BLOCKCHAIN BASED E-COMMERCE ONLINE APPLICATION

A. NAGARAJU, SAI LAKSHMI GANAPATHI KAMIREDDI
1. Assistant Professor, DEPT, Dantuluri Narayana Raju College, Bhimavaram, Andhrapradesh
Email id:- nagaraju.dnr345@gmail.com
2. PG Student of MCA, Dantuluri Narayana Raju College, Bhimavaram, Andhrapradesh
Email id:- saiganak239@gmail.com

ABSTRACT

In existing E-commerce application all customers and product details will be stored and managed in single centralized server and if this server crashed due to too many requests and or if server is hacked then services will not be available to other customers and to overcome from this problem we are migrating E-commerce application to Blockchain which will maintain data at multiple nodes/servers and if one node down then customers can get data from other working nodes. Another advantage of Blockchain has inbuilt support for data encryption and immutable (data cannot be alter by unauthorized users) and it will consider each data as block/transaction and associate each block storage with unique hash code and before storing new records Blockchain will verify hash code of previous blocks and if all nodes blocks verification successful then data is consider as secured. To implement this project we have used Blockchain Ethereum with Truffleto store E-commerce data and Blockchain cannot store images so we are storing products images inside IPFS (interplanetary file storage) server and this server will store image and returned hash code of stored image and by giving that hash code we can retrieve images from IPFS.

1. INTRODUCTION

Ecommerce is one of the leading industries around the world. Ecommerce platforms require tremendous power and storage to manage large amounts of data and other services. Even though the industry has superior functioning at present, there are ways to enhance it further, which is possible through blockchain technology. Blockchain can help e-commerce businesses to handle data more efficiently. The platforms can store information about users, products, orders, deliveries, manufacturers, sellers, and much more in an organized manner in a blockchain network. Blockchain is well-known for its security features that provide the ecommerce sector with extra layers of security. It cuts down the intermediaries and promotes peer-to-peer transactions. We get many added features like quick transactions, reduced chargeback frauds, customer reviews verification, personalized product offerings. With traceability, blockchain guarantees end-to-end product tracking to the customers. Ultimately, people can track their orders in real-time and also check the product authencity.

2. LITERATURE SURVEY AND RELATED WORK

A literature survey for a blockchain-based e-commerce online application project in Python should include research papers, articles, and books related to blockchain technology, e-commerce, and relevant Python libraries. Here are some key areas to focus on:

1. *Blockchain Technology:*

- Understand the fundamentals of blockchain technology, its history, and its applications.

- Explore consensus mechanisms (e.g., Proof of Work, Proof of Stake) and their impact on blockchain security and scalability.

- Review research papers on blockchain scalability solutions like sharing, sidechains, and layer 2 solutions.

2. *Smart Contracts:*

- Study smart contracts and their role in blockchain-based applications.

- Research different smart contract platforms (e.g., Ethereum, Biance Smart Chain) and their programming languages (Solidity for Ethereum).

- Examine best practices for secure smart contract development.

3. *E-commerce and Blockchain:*

- Look for papers discussing the integration of blockchain in e-commerce, including supply chain management, product provenance, and fraud prevention.

- Investigate case studies of real-world blockchain-based e-commerce applications.

4. *Python Libraries and Frameworks:*

- Identify Python libraries and frameworks suitable for blockchain development (e.g., Web3.py for Ethereum, Biance Smart Chain Python SDK).

- Learn about web development frameworks like Django or Flask for building the e-commerce frontend and backend.

5. *Security and Privacy:*

- Research blockchain security vulnerabilities and countermeasures.

- Explore privacy-enhancing technologies like zero-knowledge proofs (e.g., zk-SNARKs) for protecting user data.

6. *Payment and Cryptocurrencies:*

- Understand cryptocurrency basics and their role in e-commerce transactions.

- Investigate Python libraries for handling cryptocurrency payments.

7. *Decentralized Identity:*

- Explore decentralized identity solutions on blockchain (e.g., Self-Sovereign Identity).

- Understand how they can enhance user authentication and data protection in e-commerce.

8. *Regulatory and Legal Considerations:*

- Review legal and regulatory aspects of blockchain and cryptocurrency use in e-commerce.

- Consider tax implications and compliance requirements.

9. *Scalability and Performance:* - Examine research on blockchain scalability solutions to ensure your application can handle a large number of transactions.

10. *User Experience and Design:*

- Look for articles on designing user-friendly blockchain-based applications for e-commerce.

- Explore user adoption challenges and strategies.

Compile summaries of the most relevant literature and use it as a foundation for your project's design and development. Additionally, stay updated with the latest research developments in these areas, as blockchain and e-commerce are rapidly evolving fields.

3. EXISTING SYSTEM

In existing E-commerce application all customers and product details will be stored and managed in single centralized server and if this server crashed due to too many requests and or if server is hacked then services will not be available to other customers and to overcome from this problem we are migrating E-commerce application to Blockchain which will maintain data at multiple nodes/servers and if one node down then customers can get data from other working nodes.

Disadvantages:

Less security.

4. PROPOSED SYSTEM

Advantage of Blockchain has inbuilt support for data encryption and immutable (data cannot be alter by unauthorized users) and it will consider each data as block/transaction and associate each block storage with unique hash code and before storing new records Blockchain will verify hash code of previous blocks and if all nodes blocks verification successful then data is consider as secured.

To implement this project we have used Blockchain Ethereum with Truffleto store E-commerce data and Blockchain cannot store images so we are storing products images inside IPFS (interplanetary file storage) server and this server will store image and returned hash code of stored image and by giving that hash code we can retrieve images from IPFS.

Advantages:

High security

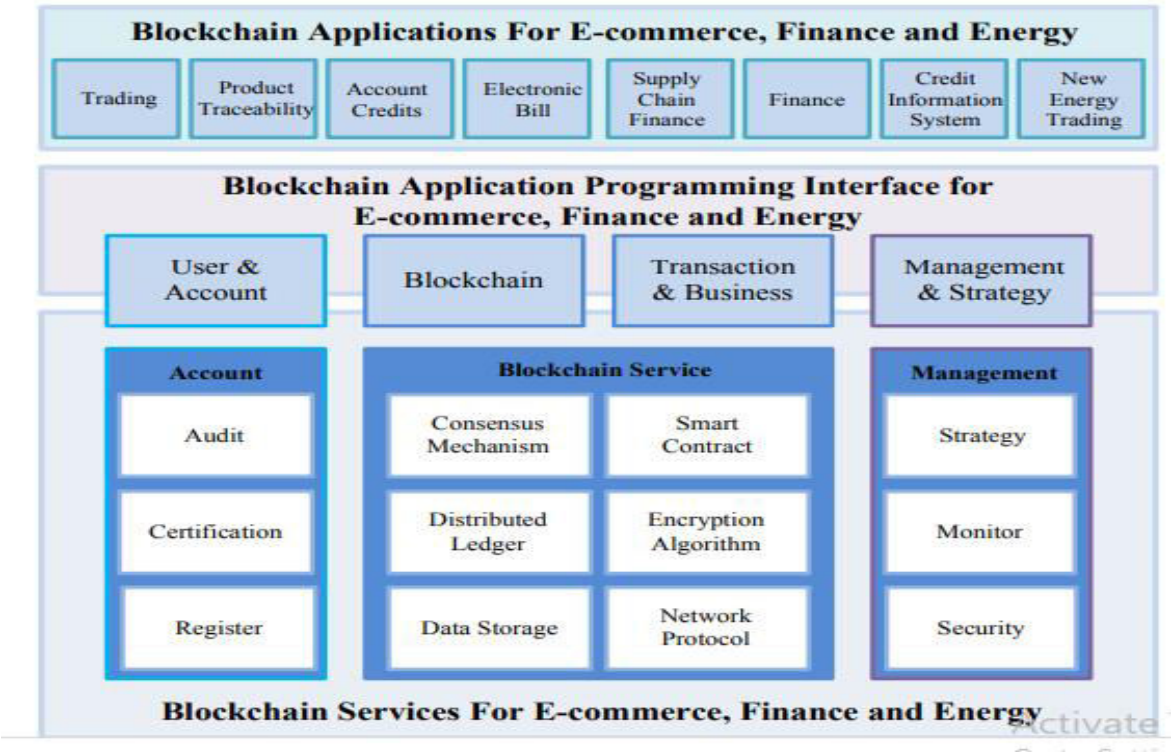


FIG 1- SYSTEM ARCHITECTURE

5. METHODOLOGIES

MODULE

SYSTEM MODULES

Building a blockchain-based e-commerce online application involves several key modules to ensure its functionality and security. Here are some essential system modules for such an application:

1. *User Management :* This module handles user registration, login, and profile management. It should integrate robust authentication and authorization mechanisms to protect user data.

2. *Product Catalog:* This module manages the listing of products or services available for purchase. It includes product descriptions, prices, images, and categories.

3. *Shopping Cart:* Users can add products to their shopping cart, review the contents, and proceed to checkout. This module should also calculate the total cost, apply discounts if necessary, and handle inventory updates.

4. *Order Management:* This module tracks and manages orders from placement to delivery. It includes order processing, payment verification, and order status updates.

5. *Payment Integration:* Integrating a secure payment gateway is crucial. It should support cryptocurrencies if you want to leverage blockchain technology, as well as traditional payment methods like credit cards or digital wallets.

6. *Blockchain Integration:* This is the heart of your application. It includes modules for smart contract development and

execution. Ethereum and other blockchain platforms provide tools for building decentralized applications (dApps).

7. *Inventory Management:* Keep track of product availability, restocking, and inventory levels. This module is vital for ensuring that products are not oversold or out of stock.

8. *Shipping and Logistics:* Handle shipping options, address validation, and tracking information. Integration with logistics services and APIs can help automate this process.

9. *Reviews and Ratings:* Allow users to leave reviews and ratings for products. This module can build trust among users and help with product selection.

10. *Customer Support:* Provide a way for users to contact customer support, whether through live chat, email, or a ticketing system. Timely support is essential for customer satisfaction.

11. *Security and Compliance:* Implement robust security measures to protect user data and transactions. Ensure compliance with relevant data protection and e-commerce regulations.

12. *Analytics and Reporting:* Collect and analyze user and sales data to gain insights into customer behavior and improve your application.

13. *Search and Filters:* Enhance the user experience with search functionality and filters to help users find products quickly.

14. *Admin Panel:* Create a backend admin panel for managing products, orders, users, and monitoring the overall health of the application.

15. *Notifications:* Implement notifications for order updates, promotions, and other relevant information. This can be done through email, SMS, or in-app notifications.

16. *Blockchain Wallet Integration:* If your application involves cryptocurrency payments, users should have wallets to store and manage their digital assets securely.

17. *Scalability and Performance:* Design your application architecture for scalability to handle increased traffic and ensure optimal performance.

18. *Testing and Quality Assurance:* Develop a robust testing strategy to identify and fix bugs and vulnerabilities throughout the development process.

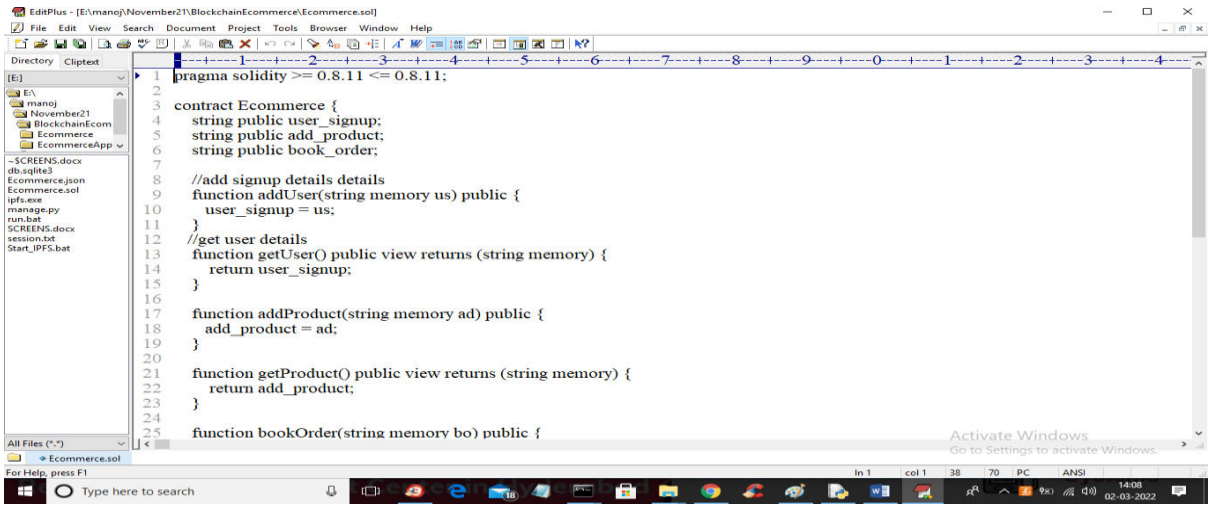
19. *Maintenance and Updates: Plan for regular maintenance, bug fixes, and updates to keep your application secure and up to date with the latest technologies.

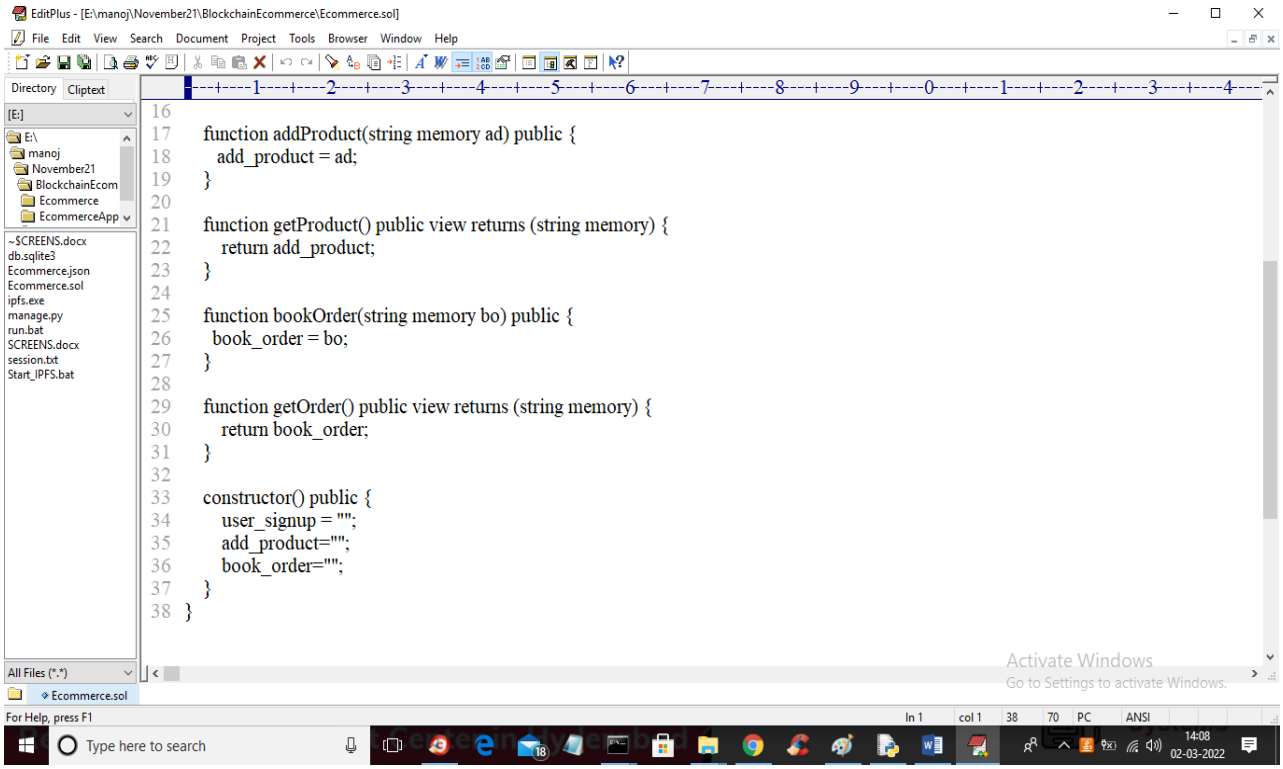
20. Legal and Compliance: Ensure your application complies with all relevant laws and regulations, especially regarding e-commerce, blockchain, and data protection.

Remember that developing a blockchain-based e-commerce application is a complex task that requires expertise in both e-commerce and blockchain technologies. Consider collaborating with experienced developers or consulting firms specializing in these areas to ensure a successful project.

6. RESULTS AND DISCUSSION SCREEN SHOTS

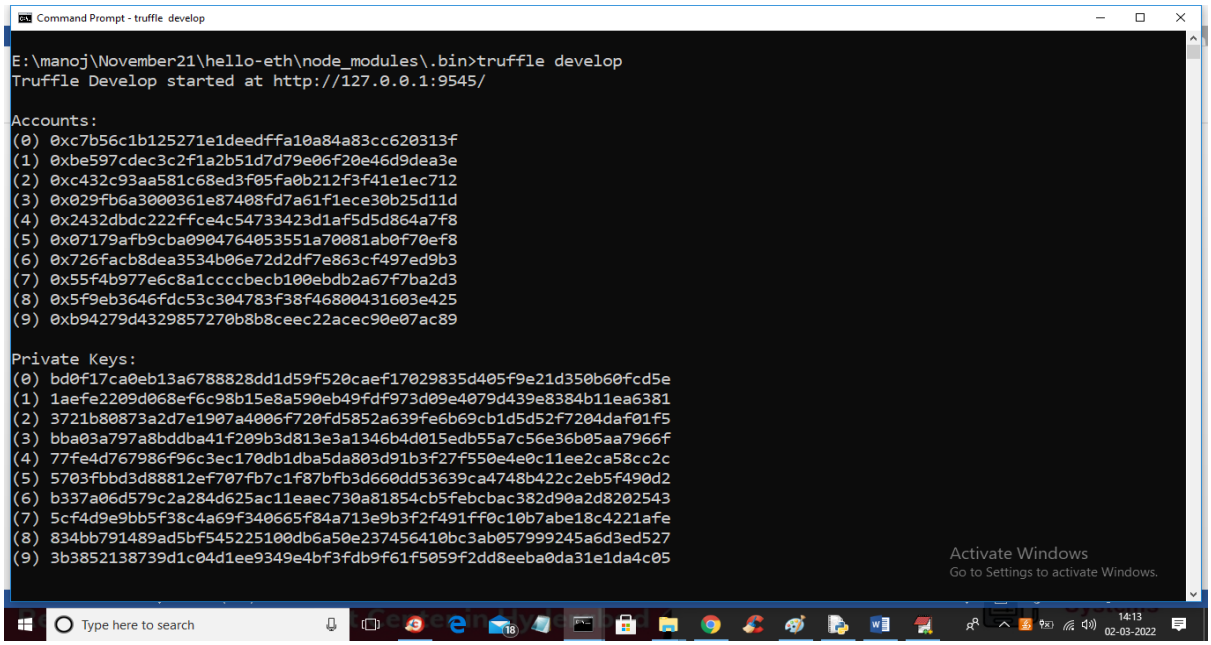
We can interact with the Blockchain by using Solidity code so we need to create solidity function for signup users, add products and book orders and then this solidity has to deploy on Ethereum Blockchain and by using WEB3 python package we can call this solidity contract. Below is the solidity code



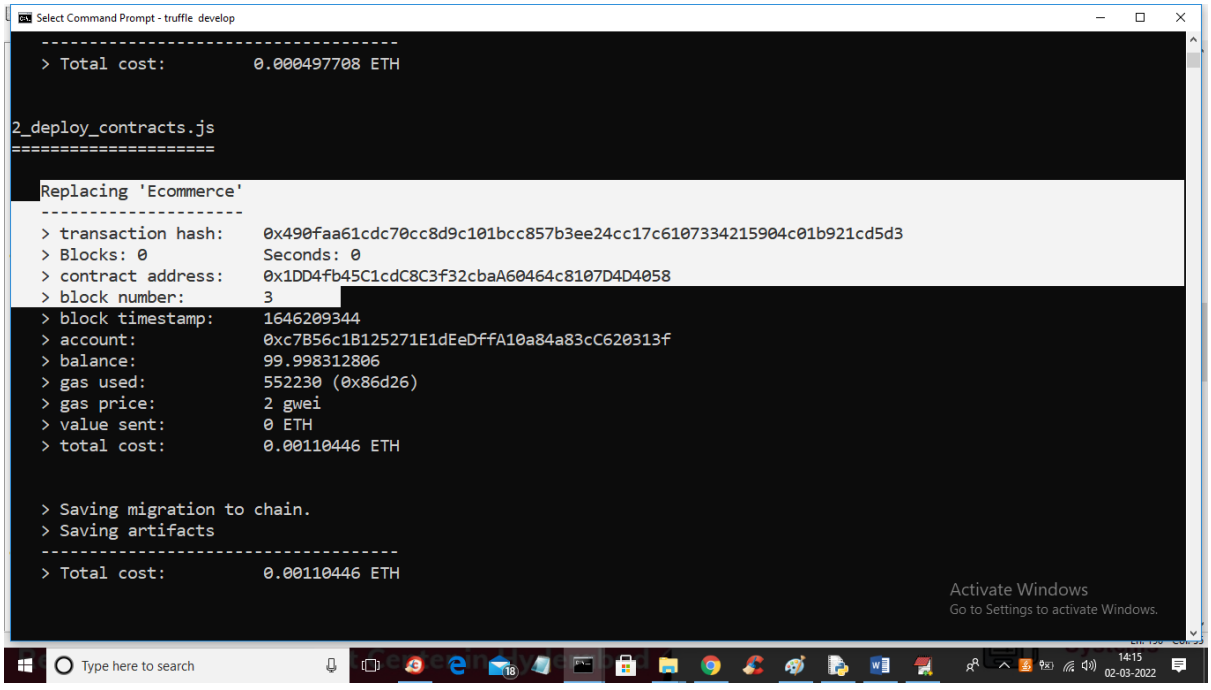


Above solidity code can be deployed in Ethereum by following below instructions

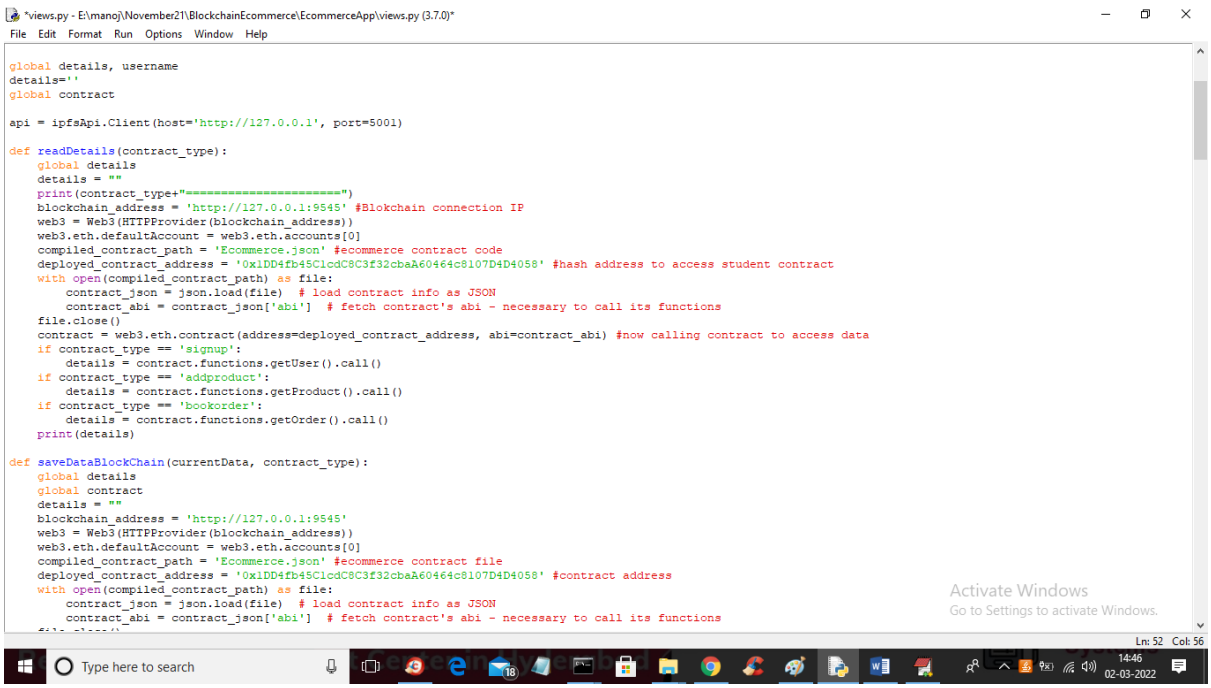
1) Go inside hello-eth/node_modules/.bin folder and double click on runBlockchain.bat file to get below screen



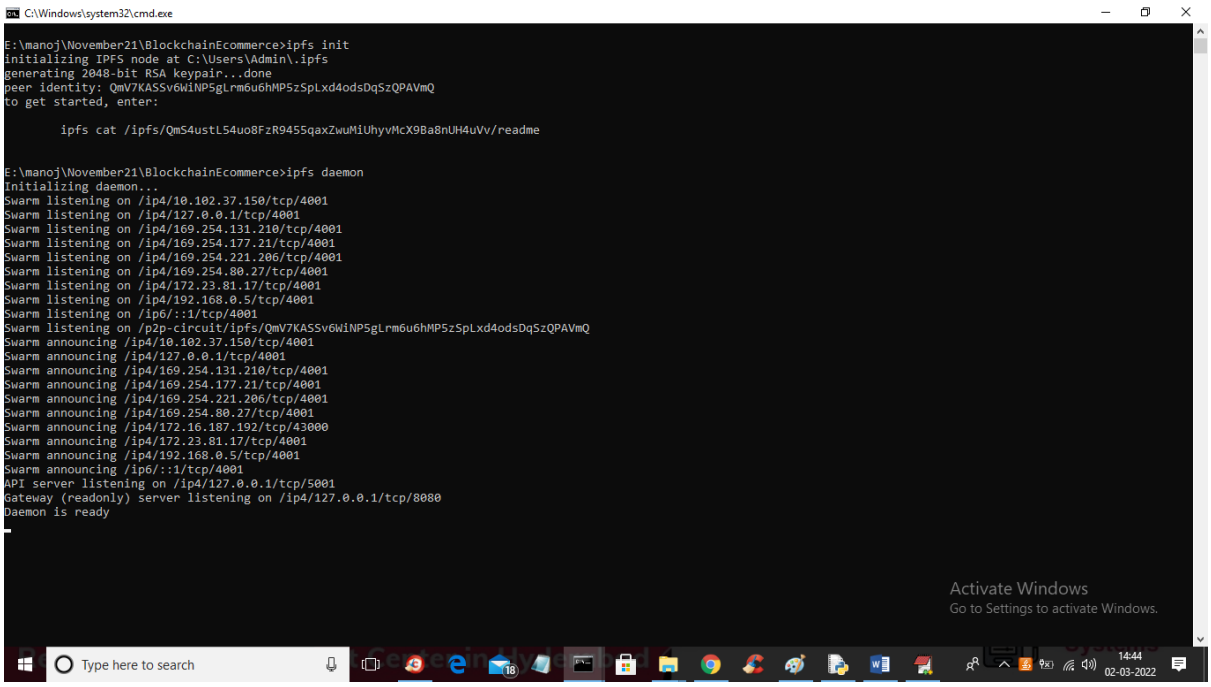
In above screen just type 'truffle develop' and press enter key to generate account and private keys and then type 'truffle migrate' to deploy solidity contract to Blockchain and get below screen



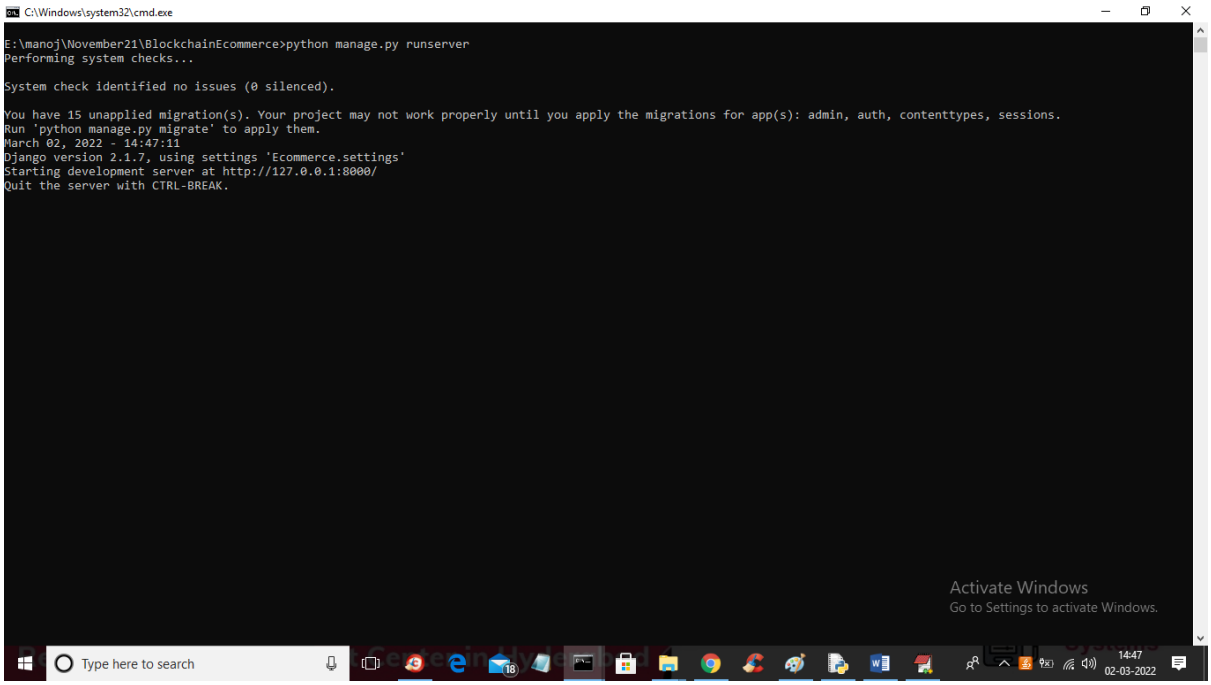
In above screen white selected text you can see that Ecommerce contract deployed and the same contract address we will specify in PYTHON code to access above deployed contract. You can see accessing code in below screen



In above screen read red colour comments to know about accessing contract from python to Blockchain. Now double click on 'Start_IPFS.bat' file to start IPFS server to get below screen and to start IPFS server

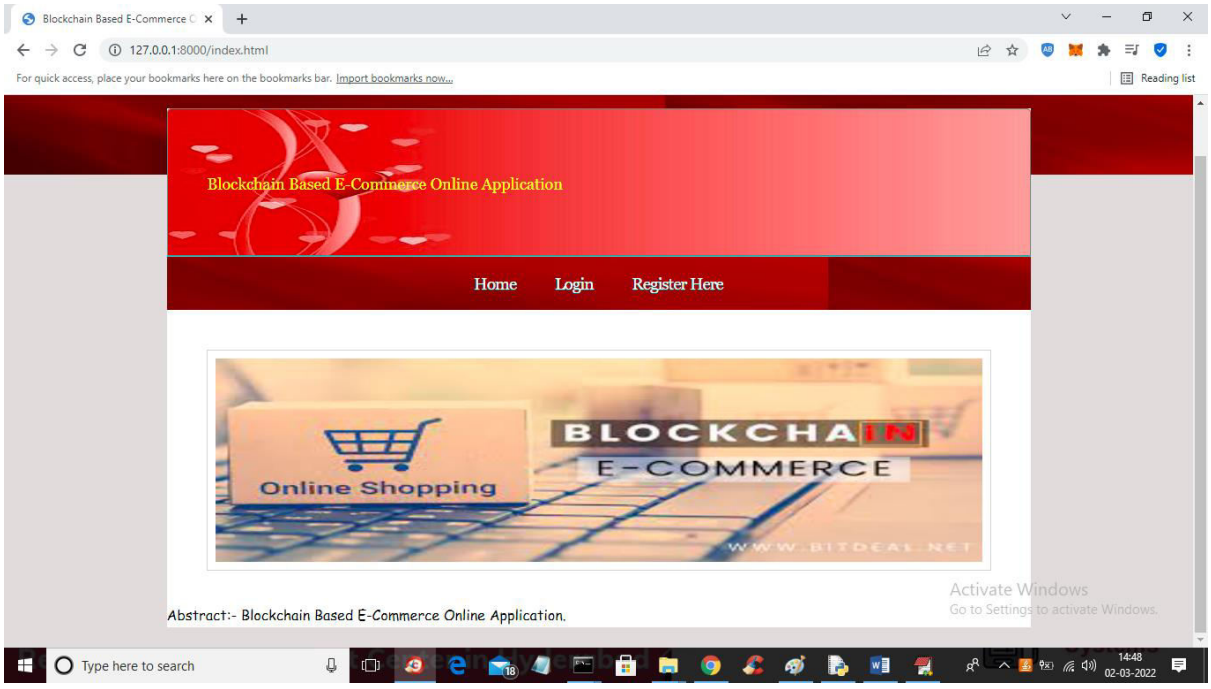


In above screen IPFS server started and now double click on 'run.bat' file to start python DJANGO server and to get below screen

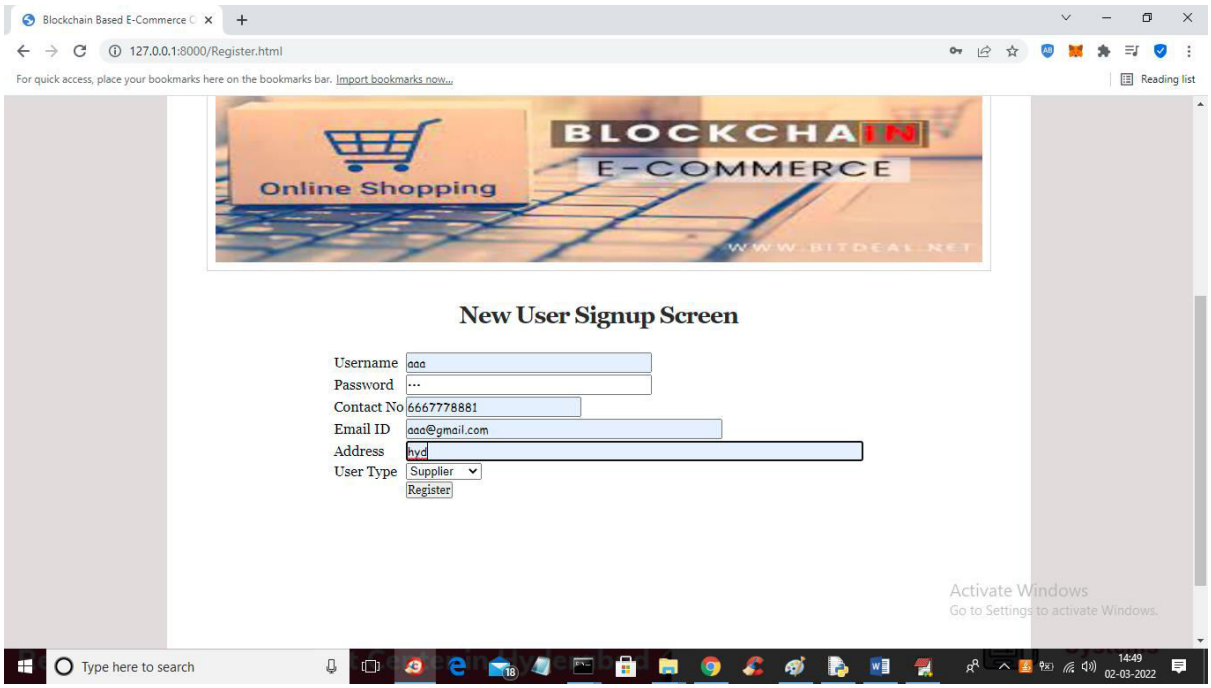


In above screen python DJANGO server started and now open browser and enter URL as 'http://127.0.0.1:8000/index.html' and press enter key to get below screen

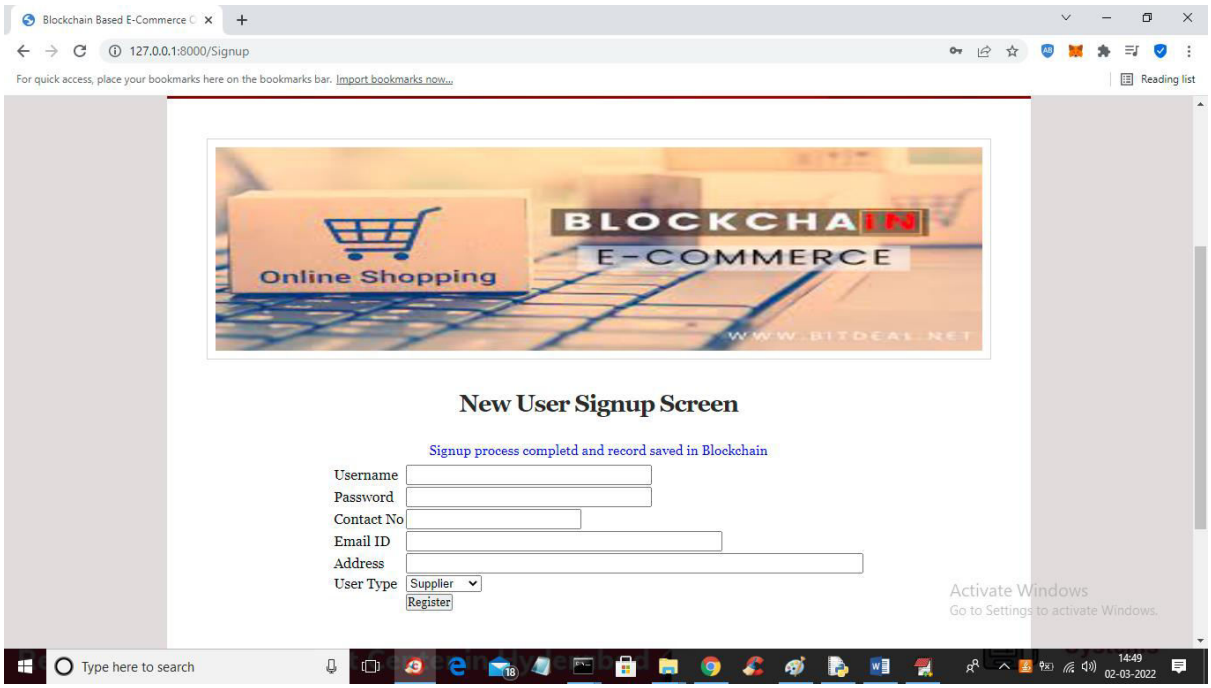
HOME SCREEN



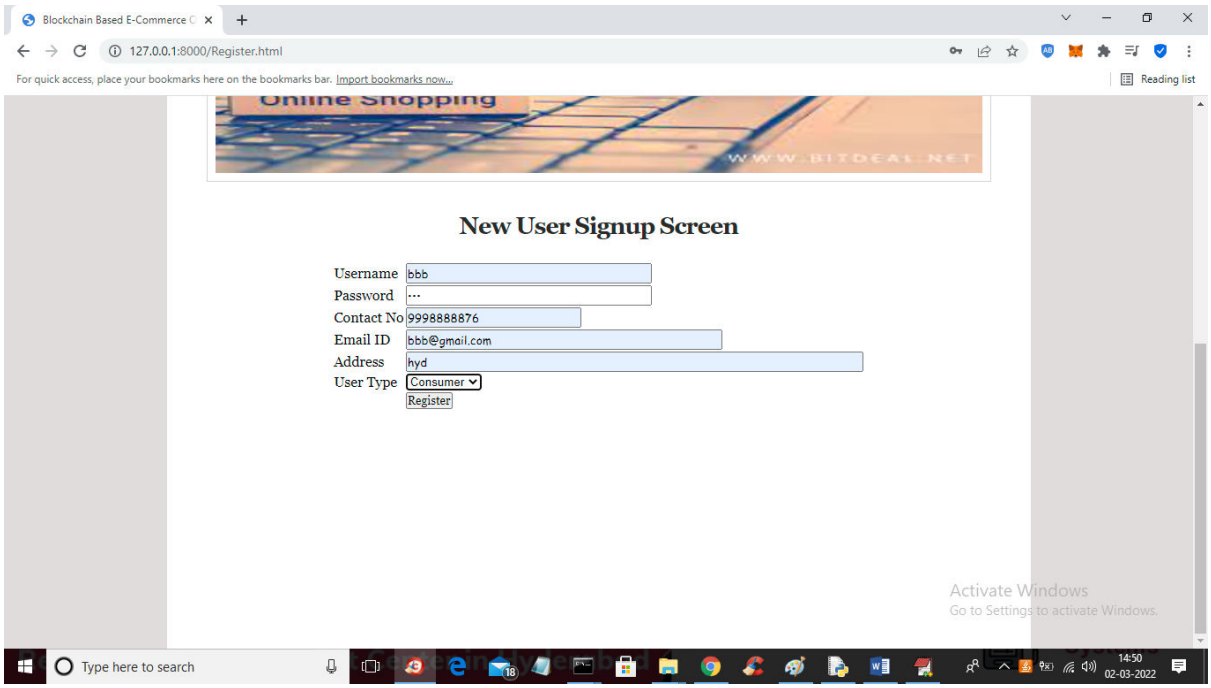
In above screen click on 'Register Here' link to signup two users such as consumer and supplier



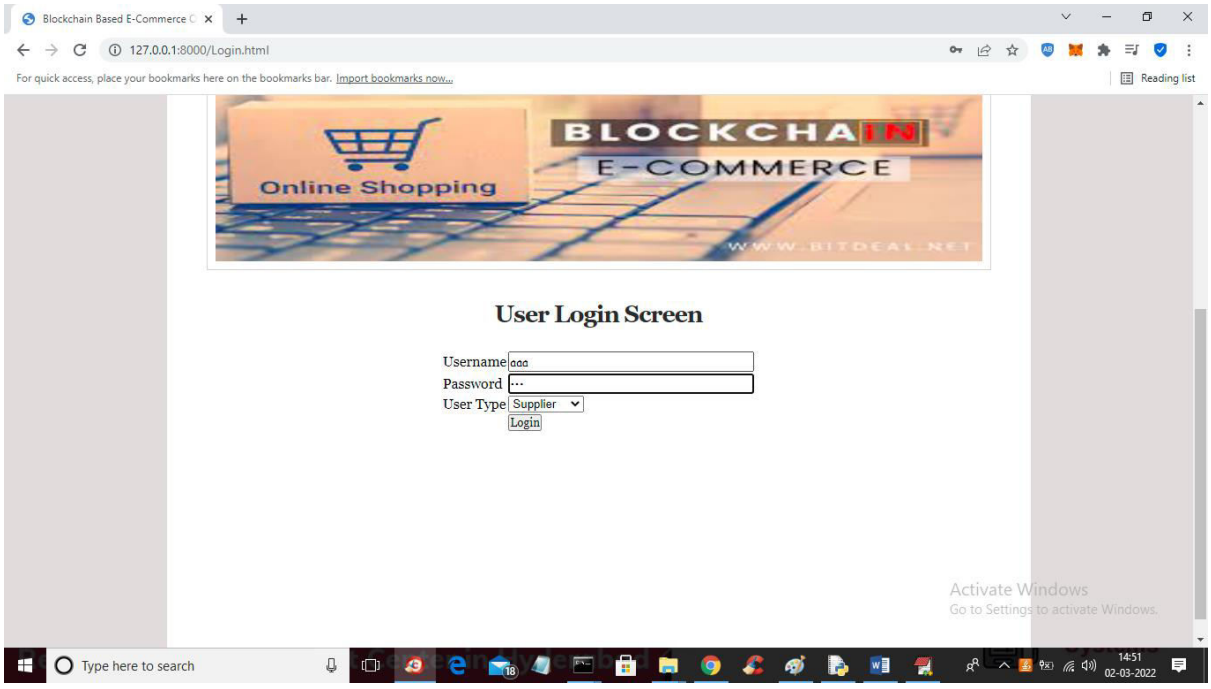
In above screen supplier is getting signup and then press Register button to get below screen



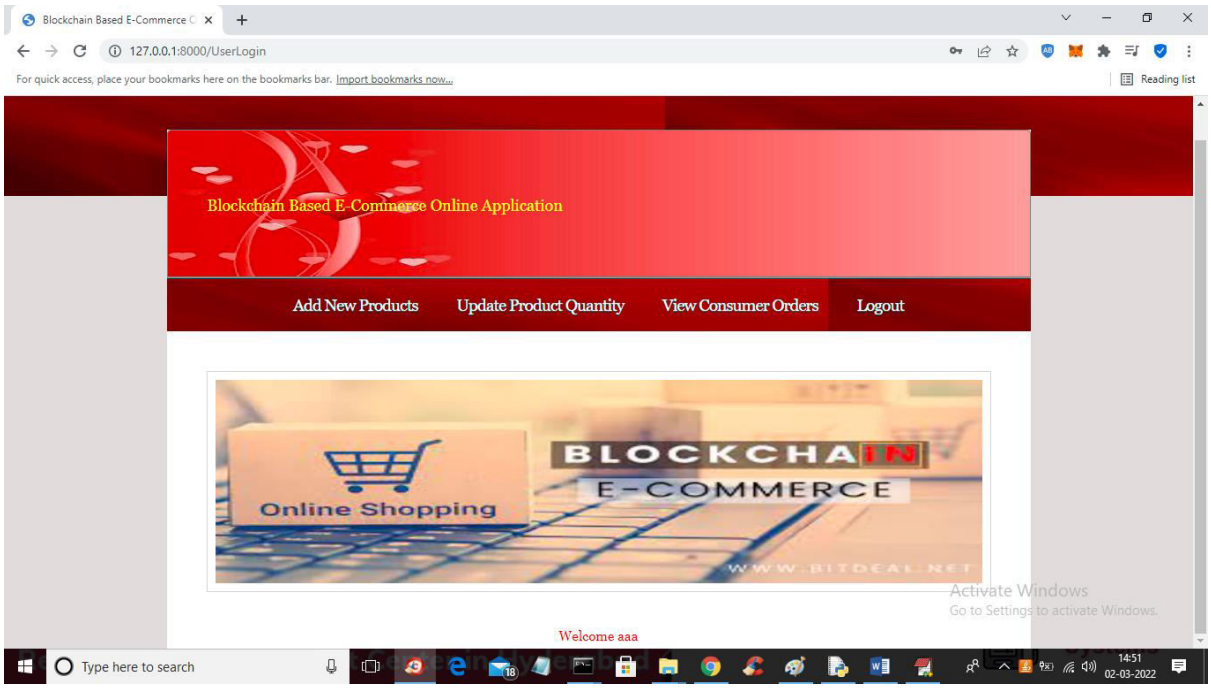
In above screen signup completed and now add consumer user



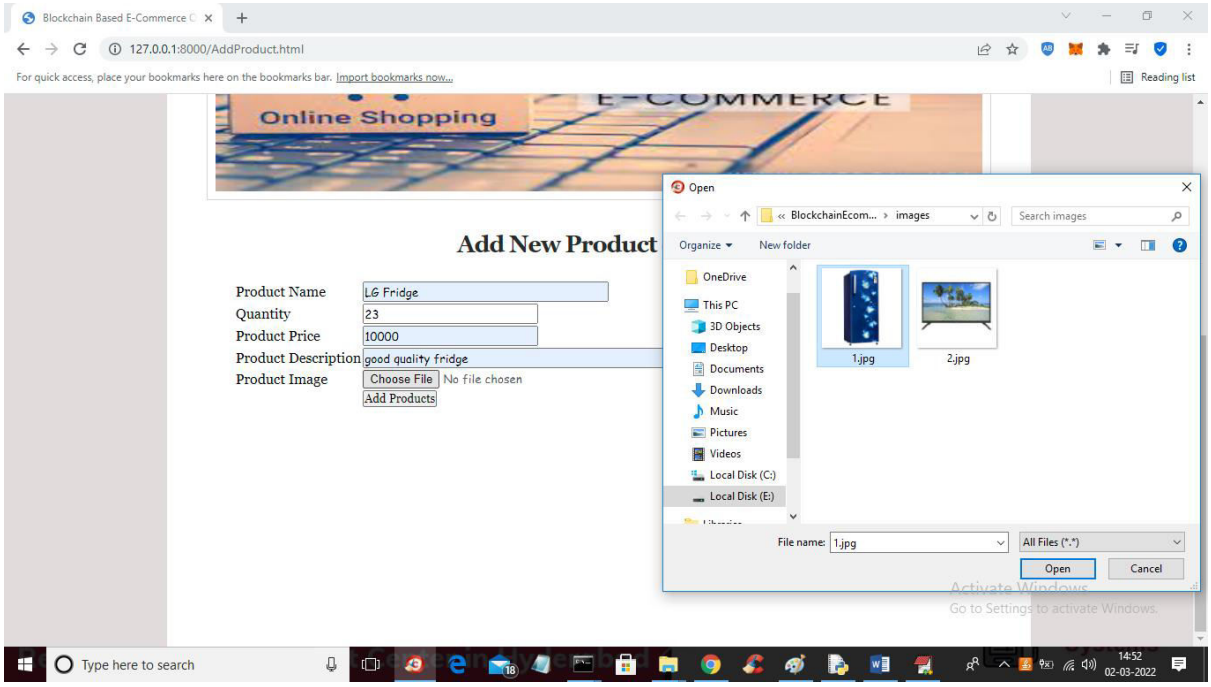
In above screen customer is registering and now click on 'Login' link to get below screen



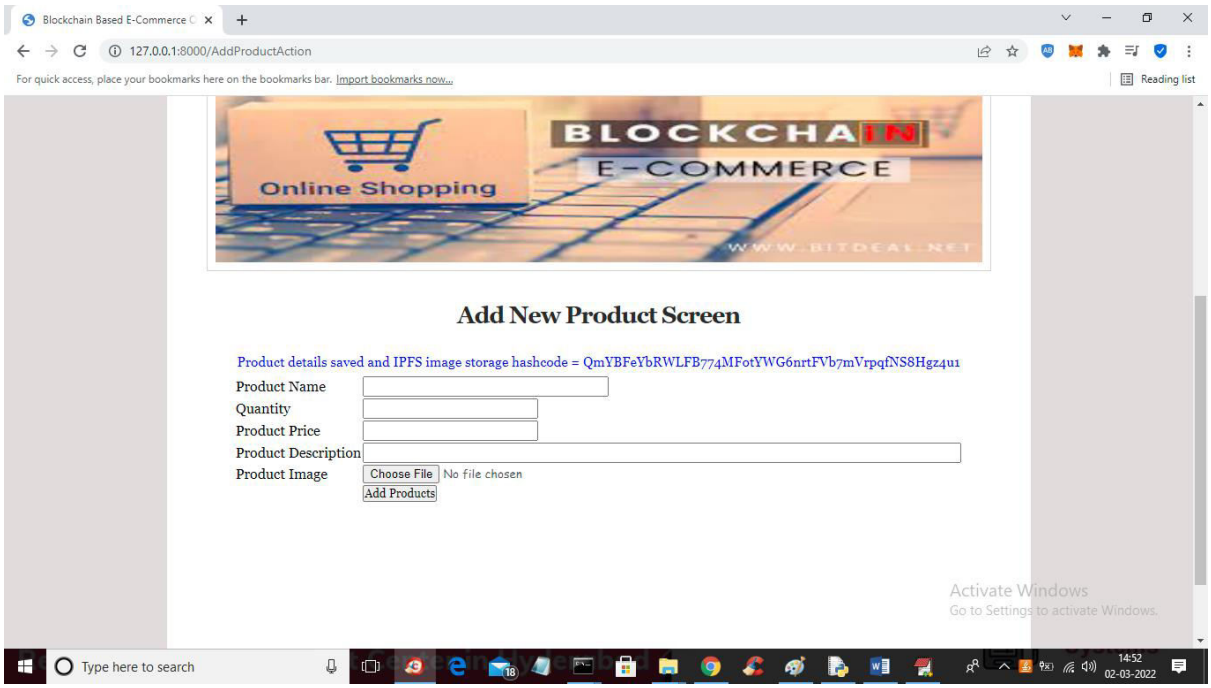
In above screen supplier is login and after login will get below screen



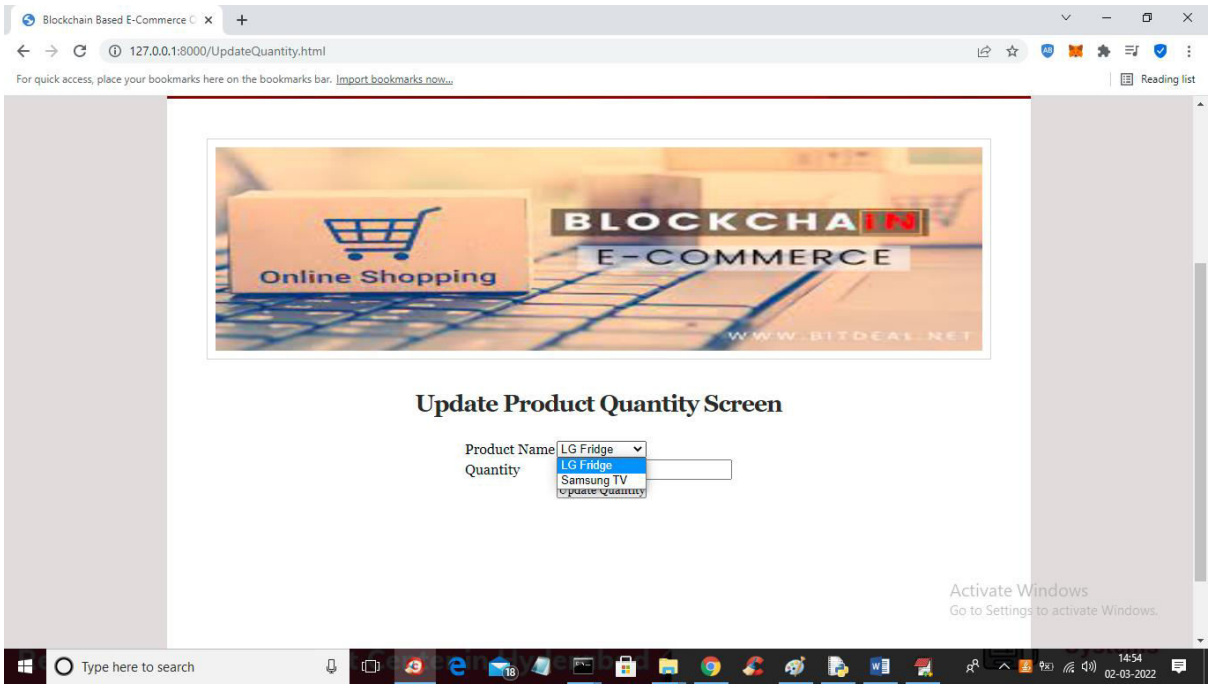
In above screen click on 'Add New Products' link to add new product details



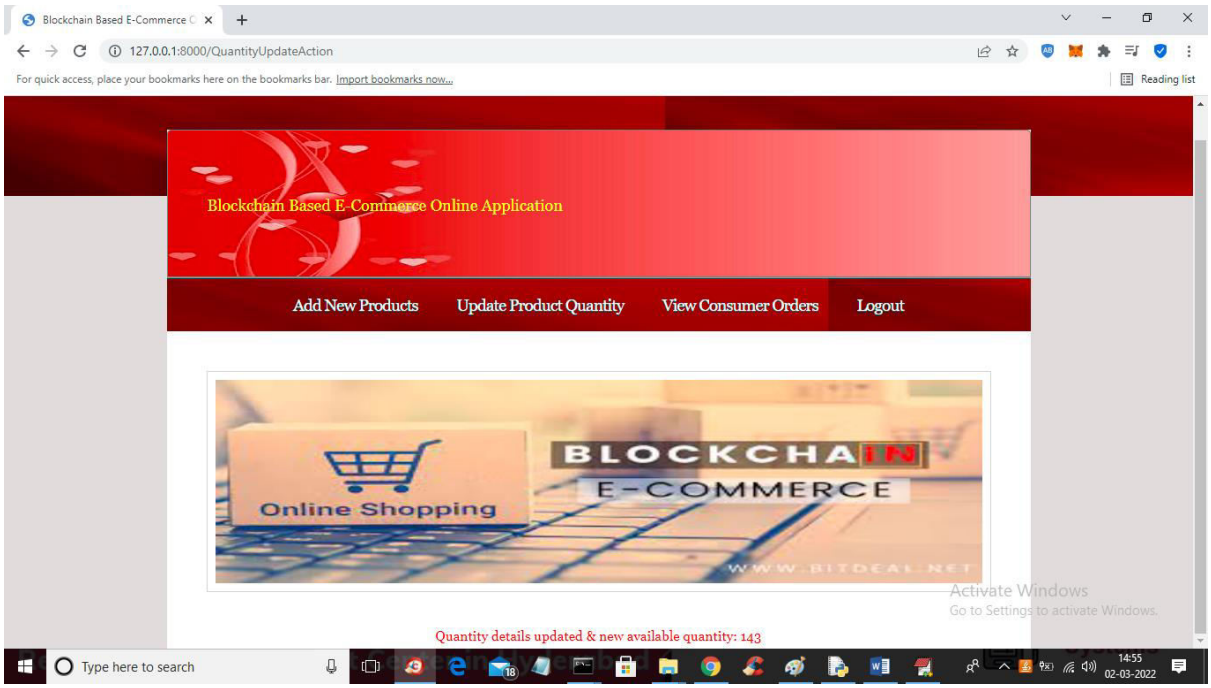
In above screen enter new product details with image and then click on 'Add Products' button to add details in Blockchain and get below output



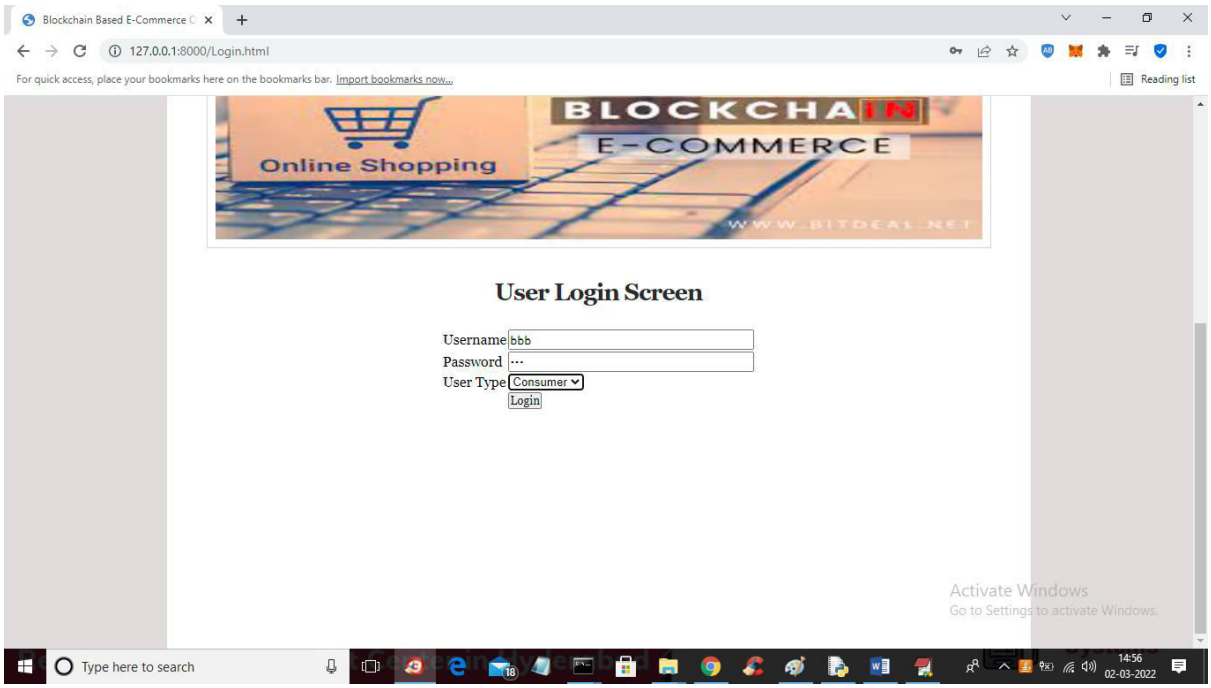
In above screen in blue colour text we can see product details added and we can see hashcode of image where image is stored in IPFS. Similarly you can add any number of projects. Now click on 'Update Product Quantity' link to update product quantity



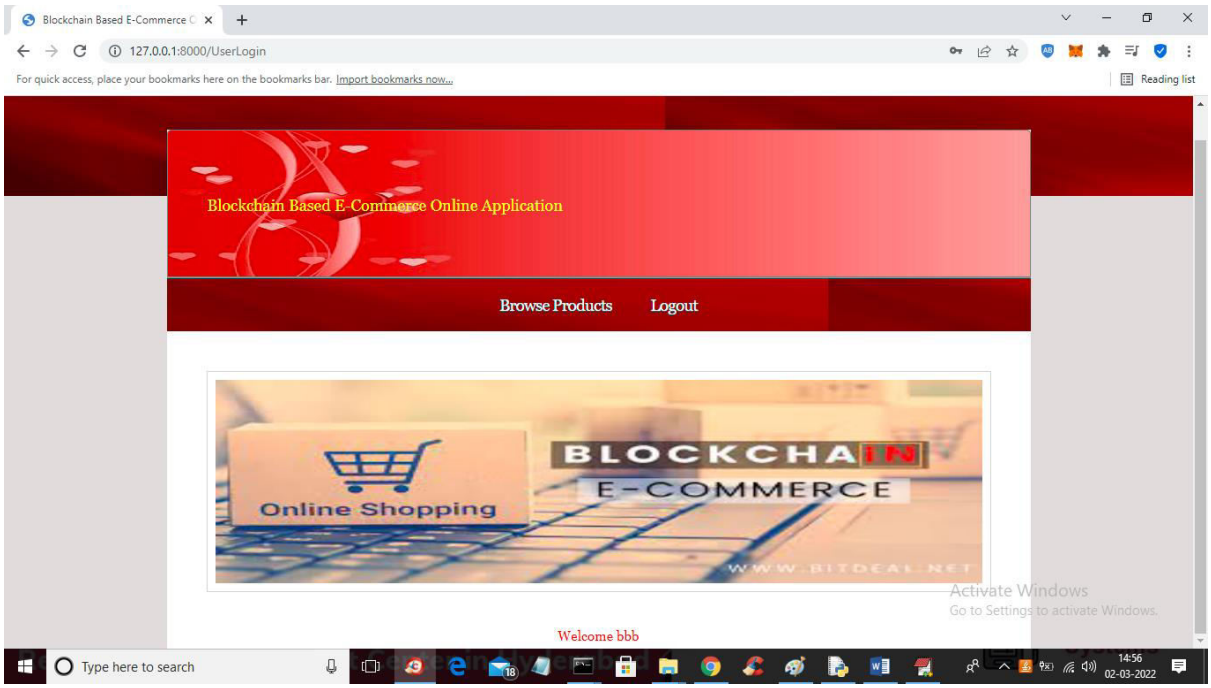
In above screen select any product name and enter new quantity and press button to get below output



In above screen in red colour we can see quantity is updated and we can see available quantity and now logout and login as customer to purchase products'



In above screen customer is login and after login will get below screen



In above screen click on 'Browse Products' link to get list of products

7. CONCLUSION AND FUTURE SCOPE

CONCLUSION

In conclusion, a blockchain-based e-commerce online application offers significant advantages in terms of security, transparency, and trust for both buyers and sellers. By leveraging blockchain technology, this platform ensures that transactions are immutable and tamper-proof, reducing the risk of fraud. Additionally, smart contracts enable automated and secure payment processes, enhancing efficiency. However, it's essential to consider scalability and user adoption challenges as the technology evolves. Overall, blockchain-based e-commerce holds great promise for revolutionizing online shopping, but careful planning and adaptation are key to its successful implementation in the ever-changing digital landscape.

FUTURE SCOPE

The future scope for a blockchain-based e-commerce online application is promising and can bring several benefits to the industry:

1. Enhanced Security: Blockchain technology provides a high level of security through its decentralized and immutable ledger, reducing the risk of fraud and data breaches in e-commerce transactions.

2. Transparency: Blockchain allows for transparent tracking of the supply chain, providing customers with real-time information about the origin and authenticity of products.

3. Smart Contracts: Smart contracts can automate and streamline various processes in e-commerce, such as order fulfillment, payment processing, and dispute resolution, reducing the need for intermediaries.

4. Decentralization: Blockchain can reduce reliance on centralized intermediaries like payment processors and marketplace

platforms, potentially lowering transaction fees and increasing user autonomy.

5. Cross-Border Transactions: Blockchain can simplify cross-border transactions by eliminating currency conversion fees and reducing the time required for international payments.

6. Tokenization of Assets: E-commerce platforms can tokenize physical and digital assets, enabling fractional ownership and new monetization models.

7. Loyalty Programs: Blockchain can support innovative loyalty programs and rewards systems, enhancing customer engagement and retention.

8. Supply Chain Management: Blockchain can improve supply chain efficiency, traceability, and authenticity verification, addressing issues like counterfeit products and product recalls.

9. Decentralized Marketplaces: Blockchain can enable the creation of decentralized e-commerce marketplaces, allowing users to trade directly with each other without intermediaries.

10. Data Privacy: Blockchain-based solutions can enhance data privacy and give users more control over their personal information.

However, it's important to note that while blockchain offers these advantages, it also faces challenges such as scalability, regulatory compliance, and user adoption. Implementing a blockchain-based e-commerce application requires careful planning, development expertise, and consideration of the specific needs of your target market. Additionally, staying up-to-date with evolving blockchain technology and industry regulations will be crucial for long-term success.