**Difference bw e marketing and internet marketing**

 internet marketing is acheving marketing objectives through applying digital technologies.emarketing is acheving marketing objectivves through use of electronication technologies.

**Reasons for growth of e marketing**

1.Increase in access and connectivity to IT

 Today most of the people are using pcs,mobile phones,palmtop,laptop for information and communication purposes.

2.Anytime,anywhere,anyone

 emarketng is available to any one any where and t any place in thre world.

3.Organisational change

 For making better relationship,outsourcing business tasks and for encouraging cross functional tasks there should have a good communication in the organisation.emarketing helps for that purpose.

4.Digital revolution and convergence

 This has made possible for almost all digital devices to communicate with one another.

5.Increasing demand for customised products and services

 Todays marketing is customer oriented.customers are demanding holigh quality products according to each one's interest

6.Increasing emphasis on reducing operating costs and increasing profit margins

 competition is increasing todays world.so firms are trying to reduce operating costs and for increasing profit margin to widen their market

7.Increased product awareness

 Now customers can aware various informations regarding the companies and their products with the help modern medias.

8.Customer preference

 Today internet shoping is more convinient and cost effective on the part of consumers because all of them are very busy with their various regards

9.Relationship

 emarketing enables for building relation ship with customers through followup

10.Growing importance of social media

 social media is a very high impact on our lives.so growing importance of social media emarketing is also growin

11.Benefits to small business

 Many small and medium firmss managed to build online businesses quite profitably.

**E COMMERCE**

 Ecommerce simply refers to commerce through electronic media.R commerce refers to buyind and selling goods or services through the internet.it is a process of making business transactions by two or more parties electronically through online.

**Benefits of e commerce**

**A.Adavantages to companies**

1.Increasing market per share globally

2.Easy to expand market

3.Easy to procure materials from other companies

4.Eliminates thedistribution channels

5.Enables customisation of products

6.lower cost of advertisement

7.Easy to launch a new product

8.Builds customer relationship

9.greater flexibility

**B.Advantages to consumers**

1.offers business 24 hours aday

2.saves time ,money and effort

3.wide range of products

4.price and product comparison are made online

5.provides more efficient customer services

6.provides global market place

7.personalisation is possible

**Limitations**

1.small business firms face tough competition from large business firms

2.security is a major barrier

3.chance of computer viruses and hackers

4.competitors will be trying to download other businesses

5.Trannsaction costs may inncrease by adding new intermediaries

**Types of e commerce or e commerce business models**

**1.Business to Business (B toB)**

 both buyers and sellers are business entitiies.here businesses sell to other businesses.transaction bw manufacturer and wholesaler or between wholesaler and retailer are examples.

**2.Business to Consumer(B toC)**

 interaction bw businessmen and consumers .business men sell s his product directly to customers through online websites.

**3.Consumer to Busines**s**(C to B)**

 here consumers places an estimate of amount he wants to spend for a particular service.for example comparison of interest of personal loan or car loan by variuos banks.business organisation which fullfills customers requirements can approach the customer

4.**Consumer to Consumer(C to C)**

 this is like auction sites.if one has something to sell , then he can get it lisred at an auction site and others can bid for it.for example selling of cars,motor cycles,property etc

**5.Business to Government(B to G)**

 such websites are created by govt for providing medium to businesses to exchange informations and submit application forms to the govt like tax returns,renewal of trde license et

**5.Govt to Business(G to B)**

 Govt uses G to B model websites to approach business organisations.such websites support auctions,tenders and application submission functionalities

**7.Govt to Citizens (G to C)**

 Govt uses G to C model websites to approach citizens directly. it provides services like registration for birth,marriage or death certificates,records of passports,filling of IT returns,payment of bills,payment of dues by individuals etc also come

**Factors responsible for the growth of e commerce in india**

 **1.Participation of niche companies**

 with the increase in awareness about the benefits of online trading there is a wide scope for new companies to join in ecommerce business trade

**2.Role of FDI**

 Foreign direct invt was only allowed to BtoB businesses.Fdi is allowed where involvement is limited to use of technology platform

**3.Implementation of GST**

 A uniform taxation structure which GST (Goods Service Tax)developed to achieve the success of the e commerce .same tax for same product is developed for maintaining price uniformity

**4. Inclusion of food and grocery in online retailing**

 with the change of working habits consumers opting for adaptability and convinience more companies selling grocery and food items

 through online.

5.**Other factors**

 internet penetration,entry of global companies,rise in smart phone adoption,digital payments etc

**E commerce marketing strategies**

**1.Market and product development strategies**

**a.Market penetration**

 it involves using digital channels to sell more existing products into existing market.the main ways in which the internet can be used for market penetration:

-market share growth

-customer loyalty improvement

-customer value improvement

**b-market dvpt**

 here online channels are used to sell into new markets and existing products can also be sold to new market segments

**c-product dvpt**

 the web can be used to add value to or extend existing products for many companies. for example a car manufacurer can potentially provide car performance and service informations through websites

**d- Diversification**

 new products are developed which are sold into new markets

2-pricing strategies

 **a- penetration pricing**

 initially firms are offering low pricing to gain the market and gradually it will increase by them

 **b-price leadership**

 this is the strategy of becoming a price leader in a Particular segment

 c-promotional pricing

 this is to encourage a first purchase to encouragerepeat business sale

**3-Promotion strategies**

company has to devise promotion strategies for promoting products on internet it requires the following three important decisions about investment for online promotion

a-investment in site promotion compared to site creation and maintenance

b-invt in online promotion techniques in comparison to offline promotion

c-invt in different online promotion techniques

**M commerce**

 M commerce is a part of e commerce. it allows people to do the transaction through mobile devices

**Merits**

1.wider reach

2.lower costs

3.convinience

4.Accessibllility

5.Easy connectivity

6.personalisation

7.Time efficient

**Demerits**

1.Low acceptance data

2.limited capabilities

3.hetrogeneity

4.Theft or destruction

5.low customer retention rate

6.other issues

**E-payment systems**

 **Meaning**

 E payment means making payment through electronic media by using credit or debit cards

**Electronic Fund Transfer (EFT)**

 It means transfer of fund bw two parties through electronically.work on EFT can be divided into 3 categories

1.**Banking and financial payments**

a-large scale or wholesale payments .eg.bank to bank transfer

b-small scale or retail payments. eg.ATM

c- Home banking

**2.Retailing payments**

a-credit cards.eg.VISA or Master cards

b-private label credit or debit cards

c-charge cards

3.**Online e commerce payments**

**a-token based payment system.** eg.e cash,e cheques,smart cards or debit cards

**b-credit card based payment system.** eg.encrypted credit cards,third-party authorisation no

**.Types of e payment systems**

1**.Electronic token based e payment systems**

 Electronic token is a unit of digital currency that is in a standard electronic format. the following are the types of electronic tokens

a**- cash or real time**

 n transactions are settled with the exchange of electronic currency. eg e cash

**b- Debit or prepaid**

 users pay in advance for the previllege of getting information

**3.credit or post paid**

 the server authenticates the customer and verifies with the bank that funds are adequate before purchase.

2.E money or E cash

 It is the creation of electronic money or tokens usually by a bank which buyers and sellers purchase for goods and services .it consists of a token which may be authenticated independently of the issuer.it includes debit cards,credit cards ,smart cards etc

**Properties of E payment system (essential requirements)**

 There are two sets of properties to consider in a money transfer. they are ACID(Atomicity,Consistency,Isolation,Durability)test and the ICES (Interoperability,Conservation,Econonomy,Scalability)test.There are four Acid tests.they are

**1.Atomicity-A** transaction must occur completely or not at all

**2.Consistency-A**ll parties involved in the transaction must agree to the exchange

**3.Isolation-Ea**ch transaction must be independent of any other transaction

4**.Durability-th**is means reversing charges in the event the customer changes his or her mind

 The ICES test addresses four important properties of money transfer. they are

1.Interpretability- This refers to the ability to move back and front bw different system of e payment

**2.Conservation-T**his means how well money holds bw different systems of e payment

3.**Economy- T**his means the transaction should be inexpensive and affordable

**4.Scalability-T**his is the ability of the system to handle multiple users at the same time

 In addition to the ACID and ICES test there are some other properties of e payment system. they are

1.Acceptability

2.Ease of integration

3.customer base

4.ease of use and ease of access

**E PAYMENT MEDIA**

1**.Credit cards**

 credit card is a plastic sheet bearing name and no. of the holder.and also name of bank,card number etc are printed on it.by using these cards customers can purchase goods or services eithet offline or online without making immediate payment. after goods have been purchased the buyer can make payment through his credit cards .this can be used to borrow money or buy goods and services on credit.

**2.Debit cards**

 Debit cards are issued by banks to their customers eho have maintained an account in the bank with sufficient credit balance. Each time the customer makes a purchase,an amount equal to the purchase is debited in his account. incase of credit cards customers are borrowing money while incase of debit cards customers are drawing money from the account

**3.Smart cards**

 A smart card is a credit card sized piece of plastic sheet and contains a a programmable chip ,a combination of RAMand ROM storage and an operating system of sorts. it can be stored more informations in its memory makes the card smart. card can also be used to purchase good and services. it is of two types-relationship based cards and electronic purses. Electronic purses are also known as debit cards and em money.

3**.E cheques (Electronic cheques)**

 E cheques are very similar to ordinary paper cheques except that they are initiated

 electronically. Digital signatures are Used for signing and endorsing electronic cheques

**4.E wallet**

 It operates like ae cash and information in the same way. wallet functions such as carrying real cash and various IDs.

**Essential qualities of a good E payment system**

 1.connectivity

2.Scalability

3.Maximum throughput

4.Load balancing and linear growth

5.Reliability

6.security

**Security risks in internet**

**1.spoofing**

 spoofing means tricking or deceiving one's computer system or other computer users. this is done by holiding one's own identity or faking anothe oner's identity through this process un authorised persons hack into a system and obtain credit card details

**2.un authorised disclosure**

 when information about transaction is transmitted in a transparent way,hackers can catch the transmission to obtain customer's sensitive informations

**3.Un authorised action**

 un authorised persons or competitors can alter the websites

4.**Eavesdropping**

 The private content of a transaction,if un protected can be intercepted

5.**Data alteration**

 The content of a transaction may not only be intercepted but also altered either knowingly or accidently

**6.Phishing**

 It is an online identity theft by sending an email from reputable companies to induce an individual to provide his sensitive informations such as his password,account no,credit card no. etc

**principles of security systems**

**1.Authentication**

 custoners must be able to assure that sending informations to the real business organisation.

**2.Confidentiality**

 All the informations sent must ve confidential and should be protected from the eyes of unauthorised persons

**3.Integrity**

 Communication must be be protected from undetectable alteration by third parties in transmission on the internet

**4. Non repudiability**

 After sending message the sender shouldn't be able to deny the msg after sometime

**5.privacy**

 There should sufficient provision to safeguard the msg that is being sent or received over internet . packet sniffing sholud be avoided. it means it is the act of reading unprotected packet informations as it travels over a network. packet means data being transferred over a network in a unit.

**Security tools**

1.**Antivirus programme**

 Anti virus software will find viruses and eliminates them to a agreat extend

**2.Integrity checking software**

 This software will check at regular intervals to ascertain whether data have been changed by a hacker

**3.Audit logs**

 it also examines any ubnormal activity at regular intervals. it also checks whether any CGI script attacks have been done

**4.Firewalls**

 Firewall is a network security system that monitors and controls network traffic on a predeternined security rules.this software only accepts links from trusted domains . This is act actc as a gateway.

**5.Backups**

 we take back ups of all critical files on the wrb server in order to protect data

**6.Encryption**

 Encryption is a process that conceals meaning of the msg by changing it to un intelligible messages. it makes the content into a form that cannot be readable by using mathematical formulas.

7**.Digital signatures**

 A msg is encrypted with the sender's private key to generate the digital signature. msg is then sent to the destinations along with the signature. The receipient decrypts the signature using sender's public key.if the result matches with the copy of the message received,thecreceipient can ensure that the msg has not been modified

8.**Digital certificates**

 A digital certificate is an electronic file .once sender has provided proof of his identity.,the Certification Authority creates a msg containing sender's name and his public key. this msg that is digitally signed by the Certification Authority is known as digital certificate.

**9.Secure Socket Layer Protocol (SSL)**

 It is a network security protocol designed for providing security connections bw web client and web servers over an insecure network environment such as internet. Encryption is used for security and it is a information technology developed for transmittng safely over the internet

**10.Secure electronic transaction (SET)**

 It is a securitu protocol based on digital certificates. it was developed by master card and visa.By employing digital certificates SETallows a buyer to confirm that the merchant is legitimate and verifies that the credit card is used by its its owner.

**HACKING**

 Hacking is a computer crime in which the criminal breaks into a computer system for exploring details of information. it means destroying,deleting or altering any information residing in a computer.