INTRODUCTION:

1.1 Preamble

The origin of commerce by exchanging goods occurred before recorded history, now commerce is a basic activity of goods trading and buying in everyday life. Entering into the electronic era, the way individuals and organizations do business and undertake commercial transactions have been changed. This indicates the movement towards electronic commerce. This means there is no paper work and physical interaction is limited, if at all. The emergence of electronic commerce started in the early 1970s with the earliest example Electronic Fund Transfer (EFT), which allows organization to transfer funds between one another electronically. Then another technology Electronic Data Interchange (EDI) was introduced. It helps to extend inter business transactions from financial institutions to other types of business and also provides transactions and information exchange from suppliers to the end customers. However, the early system development was limited to special networks such as large corporations and financial institutions, which are costly and complex to administer for small business. So, EDI was not widely accepted as expected.

With the progress of internet technology and a highly developed global internet community, During the 1990s, the Internet was opened for commercial use; it was also the period that users started to participate in World Wide Web (WWW), and the phenomenon of rapid personal computers (PCs) usage growth. Due to rapid expansion of the WWW network; e-commerce software and the peer business competitions, large number of dot-coms and Internet start-ups appeared. Integrated with the commercialization of the Internet, Web inventions, and PC networks these three important factors made electronic commerce possible and successful. E-commerce is not just having a web site, but e-commerce is more than that. There are number of applications of e-commerce such as home banking, online shopping, finding a job etc.

E-commerce is a technology-mediated exchange between parties (individuals and organizations) as well as the electronically based intra-or inter-organizational activities that facilitate such exchanges. It is the business option in which the transactions take place via telecommunication networks. It changes the way anyone shop, learn, interact and transact business; this wave of emerging technology affects every facet of one’s life style, home as well as workplace.

E-commerce is directly or indirectly applicable in all areas of our life be it banking, entertainment, on line orders processing cycle or SCM (Supply Chain Management). Due to its wide variety of applications e-commerce has gained a lot of popularity over the decade. It has drawn the attention of researchers regarding the new technologies and resolving the security issues regarding the electronic transactions.

E-commerce has been defined broadly as the business transactions of business over the Web. Just as the 80’s and early 90’s were characterized by the business achieving greater
efficiencies within their organization using information technology, both the trading partners, as well as to end consumers. While efficiencies lead to increased profitability, the Web offers other advantages, such as greater reach, short-term relationships, one-to-one marketing, re-intermediation, dis-intermediation etc.

E-commerce or electronic commerce is an emerging concept that describes the process of buying and selling or exchanging of products, services and information via computer network including the Internet. It includes all inter-company and intra-company functions (such as marketing, finance, manufacturing, selling and negotiation) that enable commerce and use electronic mail, EDI, file transfer, fax, video conferencing, workflow, or interaction with a remote computer.

E-commerce is definitely the future. It could become a significant global economic element in the future. The infrastructure of e-commerce is networked computing. This allows the users to access information stored in several places and to communicate and collaborate with others from their desktop computers. A vast majority of people use computers connected to a global networked environment known as internet, or its counterpart within organization called intranet. This new breed of computing is helping large number of organizations, private & public in manufacturing, agriculture and services. Thus finally it can be said that in the coming era almost all the business activities will largely be based upon e-commerce.