

- Transports items
- Collects fee from both Seller &Buyer

Advantages Of E-commerce

1. Buying/selling a variety of goods and services from one's home or business
2. Anywhere, anytime transaction
3. Can look for lowest cost for specific goods or service
4. Businesses can reach out to worldwide clients - can establish business partnerships
5. Order processing cost reduced
6. Electronic funds transfer faster
7. Supply chain management is simpler, faster, and cheaper using e-commerce
 - Can order from several vendors and monitor supplies.
 - Production schedule and inventory of an organization can be inspected by cooperating supplier who can in-turn schedule their work.

Disadvantages Of E-commerce

1. Electronic data interchange using EDI is expensive for small businesses
2. Security of internet is not very good - viruses, hacker attacks can paralise e-commerce
3. Privacy of e-transactions is not guaranteed
4. E-commerce de-personalises shopping. People go shopping to meet others
 - window shop and bargain

E-commerce System Architectures

LOGICAL LAYERS	SERVICES IN LAYER
Application layer	B2B,B2C,C2C
Middleman services	Hosting services, value added nets payment services, Certificates
Secure messaging	Encryption, EDI, Firewalls
World wide web services	HTTP, HTML, XML, OLE Software agents
Logical network	Intranet, internet, extranet

Electronic Data Interchange

- Computer readable forms for business documents such as invoices, purchase orders, delivery notes needed in B2B e-commerce so that e-documents can be exchanged.
- Essential to eliminate manual data entry, which is error prone
- Essential to agree on common formats for commonly used forms.
- Electronic data interchange (EDI) standard gives specifications for commonly used standard business forms
- Currently two standards are available for EDI forms
- It is possible to adapt these standards for documents which use XML for specification.

EDI Specification

Defines several hundred transaction sets corresponding to each type of business document such as invoice, purchase order etc. Defines data segments - corresponding to groups of data elements such as purchase order line. Defines data elements - which are individual fields such as price, quantity etc

EDI Standards

- ANSI X.12 standard proposed by American National Standards Institute
- EDIFACT (Electronic Data Interchange For Administration Commerce and Trade) standardized by United Nations Economic Commission for Europe for international trade
- EDIFACT used in India for government transactions - customs, central excise etc.

EDI Transactions in B2B E-commerce

- Cooperating businesses agree on EDI standard.
- Programs needed to translate data received in EDI format to a form needed by the application program.
- Method of sending/receiving data between businesses to be agreed on - is it PSTN, Extranet or VAN (value added network) service?
- Important to ensure reliable, guaranteed and secure receipt of electronic documents by intended receiver.