

E- COMMERCE AND E- PROCUREMENT

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ABSTRACT

In this paper, we analyze the potential contribution of the internet and its commercial application to the development process in developing countries and developed countries . In historical perspective, the internet has created faster rate of growth compare to past from 1990 to 2000, the estimated number of internet users grow more than 300 million(roughly) , affecting the way in which people communicated with each other, acquire information , do business .

Our particular focus is on the opportunities E-COMMERCE offers to small-scale entrepreneurs in developing countries and the challenges they face in exploiting E- commerce's potential.

E- COMMERCE is process of doing business through computer networks. A person sitting on his chair in front of a computer can access all the facilities of the internet to buy or sell the products. Unlike traditional commerce that is carried out physically with effort of a person to go and get products, But with the help of E-commerce has made it easier for human to reduce physical work and to save time.

E- commerce which has started in early 1990's has taken a great leap in the world of computer , but the fact that has hindered the growth of E-commerce is security.

*E- Procurement is the **Business to Business** or **Business to Costumer** or **Business to Govt** procurement of goods and services through electronic methods, such as internet and other information like EDI or ERP. With the help of E-procurement we can reduced opportunity for fraud and corruption due to automated procedures. Increased efficiency due to competition transparency and lower transaction costs.*

Key Words : E-Commerce , E- Procurement, Internet , Security, Technology

I. INTRODUCTION

E-Commerce is a buying and selling of goods or services using an electronic medium such as the Internet. E-Commerce is a process of reduce cost and improve the quality of goods and services while increase in speed of delivery. E- commerce refers to the paperless exchange of business information . By following ways

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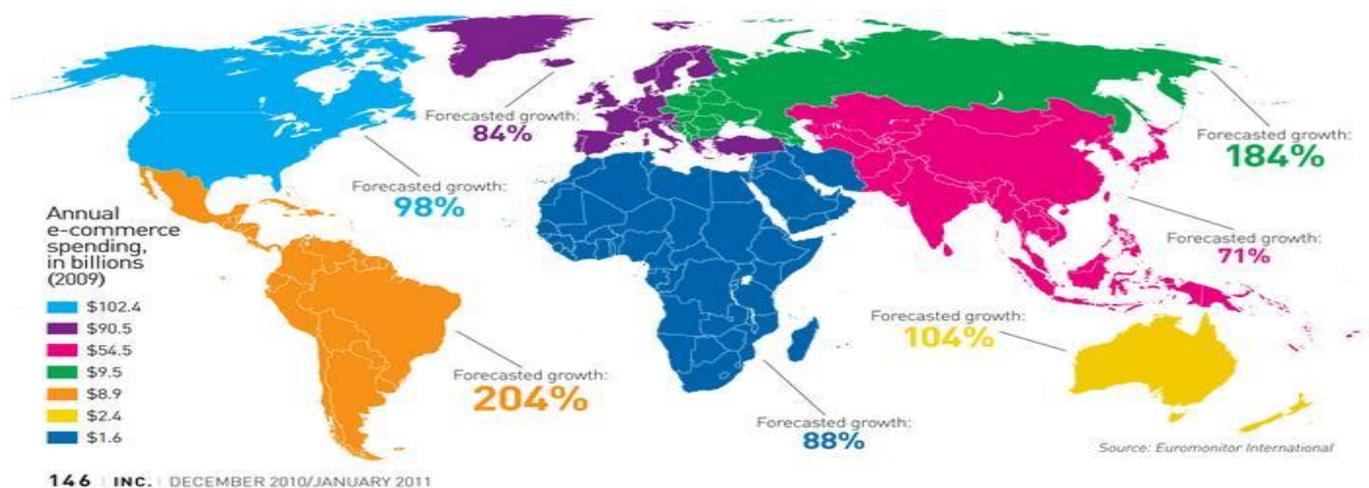
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- E- MAIL
- ELECTRONIC FUND TRANSFER
- ELECTRONIC DATA EXCHANGE etc...

E-Procurement/Purchasing is procurement of goods and services through electronic methods ,such as INTERNET E-Procurement web site allow qualified and registered user to look for buying (or) selling may specify price (or) bid prices. The ultimate goal of **E-procurement/purchasing** is "**paperless purchasing**" E-Procurement is expected to be integrated with the trend towards computerized "**SUPPLY CHAIN MANAGEMENT**".



II FEATURES

- **Non- Cash Payment** : In E-commerce, we can use credit cards, debit cards, smart cards, electronic fund transfer via bank website , E- wallets , and other modes of electronic payment.
- **24*7 Service Availability** : In E-commerce automates the business of enterprises and the way they provide services to their customer. it is available anytime , anywhere.
- **Improved Sales** : By using E-commerce we can improve our sales by provide anytime , anywhere without any human intervention and 24*7 open shopping opportunity .
- **Support** : E-commerce provides various ways to provide pre-sales and post-sales assistance to provide better service to customers.
- **Communication improvement** : E-commerce provide faster, reliable communication to customers and partners.
- **Inventory Management** : E-commerce automatic provide inventory report fast when required. product inventory management becomes very easy to maintain.

III ADVANTAGES

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The advantages of e-commerce broadly classified into three major categories :

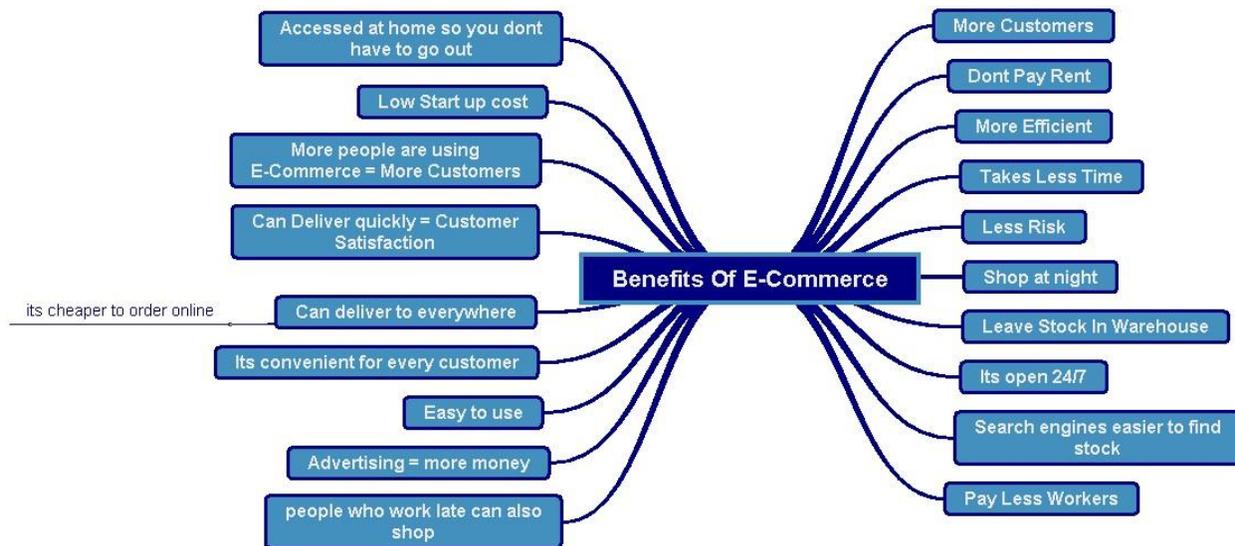
- Advantages for Customers
- Advantages for Businesses

3.1 Advantages for Customers

- ✓ **Easy to compare:** In E-commerce, there is side by side comparisons are readily available and easy to do. There is a lot of alternatives will have product will come with all specification so we can easy to compare.
- ✓ **Time saving :** With E-commerce, there is no driving in streets and there is no physical effort to shopping we can do shopping by home itself. So our time will save and we can get products.
- ✓ **Convenience :** Every product is at the tip of your fingers on the internet. We can get product with less effort and type in the product you are looking for into your favorite search engine and every option will appear in a well organized list in a matter of seconds.
- ✓ **Easy to find reviews :** In this type of business we can know reviews about product by past users, by this reviews we can know what positives and negatives about product next we can take decision whether to buy or not.
- ✓ **Easy to get more verities :** With the help of E-commerce we can have more verities of goods because in normal traditional shops we can't get this number of verities of goods. The consumer have more choose to select in E-commerce.

3.2 Advantages For Businesses

- ✓ **Rise in sales :** With the help of E-commerce our product able to sell all over the world any one can buy anything, so without managing a storefront well can able to get high sales by use of technology.
- ✓ **24*7 , 365 days :** E-commerce is a 24*7, 365 days business will have, by this we can get sales in any time , no external factors will influence this business to shutdown . By this unique feature they get more sales.
- ✓ **Expand business reach :** A great tool on the internet is translation, there is no possibility to make site in every language. but with the help of right marketing , every consumer around the globe can find the business site, products and information without leaving home.



IV DISADVANTAGES

- ❖ **Security Issues** : There is a change of hacking our cards at the time of payment our bill. There is so many firewalls but people have one strong belief that there is change of hacking.
- ❖ **Sufficient internet service** : Although it seems that everyone is now on the internet all the time. Now also there is some places where still facing bandwidth issues, before setting up an E-commerce business, be sure your area can handle the telecommunication bandwidth you will need to run effectively.
- ❖ **Product issues** : In E- commerce there major problem facing by consumer is product issues because some consumer suffered by damage in product , misplace of product, receive different product etc....

TRADITIONAL COMMERCE V/S E-COMMERCE

Traditional commerce	Electronic-commerce
Communication of business depends upon Human skills.	In e-commerce , there is no human intervention.
More dependency on information exchange from person to person.	Information sharing is easy via electronic communication and less dependency on person to person exchange.
In this there is less scope to get high sales.	There is a vast scope to enhance sales.
The scope of the business is low.	The scope of business is vast.
The products not able to sell in global markets.	There is a scope to sell products in global.

V BUSINESS MODELS

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- Business - to - Business
- Business - to - Consumer
- Consumer - to - Consumer
- Consumer - to - Business
- Business - to - Government
- Government - to - Business

VI PAYMENT SYSTEMS

- Debit card
- Credit card
- Smart card
- Electronic Money (E-Claque)
- Electronic Fund Transfer (EFT)

Debit card : Debit card is also like credit card , but in the case of credit card we can excess the bank balance of your account that is called overdraft but in the case of debit card there is no that option we can use debit card as per our bank balance.

Credit card : Payment using credit card is one of common mode of electronic payment. credit card is a card with a unique number attached with an account. It has a black magnetic strip have in it that is used to read the credit card with the help of card swipe machine. When a consumer buy or paid any bill by using credit card , the credit card issuer bank pays on behalf of the customer, customer has a curtain time period he/ she pay the credit card bill.

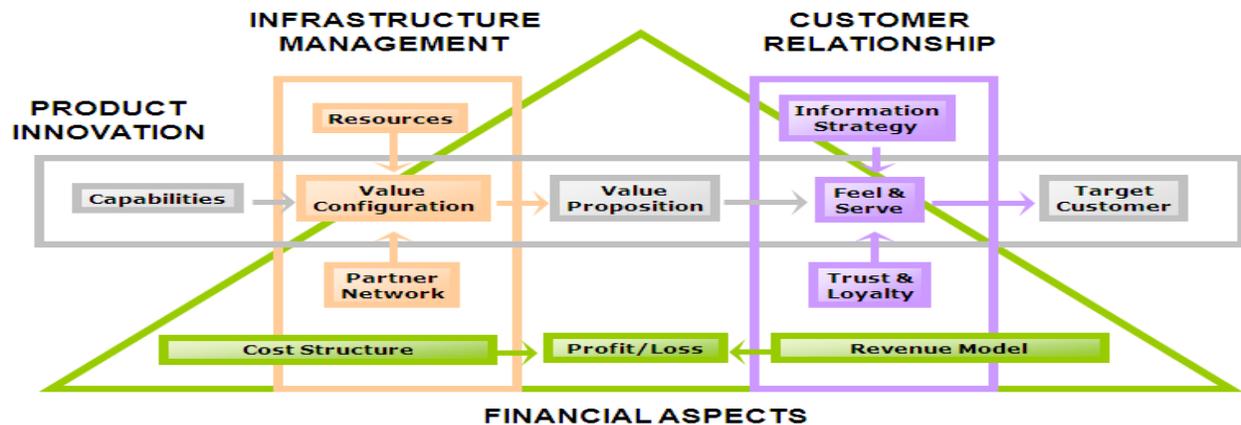
Smart card : Smart card is similar to a credit card (or) debit card in outlook, but it has a small microprocessor chip in it. It has capacity to store a customer's personal and work information. It also used to store money and amount gets deducted after every transaction. ex :- visa cash cards

E- Money : E- Money transaction refer to situation where payment is done over the network and the amount gets transferred from one financial body to another financial body without any involvement of a middleman , E- money transactions are faster, convenient and save a lot of time. E-money can done with the help of debit card and credit card.

Electronic Fund Transfer : It is a popular E- payment method to transfer money from one bank account to another account . Accounts can be in the same bank or different banks. it is done by using ATM or using a computer.

Nowadays, with the help of technology he/she can transfer money from one account to another account , by registers in website provide by bank , logs in the bank website we can transfer amount.

Pillars of e-Business Model



VII E-PROCUREMENT

Although it is intuitive that it is "50%" of E-commerce." it may not be obvious how purchasing professionals view it. "acquisition of goods or services using purchase as the method of acquisition effected using electronic media". The ultimate goal of **E-procurement/purchasing** is "**paperless purchasing**". where elimination of paperwork for all the important document used in procurement/ purchasing, including the statement of work, purchase order, delivery order, invoice , payment.

7.1 Main variants of E- procurement

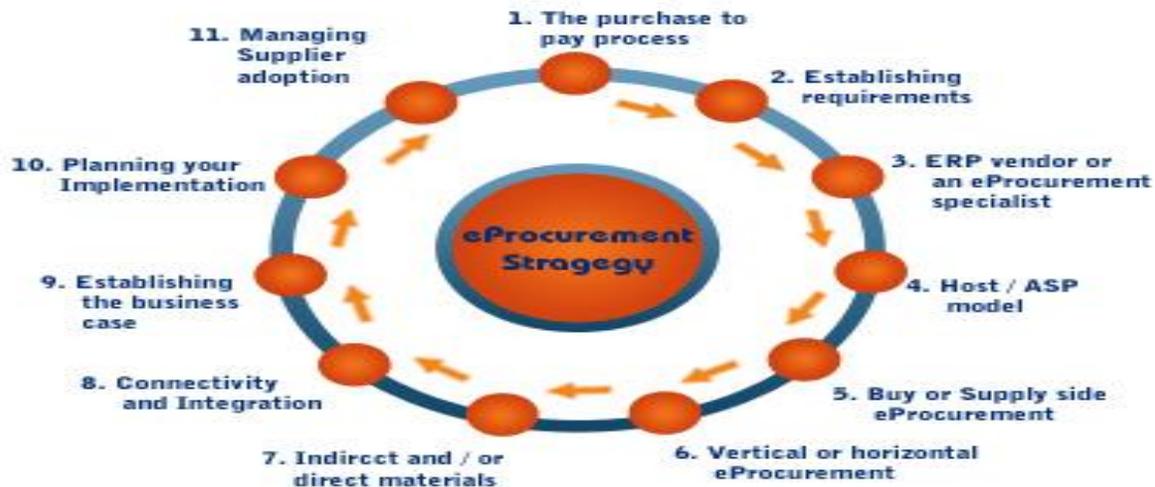
1. **E-Reverse auctioning** : Buying goods and services from number of known or unknown suppliers.
2. **E-Informing** : Gathering and distributing purchasing information from one to other parties.
3. **E-Tendering** : Unordered list item sending requests for information and prices to suppliers demand receiving their responds.
4. **E-Sourcing** : Identifying suppliers for a specific category of purchasing requirements.

7.2 Advantages of adopting E-Procurement

1. E-procurement enhances the comparability of prices and suppliers
2. Effective E-procurement minimizes process costs by fast transaction of the purchasing orders.
3. E-procurement reduces the energy expended. Especially at purchasing office equipment and other commodities.

4. Effective E-procurement minimizes process costs by fast transaction of the purchasing orders.

The ultimate in E- procurement is transmitting your requirement to a third party (via internet) so that the third party can affect your purchases for you. The authors are aware of a firm called Interactive buyers network (IBNL) , which provides that very service.



7.3 Roadblocks to E-Procurement

1. Industry needs to develop standardized tools and a unified approach for encrypting data that will work for everybody so we can move forward.
2. They need to identify the advantages of web-browser software. When they realize that the cost of using a browser is cheap than a telephone call and more convenient they will use the browser.
3. Management must support for use of electronic commerce, and at the same time put control on internet access because you cannot let employees go surfing internet without limits.
4. A great deal of education needs to take place on the purchasing side of the electronic equation.
5. More suppliers need to get online. They need to come up with servers with useful functionality to send quotations and receive orders.

VIII RECOMMENDATIONS

1. Procurement manager must recognize that E-procurement is not just a "procurement thing " but also process that involved most element of the organization. Because successful implementation requires not only the support of top management , but also support of all managers in the organization. Remember that " when we share, we care "

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2. Procurement manager must carefully plan their E-procurement implementation. To reach their goals "paperless purchasing " . "Paperless purchasing " is goals for many organizations have met completely. It is questionable whether a total paperless system is realistic for many firms.
3. Procurement manager need to carefully consider the cost of each aspect of their E-procurement program. some processes may be cheaper and more efficient . So the manager should carefully selected.
4. Procurement manager need to take a "project management approach " to their implementations. Because for cost schedule, performance and customer satisfaction must be carefully considered and manager in order to achieve overall project success.

IX CONCLUSION

"E-commerce is an evolution" By using electronic technology through the internet , it achieved. More competition, more market place, faster transactions, and more advanced technologies to make activities between customers and producers more active.

E- commerce is very different from traditional business with of the Electronic commerce we can save time , effort and transportation. By this we can see ample number of verities in our finger tips, we can get products to our door. E-procurement is also very necessary to reduce cost and to reduce paper usage in transaction by this all came to electronic bills, and invoice.

E-commerce technology, allows customers to learn more and more consumers, more efficient use of the information . Online businesses can use this information to develop and enhance their brand products , to charge higher prices , quality service and market segmentation of many groups , each of the different prices.

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