E-commerce

- **E-commerce (electronic commerce) [5]:**

- refers to the **buying and selling of goods and services** over the **internet.**

- **enables businesses organizations** to **reach global audiences and consumers** to **shop anytime, anywhere,** through platforms like **websites, apps, and social media**,

- it replaces **physical stores** with **online store,** andcan be conducted on **computers, tablets, smartphones,** and other smart devices

- somepopular e-commerce websites are **amazone, walmart, flipkart, Alibaba, ebay, meesho, Nayka, Uber, myntra,** etc.

- **Application of e-commerce:**

- **Food delivery:**

- used for **online ordering and delivery** of **food from restaurants.**

- **Online booking and reservations:**

- used for **booking and reservations of flights, hotels, rental cars**, and other **travel-related services**

- **Auction sites:**

- Online auction sites, such as eBay, **allow users to bid on and purchase items from other users**

- **Online marketplaces:**

- provide a platform for businesses and individuals to sell their products to a large audience. **Example.** Amazon and eBay

- **Digital products and services:**

- used for the sale of digital products and services, such as e-books, software, and online courses.

- **Difference between traditional business and e-commerce:**

Traditional Businesses	E-commerce Businesses
Requires a physical office/workplace/storefront	No physical office required, can work from anywhere
Owner may need to follow a schedule	Owner may need to follow a schedule
The reach of a traditional business is generally limited to customers residing within its neighbouring areas	In most cases, no geographical barriers. Products can be purchased from virtually anywhere in the world.

- **Advantage [5]:**

- businesses can **reach a global audience** without any **physical/ geographical boundaries,** hence consumers can **browse and purchase products from anywhere** without **physically going to the shop**

- transactions can happen 24 hours * 7 days a week, hence it **enables user** to **make purchases at any time (even outside of business hour)**

- popular **during COVID-19 pandemics** when people seek to **minimize in-person interactions**

- **consumers share a lot of information (willingly or unknowingly) on their interests and shopping habits when they buy or even just browse online,** and **site owners can use this** to **improve their marketing and sales strategies,** which is beneficial for **both customer and retailer**

- its **cost to operate** is **often less expensive** than **traditional store** (which include paying of rent cost, insurance, staffing cost, water bill, electricity bill, building maintenance, and property taxes) [4]

- has capabilityto offer a **wider range of products** through their **online store as** compared to their **physical stores**, due to **space limitations**

- as the **customer grows and business expands**, physical stores have to relocate to a much **larger location**, which comes with **huge significant costs,** while an **e-commerce platform** can be equipped to handle such issue with **lesser cost**

- **automatic order processing** reduces the **chances of human error**, and it **also allows businesses** to **track inventory levels and sales** trends in **real-time.**

- **Disadvantages of E-commerce [5]:**

- if the internet itself is slow, the consumer be irritated in performing the transaction

- strong security is required in e-commerce as all transactions are through internet, and hackers also try to get access and destroy the data in e-commerce.

- there is **high risk of buying unsatisfactory products** through e-commerce as there is **no face-to-face service or in-store support,** and **shoppers cannot physically test products online**

- customers also **trap in banking fraud** which is quite frequent.

- **site crashes** or **payment failures** can impact revenue, and **technological glitches** can **shut down the business**

- sometimes, the **customers** has to**wait a lot** for delivery.

- the **competition** among the business organization **increases** as there is **low barrier** in the entry in the **e-commerce market**, which mean **"crowded markets"** and **"price wars"**
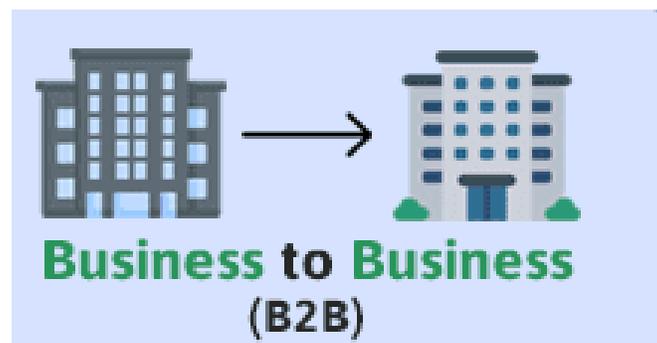
- **Types of e-commerce business model [3]:**

- The main types of e-commerce business models are as follows:

- Business-to-Business (B2B),

- Business-to-Consumer (B2C),

- Consumer-to-Consumer (C2C),

- Consumer-to-Business (C2B),

- Business-to-Government (B2G), and

- Consumer-to-Government (C2A)

- **Business-to-Business (B2B):**

- it involves **transactions between two companies**

Business to Business (B2B)

- a **business (or a company)** sells its **products or services** to another **business (or company)** rather than **directly to end consumers.**

- **Example:** a company (example. Intel) that produces microchips sell them to the smartphone maker company (example. Apple)

- **Consumer-to-Consumer (C2C):**

- an **individuals**sell products or services **directly to other individuals**

- these transactions **usually occur on online platforms** that connect **buyers and sellers**


Consumer to Consumer (C2C)
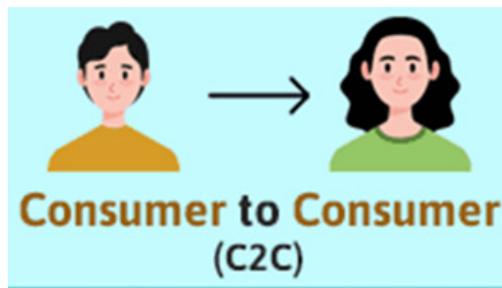
- **Example.**

(i) **EtSy** allow customers (especially those which are **independent artists** and **crafters**) to sell their goods (homemade toys, furniture, clothing and jwellery) to another customers

(ii) **Ebay**is a **popular auction website**, use for the **bidding of various goods** (phonescomputers, gaming system, audio equipment's, jewelry, luxury watches, etc) used by both buyers and sellers

- **Business-to-Consumer (B2C):**

- a **business (or company)** sells its **products or services** directly to **consumers** (or end-user)

- **Example.**

- (i) a **person** buying a **pair of sneakers online** from a **clothing company** such as **Nike,**

Business to Consumer (B2C)

- **Consumer-to-Business (C2B):**

- **individuals consumers** offer their **products or services to businesses**

- mainly used where any **individuals** provide **various services to businesses company** using their **specific skills.**

Example. (i) a**freelancer** selling services to a company (example. Crowdspring) on a platform using **www.freelancer.com**

Consumer to Business (C2B)
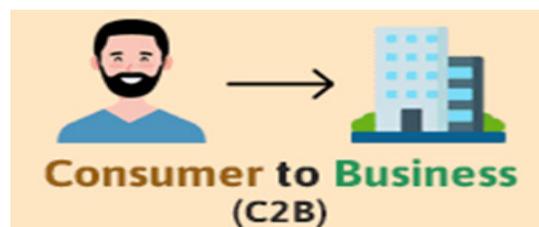
- **Business-to-Government (B2G):**

- a business providing **products or services** to **government agencies**,

- **Example.**

 (i) **tech company** providing **cyber security solutions** to a **government body.**

(ii) **IT company**provides its services to a **government agency**

Business to Government (B2G)

- **Consumer to Government (C2G)**

- **individuals** interact directly with the **government**, typically for **services or making payments.**

- **Example:**

(i) a **person** *paying taxes online* on the **government's portal.**

(ii) an**IRS(*Internal Revenue Service*)** website, where **citizens can file taxes**

Consumer to Government (C2G)

- **Summary:**

Model	Description	Examples
B2C	Business sells to individual consumers.	Amazon, Walmart
B2B	Business sells to other businesses.	Alibaba, SAP
C2C	Consumers sell to each other.	eBay, Etsy
C2B	Consumers sell products/services to businesses.	Fiverr, Upwork
B2G	Businesses sell to governments.	Government contractors
C2G	Consumers interact or pay governments.	Paying taxes online