



E-COMMERACE

Chapter 7

E-COMMERCE



Main objectives



- 1. The concept of e-commerce.**
- 2. The fields of e-commerce and its importance.**
- 3. The various payment systems that are used in e-commerce.**
- 4. the infrastructure that supports e-commerce**

Sub-objectives

After studying this chapter, the student is expected to master the following knowledge and skills:

1. Learn about E-commerce.
2. Differentiate between stereotyped trading and E-commerce.
3. Lists the areas of use of E-commerce and its importance.
4. Explains the payment systems used in E-commerce.
5. Shows what infrastructure supports E-commerce.

Introduction

- ❑ E-commerce is one of the modern concepts that have entered into our daily life and it has even become used in many life activities related to shopping, selling, buying, activities and other commercial operations electronically
- ❑ The concept of E-commerce has emerged since the beginning of the seventies of the twentieth century, as American companies started to use special networks that link them with their customers and businesses to facilitate their daily business and support sales operations.
- ❑ In the same period, the concept of electronic data interchange appeared which transferred the application of the concept of electronic commerce from mere financial transactions to the rest of other commercial transactions, as the technology extended from financial institutions to the rest of commercial institutions.
- ❑ E-commerce includes marketing operations, procedures for buying and selling goods, and exchanging products, services and information through computer networks, the Internet, and the Internet, which provided many advantages

Definition of E-commerce

- ❑ “Electronic-Commerce” is the process of selling, buying or exchanging products, services and information using electronic media such as internal and external computer networks as well as the Internet”.
- ❑ E-commerce can be defined also, according to the World Trade Organization
- ❑ “E-commerce includes activities to produce, distribute, market, sell, or deliver goods and services to the buyer through electronic media”

commercial transactions according to this definition include three types of operations:

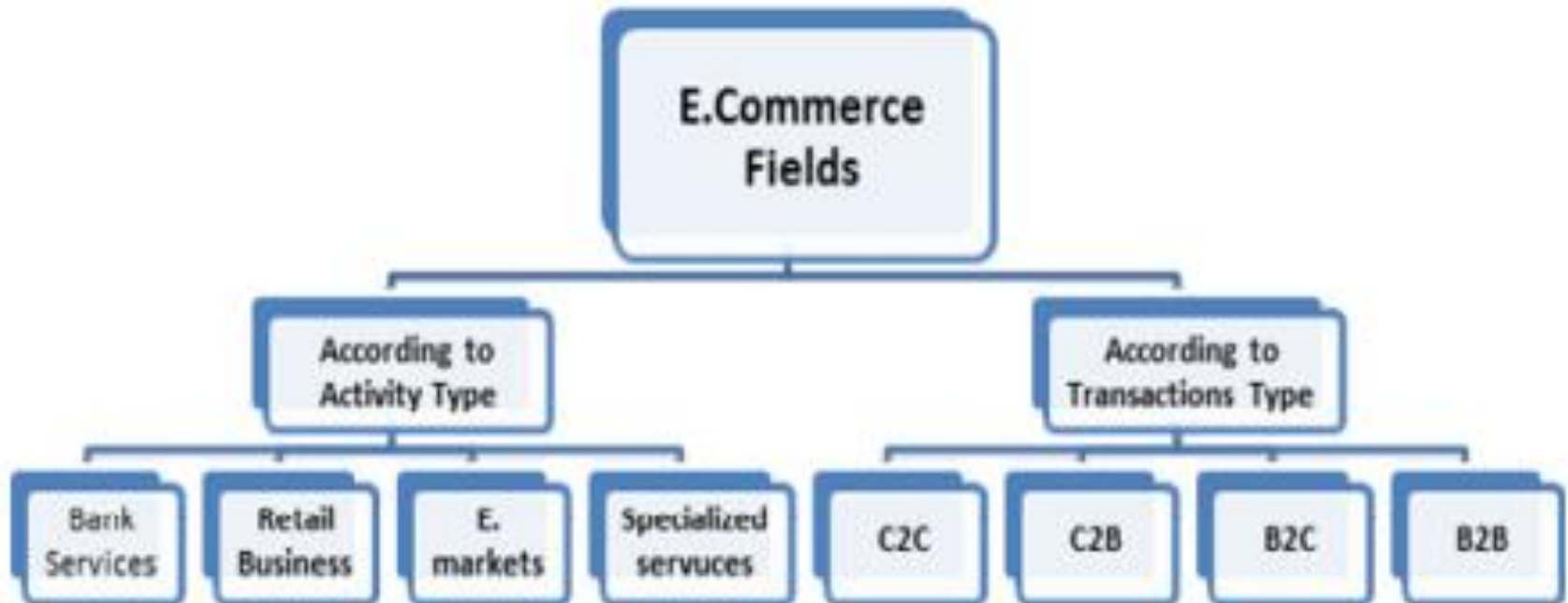
- 1. Product advertisements and searches.**
- 2. The processes of submitting the purchase requisition and paying the purchase price.**
- 3. Procurement deliveries to clients.**

Advantages of E-Commerce

1. Achieving huge gains: met with a significant decrease in costs compared to traditional trade.
2. Better management of operations: such as purchase, supply, sale, transportation, insurance, accounting operations, and inventory control.
3. Reducing the cost of commercial transactions: Because it eliminates the role of intermediaries between the seller and the buyer by providing accurate information about the two parties.
4. Effective communication with partners and customers: E-commerce crosses distances and borders, providing a fast and effective way to exchange information with partners wherever they are.
5. Saving time and effort: E-markets open continuously throughout the week and all the time, and customers do not need to travel or wait in the queues to purchase a specific product, as they do not have to transfer this product to the home. Buying a product requires no more than clicking on the product, and entering some credit card information

Advantages of E-Commerce

6. Freedom of choice: E-commerce provides a wonderful opportunity to visit various types of stores on the Internet; in addition to that, it provides customers with complete information about the products. All of this is done without any hassle or crowd.
7. Reducing prices: The Internet provides many companies that sell goods at a cheaper price compared to traditional stores, because online commerce saves a lot of costs associated with traditional trade.
8. Satisfying customers' needs easily: The Internet provides direct interactive communications, allowing companies in the online market to quickly respond to customer inquiries, which provides better services to customers and captures their satisfaction.
9. Open global markets: E-commerce has transformed the world into an open market for the consumer, regardless of the geographical location of the seller or buyer, which achieves higher returns than traditional activities.





1. Electronic banking services Electronic banking services is one of the oldest areas covered in electronic commerce, which includes any activity directly related to facilitating electronic commerce operations.
2. Electronic retail business Many websites on the Internet sell various products to clients around the world was deployed.

3-Electronic markets An electronic market is characterized by the fact that the trade center will not be a building or a place but rather a website on the internet for conducting commercial transactions. Participants in electronic markets - sellers, buyers and brokers - are not only in different places in the world, but they rarely know each other. The methods of communication between individuals in the online market differ from one person to another and from one case to another

4. Specialized electronic services Specialized services include all types of consulting and services, whether educational, medical, accounting or software, which have become widely available via the Internet, as many sites currently provide services such as legal advice, educational lessons, or medical prescriptions...etc.

1. Business to Business -B2B B2B are the buying and selling operations that take place between companies. This type of electronic commerce is the most used type today either within the country itself or between countries.
2. Business to Customer- B2C B2C means sales of products and services from companies to customers. B2C is the most used and well known in E-commerce for ordinary users, where the buyer can choose the appropriate commodity and send the purchase request and then pay the value of the commodity via credit cards, or cash later when receiving commodity.

3. Customer to Customer (Customer to Customer- C2C) C2c means the sales and commercial transactions that take place between people and each other. Where the seller displays what he wants to sell on special sites on the Internet, such as auction sites owned by people or specialized companies in order to sell personal items, goods or experiences.



4. Customer to Business - C2B C2B means that cases in which individuals or customers sell their products, which may be in the form of raw materials or goods used in manufacturing, as they may be in the form of various services provided to companies. This is done through communication with the sites of those companies or through e-mail to individuals.

1. Traditional Payment Traditional payment is one of the oldest methods of payment and it includes cash or by editing a Cheque.
2. Debit Card Debit card is a card issued by the bank, when the customer opens a current account (put money in the bank). The card is usually issued free of charge, and when it is used later for purchases, that is only within the available balance in the account, and the card cannot be used if the balance in the bank is executed, That is, its upper limit is according to the amount available in the balance.

3. Credit Card Credit card is a special card issued by banks to its clients with different financial capabilities, which is a loan that the customer pays as monthly installments with the imposition of taxes and interest at the end of the prescribed period.

4. Bank transfers Because commercial operations are cross-border, many transactions may take place between parties in different countries, which requires transfer of funds between them, hence the importance of bank transfers, which is one of the types of services that banks provide now.

5. Bank accounts websites The websites of clients 'accounts in banks are considered one of the most important means currently in the payment systems for electronic commerce operations, which is a service that is provided to customers through bank websites.

6. Electronic currency Recently the term electronic money (EC) is becoming popular around the world. EC is an electronic alternative to the traditional money that we used to trade. EC are currencies available only in digital form and circulated on computer networks, EC have no physical presence and take the image of electronic units stored in a safe place on secondary storage media (such as phone memory or hard disk), which is known as an electronic wallet, an example of digital money (Bitcoin currency, Ethereum, Latecoin, ... etc.).