

## **MODULE 5**

Strategy: Information and Strategy; The Virtual Value Chain; Seven Dimensions of E-commerce Strategy: The 7S Framework; Value Chain and E-strategy: Value Activities, Assessment of Information, Components of the Commerce Value Chain; Supply Chain: Seven Ways to Reduce Inventory; E-SCM Provides "Real-time" Benefits; E-SCM-The Strategic Advantage; Benefits, E-Supply Chain Components, E-Supply Chain Architecture; Mobile Commerce (M-Commerce): Concept and evolution of M-commerce, Applications of M-commerce (banking, retail, ticketing, mobile payments, etc.), Technologies supporting M-commerce (wireless networks, mobile apps, mobile payment gateways, QR codes, NFC, etc.) Institutional Support for Entrepreneurs: Role of institutions in entrepreneurship development, National Small Industries Corporation (NSIC), Small Industries Development Organization (SIDO), District Industries Centres (DICs), State Industrial Development Corporations (SIDCs) Financing of Enterprises: Sources of finance for startups and SMEs, Role of banks and financial institutions, Venture capital financing: concept, process, and major players, Government incentives, subsidies, and schemes

- **Information and Strategy**

- In today's digital age information technology and information systems play an important role in success of organization.
- Information technology has challenged the way the business gets conducted. A company with superior product and service content become market leaders.
- There is a constant for the companies to provide a better and competitive content.
- Organizations invest in research and development for superior content production, or they acquire/merge with companies.
- The purpose of acquisition is to either expand current product offering or add content as to provide end to end solutions.
- Organization strategy can be devised using Porter's Five Force model.
- Organization's strategy should be to increase customer base and provide customized solution.

### **Virtual Value Chain**

- A physical value chain consist procurement of raw materials, operations, delivery, sales and marketing and service. Information technology has changed the way we look at the value chain. Information technology has introduced concept of virtual value chain.
- The components of a virtual value chain are as follows:
- **Gather:** Information age has helped digitization of information. The information is higher than ever before. The internet provides data and information about markets, economies, government policies, etc. Companies gather information relevant to them as a first stage in the virtual value chain.
- **Organizing:** Information gathered in the Second stage of the virtual value chain is in form of text, data tables, video, etc. The challenge in the second stage is to organize the gathered information in a way to retrieve easily for further analysis.
- **Selection:** In the third stage of virtual value chain, organizations analyze captured information to add value to customers. Organizations develop better ways of dealing with customers, product delivery, etc. using information.
- **Synthesization:** In the fourth stage of virtual value chain, organizations synthesize the available data. The data reaches the end user in the desired format.
- **Distribution:** The last stage of the virtual value chain is delivery of information to the end user. In a physical value chain, products are delivered to customers, in the virtual value chain this is replaced by a digital product. For example, digital movie streaming of movies compared to mail delivery of DVD.

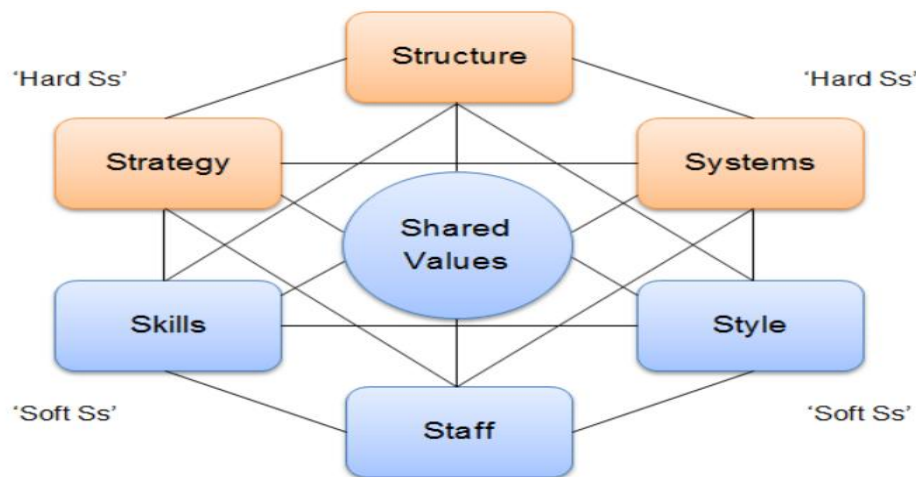
### **Importance of Virtual Value Chain**

- The concept of a virtual value chain was devised looking at current internet penetration(Penetration refers to the extent to which a product, service, or technology has entered and been accepted in a market or among users.) It provides addition to existing value chain.
- Information technology helps in view of physical value and making it efficient and effective.
- Today's information systems are capable of capturing information from every part of the value chain. This information is utilized to optimize performance at each stage.
- However, this information can also be utilized to improve customer experience at each stage.
- This enhanced experience can be through new product and services, thus generating more revenue to the company.

## Seven Dimensions of e-Commerce

- **Introduction**

- The way business or commerce gets conducted has undergone a great deal of change due to the advent of information and communication revolution.
- In the last two decades or so there has been a phenomenal growth in e-commerce. Electronic commerce or e-commerce consists of buying selling and auction of various products and services.



- The model can be applied to many situations and is a valuable tool when organizational design is at question. The most common uses of the framework are:
  - To facilitate organizational change.
  - To help implement a new strategy.
  - To identify how each area may change in the future.
  - To facilitate the merger of organizations

### 1. Strategy

- Strategy refers to the long-term action plan designed to achieve competitive advantage in e-commerce.
- It includes:
  - Market positioning (B2B, B2C, C2C models)
  - Target customer segments
  - Pricing strategies (low-cost, premium pricing)

- Competitive strategies (innovation, differentiation)
- Example: An online store focusing on fast delivery and low prices to attract customers.

## 2. Structure

- Structure defines the **organizational hierarchy and division of work**.
- In e-commerce, organizations may adopt:
  - Centralized structure (decision-making at top level)
  - Decentralized structure (flexibility and quick response)
- Includes departments like:
  - IT team
  - Digital marketing team
  - Customer support
- A well-designed structure improves coordination and efficiency.

## 3. Systems

- Systems refer to the **procedures, processes, and technologies** used in daily operations.
- In e-commerce, systems include:
  - Order management systems
  - Payment gateways
  - Customer Relationship Management (CRM) systems
- These systems ensure:
  - Automation
  - Accuracy
  - Real-time processing
- Efficient systems are essential for smooth business operations.

## 4. Style

- Style represents the leadership approach and organizational culture.
- In e-commerce, a modern leadership style includes:

- Innovation-driven culture
- Customer-centric approach
- Quick decision-making
- Example: Encouraging employees to experiment with new digital marketing ideas.
- A positive style motivates employees and improves performance.

## 5. Staff

- Staff refers to the **human resources** of the organization.
- Includes:
  - Recruitment of skilled employees
  - Training and development programs
  - Performance management
- In e-commerce, important roles include:
  - Web developers
  - Data analysts
  - Digital marketers
- Skilled staff are critical for managing advanced technologies.

## 6. Skills

- Skills are the core competencies and capabilities of the organization.
- Key e-commerce skills include:
  - Digital marketing (SEO, social media marketing)
  - Data analytics and customer insights
  - IT and software development
  - Supply chain and logistics management
- Strong skills provide a competitive advantage.

## 7. Shared Values

- Shared values are the core beliefs and guiding principles of the organization.

- They form the foundation of the 7S framework.
- Examples:
  - Customer satisfaction
  - Trust and transparency
  - Innovation
  - Quality service
- These values influence decision-making and organizational culture.

### **Concept of Value Chain in E-Strategy**

- All companies undertake series of activities in order to deliver a product to the customers.
- These series of activities like procurement of raw material, storage, production, distribution are referred as value chain activities.
- The function of value chain activities is to add value to product at every stage before it is delivered to the customers.
- There are two components, which make value chain - primary activities and secondary activities.
- Every activity within a physical value chain has an inherent information component.
- The amount of information that is present in activities determines, company's orientation towards e-commerce.
- **Primary Activities**
  - Primary activities in the value chain are directly related with the production and delivery of the final product.
  - The objective of these activities is adding value to product that is more than the cost of product.
  - This will ensure that company can generate healthy margin and stay in business. Primary activities mainly consist of inbound supply chain, operations, dispatch, sales and marketing and service.
  - Inbound supply chain is made up of activities like receiving raw materials, storing raw materials and inventory management.
  - A supply chain is the network of organizations, people, activities, information, and resources involved in moving a product or service from the supplier to the final customer.

- **Support Activities**
- **Firm Infrastructure**
- Includes management, finance, legal systems.
- In e-strategy:
  - Use of digital tools for planning and control.
- **Human Resource Management**
- Recruitment, training, and development.
- In e-commerce:
  - Online training platforms
  - HR management systems
- **Technology Development**
- Innovation and improvement of products/processes.
- In e-strategy:
  - Website development
  - Data analytics
  - AI tools

## **Assessment of Information in Digital Entrepreneurship**

### Introduction

- Assessment of Information in Digital Entrepreneurship refers to the process of evaluating the quality, accuracy, and usefulness of digital data and online information before using it for business decisions.
- In digital businesses, decisions depend heavily on online data, analytics, and real-time information, making proper assessment essential.
- **Need for Information Assessment in Digital Entrepreneurship**
- Prevents use of fake or misleading online data
- Improves strategic decision-making
- Ensures business credibility and trust

- Helps in understanding customer behavior and market trends

- **Key Criteria for Assessing Digital Information**

- 1. Accuracy**

- Information must be correct and error-free
    - Verified from reliable digital sources
    - Example: Website analytics data must be precise

- 2. Relevance**

- Information should be useful for business goals
    - Avoid irrelevant data that wastes time
    - Example: Customer data relevant to target market

- 3. Reliability**

- Source of information must be trustworthy
    - Prefer official websites, verified platforms, or authenticated databases

- 4. Timeliness**

- Information should be current and up-to-date
    - Digital markets change rapidly, so outdated data is risky

- 5. Completeness**

- Data should be comprehensive and not missing key details
    - Incomplete information leads to wrong decisions

### **What Is Value Chain Analysis?**

- Value chain analysis is a way to study every step in the process of creating and distributing goods or services from the initial design of products to customer delivery.
- But unlike supply chain analysis, which often focuses on the business's needs, value chain analysis is framed around what the product and the customer stands to gain from each step.
- For example, an appliance company may be spending more money per unit during the manufacturing process than its competitor.



- Through value chain analysis, the business may decide to simplify its production process to cut costs.

## Components of a Value Chain: Primary and Secondary Activities



### Key Takeaways

- A company's value chain includes every step involved in creating, delivering, and marketing a product or service.
- Value chain analysis focuses on developing a product or service that is better suited to the customer's wants and needs than the products and services competing companies are offering.
- By analyzing the value chain, businesses can create advantages over their competitors, either by reducing their costs or differentiating their products.

### Primary Activities

- Primary activities are directly involved in producing and selling products and are divided into five categories:
- Inbound logistics:** Companies typically need to collect, store, and use raw materials to manufacture their products. Receiving, warehousing, and storage of supplies are considered [inbound logistics](#), which can be analyzed to find ways to cut costs.
- Marketing and sales:** A product has no value to customers unless they are aware of it and can purchase it. Through marketing and sales, a business can show the value of its products to customers and make them available through in-store or website sales.

### Secondary Activities

- Secondary activities help increase the efficiency of primary activities and are divided into four categories:

- **Company infrastructure:** The company's infrastructure refers to its administrative, management, financial, legal, and quality control mechanisms—the structures a business has in place to make key business decisions and manage its resources.
- **Technology development:** This support activity includes the implementation of technological advancements, such as process automation and machinery upgrades. Technology improvements at various stages, from designing to manufacturing products, often help to reduce costs and increase efficiency and productivity.

## Supply Chain

Supply Chain is the network of activities, people, organizations, resources, and processes involved in producing a product and delivering it to the final customer.

- **Simple Definition:**
- A **supply chain** is the entire process from obtaining raw materials to delivering the finished product to consumers.
- **Key Stages:**
- Procurement of raw materials
- Manufacturing / Production
- Storage / Warehousing
- Transportation
- Distribution
- Delivery to customers
- **What is Inventory Reduction?**
- Inventory reduction is the process of minimizing excess, obsolete, or slow-moving stock while maintaining optimal service levels.
- The goal is to reduce carrying costs, free up working capital, and improve supply chain efficiency without increasing the risk of stockouts.
- **Key Benefits of Inventory Reduction**
- Inventory reduction improves supply chain performance by enabling more accurate demand forecasting and planning.

- It supports stronger supplier relationships, reduces lead times, and ensures products are available when needed. A leaner inventory also allows businesses to respond more quickly to demand shifts and supply disruptions.
- **How Inventory Management Can Help Reduce Inventory Costs**
- Effective inventory management is key to reducing costs and improving a small business's profitability.
- By closely monitoring inventory levels and using strategies like just-in-time (JIT) ordering, businesses can avoid excess stock and the associated costs, such as storage fees, spoilage.
- **7 Inventory Reduction Strategies to Optimize Your Supply Chain**
- 1. Implement Just-In-Time (JIT) Inventory
- 2. Improve Demand Forecasting
- 3. Review and Adjust Reorder Points Regularly
- 4. Use ABC Analysis for Inventory Prioritization
- 5. Leverage Inventory Management Software
- 6. Optimize Safety Stock Levels
- 7. Reduce Supplier Lead Times

### **Inventory Reduction Strategies to Optimize Your Supply Chain**

1. Implement Just-In-Time (JIT) Inventory : JIT inventory management involves ordering and receiving materials and products only when needed for production or sale
2. Improve Demand Forecasting: Accurate demand forecasting helps maintain optimal inventory levels.
3. Review and Adjust Reorder Points Regularly
 

Setting the right reorder points ensures inventory is restocked before running out, but not so early that it leads to overstocking.
4. Use ABC Analysis for Inventory Prioritization
  - ABC analysis groups inventory into three categories:
  - A (high-value, low-quantity)
  - B (moderate value and quantity)
  - C (low-value, high-quantity), to focus management efforts.

#### 5. Leverage Inventory Management Software

- Inventory management software can streamline processes like order tracking, stock monitoring, and supplier management.
- 6. Optimize Safety Stock Levels
- Safety stock acts as a buffer against demand variability and supply chain disruptions, but excess safety stock can significantly increase carrying costs.
- 7. Reduce Supplier Lead Times
- Long supplier lead times often force businesses to hold more inventory as a buffer, increasing storage costs and tying up capital.
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### **E-SCM (Electronic Supply Chain Management) Provides “Real-Time” Benefits**

- **E-SCM** means using internet and digital technologies to manage supply chain activities instantly. The term “**real-time**” means information is updated and available immediately, without delay.
- **1. Real-Time Information Sharing**
- All supply chain partners (suppliers, manufacturers, distributors) can access **live data**.
- Inventory levels, orders, and delivery status are updated instantly.
- Reduces communication delays and misunderstandings.
- Example: A retailer can immediately check stock availability in the warehouse
- **2. Better Inventory Management**
- Businesses can monitor stock levels continuously.
- Avoids **overstocking** and **stock shortages**.
- Enables **Just-In-Time (JIT)** inventory practices.
- Result: Reduced storage cost and improved efficiency.
- **3. Faster Decision Making**
- Managers get up-to-date data for quick decisions.

- Helps in responding immediately to demand changes or supply issues.
- Example: If demand suddenly increases, production can be adjusted instantly.
- **4. Improved Customer Service**
- Customers can track their orders in real time.
- Accurate delivery times can be provided.
- Faster response to customer queries.
- Result: Higher customer satisfaction and trust
- **5. Efficient Order Processing**
- Orders are processed automatically and instantly.
- Reduces manual errors and paperwork.
- Example: Online orders are directly sent to the warehouse for dispatch.
- **E-SCM-The Strategic Advantage**
- **Electronic Supply Chain Management (E-SCM)** is not just an operational tool—it provides a **strategic advantage** by helping organizations compete more effectively in the digital marketplace.
- It integrates technology with supply chain activities to improve performance, responsiveness, and long-term success.
- **1. Competitive Advantage**
- Companies can respond faster to market changes.
- Better service and lower costs attract more customers.
- Example: Faster delivery compared to competitors.
- **2. Cost Reduction**
- Reduces operational, inventory, and transportation costs.
- Eliminates unnecessary processes through automation.
- Result: Higher profit margins.
- **3. Improved Customer Satisfaction**
- Real-time order tracking and quick delivery.

- Accurate information improves customer trust.
- Result: Increased customer loyalty.
- **4. Global Market Reach**
- E-SCM enables businesses to operate globally.
- Easy coordination with international suppliers and customers.
- Example: A company can source materials from one country and sell in another.
- **5. Better Decision Making**
- Access to real-time data and analytics.
- Helps in forecasting demand and planning production.
- Result: Reduced risks and improved efficiency.
- **E-Supply Chain Components (E-SCM Components)**
- **E-Supply Chain** consists of all the digital elements and processes that manage the flow of goods, information, and money using internet technologies.
- **Major Components of E-Supply Chain**
- E-Procurement (Electronic Procurement)
- E-Production (Manufacturing)
- E-Inventory Management
- E-Logistics (Transportation & Distribution)
- E-Order Processing
- E-Warehousing
- E-Information Flow
- E-Financial Flow
- Customer Relationship Management (CRM)
- Supplier Relationship Management (SRM)
-

- **E-Supply Chain Architecture**

- **Introduction**

- An **E-Supply Chain Architecture** is the structure and design of an electronic supply chain system that connects suppliers, manufacturers, warehouses, distributors, retailers, and customers through the internet and digital technologies.

- It helps organizations manage:
  - Purchasing
  - Production
  - Inventory
  - Transportation
  - Customer orders
  - Information sharing
  - in a fast and efficient electronic environment.

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- **Objectives of E-Supply Chain Architecture**

- Improve coordination among supply chain partners
- Enable real-time information sharing
- Reduce operational cost
- Improve customer satisfaction
- Increase speed and efficiency
- Reduce inventory and delays
- Support online business operations

- **Components of E-Supply Chain Architecture**

- **1. Customer Layer**

- This layer interacts directly with customers.

- **Functions**

- Online ordering
- Product tracking
- Customer support
- Payment processing

- **Technologies Used**

- Websites
- Mobile applications
- E-commerce portals

- **Example**

- A customer places an order on an online shopping website.

- **2. Application Layer**

- This layer contains software applications that manage supply chain operations.

- **Main Applications**

- **a) ERP (Enterprise Resource Planning)**

- Integrates business functions like:



- Finance
- Production
- HR
- Inventory
- **b) SCM (Supply Chain Management)**
- Manages:
- Procurement
- Logistics
- Inventory control
- **c) CRM (Customer Relationship Management)**
- Handles:
- Customer interactions
- Complaints
- Marketing activities
- **d) WMS (Warehouse Management System)**
- Controls:
- Storage
- Stock movement
- Dispatching
- **3. Information Layer**
- This layer manages data and information flow.
- **Functions**
- Data collection
- Data storage
- Data analysis
- Information sharing

- **Technologies**

- Databases
- Cloud storage
- Data warehouses

- **Importance**

- Provides accurate and real-time information for decision-making.

- **4. Communication Network Layer**

- This layer connects all participants electronically.

- **Technologies Used**

- Internet
- Intranet
- Extranet
- Electronic Data Interchange (EDI)

- **Functions**

- Fast communication
- Secure data transfer
- Supplier coordination

- **5. Supplier Layer**

- Includes suppliers and vendors who provide raw materials or products.

- **Functions**

- Supply raw materials
- Receive purchase orders electronically
- Update stock availability

- **Benefits**

- Faster procurement
- Better supplier coordination

- **6. Manufacturing Layer**

- This layer handles production activities.

- **Functions**

- Production planning
- Scheduling
- Quality control
- Packaging

- **Importance**

- Ensures products are manufactured according to customer demand.

- **7. Distribution and Logistics Layer**

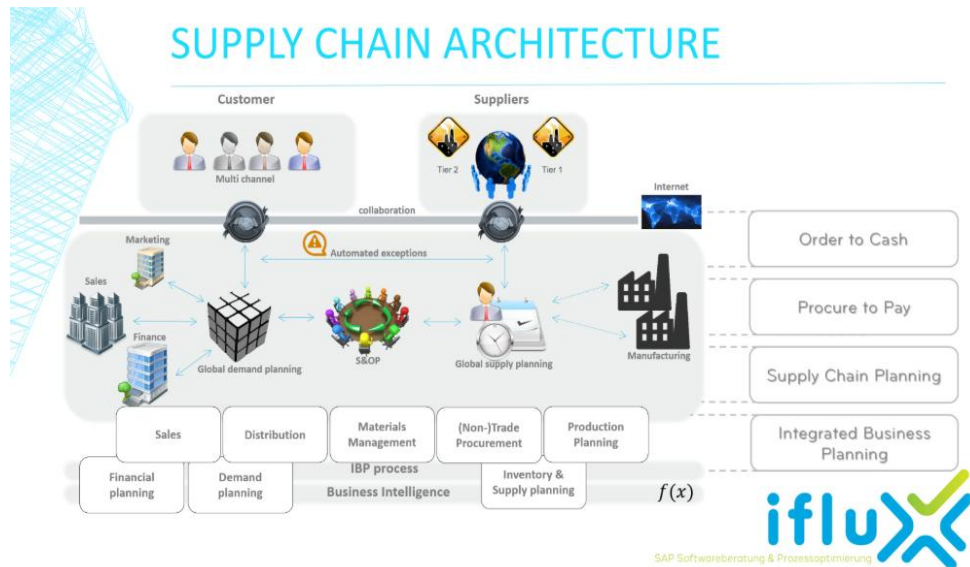
- Responsible for movement of goods.

- **Functions**

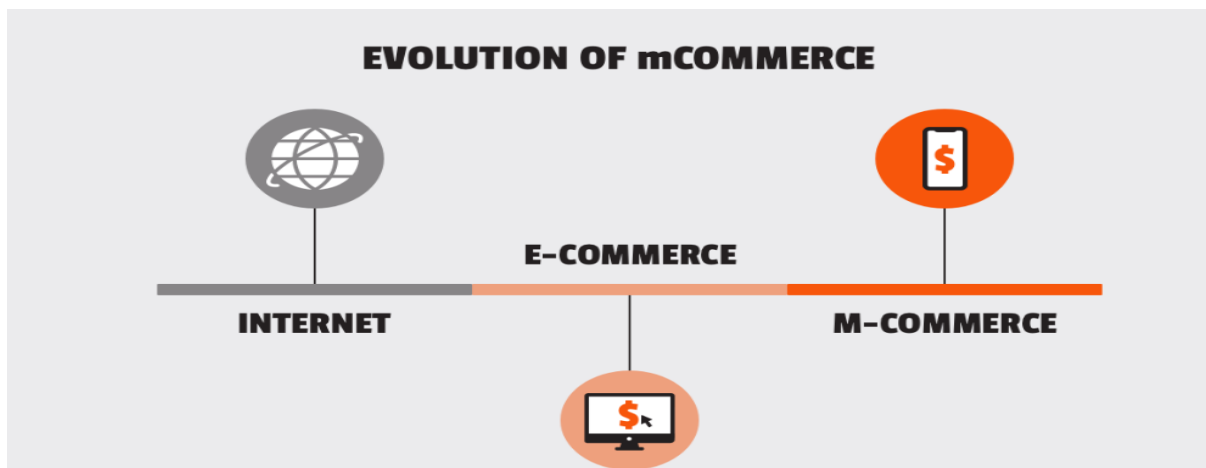
- Transportation
- Delivery tracking
- Warehouse operations
- Distribution management

- **Technologies**

- GPS tracking
- RFID
- Logistics software



- **What is Mobile Commerce?**
- Mobile commerce, also known as m-commerce or mCommerce or wireless eCommerce, is any transaction involving the transfer of ownership or rights to use goods and services, which is initiated/facilitated/completed by the use of mobile/handheld device and wireless technology.
- In simple terms, m-commerce involves the delivery of electronic commerce capabilities through smartphones and other mobile devices.
- **History Of Mobile Commerce**
- The phrase mobile commerce was first coined in 1997 by Kevin Duffey at the launch of the Global Mobile Commerce Forum. The concept was brought to life in the same year by Coca-Cola which installed two mobile-phone enabled vending machines in Helsinki which accepted payment via SMS text messages.



- **Navigation to Nearby Locations:** Mobile devices integrate GPS technology, which allows users to easily find and navigate to points of interest such as restaurants, hospitals, and other local services. This capability not only enhances convenience but also supports local economies by directing consumers to nearby businesses.
- **Instant Communication:** The integration of communication tools into mobile devices allows users to stay connected with family and friends, regardless of their physical location. This connectivity is vital not only for social interactions but also for professional communications and in situations that require immediate coordination or emergency responses.
- **Direct Mobile Payments:** M-commerce enables users to make secure payments directly from their mobile devices, whether in physical stores or online. This is facilitated by various mobile payment systems like Apple Pay, Google Wallet, and Samsung Pay, which store digital versions of a user's credit and debit cards.
- **Access to Transportation Services:** Mobile commerce has revolutionized how consumers access transportation services. Through apps like Uber and Lyft, users can book rides from their smartphones, which has dramatically impacted the taxi and transportation industries.

## Applications of M-Commerce

- **1. Mobile Banking**
  - Mobile banking involves using a mobile application or website to conduct banking transactions. This method is more immediate than traditional online banking.
  - **Example:** In Nigeria, a significant portion of banking transactions are executed via mobile phones, demonstrating the widespread adoption and convenience of mobile banking solutions.
- **2. Mobile Ticketing and Booking**
  - **Functionality:** Users can make bookings and receive tickets directly on their mobile devices. Payments made from mobile phones lead to the instant delivery of digital tickets or boarding passes.
  - **Adoption:** Services like IRCTC in India provide mobile ticketing options, showing the utility and increasing reliance on mobile solutions for travel-related needs.
- **3. E-bills**
  - This category includes mobile vouchers, coupons, and loyalty cards or points systems that can be managed and redeemed through mobile devices.

- **Mobile Vouchers:** Users can store and manage digital vouchers on their mobile devices, which can be readily accessed and redeemed at various retailers or service providers. These vouchers often come with QR codes that can be scanned at checkout points, streamlining the redemption process.

- **4. M-Commerce in Airline Ticketing**

- **Services:** Airline tickets can be purchased and altered through mobile devices. For instance, Kingfisher Airlines' "flybuy SMS" service allows customers to inquire about flights and book tickets via SMS.
- **Extended Services:** This application is also prevalent in booking movie tickets through mobile services.

- **5. M-Commerce in Entertainment**

- **Entertainment Options:** Mobile devices act as portable music players, and the sale of downloadable ringtones represents a successful M-commerce application.
- **Revenue:** Mobile phone manufacturers and wireless providers benefit financially from selling various types of customized ringtones.
- **Technologies supporting M-commerce (wireless networks, mobile apps, mobile payment gateways, QR codes, NFC, etc.)**

- **Technologies Supporting M-Commerce**

- **Introduction**

- **M-Commerce (Mobile Commerce)** refers to buying, selling, banking, payments, and other business transactions conducted through mobile devices such as smartphones and tablets using wireless internet technologies.
- M-commerce depends on several advanced technologies that enable secure, fast, and convenient mobile transactions.

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- **b) Wi-Fi Networks**
- Wi-Fi allows wireless internet access within limited areas.
- **Advantages**
- Faster internet speed
- Lower cost
- Easy connectivity

- **Uses in M-Commerce**

- Mobile shopping in malls
- Restaurant digital payments
- Online ticket booking

- **c) Bluetooth Technology**

- Bluetooth enables short-range wireless communication.

- **Uses**

- Contactless payments
- Device connectivity
- Data transfer

- **Example**

- Wireless payment through Bluetooth-enabled POS devices.

- **2. Mobile Applications (Mobile Apps)**

- Mobile apps are software applications designed for smartphones and tablets.
- They are major tools for M-commerce services.

- **Types of Mobile Apps**

- **a) Shopping Apps**

- Used for:

- **Product browsing**

Product browsing is the process of viewing and exploring products available on an online shopping platform.

It helps customers compare features, prices, and reviews before making a purchase decision.

- **Ordering**

Ordering is the process of selecting products and placing a purchase request through an online or offline system. It includes adding items to the cart, providing delivery details, and making payment.

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- **Tracking delivery**

Tracking delivery is the process of monitoring the status and location of an order after it has been shipped. It allows customers to know the estimated delivery time and receive updates until the product reaches them.

- **Examples**

- Amazon
- Flipkart
- Meesho

- **b) Banking Apps**

- Provide:

**Fund transfer**

Fund transfer is the process of moving money from one bank account to another electronically. It enables users to send money quickly and securely through banking applications or online services.

**Balance checking**

Balance checking is the process of viewing the available amount of money in a bank account. It helps users monitor their finances and manage their transactions effectively.

**Bill payment**

Bill payment is the process of paying utility, telephone, internet, or other service bills through electronic methods. It provides a convenient and time-saving way to settle payments without visiting service providers.

- **Examples**

- Google Pay
- PhonePe
- Paytm

- **c) Service Apps**

- Used for:

**Food delivery**

Food delivery is a service that allows customers to order meals from restaurants through mobile apps or websites. The ordered food is prepared by the restaurant and delivered to the customer's location.

### **Cab booking**

Cab booking is the process of reserving a taxi or ride through an online platform or mobile application.

It enables users to travel conveniently by selecting pickup and drop-off locations and confirming a ride.

### **Ticket reservation**

Ticket reservation is the process of booking tickets for travel, events, or entertainment in advance.

It allows users to secure seats and make payments through online or offline booking systems

- **Examples**
- Swiggy
- Zomato
- Uber
- **Working of QR Codes**
- **Step 1**
- Merchant displays QR code.
- **Step 2**
- Customer scans QR code using mobile app.
- **Step 3**
- Payment details appear automatically.
- **Step 4**
- Customer confirms payment.
- **Advantages of QR Codes**
- Fast payments
- Contactless transactions

- Low cost
- Easy to use
- Secure and reliable
- **5. NFC (Near Field Communication)**
- NFC is a short-range wireless communication technology that allows devices to exchange data when placed close together.
- Used mainly for contactless payments.
- **Working of NFC**
- **Step 1**
- Customer brings smartphone near NFC reader.
- **Step 2**
- Devices communicate wirelessly.
- **Step 3**
- Payment information is transferred securely.
- **Step 4**
- Transaction completes instantly.