . i.e. electronic and offline i.e. physical mode

Advantages of e-business

- ▶ Easy to setup: It is easy to setup an electronic business. You can set up an online business even by sitting at home if you have the required software, a device, and the internet.
- ▶ Cheaper than Traditional Business: Compare to traditional business, e-business requires less cost.
- ▶ No Geographical Boundaries: There are no geographical boundaries for e-business. Anyone can order anything from anywhere at anytime

Limitations of E-Business

- ▶ Lack of Personal Touch: One cannot touch or feel the product . So it is difficult for the consumer to check the quality of a product.
- ▶ Security Issues: There are a lot of people who scam through online business. Also ,it is easier for hackers to get your financial details.

E-business Vs E-commerce

E-business

- E business is a superset of e commerce
- In addition it includes the exchanging of information directly related to buying & selling of products
- In addition it involves activities like procurement of raw materials & goods and customer education.
- It required Internet along with CRM's and ERP that connects different business processes.

E-commerce

- E commerce is a subset of e business
- It is used of electronic transmission medium that caters for buying & selling products and services.
- It mainly include monetary transactions.
- E commerce involves the mandatory use of internet.
- It involves only buying & selling of products and services.