

## Easy Tips That Explain How E Commerce Works

Author:  
**Resale Rights**

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It's not difficult to explain how e commerce works. E commerce is simply the exchange of goods and/or services electronically. When you buy something from eBay, Amazon.com or any online store, you've participated in e commerce. If you've ever downloaded music from a site like Napster or iTunes, that's e commerce, too. First, lets discuss the different types of e commerce to help you understand it better.

**B2B:** B2B or business-to-business e commerce is the oldest form of e commerce. Back in the 1960s, banks and other businesses began sharing and transferring files and information electronically. It was still limited, because there was not one standard way of conducting this business, so not all businesses could successfully transfer with each other. Once a reliable standard was set up in the 80s, B2B e commerce really took off, because they all used the same method, and could exchange files much more easily.

**C2C:** Consumer-to-consumer, or C2C e commerce is popular today. If you've ever purchased something online from another person, rather than a business, either through an ad posting on a electronic bulletin board or an online auction, you've participated in consumer-to-consumer e commerce. By far, the most popular form of consumer-to-consumer e commerce is in the form of online auctions, through the mammoth eBay auction site, where anyone can put goods online for sale to the highest bidder.

**P2P:** P2P or peer-to-peer e commerce started with Napster, where users shared files for free. Now there are several similar websites and file-sharing programs and systems online.

**B2C:** We can't explain how e commerce works without mentioning the huge amount of e commerce that takes places from business-to-consumer. When anyone purchases anything, whether it's a download of something electronic or any item that must be shipped to the buyer, at an online store or website, that's e commerce.

So to explain how e commerce works, it's necessary to keep these things in mind. E commerce involves one or more of the following:

- the exchange of information online
- the exchange of money online
- the exchange of goods or services online

To explain how e commerce works in your favor, the concepts are just as simple. If you want to purchase a book, for instance, you can find several online bookstores and compare the prices of that book to find the lowest one. You can check the cost of shipping the book, and their shipping times, and determine which store can get it to you the quickest, for the lowest price. All without having to stand in line, fight crowds, or spend any money for transportation or gas. So when you consider that you can comparison shop this way for small items and large alike, it's easy to see the advantages e commerce offers you.

Though we can explain how e commerce works in your favor, once you've purchased an item this way, it's easy to see the advantages yourself.

