

E – Commerce Applications

Dr. Ugur GUVEN

What is E –Commerce?

- E-commerce is the concept that includes the whole concept of doing business on the internet.
- E-commerce includes:
 - Selling of the product / services
 - Buying of the product / services
 - Commerce between businesses
 - Marketing of the product
 - Providing logistical services

Types of E - Commerce

- The main types of e commerce are as follows:
 - Business to Consumers (B2C)
 - Consumer to Consumer (C2C)- ebay.com
 - Business to Business (B2B) – alibaba.com
 - Consumers to Businesses (C2B) –priceline.com
 - Government to Citizen (G2C)

Applications of EC

- Home banking through the internet
- Corporate banking
- Shopping in electronic malls
- Buying products from e – auctions
- Buying stocks and investments
- Providing online customer service
- Collaborating with businesses across the globe

Benefits of E - Commerce

- Expands a company's market to national as well as international markets.
- Enables companies to procure materials and services at low cost and more rapidly
- Eliminates marketing distribution channels
- Decreases the cost of creating and storing information digitally
- Helps small businesses compete against large companies
- Provides less expensive products and services to consumers
- Allows consumers to shop 24 hours/365 days

Disadvantages of E - Commerce

- Lack of universally accepted standards for e commerce
- Insufficient bandwidth
- Difficulties in integrating EC with existing software and hardware framework
- Need for extensive internet connectivity to all users across the globe
- Unresolved legal issues
- Security issues when making payments to websites and e businesses

E - Business

- Nowadays due to the availability of the internet, more e – businesses exist that are present only online as opposed to classical businesses.
- An e business can usually only have a presence on the net without any real physical address.
- E-business will conduct all of its operations (including logistics) on the net without requiring any physical place or process

Online Service Industries

- Electronic banking
- International Currency Trade
- Electronic Bill Payments
- Online Securities Trading
- Travelling (airlines, hotels, cars, holiday packages)
- Real estate transactions

Electronic Payment Options

- The availability of making online payments anywhere and anytime is the main reason why e-commerce has become quite popular all across the world.
- Some popular forms of electronic payments:
 - Electronic checks
 - Virtual credit cards
 - online payment through bank accounts (EFT)
 - Person to person payments through third party vendors such as Paypal.
 - Electronic wallets

Security in Electronic Payments

- Some important security requirements in electronic payments are:
- Authentication
- Integrity Throughout the Transmission
- Protection against Repudiation (Denial of Order or Payment)
- Privacy
- Safety of the Financial information

Secure Socket Layer (SSL)

- SSL is the most common protocol used in Electronic Commerce.
- SSL allows you to encrypt your messages and your transactions
- When you order any product from a website, your order is encrypted automatically by the SSL in your computer browser before being sent over the internet.

Digital Signatures

- Using e – commerce means that you also have to validate yourself by using a digital signature.
- You can use a digital signature by either using your mobile phone or by using a digital signature encryption device that you can hook up to your computer via USB port

Web Tracking

- When you shop on the internet, your movements are tracked through various tracking software.
- These programs that are designed to track your movements and transactions on the net are called cookies.