



An overview of Electronic Commerce

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Abstract

The global economy is gradually changing through the use of web technology where all businesses are transformed into online-based operations. The rate of technological change is so exponential that modern internet commerce is now causing substantial changes to the economic environment by affecting all industries. The Web has broadened the scope of businesses where a large amount of business information is made accessible by the worldwide network that supports the exchange of data between businesses, corporations, their clients, and their many divisions that helps to grow the business tremendously. Information-based virtual value chains cannot be ignored operationally or strategically by any business. This article examined the various facets of internet commerce, including its significance, facilitators, benefits, problems, and scope.

Keywords: electronic device, online payment system, online business, marketing, goods and services.

Received 18 August, 2022; Revised 31 August, 2022; Accepted 02 September, 2022 © The author(s) 2022. Published with open access at www.questjournals.org

I. Introduction:

E-commerce (electronic commerce) is the purchase and sale of goods and services, or the transmission of payments or data, over an electronic network, primarily the Internet. E-commerce has been conducted globally for running businesses with the help of technology. Globalization and information technology (IT) impact the approach in which firms conduct business activities. Nearly all businesses that have invested heavily in IT infrastructure to support future expansion have also installed and integrated the IT system. Concerns about e-commerce (EC) as a means to conduct business-related transactions are growing gradually and have been a top goal for numerous businesses. With the help of e-commerce, companies will link "Just in Time manufacturing" and "Just in Time" with their trading partners which help to enhance their global strategic capabilities. E-commerce, or electronic commerce, refers to the exchange of data, services, and products, as well as online payments, utilizing the Internet, telephone lines, and other electronic networks, to boost corporate efficiency. From a business process management standpoint, e-commerce is important since it utilizes technology to automate corporate transactions and workflows. From the viewpoint of a service perspective, E-commerce is a means of reducing service costs, boosting product efficiency, and accelerating the delivery of services, consequently satisfying the desires of industry, customers, and management. From the viewpoint of an online perspective, E-commerce, or electronic commerce, refers to the buying and selling of products and services over the Internet and other digital networks. The fast expansion of the Internet and the widespread adoption of network technologies has made the electronic industry a significant component of the modern economy. Today, large business operations are conducted online where people can buy and sell the product directly and the transactions can be made through online processes. For example, XYZ company used to sell their products from the shop to local customers but later on that company uses the source of internet and sold the products through different social media to all over the world which increases company efficiency and productivity more than the counter sell.

This article presents an overview of E-commerce, focusing mostly on its concept and the reasons for its significance in the current market. In addition, the various sorts of E-commerce fields and their facilitators have been described. Also, various benefits of e-commerce will be described in the following sections.

1.2 E-commerce and Its Importance:

In the expanding global economy, E-commerce has become an increasingly crucial component of business strategy and a powerful driver of economic growth. Through increased competition, cost savings, and changes in the pricing behavior of sellers, the continuous growth of e-commerce could apply a downward force on inflation. E-commerce has got various importance that helps in raising the productivity and capacity of various businesses. Some basic importance is described below:

1. **E-commerce helps in reducing costs:** There is no need of showing all of your products in a physical space to start an online business. However, some internet stores simply display their whole stock on their websites. It means saving money without paying the bills of rent, electricity, water, and human resources. And in case you want customers to visit the place, you can have one, but it doesn't have to be as big as everything you sell. With the help of the above process, costs will be minimized.
2. **E-commerce enables businesses to expand internationally:** An e-commerce website gives you the ability to reach a wider audience that is constrained by geography. Your products and services will be available to customers from all over the world, no matter where they are or what time zone they are in. Furthermore, this removes any tango barriers related to geography and language and they'll be able to buy from all over the world with your multilingual e-commerce. The world is your area now, where you can do business online and go in flow with e-commerce and mobile commerce. People from all over the world can buy your goods and services, even if they live in a different part of the world. As a result, if you want to expand your online business globally, you need to begin by developing your online store and translating it into several languages.
3. **E-commerce helps in expanding and branding the business:** Expanding your business, attracting new clients, and increasing revenue is all possible outcomes of setting up an online store. Taking your company from a typical brick-and-mortar store to an inventive, well-loved one is a perfect fit for this strategy. When it comes to e-commerce, there is no need to have many locations, simply a single online store that allows you to reach all of your clients. For both B2C and B2B organizations, e-commerce may be a great way to increase brand exposure in the marketplace. This helps in making the market in overall areas of the world and the customers will know about the business because of which the business will get the brand tag.
4. **E-commerce provides an area for marketing opportunities:** An e-commerce website is the most efficient piece of marketing material that you could ever have for explaining the products and services globally. Online tools such as social media marketing, email marketing, search engine marketing, pay-per-click ads, and SEO help you develop links and contacts that can be very helpful. This type of online media helps in bringing opportunities in marketing fields.
5. **E-commerce helps to give 24 hours' service facility:** E-commerce stores are open 24 hours a day, seven days a week as the business is conducted online. This is one of the main advantages of e-commerce where e-commerce sellers can take advantage of selling the products 24 hours all over the world without watching the time. Not only to the sellers it is also advantageous for customers, who can acquire goods and services anytime they like, whether it will be the time of day or night.

1.3 E-commerce business types:

In the given figure E-commerce has been classified into six types which have been shown in the figure and described below:



1. **Business to Consumer (B2C):** A company that sells a product or service directly to end users is said to be operating under a business model known as business-to-consumer, or B2C for short. Amazon and Walmart are both well-known examples of B2C corporations, as are other businesses in which individual consumers serve as the end-users of the products or services provided by the company.

2. **Business to Business(B2B):**In business-to-business (B2B) transactions, one company sells a collection of goods or services to another company. In most cases, there is a section or group inside the organization that makes use of the vendor's goods and services. On occasion, a solitary user on the purchaser side will complete a transaction in aid of the company's overall business objectives.

3. **Consumer to Consumer (C2C):** C2C, which stands for "customer to customer" or "consumer to consumer," is an approach to doing business that streamlines the process of consumers transacting with one another in the purchase and sale of goods and services. The business model known as a consumer-to-consumer makes it possible for private individuals to engage in commercial transactions with one another. The purpose of a C2C is to facilitate the formation of these kinds of partnerships by assisting buyers and sellers in locating one another. Customers have the opportunity to benefit from product rivalry and identify products that might be difficult to seek in other contexts more quickly.

4. **Consumer to business (C2B):** C2B stands for "consumer-to-business," which refers to the sort of business model in which the client supplies a service or product to the company. This model is the opposite of the more typical B2C model, in which a company provides a service to its customers by selling those products its own consumers.

5. **Business to Administration (B2A):** All transactions that take place between private businesses and public administrations or government agencies are referred to as "business-to-administration" (B2A), which is also abbreviated as "business-to-government" (B2G). Information can be traded and exchanged across different commercial groups and government bodies through the usage of centralized websites.

6. **Consumer to Administration (C2A):**The C2A model describes actions in e-commerce that take place between private citizens and the government. These transactions are often payments for expenditures associated with public administration, such as those associated with social security, taxes, or healthcare services. This model facilitates the consumer's ability to post questions and information requests concerning the public sector directly to the local governments and authorities in their area.

1.4 E-commerce benefits to consumers and sellers:

E-commerce has been very impressive in the recent period for the overall business sector as well as to the customer in various ways. The rapid growth of e-commerce has provided a lot of benefits to sellers as well as to customers in the business sector for buying and selling goods and services.

Some benefits of e-commerce for the seller are mentioned below:

- It contributes to the generating of revenue.
- Costs associated with both operation and maintenance are cut down greatly by this feature.
- Purchase and procurement expenditures are cut down, which results in cost savings overall.
- It is beneficial to both the loyalty and retention of existing customers.
- A considerable reduction in the amount of money spent on the shipping of the goods.
- Enhanced and further development of the relationship between the customer and the provider.
- The products or services which take a long period to sell will be reduced and will be easily sold out.
- Improves the relationship with both internal and external environments.
- It helps any organization to promote its brand and maintain a positive image.

Some benefits of e-commerce for the consumer are mentioned below:

- Members of stock exchanges have more favorable trading rates.
- Enhanced flexibility, where purchases can be made at any time of day or night without having direct personal contact with the company.
- Customers can buy or sell any product at any anytime through use online which helps them save valuable time in that process.
- By clicking on the button, the user can search data on several pages, conveniently accessing information, and doing so in a continuous manner provides the client better access.
- The convenience of a customer being able to make purchases and conduct business while sitting in the familiar surroundings of their own home or other personal sectors.
- If the operation of the company is undesirable, it is not difficult to switch to other companies that serve as customers.
- Before making a final purchase decision, a customer will provide feedback on a product to find out what other people buy or to read the review comments left by other customers.
- Customers are given the ability to search for product information, compare pricing and benefits, and, finally, determine whether or not the item is truly worth the money.

1.5 Challenges related to E-commerce:

- Electronic commerce (E-commerce) has also faced many problems, just like other technologies. Most of these problems are faced by both buyers and sellers who do business on the Internet with the use of various social media. Some of those problems which are occurred during the use of e-commerce are described below:

- The market for electronic commerce is not expanding at the same rate as private and public corporations. Collaboration from the public and private sectors is essential for the expansion of the electronic commerce industry. People gain the credibility they need to succeed in electronic commerce through the combined efforts of others.

- There is no protection or reliability for the system, nor there are any unique needs or communication protocols. If an e-commerce website is hacked, the consumer will lose all the funds that were in their account. Cyber security is the most common issue that affects websites that facilitate online commerce.

- In developed countries, there is a tradition of purchasing items by bargaining prices with the suppliers, which makes it difficult to do e-commerce in developing countries due to the lack of facilities in the networks and poor technology.

- One of the most difficult problems to solve is bringing down the cost of internet access. The authorities are making an effort to keep the costs of bandwidth in control. However, because of the high expenses of network distribution and maintenance, the internet does not continue to be cheap.

- The legal description, consent, and authorization are necessities for modern transaction procedures, new instrument development, and the introduction of new service providers. For instance, it is essential to explain what an electronic signature is and the role that a handwritten signature plays in the context of the document. Because of the lack of proper technology in developing countries, it could be more difficult.

Except for the above challenges, the developing countries are also facing the other challenges which are mentioned below:

- Poor education systems and ideas.
- Diverse culture and tradition.
- Poor online marketing foundation.
- Lack of proper advertising and promotion.
- Political instability.
- In comparison to the regular market, prices for goods and services are significantly higher.
- There is less internet coverage.
- There is a lack of coordination in the country's communication.
- There are less trustworthy businesses and enterprises.
- Buyer and vendor cannot meet in person which builds a lack of trust.

1.6 E-Commerce Potential in The Modern Market:

Nowadays, the e-commerce market trend has spread its wings and may be found in many different forms. Hyper localization, the incorporation of artificial intelligence, and the provision of even intangible goods and services like GST compliance and short-term loans are just a few examples of how today's e-commerce sector has expanded beyond its original remit. With the advent of technology developing at light's speed, the future perception of the market is on the approach of a total change. The Internet of Things, artificial intelligence (AI), data analytics (DA), logistics (logistics), personalization (personalization), and the hyperlocal space (hyperlocal space) are all contributing to the next generation of e-commerce trends. E-commerce will play an advanced role in the upcoming modern market where the business market will be advanced to the internet and sell their products through different upcoming technologies.

1.7 Conclusion:

In conclusion, e-commerce will grow to become a major industry in its electronic business in the next decades. The transaction business has benefited greatly from the revolution in electronic commerce due to the rapid opening of new markets and the crossing of boundaries. It had a significant impact on the established global market system and prepared the way for significant social progress. Despite the benefits to buyers and sellers, traditional businesses struggle to compete in the face of e-commerce because e-commerce decreases the operating cost of e-commerce as compared to traditional businesses. When compared to developed nations, emerging nations present several obstacles that hinder the efficient operation of e-commerce. If the cost of the Internet will decrease in the future, it helps e-commerce to go to the top and bring down many traditional businesses. Among the various benefits of e-commerce, online shopping is the main business that saves the time and effort of the customers because shoppers and customers both can place orders through the internet and websites by sitting in their physical location. A company's e-commerce seamless operation and different payment options should be mandatory for every consumer, and it should also give more functions that can be

accessed online. On the other hand, there are numerous obstacles that e-commerce businesses must overcome as they grow for increasing their efficiency and productivity.

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