Unit I Introduction to E-Commerce

1.1 E-commerce the revolution is just beginning

E-Commerce refers to the use of internet, the web and mobile apps and browsers running on mobile devices to transact business. More formally digitally enabled commercial transactions between and among organizations and individuals.

Why study e-commerce?

E-Commerce Technology is different and more powerful than any of the Other Technologies we have seen in the past century

Marketing and sale of goods is no longer mass marketing and sales force driven process.

Marketers can no longer view consumers as a passive targets of advertising, companies and branding companies.

Consumers are no longer trapped by geographical and social boundaries.

Information about prices, cost and fish is no longer hidden from the consumer.

Changing price in real time is not expensive anymore.

Eight unique features of e-commerce Technology

1. Ubiquity: Available just about everywhere, at all times.

2. Global reach: Permits commercial transactions cultural and national boundaries.

3. Universal standards: Shared by all Nations around the world

4. Richness: Enables an online to deliver marketing message in ways not possible before.

5. Interactivity: Allows for two way communication between Merchant and consumer.

6. Information density: Is the total amount and quality of information available to all market participants.

7. Personalization and customization: The increase in information density allows merchants their marketing messages to specific individuals.

8. Social Technology: Provides a many-to-many model of mass communication.

1.2 History of e-commerce

History of e-commerce dates back to the invention of the very old Nation of "sell and buy" , electricity cables computers modems and the internet.

e-commerce became possible in a 1991 when the internet was opened commercial use. Since that date thousands of businesses I have taken up residence at websites.

At first, the term E-Commerce meant the process of execution of commercial transactions electronically with the help of technologies such as electronic data interchange (EDI) and electronic funds transfer tuna(EFT) , which gave an opportunity for users to exchange business information and 2 electronic transactions. The ability to use these Technologies appeared in the late 1970 s and allowed business companies stations to send commercial documentation electronically.

In 2001 great number of business companies in the United States and Western Europe represented their services in the World Wide Web. Time the word E-Commerce was changed. People began to define the term e-commerce as the process of purchasing goods services what the internet secure connections electronic payment services. Although, the dot-com collapse in 2000 lead to unfortunate results and many of e-commerce companies disappeared, the brick and mortar recognized stages of Electronic Commerce and began to add such a capability to their websites.

By the end of 2001, the largest form of e-commerce, business to business (B2B) model, had around dollar 700 billion in a transactions.

According to all available data, e-commerce sales continued to grow in the next few years and, by the end of 2007, e-Commerce sales accounted for 3.4 percent of total sales.

Amazon is one of the first E-Commerce businesses to establish an a affiliate marketing program, and now a days the company gets about 40% of its sales from affiliates and third party sellers who list and sale goods on the website. In 2008 Amazon penetrated into the cinema and is currently sponsoring the film "the stolen child" with 20th century fox. In 2007 fortune Magazine rank Dell 34th largest company in the Fortune 500 list and the 8th on its and annual top 20 list of the most successful and admired companies in the USA in recognition of the company's business model.

History of e-commerce is a history of a new, virtual world which is evolving according advantage. It is world which we are all building together brick by brick, laying a secure foundation for the future generation

1.3 Understanding E-Commerce Organizing Themes

TECHNOLOGY: INFRASTRUCTURE

The development and mastery of digital computing and communications technology is at the heart of the newly emerging global digital economy we call e-commerce. To understand the likely future of e-commerce, you need a basic understanding of the information technologies upon which it is built. E-commerce is above all else a technologically driven phenomenon that relies on a host of information technologies

Underlying these technologies are a host of complementary technologies: cloud computing, desktop computers, smartphones, tablet computers, local area networks, relational and non-relational databases, client/server computing, data mining, and fiber-optic switches, to name just a few. These technologies lie at the heart of sophisticated business computing applications such as enterprise-wide information systems, supply chain management systems, manufacturing resource planning systems, and customer relationship management systems. E-commerce relies on all these basic technologies—not just the Internet. The Internet, while representing a

sharp break from prior corporate computing and communications technologies, is nevertheless just the latest development in the evolution of corporate computing and part of the continuing chain of computer-based innovations in business. Figure 1.9 illustrates the major stages in the development of corporate computing and indicates how the Internet and the Web fit into this development trajectory.

To truly understand e-commerce, you will need to know something about packet switched communications, protocols such as TCP/IP, client/server and cloud computing, mobile digital platforms, Web servers, HTML5, CSS, and software programming tools such as Flash and JavaScript on the client side, and Java, PHP, Ruby on Rails, and ColdFusion on the server side.

BUSINESS: BASIC CONCEPTS

While technology provides the infrastructure, it is the business application the potential for extraordinary returns on investment that create the interest and excitement in e-commerce. New technologies present businesses and entrepreneurs with new ways of organizing production and transacting business. New technologies change the strategies and plans of existing firms: old strategies are made obsolete and new ones need to be invented. New technologies are the birthing grounds where thousands of new companies spring up with new products and services. New technologies are the graveyard of many traditional businesses. To truly understand e-commerce, you will need to be familiar with some key business concepts, such as the nature of digital markets, digital goods, business models, firm and industry value chains, value webs, industry structure, digital disruption, and consumer behavior in digital markets, as well as basic concepts of financial analysis.

SOCIETY: TAMING THE JUGGERNAUT

With 3.1 billion people now using the Internet worldwide, the impact of the Internet and e-commerce on society is significant and global. Increasingly, e-commerce is subject to the laws of nations and global entities. You will need to understand the pressures that global e-commerce places on contemporary society in order to conduct a successful. E-commerce business or understand the e-commerce phenomenon.

The primary societal issues we discuss in this book are individual privacy, intellectual property, and public welfare policy. Because the Internet and the Web are exceptionally adept at tracking the identity and behavior of individuals online, e-commerce raises difficulties for preserving privacy—the ability of individuals to place limits on the type and amount of Information collected about them, and to control the uses of their personal information. Read the Insight on Society case, Facebook and the Age of Privacy, to get a view of some of the ways e-commerce sites use personal information. Because the cost of distributing digital copies of copyrighted intellectual property— tangible works of the mind such as music, books, and videos—is nearly zero on the Internet, e-commerce poses special challenges to the various methods societies have used in the past to protect intellectual property rights. Also Read academic disciplines concerned with e-commerce