

Paper –CONSUMER BEHAVIOUR

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Topic- Ecommerce & its Importance

Ecommerce, also known as electronic commerce or internet commerce, refers to the buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions. Ecommerce is often used to refer to the sale of physical products online, but it can also describe any kind of commercial transaction that is facilitated through the internet.

Whereas e-business refers to all aspects of operating an online business, ecommerce refers specifically to the transaction of goods and services.

The history of ecommerce begins with the first ever online sale: on the August 11, 1994 a man sold a CD by the band Sting to his friend through his website NetMarket, an American retail platform. This is the first example of a consumer purchasing a product from a business through the World Wide Web—or “ecommerce” as we commonly know it today.

Since then, ecommerce has evolved to make products easier to discover and purchase through online retailers and marketplaces. Independent freelancers, small businesses, and large corporations have all benefited from ecommerce, which enables them to sell their goods and services at a scale that was not possible with traditional offline retail.

Examples of Ecommerce

Ecommerce can take on a variety of forms involving different transactional relationships between businesses and consumers, as well as different objects being exchanged as part of these transactions.

1. Retail:

The sale of a product by a business directly to a customer without any intermediary.

2. Wholesale:

The sale of products in bulk, often to a retailer that then sells them directly to consumers.

3. Dropshipping:

The sale of a product, which is manufactured and shipped to the consumer by a third party.

4. Crowdfunding:

The collection of money from consumers in advance of a product being available in order to raise the startup capital necessary to bring it to market.

5. Subscription:

The automatic recurring purchase of a product or service on a regular basis until the subscriber chooses to cancel.

6. Physical products:

Any tangible good that requires inventory to be replenished and orders to be physically shipped to customers as sales are made.

7. Digital products:

Downloadable digital goods, templates, and courses, or media that must be purchased for consumption or licensed for use.

8. Services:

A skill or set of skills provided in exchange for compensation. The service provider's time can be purchased for a fee.

Importance of E-Commerce

1. **eCommerce Helps You Reduce Your Costs-** To have an online store it is not necessary that you have all your products presented in a physical space. In fact, there are different companies that operate online where they only show all their inventory through their electronic commerce.
2. **eCommerce Helps Businesses Go Global-** Directly related to the previous point, this fact allows you to put your products for sale anywhere in the world. They will not have the explicit need to travel to where you are to see what you have to offer.
3. **eCommerce Can Be Done With Fewer Overheads & Fewer Risk-** Starting an online store can mean significantly lower start-up costs compared to a brick and mortar retailer. The retailer or the online business owner doesn't have to take into consideration the high expenses of shop rental, hiring a salesperson to woo the customer, utility bills, security measures, etc. This, in turn, will enable you to sell your products at competitive prices. Also, having an online store enables you to enjoy increased profitability with less risk.
4. **eCommerce Can Broaden Your Brand & Expand Your Business-** Having an eCommerce store can be used to broaden your range of products/services for sale, expanding your business, bringing you more custom, and diversifying your sales. It's the ideal way to take your brand from a traditional brick & mortar store to an innovative, well-loved one.

With eCommerce, there is no need to have more than one branch, just one singular online store allowing you to fully reach customers without having to worry about moving locations, you can just manage your online business from home.

5. **eCommerce Offers Better Marketing Opportunities**-Your eCommerce site is the best marketing tool that you would ever have. Thanks to the internet, now anyone can market through online tools like social media marketing, email marketing, search engine marketing, pay per click ads, and SEO help you build very useful links and contacts.