



Date: 16<sup>th</sup> Dec 2021

**LIVE COACHING CLASSES  
BOARD OF STUDIES(A), ICAI**

**CA INTERMEDIATE**

**TOPIC NAME: E-COMMERCE, M-COMMERCE AND  
EMERGING TECHNOLOGIES**

**PAPER 7A : ENTERPRISE INFORMATION SYSTEMS**

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# Introduction to E-Commerce

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# Definition

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**Sale/Purchase of goods/services through electronic mode is “E-Commerce”.** This could include use of technology in the form of Computers, Desktops, Mobile Applications etc.

E-Commerce is the process of doing business electronically.

In E-Commerce, the buyers and sellers interact electronically using telecommunications network rather than through physical contact or exchange.

It involves the automation of a variety of transaction such as Business to Business (B2B), Business to Consumer (B2C), Consumer To Consumer (C2C) and Consumer To Business (C2B) etc. through reliable and secure connections.



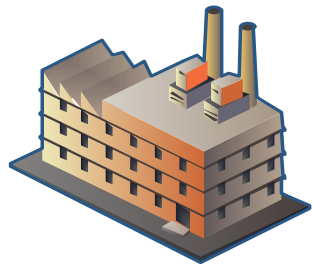
# Traditional Commerce and E-Commerce

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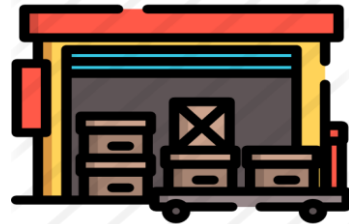


# Traditional Commerce

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Manufacturer



Whole Seller



Retailer



Customer



# E-Commerce

Order Placed by User



Shopping Cart



Payment Made



Order is Confirmed



Shipment Sent to Customer



Sent to Warehouse for Fulfillment



Email Sent to Merchant & Customer

Shipping Carries Picks Up Shipment



# Difference between Traditional Commerce and E-Commerce

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# Difference between Traditional Commerce & E-Commerce

Base for Comparison	Traditional Commerce	E-Commerce
<b>Definition</b>	Exchange of goods/services through personal interactions	Exchange of goods/services electronically Via Internet
<b>Location</b>	Should be easily accessible to Customers	Should be Visible & easy to find
<b>Size</b>	Influenced by Type of Items, Size of Items and Number of Customers	Also influenced by Products & Customers. Requires more bandwidth, processing power to manage heavy traffics.
<b>Marketing</b>	Physical Presence, One to Many Marketing	Need to invest more on Marketing, One to One Marketing
<b>Transaction Processing</b>	Manual	Electronic
<b>Availability</b>	Limited Availability	Can be accessed any time (24*7)
<b>Nature of Purchase</b>	Physical Inspection before Purchase	Can't be inspected before Purchase





Base for Comparison	Traditional Commerce	E-Commerce
Customer Interaction	Face to Face	Screen to Face
Business Scope	Limited to Particular Area	Worldwide Reach
Information Exchange	No Uniform Platform	Provides a Uniform Platform
Resource Focus	Supply Side	Demand Side
Payment	Cash, Cheque, Credit Card etc.	COD, Credit Cards, Payment Wallet, UPI
Delivery of Goods	Instant	Usually Takes Time but companies are coming up with One Day Delivery, Few Hours Delivery etc.
Fraud	Relatively Lesser	Relatively higher
Process	Manual in Nature, Chances of clerical errors are high.	Automated Processes, Minimizes clerical errors.
Profit Impact	Reduced Margins <ul style="list-style-type: none"><li>• Multiple Layers in Selling</li><li>• Access to Limited Customers</li><li>• Inventory &amp; Overhead Costs</li></ul>	Increased Margins <ul style="list-style-type: none"><li>• Eliminates Middlemen</li><li>• Lesser Operational Costs</li></ul>



# Assessment

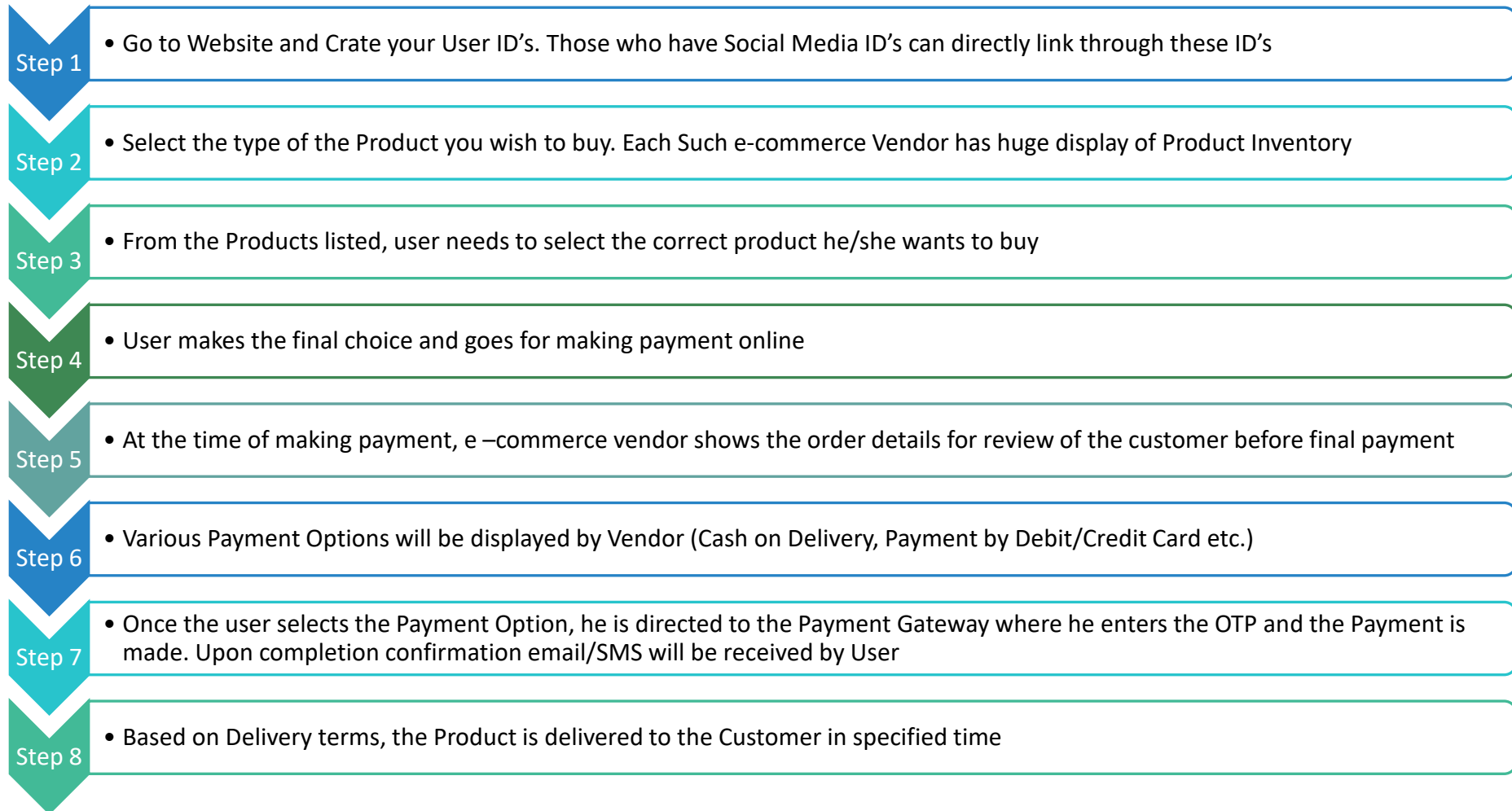
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1. Choose the Incorrect Statement from following statements on Traditional Commerce and E-Commerce
  - a. Traditional Commerce Works on Manual Processing and E-Commerce Works on Electronic Mode
  - b. Resource Focus of Traditional Commerce is on Demand Side where E-Commerce Focus on Supply Side
  - c. Traditional Commerce is limited to Particular Area Whereas e-Commerce has worldwide reach
  - d. Unlike Traditional Commerce, e-commerce provides a uniform platform for information exchange.



# Illustration of E-Commerce Transaction

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# Benefits of E-Business

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# Benefits of E-Business

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## Benefits to Customers



- Convenience
- Time Saving
- Various Options for Comparison
- Easy to Find Reviews
- Coupon and Deals
- Anytime Access



# Benefits of E-Business...Continued

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## Benefits to Business



- Increased Customer Base
- Recurring Payments Made Easy (Bill Payments)
- Instant Transaction
- Provides a Dynamic Market
- Reduction in Costs
- Efficiency Improvement
- Creation of New Markets
- Easier entry into New Markets
- Low Barriers to Entry
- Better Quality of Goods
- Elimination of Time Delays



# Benefits of E-Business....Continued

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## Benefits to Government



- Instrument to Fight Corruption
- Reduction in use of ecologically damaging materials





# Disadvantages of E-Business

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# Disadvantages of E-Business

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- Internet Connection
- High Start Up Costs
  - Connection
  - Hardware and Software
  - Set Up
  - Maintenance
- Legal Issues (Customers Info Leakage)
- Some Business Process may never lend themselves to E-Commerce (Jewellery, Perishable Foods)
- Cultural impediments to E-Business (Fear of Sharing Credit Card Information)
- Security Concerns (Fear of Malwares and Spywares on Internet)



# e-Marketing

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# Definition

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e-Marketing is the process of **marketing a product or service** using **the Internet**



# Various e-Market Models

e- Market Model	Description	Example
Portal	Gate Way or Entry Point to the Internet	<a href="https://in.yahoo.com/">https://in.yahoo.com/</a>
e- Shops/e- Tailers	A Single Company's Website, Direct Sales to Customers	<a href="https://www.mi.com/in/">https://www.mi.com/in/</a> , <a href="https://www.bata.in/">https://www.bata.in/</a>
e- Malls	Conglomeration of Different Shops <ul style="list-style-type: none"><li>• General Stores (www.amazon.in)</li><li>• Specialized Stores (www.99acres.com)</li></ul>	<a href="https://smallbusiness.yahoo.com/stores">https://smallbusiness.yahoo.com/stores</a>
e- Auctions	People Buy and Sell through an Auction	<a href="https://www.ebay.com/">https://www.ebay.com/</a>
Buyer Aggregators	Brings together the large number of Buyers	<a href="https://www.zomato.com/">https://www.zomato.com/</a> <a href="https://www.groupon.com/">https://www.groupon.com/</a>
Virtual Community	Community of Customers who share a common Interest and use the Internet to communicate	Facebook Groups, FB Marketplace



## Various E-Market Models...Continued

e- Procurement	Management of all Procurement activities Via Electronic Means	<a href="https://eprocure.gov.in/eprocure/app">https://eprocure.gov.in/eprocure/app</a>
e- Distribution	Supplies Products & Services directly to Individual Business. Helps the distributors to achieve efficiency savings by managing large volumes of customers, automating orders, tracking Orders & communicating with partners etc.	Amazon Kindle (e-Books)



# Assessment

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1. Mr. Jayesh sets up an online start-up which is like conglomeration of different shops situated in a convenient location of e-commerce where customers can buy apparels, footwear and fitness accessories. Identify from the following, which type of e-Market has he setup?
  - a. Buyer Aggregator
  - b. e-Mall
  - c. e-Shop
  - d. Portal









# E-Commerce Business Models

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# Business Models for E-Commerce

	 Business	 Consumer	 Government
 Business	<b>B2B</b>	<b>B2C</b>	<b>B2G</b>
 Consumer	<b>C2B</b>	<b>C2C</b>	<b>C2G</b>
 Government		<b>G2C</b>	



# Business Models for E-Commerce-Examples

	<b>Business to Consumer (B2C)</b>	<b>Business to Business (B2B)</b>	<b>Business to Government (B2G)</b>
<b>Definition</b>	Retailers selling products & services to Consumers	Commerce between Company and Its Suppliers/ Other Partners	Govt. to trade and exchange information with Various Business Orgs.
<b>Examples</b>			



# Business Models for E-Commerce...Continued

	Consumer to Consumer (C2C)	Consumer to Business (C2B)	Consumer to Government (C2G)	Government to Consumer (G2C)
Definition	Consumer Sells Directly to Other Consumer	Consumer Set Prices and Companies Bids to Offer Products/Services	Commerce transaction between Consumer and Government	Consumer to provide feedback/ask information about Govt Authority
Examples				



# E-Commerce Future

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# E-Commerce Future

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According to India Brand Equity Foundation, the Indian E-Commerce Industry has been on an upward growth trajectory and is expected to surpass the US to become the **second largest E-Commerce market** in the world by 2034. The E-Commerce market is expected to reach INR 13, 97,800 Crores (US \$ 200 Billion) by 2027 from INR 2,69,076.5 Crores (US \$ 38.5 Billion) in 2017, supported by raising income and surge in internet users.



# Assessment

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1. Sale/Purchase of goods/services through electronic mode is \_\_\_\_\_
  - a. M-Commerce
  - b. Online Commerce
  - c. Traditional Commerce
  - d. E-Commerce
  
2. Under E-Commerce, Customer Interaction is \_\_\_\_\_
  - a. Face to Face
  - b. Mobile to Face
  - c. Screen to Face
  - d. Screen to Screen



# Components of E-Commerce

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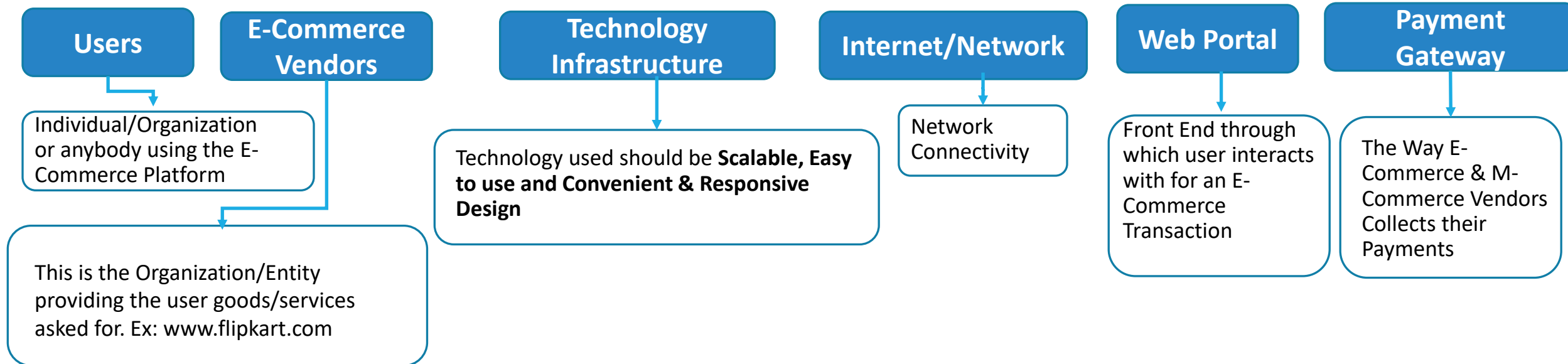
# Components of E-Commerce

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# Components of E-Commerce





# Components of E-Commerce...Continued

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## E-Commerce Vendors

- Suppliers and Supply Chain Management
- Warehouse Operations
- Shipping and Returns
- E-Commerce Catalog and Product Display
- Marketing and Loyalty Programs
- Showroom and Offline Purchase
- Different Ordering Methods (COD etc)
- Guarantees
- Privacy Policy
- Security



# Components of E-Commerce...Continued

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## Technology Infrastructure

- Computers, Servers and Database
- Mobile Apps/Mobile Website
  - Mobile Store Front Modules
  - Mobile Ticketing Module
  - Mobile advertising and marketing module
  - Mobile Customer Support and Information Module
  - Mobile Banking
- Digital Library- Library of Digital Objects
- Data Interchange- EDI



# Architecture of Networked Systems

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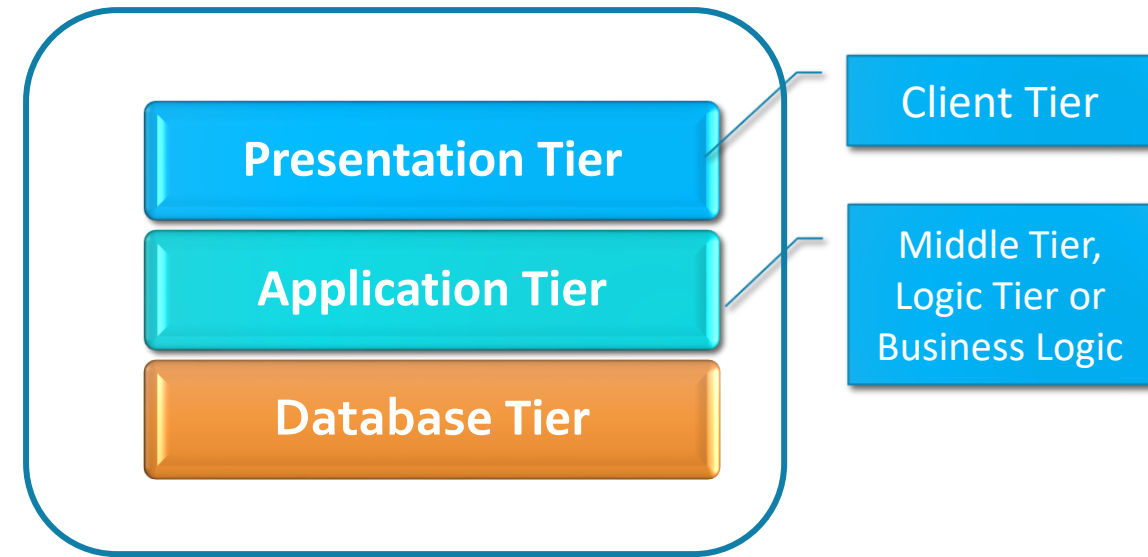
# Definition

“The way networks architectures are built in E-Commerce Platform”

## 2 Tier Architecture



## 3 Tier Architecture





# 2 Tier Architecture

In Two Tier Architecture, client (user) sends request to Server and the Server responds to the request by fetching the data from it.

## Client Applications



Front End Interface

**Presentation Tier**



## Data

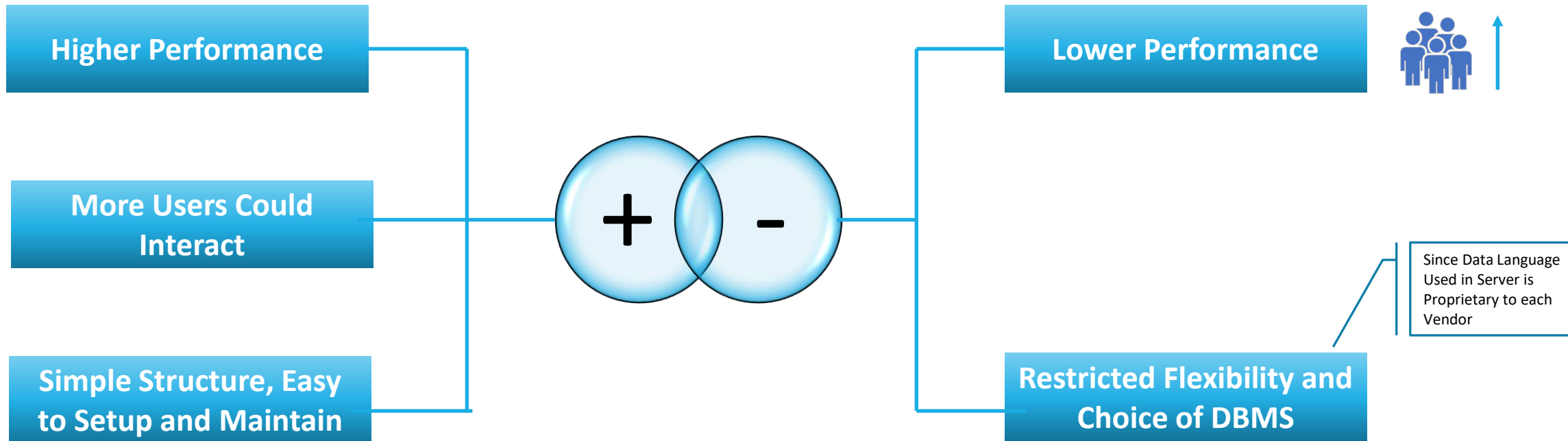


- Product Data
- Price Data
- Customer Data
- Other Data

**Database Tier**



# Advantages & Disadvantages of 2 Tier





# 3 Tier Architecture

It's a client server architecture in which the functional process logic, data access, computer data storage and user interface are developed and maintained as independent modules on separate platforms.

**Client(s)**



Front End Interface

**Application**



**Data**



- Product Data
- Price Data
- Customer Data
- Other Data

**Presentation Tier**

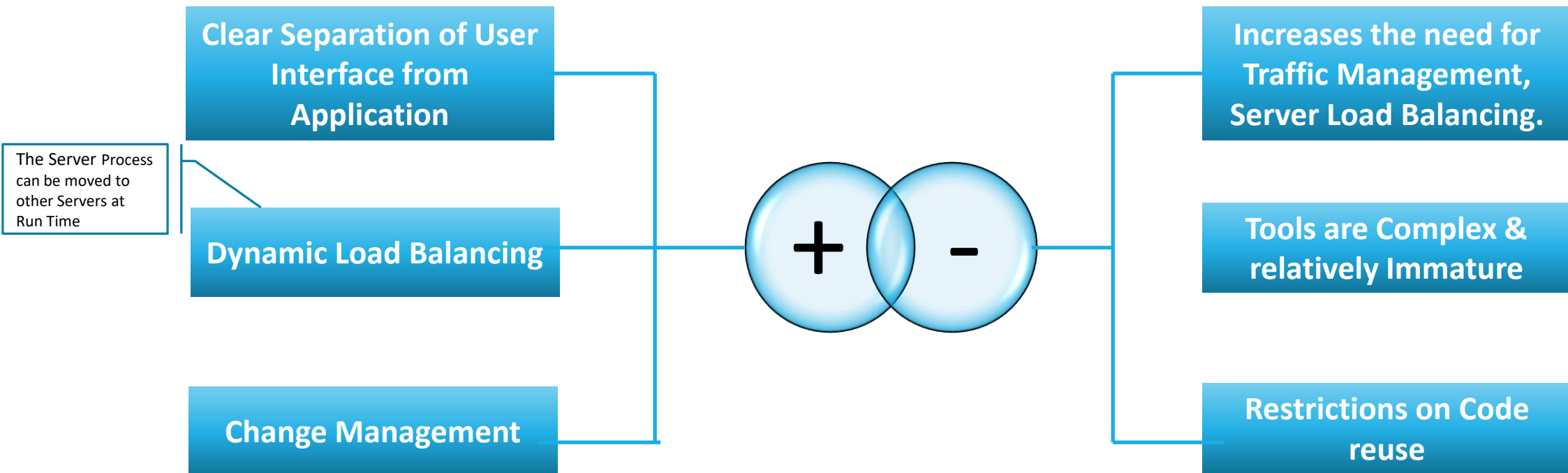
**Application Tier**

**Database Tier**





# Advantages & Disadvantages of 3 Tier





# Which Architecture is Used?

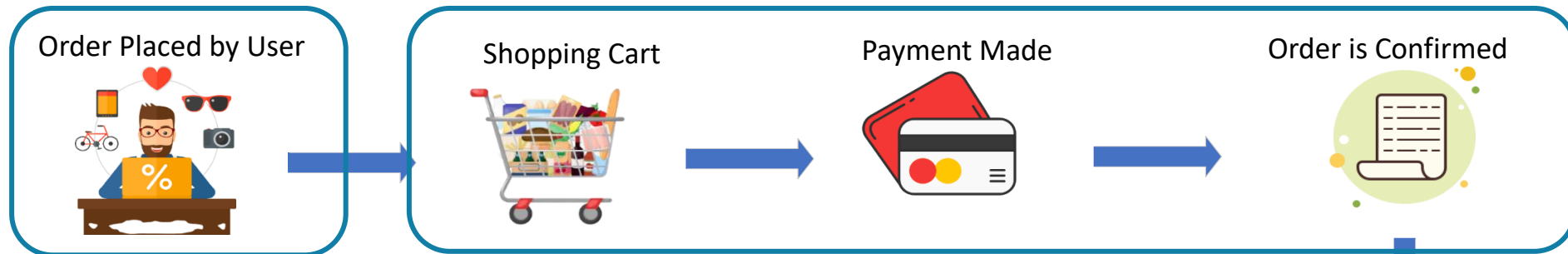
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E-Commerce Applications Follow the **Three tier architecture**



# E-Commerce Architecture wide Internet

## Presentation Tier



## Application Tier



## Database Tier



# E-Commerce Architecture wide Mobile Apps (M-Commerce)

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M-Commerce (Mobile Commerce) is the buying and selling of goods and services through wireless handheld devices such as Cellular Telephone and Personal Digital Assistants (PDA)



# Workflow Diagram for E-Commerce

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Similar to E-Commerce Process Flow



# Assessment

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1. The front end through which users interact for an e-commerce transaction is called \_\_\_\_\_
  - a. Web Portal
  - b. Home Page
  - c. Web Page
  - d. None of the above
  
2. In two tier network architecture, \_\_\_\_\_ is an interface that allows user to interact with the e-commerce/m-commerce vendor
  - a. Presentation Tier
  - b. Database Tier
  - c. Physical Tier
  - d. Application Tier



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**Feedback**

**THANK**

