

M. Com Part I
Semester I
Subject : E Commerce
Year : 2020-21

Unit I
E Commerce

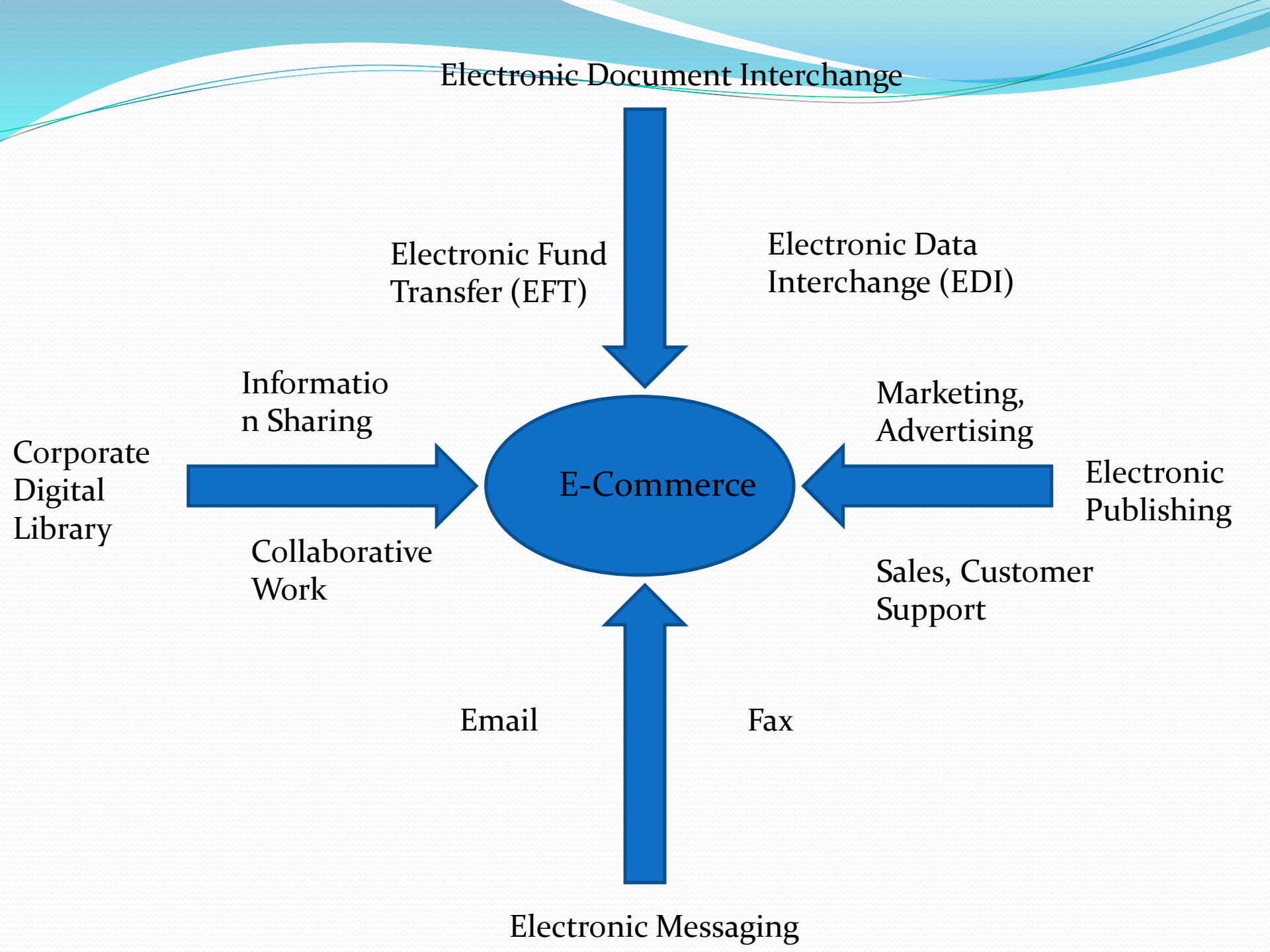
INTRODUCTION

- E-Commerce or Electronic commerce is a process of buying, selling, transferring, or exchanging products, services, and/or information via electronic networks and computers.



Overview of E Commerce

1. E-Commerce or Electronic Commerce is a methodology of modern business, which addresses the need of business organizations, vendors and customers to reduce cost and improve the quality of goods and services while increasing the speed of delivery.
2. E-Commerce refers to the paperless exchange of business information



Scope of E Commerce

1. E-Commerce is a general concept covering any form of business transaction or information exchange executed using information and communication technologies (ICT's).
2. It includes electronic trading of goods, services and electronic material.

Scope of E Commerce

The Scope of E-commerce

E-commerce encompasses a broad range of activities. The core component includes trading of physical goods and services. The conventional activities include

- Searching for product information
- Ordering product
- Paying for goods and services
- Customer service

E-commerce also includes the business activities

- Pre-sales and post-sales support
- Internal electronic mail and messaging
- Online publishing of corporate documents and forms
- Managing corporate and finance and personal systems
- Manufacturing logistic management
- Supply chain management for inventory
- Facilitation of contact between traders
- Tracking orders and shipments
- Advertising and promotions of products and services

Goal of E Commerce

1. To reach millions of customers easily.
2. To increase sales in business.
3. To generate high revenue in the online industry as the viewers are turning into the audience every day.
4. To spread the small scale retails into large level business.

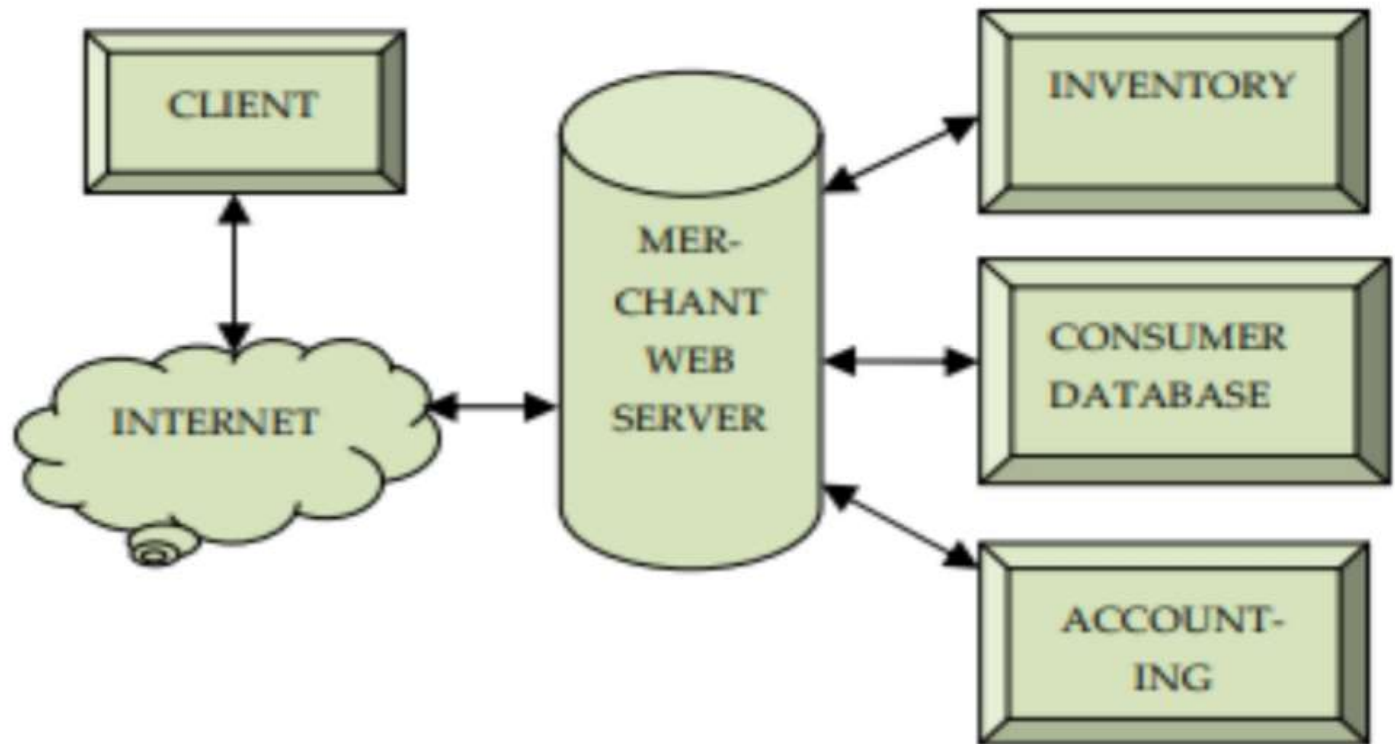
E Commerce Applications

1. Online marketing and purchasing
2. Retail and wholesale
3. Finance
4. Manufacturing
5. Online Auction
6. E-Banking
7. Online publishing
8. Online booking (ticket, seat, etc)

Prospects of E Commerce

1. Fastest growing economy
2. Global E Commerce retail sales to hit \$4.9 trillion by 2021
3. Social shopping is on the rise
4. Domestic shoppers go cross-border shopping
5. Demographic advantage
6. Internet & Smart phone penetration
7. Areas expected to grow are financial services, entertainment, travel, and groceries

Framework of E Commerce




Activities (Functions) of E Commerce

1. Buying and selling of different types of products
2. Shipping of products
3. Producing financial statements
4. Fast Order Processing
5. Ship Confirmations
6. Information
7. Delivery

Growth of E Commerce in India

- The Indian e-commerce industry has been on an upward growth
- The online retail market in India is estimated to be 25% of the total organized retail market and is expected to reach 37% by 2030.
- By 2034, it is predicted to surpass the United States to become the second largest e-commerce market globally.
- A young demography, increasing internet and smartphone penetration, and relatively better economic performance are some key drivers of this sector.
- Each month, India adds approximately 10 million daily active internet users the highest rate in the world.
- Number of smartphones per 100 people has risen from 5.4 in 2014 to 26.2 in 2018. According to 2019 data, it was estimated that one in every three Indians shopped using a smartphone.

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- In order to tap onto the large market, the e-commerce industry has also seen an increase in innovation across platforms, and ancillary segments such as logistics.
 - The market has become conducive grounds for testing various business models such as inventory, social networks, aggregator, and s-commerce marketplace mode, among many others.
 - Further, out of nearly 1,00,000 pin codes in India, online retailers deliver to 15,000 to 20,000 pin codes. The e-commerce trend is gaining major popularity even in the tier-2 and tier-3 cities as they now make up nearly half of all shoppers and contribute three of every five orders for leading e-retail platforms.
 - Electronic and apparel make up nearly 70% of the e-commerce market, when evaluated against transaction value. Other upcoming categories are baby products, furnishing, personal care, food and groceries.

E Commerce Procedure

1. Filling form online
2. Selecting Product Service
3. Web Server
4. Encryption
5. Forwarding
6. Leased Lines
7. E-mail Receipt
8. Merchant Account
9. Credit Card Processing
10. Verification
11. Merchant Getting Money
12. Shipment of Goods