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Odisha State Open University, Sambalpur, Odisha
Established by an Act of Government of Odisha.

Certificate in E-Commerce

CEC

CEC-2
Business Models for E-commerce

Block

1 E-Commerce Business Models

Unit-1 : E-business Models, Business to Business (B2B), Business-to-Customer (B2C)

Unit-2 : Consumer to Consumer (C2C), Consumer to Business (C2B)

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Learning objectives

After reading this unit you will

1. Understand what are e- commerce and e- business.
2. Know the trend and advancements in e-commerce.
3. Know what are the characteristics and business models of e- commerce

Structure

1.1 INTRODUCTION

The rising incomes and perquisites and the various variety of goods and services that can be bought over the internet is making purchasing online more attentive, attractive and convenient for consumers all over the country. Last few years it has been witnessed a technological revolution and up gradation reverted with the wide spread use of the Internet, web technologies and their applications. Electronic Business (e-commerce) as an important part of the information technological revolution became widely used in the world trade and services in general and Indian economy in particular.

For developing countries like India, e-commerce offers considerable opportunities and challenges in recent times. Ecommerce in India is still in growing stage, but even the most-pessimistic projections indicate a booming and considerable growth in near future. The low cost of personal computers, a growing internet use, and an increasingly competitive Internet Service Provider (ISP) market and pricing will help fuel e-commerce growth in Asia's second most populous nation as India. The first site of e-commerce in India was rediff.com. It provided Indian-related business news and views a search engine, ecommerce and web solution services. The few years it has seen a rise in the number of companies enabling e-commerce technologies and services and the internet in India. Major Indian portal sites have also shifted towards e-commerce instead of depending on advertising revenues.

Online shopping or online retailing is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Alternative names are: e-shop, e-store, Internet shop, web-shop, web-store, online store, and virtual store.

Further, more leading e-commerce portals are in the country include Flipkart.com, Futurebazaar.com, Infibeam, Ebay.in, Homeshop18.com, Snapdeal.com, Indiaplaza.com, Starcj.com, Amazon.com, Fashionandyou.com, Rediffshopping.com., inkfruit.com, myntra.com, futurebazaar.com, yebhi.com, zoomin.com and hushbabies.com which offers everything from mobile phones to food.

E-commerce stands for electronic commerce. It means dealing in goods & services through the electronic mode & internet services. The growth of e-commerce in India is being driven by customer choice & improved convenience with the help of internet the vendor or merchant who sells products or services directly to the customer from the portal using a shopping basket system or digital cart & allows payment trough debit card, credit card or

electronic fund transfer payments. In present times e-commerce market & its space is increasing in demand as well as an impressive display or range of a different type of services.

E-commerce is already appearing possible in all areas of business, customer care services, new product development and design.

E-commerce business is growing in India because of wide range of product with minimum and optimum price wide range of suppliers & customers through internet. In this modern times every business units want to join online business because increasing with ratio of internet users in India. Moreover, E-commerce in India is still in growing stage but it offers considerable opportunity and challenges are there.

1.2 CONCEPTS AND DEFINITIONS

Electronic commerce or e-commerce refers to a wide range of online business activities for products and services. It also pertains to "any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact."

A more complete definition is: E-commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform, and redefine relationships for value creation between or among organizations, and between organizations and individuals.

1.3 DEFINITION OF E-COMMERCE

The buying and selling of products & services by businesses and customers through on electronic medium, without using any paper documents.

E-commerce is widely considered the buying & selling of products over the internet, but any transaction that is completed solely through electronic measures can be considered e-commerce.

According to Laudon & Laudon "The process of buying and selling goods and services electronically involving transaction using the Internet, networks, and other digital technologies."

Kalakota and Whinston define as an e-commerce from these perspectives:

1. From a communication perspective, e-commerce is the delivery of information, products/services, or payments over telephone lines, computer networks, or any other electronic means.

2. From a business process perspective, e-commerce is the application of technology toward the automation of business transactions and workflow.
3. From a service perspective, e-commerce is a tool that addresses the desire of firms, consumers, and management to cut service cost while improving the quality of goods and increasing the speed of service delivery.
4. From an online perspective, e-commerce provides the capability of buying and selling products and information on the Internet and other online services.

E-commerce is subdivided into three- categories: Business to Business or B2B, Business to Consumer or B2C & Consumer to Consumer C2C.

Model of E-Commerce/ Online Business in India
- ✓ First Model : To buy the products and stock them
- ✓ Second Model : To produce after receiving an order
- ✓ Third Model: To buy bulk inventory which is later stored in ware houses.

1.4 FRAMEWORKS OF ELECTRONIC COMMERCE

E-Commerce is the smartest way of doing business. The framework is comprised of three levels that this framework is needed to for successful electronic commerce.

1. **Infrastructure Communication:** It is the first part of the framework for electronic commerce is including hardware, software, databases and communications. It is used in term of World Wide Web on the Internet or other message switching way on the Internet or other telecommunication networks.

 2. **Services:** The second part of the framework include a wide range of services that provide the ability to find and in recent times of information and are including the search for trading business partners, negotiation and agreements

3. **Products and Structures:** This section of the electronic commerce frameworks consist of forecasts and direct provision of goods, services and trade business related information to consumers and strategic business partners, cooperation, coordination and sharing of data and information inside and outside the organization and organizing of environment of electronic marketplace and supply chain and support services.

Online Travel Makemytrip.com, yatra.com, cleatrip.com, goibibo.com **Online Real Estate** Magicbricks.com, 99acres.com, commonfloor.com, Housing.com

Online Fashion Jabong.com, Myntra.com, Zovi.com, yepme.com, limeroad.com, amazon.in **Online Furniture** Fabfurnish.com, Pepperfry.com, urbanladder.com **Online Education** Purple Squirrel Eduventures , Plancess.com **Online Food and Grocery** Zomato.com, Foodpanda.in, TinyOwl.com, BigBasket.com, Grofers.com**, Online Health** Portea.com, Healthkart.com, netmeds.com **Online Laundry** Wassupondemand.com, DoorMint.in, LaundryWala.co.in **Online Entertainment** Netflix.com, ErosNow.com Hooq.com **Online Truck Booking** TruckSuvidha.com, TruckMandi.in, The Karrier.com, Fortigo.com.

TAG LINE OF DIFFERENT LEADING ONLINE COMPANIES
  - ➢ **Flipkart.com**- "The online megastore"
  - ➢ **Jabong.com**- "Delivering Lifestyle"
  - ➢ **OLX.IN**-" Bech De" , "Sab Kuch Bikta Hai"
  - ➢ **Myntra.com-"** India's Largest Online Fashion Store"
  - ➢ **ZOVI.COM**- "Get Smart about Style".
  - ➢ **Tradus.in-** "Wholesale Price at your doorstep"

Table: Different types of E-Commerce Models

	Business **(Organization)**	**Consumers** **(Individuals)**
Business **(Organization)**	**B2B**	**B2C**
Consumers **(Individuals)**	**C2B**	**C2C**

1.5 DIFFERENT TYPES OF ONLINE BUSINESS MODELS

Marketplace models (Seller's partner with leading online platforms-the marketplaces with dedicated website and online store.)	Here, a seller plays a crucial role in driving sales and also has a greater control on inventory. For Examples the online furniture sector such as Pepperfry, Urban Ladder and Livspace offering custom-built products to

	consumers.
	Sellers get a benefit of high traffic on the website of these marketplaces and also on easy access to the distribution network. Here sellers have a restricted call on customer experience & pricing related strategies.
Own inventory models (Inventory is self-owned by e-commerce players)	The benefits include a better post purchase experience & contentment. Due to readily available information on the inventory, supply chain & shipment locations, the operations are efficient and smooth. For example Flipkart and Amazon, Paytm operates on a zero inventory model. It, however, encourages its sellers to store stocks in third party fulfillment centers to control quality and reduce delivery timelines.
	Players have better control over inventory since it is self-owned. Risks include price cuts, markdowns and working capital.
Private labels (e-commerce players launch their own branded items and sell them through own website)	Private label model enables a huge flexibility to its target customers in product and pricing and thus the ability to compete with other established labels.
	Higher margins than third party branded labels. e-commerce player. For example such as Flipkart has blacklisted 250 sellers on its platform after its ongoing-"Mystery Shopping" initiative called "Secret Agent", they

|	
	were selling poor quality products or defaulting on deliveries or making wrong packaging or price labeling.
White label model (E-commerce player or third party managed branded online store)	An online branded store setup or managed by either a third party or an e-commerce player.
	This involves maneuvers like partnering with payment gateways. The onus of generating website traffic and offering services is on the branded store. Apart from a better control over the band experience, this model aids in enhancing trust, empathy, affinity & loyalty.

(Source: PWC(2014) Accelerating growth of E-Commerce in India

1.6 DIFFERENT TYPE 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); and mobile commerce (m-commerce).

1.7 B2B BUSINESS-TO-BUSINESS

It is a type of commerce transaction which exists between businesses or a transaction that occurs between a company and some other company to transfer of services and products. A possible explanation discussion that Business-to-Business includes online wholesaling in which businesses sell materials, products and services to other businesses on the websites. For example such as E-commerce major like Amazon, Paytm and Shopclues are recreating the click-to –buy model for their sellers on business-to-business (B2B) platforms.
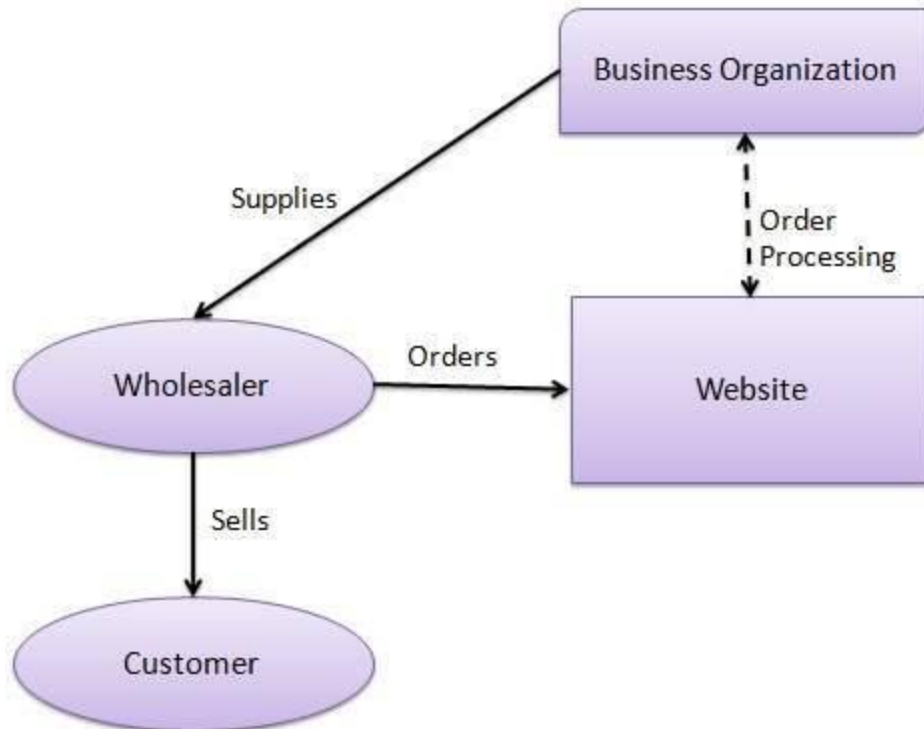
The B2B market has two primary components e-infrastructure and e-markets. E-infrastructure is the architecture of B2B, primarily consisting of the following:

- 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);

- Outsourcing of functions in the process of e-commerce, such as Web-hosting, security and customer care solutions (e.g., outsourcing providers such as eShare);

- Auction solutions software for the operation and maintenance of real-time auctions in the Internet (e.g., OpenSite Technologies);

- Content management software for the facilitation of Web site content management and delivery (e.g., ProcureNet); and

- Web-based commerce enablers (e.g., Commerce One, a browser-based, XML enabled purchasing automation software).

1.8 KEY ENTITIES IN B2B E-COMMERCE:

2. Selling company-with the marketing and advertising management perspective.
3. Buying company-with procurement and control management perspective.
4. Electronic intermediary-a third-party intermediating service provider.
5. Deliver-who should fulfill the JIT (Just in Time) delivery services.
6. Network platform-such as Internet, intranet, and extranet.
7. Protocols and communication-such as EDI(Electronic Data Intechange) and comparison shopping, possibly using software support services.
8. Back-end information system-possibly implemented using the intranet and Enterprise Resource Planning (ERP) systems adoption.

EXAMPLES

For example, manufacturers and wholesalers are B2B companies. B2B e-Commerce junction services limited (metal junction, coal junction, buy junction, etc.), cloudBuy.com, tolexo.com, industrybuying.com, power2sme. com, Amazonbusiness.com

Amazon, the US-based ecommerce giant started its B2B online platform in 2015 to fulfill the demand of business customers who were looking for the seamless 'Amazon buying experience' while procuring supplies for their work. Primary Categories: Health & Personal Care, Home Medical Supplies, Beauty, Food & Beverages, Cleaning & Laundry, Mobile & Accessories, Office & IT Peripherals, Home, Kitchen & Dining products at wholesale prices and in bulk quantities. Bizongo,in is a B2B marketplace focuses on bulk buying and selling of 'Packaging' materials in 2014.

1.9 ADVANTAGES OF B2B
1. Improving and increasing the speed of communication.
2. Higher level of customer retention rates in business.
3. Higher transaction value and cost through business purchases.
4. Crystal clear structure and collaborative support shopping.
5. Opportunity to expand and start of new business.
6. Enhancement of brand knowledge through an additional channel.
7. Lesser consumer acquisition costs.
8. Change of business and market intelligence.

9. Improved efficiency in ordering material.
10. Less error in business transaction.
11. (JIT) Just-in-time environment that minimizes inventory sitting in the warehouse.

1.10 DISADVANTAGES OF B2B

1. Less barriers to entry for competitors.
2. Limited market opportunities.
3. Long purchase decision time.
4. Inverted power structure.
5. Adoption of Lengthy sales process.

Most B2B applications are in the areas of supplier management (especially purchase order processing), inventory management (i.e., managing order-ship-bill cycles), distribution management (especially in the transmission of shipping documents), channel management (i.e., information dissemination on changes in operational conditions), and payment management (e.g., electronic payment systems).

1.11 TRADING PROCESS OF B2B E-COMMERCE

STEP-01: Firstly, the buyer determines the requirements, prepares the Request for Quotation (RFQ) and searches for potential suppliers (sellers).
STEP-02: The buyer submits the RFQ(Request for Quotation) and invites potential suppliers to respond.
STEP-03: Suppliers obtain the RFQ (Request for Quotation) for processing.
STEP-04: Interested suppliers bid for the request accordingly.
STEP-05: The buyer and suppliers bid for the request accordingly.
STEP-06: Finally, the buyer selects the best bid and completes the purchase.

Table: Shows the E-Commerce Market in 2015

S No	Country	Buyer's Millions	Annual Spend per Buyers ($)	B2C Sales in Billions	B2B Sales in Billions
1	China	413	1,508	623	2,078
2	US	166	3,072	511	6,072
3	Japan	57	1,994	114	2,380
4	Germany	41	1,270	52	966
5	UK	38	4,539	174	709

6	Brazil	33	376	12	112
7	Russia	30	756	23	700
8	France	26	2.916	72	600
9	South Africa	22	2,120	48	969
10	India	22	891	20	298

**(Source: UNCTAD)**

1.12 B2C BUSINESS -to-CONSUMER

It refers to transactions between a business and its end consumer and so it create electronic storefronts that offer information, goods, and services between business and consumers in a retailing transaction or it is an Internet and electronic commerce model that indicates a financial transaction or online sale between a business and consumer. 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. **Examples** could also be purchasing services from an insurance company, conducting online banking and employing travel services. The advertisement campaign of Flipkart is "Home Shopping Day", "Ab Har Ghar Hoga Sundar", " Ab Har Coishis Hogi Poori", Big Billion Day". Further, Snapdeal's campaign is " The world Cup Bring home the Stadium"

B2C e-Commerce marketplace Snapdeal.com, Amazon.com, Flipkart.com

B2C e-Commerce Inventory Led BigBasket.com, FirstCry.com, Zovi.com

B2C e-Commerce Aggregator Uber.com, olacabs.com

B2C can also relate to receiving information such as share prices, insurance quotes, on-line newspapers, or weather forecasts. The supplier may be an existing retail outlet such as a high street store; it has been this type of business that has been successful in using e-commerce to deliver services to customers. Further, Snapdeal's prime objective with "Unbox Zindag" is rolled out with delivery speed, assortment, discounts and return policy. Thus, all the possibilities that open up when you open the box.
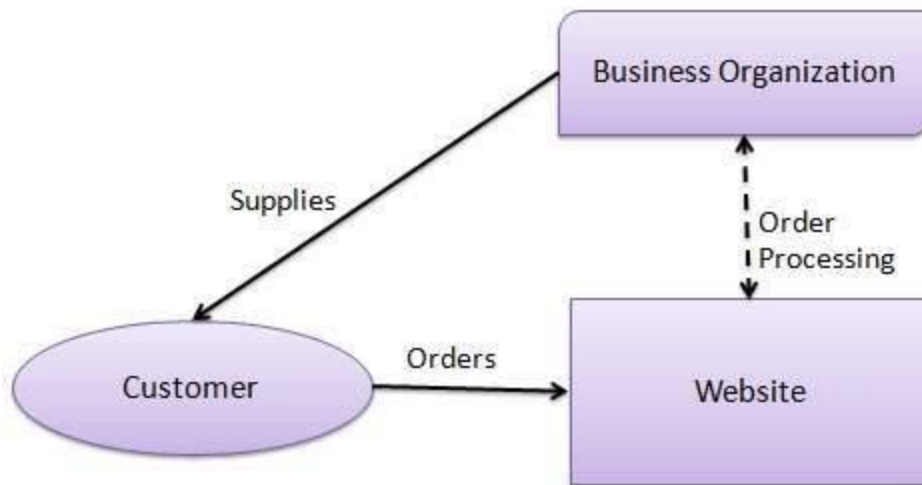
B2C e-commerce also reduces market entry barriers since the cost of putting up and maintaining a Web site is much cheaper than installing a "brick-and-mortar" structure for a firm. In the case of information goods, B2C e-commerce is even more attractive because it saves firms from factoring in the additional cost of a physical distribution network. Moreover, for countries with a growing and robust Internet population, delivering information goods becomes increasingly feasible. For **examples** Flipkart's" Big Billion Day" means three things (i) the scale(ii)the detailing in terms of planning and (iii) the thrill. This offers feels like on Indian wedding.

1.13 ADVANTAGES OF B2C

1. Extensive search capabilities by item, corporate name, division name, location, manufacturer, partner, price or any other specified needs.
2. Reduced marketing and advertising expenses to compete on equal balance with much bigger companies; easily compete on quality, price and availability of the products.
3. The internet gives customers get the new opportunity to browse and shop at their place. They can access the services from home, office at any time.
4. The internet allows the companies to reach people around the world, offering many products to a global customer.
5. It has reduced inventory, employees, purchasing costs, order processing costs associated with faxing, phone calls, and data entry, and even eliminate physical stores.
6. Lesser transaction costs.

7. Its eliminates the middlemen.
8. Decline customer support service and sales support service.
9. Best way to deal with prospective dealers and suppliers.
10. It has change the new method of automated registration verification, account entry and transaction authorization features.

B2C examples are: Fidelity offering online trading and account information on its website., Wal-Mart and V-Mart selling products through the web. , Government offices providing web-based services

1.14 DISADVANTAGES OF B2C

1. The Consumer will only local point of view and limited to certain area of operation.
2. With Increased cost regarding inventory, employees, purchasing costs and order processing costs associated with faxing.
3. The sales or transaction may taking part indirectly or gone through third party or other party.
4. It is needed staffs that give customer service and sales support service.
5. The list of products or services needs to regenerate every time when there is some new information or items to add in.

1.15 DIFFERENCE BETWEEN B2B AND B2C

	B2B	B2C
1.Connection	In this case the business uses a web browser to interact with a web server application of another business.	The connection mechanism is consumer to system.
2.Relationship	It focuses on online procurement, order fulfillment and work-in-progress tracking for high volume transaction.	It is mainly involves placing orders and executing payments.
3.Control	The control ranges from one sided control to peer-to-peer set ups.	The control mechanism in B2C is unidirectional.
4.Sales	The level of sales complexity is higher.	The level of sales complexity is lower.

1.16 INNOVATIVE METHODS OF ENHANCING B2B AND B2C OF E-COMMERCE

Innovative methods of enhancing B2B and B2C levels of e-commerce include:

a. CD-ROM catalogues that are linked to the user's online catalogue, enabling him to browse offline and order online.

b. Kiosks placed at physical store locations or in shopping malls to introduce users to the easy online ordering options.

c. Extranets to link businesses together that conduct regular business to .business transactions and

d. Affiliate programmes to drive business to your commerce site from other content related sites.

CASE STUDY OF WWW.FLIPKART.COM

Flipkart is a leading e-Commerce company, which is founded in the year 2007, by Mr. Sachin Bansal and Binny Bansal. The founders are both alumni of the Indian Institute of Technology, Delhi a leading technical institution in India. Previously, they had been working for Amazon.com . Further, Flipkart operates exclusively in India. The headquarter is situated at Bangalore, Karnataka. But the registered in Singapore, and owned by a Singapore based holding company. Flipkart very activly used SEO (Search Engine Optimization)& Google Ad-words as the marketing and selling tools to have a far reach the consumer base in the online global world. Flipkart is now one of the largest online retailers in India, present across more than 50 product categories & with a reach in around 150 cities. Flipkart's 'Big Billion Day' sale helped the company to achieve record tremendously in a single day sales of Rs.Crores. It made its presence felt in online retailing by offering path breaking services like Cash on Delivery (COD), 30 Day replacement Guarantee, EMI options, Flipkart mobile app with a new payment get way service. etc

> ➢ Flipkart's Strengths : GlobalSupply Chain Management network, Quick Response and Turn around service, Advertisements and Promotion Activities, Strategic Acquisitions Huge Product Portfolio and Good network Reachness.
> ➢ Flipkart's Weakness : Smart Delivery system, Internet Penetrations and userbase, Payment gateways service, Higher costs end service, and High level of competitions.

- ➢ Flipkart's Opportunities: Rural market orientation, Growth in E-book culture, Broad band Penetrations and Development of Mobile apps service.
- ➢ Flipkart's Threats: Growth of International players, Customer loyalty Service and New Players such as Amazon.com, Snapdeal.com Homeshop18.com, Shopclues.com, E-bay.com etc.

Pros of Flipkart Model:

1. Scale of Operation: High bargaining; thus, Flipkart therefore cost is low.

2. Margin of the Business: Margins in this business model are between 20 to 25 percent.

3. Probability of repeat business is high: The objective of Flipkart by managing complete value chain is to increase customer satisfaction and reduce costs.

Cons of Flipkart Model:

1. Logistics: Flipkart manage approx 65 percent logistics operations but still it has to rely on logistics of suppliers and 3rd party provider for 35 percent of deliveries. The biggest problem of managing logistics is that it increase the cost of operation.

2. Limited Product Portfolio: Managing own warehouse or product inventory adds to cost of operation becoz no company can create unlimited storage space. In this scenario company can only provide limited product portfolio without scaling up warehouse capacity

3. High Investments: Huge investments required in such models in order to manage and control end to end value chain.

CASE STUDY OF WWW.SNAPDEAL.COM

Snapdeal is India's biggest online market places with 20 million plus users (February 2013); they ship to 4000 towns and cities; and they feature 6000 brands across 500 categories. Snapdeal sells a saree and a mobile every 2 minutes and is India's "rst website to sell automobiles online. Snapdeal is one of the fastest growing e-commerce companies in India today with the largest online market place. The headquartered in Delhi, Snapdeal.com was launched in February 2010. The company was founded by Kunal Bahl, a Wharton graduate

and Rohit Bansal, alumnus of IIT Delhi. In June 2010, Snapdeal.com acquired Bangalore-based group buying site, Grabbon.com for an undisclosed amount.

It also offers discounts on products like electronics, perfumes, watches, bags, sunglasses, coaching classes, apparels and mobile phones. The values of Snapdeal .com company is Innovation, Change, Openness, Honesty and Ownership which the company drive them to press for greater success. The company's growth had been phenomenal but it is their continued effort to bring the best to the market and their zeal to succeed as the best B2C (Business to customer) marketplace. Innovation : Creativity is at the core of our business values. The team is given the freedom to take informed, responsible risks. Change: Believe in driving change. Openness: Encourage of every team member to share ideas and feedback openly, which creates a building strong relationships built on Trust and Faith. Ownership: individual accountability. Honesty: Doing the right thing under all circumstances.

- ➢ Snapdeal's Strengths: Global location and Vast network of retailers across nation and Excellent service through convenient processes , Wide range of deals and transactions. Awards and recognition as best startups, e-commerce etc
- ➢ Snapdeal's Weaknesses : Services not available in all cities, Dependence on internet only
- ➢ Snapdeal's Opportunities The houses for bulk selling
- ➢ Snapdeal's Threats Can be subjected to frauds, Risk of being involved into selling of illegal entities Newly emerging competitive online shopping portals.

Pros of Snapdeal.com Model:

1**.** Technology Provider:It is very less hassles in business operations.

2. Cost of Operations is very Low compared to other models

3. Set Up Business Operations

4. Upcoming Brands / Merchants are available for tie up

Cons of Snapdeal.com Model:

1. Ultra Low Margin Business: The margin in this business is very very thin and can be as low as 25 Rs per coupon

2. Unknown Brands: Normally heavy discounts are offered by brands which are new or not known becoz they want to build their customer base by offering huge discounts..

3. Discount is available : In Most of the cases customer find that discounts are available without buying discount coupon.

4. Managing coupon logistics is difficult as it require lot of coordination with merchants so that same coupon cannot be used multiple times.

5. Huge Volumes can be committed to merchants: Merchants are keen to provide discounts only if high volumes are committed else they find it difficult to manage as front office staff is not intelligent enough to handle or understand this model at merchants end.

6. Marketing cost to generate traffic on website is high

7. Local Flavor also deals are appealing and relevant.

1.17 LET US SUM UP

The changing the way of doing business is E-commerce. Doing business online is electronic commerce. Business – to – Business type of E-Commerce comprised of many major commercial activities and these activities are conducted over networks. Financial transactions, purchase orders, bills, payments, etc., were earlier done through private networks. This portion of E-Commerce is restricted to the known partners and the methods used are secure procedures based terms and conditions. These private nets assisted the closed circles only and hence the role of outsiders was restricted. However, at present, the Business – Business type has developed to magnificent level. Many modern electronic based technologies are used for this type of transaction. Business–to–Business E-commerce is done between business units. Internal connects all business.

Internet technology and electronic mails are the forerunners in the fields of consumer to business category. The individual browse for various products and shop using their credit cards. They can also give orders though e-mails. It is a simpler method for getting information and for selecting the alternatives. It is just like the catalogue shopping. It is based on internet technology and the

consumers have unrestricted access to the products and unauthorized access by the strangers and intruders on the public network. The main advantage of the customer to business type is that the consumer gets many varieties choices and can decide on their own or with the help of alternates that are available in the network itself. Further search engines and recommendation networks also help the consumers in making the buying decision.

These business transactions are categorised into either business-to-business (B2B), business-to-consumer (B2C), consumer-to-consumer (C2C), consumer-to-business (C2B) or the recently evolved business-to-business-to-consumer (B2B2C).E-Commerce processes are conducted using applications, such as email, fax, online catalogues and shopping carts, electronic data interchange (EDI), file transfer protocol and web services and E-newsletters to subscribers. E-Travel is the most popular form of E-Commerce, followed by E-Tail which essentially means selling of retail goods on the internet conducted by the B2C category. Besides general online shopping, customers are also shopping online for weddings and festivals, thanks to wider range of products being offered and aggressive advertisements. The free and quick shipment and wider choice of products, along with the ease of shopping online as compared to in-store shopping, is also helping E-Commerce gather momentum. Evolution of Million-Dollar startups like Jabong.com, Saavn, Makemytrip, Bookmyshow, Zomato Flipkart, Snapdeal etc.

1.18 KEY TERMS

- ✓ **Business to Business** or B2B refers to e-commerce activities between businesses. An e-commerce company can be dealing with suppliers or distributors or agents.
- ✓ **Business to Customer** or B2C refers to e-commerce activities that are focused on consumers rather than on businesses.
- ✓ **Consumer-to-consumer** (C2C), In this category consumer sells directly to consumers.

1.19 SELF ASSESSMENT QUESTIONS

1. "E-commerce is the new way to do business. Justify the statement.
2. What is scope of e-commerce in country like India?
3. Discuss various types of e-commerce models.
4. What is B2B e-commerce? What are its features?

1.20 FURTHER READINGS.

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1.21 MODEL QUESTIONS

1. Compare and contrast B2B and B2C e-commerce.
2. Cite the Pros and Cons of B2B e-commerce.
3. Discuss the Advantages and Disadvantages of B2C e-commerce?
4. Go to www.Amazon. com and investigate the type of support available to consumers.
5. Review three websites on the internet; one large e-commerce website (Flipkart.com), a large bank website (e.g. SBI.com) and a portal website (e.g. Gmail.com). Review each sires security measures. How do they compare? What is unique about each site's security protocol?
6. Discuss the service culture of Snapdeal.com ? Elaborate the marketing Philosphy of theSnapdeal.com company

1.22 SELF ASSESSMENT QUESTIONS AND ANSWERS

1. **"E-commerce is the new way to do business". Justify the statement.**

Ans: Internet is the tool used by business in term of electronic commerce. One of the fastest growing industries today is electronic commerce. Almost anything can be purchased, traded or sold all via the Internet. Placing "e" in front of any process or function seemed to be the magic prescription for never ending story of success and rapid returns for enterprises. E-business, e-procurement, e-sales, e-payment, e-banking, e-CRM, e-CAD, e-delivery are just a few. Internet, for example is becoming one of the most popular medium in transmitting various data. Users can find any kind of information within a shorter time compared with conventional method that consumes more time. E-Commerce in the near future will be in every business and in everywhere in our live. E-Commerce Electronic commerce is the exchange of money for goods and services via electronic means. In other words, electronic commerce is usually when Consumers purchase something off of the internet.

E-commerce is already appearing possible in all areas of business, customer care services, new product development and design. E-commerce business is growing in India because of wide range of product with minimum and optimum price wide range of suppliers & customers through internet. In this modern times every business units want to join online business because increasing with ratio of internet users in India. Moreover, E-commerce in India is still in growing stage but it offers considerable opportunity and challenges are there.

2. **What is scope of e-commerce in country like India?**

Ans: Online shopping or online retailing is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Alternative names are: e-shop, e-store, Internet shop, web-shop, web-store, online store, and virtual store.

 Further, more leading e-commerce portals are in the country include Flipkart.com, Futurebazaar.com, Infibeam, Ebay.in, Homeshop18.com, Snapdeal.com, Indiaplaza.com, Starcj.com, Amazon.com, Fashionandyou.com, Rediffshopping.com., inkfruit.com, myntra.com, futurebazaar.com, yebhi.com, zoomin.com and hushbabies.com which offers everything from mobile phones to food. The scope can be ,(i) Anybody can easily set up a website at low cost. To market a product large retail showrooms are not required, just a web site can make market of product., (ii) Easy to create global market, (iii)Easy to access market and product, (iv)E-commerce provides multiple market opportunities

like purchasing, selling, etc, (v)   Pre-sales enquires through internet, (vi) Easy to make advertisement of product,(vii)Easy funds transfer, (viii)   After sales services become easy, and E-commerce reduces the sales cost.

3. Discuss various types of e-commerce models.

Ans : The various types of different Model of E-Commerce/ Online Business in India
  - ✓ First Model : To buy the products and stock them
  - ✓ Second Model : To produce after receiving an order
  - ✓ Third Model: To buy bulk inventory which is later stored in ware houses.

Types of E-Commerce Models
Business to Business (B2B): Business-to-business (B2B) is an Internet business model that involves businesses that perform services or provide products for other businesses. Business information may also be shared. B2B is a form of e-commerce and it can involve businesses that manufacture a product, service or merchandise component that that is sold to another business.

Business to Consumer (B2C): Business-to-consumer (B2C) is an Internet and electronic commerce (e-commerce) model that denotes a financial transaction or online sale between a business and consumer. B2C involves a service or product exchange from a business to a consumer, whereby merchants sell products to consumers.

Consumer to Consumer (C2C) : Consumer-to-consumer e-commerce or C2C is simply commerce between private individuals or consumers.

Customer to Business (C2B) :Customer to Business (C2B), also known as Consumer to Business, is the most recent E-Commerce business model. In this model, individual customers offer to sell products and services to companies who are prepared to purchase them. It is a business model where the end consumers create products and services which are consumed by businesses and organizations. It is diametrically opposite to the popular concept of B2C or Business-to-Consumer where the companies make goods and services available to the end consumers.

4. What is B2B e-commerce? What are its features?

Ans: It is a type of commerce transaction which exists between businesses or a transaction that occurs between a company and some other company to transfer of services and products. A possible explanation discussion that Business-to-

Business includes online wholesaling in which businesses sell materials, products and services to other businesses on the websites. For example such as E-commerce major like Amazon, Paytm and Shopclues are recreating the click-to –buy model for their sellers on business-to-business (B2B) platforms.

Features of B2B e-commerce :
1) Selling company-with the marketing and advertising management perspective.
2) Buying company-with procurement and control management perspective.
3) Electronic intermediary-a third-party intermediating service provider.
4) Deliver-who should fulfill the JIT (Just in Time) delivery services.
5) Network platform-such as Internet, intranet, and extranet.
6) Protocols and communication-such as EDI(Electronic Data Intechange) and comparison shopping, possibly using software support services.
7) Back-end information system-possibly implemented using the intranet and Enterprise Resource Planning (ERP) systems adoption.

For example, manufacturers and wholesalers are B2B companies. B2B e-Commerce junction services limited (metal junction, coal junction, buy junction, etc.), cloudBuy.com, tolexo.com, industrybuying.com, power2sme. com, Amazonbusiness.com. The Advantages of B2B : Improving and increasing the speed of communication., Higher level of customer retention rates in business., Higher transaction value and cost through business purchases.,Crystal clear structure and collaborative support shopping., Opportunity to expand and start of new business., Enhancement of brand knowledge through an additional channel and Lesser consumer acquisition costs.

Unit -2: Consumer to Consumer (C2C), Consumer to Business (C2B)

Learning objectives

After reading this unit. you will

1. Understand the conventional Retail Vs. E-Tailing.
2. Know the Consumer to Business, Consumer to Consumer in e-commerce.
3. Know what are the advantages of Consumer and supplier point of view business models of e- commerce

Structure

2.1 INTRODUCTION

In recent times, 'e' is gaining momentum and most of the things and every ativity is getting through digitally enabled. Thus, it becomes very best to clearly draw the link between different types of commerce, business and trade are integrated with the 'e' factor. E-commerce or electronic transactions and services can be broadly defined as dealing with business through the Internet. It involves an entire gamut of activities ranging from online advertising, order placements, online payments, logistics, customer interface and experience. Internet user base has been growing tremendously with an exponential increase

in internet usage. This trend has been aided by the increasing PC(Personal Computer) and broadband penetration, coupled with the declining prices of PC(Personal Computer)s. Tablets and smart phones have given a new meaning to connectivity and user experience. The adoption of 3G, coupled with the declining prices of smartphones, is expected to further increase internet usage in the country.

Evolution of E-commerce in India can be traced back as when active shopping platforms like Asian Sky shop or Home Shop 18 and later Naaptol.com using the television medium emerged as a platform to reach out to the consumers closely followed by internet shopping sites like Rediff.com and Yahoo.com that made a foray into the creation of transaction space. Further, the domestic market leaders like Flipkart, Jabong and Snapdeal etc. and some other have managed to subvert the many intermediaries and layers that have proven to be a major burden on the operational cost, for a majority of the traditional brick and mortar companies to click companies.

The term E-Commerce, which is frequently mixed up with the term e-Business which covers only one aspect of E-Business, i.e. the use of an online support for the relationship building between a company and clients. With the entry of big giants of e Commerce companies such as Amazon(US based) and Alibaba,(China based) are the expected to competition is more intensify and cut-throat.

E-commerce can be divided into:

- ✧ E-tailing or "virtual storefronts" on Web sites with online catalogs, sometimes gathered into a "virtual mall".
- ✧ The gathering and use of demographic data through Web contacts.
- ✧ Electronic Data Interchange (EDI), the business-to-business exchange of data.
- ✧ E-mail and fax and their use as media for reaching prospects and established customers.
- ✧ Business-to-business buying and selling .
- ✧ The security of business transactions.
- ✧ In the dot com era, electronic commerce include activities more precisely termed "Web commerce" - the purchase of goods and services over the World Wide Web, usually with secure connections with e-shopping carts and with electronic payment services such as credit card payment authorizations.

E-Business is all about the practical uses of new opportunities in terms of business-to-business interaction over the Internet, in supply-chain planning, analysis and automation: catalogue management ; order management (entry, confirmation, tracking, fulfillment, invoicing and payment) ; warehousing and inventory management; shipping and freight; pricing ; promotion ; taxes ; duties ; reporting ; customer relation management ; customer service ; customized product and service development ; marketing etc. the list is endless. And these possibilities are available to all types of enterprise, whether governmental, educational, nonprofit, or commercial.

A business model describes a set of business entities and interrelationships among them. The model describes the sources of revenue and potential benefits accruing to the involved business participants. The business model provides the broad perspective necessary for identifying appropriate solutions at some level of abstraction. The identified solution should be sustainable in terms of revenue and capable of realizing the stated objective.

2.2 DIFFERENCE BETWEEN CONVENTIONAL RETAIL VS.E-TAILING

| Conventional Retail (Brick & Mortar Models)	Online Retail (e-tailing) E-commerce models
Need & segment specific. More and best planned purchases.	More impulsive purchases. Broad based.
Need creates purchase motivation.	Motivation creates needs.
Cost intensive activity	Technology intensive business.
Tangibility, physical appearance transaction, Assortment & focused attention.	Virtual based transaction, wide assortment & a wide area for comparison between different competitor sites and business segment.
Fully efficiency and control on inbound logistics & operational cost for more value.	Efficiency and control on operational cost & outbound logistics, marketing & branding for differential value.
High entry barriers.	Low entry barriers

Defined policies and regulatory framework.	Lack of proper framed policies and regulatory framework.
Local richness	Global richness
Better infrastructure business	Web based virtual and online business platform
Customer service & store layout leading to the good experience.	Wider choice and control for a better experience.

2.3 MEANING OF CONSUMER-to-BUSINESS

It is the transfer of services, goods or information from persons to business or it is a business model where end users create products and services that are used by business and institutions.
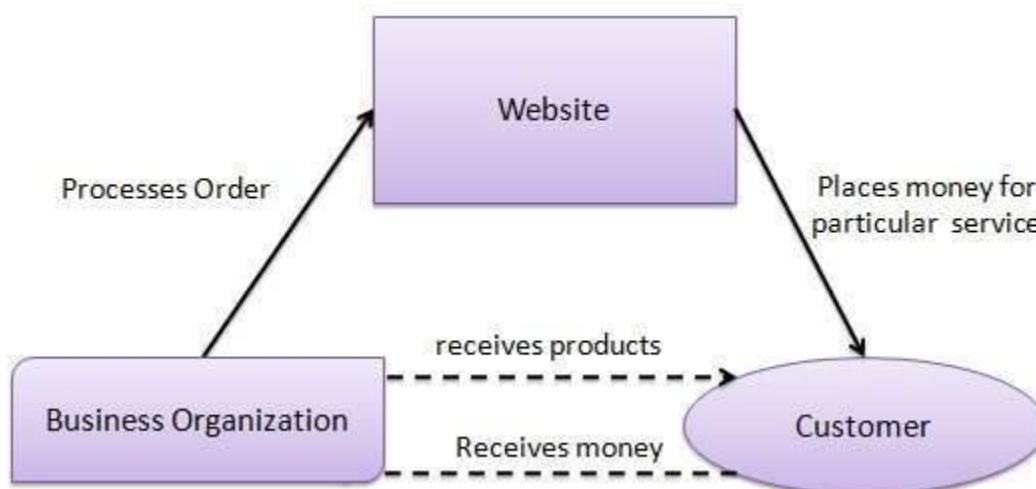
New startup founders and co-founders with their company

Sl	Name	Company	
1	Priyanka Gill	POPxo	Cofounder
2	Ashish Kashyap	Ibibo Group	Founder
3	Sachin Dev Duggal	Shoto	Founder
4	Anupam Mittal	People Group	Founder
5	Sairee Chahal	Sheroes	Founder
6	Pooja S Duggal	SD Squared	Founder
7	Bal Dighent, Rajesh Sawhney	Innerchef	Cofounder
8	Suchita Salwan	Little Black Bak	Founder
9	Raghav Verma	Chaayos	Cofounder
10	Raman Ray	Quatrro	Founder

| 11	Vishal Jindal	Carpediem	Founder
12	Chirag Gupta	Capital, 4700 BC, Popcorn	Cofounder
13	Rahul Narvekar	India roots	Founder
14	Rahul Gupta	Rays Experts	Founder
15	Soumit Saha	The Hunger Cycle	Cofounder
16	Vimal Kumar	Jus Pay of Business	Founder
17	Asish Mohapatra, Bhuvan Gupta, Ruchi Kalra	Taskbob	Founder
18	Abhiroop Medhekar, Ajay Bhatt, Amit Chahdia	Taskbob	Founder
19	Anshu Sharma, Brij Bhushan	Magic Pini	Founder
20	Vipin agarwal and Bhola Ram Meena	Onlinetyari	Founder
21	Sidhath Gupta	Treebo	Cofounder
21	Vaibhav Aggarwal	Fabhotels	Cofounder
22	Keshav Baljee	Ziprooms	Founder
23	Ankita Sheth	VistaRooms	Cofounder

Source: Different Newspapers

2.4 MEANING OF CONSUMER-to-CONSUMER (C2C)

It is an electronic Internet facilitated medium, which involves transactions among users and it is a business model which two consumers deal business with each other directly. Examples are individuals selling in classified ads and selling residential property, cars, and so on. Advertising personal and own services on the Internet and selling knowledge and expertise is another example of C2C. Several auction sites allow individuals to put items up for auctions services. The examples of C2C e-Commerce are Cloudacar.com, quickr.com, olx.in.

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. It perhaps has a great potential for developing new markets and opportunities.

This type of e-commerce comes in at least three forms

➢Auctions facilitated services at a portal, such as eBay, which allows online real- time bidding on items being sold in the Web;

➢Peer-to-peer systems services , such as the Napster model (a protocol for sharing files between users used by chat forums similar to Internet Relay Chat) and other file exchange and later money exchange models; and classified ads at portal sites such as Sulekha.com and justdial.com classifieds are the examples.
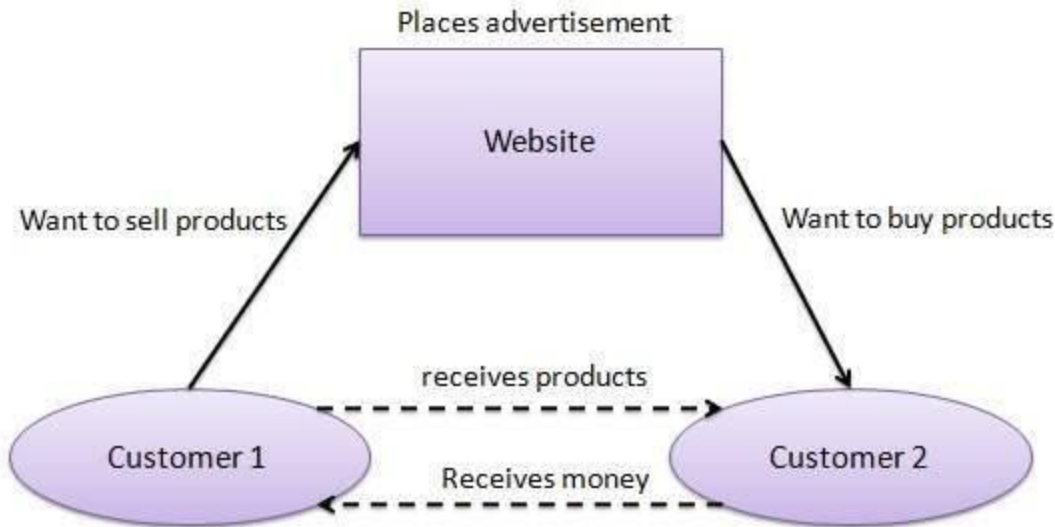
Examples of C2C include eBay, an online auction site, and Amazon, which acts as both a B2C and a C2C marketplace. EBay has been successful since its launch in 1995, and it has always been a C2C. Anybody can sign up and begin selling or buying, giving an early voice to consumers in the e-commerce revolution.

FEATURES OF C2C

❖ Here a consumer sells directly to another consumer. For examples. EBay and www.bazee.com are common examples of online auction websites that provide a consumer to advertise and sell their product online to another consumer.

❖ The buyer can purchase products from multiple sellers.

❖ The same customer can act as both buyer as well as seller.

❖ The online market place will allow buyer to browse products by using different criteria such as; best seller, most popular product, from your city and many more.

❖ Different sellers can bid on the products wish list item listed by the buyer, what they are looking for so that the buyer can get different best prices and offers from sellers.

❖ The social media linking functionalities include, community or forum discussion and blog and other social media website link interface.

❖ The back end interface includes features for administration to manage buyer and seller accounts, payment settings, gallery setting, etc.

❖ The buyer has to browse products by using different sections such as; good seller, most popular product, from place and many more.

❖ The prospective sellers can bid on the products from ad to cart list item listed by the buyer, what they are looking for so that the buyer can get different best prices and offers from sellers.

2.5 ADVANTAGES OF C2C

1. The customers can directly contact sellers and eliminate the middle man.
2. It is easy to start the new business venture.
3. The sellers can reach both national and international customers orientation.
4. The simplified buying and searching process through listing products and services.
5. It has minimized searching and distribution cost through search engine optimizer.
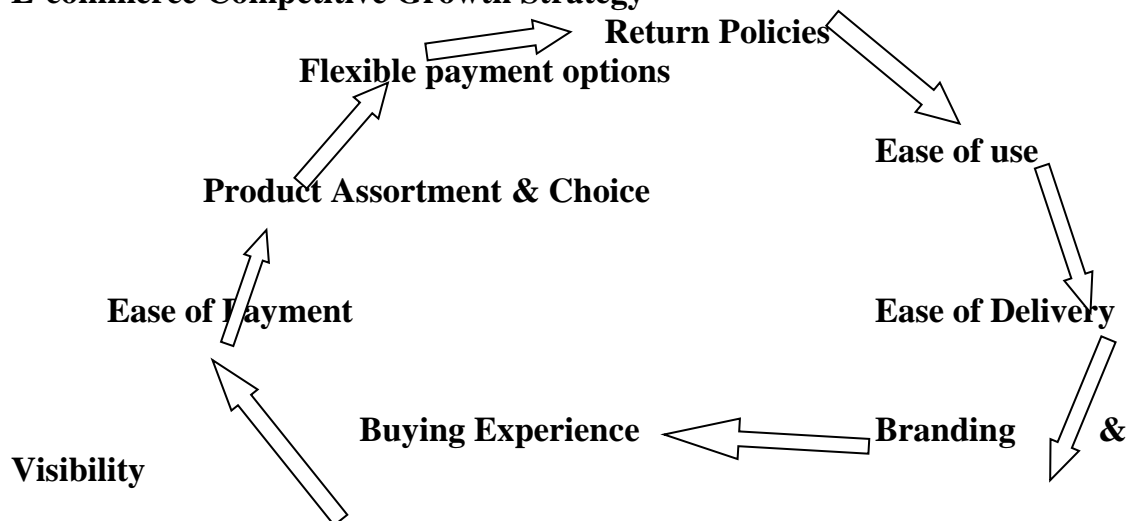6. It has reduced inventory cost or holding cost of products.

E-commerce Options and Categories
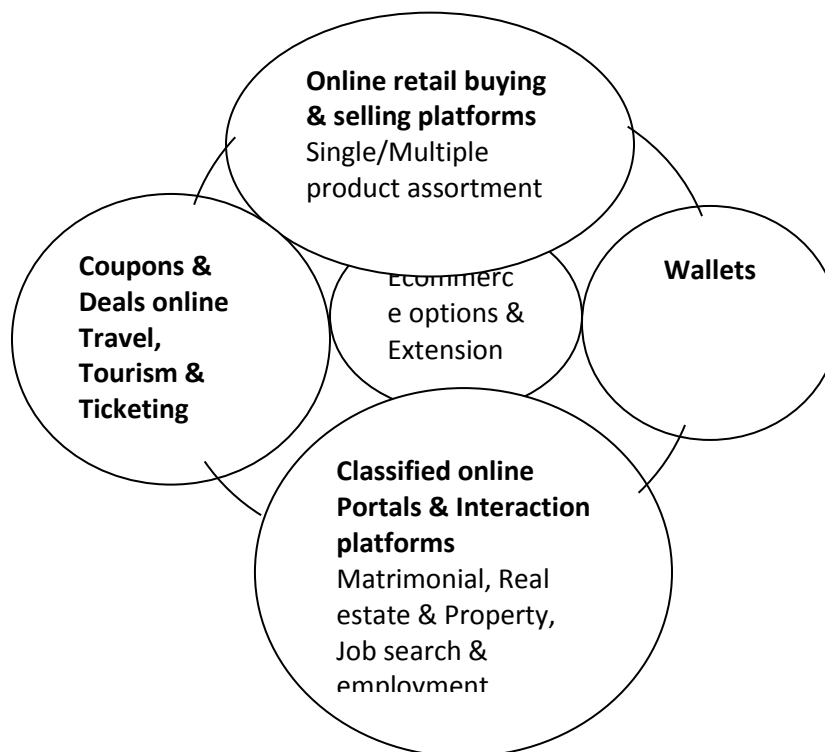
2.6 DISADVANTAGES OF C2C

1. The numbers of internet-related auction frauds have also increased.
2. Unnecessarily inflated prices by creating multiple buyers.
3. The illegal or restricted products and services have been found on selling process. Example: illegal drugs, pirated works.
4. The More credit card/ payment frauds are increased.

E-commerce Competitive Growth Strategy

Return Policies

Flexible payment options

Ease of use

Product Assortment & Choice

Ease of Payment

Ease of Delivery

Buying Experience   **Branding   &**

Visibility

Logistical Model of leading E-Commerce business in India

Company	Founded	Performance	Time to Deliver	Logistical Model
Bigbasket.com	2011	10,000 orders daily	Same day	-Own inventory stock -Keeping 400-1000 express goods at 1800 Kirana.
Local Banya.com	2012	1000 orders daily	Same day	Amalgamates inventory from other sellers and then deliver.
ZopNow.com	2011	1000 orders daily	3 hours	Switched from inventory model to partner exclusively with Hypercity store.
Grofers.com	2013	400-500 orders daily	90 minutes	Delivery only from listed stores.
Peppertap.com	2014	500 orders daily	2 hours	Delivery only from select stores.

Source: Company's websites

2.7 ADVANTAGES THAT E-COMMERCE CAN BRING TO THE CONSUMERS

The distinct advantages e-commerce can offer to the consumers include but are not confined to the following only:

(i) Consumers have a much wider level of choice available on the online market place..

(ii) They bear lower costs for products due to increased online competition among sellers.

(iii) Due to wide-scale information dissemination, consumers can compare products, features, prices and even look up new reviews about product before as they select what they want.

(iv) The consumer are enjoying wider level access to assistance services and to advice from experts and peers services.

(v) The consumers are saving in shopping time and money.

(vi) Further, the consumers also avail of prompt services and delivery of products and services.

(vii) The consumer have the convenience of having their orders delivered right to the door step.

(viii) Finally, the consumers are driven to e-shopping in hordes as even branded goods cost less with competitive prices.

(ix) Digital convergence is changing World. Flipkart, India's biggest e-tailer had shuttered its grocery delivery app called "Nearby" and OLA, the taxi-hiring app had brought the curtains down on its similar services OLA store. Further, LocalBanya has stopped taking orders while Gofers has stopped taking orders while Grofers has discontinued its services in certain cities. Further, Flipkart and Amazon are new rushing in to the online-to-offline (O2O) channel. Flipkart has now partnered with Samsung for its appliances business across Rs.50 Cores.

Consumer Oriented E-Commerce Applications
The wide range of applications and services for the consumer marketplace can be broadly classified into:

- **Infotainment and Entertainment**: Movies on demand, video cataloging, interactive ads, multiuser games, on-line discussions forum.

- ▪ **Financial Management and Financial services and information**: Home banking, financial services, and financial news updates.
- ▪ **Essential services**: Home shopping, electronic catalogs, tele-medicine services, remote diagnostics.
- ▪ **Educational and training cum placement**: Interactive education, video conferencing, online databases management.

Relation between B2B and B2C models
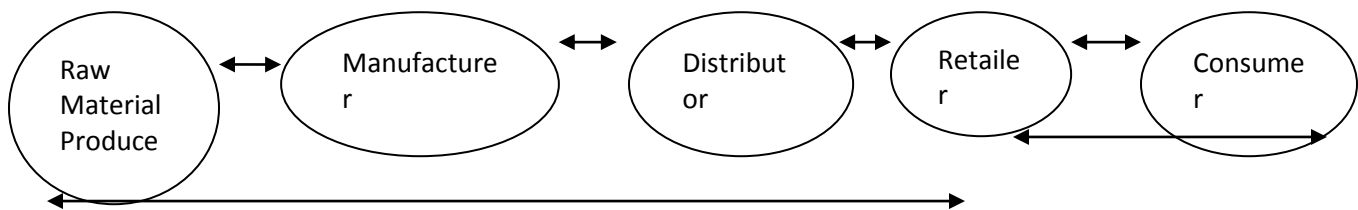
2.8 ADVANTAGES THAT E-COMMERCE CAN BRING TO THE COMPANIES/SUPPLIERS:

1.   It minimizes inventory level of cost E-commerce venture need not maintain huge inventories or expensive retail showrooms. Their marketing and sales force is a fraction of that of traditional mortar-based businesses. Ecommerce can minimize inventory costs by adopting just-in-time (JIT) system enhancing the firm's ability to forecast demand more accurately.

2. It can improve customer services as Customer Relationship Management (CRM) has become the buzzword which everybody is talking of recent times. For examples, Flipkart recently launched a visual search feature; if you like the dress or footwear that someone is wearing you can take a photo and upload it on the site. The visual search feature will do the search and came up with similar products on offer. **Jain,(2015)** E-commerce provides ample opportunity for Customer Relationship Management solution and, in turn, in establishing better relationship with the customers. It becomes absolutely necessary for the company to enhance customer loyalty. Otherwise the customer, who is full of choices, can jump or shifted from one website to another website. If company is to stay in business then it will have to deliver the products or services to customers as they want, when they want, and how they want.

Company's founding year and its promoter's shareholdings.

Sl.no.	Name of Company	Year of Founding	Promoters	Shareholdings
1.	FlipKart	2007	Sachin Bansal & Binny Bansal	7.5% and 7.5%
2.	OLA	2010	Bhavish Agarwal & Ankit Bhati	9% and 3%
3.	Housing	2012	Rahul Yadav & Advitiya Sharma	4.57% &1%
4.	Zomato	2008	Deepinder Goyal & Pankaj Chadha	Around 31%
5.	SimpliLearn	2010	Krishna Kumar	40%
6.	One97/Paytm	2010	Vijay Sekahr	27%
7.	Google	1998	Larry Page &Sergey Brin	10% and 10%
8.	Facebook	2004	Mark Zuckerberg	29.3%
9.	Aibaba	1999	Jack Ma	7.8%
10.	Amazon	1994	Jeff Bezos	18%

3.   It reduces distribution costs as well The Electronic Data Interchange (EDI) based on Organization for Economic Co-operation and Development (OECD) study has revealed that the time needed to process an order declined abruptly by a minimum of 50 per cent to a maximum of 96 per cent. It is really astonishing.

4.   It helps business globalize E-commerce by minimizing costs enables companies' especially small ones to make information on its products and services available to all the potential customers spread over worldwide. This is a good example of Amazon. Com. founded by Jeff Bezos, which is the the largest bookstore in the internet by taking away a large amount of sales from the traditional booksellers. In India, the experience is good and action oriented.

5.   It helps market products more quickly by taking the entire product design process online, drawing partners and customers into the process and removing the traditional communication barriers, companies can bring products and services to market far more quickly. For example The online eyewear portal Lenskart; provides virtual try on the 3D technology help a new effort of e-tail business. **Raghavan, (2015)** E-commerce solutions allow customer to reduce the costs of sales and open new markets, speed and simplify order accuracy, approval, and processing, tracking and delivery and improve decision

making, leverage existing investments in infrastructure, business systems and repositions and link manufacturers with suppliers on the same network.

Expected Online Retail Spending in India during 2015-2020

Year	Online Spending in India ($bn)	Online Buyers(Mn)
2015	12.1	49.6
2016	22.7	67.5
2017	35.2	90.1
2018	48.9	116.3
2019	62.8	142.9
2020	74.7	167.8

(Source: Forrester research online retail forecast 2015-2020, Asia-Pacific.)

6. The registered and perspective users of C2C websites can sell new as well as old goods and sometimes fewer middlemen may be involved in the transactions .In this context, the buyer can negotiate with the seller regarding price, payment, and delivery appropriate for them. At a juncture, C2C E-commerce is the most famous and successful online auction worldwide for example, e-bay.com classified the four consumer online reselling types. These are (i) resale of extra purchase, (ii) resale after temporary ownership, (iii) unintentional resale, and (iv) disposition.

Complaints status of Online Market place during 2015 to 2016.

SL.NO.	NAME OF COMPANY	2015-16	2016-17
1.	Bookmy offer	71	449
2.	eBay	30	135
3.	Snapdeal	52	120
4.	Amazon	15	114
5.	Flipkart	40	92
6.	Whaaky	35	79
7.	Shopclues	55	47
8.	Paytm	31	46

Source: National Consumer Helpline, up to December 2016.

7. In the recent years, C2C websites where customers themselves engage in buying and selling activities are getting popular, especially, to the new generation. The popularity of these websites are the positive move and widely accepted by the young and new next generation. The very positive aspect of this website is, the cost of the products remains within the purchasing power ability of the customers and moreover, bargaining power can be done with the seller. Further, the seller can sell their products without facing any kind of

hassle. The C2C websites are getting more popularity as mobile operators are providing internet services and offering 3G service which has resulted access to the E-commerce sites. Consequently, this kind of businesses are increasing at a tremendous rate as more consumers are getting access to the Internet and technological advancement. For example: Snapdeal has built a lighter mobile browser "Snap-Lite" to allow users to shop online using slower 2G networks.

CASE STUDY ON BIG FAILURE OF FLIPKART'S BIG BILLION DAY OFFER

Flipkart's 'Big Billion Day' sale which was launched on October 6, 2014. It highlights the problems that occurred on the day of the sale. Flipkart sold products worth Rs 600 Crores in 10 hours in a special one-day event - "The Big Billion Day", claiming they had created e-commerce history, but their reputation for good customer service suffered because of technical problems, and angry reactions on social media from buyers disappointed with the pricing and availability of products. Servers within two hours of the sale being opened and many users complained of landing on error pages and seeing their sale process being interrupted, amid accusations that discounts were offered on inflated prices. A day after its Big Billion Day sale, e-commerce giant Flipkart has sent a letter to its customers an apology letter.

CASE STUDY ON MERGER OF FLIPKART AND MYNTRA

India's two biggest e-commerce companies, Flipkart and Myntra have merged to create an entity with annualized sales $1.5 billion. Myntra is focused on fashion e-tailing with 30% of online fashion sales. Flipkart now has a 50% share in a segment that's clocking nearly 100% annualized growth. Myntra's CEO will join Flipkart's board and will also oversee Flipkart's fashion business. Flipkart and Myntra will remain as two separate entities. Further stock holders in Myntra will now hold the same in Flipkart. Flipkart nad Myntra merge in Rs 2,000 crore($330 Million) due to tackle amazon which has became increasingly aggressive in India's booming and long term plan for India's e-commerce market. Further Flipkart and Myntra are running at a very fast speed and winning on the competitive landscape. Myntra will also get access to the large traffic that comes on flipkart as well as its massive delivery network. Further, Buying Myntra, with its strong brand, fashion expertise, experienced management team and deep relationships with apparel manufacturers and retailers is a straight forward way of ensuring a leadership position for Flipkart.

2.9 LET US SUM UP

The term "e-Business" refers to the integration, within the company, of tools based on ICT (Information and Communication Technology) is to improve their functioning for the company, its clients, and its partners. E-Business no longer only applies to those companies all of whose activities are based on the internet, but also to traditional companies. E-commerce has lent a new dimension to the consumer's buying experience by giving them the freedom of shopping within the comforts of their home, office, or even on the move.

2.10 KEY TERMS

✓ **Business model** can be defined as an architecture for product, service and information flow including a description of business players, their roles and revenue sources.

✓ **C2C business model** where two individuals or consumers transact or conduct business with each other directly.

✓ **Consumer to Consumer (C2C)**: Usually, this type of E-Commerce works as Consumer to Business to Consumer (C2B2C). It essentially means that a consumer would contact a business in search for a suitable customer. Most of the auction websites (like eBay) and matrimonial websites are working on this methodology.

✓ **Consumer to Business (C2B)**: In today's E-Commerce era, it is growing trend wherein consumers demand specific products or services from respective businesses. For example: I contact a tour and travel operator via their website for purchasing a holiday package.

2.11 SELF-ASSESSMENT QUESTIONS

1. What are the differences between traditional commerce and e - commerce?
2. What are advantages and disadvantages of B2C and C2C?

2.12 FURTHER READINGS

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2.13 MODEL QUESTIONS

I. Discuss the company Blue Dart which uses the internet for rapid delivery system? Discuss.

2.14 ANSWER OF SELF-ASSESSMENT QUESTIONS

1. What are the differences between traditional commerce and e - commerce?

Ans: The difference as follows:

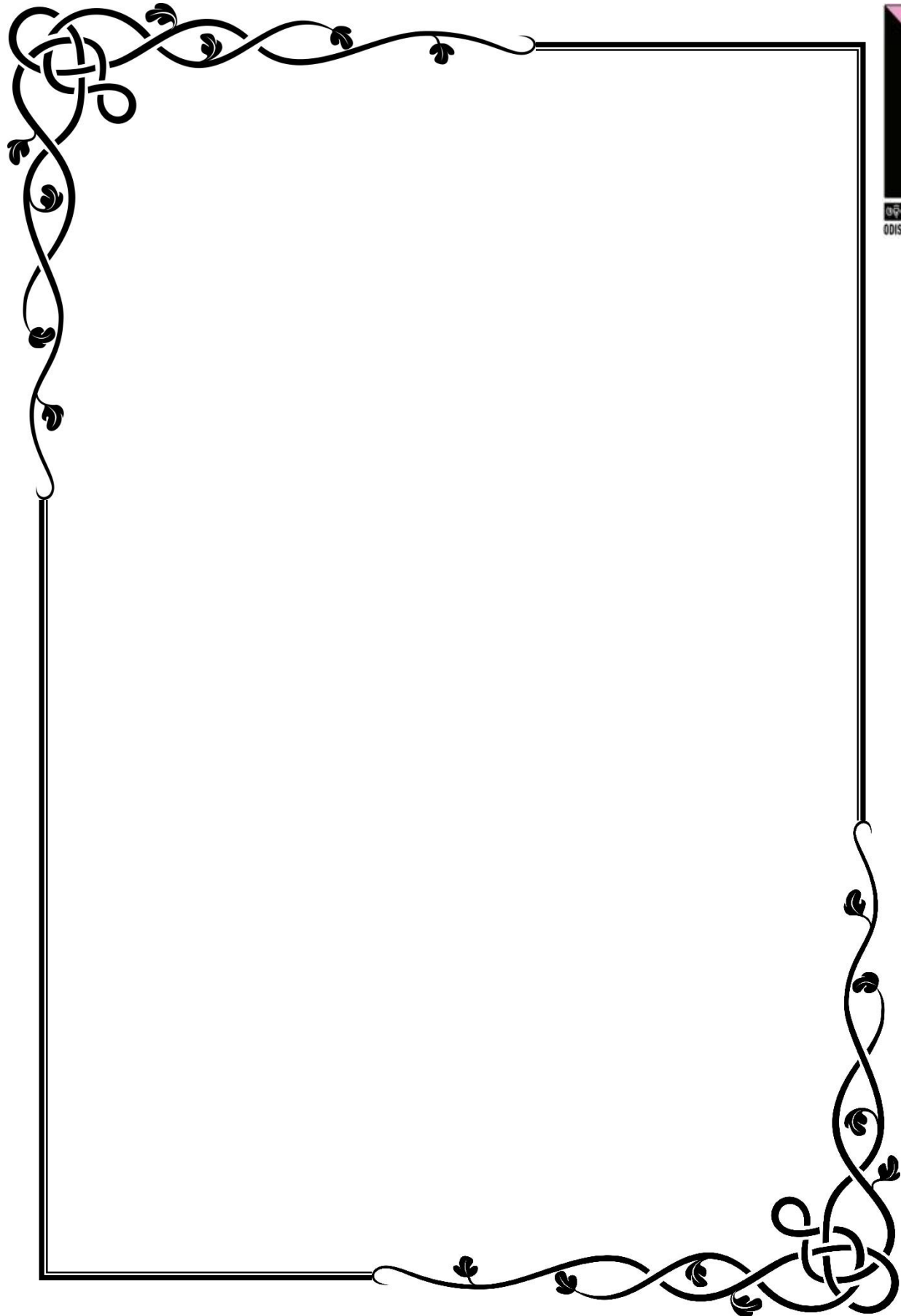| Traditional commerce	E-commerce
More and best planned purchases.	Broad based purchase
Need creates purchase motivation.	Motivation creates needs.
Cost intensive activity	Technology oriented business.
Tangibility and physical appearance transaction can be made	Virtual based transaction.
High entry barriers.	Low entry barriers
Defined policies and regulatory framework.	Lack of proper policies and regulatory framework.
Local richness	Global richness
Better infrastructure business	Web based virtual and online business platform
Customer service & store layout leading to the good experience.	Wider choice and control for a better experience.

1. What are advantages of B2C and C2C?
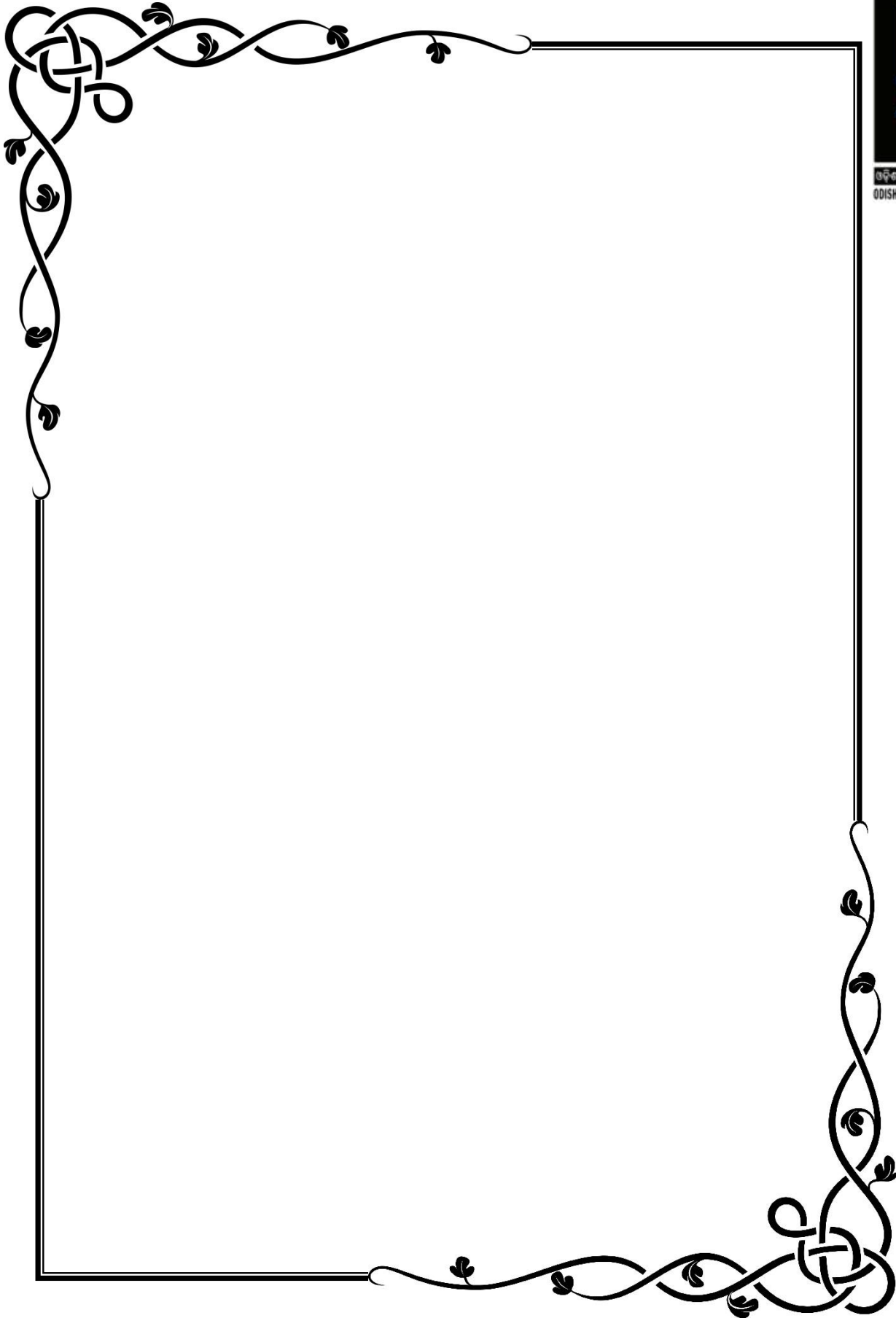
Ans: The advantages of B2C are as follows:
   a) Reduced marketing and advertising expenses.
   b) The Internet gives customers the opportunity to browse and shop at their place. They can access the services from home, office at any time.
   c) The Internet allows the companies to reach people around the world, offering many products to a global customer.
   d) It has reduced inventory, employees, purchasing costs, order processing costs associated with faxing, phone calls, and data entry, and even eliminate physical stores.
   e) It reduce transaction costs.
   f) Its eliminate Middlemen.
   g) It reduces customer service and sales support service.
   h) It is a better way to deal with dealers and suppliers.
   i) It creates automated registration verification, account entry and transaction authorization features.

The Advantages of C2C are as follows:
   1. Customers can directly contact sellers and eliminate the middle man.
   2. It is easy to start the new business.
   3. Sellers can reach both national and international customers.
   4. Simplified buying and searching process.
   5. Minimized searching and distribution cost.
   6. Reduced Inventory cost or holding cost