



# E-commerce Website Development



E-commerce Portals



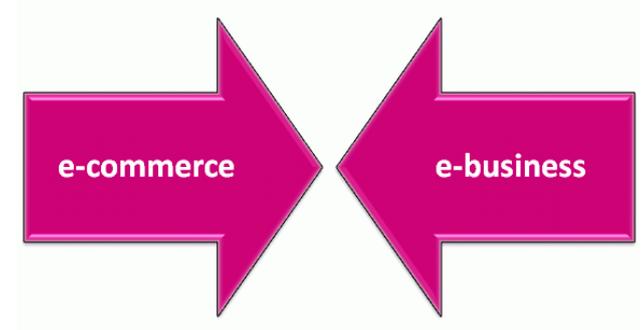
# Introduction

E-commerce is fast gaining ground as an accepted and used business paradigm. More and more business houses are implementing web sites providing functionality for performing commercial transactions over the web. It is reasonable to say that the process of shopping on the web is becoming commonplace.

The objective of this project is to develop a general purpose e-commerce store where any product (such as books, CDs, computers, mobile phones, electronic items, and home appliances) can be bought from the comfort of home through the Internet. However, for implementation purposes, this paper will deal with an online book store.

An online store is a virtual store on the Internet where customers can browse the catalog and select products of interest. The selected items may be collected in a shopping cart. At checkout time, the items in the shopping cart will be presented as an order. At that time, more information will be needed to complete the transaction. Usually, the customer will be asked to fill or select a billing address, a shipping address, a shipping option, and payment information such as credit card number. An e-mail notification is sent to the customer as soon as the order is placed.

# e-commerce vs. E-business



## ▶ **E-commerce:**

- OECD: An e-commerce transaction is the sale or purchase of goods or services over computer mediated networks (broad definition) the Internet (narrow definition).
- Payment and delivery of the good or service can be offline.
- Orders received/placed by telephone, fax or normal mail are excluded.

## ▶ **E-business: the use of ICT to:**

- Automate business processes
- Manage resources and
- Implement business policies (in marketing, HR, finance, etc.)

# Best platform for ecommerce development

- **Magento**
- **WooCommerce**
- **Shopify**
- **Zencart**
- **X-Cart**
- **OsCommerce**
- **Joomla eCommerce**
- **Custom eCommerce**

## **Magento:**

With nearly 21% of the world's top 100,000 ecommerce sites built on the Magento platform\*, it is by far the most popular and one of the best ecommerce CMS' being used today

## **WooCommerce:**

It is the most popular eCommerce website builder, due to the fact that it is easily integrated with WordPress.

## **Shopify:**

It is a SAAS (Software as a Service) based application in which you dont have to maintain the server at your end so the major work gets reduced as since you are a start up so there would be hundred other things which you have to take care of.

## **Zencart:**

Zen Cart is an online store management system. It is PHP-based, using a MySQL database and HTML components. Support is provided for numerous languages and currencies, and it is freely available under the GNU General Public License.

## **X-Cart:**

X-Cart is a PHP eCommerce Platform. Global eCommerce software pioneer, on the market for more than 15 years. X-Cart provide high performance online store with classic eCommerce and multi vendor solutions.

## **OsCommerce:**

OsCommerce is a popular free shopping cart with a large community of users that have contributed more than 7000 addons to extend its functionality. Its core functionality is very rich and allows you to manage unlimited products shippable and download able with flexible shipping and tax options.

## **Joomla eCommerce:**

Joomla is an open source platform on which Web sites and applications can be created. It is a content management system (CMS) which connects your site to a MySQLi, MySQL, or PostgreSQL database in order to make content management and delivery easier on both the site manager and visitor.

## **Custom eCommerce:**

The shopping scenario is changing with the latest eCommerce custom technology that is impacting the global market. It has boosted the online shopping sales and also has paved the way for a new source of income for the investors and business enthusiasts.

# Features of e-commerce

1. Ubiquity
2. Global Reach
3. Universal Standards
4. Richness
5. Interactivity
6. Information Density
7. Personalization/Customization

# Technical and Operational Factors of E-commerce

## **Protocol (Standards) Making Process**

A well-established telecommunications and Internet infrastructure provides many of the necessary building blocks for development of a successful and vibrant e-commerce marketplace.

## **Delivery Infrastructure**

Successful e-commerce requires a reliable system to deliver goods to the business or private customer.

## **Availability of Payment Mechanisms**

Secure forms of payment in e-commerce transactions include credit cards, checks, debit cards, wire transfer and cash on delivery.

## **General Business Laws**

The application of general business laws to the Internet will serve to promote consumer protection by insuring the average consumer that the Internet is not a place where the consumer is a helpless victim.

## **Public Attitude to E-commerce**

The public attitude toward using e-commerce in daily life is a significant factor in the success of e-commerce.

## **Business Attitude to E-commerce**

The willingness of companies to move away from traditional ways of doing business and develop methods and models that include e-commerce is essential.

# Social Media as a Trend

Empowered to stay connected to multitudes of people, communities, groups or businesses, enabling them to assimilate, contribute, chat, share, collaborate, purchase and work, has influenced behaviour (L. Freedman – Etailing Group 2011). Facebook has more than 400 million users and in the USA their members spend an average of 14 minutes daily on the site (Accenture, Social Networks enabling the Market of Me 2010:3-4). Globally Facebook, which is by far the largest social media force, has 750 million members (2011: Mark Zuckerberg). Analysts and industry experts are now predicting that Facebook has the potential of becoming the de facto Internet of the future. In an interview of Buddy Media UK MD, we gleaned better insight into this idea, in that:

- The Internet life cycle started with the Availability of information to the Selling of goods and services to the Organization and orchestration of resources, like Google and then to the Personalization of online resources around individuals needs – Facebook!
- Businesses are using Facebook to conduct Customer Relationship Management, engaging consumers into community like conversations about product, service and aspiration. This engagement is proving so powerful that a significant rethink of the use of traditional “push” communication through traditional media sources, is evident
- An example of this is the premium retailer, Burberry, which has recently enjoyed a massive resurgence in its popularity, is rated as one of the best business users of Facebook, by the Buddy Media MD. Interestingly, Burberry received 6.5 million “Likes” on Facebook and the question is to what measure its advertising spend with fashion magazine, Vogue, is still significant, since Vogue has a readership of 1.6 million people.

# A winning e-commerce strategy

For most manufacturers, a fully fledged e-commerce strategy will eventually require an integrated omni channel approach that includes investments in clicks-and-bricks retailers, pure-play e-tailers, and proprietary online stores. Success in these e-commerce channels will require significant investments in three core elements: content, data and analytics, and targeted media.

Content — such as ratings and reviews, how-to video tutorials, personalized match-finder applications, and digital shopper solutions — is the basis for differentiated online experiences that offer value beyond the product itself. The collection and mining of online data and analytics is the key to discovering consumer and shopper insights that can enhance and drive engagement across the myriad touch points in the digital world. And targeted media spend, both on e-commerce sites and across other media channels, is needed to reach mass audiences online and complement investments in owned and earned media in the quest to optimize conversion along the shopper's path to purchase.

CPG manufacturers that successfully create and execute e-commerce strategies that include all these e-commerce channels and foundational elements will be the category leaders in fast-emerging and valuable digital markets. In the coming decade, manufacturers that follow this path will enhance their right to win with retail trading partners. They will be the companies that embrace the e-commerce opportunity within the broader omni channel agenda, and build an e-commerce capability that engages shoppers wherever they are, however they want to interact, and with a winning proposition that delivers a superior experience.

# Global e-commerce trends – estimates vary

## ▶ For rester (for 2013)

- B2B e-commerce: \$559 billion (US market only)
- B2C e-commerce: \$252 billion (US market only)

## ▶ Interactive Media in Retail Group (for 2013)

- B2C e-commerce sales: \$1.25 trillion

## ▶ Goldman Sachs (for 2013)

- Retail web sales: \$963 billion

## ▶ eMarketer (for 2013)

- B2C e-commerce sales: \$1.3 trillion

# E-commerce is growing fast

**Figure 1** Forecast: US Online Retail Forecast, 2010 To 2015

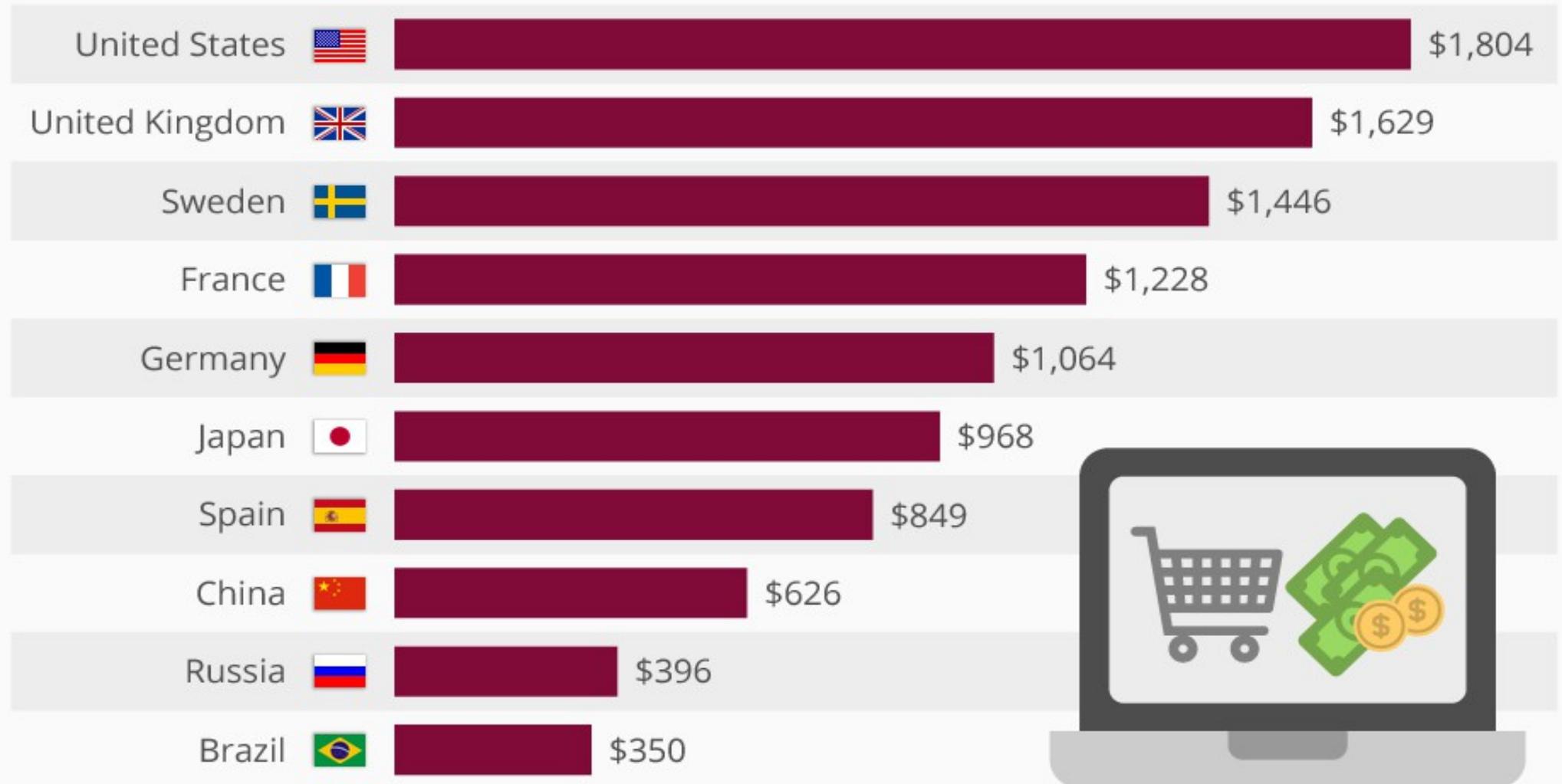


Source: Forrester Research Online Retail Forecast, 2010 To 2015 (US)

# Online Shopper

## How Much Online Shoppers Around the World Are Spending

Estimated average e-commerce revenue per online shopper in 2015



# Why e-commerce matters

According to Qiang, Rossotto, and Kimura (2009), increased broad-band access leads to accelerated economic growth as evidenced in the close link between information and communication technology (ICT) diffusion and firm level productivity. Similarly, the World Economic Forum (2013) reported that digitization has created 6 million jobs globally and provided a \$193 billion boost to world economic output in 2011. By 2020, about 20% of all jobs will be contracted online (World Bank 2013).

While changes in the labor market will cause frictional unemployment, the McKinsey Global Institute (2011) found that internet access has helped small and medium-sized enterprises (SMEs) in eight developing countries to create 3.2 jobs for every job lost. Evidence also suggests the potential impact of e-commerce in reducing inequality among women.

E-commerce lowers barriers to entry by eliminating certain costs related to having a physical storefront. It improves market access as it connects the supply side to the demand side without the traditional physical limitations and without certain transaction costs. According to UNCTAD, e-commerce helps local businesses access global value chains. It enables them to have a presence in foreign markets through exports and to tap foreign suppliers and receive goods through imports. This process leads to higher productivity because of more efficient use of technology, heightened competition, and greater consumer choice; and creates jobs as firms start to expand.

For example, digital channels provide opportunities where distance to markets is still a big barrier to trade. In the landlocked economies of Central Asia, e-commerce reduces trade costs by 60% compared with traditional trade. In India.

# FUTURE OF E-COMMERCE IN INDIA

India is developing rapidly and if development is to be measured, how can we ignore the role of e-commerce in it. The internet user base in India might still be a mere 100 million which is much less when compared to its penetration in the US or UK but it's surely expanding at an alarming rate. The number of new entrants in this sphere is escalating daily and with growth rate reaching its zenith it can be presumed that in years to come, customary retailers will feel the need to switch to online business. Insights into increasing demand for broadband services, rising standards of living, availability of wider product ranges, reduced prices and busy lifestyles reveal this fact more prominently thereby giving way to online deals on gift vouchers.

Going by the statistics, the E-commerce market in India was worth about \$2.5 billion in 2009. It rose to \$8.5 billion by 2011 thus depicting a definite surge in the last two years. According to a statement released by the Internet and Mobile Association of India (IAMAI), these figures would reach up to \$12 billion by 2012! To understand this scenario, we can divide E-commerce into three broad categories which include physical services, physical goods and virtual goods.

Another category that is gradually making its mark is the International Journal of Computing & Business Research ISSN (Online): 2229-6166 Proceedings of 'I-Society 2012' at GKU, Talwandi Sabo Bathinda (Punjab) local commerce (coupons, yellow pages, classifieds etc.) which offers significant overlaps with E-commerce. The 1st category of physical services is definitely the major contributor which includes travel ticketing, jobs, matrimonial and event management websites with travel sites accounting for 75% of all E-commerce industries! It provides attractive deals too.

# ADVANTAGES OF E-COMMERCE

With the astonishing growth of the Internet, many companies are finding new and exciting ways to expand upon their business opportunities. There are very few successful companies that do not use computers in their everyday business activities, which also mean there are few companies that do not use e-commerce. These are the advantages of Internet and e-commerce in general:

## **Speed:**

The Internet and World Wide Web give businesses opportunities to exchange messages or complete transactions almost instantaneously. Even with the slowest connections, doing business electronically is much faster than traditional modes. With increased speeds of communication, the delivery time is expedited and that makes the whole transaction from start to finish more efficient. Even more significant is the fact that information appearing on the Internet can be changed extremely rapidly. This gives business owners the ability to inform customers of any changes to the service that you are offering. This also allows for you to update marketing and promotional materials as often and as frequently as you would like.

## **Cost Saving:**

By using the Internet, marketing, distribution, personnel, phone, postage and printing costs, among many others, can be reduced. You can start doing business in cyberspace for as little as thousand of rupees. Most businesses will spend more than this but compared to the cost of opening a physical store, the savings are tremendous. These funds can then be diverted to marketing

## **No Boundaries:**

Cyberspace does not know any national boundary. That means you can do business all over the world as easily as you can in your own neighborhood. Since the Internet connects everyone in cyberspace, information is transmitted at the speed of sound or the speed of light, depending on your connection. Either way, distance becomes meaningless, which makes you able to link to anyone on the globe and anyone on the globe can link to you. The ability to provide links makes doing business on the Internet attractive to customers in any part of the world.

## **Ease of Networking:**

One advantage of the Internet is that it allows people to easily meet, gather data/information and stay in touch with others at a very low cost. Now almost everyone can automatically expose his/her business to the international market. The web will enable firms to build on the assets that they already possess, like brand name recognition, operational infrastructure, information, and customer relationships in order to develop new markets and distribution channels. Meeting with new network locally and from other countries can be done anytime and anywhere now.