

Ch - 5 E-Commerce.

Good Morning Students.

This lesson is for class 10th for the subject of 'Commercial Studies'. The topic for today is 'E-Business and Enterprise Resource Planning' which is covered in chapter 5 titled 'E-Commerce' of your book.

This lesson is being submitted to you on 13.05.24.

All the students now please open page number 45 of your book and listen carefully.

E-Commerce (Electronic Commerce) means commercial transactions conducted over a network using computers and tele-communications.

"E-Commerce means commercial transactions in which an order is placed electronically and goods or services are delivered in tangible or electronic form".

Difference between E-Commerce and E-business.

E-commerce simply covers a firm's interactions with its customers and suppliers over the internet.

E-business is much wider term than e-commerce. E-business not only includes e-commerce but also other electronically conducted business transactions such as product development, production, inventory management, accounting, finance and human resource management. (1)

Distinction between Traditional Business and E-business

S.No.	Basis of Distinction	Traditional Business	E-Business
1.	Formation	Difficult	Simple
2.	Setting up costs	High—fixed assets required	Low—fixed assets not required
3.	Operating cost	High due to fixed charges	Low as little fixed charges
4.	Locational needs	Nearness to source of raw materials or markets	None
5.	Physical presence	Necessary	Not necessary
6.	Nature of contact with customers	Indirect through intermediaries	Direct
7.	Scope for going global	Limited	Wide as no boundaries
8.	Nature of internal communications	Hierarchical	Not Hierarchical
9.	Response time	Long	Instant
10.	Personal touch	High	Low
11.	Opportunity for sampling	Wide	Limited
12.	Transaction risk	Low due to face-to-face contact	High
13.	Type of staff required	Semi skilled	High skilled

Benefits of E-commerce:-

1. Global Reach:-

The boundaries of electronic business are not limited to a city, state or a country. Sellers can sell their product globally and consumers can also select the products anywhere from all over the world.

(2) Improved quality of Service:-

Electronic business enables suppliers to improve competition by becoming "Closer to the customer". Many companies are employing electronic commerce technology to offer improved levels of pre and post sales support, with increased levels of product information.

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guidance on product use, and rapid response to customer inquiries.

(3) Lower Cost:-

Setting up an e-commerce is cheaper as compared to traditional business set up. The cost of labour, infrastructure, advertising and marketing is comparatively less. A part of these lowered costs is passed on to the customers in the form of discounted prices.

(4) Convenience:-

On the internet, transactions can be made 24 hours, 7 days a week and 365 days a year. Consumers can shop any time, as per their convenience.

Unlike traditional shops, e-commerce sites never shut down and allow the consumers to shop from anywhere anytime.

(5) Enables Comparative Shopping:-

E-commerce facilitates comparison shopping. A customer can compare between various brands and prices which helps in making the best choice.

(6) Customer Care and Feed Back:-

E-commerce facilitates quick redressal of consumer's grievances. These web sites provide users an opportunity to write down their feedback through which they can identify needs and preferences of customers.

(7) Lower Investment,

It is much easier to start an e-business

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than a traditional business. Capital requirement is much less. A small firm can obtain the same benefits of Internet technology which are available to big business.

(8) Speed:-

Much of the buying and selling involves exchange of information. On the internet, information can be exchanged at the click of a mouse. E-business substantially reduces the cycle time of a transaction.

E-Tailing:-

E-tailing means selling goods in retail on the internet. It is a short form of electronic retailing. It represents Business to Consumer (B2C) side of e-commerce and Business to Business (B2B) side of e-commerce. Amazon.com, Flipkart.com, Snapdeal.com are e-tailing firms. E-tailing companies provide online catalogues. A new trend in e-tailing is the price comparison site on which buyers can quickly compare prices of different e-tailors.

E-Advertising:-

E-Advertising means sending advertising messages to consumers over the internet. E-advertising is the mechanism of promoting products or services on-line. It is process of gaining attention of the customers, through the digital media.

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It is also known as online advertising, Internet advertising or web advertising.

It involves an advertiser who provides advertisements to be displayed on the website and a publisher who integrates different advertisement on his website.

The main purpose of e-advertising is to reach out a wider range of customers. It is more cost effective when compared to the traditional forms of advertising. E-advertising also enables to target the specific customers.

E-Marketing:-

E-marketing or Electronic-Marketing is the process of marketing a product/service on the internet, via email and wireless media. Business firms use a range of technologies to connect with their customers. E-marketing is also known as Internet Marketing, Web marketing, Digital Marketing and on-line marketing.

Digital marketing techniques include Search Engine Optimization, Search Engine-Marketing, Social Media, Display Advertising and Marketing through SMS etc.

E-Security:-

Electronic security means network security, browser security and computer security. E-security is the process of securing the data and information, adopted by

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A website, from the external attacks. It involves protection of e-commerce assets from unauthorised access, use, alteration or destruction. Several methods like Encryptions, digital signatures are used to protect the transfer of data.

Before going further, let's take a short break. Write the answers of following questions in your note books

- Ques 1. What is E-business?
2. What is E-Retailing?
3. What is E-Security?

ERP (Enterprise Resource Planning)

ERP is a kind of software which is used to manage various functions of an organisation. Right from the inventory management to payment done to the employees, every aspect of the business can be monitored and managed by the system.

ERP manages business processes of various departments and functions and helps the top management to have a better sense and control over the business.

The centralised software system is divided into some basic modules, based on which the performance of the various departments can be checked.

The followings are the basic modules

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of ERP:-

1. Human Resource! - Human Resource Module helps the HR team in efficient management of human resources. It helps to manage employee information and track employee's performance. It also helps the management to decide on the pay hike and performance bonus.
2. Inventory Module! - This module helps the inventory system to keep track of the items and trace their current location in organisation. For example, if you have purchased 100 hard disks, so using inventory system you can track how many hard disks are installed, where they are installed, how many hard disks are remaining etc.
- (3) Sales Module! - It tracks the sales process starting from the queries made by the customers to the dispatch of the orders.
- (4) Purchase Module! - Purchase module takes care of all the processes that are part of procurement/purchase of items or raw materials that are required for organisation.
- (5) Finance and Accounting! - Whole inflow and outflow of money/capital is managed by finance module. This module keeps track of all accounts related transactions like expenditures, Balance sheet, Budgeting, tax management etc.

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- (6) Customer Management (CRM):- CRM department helps to boost the sales performance through better customer service and establishing healthy relationship with customers. All the stored details of customer is available in CRM module.
- (7) Engineering/Production Module:- Production module is of great help for manufacturing industry for delivery product. This module consists of functionalities, like production planning, machine scheduling, raw material usage, tracks daily production progress, production forecasting and actual production reporting.
- (8) Supply Chain Management:- This module manages the flow of product items from manufacturers to consumer and consumer to manufacturers.

Today many firms face challenges in their process automation. ERP is the great help for such organizations.

With this, I am ending my topic here. Write the answers of following questions in your note-books.

1. What is Enterprise Resource Planning? Explain any two of its modules.
2. Explain the benefits of E-business.
3. Explain the difference between E-business and E-commerce.