

# Concept and role of e-commerce

[Business](#), [E-Commerce](#)



Commerce may be defined as the transaction between the business enterprises. Business, on the other hand, is defined as 'a commercial enterprise as a going concern'. In doing the business certainly one has to have contact with other. Previously for doing business one has to travel through a long distance and carry money in this pocket all the time ready which always be a risk for the carrier.

It took a long time to mature even a single transaction for example if a manufacturer want to sell his produce, he need to sell it to whole seller first this is also with the help of middle man then the whole seller will sell the same product the different retails and the consumer will buy the product this chain will add some more middle man if the distance between producer and consumer is more.

This process is very time consuming and also add some margin in cost at every stage which ultimately increase the price of the product and will put and extra burden on the pocket of the consumer or buyer. To fasten the above process and to reduce add in value in the cost of product or to reduce the burden on the pocket of consumer producer only need to use one miracle word that is " e".

Here e stands for electronic where ever we prefix this word the speeds will automatically increases with many fold then the traditional methods adopted and on the other hand the cost of supply or the price of product will decrease many fold as compare to before. For last few years many business that experiences the Placing " e" in front of any process or function of their

business seemed to be the magic prescription for never ending story of success and rapid returns for enterprises.

Internet, for example is becoming one of the most popular medium in transmitting various data. Users can find any kind of information within a shorter time compared with conventional method that consumes more time. Here again we assume a situation where for booking any ticketing for all kind of travel, bill payment, hotel bookings etc. one need to stand in a long queue to get his work done for himself but now this can be done at home and within few minutes only.

E-commerce is also known as click business where one uses all the technology of click operation to do a business. Click business as sounds very easy is not only include click operation it also include all those technologies with allow the click workable on internet which include, domain address, server, Web Site, HTML, Electronic Data Interchange, XML, Protocols etc. It is a profitable way to conduct business which goes beyond the simple brick business.

Click business can result in fast transactions, wide market coverage along with the bundle of benefits such as speed, convenience, cost effective, timeliness, high profit margins, instant customer relations, no loss of customers and many more. A concern can do everything it can to run its business efficiently and profitably. Therefore E-commerce is buying and selling goods and services over the Internet.

E- Commerce is part of e-business. E-business is a structure that includes not only those transactions that centre on buying and selling goods and services to generate revenue, but also those transactions that support revenue generation. These activities include generating demand for goods and services, offering sales support and customer service, or facilitating communications between business partners.

By the help of the flexibility offered by computer networks and the availability of the Internet, E- commerce develops on traditional commerce. E-commerce creates new opportunities for performing profitable activities online. It promotes easier cooperation between different groups: businesses sharing information to improve customer relations; companies working together to design and build new products/services; or multinational company sharing information for a major marketing campaign. The followings are the business uses of the Internet.

These services and capabilities are a core part of a successful e-commerce program. They are either part of a value chain or are included as supporting activities: Buying and selling products and services? Providing customer service ?

Communicating within organizations? Collaborating with others? Gathering information (on competitors and so forth)? Providing seller support? Publishing and distributing information ? Providing software update and patches Airline and travel tickets, banking services, books, clothing, computer hardware, software, and other electronics, flowers and gifts are some popular products and services that can be purchased online.

Several successful e-businesses have established their business models around selling these products and services. E-commerce has the potential to generate revenue and reduce costs for businesses and entities. Marketing, retailers, banks, insurance, government, training, online publishing, travel industries are some of the main recipients of e-commerce. For instance, banks use the Web for diverse business practices and customer service.

### **MAJOR TRENDS IN E-COMMERCE BUSINESS**

Retail consumer E-commerce continues to grow up at double-digit rates. The online demographics of shoppers continue to broaden. Online website continues to reinforce profitability by refining their business models and leveraging the capabilities of the Internet. The first wave of E-Commerce transformed the business world of books, music, and air travel.

In the second wave, eight new industries are facing a similar transformation: telephones, movies, television, jewelry, real estate, hotels, bill payments, and software. The breadth of E-Commerce offerings grow ups, especially each and every one in travel, information clearinghouses, entertainment, retail apparel, appliances, and home furnishings.

Each and every one business and entrepreneurs continue to flood into the E-Commerce marketplace, often riding on the infrastructure craft by industry giants such as Amazon, eBay, and Overture. Brand extension each and every one the way through the Internet grow ups as large firms such as Sears, J. C. Penney, L. L. Bean, and Wal-Mart pursue integrated, multi-channel bricks-and-clicks strategies.

B2B supply chain transactions and collaborative commerce continue to reinforce and grow up beyond the \$1.5 trillion mark.

**TECHNOLOGY:** Wireless Internet connections (Wi-Fi, Max, and 3G telephone) grew up rapidly. Podcasting takes off as a new media format for distribution of radio and user-generated commentary. The Internet broadband foundation becomes stronger in households and businesses. Bandwidth prices of telecommunications companies re-capitalize their debts.

RSS (Real Simple Syndication) grows up to become a major new form of user-controlled information distribution that rivals e-mail in some applications. Computing and networking component prices continue to fall dramatically. New Internet-based models of computing such as .NET and Web services expand B2B opportunities.

### **SOCIETY**

Self-publishing (user-generated content) and syndication in the form of blogs, wikis and social network grow up to form an entirely new self-publishing forum. Newspapers and other conventional, customary & traditional media adopt online, interactive models. Conflicts over copyright management and control grow up in significance.

Over half the Internet user population (about 80 million adults) joins a social group on the Internet. Taxation of Internet sales becomes more widespread and accepted by large online merchants. Controversy over content regulation and controls amplifies and rises. Surveillance of Internet communications grows up in significance. Concerns over commercial and governmental privacy invasion grow up.

Internet fraud and abuse occurrences amplify and rise. First Amendment rights of free speech and association on the Internet are challenged. Spam grows up despite new laws and promised technology fixes. Invasion of personal privacy on the Web expands as marketers discover and locate new ways to track users.