BCOM AND BIO I YEAR II

SEMESTER E-COMMERCE

UNIT-I

OVERVIEW OF ELECTRONIC COMMERCE: Main Activities of E-Commerce, Broad Goals of E-Commerce, E-Commerce technical Components, Functions of E-Commerce, Prospectus of E-commerce, Lessons from E-commerce Evolution, Scope of E-commerce.

UNIT-II

E-commerce Technical Architecture, E- Commerce Strategies, E-commerce Essentials, E-commerce applications, Foundation of E-commerce, Growth of E-Commerce, Advantages of E-Commerce, Disadvantages of E-commerce, progress of E-commerce in India.

UNIT-III

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ELECTRONIC BUSINESS: Electronic Business applications Emerging applications, Electronic Business Architecture, AMR Model for Electronic Business, Evolution of Electronic Business Application, Dotcom companies, The Indian scenario for E-Business, electronic business implementations, B2B E-commerce, B2C E-commerce, B2B Market Place..

REFERENCES:

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UNIT-1

E-COMMERCE

Definitions:

Introduction to Commerce

- Commerce is basically an economic activity involving trading or the buying and selling of goods.

Ecommerce:

E-commerce or electronic commerce is a process of buying and selling of goods and/or services via

electronic channels such as the Internet to reduce cost, improve the quality of goods and services

while increasing the speed of delivery. E-commerce refers to paperless exchange of business information.

Or

E-commerce (electronic commerce or EC) is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the Internet.

Or

'Electronic commerce is sharing business information, maintaining business relationships and conducting business transactions by means of telecommunications networks.

Or

E-Commerce is the Business transactions conducted through the use of computers, telephones, fax machines, barcode readers, credit cards, automated teller machines (ATM) or other electronic appliances without the exchange of paper-based documents.

E-Commerce - Overview

E-Commerce or Electronics 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.

**Ecommerce refers to the paperless exchange of business information using the following ways** –

- Electronic Data Exchange (EDI)
- Electronic Mail (e-mail)
- Electronic Bulletin Boards
- Electronic Fund Transfer (EFT)
- Other Network-based technologies
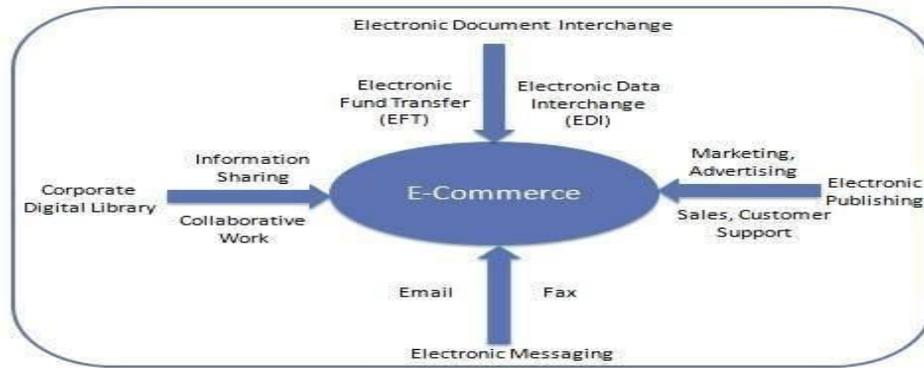
Evolution of E-commerce:

➢ Development of EC applications started in the early 1970s with electronic funds transfer (EFT), which refers to the computer-based systems used to perform financial transactions electronically.

➢ Electronic data interchange (EDI) was then developed in the late 1970s to improve the limitation of EFT. EDI enlarged the pool of participating company from manufacturers, retailers, services, and others.

➢ From the 1990s onwards, electronic commerce would additionally include enterprise resource planning systems (ERP), data mining and data warehousing.

➢ In 1990, a researcher named Tim Berners-Lee at the European Organization for Nuclear Research (CERN)proposed a **hypertext**-based web of information that a user could navigate using a simple interface called a **browser**. He called it the "World Wide Web.

➢ The term 'electronic commerce' was coined in the early 1990s when Internet became commercialized and users began to participate in the World Wide Web.

➢ In 1993, Marc Andreessen introduced the first widely distributed Web browser called Mosaic.

➢ In 1994 an important security protocol called Secure Socket Layer (SSL) that encrypted messages on both the sending and receiving side of an online transaction.

➢ In 1994 and 1995, the first third-party services for processing online credit card sales began to appear.

➢ In 1995, a company called Verisign began developing digital IDs, or certificates, that verified the identity of online businesses.

➢ in 1995 Twp of the biggest names in e-commerce Amazon.com and eBay.com are launched

➢ In July 1995, Jeff Bezos boxed up the first book ever sold on Amazon.com .

➢ Amazon has expanded its offerings beyond books. It currently offers music, movies, electronics, toys, home and garden equipment, clothing, jewelry, video games and digital downloads.

➢ Global ecommerce company, PayPal, began its services in 1998 and currently operates in 190 markets.

➢ Apple introduced iTunes in 2003 after a successful couple of years selling their ipods. iTunes launched with 200,000 songs and changed the way that we buy music.

➢ Around 2008, a lot of department stores and supermarkets in the Uk started click and collect services.

➢ In 2009, Facebook started the trend for purchases via social networks and launched e-commerce stores within their Facebook page.

> ➢ In 2015, Google made changes to its algorithm which resulted responsive, mobile friendly websites.

Retail e-commerce sales in India from 2015 to 2021 (in billion U.S. dollars)
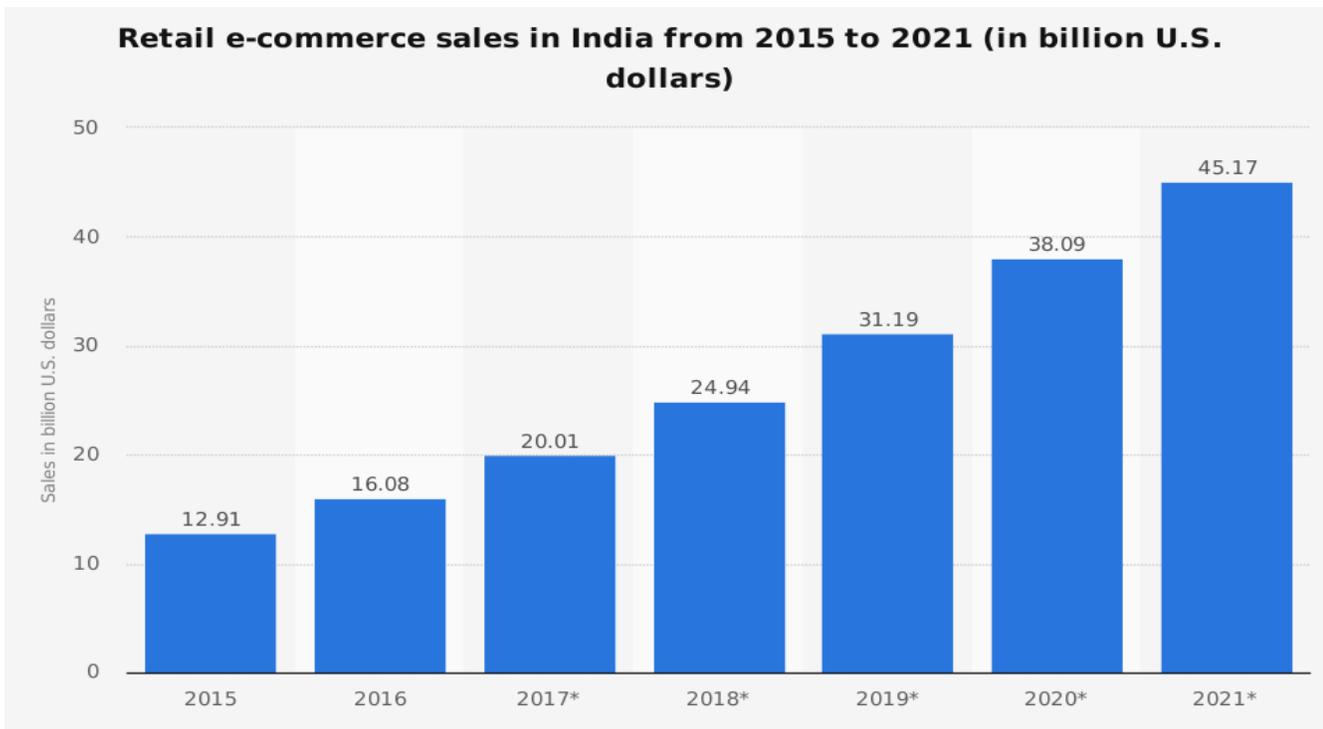
Examples of E-Commerce

- An individual purchase a book on the Internet.
- A government employee reserves a hotel room over the Internet.
- A business calls a toll free number and orders a computer using the seller's interactive
- telephone system.
- A business buys office supplies on-line or through an electronic auction.
- Retailer orders merchandise using an EDI network or a supplier's extranet.
- A manufacturing plant orders electronic components from another plant within the
- company using the company's intranet.
- An individual withdraws funds from an automatic teller machine (ATM).
- Accepting credit cards for commercial online sales
- Driving information through a company via its intranet
- Driving manufacturing and distribution through a value chain with partners on an
- extranet
- Selling to consumers on a pay-per-download basis, through a Web site, etc

Types of E-commerce:

Ecommerce (e-commerce) or electronic commerce, a subset of e- business, is the purchasing, selling, and exchanging of goods and services over computer networks (such as the Internet) through which transactions or terms of sale are performed electronically.

The major different types of e-commerce are:

- Business - to - Business (B2B)
- Business - to - Consumer (B2C)
- Consumer - to - Consumer (C2C)
- Consumer - to - Business (C2B)
- Business - to - Government (B2G)
- Government - to - Business (G2B)
- Government - to - Citizen (G2C)
- M-commerce

Business - to - Business (B2B):

In a business to business, where companies sell products or services to other companies over the Internet. **Ex:**An example would be the company like Intel sold its processors to other motherboard manufacturer companies.
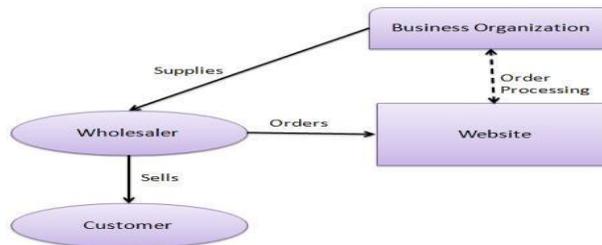
Business - to - Consumer(B2C):

In **business to consumer**, a business organization sells products or services directly to consumers over the Internet.
**Ex**:An example of a business to consumer e-commerce transaction would be an individual purchasing products through flpkart website.
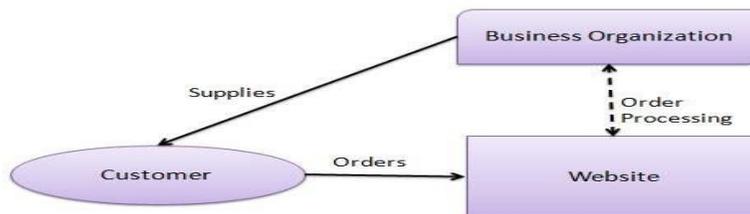
Consumer - to - Consumer (C2C):

In this where consumers sell products to other consumers.
EX:An example would be one consumer selling something that he or she no longer needs or wants. It helps consumers to sell their assets like residential property, cars, motorcycles etc. or rent a room by publishing their information on the website to other consumer.
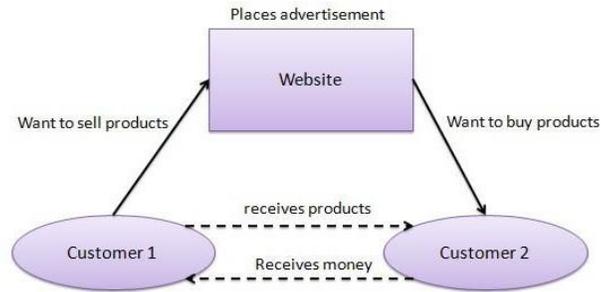
Consumer - to - Business (C2B):

Consumer to business electronic commerce involves consumers selling products or services to businesses. This business model is the opposite of the traditional B2C model.
 For example, when a consumer writes reviews or when a consumer gives a useful idea for new product development OR a Blog owner sells advertisement space Etc
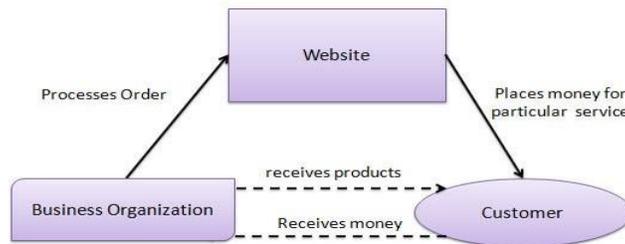
Business - to - Government (B2G):

Business-to-government (B2G) is a business model that refers to businesses selling products, services or information to governments or government agencies.

Ex: Business pay taxes, file reports, or sell goods and services to Govt. agencies etc.
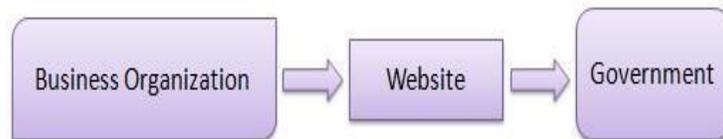
Government - to - Business (G2B):

In Government - to - Business (G2B) model government providing services or information to business organization. Government uses B2G model website to approach business organizations.
Ex:websites support auctions, tenders and application submission functionalities **etc**
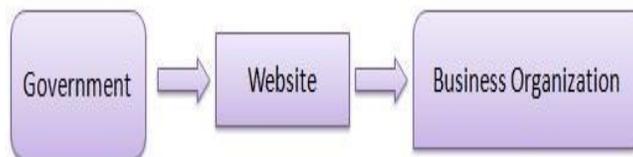
Government - to - Citizen (G2C):

Government uses G2C model website to approach citizen in general. Such websites support auctions of vehicles, machinery or any other material. Main objectives of G2C website are to reduce average time for fulfilling people requests for various government services
Ex: Government services like registration for birth, marriage or death certificates..

Mobile commerce

Mobile commerce, also called m-commerce or mcommerce, can be defined as the sales of goods and services via mobile devices. The term "mobile devices" refers to mobile phones and tablets but also to smart devices like smart watches and smart glasses

ADVANTAGES AND DISADVANTAGES OF ECOMMERCE

In e-commerce, companies set up stores on the internet and provide user interfaces that allow for the purchase and selling of merchandise. There is no physical contact between the seller and the buyer since purchases are done online.
The following are the some of the advantages and disadvantages of E-Commerce

ADVANTAGES:

1.24 x 7 operation: Electronic commerce enables customers to shop or do other transactions 24 hours a day, all year round, from almost any location.

2. **Global reach:** The net being global reaching in buying and selling of goods and services can be performed throughout the world. Business transactions can be performed anywhere in the world.

3. **Advertisement:** Internet advertising is a form of marketing and advertising which uses the Internet to deliver promotional marketing messages to consumers. The basic use of advertising is publishing the product.

4. **Price comparisons**: Customers can 'shop' around the world and conduct comparisons either directly by visiting different sites, or by visiting a single site where prices are aggregated from a number of providers and compared.

5 .**Operational cost savings**: The cost of creating, processing, distributing, storing and retrieving paper-based information has decreased.

6.Time Saving: customers no need to to travel long distances to reach the stores. Ecommerce allows them to visit the same store virtually and buy a products from home.

7.Online shopping: Customers can buy the products by using online facility. Any type of product can be purchased very easily within a short period of time.

8. Prompt payments: Payments are fast since online stores use electronic or mobile transactions payment methods.

9. No Need for a Physical Store: There is no need to set up a physical store, ecommerce businesses save on one of the biggest cost overheads to retailers.

10.Inventory Management – E-commerce automates inventory management. Reports get generated instantly when required. Product inventory management becomes very efficient and easy to maintain.

Disadvantages:

1. No chance of inspecting goods: - The goods offered on net cannot actually be seen and touched, i.e., customers cannot physically inspect the good that is why many people are not interested in buying online goods.

2.No Guarantee : There is no guarantee for product quality. Our orders might be damage in the post or things may look different online to what you actually receive.

3. Consumers feel less confident– most of the consumers are still not confident in providing their credit card numbers for making payments on the website while shopping on the Internet.

4. Purchase to Delivery: The consumer will have to wait for delivery of physical goods after the purchase.

5. Not for everyone:– some of the people with lack of technology can't use the E-commerce applications.

6. Lack of After-Sales Support:-

After-sales support is a service that is provided after merchandise or services have been sold. Most after-sales support involves a guarantee, warranty, upgrade or repair service. customers find it hard to access after sales support.

7.Many Goods Cannot Be Purchased Online: Goods like which are destroy quickly like food items and vegetables can't purchase online.

8. Legal issues: - Many legal problems are still involved in E-commerce. There is no govt frame work and regulations for many online businesses.

Technical Limitations of E-COMMERCE

The technical limitations of E-Commerce are as follows:

• There is a lack of s security, reliability, standards and communication protocols.

• There is insufficient telecommunication bandwidth.

• The software e development tools are still evolving and changing rapidly.

• It is difficult to integrate the Internet and E-Commerce software with some existing applications and databases.

• Vendors may need special Web servers and other infrastructures in addition to the network servers.

• Some E-Commerce software might not fit with some hardware or may be incompatible with some operating systems or other components.

E-Commerce - Advantages:
E-Commerce advantages can be broadly classified in three major categories –

- Advantages to Organizations
- Advantages to Consumers
- Advantages to Society

Advantages to Organizations

- Using e-commerce, organizations can expand their market to national and international markets with minimum capital investment. An organization can easily locate more customers, best suppliers, and suitable business partners across the globe.

- E-commerce helps organizations to reduce the cost to create process, distribute, retrieve and manage the paper based information by digitizing the information.

- E-commerce improves the brand image of the company.

- E-commerce helps organization to provide better customer services.

- E-commerce helps to simplify the business processes and makes them faster and efficient.

- E-commerce reduces the paper work.

- E-commerce increases the productivity of organizations. It supports "pull" type supply management. In "pull" type supply management, a business process starts when a request comes from a customer and it uses just-in-time manufacturing way.

Advantages to Customers

- It provides 24x7 support. Customers can enquire about a product or service and place orders anytime, anywhere from any location.

- E-commerce application provides users with more options and quicker delivery of products.

- E-commerce application provides users with more options to compare and select the cheaper and better options.

- A customer can put review comments about a product and can see what others are buying, or see the review comments of other customers before making a final purchase.

- E-commerce provides options of virtual auctions.

- It provides readily available information. A customer can see the relevant detailed information within seconds, rather than waiting for days or weeks.

- E-Commerce increases the competition among organizations and as a result, organizations provides substantial discounts to customers.

Advantages to Society

- Customers need not travel to shop a product, thus less traffic on road and low air pollution.

- E-commerce helps in reducing the cost of products, so less affluent people can also afford the products.

- E-commerce has enabled rural areas to access services and products, which are otherwise not available to them.

- E-commerce helps the government to deliver public services such as healthcare, education, social services at a reduced cost and in an improved manner.

EXPLAIN E-COMMERCE APPLICATIONS: O R
Explain briefly applications of E-Commerce:

Ans: Globally E-Commerce is applied in the following fields.
1. E Marketing
2. E-Advertising
3. E-Banking
4. Mobile Commerce
5. E-Learning
6. E-Shopping
7. Online training
8. Search Engines
9. Entertainment

1) E-MARKETING : E-Marketing also known as Internet marketing, Online marketing, Web marketing. It is the marketing of products or services over the internet.

It is consider to be broad in scope because not refers to marketing on the internet but also done in Email and wireless media.

E-Marketing ties together the creative and technical aspects of the internet, including design development, advertising and sales.

Internet marketing is associated with several business models ie., B2C, B2B, C2C.

Internet marketing is inexpensive when examine the ratio of cost to the reach of the target.

2) E-ADVERTISING: It is also known as online advertising it is a form of promotion that uses internet and world wide web to deliver marketing messages to attracts customers. Example: Banner ads, Social network advertising, online classified advertising etc.,

The growth of these particular media attracts the attention of advertisers as a more productive source to bring in consumers.

An online advertisement also offers various forms of animation.

The term online advertisement comprises all sorts of banner advertisement, email advertising, in game advertising and key soon.

3) E-BANKING OR INTERNET BANKING:

Means any user with a personal computer and browser can get connected to his banks, website to perform any of the banking functions. In internet banking system the bank has a centralized data base i.e., web-enabled.

Best example for E-Banking is ATM.

An ATM is an electronic fund transfer terminal capable of handling cash deposits, transfer between ALCS, Balance enquiries, cash withdrawals, and pay bills.

SERVICES THROUGH E-BANKING:

- Bill payment service.
- Fund Transfer
- Investing through internet Banking
- Shopping

Customers should never share personal information's like pin nos., passwords, etc., with any one.
Through internet banking, you can check your transactions at any time of the day, and as many times as you want.

4) MOBILE-COMMERCE: Mobile Commerce also known as M-Commerce, is the ability to conduct, commerce as a mobile device, such as mobile phone.

SERVICES ARE:
1. Mobile ticketing
2. Mobile Vouchers, Coupons and
3. Mobile contract purchase and delivery mainly consumes of the sale of ring tones, wallpapers and games of mobile phones.
4. Local base services Local discount offers Local weather
5. Information services

News

Sports, Scores

6. MOBILE BANKING: Banks and other financial institutions used mobile commerce to allow their customers to assess account information and make transactions, such as purchasing, withdrawals etc.,

7. MOBILE BROWSING: Using a mobile browser- A www browser on mobile device customers can shop online without having to be at their personal computer.

5) E-LEARNING: E-Learning comprises all forms of electronically supported learning and teaching.

E-Learning is essentially the computer and network-enabled transfer of skills and knowledge. E-Learning applications and processes include web-based learning, computer-based learning.

Content is delivered via. The internet, intranet/extranet, audio, or video tape, satellite TV, and ED-ROM.

Computer-Based Learning, sometimes abbreviated to CBL, refers to the use of computers as a key component of the education environment.

E-Learning is naturally suited to distance and flexible learning, but can also be used conjunction with face-to-face teaching.

E-Learning can also refer to the educational website such as those offering learning scenarios worst and interactive exercises for children.

Communication technologies are used in E-Learning.

A learning management system (LMS) is software used for delivering, tracking, and managing training /education.

6) ONLINE SHOPPING:-

Online shopping is the process where by consumer directly buy goods or services from a sell in real time, without an intermediary services over the internet .it is a form of E-commerce

➡ An online shop, e-shop, e-store, internet shop web shop, web store, online store, or virtual shop evokes the physical analogy of buying products or services in a shopping center.

➡ The process is called business-to-consumer (B2C) online shopping. When a business buys from another business it is called business-to-business (B2B) online shopping.

➡ In order to shop online, one must be able to have access to a computer, a bank account and debit card.

➡ Online shopping widened the target audience to men and women of the middle class.

➡ Online shoppers commonly use credit card to make payments , however some systems enable users to create accounts and pay by alternative means ,such as

1. Billing to mobile phones and landline.
2. Cheque.
3. Debit cards.
4. Gift cards
5. Postal money order.

➡ Online stores are usually available 24 hours a day, and many consumers have internet access both at work and at home.

➡ Online stores must describe products for sale with text, phones, and multimedia files .

- One advantage of shopping online is being able to quickly seek out deals for items or services with many different vendors.
- Another major advantage for retailers is the ability to rapidly switch suppliers and vendors without disrupting users shopping experience.

7) SEARCH ENGINE:-

A web search engine is designed to search for information on the WWW and FTP servers.
- The search results are generally presented in list of result and are often called hits.
- The information may consist of web pages, images, information, and other types of files. ➡ Some search engines also mine data available in database or open directories.
- Search engines work by storing information about many web pages, which they retrieve from the HTML it self.
- When a user enters a query into a search engine (typically by using keywords), the engine examines its index and provides a listing of best matching according to its criteria.
- Most search engines support the use of Boolean operator AND, OR, and NOT.
- Some search engines, such as GOOGLE, store all or part of the source page as well as information about the web pages.

8) ONLINE TRADING:-

An online trading community provides participants with a structured method for trading bantering (exchanging goods with goods) or selling goods and services.
- These communities often have forums and chat rooms, designed to facilitate communication between the members.
- A formal trading community consists of a website or network of websites that facilitates and track made transactions.
- While trading any used items online, be sure to include the condition and quality of the product so as the receiver can determine its overall value.
- A trading circle is a form of online trading design to facilitate viewing of television series and episode media.

9) ENTERTAINMENT:-

The conventional media that have been used for entertainment are
1. Books/magazines.
2. Radio.
3. Television/films.
4. Video games.

The internet as an entertainment media is not a elastic by itself, but rather a unique interactions of all of the above media.
- Computer based systems have been used as an entertainment medium in the form of video games , CD , ROMs , etc..
- Online books /newspapers, online radio, online television, online firms, and online games are common place in internet where we can entertain.
- Online social networking websites are one of the biggest sources of E-entertainment for today's tech-savvy (who have knowledge interest in) generation.

Main Activities of Ecommerce:
Types of E-commerce Activities
E-commerce activities Under the e-commerce umbrella there exist a variety of activities.
These include:
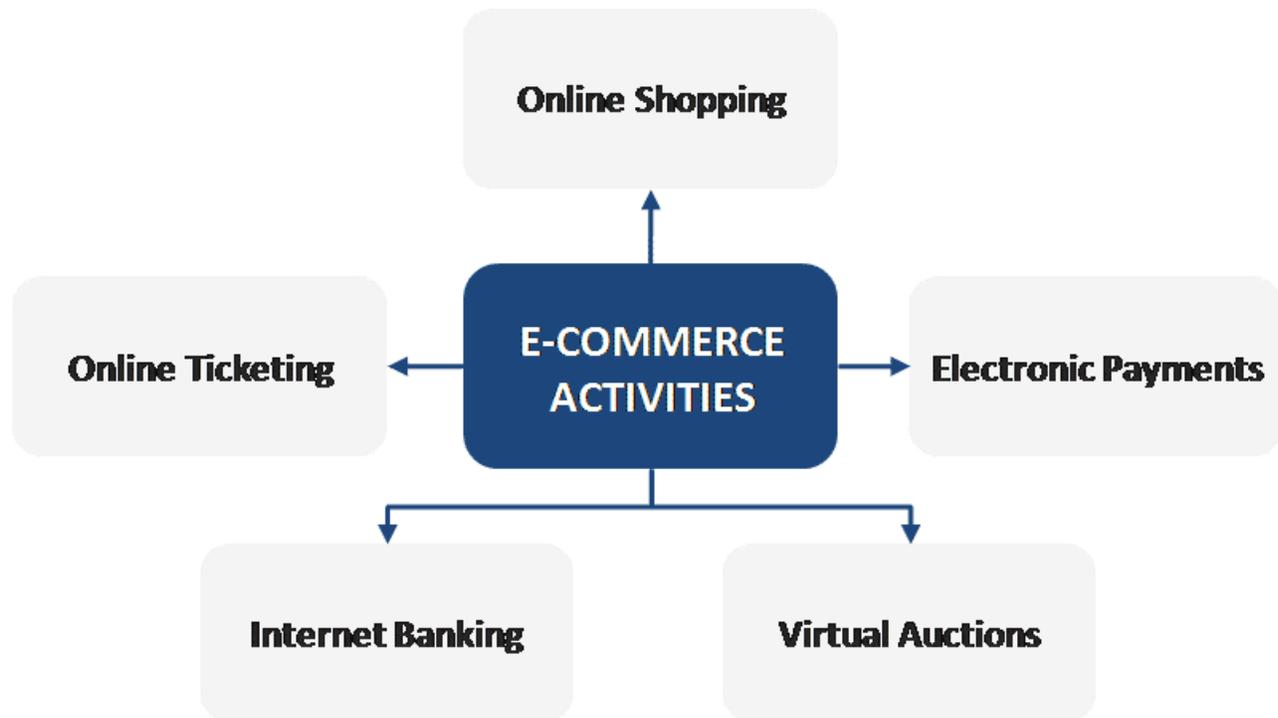
Online Shopping: A prevalent example of e-commerce is shopping via the internet. Virtual stores are created online, often boasting more variety of choices than are available at physical stores. There are also stores that exist only online, and benefit from the lack of investment into physical infrastructure. You can use Shopify or Shopify alternatives to launch your ecommerce business. And you should read our Shopify vs Amazon FBA guide.

Electronic Payments: Payment systems for utility bills, phone, cable and internet bills, as well as online shopping are an important aspect of e-commerce. Here, security needs to be ensured regarding credit card and personal information.

Virtual Auctions: One version of e-commerce is the online auction popularized by eBay. These websites offer customers the benefit of selling to others at the best possible price.

Internet Banking: E-commerce has allowed many people to forego frequent visits to the bank and instead perform their regular banking activities online via secure banking services.

Online Ticketing: Ticketing for almost all types of activities is now done online. This include travel ticketing such as air travel, bus and trains, as well as tickets for entertainment and sports events. This allows people to avoid queues and just go on the day of the event.

Scope of E-Commerce

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

It takes place between companies, between companies and their customers or between companies and public administrations.
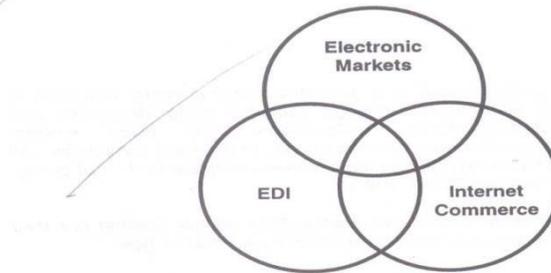

Fig. 1.1 The three categories of e-Commerce.

Electronic Markets:-

- It increases the efficiency of the market

- It reduces the search cost for the buyer & makes it more likely that buyer will continue the search until the best buy is found

- It exist in commodity, financial markets & they are also used in airline booking system

- It is irregular transaction trade cycle.

Electronic Data Interchange:-

- It provides a standardized system for coding trade transactions so that they can be communicated from one computer to another without the need for printed orders and invoices & delays & errors in paper handling.
- It is used by organizations that make a large no. of regular transactions.
- **e.g**. EDI is used in the large supermarket chains for transactions with their suppliers.

Internet Commerce:-

- Information and communications technologies can be used to advertise & make sales of wide range of goods & services.
- This application is both for business to business & business to consumer transactions.
- **e.g.** The purchase of goods that are then delivered by post or the booking of tickets that can be picked up by the clients

APPLICATIONS OF E-COMMERCE

Following are some of the widely used e-commerce applications.

Internet Bookshops

It is one of the first applications of e-commerce on Internet. Books as an item of merchandize have the following significant advantages for the online retailers:

• Books can be described well on the Internet. Moreover, it is not an item, which is required to be checked physically.

• Normally, the books have nominal prices and not too much risk is involved in the online payments.

• Books are small items and can be delivered in the customer's letterbox. The customer does not need to be at home.

Ex:

Amazon.com is an example of Internet bookshops. The large online bookstores need a sophisticated website, both to attract and retain the attention of their customers. The facilities of the online bookshop may include:

• A large database of books. The details available for display include a picture of the cover, description of the book including page numbers, price of the book and reviews of other customers also if possible.

• The book can be searched with the help of search engines. The search can be made on the author's name, title of the book or the subject etc.

• There may be software on the site, that may record the interest of the particular customer and can inform the customer on the new arrivals on that subject.

Some large online bookshop sites are:

• www.amazon.com
• www.barnsandnoble.com
• www.bol.com
• www.bookshop.blackwell.co.uk

Grocery Supplies

One who goes to purchase items from the supermarket must be aware of some of the similar problems as described below.

• The customer has to plan to go to the supermarket at the scheduled time of opening of the supermarket.

• The car park may be overcrowded.

• The supermarket may also have a big crowd.

• You have to pick the items and wait for your turn for billing.

• You have to unload the items on the checkout, reload into bags, load again into the car, take to the home and unload again from the car.

All these problems may be resolved with the help of online supermarket.

- The online supermarket is set up to meet the needs of those who cannot get to the supermarket or those who do not want to go.
- The online supermarket is similar to any other online shop. The customer has to log-on on the site and select the groceries that are required.
- The staff pick the goods,pack and dispatch them.

Some of the sites for grocery supplies are as follows:

• www.peapod.com

• www.homestore.com

• www.sainsbury.co.uk

• www.tesco.net

Electronic Newspapers

One of the hot areas on the Internet is the electronic newspaper. Electronic newspaper has advantages over both, the printed newspapers and the broadcast news on radio and televisions.

In comparison to printed newspaper, the e-newspaper can give up-to-date news similar to broadcast news. Further, the browser could be set to select the news of interest of the reader and to leave out the rest.

This is not possible with the broadcast news. Despite the said advantages, the electronic newspapers are not being very popular due to the following reasons:

• Radio and television news are often consumed while people are doing other things like eating their foods or driving a car.

• Printed newspapers may be read on the train or in the park and then may be shared with someone else.

• The printed newspapers give the reader the chance to be selective (the selection depends on the moods and time of the reader).

There are a number of online newspapers and most of them are web versions of existing newspapers. For example:

Ex: www.timesofindia.com

Internet Banking

• The customers can check their account balances at any time.

• The customer can obtain statements regarding any specific debit or credit that has gone through.

• Credit transfers so that bill can be paid online.

• Maintenance of standing orders and direct debits.

• The major service that is not provided is cash in and cash out. To get the money, the customer has to go to the bank or ATMs.

Some sites related to Internet banking are as follows:

• www.rbs.co.uk

• www.smile.co.uk

Electronic Auctions

- Auctions have been a well-established market mechanism for trading items at a market negotiated price, based upon demand and supply.
- The Internet has added a new dimension by creating an online mechanism for implementing the auction process.
- Traditional auctions had limited participation of people who turned up at the place of auction. Today, the same auction mechanisms can be implemented using e-commerce technologies, allowing people connected through the Internet to bid.
- Electronic auctions potentially encourage greater participation as Internet users can connect to a webhosting an auction and bid for an item.
- **Ex:**www.wbay.com , www.auctionindia.com

Typical functions of an e-commerce system

These are the typical functions of an e-commerce system available both on back office and front office::

- Registration
- Basket
- Payment
- Product management
- Orders management
- VAT and shipping costs

Registration

- In order to make a purchase, users must register with the site, providing all the information needed for shipping and billing.
- The data will be stored on a database and will be available from the back office.

Basket

The basket is a tool that, like a shopping basket, allows users to select the products they want and then go to the checkout for payment. **Managing the basket means:**

- summarising user requests within the possibilities offered by the catalogue
- checking the basket and possibly cancel/modify the items placed in it
- starting the payment process for the selected products

Payment

- The payment system is a mechanism that facilitates dialogue between the parties involved in financial transactions: the bank, the store and you with your credit card.
- After filling in the order, the customer enters his/her credit card number that travels along a channel solely accessible to the bank. The bank checks the customer's account and decides whether or not to authorise the payment.
- The operation takes a few moments. If approved, the bank performs the transaction and transfers the payment to the account. If denied the user is notified that the transaction cannot be completed and his order is cancelled.

Product management

- This is the main part of the e-commerce system and provides all the features required for product placement, order fulfilment, etc.., key to the management of online sales.
- In detail the features in the system are:

Product management: this makes it possible to define a product via a set of standard fields:

- product code
- category
- subcategory
- product name
- description
- image, zoom
- sizes available
- price in euros

o 'pieces' in stock

The products can be searched by category and subcategory. The back-office feature that allows you to associate related products to further stimulate online sales is very useful.

Order management: the order is the card that summarises all the delivery and order information to enable correct delivery. It includes:

- o list of products purchased
- o user information
- o details of place of delivery
- o delivery time information
- o payment information
- Managing the order means crossing the information on the registration database, the data in the basket, the delivery information and verification data relating to the payment credit rating.
- All this information is summarised in a form identified by a number or reference code (order number).

Listing orders and customer details

From the back office of the site you can search and sort orders by:

- customer
- order status
- date
- payment

Orders may be printed for attachment to the shipment (packing list).

VAT and shipping costs
In addition to the cost of products purchased, the system manages the VAT and the shipping charges.
The e-commerce module is able to manage VAT rates in countries within and outside the EU.
Shipping costs both fixed and variable based on the weight and volume of the shipment.

Discounts
Discounts and promotions are managed for a single product or product category.

This second phase of the site requires a detailed analysis of your current storage and order management systems with which it will be necessary to integrate.

PROSPECTS of ECOMMERCE :

- There are some essential factors which will significantly contribute to the boom of e-commerce industry in India i.e.
- Legal requirement of generating invoices for online transactions, multiple payment option, replacement guarantee, quick service, the product quality and dedicated 24/7 customer care centre should be there.
- E-commerce also provides various types of opportunities for retailers, wholesalers/distributors, producers and also people

A. Services for Producers :
- Producers can take advantage of ecommerce by linking themselves with online, by giving better information about their product to the other links in the business chain and by having brand identity.
- Producers can sell their goods directly to the consumers and retailers .
- Providers has easy potential for communication and they can no longer rely on the customer to be forced to communicate with them by sending leaflets or through advertisements.

B. Services for whole Distributer:

- Wholesalers can take advantage of ecommerce who is capable of establishing contractors with reputed producers and linking their business with the on-line.
- Ecommerce decreases the cost of creating, processing, distributing, storing and retrieving information by digitizing the process .

C. Services for People:

- People can buy with a click of mouse button without moving out of their house or office, online services such as banking , ticketing including airlines ,bus, railways, hotel booking etc have been tremendous benefit for the customers.
- E-commerce allows consumers to interact in electronic communities and to exchange ideas and compare experiences.

D. Services for Retailers:

- Retailer can save his existence by linking his business with the on-line distribution .
- They can make available much additional information about various things to the consumers, meet electronic orders and be in touch with the consumers all the time.
- Retailer put the information of their product on such web site which is heavily visited by user like yahoo.com etc .
- When their product advertisement is seen by many people, more customers will get attracted and thus merchant can get more orders.