

Growing Importance of E-Commerce in Global Market

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Abstract

We can define e-commerce simply as doing business electronically. In this world of new technology businesses need to accommodate to the new types of consumer needs because it is very important for business success. E-commerce enables organization to improve their competitiveness. It crosses geographic boundaries, save time and cost. There are many positive impact of e-commerce on many areas and disciplines of business management studies such as marketing, finance, accounting, production and operation management. In our paper we have explained about e-commerce and its different types. We have also explained the future growth and limitations of e-commerce.

Keywords: Transactional Processing System, Management Reporting System, Decision Support System and Executive Support System.

1. Introduction

E-commerce is a subset of e-business and we can define e-commerce as buying and selling of goods and services over the internet. In e-commerce the focus is on digitally enabled commercial transactions among organizations and individual. E-commerce includes exchange of value (it is must) because without an exchange of value, no commerce occurs. [1]

Seven unique features of e-commerce are:

- i. It is available just about everywhere and all the time.
- ii. E-commerce crosses national boundaries.
- iii. Only one standard i.e. internet standards are followed.
- iv. Costs are reduced and quality is raised.
- v. Personalization of marketing messages.
- vi. The consumers are also involved as co-participants.
- vii. Technology permits modification of messages and goods.

2. Growth of E-Commerce

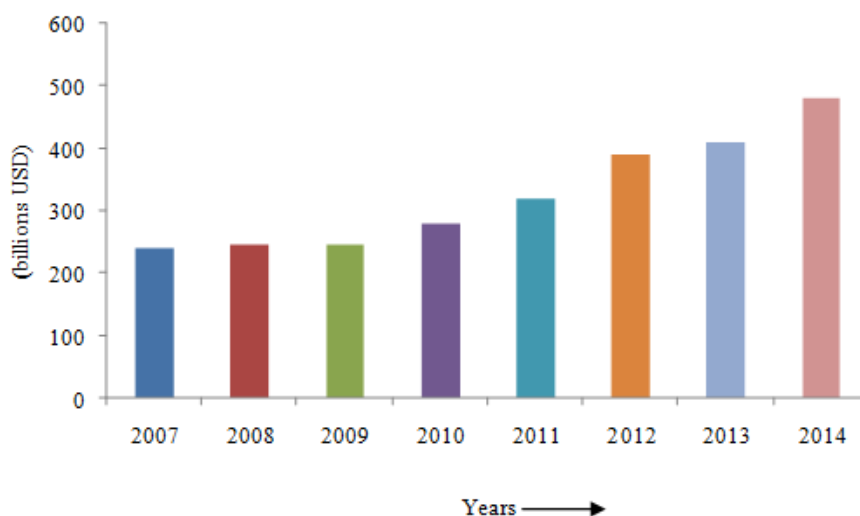


Figure 1. Represent the growth of e-commerce [2]

3. Different Types of E-Commerce

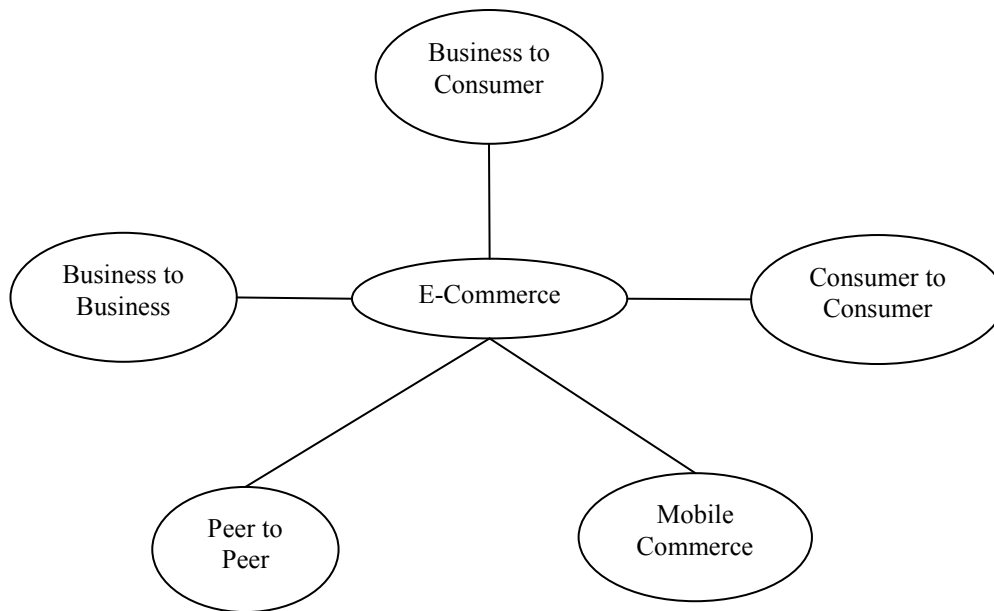
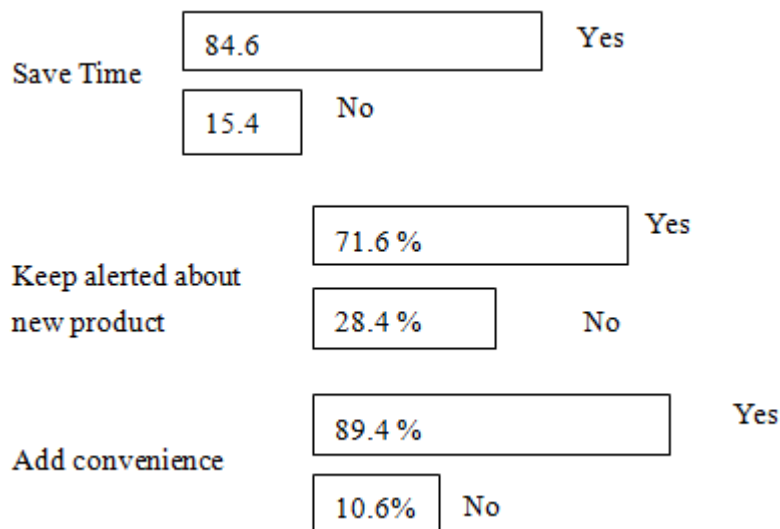


Figure 2. Represent different types of E-commerce

3.1 Business-to-Business (B2B)

This type of e-commerce shows electronic transaction between businesses. The B2B e-commerce increases the speed and decrease production cost by eliminating manual activities. Some of the major vendors of e-commerce and B2B solutions are Oracle, SAP, Baan, Vertical net, Vignette etc. [3] [4]

Some of the B2B E-Commerce advantages are (2012):



3.2 Business-to-Consumer (B2C)

We can define business to consumer e-commerce as exchange of products, information or services between business and consumer in a retailing relationship. B2C is the indirect trade between the company and consumers. It provides direct selling through online. B2C supply chains normally deals with business that are related to the customer. [3] [4]

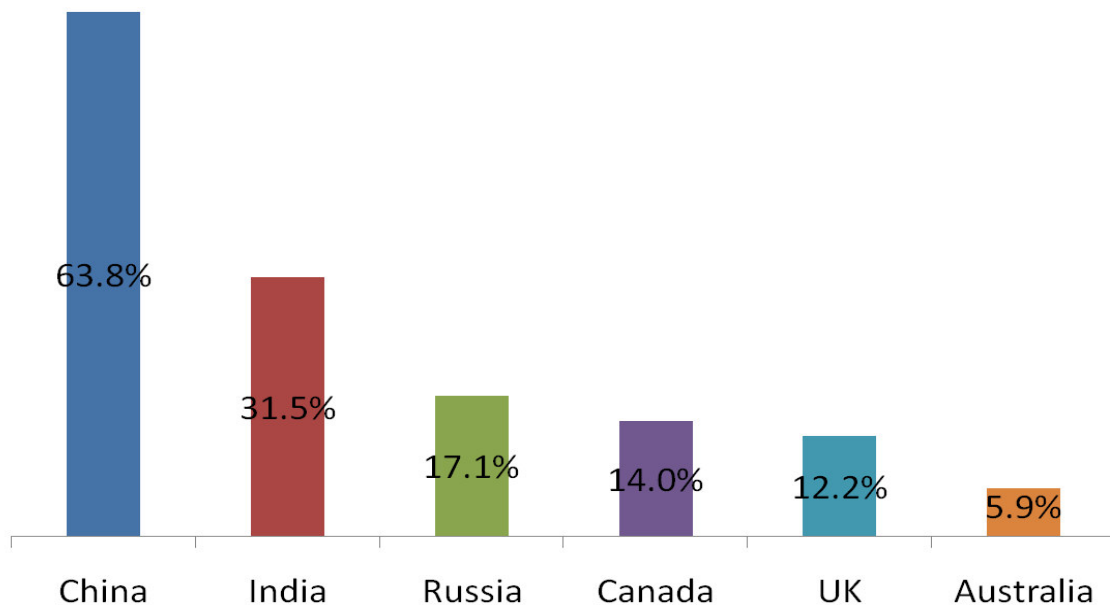


Figure 3. Forecasted B2C e-commerce rates growth in selected countries [5]

3.3 Consumer-to-Consumer (C2C)

In C2C e-commerce the online dealing of goods or services held among people. Eg. Quicker.com, E-bay, OLX etc. The main advantages of C2C e-commerce are

- Consumer prepares the product of market
- Places the product for sale
- Products can be easily displayed and discovered by other consumer. [3] [4]

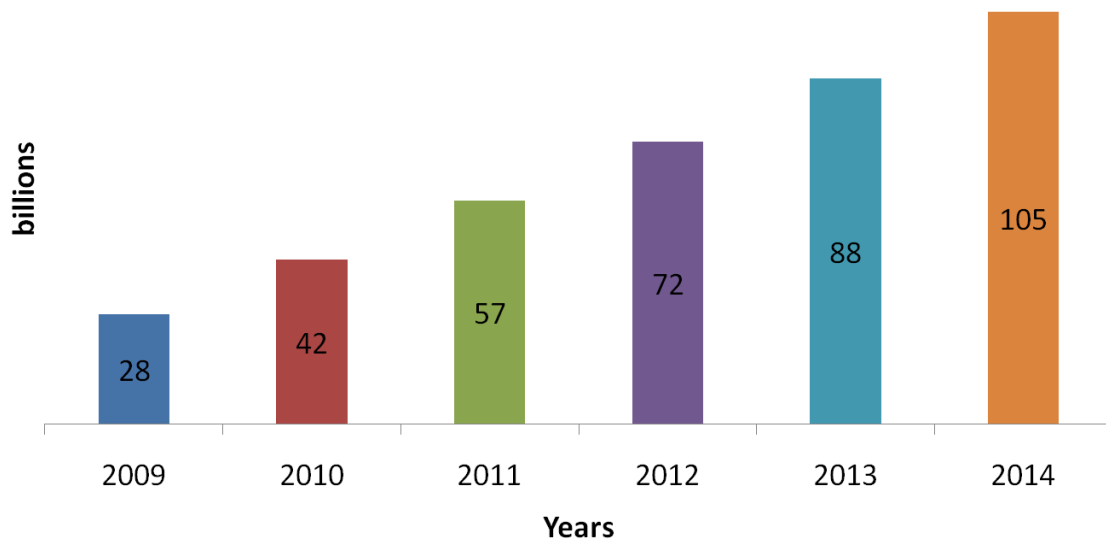


Figure 4. Represent C2C e-commerce growth

3.4 Peer to Peer

In peer to peer e-commerce no intermediary is required i.e. users can share their files and computer resources directly without going through central web server. This kind of e-commerce has very low revenue propagation. [3] [4]

3.5 Mobile Commerce

In mobile commerce the transactions are done with the help of mobile and once connected the consumers can

conduct stock trades, in store price comparison, banking, travel reservations etc. Some of the M-Commerce services are:

- Mobile display advertising
- Games and entertainments i.e. downloading games, video films, TV shows etc. [3] [4]

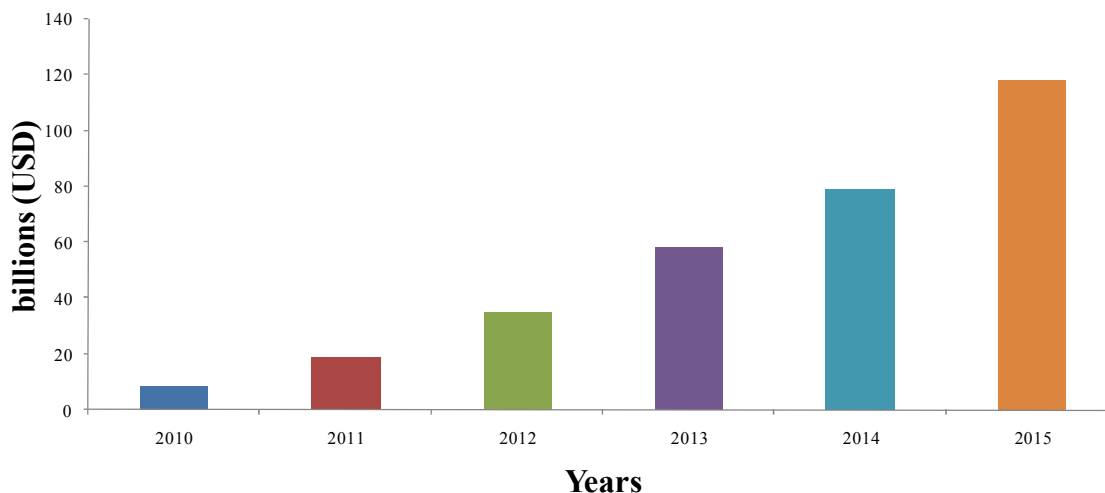


Figure 5. Represent Forecast: Mobile commerce revenues

4. Limitations of E-Commerce

With all the benefits there are certain limitations of e-commerce which are listed below: [6]

- i. Lack of security, reliability and communication protocols.
- ii. Increase in competition and rapidly changing technology.
- iii. Cost of computing equipment and access to internet.
- iv. Numerous cyber crimes can be penetrated
- v. Technical knowledge is must for participating in e-commerce and that will create social divisions between people.

5. Conclusion

Internet and the World Wide Web are two of the most important technologies behind e-commerce and there are various benefits of e-commerce to consumers such as 24/7 access, more choices of products price comparison, and improved delivery process. Thus e-commerce provides the infrastructure and environment that enables and facilitates e-business. There are five main types of e-commerce which we have explained in our paper they are B2B, B2C, and C2C, peer to peer and mobile commerce. We can say that e-commerce will become primarily business driven with a view to producing solid returns and profits and include the growth of regulatory activity worldwide.

6. References

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