



E-COMMERCE AND ITS DIMENSIONS

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ABSTRACT

Internet is regarded as the most revolutionary discovery and invention of the human civilization till date. Its impact is in each and every sphere, its impact is incredible and dramatic. There is hardly any field of human activity where internet has not left its deep imprint. When it comes to the world of commerce, Internet has proved to be a boon. The idea of e-commerce has revolutionized the tradition forms of commerce which was plagued with a lot of limitations. The internet based commerce has covered significantly greater number of market participants in its ambit and has expanded the very area of market by realizing the concept of global market. The paper focuses on the basic conceptual understanding of e-commerce and highlights its major benefits which make it the most preferred choice of pursuing business. The paper also comprehends a comparison between the traditional commerce and e-commerce, finally concluding the various forms of business models under e-commerce which may be adopted by the business entities as per its nature of transactions and the goals it seeks to achieve.

Keywords: E-commerce, Internet, Business, Consumers, Market.

INTRODUCTION:

Electronic commerce or Internet Commerce, popularly referred to as “e-commerce” refers to the use of the global Internet for purchase and sale of goods & services. The term has been

defined by many authors through different dimensions and perspectives. Zwass defines e-commerce as the sharing of business information, maintaining business relationships, and the conducting business transactions by means of telecommunications networks. It includes buying and selling of goods over the internet as well as various business processes within individual organizations that enhances its profit. According to Frederick J. Riggins and Hyeun-Suk Rhee, practitioners and managers view e-commerce as buying and selling goods and products over the internet, but it should include a wide variety of pre-sale and post-sale activities. In the words of Daniel Minoli and Emma Minoli, electronic commerce is the symbiotic integration of communications, data management, and security capabilities to allow business applications within different organizations to automatically exchange information related to the sale of goods and services.

ELECTRONIC COMMERCE VIS-À-VIS TRADITIONAL COMMERCE:

The basic difference between the two forms of commerce lies in the way information is exchanged and processed. The sphere of traditional commerce encompasses the involvement of individual businessman at each and every stage of every business transaction where face-to-face contact, or contact through telephone lines or mail systems forms the basis. However, e-commerce do away with the requirement of physical contacts and in most cases the parties to a transaction do not see or know each other at personal level. The manual processing of transactions in traditional commerce has been replaced with automated processing of business transactions with the aid of Internet or other network-based communication. Despite the same ends, the means to the end differ under the two forms of commerce. Traditional commerce advertises the product and its information through magazines, but the e-commerce uses the medium of websites and online catalogues for the same. Information relating to the product and its availability may be procured through fax, telephones and letters under the traditional commerce, which is done through the medium of e-mail, websites, and internal networks.

ADVANTAGES OF E-COMMERCE:

The advantages of e-commerce make it the preferred form of commerce in the present era. Its benefits are manifold. The first and foremost advantage that it serves is the easy accessibility

to the global market and that too at a very cheap and negligible cost in contrast to the benefits accruing from the same. It allows the businesses to reach customers from different parts of the world and earn a name and goodwill for the business entity. It eliminates the huge cost of middlemen and enables a more direct and intimate relation between the parties to a business transaction which goes a long way in the commercial world. On the other hand, the customers get to choose from widest possible range of products and services at the best available prices. The need and desires of each and every customer may be customized by the businesses leading to the maximum satisfaction of the consumers. It enables the creation of a wide consumer forum where in the consumers may inquire about products, review products and service information and thereby afford a guide to the future and prospective buyers. Thus, e-commerce enables the creation of a wide transparent market and bring sellers and buyers from different parts of the world on a common platform for mutual benefits to the highest extent possible.

E-COMMERCE BUSINESS MODELS:

Though the fundamental goal of every business enterprise is to generate revenue and make profit, the nature of transactions under each business differs. The nature of the transactions dominates the model of e-commerce to be adopted to achieve the goals and objectives of the business. The different business models of e-commerce are discussed as under:

1. BUSINESS-TO-CONSUMER E-COMMERCE [B2C]:

In B2C e-commerce, the business enterprises sell directly a wide variety of products and services to consumers. One of the most prominent examples in this sphere would be Amazon. The business enterprises need to establish their respective websites for the consumer interface. In this business model, e-commerce supplements the traditional commerce by offering products and services through electronic channels. The dominant benefits of this type of e-commerce is the availability of the physical space which allows the customers to physically visit the store, the availability of returns which allows the consumers to return a purchased item to the physical store and the availability of customer services in these physical stores.

2. BUSINESS-TO-BUSINESS E-COMMERCE [B2B]:

Business-to-Business e-commerce enunciates the idea of electronic transactions among and between business enterprises. Under this type of e-commerce, the business entities use the Internet for supplies. The popularity of B2B e-commerce has significantly increased at a great pace and is the fastest growing segment within the e-commerce environment. B2B e-commerce creates dynamic interaction among the businesses. Oracle, PeopleSoft, SAP, Commerce One, Aspect Development, Baan, BEA Systems are some of the major players in the sphere of B2B e-commerce. The major benefits of B2B e-commerce are listed below:

- It saves a lot of cost by increasing the speed and eliminating manual activities.
- The suppliers under the B2B business e-commerce can access online the inventory status in each store and refill with the needed products in a timely manner, and hence maintains the satisfaction of demand and supply in the market.
- It maintains the fair prices in the market by efficiently managing the demand and supply chain in the market.
- It lowers production cost by eliminating labour intensive tasks.
- It eliminates a lot of manual steps and thereby enhances accuracy.
- A better environment of communication and connection between the businesses lead to efficient management of the inventory.

3. CONSUMER-TO-CONSUMER E-COMMERCE [C2C]:

Consumer to consumer e-commerce facilitates business transaction between parties, where both the parties are consumers. Under this model, the consumers sell directly to other consumers through the medium of Internet and web technologies. Individuals sell a wide variety of services or products on the internet or through auction. The best example in this regard would be the sites of eBay.com, OLX, and others. It also includes within its ambit, the advertisement of products and services by the consumers in organizational intranets, which enables them to sell the same to other employees.

4. CONSUMER-TO-BUSINESS E-COMMERCE [C2B]:

Consumer-to-business (C2B) e-commerce is the diagonal opposite of B2C e-commerce. As the name amply suggests, it is the sale of products and services from individual willing customers to businesses. The individual consumer expects certain price and if the business entity may come to an agreement, the transaction may be completed.

5. NON-BUSINESS AND GOVERNMENT E-COMMERCE:

Other than above four prominent forms of business e-commerce, there is another category of business e-commerce referred to as the non-business and government e-commerce. It refers to the use of internet and e-commerce applications by the political, social and not-for-profit organizations for various activities, such as raising funds, customer service, and others. This form of business e-commerce may also be used by the Universities extensively for the purpose of delivering educational products and services.

6. INTRA-BUSINESS E-COMMERCE:

This type of business e-commerce enables the various personnel working in the same enterprise to connect through the medium of internet. Intra-business e-commerce involves all the activities in connection with the e-commerce that take place within the organization. This may include a wide range of activities varying from exchange of goods, or services among the employees of an organization to the exchange of business information. This may include selling organization products or services to its own employees, conducting training programs, and a lot more.

CONCLUSION:

Thus, the present era is aptly regarded as the era of technology. The technological advancements have pervaded each and every area of human lives. It has benefitted and comforted the human race in each sphere. The commerce world is not untouched by these advancements. The use of technology in the business world can significantly contribute in achieving the various goals of the business enterprises, enhance its profits and lead to its expansion and growth. E-commerce is really a boon for both the business entities as well as the consumers as it ensures the optimum utilization of the limited resources to satisfy the unlimited demands of the society. It is a far reaching step in establishing a global and

transparent market comprehending a wide variety of goods and services at competitive prices. This is in the best interest of businesses, consumers as well as the economy at large.

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