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ORIGINAL ARTICLE

"E-COMMERCE – USE OF ITS COMMON APPLICATION– "ONLINE SHOPPING"

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Abstract:

Business models across the world also continue to change drastically with the advent of e-commerce and this change is not just restricted to USA. Other countries are also contributing to the growth of e-commerce. For example, the United Kingdom has the biggest e-commerce market in the world when measured by the amount spent per capita, even higher than the USA. The internet economy in UK is likely to grow by 10% between 2010 to 2015. This has led to changing dynamics for the advertising industry.

KEYWORDS:

E-Commerce , Online Shopping , advertising industry.

I)INTRODUCTION

Amongst emerging economies, China's e-commerce presence continues to expand. With 384 million internet users, China's online shopping sales rose to $36.6 billion in 2009 and one of the reasons behind the huge growth has been the improved trust level for shoppers. The Chinese retailers have been able to help consumers feel more comfortable shopping online. ecommerce is also expanding across the Middle East. Having recorded the world's fastest growth in internet usage between 2000 and 2009, the region is now home to more than 60 million internet users. Retail, travel and gaming are the region's top ecommerce segments, in spite of difficulties such as the lack of region-wide legal frameworks and logistical problems in cross-border transportation. E-Commerce has become an important tool for businesses worldwide not only to sell to customers but also to engage them.

II) OBJECTIVES OF THE PAPER:-

i)To Know about the concept and history of E-commerce
ii)To know about common application of E-Commerce
iii) To know about E-Shopping with its advantages and disadvantages.

III) METHODOLOGY:-

This paper has solicited the information from secondary data. It consists of reference books and journals and websites etc.

IV) CONCEPT AND EARLY DEVELOPMENT OF E-COMMERCE:-

Electronic Commerce was identified as the facilitation of commercial transactions electronically, using technology such as Electronic Data Interchange (EDI) and Electronic Funds Transfer (EFT). These were both introduced in the late 1970s, allowing businesses to send commercial documents like purchase orders or invoices electronically. The growth and acceptance of credit cards, automated teller machines

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(ATM) and telephone banking in the 1980s were also forms of electronic commerce. Another form of e-commerce was the airline reservation system typified by Sabre in the USA and Travicom in the UK. Beginning in the 1990s, electronic commerce would include enterprise resource planning systems (ERP), data mining and data warehousing.In 1990, Tim Berners-Lee invented the WorldWideWeb web browser and transformed an academic telecommunication network into a worldwide everyman everyday communication system called internet/www. Commercial enterprise on the Internet was strictly prohibited by NSF until 1995.Although the Internet became popular worldwide around 1994 with the adoption of Mosaic web browser, it took about five years to introduce security protocols (i.e. SSL encryption enabled on Netscape 1.0 Browser in late 1994) and DSL allowing continual connection to the Internet. By the end of 2000, many European and American business companies offered their services through the World Wide Web. Since then people began to associate a word "ecommerce" with the ability of purchasing various goods through the Internet using secure protocols and electronic payment services.

The timeline for e-commerce progression is shown below.

1979: Michael Aldrich invented online shopping
1981: Thomson Holidays, UK is first B2B online shopping[citation needed]
1982: Minitel was introduced nationwide in France by France Telecom and used for online ordering.
1984: Gateshead SIS/Tesco is first B2C online shopping and Mrs Snowball, 72, is the first online home shopper
1984: In April 1984, CompuServe launches the Electronic Mall in the USA and Canada. It is the first comprehensive electronic commerce service.
1985: Nissan UK sells cars and finance with credit checking to customers online from dealers' lots.[citation needed]
1987: Swreg begins to provide software and shareware authors means to sell their products online through an electronic Merchant account.[citation needed]
1990: Tim Berners-Lee writes the first web browser, WorldWideWeb, using a NeXT computer.[5]
1992: Terry Brownell launches first fully graphical, iconic navigated Bulletin board system online shopping using RoboBOARD/FX.
1994: Netscape releases the Navigator browser in October under the code name Mozilla. Pizza Hut offers online ordering on its Web page. The first online bank opens. Attempts to offer flower delivery and magazine subscriptions online. Adult materials also become commercially available, as do cars and bikes. Netscape 1.0 is introduced in late 1994 SSL encryption that made transactions secure.
1995: Thursday 27 April 1995, the purchase of a book by Paul Stanfield, Product Manager for CompuServe UK, from W H Smith's shop within CompuServe's UK Shopping Centre is the UK's first national online shopping service secure transaction. The shopping service at launch featured WH Smith, Tesco, Virgin/Our Price, Great Universal Stores/GUS, Interflora, Dixons Retail, Past Times, PC World (retailer) and Innovations.[6]
1995: Jeff Bezos launches Amazon.com and the first commercial-free 24 hour, internet-only radio stations, Radio HK and NetRadio start broadcasting. Dell and Cisco begin to aggressively use Internet for commercial transactions. eBay is founded by computer programmer Pierre Omidyar as AuctionWeb.
1996: IndiaMART B2B marketplace established in India.
1998: Electronic postal stamps can be purchased and downloaded for printing from the Web.
1998: Alibaba Group is established in China.
1999: Business.com sold for US $7.5 million to eCompanies, which was purchased in 1997 for US $149,000. The peer-to-peer filesharing software Napster launches. ATG Stores launches to sell decorative items for the home online.
2000: The dot-com bust.
2001: Alibaba.com achieved profitability in December 2001.
2002: eBay acquires PayPal for $1.5 billion. Niche retail companies Wayfair and NetShops are founded with the concept of selling products through several targeted domains, rather than a central portal.
2003: Amazon.com posts first yearly profit.
2004: DHgate.com, China's first online b2b transaction platform, is established, forcing other b2b sites to move away from the "yellow pages" model.
2005: Yuval Tal founds Payoneer - a secure online payment distribution solution
2007: Business.com acquired by R.H. Donnelley for $345 million.
2009: Zappos.com acquired by Amazon.com for $928 million. Retail
Convergence, operator of private sale website RueLaLa.com, acquired by GSI Commerce for $180 million, plus up to $170 million in earn-out payments based on performance through 2012.
2010: Groupon reportedly rejects a $6 billion offer from Google. Instead, the group buying websites went

ahead with an IPO on November4, 2011. It was the largest IPO since Google.
2011: Quidsi.com, parent company of Diapers.com, acquired by Amazon.com for $500 million in cash plus $45 million in debt and other obligations. GSI Commerce, a company specializing in creating, developing and running online shopping sites for brick and mortar businesses, acquired by eBay for $2.4 billion.
2012: US eCommerce and Online Retail sales projected to reach $226 billion, an increase of 12 percent over 2011.

DEFINITION

The buying and selling of products and services by businesses and consumers through an electronic medium, without using any paper documents. E-commerce is widely considered the buying and selling of products over the internet, but any transaction that is completed solely through electronic measures can be considered e-commerce. E-commerce is subdivided into three categories: business to business or B2B (Cisco), business to consumer or B2C (Amazon), and consumer to consumer or C2C (eBay). also called electronic commerce.

V] BUSINESS APPLICATION :-

Some common applications related to electronic commerce are the following:
Document automation in supply chain and logistics
Domestic and international payment systems
Enterprise content management
Group buying
Automated online assistants
Instant messaging
Newsgroups
Online shopping and order tracking
Online banking
Online office suites
Shopping cart software
Teleconferencing ,
Electronic tickets

VI] ONLINE SHOPPING : Its uses and procedure :-

Online shopping or online retailing is a form of electronic commerce whereby consumers directly buy goods or services from a seller over the Internet without an intermediary service. An online shop, eshop, e-store, Internet shop, webshop, webstore, online store, or virtual store evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or shopping centre. 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. The largest online retailing corporations are EBay and Amazon.com, both are US-base

Online customers must have access to a computer and a method of payment. In general, higher levels of education, income, and occupation of the head of the household correspond to more favorable perceptions of shopping online. Also, increased exposure to technology increases the probability of developing favorable attitudes towards new shopping channels. In a December 2011 study Equation Research found that 87% of tablet users made an online transaction with their tablet device during the early holiday hopping season Consumers find a product of interest by visiting the website of the retailer directly or by searching among alternative vendors using a shopping search engine. Once a particular product has been found on the web site of the seller, most online retailers use shopping cart software to allow the consumer to accumulate multiple items and to adjust quantities, like filling a physical shopping cart or basket in a conventional store. A "checkout" process follows (continuing the physical-store analogy) in which payment and delivery information is collected, if necessary. Some stores allow consumers to sign up for a permanent online account so that some or all of this information only needs to be entered once. The consumer often receives an e-mail confirmation once the transaction is complete. Less sophisticated stores may rely on consumers to phone or e-mail their orders (though credit card numbers are not accepted by e-mail, for security reasons)

Payment

Online shoppers commonly use a credit card to make payments, however some systems enable users to create accounts and pay by alternative means, such as:
Billing to mobile phones and landlines
Cash on delivery (C.O.D., offered by very few online stores)
Cheque/ Check
Debit card
Direct debit in some countries
Electronic money of various types
Gift cards
Postal money order
Wire transfer/delivery on payment

Some sites will not accept international credit cards, some require both the purchaser's billing address and shipping address to be in the same country in which site does its business, and still other sites allow customers from anywhere to send gifts anywhere. The financial part of a transaction might be processed in real time (for example, letting the consumer know their credit card was declined before they log off), or might be done later as part of the fulfillment process.

Product delivery

Once a payment has been accepted the goods or services can be delivered in the following ways.
Downloading: This is the method often used for digital media products such as software, music, movies, or images.
Drop shipping: The order is passed to the manufacturer or third-party distributor, who ships the item directly to the consumer, bypassing the retailer's physical location to save time, money, and space.
In-store pickup: The customer orders online, finds a local store using locator software and picks the product up at the closest store. This is the method often used in the bricks and clicks business model.
Printing out, provision of a code for, or emailing of such items as admission tickets and scrip (e.g., gift certificates and coupons). The tickets, codes, or coupons may be redeemed at the appropriate physical or online premises and their content reviewed to verify their eligility (e.g., assurances that the right of admission or use is redeemed at the correct time and place, for the correct dollar amount, and for the correct number of uses).
Shipping: The product is shipped to the customer's address or that of a customer-designated third party.
Will call, lCOBO (in Care Of Box Office), or "at the door" pickup: The patron picks up pre-purchased tickets for an event, such as a play, sporting event, or concert, either just before the event or in advance. With the onset of the Internet and e-commerce sites, which allow customers to buy tickets online, the popularity of this service has increased.

ADVANTAGES OF E-SHOPPING :-

a) Convenience :-

Online stores are usually available 24 hours a day, and many consumers have Internet access both at work and at home. Other establishments such as internet cafes and schools provide access as well. A visit to a conventional retail store requires travel and must take place during business hours.

In the event of a problem with the item it is not what the consumer ordered, or it is not what they expected—consumers are concerned with the ease with which they can return an item for the correct one or for a refund. Consumers may need to contact the retailer, visit the post office and pay return shipping, and then wait for a replacement or refund. Some online companies have more generous return policies to compensate for the traditional advantage of physical stores. For example, the online shoe retailer Zappos.com includes labels for free return shipping, and does not charge a restocking fee, even for returns which are not the result of merchant error. (Note: In the United Kingdom, online shops are prohibited from charging a restocking fee if the consumer cancels their order in accordance with the Consumer Protection (Distance Selling) Act 2000).[20]

b) Information and reviews :-

Online stores must describe products for sale with text, photos, and multimedia files, whereas in a physical retail store, the actual product and the manufacturer's packaging will be available for direct inspection (which might involve a test drive, fitting, or other experimentation).

Some online stores provide or link to supplemental product information, such as instructions, safety procedures, demonstrations, or manufacturer specifications. Some provide background information, advice, or how-to guides designed to help consumers decide which product to buy.

Some stores even allow customers to comment or rate their items. There are also dedicated review sites that host user reviews for different products. Reviews and now blogs gives customers the option of shopping cheaper organise purchases from all over the world without having to depend on local retailers.

In a conventional retail store, clerks are generally available to answer questions. Some online stores have real-time chat features, but most rely on e-mail or phone calls to handle customer questions.

c)Price and selection :-

One advantage of shopping online is being able to quickly seek out deals for items or services with many different vendors (though some local search engines do exist to help consumers locate products for sale in nearby stores). Search engines, online price comparison services and discovery shopping engines can be used to look up sellers of a particular product or service. Shipping costs (if applicable) reduce the price advantage of online merchandise, though depending on the jurisdiction, a lack of sales tax may compensate for this.

Shipping a small number of items, especially from another country, is much more expensive than making the larger shipments bricks-and-mortar retailers order. Some retailers (especially those selling small, high-value items like electronics) offer free shipping on sufficiently large orders.

Another major advantage for retailers is the ability to rapidly switch suppliers and vendors without disrupting users' shopping experience..

DISADVANTAGES OF E-SHOPPING :-

a) Fraud and security concerns :-

Given the lack of ability to inspect merchandise before purchase, consumers are at higher risk of fraud on the part of the merchant than in a physical store. Merchants also risk fraudulent purchases using stolen credit cards or fraudulent repudiation of the online purchase. With a warehouse instead of a retail storefront, merchants face less risk from physical theft. Phishing is another danger, where consumers are fooled into thinking they are dealing with a reputable retailer, when they have actually been manipulated into feeding private information to a system operated by a malicious party. Denial of service attacks are a minor risk for merchants, as are server and network outages.

b) Lack of full cost disclosure :-

The lack of full disclosure with regards to the total cost of purchase is one of the concerns of online shopping. While it may be easy to compare the base price of an item online, it may not be easy to see the total cost up front as additional fees such as shipping are often not be visible until the final step in the checkout process. The problem is especially evident with cross-border purchases, where the cost indicated at the final checkout screen may not include additional fees that must be paid upon delivery such as duties and brokerage. Some services such as the Canadian based Wishabi attempts to include estimates of these additional cost, but nevertheless, the lack of general full cost disclosure remains a concern.

c) Privacy :-

Privacy of personal information is a significant issue for some consumers. Different legal jurisdictions have different laws concerning consumer privacy, and different levels of enforcement. Many consumers wish to avoid spam and telemarketing which could result from supplying contact information to an online merchant. In response, many merchants promise not to use consumer information for these purposes, or provide a mechanism to opt-out of such contacts. Many websites keep track of consumers shopping habits in order to suggest items and other websites to view. Brick-and-mortar stores also collect consumer information. Some ask for address and phone number at checkout, though consumers may refuse to provide it. Many larger stores use the address information encoded on consumers' credit cards (often without their knowledge) to add them to a catalog mailing list. This information is obviously not accessible to the merchant when paying in cash.

d) Hands-on inspection :-

Typically, only simple pictures and or descriptions of the item are all a customer can rely on when shopping on online stores. If the customer does not have prior exposure to the item's handling qualities, they will not have a full understanding of the item they are buying. However, Written and Video Reviews are readily available from consumers who have purchased similar items in the past. These can be helpful for prospective customers, but these reviews can be sometimes subjective and based on personal preferences that may not reflect end-user satisfaction once the item has been received.

Because of this, many consumers have begun going to real-world stores to view a product, before purchasing online, which is sometimes called show-rooming (using the store as a showroom for the online merchant). Brick-and-mortar merchants have responded with various countermeasures. For example, Target has requested distributors give them equally low prices, or alternatively, exclusive products available at their store only

CONCLUSION :-

E-commerce is widely considered the buying and selling of products over the internet, but any transaction that is completed through electronic measures can be considered e-commerce. Online shopping or online retailing is a form of electronic commerce whereby consumers directly buy goods or services from a seller over the Internet without an intermediary service. An online shop, eshop, e-store, Internet shop, webshop, webstore, online store, or virtual store evokes the physical analogy of buying products. E-Commerce has become an important tool for businesses worldwide not only to sell to customers but also to engage them.

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