

E-Commerce business V/s Traditional Business:

Gone are the days when the commercial activities like the exchange of goods and services for money, between parties, takes place only in the traditional mode, i.e. the customer has to go to the market, look at the variety of products, choose the required stuff and the purchasing them by paying the specified amount. But with the advent of e-Commerce, people can buy goods, pay bills, or transfer money in just one click.

Many people, still prefer traditional commerce over e-Commerce, due to their dogma that the latter is not safe, however, this is just a myth. Both modes have their pros and cons, so we have simplified you the difference between traditional commerce and e-Commerce.

Definition of Traditional Commerce

Traditional Commerce or Commerce is a part of business, which encompasses all those activities that facilitate exchange. Two kinds of activities are included in commerce, i.e. trade and auxiliaries to trade. The term trade refers to the buying and selling of goods and services for cash or kind and auxiliaries to trade, implies all those activities like banking, insurance, transportation, advertisement, insurance, packaging, and so on, that helps in the successful completion of exchange between parties.

In finer terms, commerce encompasses all those activities that simplify the exchange of goods and services, from manufacturer to the final consumer. When the goods are produced, it does not reach to the customer directly rather it has to pass from various activities, which are included under commerce. Its main function is to satisfy the wants of consumers by making goods available to them, at the right time and place.

Definition of e-Commerce

e-Commerce or electronic commerce refers to the exchange of goods and services, funds or information, between businesses and consumers using the electronic network, i.e. internet or online social network. e-Commerce means trading and providing assistance to trading activities, through the use of the electronic medium, i.e. all the activities like purchasing, selling, ordering and paying are performed over the internet. The scope of e-commerce is discussed in the following points:

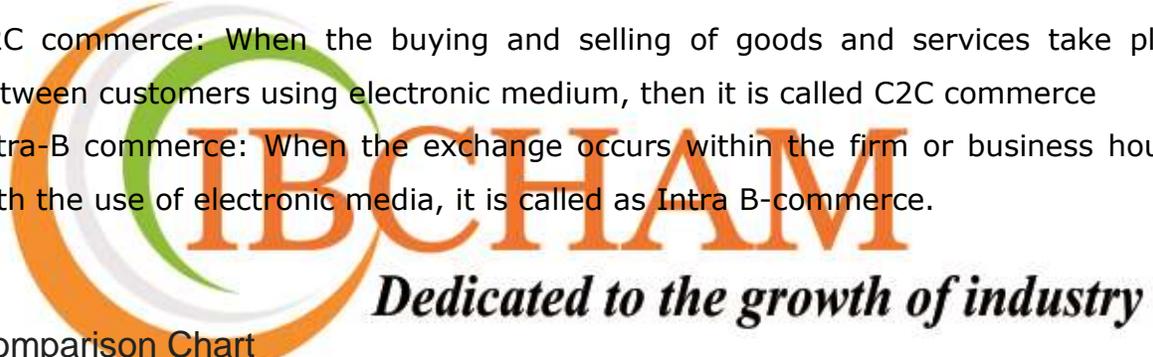
B2B commerce: When the business transaction takes place between two business houses, through the electronic channel, it is called B2B commerce.

B2C commerce: When the exchange of goods and service takes place between the business entity and the customer, over the internet, then it is known as B2C commerce.

C2C commerce: When the buying and selling of goods and services take place between customers using electronic medium, then it is called C2C commerce

Intra-B commerce: When the exchange occurs within the firm or business house, with the use of electronic media, it is called as Intra B-commerce.

Comparison Chart



BASIS FOR COMPARISON	TRADITIONAL COMMERCE	E-COMMERCE
Meaning	Traditional commerce is a branch of business which focuses on the exchange of products and services, and includes all those activities which encourages exchange, in some way or the other.	e-Commerce means carryng out commercial transactions or exchange of information, electronically on the internet.
Processing of Transactions	Manual	Automatic

BASIS FOR COMPARISON	TRADITIONAL COMMERCE	E-COMMERCE
Accessibility	Limited Time	24×7×365
Physical inspection	Goods can be inspected physically before purchase.	Goods cannot be inspected physically before purchase.
Customer interaction	Face-to-face	Screen-to-face
Scope of business	Limited to particular area.	Worldwide reach
Information exchange	No uniform platform for exchange of information.	Provides a uniform platform for information exchange.
Resource focus	Supply side	Demand side
Business Relationship	Linear	End-to-end
Marketing	One way marketing	One-to-one marketing
Payment	Cash, cheque, credit card, etc.	Credit card, fund transfer etc.
Delivery of goods	Instantly	Takes time

(Sources: key differences)