

E-Commerce : Shopping Online and Adoption of Safety Measures

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Abstract

Electronic Commerce (e-Commerce) is the buying and selling of goods and services, or the transferring of data and funds through internet. Such transactions are business to business (B2B), business to consumer (B2C), etc. Security is an essential part of every transaction that takes place through internet. If security of transactions is compromised, customers may lose their faith on e-Business. e-Commerce security is the protection of e-transactions from unauthorised access, use, alteration or destruction of information.

Key Words

Electronic Commerce (e-Commerce), Internet, Electronic Data Interchange (EDI), Mobile Banking (m-Banking), Electronic Fund Transfer (EFT), Enterprise Resource Planning (ERP).

1. Introduction

Today's age is known as 'The Age of Technology'. Internet has changed the way by which the business is conducted. Electronic commerce is the concept covering all types of business transactions using technology. It is associated with the buying and selling of products, services and information through computer network.

2. Objectives

This paper has been written with the following objectives :

- To know the process of e-Shopping.
- To search the various risks involved in e-Shopping.
- To make people aware of the precautions to be taken, while shopping through internet.

3. Scope

Scope of e-Shopping is limited to the products marketed through internet only.

4. Limitations

e-Shopping has the following limitations :

- Geographical limitations – The facility of e-Shopping cannot be availed at every corner of the world.
- Human limitations – Only computer-literate people purchase the products or services through internet.
- Product limitations – Every product cannot be sold through internet.

5. Conceptual Framework

5.1 Definition of ‘e-Commerce’ :

“e-Commerce is a concept covering any form of business transactions or information exchange executed using information and communication technology between companies and public administration.”

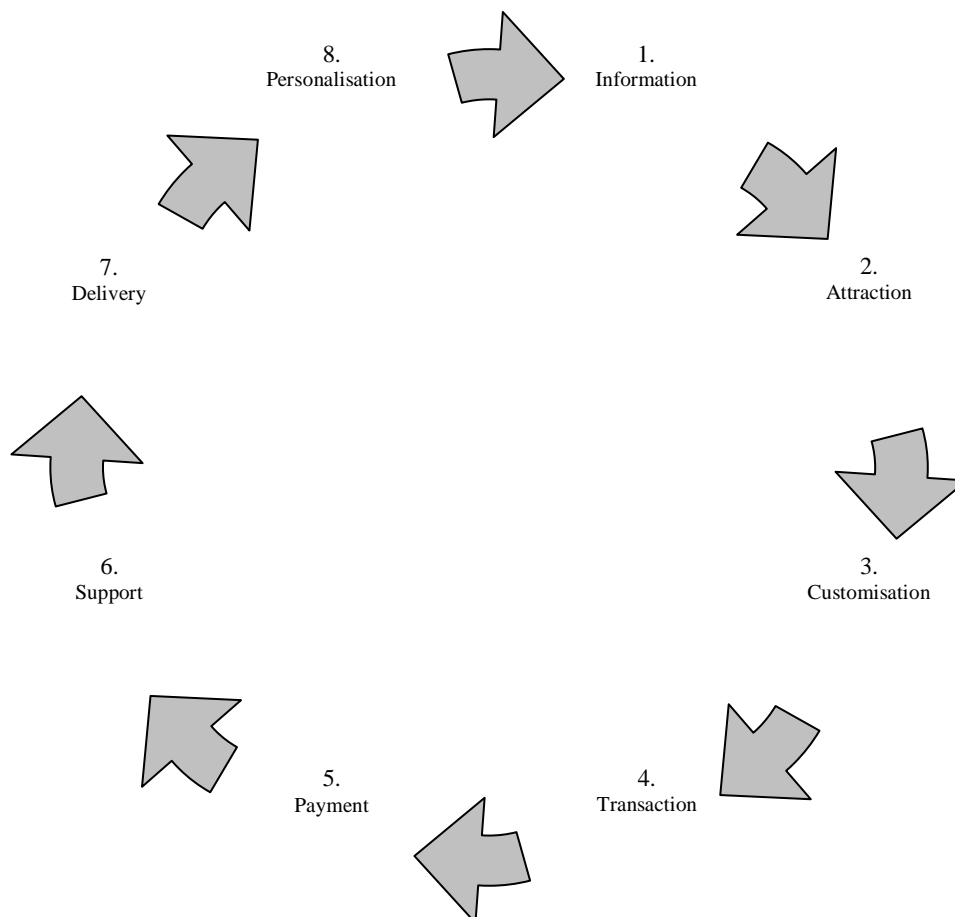
5.2 Process of e-Commerce :

The term ‘e-Commerce’ refers to more than just buying and selling products online. It also includes the entire online process of developing, marketing, delivering, servicing and paying for products and services. The use of commerce is conducted in this way, spurring and drawing on innovations in Electronic Fund Transfer (EFT), supply chain management, internet marketing, online transaction processing, Electronic Data Interchange (EDI), inventory management system and automated data collection system. Modern e-Commerce uses the World Wide Web (WWW) at least at one point in the life

cycle of a transaction. Online retailers are also known as ‘e-Tailers’ and online retail trade is known as ‘e-Tail’.

5.3 The e-Commerce Cycle :

The e-Commerce cycle commences with information. A well-structured product and services information engine is required in order the potential browsers to find all direct and indirect information required to help them make their ‘remote’ buying decision.



5.4 A Brief History of e-Commerce :

e-Commerce was identified as the facilitation of commercial transactions electronically, using technology such as Electronic Data Interchange (EDI) and Electronic Fund Transfer (EFT). These were introduced in late 1970s, for allowing business to send documents, e.g. – purchase orders, invoices, etc. The growth of debit cards or credit cards and Automated Teller Machines (ATMs) are also the forms of e-Commerce. In banking

sector, Electronic Banking (e-Banking) and Mobile Banking (m-Banking) are the latest developments. Online reservations of airline, bus and railway are also the modern forms of e-Commerce. From 1990s, e-Commerce includes Enterprise Resource Planning (ERP) system, data mining and data warehousing.

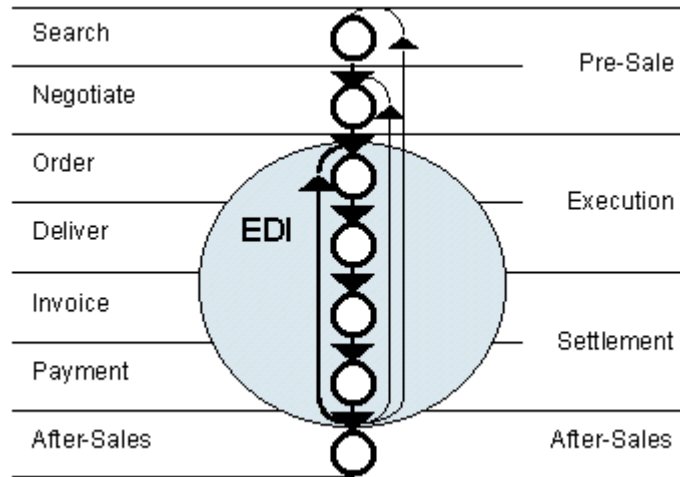
5.5 Types of e-Commerce :

Types of e-Commerce represent a range of schemes of transactions, which are distinguished according to their participants.

- Business to Business (B2B)
- Business to Consumer (B2C)
- Business to Employee (B2E)
- Business to Government (B2G)
- Business to Machine (B2M)
- Business to Manager (B2M)
- Consumer to Business (C2B)
- Consumer to Consumer (C2C)
- Citizen to Government (C2G)
- Government to Business (G2B)
- Government to Citizen (G2C)
- Government to Government (G2G)
- Manager to Consumer (M2C)
- Peer to Peer (P2P)

5.6 Trade cycle in e-Commerce :

The trade cycle in e-Commerce is different from that in traditional commerce. The following figure shows the trade cycle in e-Commerce.



5.7 Advantages of e-Commerce :

- Distance does not matter.
- Round the clock (24 x 365).
- Low cost of setting a website, as compared to that of establishing a shop.
- Flexibility to add or remove product(s) or service(s).
- Potential to expose to untapped markets.
- Reduction in the errors in business transactions.
- Wider choice to customers.
- No wastage of time, money and energy.
- Availability of a number of services like financial, legal, medical, etc.
- Low processing cost.
- Reduced size of inventory.
- Funds transfer is faster.
- Elimination of middlemen.

5.8 Disadvantages of e-Commerce :

- Inability to touch and feel product or service.
- Computer illiteracy.
- Risk of hacking of computer system.
- Limited group of customers can be reached.
- No mutual trust between buyers and sellers.

- Small businesses find it difficult to conform to EDI standards.
- Virus attack and other electronic vandalism.

6. Precautions

Here are a few tips to keep you, your computer and your bank account protected while you shop online.

- **Do not give out your personal information :** Legitimate online retailers will never ask for your social security number at any time. Don't give it to retailers. If someone requests it, contact the company.
- **Arm your computer :** You can protect yourself as you shop online simply by installing some basic security programmes on your computer, including anti-spyware, anti-virus and pop-up blocker programmes. These softwares will keep your financial information and passwords safe and out of the site of cyber thieves and hackers.
- **Use a credit card :** Credit cards are easy to use online. Just enter the credit card name, number and expiry date. There is another important reason to use a credit card; if fraud occurs or if you do not get the product that you purchased, you can dispute the charges. However, if you use a money order or debit card, the money is usually gone without dispute.
- **Read the fine print :** Whenever you shop online, read the fine print carefully; so there are no surprises. Make sure you are aware of shipping charges, delivery time, and cancellation and return policies, as well as the seller's privacy policy.
- **Do not respond to unsolicited e-Mail :** Never buy things or confirm your billing information through an unsolicited email, especially, if you do not recognize the source. Legitimate online retailers will never ask for your credit card number through an e-Mail. If you receive an e-Mail of this type, contact the company immediately.
- **Ensure the connection is secure :** When you click to purchase an item online, your browser connection should become secure. Look for two signs – the site address should read 'https' or 'shttp' instead of 'http', indicating a secure connection, and small lock should appear in the browser toolbar.
- **Research unknown retailers :** If you are not familiar with the retailer, do some research before entrusting them with your credit card. Make sure they have a phone

number and a mailing address. You may want to call them before making a purchase. You can also research the company on TRUSTe, Verisign and BBBOnline (Better Business Bureau).

- **If it appears too good to be true, it probably is :** Use your intuition. If you come across a retailer that has a product priced substantially lower than other retailers or offers an online coupon that gives an unbelievable discount, use caution. Website retailers have to make their money somehow. Read their privacy policy, make sure they are not selling your personal information and take the extra steps to ensure that the company and product are valid.

With a few simple precautions, online shopping can save your time, money and keep you, your money and your information 100 percent safe.

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