

1.4 E-Commerce

Ecommerce

E-commerce, short for electronic commerce, refers to the buying and selling of goods or services over the Internet or through electronic channels such as mobile apps or social media platforms.

It involves conducting transactions online through a website or other digital platform, where customers can browse and purchase products, and sellers can showcase and sell their offerings.

E.g. Amazon, Flipkart, eBay, sastodeal, daraz etc.

The main goal of e-commerce is to reduce cost, faster customer response and deliver the better quality service.

There are several types of e-commerce models, including:

Business-to-consumer (B2C): where businesses sell products and services directly to consumers through their website or an online marketplace.

Business-to-business (B2B): where businesses sell products and services to other businesses through online marketplaces or specialized B2B platforms.

Consumer-to-consumer (C2C): where individuals sell products and services to other individuals through online marketplaces or classified websites.

Consumer-to-business (C2B): where individuals sell products or services to businesses, such as freelancers or consultants offering their skills or services to companies.

Two major advantages of e-commerce are:

- **Increased Reach and Access:** E-commerce allows businesses to reach a larger customer base than they could with a physical store, as it removes geographical barriers and enables businesses to operate 24/7. This can lead to increased sales and revenue opportunities.
- **Cost-Effective:** E-commerce can be cost-effective for businesses, as it eliminates the need for physical storefronts, reducing overhead costs such as rent, utilities, and staffing. This can result in increased profitability and the ability to offer competitive pricing to customers.

Two major disadvantages of e-commerce are:

- **Security Risks:** E-commerce transactions involve the transfer of sensitive information such as credit card details, which can be vulnerable to cyber attacks and data breaches. This can result in financial loss and damage to a business's reputation.

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- **Lack of Personal Interaction:** E-commerce removes the personal touch and face-to-face interaction that can be found in physical stores, which can make it harder for businesses to build relationships with their customers and provide personalized experiences. This can lead to reduced customer loyalty and lower customer satisfaction.

M-Commerce / Mobile Commerce

M-commerce, short for mobile commerce, refers to the buying and selling of goods or services using mobile devices such as smartphones and tablets.

M-commerce has become increasingly popular in recent years due to the widespread adoption of smartphones and the increased availability of high-speed mobile internet connections.

Some examples of m-commerce include mobile banking, mobile payments, mobile ticketing, and mobile shopping.

Advantages of M-commerce include:

- **Convenience:** M-commerce allows customers to shop and make purchases from their mobile devices, offering a convenient and seamless shopping experience.
- **Accessibility:** M-commerce makes it possible for businesses to reach customers who may not have access to a desktop computer or physical store, expanding their potential customer base.

Disadvantages of M-commerce include:

- **Security Risks:** As with e-commerce, m-commerce transactions can be vulnerable to cyber-attacks and data breaches, which can result in financial loss and damage to a business's reputation.
- **Limited Screen Space:** Mobile devices have limited screen space, which can make it challenging for businesses to showcase their products and provide a rich and engaging shopping experience for customers.

Online Payment

Online payment refers to the process of transferring money electronically over the Internet to pay for goods or services purchased online.

It involves using a digital payment system that securely facilitates the transfer of funds from the buyer's bank account or credit card to the seller's account.

Online payments can be made using a variety of methods, including credit or debit cards, e-wallets, bank transfers, and digital currencies. Many online payment systems

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use encryption and other security measures to protect sensitive financial information and prevent fraud.

E.g. eSewa Nepal, iMe Pay, Khalti, e-banking, etc.

Advantages of online payment

- Digital Payment can be done at any time, from any location around the globe.
- It makes huge money transactions easier and faster.
- It offers higher payment security.
- There's no risk of your money getting stolen or lost when you pay online.

Disadvantages of online payment

- We need to pay third-party payment service charges.
- Not all shops are equipped with the facility of online payment..
- It might create privacy issues.
- Account can be hacked and money can be misused.