

Lesson-4

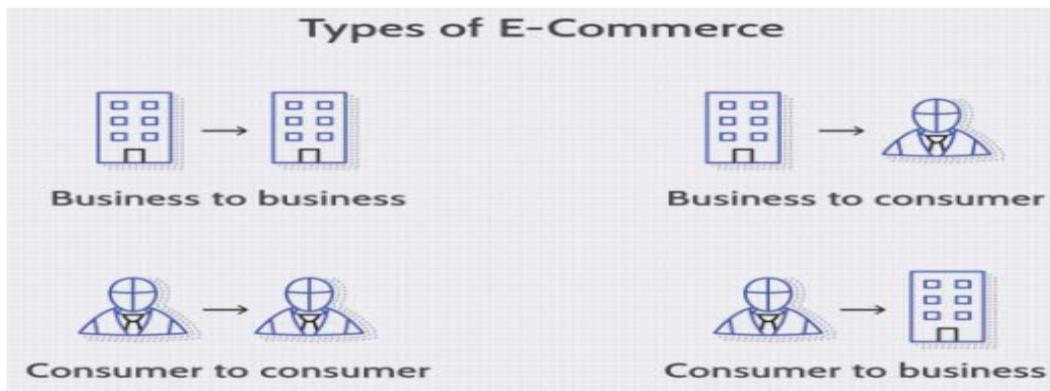
MODERN MODES OF BUSINESS

Introduction

Now-a-days the Internet is a worldwide system of computer network through which the users at any computer can access the information from any other computer. It helps the users to browse information on any topic, exchange messages using e-mail, chatting, and purchase items on-line and so on. You know that normally E-Commerce is the process of conducting business with the help of electronic devices using the computer and interconnected telecommunication network. E-business requires a website, technically qualified workforce, computer and effective telecommunication system. However, India took no time to adapt the changing technology and emerged as a successful player in the world market. This has been made possible through introduction of information technology. In this lesson we shall learn in details about all these modern modes of business.

Important points from the text:

1. E-Commerce takes place between companies i.e., business to business (B2B), between companies and their customers (B2C), and customer to customer (C2C).



2. E-Business covers not only the interaction with its customers and suppliers but also interactions and dealings among various departments and persons within the firm. E-Business includes not only B2B, B2C, and C2C but also Intra-B Commerce i.e., interaction and dealings among various departments and persons within the firm.



3. Benefits of e-Commerce/e-Business:

- (a) Wider Accessibility
- (b) Improved Customers Service
- (c) Shortened Transaction Time
- (d) Cost Saving and Low Prices
- (e) Enlarge Business and Profits
- (f) Convenience to Customers

4. Limitations of e-Commerce/e-Business:

- (a) It lacks personal touch with customers
- (b) The customer cannot actually see, feel or try on the goods he/she is buying.
- (c) The physical delivery of goods often takes long time.
- (d) Return of faulty goods bought on-line may often be more problematic and a time consuming exercise.
- (e) Shopping through Internet is not the same experience as a shopping expedition with family or friends.
- (f) Online transactions are prone to a number of risks that can result into financial, reputational or psychological losses to the parties involved in a transaction.

**5. The Transaction Process
(Precautions for Security)**

- (a) Protected by Passwords
 - (b) Off-line Authentication
 - (c) Encryption, which refers to the conversion of data into a code so that it cannot be read by other users.
 - (d) Use of digital signatures to authenticate the sender of the message
 - (e) Copy of the transaction may be forwarded to a trusted third party.
- Applications of e-Commerce
- e-Banking
 - (b) e-ticketing
 - (c) e-Advertising
 - (d) e-Trading
 - (e) e-Post

6. Outsourcing is a management strategy by which an organisation contracts out its major non-core functions to specialised service providers with a view to benefit from their expertise, efficiency and cost effectiveness, and allow managers to concentrate on their core activities.

Learn new points:

1. E-business requires a website, technically qualified workforce, computer and effective telecommunication system.
2. Before performing online buying, customer must find the seller, select the product and place an order.
3. Payment in online shopping can be through COD, Cheque, Net banking transfer, Credit/debit card, Digital Cash etc.
4. Scope for BPO are productivity improvement, cost reduction, focus on core business technology up gradation and stimulation of entrepreneurship.
5. KPO means outsourcing services that require expertise of a higher order
6. E-Banking - is an electronic medium through which our registered users can access various services
7. E-Ticketing- allows you to send ticketing information directly to an airline
8. E-Advertising - is advertising that uses the Internet and other forms of digital media to help a business promote and sell goods and services.
9. E-Post - sends messages as a soft copy through internet and at the destination it will be delivered to the addressee in the form of hard copy

Evaluate yourself

1. Explain the facility of Internet and its uses which are used in various mode of business.
2. What do you think E-commerce is better or E-business? Explain its advantages and limitation
3. Identify the stages involved in the trading process in on-line transactions and what are the precautions to be taken to ensure security in on-line transactions
4. Explain the concept of outsourcing of services, its merits and limitations.

Maximize your marks

- Read the chapter carefully and attempt all the above questions.
- Go through the learning key point
- Get into the little details of the above mentioned important points.