

CHAPTER 7

INTERNET BUSINESS APPLICATIONS

7.1 Online Services

An online service refers to any information and services provided over the Internet. These services not only allow subscribers to communicate with each other, but they also provide unlimited access to information. Online services can range from simple to complex. Online services may be free or paid. An online service provider may be a local, international, or global company who specializes in online services or allows you to connect to online services through their network. An organization that provides an information service over the Internet. One aspect of online services is electronic commerce. Companies can create an interface online to allow customers to order products and services at any time. Schools, Colleges and universities use online services for their students to cut down on paperwork. Students might be able to register for classes online. Government agencies also use online services to reach citizens.

7.2 Different Online Services

Online Services	Examples
Communication	Email, Instant messaging, Online conferencing, social networking e.g Facebook, chat, Twitter etc.,
Real Time Information	Train Timetables, news services, traffic reports, weather
Commerce	Shopping, banking, auctions
Government	Online tax returns, applications for various governments, Revenue collection, Health services
Education	Online learning, School/college/hpbose websites, Online counseling.
Business	Video conferencing, online share trading
Entertainment	Multi user games, radio players, sports, books
Download services	Softwares, upgrades, music, film
Web storage	Google docs, Drop Box
Online mapping and route planning	Google maps, navigation

7.3 ADVANTAGES AND DISADVANTAGES OF ONLINE SERVICES

The advantages of online services are as follows :

- 1. Convenience :** You shop whenever you want to Online shops are never closed. You can use any of the service at whatever time you desire.
- 2. Saves time :** Much quicker and less hassle.
- 3. Greater choice :** A large number of options are available. So you can choose the best one.
- 4. Better prices :** You can compare prices between suppliers. Internet offers bargain prices not available elsewhere.
- 5.** No travel costs, traffic jams or car parking space needed. No queuing at checkouts. Weather doesn't matter.
- 6.** Convenient delivery.
- 7. Reduced long-term costs :** Businesses do not need to pay for expensive shop premises, running costs (bills, insurance) and sales staff.
- 8. Wider customer base :** Products can be sold to customers all-over the country/world and not just in the area where the shop is based.
- 9. Added Items :** Customers often impulse buy when online and buy extra items.
- 10.** Online learning reduces travel time and travel costs for off-campus students.
- 11.** Students may have the option to select learning materials that meets their level of knowledge and interest.
- 12.** Students can study anywhere they have access to computer and Internet connection
- 13. Freedom of choice :** Freedom of choice is very high in online than Shopping from a nearby store. In online you can choose the product you are looking, from a vast range of products.
- 14. High satisfaction percentage :** Now a days shopping online is very reliable.

15. **Privacy** : There are some products which you don't want to buy publicly You can buy any kind of product from online web store anonymously to maintain your desired privacy.
16. **Data storage saving** : By storing your data online you are reducing the burden of your hard disk, which means you are eventually saving disk space.
17. Online account is simple to open and easy to operate.
18. It is quite convenient as you can easily pay your bills, can transfer funds between accounts, etc.
19. With **Internet banking**, you can keep an eye on your transactions and account balance all thetime.

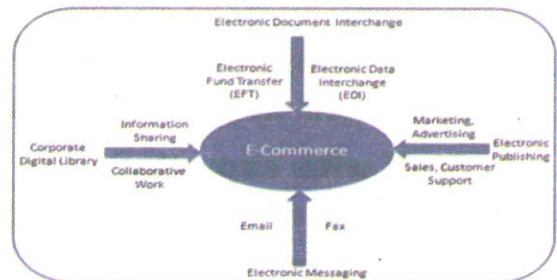
The disadvantages of online Services are as follows :

1. **Cost** : Businesses will normally need to pay out a lot of money to have their websites professionally designed and developed.
2. **Staff with expertise** : The staff required to run the online business will need to have the expertise to manage the website and keep it maintained.
3. **Website downtime** : If the website goes down, no one will be able to purchase anything meaning the company are making no money.
4. **Online Fraud** : A lot of online fraud, means there is a risk of losing money on sales.
5. **Delay** : The main disadvantage of online shopping is, you cannot receive the product immediately.
6. **Inferior product** ; You don't know about the actual quality of the product. Sometimes the description of the product might be different than the actual product.
7. **Shipping Charge** : Shipping charge and shipping delays are one of the main disadvantage of Shopping online.
8. Students may-feel isolated from the instructor and classmates.
9. Slow Internet connections or older computers may make accessing course materials frustrating.

7.4 E- Commerce

Electronic commerce (EC) The process of buying, selling, transferring, or exchanging products, services, or information via computer networks. E-business is a broader definition of EC that includes not just the buying and selling of goods and services, but also servicing customers, collaborating with business partners, and conducting electronic transactions within an organization. E-Commerce or Electronics Commerce is a methodology of modern business which addresses the need of business organizations, vendors and customers to reduce cost and improve the quality of goods and services while increasing the speed of delivery. E-commerce refers to paperless exchange of business information using following ways.

- Electronic Data Exchange (EDI)
- Electronic Mail (E-mail)
- Electronic Bulletin Boards
- Electronic Fund Transfer (EFT)
- Other Network-based technologies



Features

E-Commerce provides following features

- **Non-Cash Payment** “ E-Commerce enables use of credit cards, debit cards, smart cards, electronic fund transfer via bank’s website and other modes of electronics payment.
- **24x7 Service availability** “ E-commerce automates business of enterprises and services provided by them to customers are available anytime, anywhere. Here 24x7 refers to 24 hours of each seven days of a week.
- **Advertising / Marketing** “ E-commerce increases the reach of advertising of products and services of businesses.
- **Improved Sales** “ Using E-Commerce, orders for the products can be generated any time, any where without any human intervention. By this way, dependencies to buy a product reduce at large and sales increases.

- **Support** “ E-Commerce provides various ways to provide pre sales and post sales assistance to provide better services to customers.

Traditional Commerce v/s E-Commerce

Sr. No.	Traditional Commerce	E-Commerce
1.	Heavy dependency on information exchange from person to person.	Information sharing is made easy via electronic communication channels making little dependency on person to person information exchange.
2	Manual intervention is required for each communication or transaction.	Communication or transaction can be done in asynchronous way. Electronics system automatically handles when to pass communication to required person or do the transactions.
3	It is difficult to establish and maintain standard practices in traditional commerce.	A uniform strategy can be easily established and maintain in e-commerce.
4	Communications of business depends upon individual skills.	In e-Commerce or Electronic Market, there is no human intervention.
5	Unavailability of a uniform platform as traditional commerce depends heavily on personal communication.	E-Commerce website provides user a platform where all information is available at one place.

Classification of EC by the nature of the transactions or interactions

E-Commerce or Electronics Commerce business models can generally categorized in following categories.

- Business - to - Business (B2B)

- Business - to - Consumer (B2C)
- Consumer - to - Consumer (C2C)
- Consumer - to - Business (C2B)
- Business - to - Government (B2G)
- Government - to - Business (G2B)
- Government - to - Citizen (G2C)

Business - to - Business (B2B) : Website following B2B business model sells its product to an intermediate buyer who then sells the product to the final customer. As an example, a wholesaler places an order from a company's website and after receiving the consignment, sells the end product to final customer who comes to buy the product at wholesaler's retail outlet.

Business - to - Consumer(B2C) : Website following B2C business model sells its product directly to a customer. A customer can view products shown on the website of business organization. The customer can choose a product and order the same. Website will send a notification to the business organization via email and organization will dispatch the product/goods to the customer.

Consumer - to - Consumer (C2C) : Website following C2C business model helps consumer to sell their assets like residential property, cars, motorcycles etc. or rent a room by publishing their information on the website. Website may or may not charge the consumer for its services. Another consumer may opt to buy the product of the first customer by viewing the post/advertisement on the website.

Consumer - to - Business (C2B) : In this model, a consumer approaches website showing multiple business organizations for a particular service. Consumer places an estimate of amount he/she wants to spend for a particular service. For example, comparison of interest rates of personal loan/ car loan provided by various banks via website. Business organization that fulfills the consumer's requirement within specified budget approaches the customer and provides its services.

Business - to - Government (B2G) : B2G model is a variant of B2B

model. Such websites are used by government to trade and exchange information with various business organizations. Such websites are accredited by the government and provide a medium to businesses to submit application forms to the government.

Government - to - Business (G2B) : Government uses B2G model website to approach business organizations. Such websites support auctions, tenders and application submission functionalities.

Government - to - Citizen (G2C) : Government uses G2C model website to approach citizen in general. Such websites support auctions of vehicles, machinery or any other material. Such website also provides services like registration for birth, marriage or death certificates. Main objectives of G2C website are to reduce average time for fulfilling people requests for various government services.

Modes of electronic payments

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



Credit Card : Credit card is small plastic card with a unique number attached with an account. It has also a magnetic strip embedded in it which is used to read credit card via card readers. When a customer

purchases a product via credit card, credit card issuer bank pays on behalf of the customer and customer has a certain time period after which he/she can pay the credit card bill. It is usually credit card monthly payment cycle.

Debit Card : Debit card, like credit card is a small plastic card with a unique number mapped with the bank account number. It is required to have a bank account before getting a debit card from the bank.

Smart Card : Smart card is again similar to credit card and debit card in appearance but it has a small microprocessor chip embedded in it. It has the capacity to store customer work related/personal information.

E-Money : E-Money transactions refer to situation where payment is done over the network and amount gets transferred from one financial body to another financial body without any involvement of a middleman.

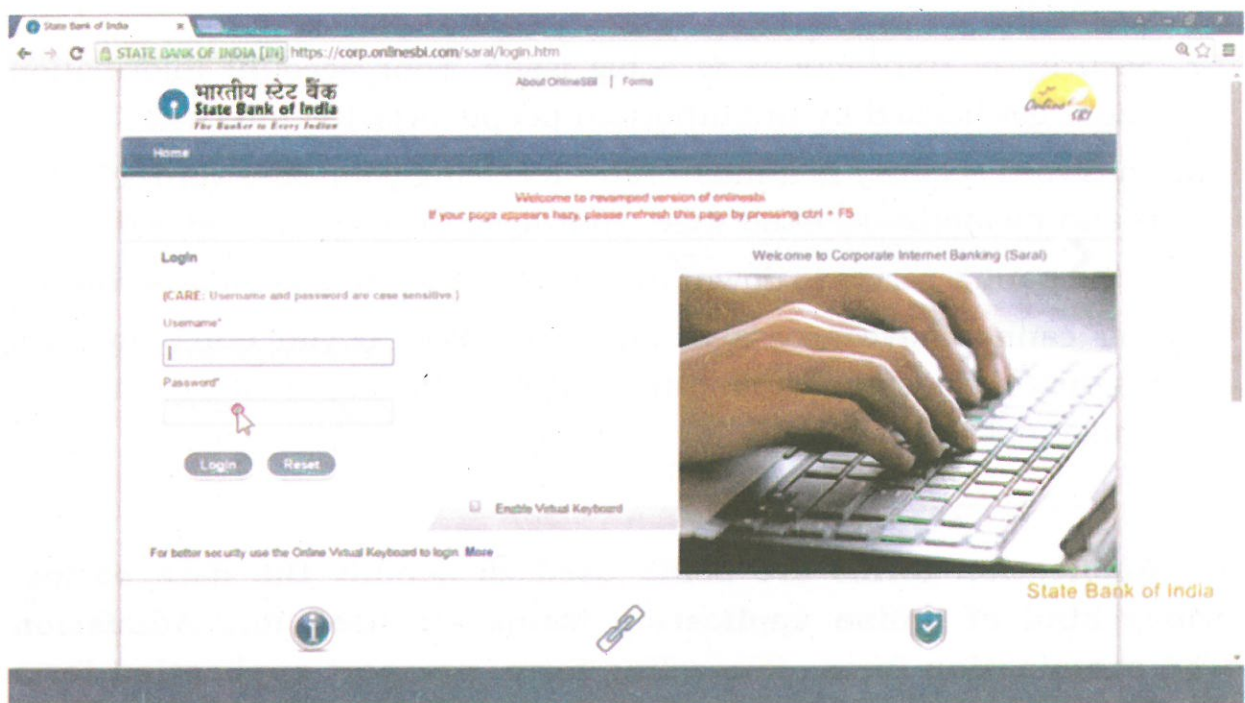
Electronic Fund Transfer : It is a very popular electronic payment method to transfer money from one bank account to another bank account. Accounts can be in same bank or different bank.

7.5 Net Banking

A system allowing individuals to perform banking activities at home, via the Internet. Some online banks are traditional banks which also offer online banking, while others are online only and have no physical presence. Online banking through traditional banks enable customers to perform all routine transactions, such as account transfers, balance inquiries, bill payments, and stop-payment requests, and some even offer online loan and credit card applications. Account information can be accessed anytime, day or night, and can be done from anywhere.

Net Banking, also called Internet or online banking, is the process of conducting banking transactions over the internet. Viewing bank statements and status of a bank account online also comes under the definition of net banking. The bank updates accounts and records of transactions almost instantly on the internet. It enables bank customers to handle account management and perform account transactions directly with the bank through the internet.

Every customer requires a User ID and a Login Password to access NetBanking. In addition a Transaction Password is required for conducting any transactions on NetBanking. In case there are five unsuccessful attempts to log in or transact on your NetBanking, the login/transaction password is disabled to prevent any unauthorized access. Furthermore, if you have logged into NetBanking and have not used the application for 10 minutes, the system automatically logs you out. This is to prevent any unauthorized access of your account, in case you have left your computer unattended, without having logged out of NetBanking.



Advantages of Internet banking

1. An online account is simple to open and easy to operate.
2. It's convenient, because you can easily pay your bills and transfer your funds between accounts from nearly anywhere in the world.
3. You do not have to stand in a queue to pay off your bills. Also you do not have to keep receipts of all of your bills, as you can now easily view your transactions.

4. It is available all the time. You can perform your tasks from anywhere and at any time, even at night or on holidays when the bank is closed.
5. It is fast and efficient. Funds get transferred from one account to the other very fast.
6. You can keep an eye on your transactions and account balance all the time.

Disadvantages of Internet banking

1. Understanding the usage of internet banking might be difficult for a beginner.
2. Security of transactions is a big issue. Your account information might get hacked by unauthorized people over the internet.
3. Password security is a must. After receiving your password, change it and memorize it. Otherwise, your account may be misused.
4. If the bank's server is down, then you cannot access your accounts.
5. You cannot have access to online banking if you don't have an internet connection; thus, without the availability of internet access, it may not be useful.

7.6 Online Submission of Various Forms

Application forms are being used to submit the data online. Various kind of online application forms are used like Admission form, examination form, counseling form, passport application form etc. The purpose of online form is to submit the information while customer is sitting at home. Customer need not to go to office and fill manual forms.

Before filling the online application, applicant may have a carefully read on all the common instructions and guide lines that are given for filling form. Carefully fill all details like- name, age, gender, nationality, qualification and other information so on. Then after all the fill entries in the form, check it again. The application form should be complete and filled in all respects. Click on the SUBMIT button for registration. After

submit form, a new window appear. It is a nextstep for reviewing and edits your information.

Student Registration Form

*Which Scheme You are Applying for : Higher Education ▼

*Academic Year : 2018-2019 ▼

*Do you have Aadhaar Number : ☐ Yes ☒ No

*EID : EID

*Student Name : Student First Name Student Middle Name Student Last Name

*Date of Birth : Click on Icon and Pick Date 

*Father Name : Father First Name Father Middle Name Father Last Name

*Mother Name : Mother First Name Mother Middle Name Mother Last Name

*Category : ---SELECT--- ▼ *Sub-Category : ---SELECT--- ▼

*Mobile No : Mobile No *e-Mail ID : sample@example.com

66n7bi 
Enter Captcha:

Note : ' * ' Indicates Mandatory Fields.

Register

Advantages of Online Form :

1. Quick and easy to fill.
2. Applications can be very easily filled 24 hours a day, 7 days a week.
3. Save time and money both.
4. System helps us checking for errors anywhere in online application and also gives suggestions.
5. We can be change details in right up till closing date.
6. No risk factor that the application will be lost during posting.
7. Easy payment mode. E-payment mode is cheap and faster mode.
8. Confirmation sent to you by email that the form has been received and generate registration id and password also.

9. The form checks itself for errors and it highlights anything you have missed.

Disadvantages of Online Form :

1. When we use e-banking for payment it's really unsafe, hacker can easily hack your account.
2. If we are upload any attachment like word document and so on it is bound with words limit.
3. Signature and photo uploads bound with properties.
4. If we forget password it creates problem.

7.7 Online Reservations

Online reservations are being used for booking the bus, train, air tickets, and hotel reservation while sitting at your home. It will let you book for your services online. On line reservation is a method which helps the travel and tourism industry support reservation through the internet. It helps consumers to book flights, hotels, holiday packages, insurance and other services online. e.g. The Indian Railway Catering and Tourism Corporation Limited provides online railway ticket reservation facility. It also provides information about various trains and hotel booking can also be carried on this web site. You need to have user name and password for making online booking of railway tickets.

Similarly you can make bus booking, air travel booking by using different websites. Travel and hotel booking can be done simultaneously by web sites like www.makemytrip.com.



Advantages of Online booking system

1. It's quicker and easier to book online.
2. Most airlines usually offer incentives for cheaper flights if you book online.
3. As with most things relating to holidays, the earlier you book, the more likely you will get a discount.
4. Booking online means that it's also easy to track prices. The prices can fluctuate daily so you can get a good deal by simply watching the prices on a price comparison website.
5. Large choice of hotels, tickets and easy to use interface and search engines.
6. Immediate confirmation, as per system announcement
7. Almost always availability in the hotel, even when the hotel is on stop sales.

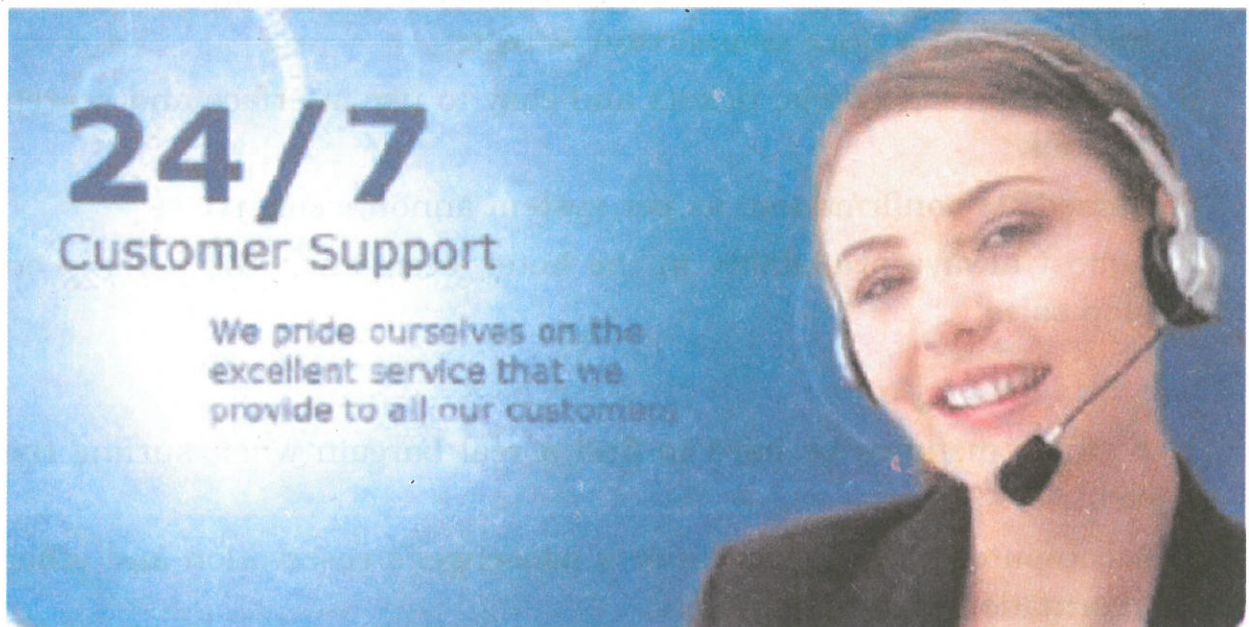
Disadvantages of Online booking system

1. It can sometimes be hard to find a real bargain when surfing the web.
2. A computer crash could cause a passenger's reservation and other information to simply vanish.
3. For online booking a well designed web site needs to be put in place along with a database.
4. You could make a mistake and book the wrong seats.
5. If the server is down or running very slowly, then much business can be lost and annoy a lot of customers.

7.8 Customer Support Services

Customer Service means Range of services provided to assist customers in making cost effective and correct use of a product. It includes assistance in planning, installation, training, trouble shooting, maintenance, upgrading, and disposal of the product. Good customer service is made, not born. Most companies find that employees require

training to provide good customer service. ONLINE Customer support services are providing services to customers by using internet or using phone call. One of the most basic types of customer service is the call center. The representatives who work at call center will usually be the first people to hear about the customer's concern and will either resolve the problem or contact the people who can. Company call centers are the link between customers and the company and how they handle customer concerns reflect on the company in a very important way.



ADVANTAGES :

1. You can reach out at the right time to provide pre-sale and post-sale support.
2. It is quicker and easy.
3. Complaints can be submitted very easily filled 24X7.
4. It provides high level of satisfaction.
5. It saves time and money.

Disadvantages

1. Some software is priced out of reach and takes a while to get used to.

2. Some software is difficult to get used to - in terms of training time and as your support needs grow.
3. Web-based customer service can seem less personal than a human voice on the other end of a phone line or a sympathetic agent in a retail store.
4. Need trained manpower.

7.9 Online Marketing and Shopping

The act of purchasing products or services over the Internet is known as online shopping. Online shopping has grown in popularity over the years, mainly because people find it convenient and easy to bargain shop from the comfort of their home or office. Internet marketing refers to advertising and marketing efforts that use the web and email to drive direct sales via electronic commerce, in addition to sales leads from web sites or emails. Online shopping is buying the products online i.e. buying the products while sitting on your computer or mobile device. It is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the internet using a web browser. The various online shopping sites are www.flipkart.com, www.amazon.in, www.firstcry.com, www.snapdeal.com, www.ebay.com, www.jabang.com etc.



Advantages of Shopping Online	Disadvantages of Shopping Online
Convenience	Negative Environmental Impact of Packaging and Gas
Better Prices	Shipping Problems and Delays
More Variety	Risk of Fraud
Easy to Send Gifts	Less Contact With Your Community
More Control	Spending Too Much Time Online
Easy Price Comparisons	Returns Can Be Complicated
No Crowds	You Don't Know Exactly What You're Getting
No Sales Pressure	Unfriendly, Scammy, or Complicated Websites
Access to Used or Damaged Inventory	No Sales Assistance
Privacy for Discreet Purchases	No Support for Local Retailers

7.10 Social Networking

It is the use of internet-based social media programs to make connections with friends, family, classmates, customers and clients. Social networking can be done for social purposes, business purposes or both. The programs show the associations between individuals and facilitate the acquisition of new contacts. Social networking service is an online service, platform, or site that focuses on facilitating the building of social networks or social relations among people who, for example, share interests, activities, backgrounds, or real-life connections. A social network service consists of a representation of each user (often a profile), his/her social links, and a variety of additional services. Most social network services are web-based and provide means for users to interact over the Internet, such as e-mail and instant messaging.

In Social Networking Site (SNS) Members create an online profile with biographical data, photos and any other information they choose to

post. They communicate with each other by making their latest thoughts public in a blog-like format or via e-mail, instant messaging or video chat.

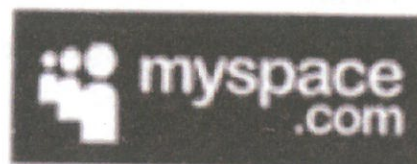
Companies use social sites to advertise products, gain brand recognition, as well as expand traffic to their main Web site.

A social networking website is an online platform that allows users to create a public profile and interact with other users on the website. Social networking websites usually have a new user input a list of people with whom they share a connection and then allow the people on the list to confirm or deny the connection. After connections are established, the new user can search the networks of his connections to make more connections. A social networking site may also be known as a social website or a social networking website.

Examples of social networks

1. **Bebo** (<http://www.bebo.com>) : A popular social networking site where users can share photo's, stories, their journal, and more with friends and family privately or publicly on the Internet.
2. **Classmates** (<http://www.classmates.com>) : One of the largest and most used websites that brings together and allows people who graduated from high school and allows you to keep in touch with them and any future reunions.
3. **Facebook** (<http://www.facebook.com>) : The most popular social networking websites on the Internet. Facebook is a popular destination for users to setup their own personal web pages, connect with friends, share pictures, share movies, talk about what you're doing, etc.
4. **Friendster** (<http://www.friendster.com>) : A popular social network that brings together friends, family, and allows you to meet new people who share similar interests to you from all over the world.
5. **Google+** (<http://plus.google.com>) : The latest social networking service from Google.

6. **LinkedIn** (<http://www.linkedin.com>) : One of the best locations to connect with current and past co-workers and potentially future employers.
7. **Path** (<http://path.com>) - A mobile only social network that allows you to keep in contact with your closest friends and family.
8. **Pinterest** (<http://www.pinterest.com>) - An upcoming and popular picture and sharing service that allows anyone to easily share pictures, create collections, and more.
9. **Twitter** (<http://www.twitter.com>) - Another fantastic service that allows users to post 140 character long posts from their phones and on the Internet. A fantastic way to get the pulse of what's going on around the world.
10. **YouTube** (<http://www.youtube.com>) - A great network of users posting video blogs or Vlog's and other fun and interesting videos.



Advantages :

1. Social Networks have decreased the distance between friends and relatives. You can talk to your friend and video chat with your relatives irrespective of distance between them.
2. These have increased the strength of relationships between friends and some distant relatives, as they chat in these social networks and know about them well.
3. These will provide opportunity to increase the communication skills as the person is not in front of you, one can talk freely
4. One can meet people with same ideology, interests and thinking in the groups in various Social networking sites
5. One can know the updates of his friends, even without talking with them personally.
6. One can pass their information to all his friends, just by posting the updates in social networks avoiding informing every person one by one. One can make new friends too.
7. One can make their ideas reach thousands of people with their posts thus becoming popular.
8. One can popularize their blog, website, institution using social networking and also can know updates of others too.
9. Social networking sites can also be a tool to promote your business, services, products or websites.
10. You do not need a technical skill to create a page.
11. Social networking sites are free to download.

Disadvantages :

1. The hackers are tend to be everywhere in the social networking. There is a possibility of committing fraud and send spam messages. There are also virus attacks possible in social networking.
2. Wastage of time:
3. Many people pretend to be someone else and prepare their online profiles with false information,so as to cheat unsuspecting users.

SUMMARY

Electronic commerce (EC) : The process of buying, selling, transferring, or exchanging products, services, or information via computer networks.

Modes of electronic payments are : Credit Card, Debit Card, Smart Card, E-Money, and Electronic Fund Transfer (EFT).

Net Banking, also called Internet or online banking, is the process of conducting banking transactions over the internet. Viewing bank statements and status of a bank account online also comes under the definition of net banking.

Online submission Forms : Application forms are being used to submit the data online. Various kind of online application forms are used like Admission form, examination form, counseling form, passport application form etc. The purpose of online form is to submit the information while customer is sitting at home. Customer need not to go to office and fill manual forms.

Online reservations are being used for booking the bus, train, air tickets, and hotel reservation while sitting at your home. It will let you book for your services online. On line reservation is a method which helps the travel and tourism industry support reservation through the internet. It helps consumers to book flights, hotels, holiday packages, insurance and other services online.

Customer Service means Range of services provided to assist customers in making cost effective and correct use of a product.

The act of purchasing products or services over the Internet is known as **online shopping**.

Social networking service is an online service, platform, or site that focuses on facilitating the building of social networks or social relations among people who, for example, share interests, activities, backgrounds, or real-life connections.

TRUE/FALSE

Q.1 State whether the following statements are True or False :

1. Online and Offline are the same terms.
2. Intranet represents dedicated network of computers within a single organizations.
3. Cost of creating e-commerce may be high.
4. C2C stands for Customer to Customer.
5. ATM can be used as Electronic Fund Transfer.
6. “.com”, “.org” are domain name.
7. Credit card and Debit card are same.
8. Facebook, Twitter is examples of social networking sites.
9. Any businessman can become Online Service Provider.
10. Online market covers less geographical area.
11. Performing transaction manually is called net banking
12. Online services incur extra charge as compared to manual services.
13. Net banking is also called online banking or Internet banking.
14. You can submit applications forms using the Internet.
15. Online reservation system will let you accept booking for your services online.

Answer :

- | | | | | |
|------------|------------|-----------|-----------|------------|
| (1) False | (2) True | (3) True | (4) True | (5) True |
| (6) True | (7) False | (8) True | (9) False | (10) False |
| (11) False | (12) False | (13) True | (14) True | (15) True |

EXERCISE

- Q.1** What are the various types of E-Commerce ?
- Q.2** Differentiate between Online and Offline services
- Q.3** What is net banking ? Explain.
- Q.4** Explain the term Online Customer Support

- Q.5** Explain various Social Networking Sites.
- Q.6** What are the various modes of online Payment ?
- Q.7** What is the difference between Traditional Business and E- Business ?
- Q.8** What do you mean by Online Reservation ? Explain its advantages and disadvantages.
- Q.9** What are advantages and disadvantages of Online Shopping ?
- Q.10** What do you mean by Online Submission of Forms ?

—End—