

A Study on E-commerce Business Models

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ABSTRACT: The advent of e-commerce has resulted in a profound shift in the financial sector. The shift to a digital economy brings with it a plethora of new possibilities as well as significant risks. B2B e-commerce, in particular, is seen as a promising future sector. Since B2B is so closely linked to cooperative banking and online shopping, new B2B e-commerce business models should be reviewed on a regular basis. This paper presents an ecommerce business model paradigm and compares it to relevant examples.

Keywords: ECOMMERCE, B2B, B2C, C2C, C2B, B2A, C2A

1. INTRODUCTION

E-Commerce, also known as electronic commerce, is a modern business process that addresses the needs of businesses. It is defined as the process of ordering or selling products or services through an electronic medium, such as a browser.[1]

2. TRADITIONAL COMMERCE VS. E-COMMERCE

TRADITIONAL COMMERCE	E-COMMERCE
Meaning	
Traditional Commerce comprises to be a branch of trade, which concentrates on the exchange of goods and services.	E-commerce means executing the transactions or exchange of data, on the internet.
Accessibility	
Limited	Any time
Scope	
Restricted to a definite area	Across the globe
Business Relationship	
Linear	End-to-end
Marketing	
One way	One to one
Payment	
Cash, Debit or Credit card, cheque, etc.,	Debit or Credit card, NEFT or Cash on Delivery (COD) etc.,
Delivery of products	
Instantly	Takes some time

3. FEATURES

The following are some of the benefits of e-commerce:

3.1 Payment Methods Other Than Cash- E-commerce also has a benefit when it comes to the use of credit cards, debit cards, and smart cards. It also enables electronic fund transfers and other types of electronic payment through the bank's website, allowing citizens to pay cash in a convenient manner and order goods as desired.

3.2 Facility provider available 24 hours a day, 7 days a week- E-commerce standardises the commercialization of creativity and the way it provides services to its customers. It is accessible at any time, from any place, for anyone who requires it, and it is simple to use.

3.3 Marketing/Advertising- E-commerce provides a means for companies to reach out to the public and advertise their goods and services. It aids in the betterment of the selling organisation of goods/services for the general public, as well as providing a means for the general public to learn about the commodity.

3.4 Sales of Higher Content - Orders for products can be placed in e-commerce, and we can send them at anytime, anywhere, and to anyone without the need for human intervention. It significantly boosts existing revenue volumes.

3.5 Support- E-commerce offers a variety of options for providing pre-sales and post-sales assistance to improve customer support.

3.6 Catalogue Administration- E-commerce makes record keeping easier. When reports are required, they are produced instantly. The management of goods records becomes very efficient and simple to keep for future reference.

3.7 Enhancement of communication- E-commerce allows for more efficient, reliable, and stable connection infrastructures with customers and partners.[2]

4. E-COMMERCE TYPES

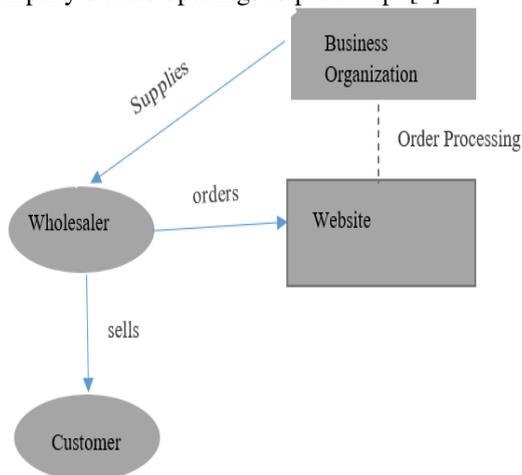
E-commerce, in general, refers to any online saleable transaction involving a vendor and a buyer. It is divided into six major categories, each with its own set of characteristics. E-commerce can be divided into six categories:

- Business to Business(B2B)
- Business-to-Consumer (B2C)
- Customer-to-Consumer (C2C)
- Customer-to-Business (C2B)
- Business to Government (B2G)
- Consumer to Administration (C2A)

4.1 Business-to-Business (B2B)

All electronic communications of products or facilities performed between supplier companies are included in e-commerce. B2B electronic trading is naturally used by goods producers and conventional commerce wholesalers. A website that follows the B2B business model sells its products to a middle buyer who then resells them to the final consumer.

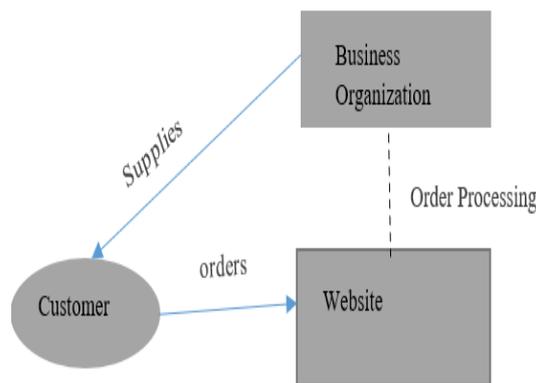
For example, a wholesaler places an order on a company's website, and after receiving confirmation, he sells the finished product to a final customer who comes to one of the company's trade openings to pick it up. [1]



4.2 Business-to-Consumer (B2C)

The development of electronic business dealings between companies and final customer distinguishes the Business-to-Consumer form of e-commerce. It describes the retail area of e-commerce, which is where conventional retail trading takes place. These types of businesses can be simpler and more active, but they can also be more irregular or out-of-date. As a result of the introduction of the internet, there are now many nearby stores and malls on the Internet where we can buy it, selling a wide range of consumer goods such as computers, software, books, cars, food, financial products, shoes, digital publications, and so on.

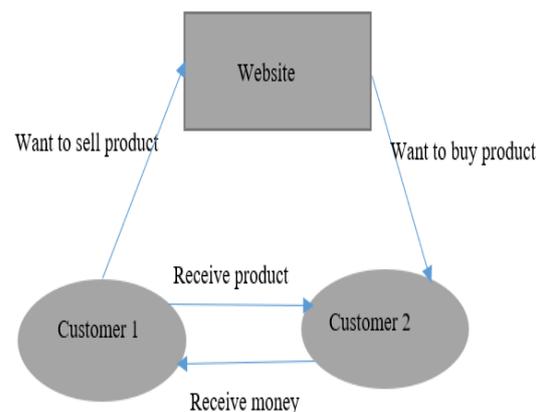
When we compare buying goods in traditional commerce to buying goods in retail, the consumer typically has more information about the product because we have more comparison and availability in terms of informative content. There is also an extensive idea of what the goods we buy that we will be getting it in cheaper, without risking an equally modified customer service, as well as giving quick shipments. A website that uses the B2C business model, for example, offers its products to customers directly. The items on the website are visible to customers. The client will select a product and place an order for it. We are the group. The website will then give us an email notification of the products that we have purchased to the business association, and the community will inform the consumer that we have requested to have the product/goods. [6]



4.3 Consumer-to-Consumer (C2C)

Consumer-to-Consumer (C2C) e-commerce encompasses all electronic fund transfers, money transfers, and the exchange of goods or services between customers according to their needs and requirements. In most cases, these transactions are conducted by a buyer's third party, which provides a transparent online portal on which the transactions can be completed.

For example, a website that follows the C2C business model assists consumers in selling their properties such as residential property, cars, bikes, and other items they use, or renting a room by providing information on the website. The con may or may not be charged by the website at any given time. Depending on the advertising offered, a website may or may not charge the user for the services they have provided. At the same time, additional customers can choose to purchase the first customer's product by viewing the post/advertisement on the product's website to learn more about it.[4]



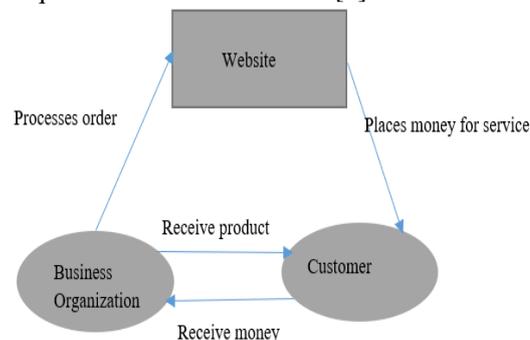
4.4 Customer-to-Business (C2B)

The conventional intelligence of exchanging goods is fully reversed in the C2B e-commerce model. This form of e-commerce is very popular in situations where a large number of customers are likely to purchase the same product based on projects.

Websites that allow consumers to choose designers from many proposals for a company logo are examples of this form of e-commerce, as are people who have sent their order for their purchase. They are markets that sell very creative royalty-free photographs, images, and medical images. Another platform that is found here is very common in C2B type of commerce. They are markets that offer very innovative royalty-free photos, videos, media, and design

elements, such as iStock photo, which sells many pictures that are fully connected to photographs.

In this model, a customer, for example, requests that a website view several business entities for a specific service. After seeing the goods, the customer makes a rough calculation of how much he or she wants to spend on a specific service. For instance, we can use websites to compare the interest rates of various banks' personal loan/car loan products. A company that satisfies the requirements of its customers.[5]



4.5 Business to Government (B2G)

This section of e-commerce covers all types of transactions that take place over the internet between businesses and government agencies. This is an environment where a large number of services are offered in a variety of fields, including economic, social security, service, legal documents and registers, and so on. With funds invested in e-government, these types of services have grown dramatically in recent years.

The B2G model is distinct from the B2B model. Governments use certain websites to trade and exchange information with different business groups in order to address government issues. The website is used to enter the company organisation. [7]



4.5 Consumer to Administration (C2A)

The Consumer-to-Administration model encompasses all electronic interactions between individuals and government agencies.

The following are some examples of applications:

- Education – disseminating knowledge to everyone, offering distance learning to those who are unable to attend, and so on.
- Social Security – by disseminating details, accepting payments online, and so on.
- Taxes – filing tax reports, making charges for their services, and so on.
- Health – appointments, sickness records, and reimbursement for health care, among other things.

Both B2A and C2A models of public administration are closely linked to the concept of capability and easy access to information.

Both models of public administration (B2A and C2A) are closely linked to the concept of capability and easy access to the government's services, which are given to all through the use of information and communication skills.

Governments use B2G platforms to entice businesses to buy their products. For government use, such websites support purchases, tenders, and application recommendation functionality. [7]



5. COMPARISON CHART BETWEEN B2B AND B2C

Parameter	B2B	B2C
Definition	The emphasis is laid on building personal relationships between buyer and seller. Happens from one business to another	The emphasis is laid on transactional relationships between buyer and seller. Here transaction happens between business and customer.
Buyer	Organization	End Customer
Relationship	Personal	Transactional
Time	This buying process takes a long time, it is a lengthy procedure	This buying process takes a shorter time, it is a simple procedure
Decision	The very long decision-making process	Decision-making process is short.
Brand Image	Depends upon the mutual trust between buyer and seller	It only depends on the advertisement done by the seller organization.

6. COMPARISON CHART BETWEEN C2C AND C2B

Parameters	B2B	B2C
Meaning	B2B is a model which involves businesses purchasing goods and services from each other.	C2C denotes consumers engaging in commerce with each other, usually in an online environment.
Legalities	Requires	Does not require

	paperwork and documentation like venture contract.	any legal work because it doesn't represent an organization.
Pricing Strategy	Manufacturers and Wholesalers tend to use Cost-based pricing. Retailers usually implement Competitor based or Dynamic pricing.	No traditional pricing methods needed and price discrimination and bargaining is used.
Scale of Operations	Mostly, works on a large scale of output.	Relatively small in size because of the quantity of output the seller holds.
Causes of failure	B2B activity can be harmed due to late shipment, quality of supplies, high pricing which might bring lower	C2C can be affected if buyers are not satisfied with product quality, high pricing and security

	profit margins.	concerns.
Organizational Structure	B2B transactions include multiple teams of employees working towards their directed tasks and responsibilities.	Characterized by one individual managing the whole transactions.

7. CONCLUSION

Markets models have been transformed by e-commerce. Trading online allows companies to reach a much larger audience while also lowering the cost of conventional retailing. It also gives companies long working hours and low human resource requirements. E-commerce enables companies to better understand and satisfy the needs of consumers by maintaining databases and collaborating more closely with them, resulting in improved supply chain management and logistics. It now offers customers fast processing and close connections with the company. [8]

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