



International Journal of Engineering, Business and Enterprise Applications (IJEBA)

www.iasir.net

E-Commerce or Internet Marketing: A Review

Anmol Ahuja

Student, Delhi University, New Delhi

Abstract: This paper gives a review of different types of e-commerce. They are described in details. Different relationships between commerce sides are subjected here and the categorizing is done. Also the top motivators for the e-commerce in India are identified.

Keywords: E-commerce, E-marketing, Internet

I. INTRODUCTION

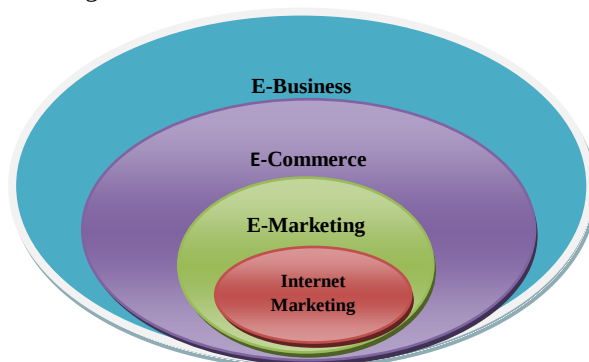
E-commerce is the use of Internet to perform business. Electronic commerce (e-commerce) is a range of online business activities for goods and services. It takes the form of e-business when electronic commercial transactions between organizations and individuals involving information systems under the control of the firm are focused. It also pertains to "any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact. Nowadays, 'e' is gaining momentum and the majority of the stuff if not all is getting digitally enabled. Consequently, it becomes extremely vital to evidently draw the line between various types of commerce integrated with the 'e' factor. Based on the type of association between different sides of commerce, it can be categorized in different types. In this paper, all the categories of e-commerce are studied.

II. IS E-COMMERCE THE SAME AS E-BUSINESS?

The terms e-commerce and e-business are used interchangeably, but they are distinctive concepts. In e-commerce, information and communications technology (ICT) is used in inter-business or inter-organizational transactions (transactions between and among firms/organizations) and in business-to-consumer transactions (transactions between firms/organizations and individuals). In e-business, on the other hand, ICT is used to enhance one's business. It includes any process that a business organization conducts over a computer-mediated network. A more comprehensive definition of e-business is "The transformation of an organization's processes to deliver additional customer value through the application of technologies, philosophies and computing paradigm of the new economy."

III. E-MARKETING

Electronic Marketing (E-Marketing) is a recent business practice which is concerned with the marketing of goods, services, information and ideas through the Internet. Smith and Chaffey defines it as: "Achieving marketing objectives through applying digital technologies" (Smith and Chaffey, 2005: 11), Strauss and Frost define it as: "The use of electronic data and applications for planning and executing the conception, distribution and pricing of ideas, goods and services to create exchanges that satisfy individual and organizational goals" (Strauss and Frost, 2001: 454). On the other hand, the review of the relevant literature revealed that one of the main obstacles in the literature is the unclear way of dealing with the concept and definition of E-Marketing. In this respect most of the researchers misused the term E-Marketing; the majority of researchers are using the terms: E-Marketing / Internet-marketing / E-commerce / E-business as equivalents or a deferent wording for the same meaning, which is incorrect because they are deferent. For example, E-Marketing has a broader scope than internet marketing since Internet Marketing (IM) refers only to the Internet, World Wide Web, e-mails. While E-Marketing includes all of that plus all other E-Marketing tools like: Intranets, Extranets and mobile phones. In contrast with that, E-commerce and E-business have a wider and broader scope than E-Marketing. These differences can be illustrated in figure 1.



Differences between Internet-marketing, E-Marketing, E-commerce and E-Business

From the author's point of view implementing Electronic marketing (E-Marketing) by small business enterprise can change both the shape and nature of SBEs business all over the world. Because the increase usage of the Internet and other electronic marketing tools (i.e.: Intranets, Extranets and mobile phones) in electronic transactions might

IV. WHAT ARE THE DIFFERENT TYPES OF E-COMMERCE?

The major different types of e-commerce are

- Business-to-business (B2B)
- Business to-consumer (B2C)
- Business-to-government (B2G)
- Consumer-to-consumer (C2C)
- Consumer-to-business(C2B)
- Mobile commerce (m-commerce)

A. B2B E-COMMERCE

In a Business-to-Business E-commerce environment, companies sell their online goods to other companies without being engaged in sales to consumers. In most B2B E-commerce environments entering the web shop will require a log in. B2B web shop usually contains customer-specific pricing, customer-specific assortments and customer-specific discounts. The volume of B2B (Business-to-Business) transactions is much higher than the volume of B2C transactions. The primary reason for this is that in a typical supply chain there will be many B2B transactions involving sub components or raw materials, and only one B2C transaction, specifically sale of the finished product to the end customer.

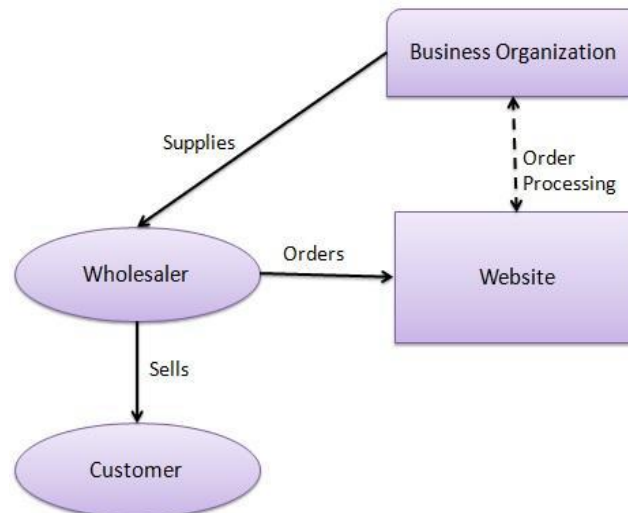


Figure 1

About 80% of e-commerce is of this type. Experts predict that B2B ecommerce will go on with to grow faster than the B2C segment. The B2B market has two primary components: e-frastructure and e-markets. Efrastructure is the architecture of B2B, primarily consisting of the following:

- Logistics - transportation, warehousing and distribution (e.g., Procter and Gamble);
- Application service providers - deployment, hosting and management of packaged software from a central facility (e.g., Oracle and Link share);
- Outsourcing of functions in the process of e-commerce, such as Web-hosting, Security and customer care solutions (e.g., outsourcing providers such as e-share, Net Sales, iXL Enterprises and Universal Access);
- Auction solutions software for the operation and maintenance of real-time auctions in the Internet (e.g., Moai Technologies and Open Site Technologies);
- Content management software for the facilitation of Web site content management and delivery ; and
- Web-based commerce enablers (e.g., Commerce One, a browser-based, XML enabled purchasing automation software).

An example of a traditional B2B market is automobile manufacturing. A vehicle's components are generally manufactured by different companies, and the auto manufacturer purchases these parts independently. The tires, hoses, batteries and electronics may be manufactured by separate companies, and then are sold directly to the automobile manufacturer. The products themselves do not end up in the hands of consumers, though often, the

end product of the purchasing business does. Because so many small transactions result in one large business-to-consumer sale, B2B companies tend to be high volume.

B. B2C E-COMMERCE

In a Business-to-Consumer E-commerce environment, companies sell their online goods to consumers who are the end users of their products or services. Usually, B2C E-commerce web shops have an open access for any visitor, meaning that there is no need for a person to login in order to make any product related inquiry.

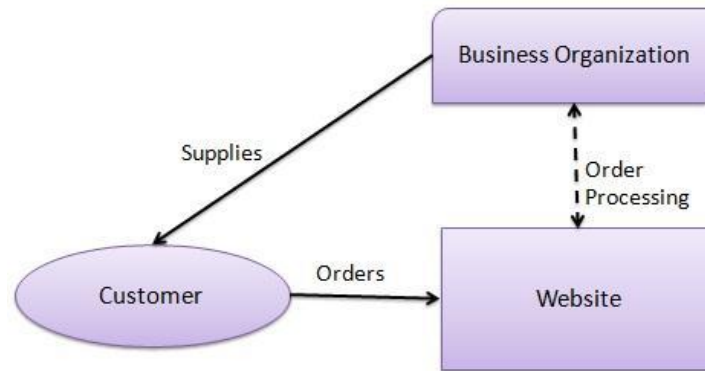


Figure 2

Business-to-consumer e-commerce, or commerce between companies and consumers, involves customers gathering information; purchasing physical goods (i.e., tangibles such as books or consumer products) or information goods (or goods of electronic material or digitized content, such as software, or e-books); and, for information goods, receiving products over an electronic network. B2C e-commerce reduces transactions costs (particularly search costs) by increasing consumer access to information and allowing consumers to find the most competitive price for a product or service. B2C e-commerce also reduces market entry barriers since the cost of putting up and maintaining a Web site is much cheaper. In the case of information goods, B2C e-commerce is even more attractive because it saves firms from factoring in the additional cost of a physical distribution network. Moreover, for countries with a growing and robust Internet population, delivering information goods becomes increasingly feasible.

An example of a B2C transaction would be a person buying a pair of shoes from a retailer. The transactions that led to the shoes being available for purchase, which is the purchase of the leather, laces, rubber, etc. However, the sale of the shoe from the shoemaker to the retailer would be considered a (B2B) transaction. While the term e-commerce refers to all online transactions, B2C stands for "business-to-consumer" and applies to any business or organization that sells its products or services to consumers over the Internet for its own use. When most people think of B2C e-commerce, they think of Amazon, the online bookseller that launched its site in 1995 and quickly took on the nation's major retailers. In addition to online retailers, B2C has grown to include services such as online banking, travel services, online auctions, health information and real estate sites.

C. B2G E-COMMERCE

Business-to-government e-commerce or B2G is generally defined as commerce between companies and the public sector. It refers to the use of the Internet for public procurement, licensing procedures, and other government-related operations. Business-to-government (B2G) is a derivative of B2B marketing and often referred to as a market definition of "public sector marketing" which encompasses marketing products and services to various government levels - including federal, state and local - through integrated marketing communications techniques such as strategic public relations, branding, marcom, advertising, and web-based communications.

This kind of e-commerce has two features: first, the public sector assumes a pilot/leading role in establishing e-commerce; and second, it is assumed that the public sector has the greatest need for making its procurement system more effective. Web-based purchasing policies increase the transparency of the procurement process (and reduce the risk of irregularities). To date, however, the size of the B2G ecommerce market, as a component of total e-commerce is insignificant, as government, E-procurement systems remain undeveloped.

D. C2C E-COMMERCE

In a Consumer-to-Consumer E-commerce environment consumers sell their online goods to other consumers. A well-known example is eBay.

Consumer-to-consumer e-commerce or C2C is simply commerce between private individuals or consumers. This type of e-commerce is characterized by the growth of electronic marketplaces and online auctions, particularly in vertical industries where firms/businesses can bid for what they want from among multiple suppliers.¹⁶ It perhaps has the greatest potential for developing new markets.

E. C2B E-COMMERCE

The transactions involve reverse auctions, which empower the consumer to drive transactions. A concrete example of this when competing airlines gives a traveler best travel and ticket offers in response to the traveler's post that she wants to fly from New York to San Francisco. There is little information on the relative size of global C2C e-commerce. However, C2C figures of popular C2C sites such as eBay and Napster indicate that this market is quite large. These sites produce millions of dollars in sales every day.

F. M-COMMERCE

M-commerce (mobile commerce) is the buying and selling of goods and services through wireless technology- i.e. handheld devices such as cellular telephones and personal digital assistants (PDAs). Japan is seen as a global leader in m-commerce. As content delivery over wireless devices becomes faster, more secure, and scalable, some believe that m-commerce will surpass wire line e-commerce as the method of choice for digital commerce transactions. This may well be true for the Asia-Pacific where there are more mobile phone users than there are Internet users. Industries affected by m-commerce include:

- Financial services, including mobile banking (when customers use their handheld devices to access their accounts and pay their bills), as well as brokerage services (in which stock quotes can be displayed and trading conducted from the same handheld device);
- Telecommunications, in which service changes, bill payment and account reviews can all be conducted from the same handheld device;
- Service/retail, as consumers are given the ability to place and pay for orders on-the-fly; and
- Information services, which include the delivery of entertainment, financial news, sports figures and traffic updates to a single mobile device.

V. BENEFITS OF E-COMMERCE

1. Cost Effective

The entire financial transactions will eventually become electronic, so sooner conversion is going to be lower on cost. It makes every transaction through e-commerce payment a lot cheaper.

2. Higher Margin

E-commerce also enables us to move better with higher margin for more business safety. Higher margin also means business with more control as well as flexibility. You can also save time from the e-commerce.

3. Better Productivity

Productivity here means productivity for both companies and customers. People like to find answers online because it is faster and cheaper, and it costs a lot cheaper expense as well for the company.

4. Quick Comparison

E-commerce also enables you to compare price among several providers. In the end, it leads you to smart shopping. People can save more money while they shop.

5. Economy Benefit

E-commerce allows us to make transaction without any needs on stores, infrastructure investment, and other common things we find. Companies only need well built website and customer service.

VI. THE DISADVANTAGES

1. Security

Customers need to be confident and trust the provider of payment method. Sometimes, we can be tricked. Examine on integrity and reputation of the web stores before you decide to buy.

2. Scalability of System

A company definitely needs a well developed website to support numbers of customers at a time. If your web destination is not well enough, you better forget it.

3. Integrity on Data and System

Customers need secure access all the time. In addition to it, protection to data is also essential. Unless the transaction can provide it, we should refuse for e-commerce.

4. Products People

People who prefer and focus on product will not buy online. They will want to feel, try, and sit on their new couch and bed.

5. Customer Service and Relation Problem

They sometimes forget how essential to build loyal relationship with customers. Without loyalty from customers, they will not survive the business.

The disadvantages are not impossible to avoid. If we have enough management on risks, we may really get a lot more advantages from e-commerce. The advantages are surely teasing, and we will enjoy such easy transaction these days. Enjoy more your internet browsing and enjoy more your e-commerce activities!

VII. TOP MOTIVATORS FOR SHOPPING ONLINE

The top motivators for shopping online include cash back guarantee, cash on delivery, fast delivery, substantial discounts compared to retail, and access to branded products, while barriers include inability to touch and try products before purchase, fear of faulty products, apprehension of posting personal and financial details online and inability to bargain



IX. WHAT ARE THE EXISTING PRACTICES IN DEVELOPING COUNTRIES WITH RESPECT TO BUYING AND PAYING ONLINE?

In most developing countries, the payment schemes available for online transactions are the following:

A. Traditional Payment Methods

- **Cash-on-delivery.** Many online transactions only involve submitting purchase orders online. Payment is by cash upon the delivery of the physical goods.
- **Bank payments.** After ordering goods online, payment is made by depositing cash into the bank account of the company from which the goods were ordered. Delivery is likewise done the conventional way.

B. Electronic Payment Methods

Payment System	Description
Digital Credit Card Payment	Secure services for credit card payments On internet
Digital Wallet	Software Stores Credit Card And Other Information
Accumulated Balance Payment System	Accumulates Micropayment Purchases As Debit Balance To Be Paid Periodically
Stored Value Payment Systems Enables	Consumers To Make Instant Payments Based On Value Stored In Digital Account
Digital Cash	Digital Currency Used For Micropayments Or Larger Purchases
Peer-To-Peer Payment Systems	Sends Money Via Web To Persons Or Vendors Not Set Up To Accept Credit Card Payments
Digital Checking	Provides Electronic Check With Secure Digital Signature
Electronic Billing Presentment & Payment	Supports Electronic Payment For Online And Physical Store Purchases

X. FUTURE SCOPE

With the development of computer technology, the World Wide Web has become the connection medium for the networked world. Computers from locations that are geographically dispersed can talk with each other through the Internet. As with any new technology, there are positives and negatives associated with its use and Adoption. Finally, an e-marketplace can serve as an information agent that provides buyers and sellers with information on products and other participants in the market. E-commerce creates new opportunities for business; it also creates new opportunities for education and academics. It appears that there is tremendous potential for providing e-business education

However, rapidly changing technology is continually bringing new goods and services to the market accompanied by new strategies to sell them. Therefore, it may also conclude that new ethical issues related to

business will emerge. New ethical issues must be identified and immediate steps and actions should be taken. Initially, new Internet users would be reluctant to conduct any kind of business online, citing security reasons as their main concern. In order to increase consumer adoption of eservices, the sources of consumer confusion, apprehension and risk need to be identified, understood and alleviated. E-commerce provides tremendous opportunities in different areas but it requires careful application for consumer protection issues. Growth of e-commerce would also depend to a great extent on effective IT security systems for which necessary technological and legal provisions need to be put in place and strengthened constantly.

REFERENCES

- [1]. Wikipedia, article available at: <http://en.wikipedia.org/wiki/Business-to-business>
- [2]. Wikipedia, article available at: <http://en.wikipedia.org/wiki/Business-to-consumer>
- [3]. Wikipedia, article available at: <http://en.wikipedia.org/wiki/Business-to-employee>
- [4]. Wikipedia, article available at: <http://en.wikipedia.org/wiki/Business-to-government>
- [5]. Wikipedia, article available at: http://en.wikipedia.org/wiki/B2M_or_Business-to-Manager
- [6]. Wikipedia, article available at: <http://en.wikipedia.org/wiki/Consumer-to-business>
- [7]. Wikipedia, article available at: <http://en.wikipedia.org/wiki/Consumer-to-consumer>
- [8]. Wikipedia, article available at: <http://en.wikipedia.org/wiki/Government-to-business>
- [9]. Wikipedia, article available at: <http://en.wikipedia.org/wiki/Government-to-employees>
- [10]. Wikipedia, article available at: <http://en.wikipedia.org/wiki/Government-to-Government>
- [11]. ASSOCHAM Report on E- Commerce
- [12]. Andrew D. Mitchell(2001);Towards compability: The future of e-commerce within the global trading system; Journal of International Economic law; 2001; pp.683-723
- [13]. Z. daniell Wigder and M. Bahl, "Trends in India's eCommerce Market", Forrester Research, Inc., http://articles.economictimes.indiatimes.com/2013-02-13/news/37079231_1_mobile-users-net-access-feature-phones, (2012) August 13.
- [14]. SMITH, P. R. & CHAFFEY, D. (2005), E-Marketing excellence: at the heart of e-Business, Oxford, UK, Butterworth Heinemann.
- [15]. STRAUSS, J. & FROST, R. (2001), E-Marketing, NJ, USA, Prentice Hall.
- [16]. Andrew, J.P., Blackburn, A. and Sirkin, H.L. (2000) *The B2B Opportunity - Creating Advantage through e-Marketplaces*.The Boston Consulting Group Inc, Boston, MA.