Chapter 1 : Difference Between e-commerce and e-business (with Example and Comparison Chart) - Key

E-commerce, as a result, opens new markets for your business, allowing you to develop a new business model geared toward your expanding consumer base, especially one that relies on good e-commerce Search Engine Optimization to drive more free traffic to the site through consumers' use of search engines.

These activities include the use of commercial e-mails, online advertising and consumer privacy. The Federal Trade Commission Act regulates all forms of advertising, including online advertising, and states that advertising must be truthful and non-deceptive. The purpose was stated as being to find ways of co-operating on tackling consumer problems connected with cross-border transactions in both goods and services, and to help ensure exchanges of information among the participants for mutual benefit and understanding. From this came Econsumer. It is a portal to report complaints about online and related transactions with foreign companies. There is also Asia Pacific Economic Cooperation APEC was established in with the vision of achieving stability, security and prosperity for the region through free and open trade and investment. In Australia, Trade is covered under Australian Treasury Guidelines for electronic commerce and the Australian Competition and Consumer Commission [28] regulates and offers advice on how to deal with businesses online, [29] and offers specific advice on what happens if things go wrong. The PSR affects firms providing payment services and their customers. These firms include banks, non-bank credit card issuers and non-bank merchant acquirers, e-money issuers, etc. The PSRs created a new class of regulated firms known as payment institutions PIs , who are subject to prudential requirements. The first category is business based on types of goods sold involves everything from ordering "digital" content for immediate online consumption, to ordering conventional goods and services, to "meta" services to facilitate other types of electronic commerce. The second category is based on the nature of the participant B2B , B2C , C2B and C2C ; [37] On the institutional level, big corporations and financial institutions use the internet to exchange financial data to facilitate domestic and international business. Data integrity and security are pressing issues for electronic commerce. Aside from traditional e-commerce, the terms m-Commerce mobile commerce as well around t-Commerce [38] have also been used. Global trends In , the United Kingdom had the highest per capita e-commerce spending in the world. The GCC countries have a rapidly growing market and characterized by a population that becomes wealthier Yuldashev. As such, retailers have launched Arabic-language websites as a means to target this population. Secondly, there are predictions of increased mobile purchases and an expanding internet audience Yuldashev. The growth and development of the two aspects make the GCC countries to become larger players in the electronic commerce market with time progress. The e-commerce market has also gained much popularity among the western countries, and in particular Europe and the U. These countries have been highly characterized with consumer-packaged-goods CPG Geisler, However, trends show that there are future signs of a reverse. Similar to the GCC countries, there has been increased purchase of goods and services in online channels rather than offline channels. Activist investors are trying hard to consolidate and slash their overall cost and the governments in western countries continue to impose more regulation on CPG manufacturers Geisler, In these senses, CPG investors are being forced to adapt e-commerce as it is effective as a well as a means for them to thrive. Despite the forces that push business to adapt e-commerce as a means to sell goods and products, the manner in which customers make purchases is similar in countries from these two regions. For instance, there has been an increased usage of smartphones which comes in conjunction with an increase in the overall internet audience from the regions. Yuldashev writes that consumers are scaling up to more modern technology that allows for mobile marketing. However, the percentage of smartphone and internet users who make online purchases is expected to vary in the first few years. It will be independent on the willingness of the people to adopt this new trend The Statistics Portal. For example, UAE has the greatest smartphone penetration of On the other hand, smartphone penetration in Europe has been reported to be at Regardless, the disparity in percentage between these regions is expected to level out in future because e-commerce technology is expected to grow allowing for more users. The e-commerce business within these two regions will result in a competition. Government bodies at country level will enhance their measures and strategies to ensure sustainability and consumer protection Krings, et al. These increased measures will raise the environmental and social standards in the countries, factors that will determine the success of e-commerce market in these countries. For example, an adoption of tough sanctions will make it difficult for companies to enter the e-commerce market while lenient sanctions will allow ease of companies. As such, the future trends between GCC countries and the Western countries will be independent of these sanctions Krings, et al. These countries need to make rational conclusions in coming up with effective sanctions. The rate of growth of the number of internet users in the Arab countries has been rapid â€" A significant portion of the e-commerce market in the Middle East comprises people in the 30â€"34 year age group. Yet, internet penetration is low: Many companies have invested enormous volume of investment in mobile applications. Wayfair now lets you inspect a 3D version of its furniture in a home setting before buying. Online markets and retailers have to find the best possible way to fill orders and deliver products. Small companies usually control their own logistic operation because they do not have the ability to hire an outside company. Despite investments, the chain struggled to win market share in the age of digital commerce. E-commerce markets are growing at noticeable rates. Many larger retailers are able to maintain a presence offline and online by linking physical and online offerings. Online and traditional markets have different strategies for conducting business. Traditional retailers offer fewer assortment of products because of shelf space where, online retailers often hold no inventory but send customer orders directly to the manufacture. The pricing strategies are also different for traditional and online retailers. Traditional retailers base their prices on store traffic and the cost to keep inventory. Online retailers base prices on the speed of delivery. There are two ways for marketers to conduct business through e-commerce: Online marketers can offer lower prices, greater product selection, and high efficiency rates. Many customers prefer online markets if the products can be delivered quickly at relatively low price. However, online retailers cannot offer the physical experience that traditional retailers can. It can be difficult to judge the quality of a product without the physical experience, which may cause customers to experience product or seller uncertainty. Another issue regarding the online market is concerns about the security of online transactions. Many customers remain loyal to well-known retailers because of this issue. The type of threats include: E-commerce websites use different tools to avert security threats. These tools include firewalls , encryption software , digital certificates, and passwords. Supply chain management For a long time, companies had been troubled by the gap between the benefits which supply chain technology has and the solutions to deliver those benefits. However, the emergence of e-commerce has provided a more practical and effective way of delivering the benefits of the new supply chain technologies. The affections on physical flows improved the way of product and inventory movement level for companies. For the information flows, e-commerce optimised the capacity of information processing than companies used to have, and for the financial flows, e-commerce allows companies to have more efficient payment and settlement solutions. Firstly, the performance gap will be eliminated since companies can identify gaps between different levels of supply chains by electronic means of solutions; Secondly, as a result of e-commerce emergence, new capabilities such implementing ERP systems, like SAP ERP , Xero , or Megaventory , have helped companies to manage operations with customers and suppliers. Yet these new capabilities are still not fully exploited. Thirdly, technology companies would keep investing on new e-commerce software solutions as they are expecting investment return. Fourthly, e-commerce would help to solve many aspects of issues that companies may feel difficult to cope with, such as political barriers or cross-country changes. Finally, e-commerce provides companies a more efficient and effective way to collaborate with each other within the supply chain. It also causes job losses. The areas with the greatest predicted job-loss are retail, postal, and travel agencies. The development of e-commerce will create jobs that require highly skilled workers to manage large amounts of information, customer demands, and production processes. In contrast, people with poor technical skills cannot enjoy the wages welfare. On the other hand, because e-commerce requires sufficient stocks that could be delivered to customers in time, the warehouse becomes an important element. Warehouse needs more staff to manage, supervise and organize, thus the condition of warehouse environment will be concerned by employees. Consumers also gain power through online shopping. They are able to research products and compare prices among retailers. Also, online shopping often provides sales promotion or discounts code, thus it is more price effective for customers. Customers can also review and track the order history online. E-commerce technologies cut transaction costs by allowing both manufactures and consumers to skip through the intermediaries. This is achieved through by extending the search area best price deals and by group purchase. The success of e-commerce in urban and regional levels depend on how the local firms and consumers have adopted to e-commerce. Customers are also concerned with the security of online transactions and tend to remain loyal to well-known retailers. This process is inconvenient as customers need to pack and post the goods. If the products are expensive, large or fragile, it refers to safety issues. We can distinguish pure-click and brick-and-click channel system adopted by companies. Pure-click or pure-play companies are those that have launched a website without any previous existence as a firm. Bricks-and-clicks companies are those existing companies that have added an online site for e-commerce. Click-to-brick online retailers that later open physical locations to supplement their online efforts. Those channels may also be supported by conversational commerce , e. Conversational commerce may also be standalone such as live chat or chatbots on messaging apps [70] and via voice assistants. E-commerce requires the company to have the ability to satisfy multiple needs of different customers and provide them with wider range of products. With more choices of products, the information of products for customers to select and meet their needs become crucial. In order to address the mass customization principle to the company, the use of recommender system is suggested. This system helps recommend the proper products to the customers and helps customers make the decision during the purchasing process.

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Chapter 2 : E-commerce in the United States - Statistics & Facts | Statista

Business-to-consumer E-commerce has changed the way customers buy products from stores and businesses. This lesson discusses the benefits of business-to-consumer E-commerce.

Producers and traditional commerce wholesalers typically operate with this type of electronic commerce. Business-to-Consumer B2C The Business-to-Consumer type of e-commerce is distinguished by the establishment of electronic business relationships between businesses and final consumers. It corresponds to the retail section of e-commerce, where traditional retail trade normally operates. These types of relationships can be easier and more dynamic, but also more sporadic or discontinued. This type of commerce has developed greatly, due to the advent of the web, and there are already many virtual stores and malls on the Internet, which sell all kinds of consumer goods, such as computers, software, books, shoes , cars, food, financial products, digital publications, etc. Generally, these transactions are conducted through a third party, which provides the online platform where the transactions are actually carried out. This type of e-commerce is very common in crowdsourcing based projects. A large number of individuals make their services or products available for purchase for companies seeking precisely these types of services or products. Examples of such practices are the sites where designers present several proposals for a company logo and where only one of them is selected and effectively purchased. Another platform that is very common in this type of commerce are the markets that sell royalty-free photographs, images, media and design elements, such as iStockphoto. Business-to-Administration B2A This part of e-commerce encompasses all transactions conducted online between companies and public administration. This is an area that involves a large amount and a variety of services, particularly in areas such as fiscal, social security, employment, legal documents and registers, etc. These types of services have increased considerably in recent years with investments made in e-government. Consumer-to-Administration C2A The Consumer-to-Administration model encompasses all electronic transactions conducted between individuals and public administration. Examples of applications include: Education â€" disseminating information, distance learning, etc. Social Security â€" through the distribution of information, making payments, etc. Taxes â€" filing tax returns, payments, etc. Health â€" appointments, information about illnesses, payment of health services, etc. Both models involving Public Administration B2A and C2A are strongly associated to the idea of efficiency and easy usability of the services provided to citizens by the government, with the support of information and communication technologies. Advantages of e-commerce The main advantage of e-commerce is its ability to reach a global market, without necessarily implying a large financial investment. The limits of this type of commerce are not defined geographically, which allows consumers to make a global choice, obtain the necessary information and compare offers from all potential suppliers, regardless of their locations. By allowing direct interaction with the final consumer, e-commerce shortens the product distribution chain, sometimes even eliminating it completely. This way, a direct channel between the producer or service provider and the final user is created, enabling them to offer products and services that suit the individual preferences of the target market. E-commerce allows suppliers to be closer to their customers, resulting in increased productivity and competitiveness for companies; as a result, the consumer is benefited with an improvement in quality service, resulting in greater proximity, as well as a more efficient pre and post-sales support. With these new forms of electronic commerce, consumers now have virtual stores that are open 24 hours a day. Cost reduction is another very important advantage normally associated with electronic commerce. The more trivial a particular business process is, the greater the likelihood of its success, resulting in a significant reduction of transaction costs and, of course, of the prices charged to customers. Disadvantages of e-commerce The main disadvantages associated with e-commerce are the following:

Chapter 3 : Explain the Business to Consumer Model | theinnatdunvilla.com

The cost incurred by the business on the middlemen generally falls on the consumer. Since the middlemen are eliminated, the customer is free from bearing the cost of the middlemen. To attract customers and to combat competitors, several business organizations offer product and services at cheaper price.

There are three main branches of electronic commerce; the most well-known form being online shopping , also known as business to consumer B2C. Here individuals can order various products and pay for their purchase via internet. The third category of e-commerce involves transactions from consumer to consumer C2C , as in the example of eBay , Etsy or other similar websites. The e-commerce market in the United States has been constantly evolving over the past decade. Retail e-commerce sales in the United States are projected to grow at a fast pace in the coming years, going from billion U. Amazon is by far the most popular e-retailer in the United States. The company also ranks ahead of the pack in terms of U. Amazon also has the most popular mobile shopping apps in the country in terms of reach and monthly users. Other successful online retailers include eBay â€" which was ranked as the most popular online marketplace by online sellers in the U. Customer satisfaction with online retail in the U. However, online sales still represent only a small share of all retail sales in the U. Nonetheless, an estimate of 78 percent of internet users in the United States had purchased products online in In the same year, 32 percent of internet users in the U. American customers often prefer buying books and electronics online. A growing trend within the e-commerce market in the United States is the rise of mobile shopping. In , it was estimated that around million users have made at least one purchase via web browser or mobile app on their mobile devices. The number of mobile buyers in the country is projected to reach This large base of mobile buyers has an impact on mobile commerce revenue. Mobile retail revenue in the United States is expected to rise from billion U. M-commerce is also becoming predominant in the e-commerce industry, as mobile sales accounted for This share is forecast to jump to Within the mobile market, customers began to turn to proximity mobile payment and mobile payment apps or digital wallets, such as Android Pay and Apple Pay, for payments, non-traditional payment options that are forecast to gain momentum in the next few years. This text provides general information. Statista assumes no liability for the information given being complete or correct. Due to varying update cycles, statistics can display more up-to-date data than referenced in the text.

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Chapter 4 : Types of e-commerce | BloomIdea

Any business can set up a B2B e-commerce website or participate as vendors in online marketplaces. Buyers can set up websites to post your requirements and view sellers' proposals. Sellers can set up websites where buyers browse through offerings and place orders, much like B2C e-commerce systems might operate.

Internet, Intranet and Extranet. Definition of e-commerce e-commerce is an abbreviation used for electronic commerce. In this type of online commercial transaction, the seller can communicate with the buyer without having a face to face interaction. Some examples of real world application of e-commerce are online banking, online shopping, online ticket booking, social networking, etc. The basic requirement of e-commerce is a website. The marketing, advertising, selling and conducting transaction are done with the help of internet. Any monetary transaction, which is done with the help of electronic media is e-commerce. The following are the types of e-commerce: B2B â€" The process where buying and selling of goods and services between businesses is known as Business to Business. Oracle, Alibaba, Qualcomm, etc. B2C â€" The process whereby the goods are sold by the business to customer. C2C â€" The commercial transaction between customer to customer. C2B â€" The commercial transaction between customer to the business. Definition of e-business Electronic Business, shortly known as e-business, is the online presence of business. E-commerce is one of the important components of e-business, but it is not an essential part. All the basic business operations are done using electronic media. The business which is having an electronic existence only. The business model, in which the business exists both in online i. Key Differences Between e-commerce and e-business The points presented below are substantial so far as the difference between e-commerce and e-business is concerned: Buying and Selling of goods and services through the internet is known as e-commerce. Video Conclusion e-commerce is the major part of e-business. It can also be said that e-commerce is e-business websites, but e-business is not necessarily e-commerce. The former is just the online presence of the conventional commerce and the same is the case with the latter. At present most of the companies are doing e-business just to capture the maximum part of the market.

Chapter 5 : What is Business-to-Consumer (B2C)? - Definition from Techopedia

Disambiguation. More specifically, e-commerce involves the ability to buy and sell online, while e-business has more to do with doing business in some form online -- whether that's buying, selling, marketing or otherwise.

Often called B2C, business-to-consumer companies connect, communicate and conduct business transactions with consumers most often via the Internet. B2C is larger than just online retailing; it includes online banking, travel services, online auctions, and health and real estate sites. Characteristics The B2C model focuses on direct selling and marketing between a business and a consumer via an e-commerce website. A lower purchase volume of higher priced products typically characterizes B2C companies. Since the model depends on individual transactions and eliminates the wholesale purchaser, the company can make a higher profit while the consumer spends the same amount of money or sometimes less. B2C is effective for smaller companies since individual consumers are not as concerned with company recognition as they are with getting the product for the best price. Types B2C companies divide into five major categories: Each type is so different from the others that they are not directly comparable. In fact, some B2C businesses utilize more than one type to reach different audiences. Direct Sellers Direct sellers, such as online retailers, sell a product or service directly to the customer via a website. You can further divide direct sellers into e-tailers and manufacturers. Product manufacturers use the Internet as a catalog and sales channel to eliminate intermediaries. Online Intermediaries Online intermediaries perform the same function as any other broker. The business allows non-B2C companies to reap some of the benefits. Arnold of the University of Rennes in Rennes, France. Advertising-Based Models Popular websites rely on advertising-based models. These websites offer a free service to consumers and use advertising revenue to cover costs. They draw a large number of visitors, making them ideal advertising streams for other companies. Advertisers will pay a premium to sites that deliver high traffic numbers. Community-Based Models Community-based models combine the advertising method that relies on traffic at sites that focus on specialized groups to create communities. Community sales and advertising take advantage of social and network marketing by focusing on specific groups that want specific products. For example, sites used by computer programmers are perfectly placed to advertise computer hardware and software products. At least one social media website uses member information to target advertisements to interests and locations. Fee-Based Models Pay-as-you-buy or paid subscription services fall under fee-based models. The most common of these are online subscriptions to journals or movie sites such as NetFlix. These companies rely on the quality of their content to convince consumers to pay a usually nominal fee.

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Chapter 6 : Electronic Commerce (ecommerce)

The Business-to-Consumer type of e-commerce is distinguished by the establishment of electronic business relationships between businesses and final consumers. It corresponds to the retail section of e-commerce, where traditional retail trade normally operates.

Business to consumer B2C is among the most popular and widely known of sales models. The idea of B2C was first utilized by Michael Aldrich in , who used television as the primary medium to reach out to consumers. Traditionally, B2C referred to mall shopping, eating out at restaurants, pay-per-view and infomercials. However, the rise of the internet created a whole new B2C business channel in the form of e-commerce or selling goods and services over the internet. Businesses that rely on B2C sales must maintain good relations with their customers to ensure they come back. Unlike business to business B2B , businesses that rely on B2C must make the consumer have an emotional response to your marketing. In B2B, marketing campaigns are geared to show value of the product or service. Internet Retailers Continue to Threaten Traditional B2C Storefronts During the s, the dotcom era had arrived and brought a new technology that changed the world. During the subsequent bust, most businesses were fighting to get a web presence in order to reach a whole new demographic of consumers. Decades from the dotcom revolution, B2C companies with website presence are continuing to dominate over their traditional brick-and-mortar competitors. Mobile Decades after the e-commerce boom, B2C companies are continuing to eye a new growing market: With smartphone apps and traffic continuing to see year-over-year growth, B2C companies have been shifting attention to mobile users and capitalizing on the popular technology. Throughout the early s, B2C companies were rushing to get out mobile apps, just as they were with websites decades earlier. In short, success in a B2C model is predicated on continuously evolving with the appetites, opinions, trends and desires of consumers. B2C Business Models in the Online World There are typically five types of online B2C business models that most companies use online to target consumers: The most familiar kind of model, where people buy goods from online retail sites. These can include manufacturers or small businesses or simply online versions of department stores that sell products from different manufacturers. Think of sites like Expedia, Trivago or Etsy. This model uses free content to get visitors to a website. Those visitors, in turn, come across digital or online ads. Basically, large volumes of web traffic are used to sell advertising, which, therefore, sells goods and services. An example would be media sites like the Huffington Post, a high-traffic site that mixes in advertising with its native content. Sites like Facebook, which builds online communities based on shared interests, help marketers and advertisers get their products directly to consumers. Direct-to-consumer sites like Netflix will charge a fee so consumers can access their content. Sometimes, the site can also offer free, but limited content, while charging for most of it.

Chapter 7 : Positive & Negative Effects of e-Commerce | theinnatdunvilla.com

Business to business to consumer (B2B2C) is an e-commerce model that combines business to business (B2B) and business to consumer (B2C) for a complete product or service transaction. B2B2C is a collaboration process that, in theory, creates mutually beneficial service and product delivery channels.

Introduction Consumer-to-consumer electronic commerce is a growing area of e-commerce. However, according to Meta analysis of critical themes of e-commerce, C2C e-commerce was only represented in the area of online auctions [7]. C2C transactions generally involve products sold through a classified or auction system. Products sold are often used or second hand. C2C is projected to grow in the future because of its cost effective; this means it minimizes the cost of using third parties. Retailers see it as very important, given the growing use of social media channels by consumers to share their option about specific stock, which often drives increased traffic to stores [5]. C2C is the oldest form of e-commerce we know, used well before internet appeared, although they can and are supported by large websites nowadays. They are a way of helping people to deal directly with each other or to buy more conveniently from companies. The goal of C2C is to enable buyers and sellers to find each other easily. They benefit in two crucial commerce areas. Firstly, they benefit from competition for product and second they can easily find products that are otherwise difficult to locate [9]. C2C e-commerce differs from a business-to-business model or business-to-consumer model because consumers interact directly with each other. However, a business does operate the online platform on which C2C transaction takes place. Buyer can shop for free, but sellers sometimes have to pay a fee to list their products. Consumers often play an active role in monitoring e-commerce sites for scam and other inappropriate content [12]. In most cases, C2C e-commerce is helped along by a third party who officiate the transaction to make sure goods are received and payments are made. This offers some protection for consumers taking part in C2C e-commerce, allowing the chance to take advantage of the prices offered by motivated seller. The purpose of this paper is to discuss the origin, definition, business model, statistics, advantages and disadvantages of C2C e-commerce. The paper will further look at some features of C2C e-commerce website. Origin There are two implementation of C2C e-commerce that is credited with its origin. These are classified and auction [11]. The oldest auction house is Stockholm Auction House which was established in Sweden in Auction however, has been recorded as far back as B. Auction have since been widely used method of liquidating assets, and has evolved into many different variations. The most successful current form of auction is based on the internet with systems such as eBay [8]. C2C e-commerce has become more famous recently with the advent of the internet. Companies such as Craigslist, eBay, and other classified and auction based sites have allowed for greater interaction between consumers, facilitating the customer to customer model [10]. Newspapers and other similar publications were frequent Circulation and therefore were able to be used to facilitate a common need. Some people wanted things; others had things and wanted to sell them. This was the birth of classifieds [13]. C2C has come a long way and will still enjoy the current changes in technologies as they appear. Definition of C2C E-commerce This is a business model where two individuals or consumers transact or conduct business with each other directly [6]. The intermediary would receive a fee or commission, but is not responsible for the product exchange. C2C normally takes the form of an auction where the bidding is done online [4]. Here a consumer sells directly to another consumer. However, it is important that both the seller and the buyer register with the auction site. While the seller needs to pay a fixed fee to the online auction house to sell their products, the buyer can bid without paying any fee. The site brings the buyer and seller together to conduct deals [15]. Figure 1 shows two customers customer 1 and customer 2 and a website providing the space for advertisement. Customer 1 places advert on the website about products he wants to sell and customer 2 visits the website to search for products he wants to buy. The transaction between the customers goes on until payment and delivery of product is done. C2C business model source: C2C E-commerce Statistics C2C e-commerce is facilitated in large part by websites offering free classified advertisement, auctions, forums, and individual pages for start-up entrepreneurs. Since its launch in , the online auction and selling website eBay has been one of the leaders of C2C e-commerce and statistics show that it is one of the fastest growing internet companies with its annual net revenue doubling between and Alibaba invested a huge amount of money to create Taobao website, at the same time eBay declared that it would add to Chinese eBay more investment and pay 15,, Yuan to buy the remaining share of American eBay in order to put eBay under full control [1]. There are 5million online shoppers and there are million shoppers using mobile connection [3]. The figure below shows the monthly worldwide revenue of Etsy. S dollars in online sales in October In , C2C has recorded billion dollars market size as compared to 71billion dollars for B2C e-commerce. C2C market size has experienced tremendous increase from to date. This increase in market size could be attributed to popularity and patronage C2C has got since its existence. The figure below shows the e-commerce C2C, B2C market size. Etsy worldwide monthly revenue source: E-commerce C2C, B2C market size source: T Kearney analysis 4. Conclusions C2C e-commerce has come a long way through its journey. As it happens in every society, there are successes and setbacks. Even though C2C e-commerce has chopped some glorious successes since it was established there are still some shortcoming that needs to be addressed. However, I would like to edge C2C e-commerce websites to upgrade their security measures to arrest the situation of scammers and fraudsters that pose threat to the security of consumers and sellers. C2C e-commerce is making progress and there are more positive results to be seen in the future. As a growing e-commerce, I believe in the near future C2C e-commerce websites will increase their payment technology to allow consumers to purchase products at ease. My sincere appreciation goes to Prof.

Chapter 8 : E-Commerce and E-Business/Concepts and Definitions - Wikibooks, open books for an open w

Business-to-consumer e-commerce, or commerce between companies and consumers, involves customers gathering information; purchasing physical goods (i.e., tangibles such as books or consumer products) or information goods (or goods of electronic material or digitized content, such as software, or e-books); and, for information goods, receiving.

A more complete definition is: E-commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform, and redefine relationships for value creation between or among organizations, and between organizations and individuals. Is e-commerce the same as e-business? While some use e-commerce and e-business interchangeably, they are distinct concepts. It includes any process that a business organization either a for-profit, governmental or non-profit entity conducts over a computer-mediated network. A more comprehensive definition of e-business is: Production processes, which include procurement, ordering and replenishment of stocks; processing of payments; electronic links with suppliers; and production control processes, among others; 2. Internal management processes, which include employee services, training, internal information-sharing, video-conferencing, and recruiting. Electronic applications enhance information flow between production and sales forces to improve sales force productivity. Workgroup communications and electronic publishing of internal business information are likewise made more efficient. It includes e-commerce and e-business. The framework shows four layers of the Internet economy-the three mentioned above and a fourth called intermediaries see Table 1. B2B e-commerce is simply defined as e-commerce between companies. This is the type of e-commerce that deals with relationships between and among businesses. The B2B market has two primary components: E-frastructure is the architecture of B2B, primarily consisting of the following: E-markets are simply defined as Web sites where buyers and sellers interact with each other and conduct transactions. Most B2B applications are in the areas of supplier management especially purchase order processing , inventory management i. Table 2 shows the projected size of B2B e-commerce by region for the years There are three cost areas that are significantly reduced through the conduct of B2B e-commerce. First is the reduction of search costs, as buyers need not go through multiple intermediaries to search for information about suppliers, products and prices as in a traditional supply chain. In terms of effort, time and money spent, the Internet is a more efficient information channel than its traditional counterpart. In B2B markets, buyers and sellers are gathered together into a single online trading community, reducing search costs even further. Second is the reduction in the costs of processing transactions e. Third, online processing improves inventory management and logistics. Through B2B e-markets, suppliers are able to interact and transact directly with buyers, thereby eliminating intermediaries and distributors. However, new forms of intermediaries are emerging. For instance, e-markets themselves can be considered as intermediaries because they come between suppliers and customers in the supply chain. Among the more evident benefits of e-markets is the increase in price transparency. The gathering of a large number of buyers and sellers in a single e-market reveals market price information and transaction processing to participants. The Internet allows for the publication of information on a single purchase or transaction, making the information readily accessible and available to all members of the e-market. Increased price transparency has the effect of pulling down price differentials in the market. In this context, buyers are provided much more time to compare prices and make better buying decisions. Moreover, B2B e-markets expand borders for dynamic and negotiated pricing wherein multiple buyers and sellers collectively participate in price-setting and two-way auctions. In such environments, prices can be set through automatic matching of bids and offers. In the e-marketplace, the requirements of both buyers and sellers are thus aggregated to reach competitive prices, which are lower than those resulting from individual actions. Economies of scale and network effects. The rapid growth of B2B e-markets creates traditional supply-side cost-based economies of scale. Furthermore, the bringing together of a significant number of buyers and sellers provides the demand-side economies of scale or network effects. Each additional incremental participant in the e-market creates value for all participants in the demand side. More participants form a critical mass, which is key in attracting more users to an e-market. What is B2C e-commerce?

Business-to-consumer e-commerce, or commerce between companies and consumers, involves customers gathering information; purchasing physical goods i. Its origins can be traced to online retailing or e-tailing. The more common applications of this type of e-commerce are in the areas of purchasing products and information, and personal finance management, which pertains to the management of personal investments and finances with the use of online banking tools e. Online retailing transactions make up a significant share of this market. B2C e-commerce reduces transactions costs particularly search costs by increasing consumer access to information and allowing consumers to find the most competitive price for a product or service. In the case of information goods, B2C e-commerce is even more attractive because it saves firms from factoring in the additional cost of a physical distribution network. Moreover, for countries with a growing and robust Internet population, delivering information goods becomes increasingly feasible. What is B2G e-commerce? Business-to-government e-commerce or B2G is generally defined as commerce between companies and the public sector. It refers to the use of the Internet for public procurement, licensing procedures, and other government-related operations. This kind of e-commerce has two features: To date, however, the size of the B2G e-commerce market as a component of total e-commerce is insignificant, as government e-procurement systems remain undeveloped. What is C2C e-commerce? Consumer-to-consumer e-commerce or C2C is simply commerce between private individuals or consumers. This type of e-commerce comes in at least three forms: Consumer-to-business C2B transactions involve reverse auctions, which empower the consumer to drive transactions. There is little information on the relative size of global C2C e-commerce. These sites produce millions of dollars in sales every day. Advantages of C2C sites Consumer to consumer e-commerce has many benefits. The primary benefit to consumers is reduction in cost. Buying ad space on other e-commerce sites is expensive. Sellers can post their items for free or with minimal charge depending on the C2C website. C2C websites form a perfect platform for buyers and sellers who wish to buy and sell related products. The ability to find related products leads to an increase in the visitor to customer conversion ratio. Business owners can cheaply maintain C2C websites and increase profits without the additional costs of distribution locations. A good example of a C2C e-commerce website is Esty, a site that allows consumers to buy and sell handmade or vintage items and supplies including art, photography, clothing, jewelry, food, bath and beauty products, quilts, knick-knacks, and toys. Disadvantages of C2C sites There are a couple of disadvantages to these type of sites as well. Doing transaction on these type of websites requires co-operation between the buyer and seller. It has been noted many times that these two do not co-operate with each other after a transaction has been made. They do not share the transaction information which may be via credit or debit card or internet banking. This can result in online fraud since the buyer and seller are not very well versed with each other. This can lead to lawsuit being imposed on either ends or also on the site if it has not mentioned the disclaimer in its terms and conditions. Companies which handle consumer to consumer ecommerce websites seem to have becoming very cautious to prevent online scams. M-commerce mobile commerce is the buying and selling of goods and services through wireless technology-i. Japan is seen as a global leader in m-commerce. As content delivery over wireless devices becomes faster, more secure, and scalable, some believe that m-commerce will surpass wireline e-commerce as the method of choice for digital commerce transactions. This may well be true for the Asia-Pacific where there are more mobile phone users than there are Internet users. Industries affected by m-commerce include: One of the most evident benefits of e-commerce is economic efficiency resulting from the reduction in communications costs, low-cost technological infrastructure, speedier and more economic electronic transactions with suppliers, lower global information sharing and advertising costs, and cheaper customer service alternatives. Economic integration is either external or internal. Internal integration, on the other hand, is the networking of the various departments within a corporation, and of business operations and processes. This allows critical business information to be stored in a digital form that can be retrieved instantly and transmitted electronically. Internal integration is best exemplified by corporate intranets. The e-hub serves as the center for management of content and the processing of business transactions with support services such as financial clearance and information services. Because of this very important link, SESAMi reaches an extensive network of regional, vertical and industry-specific interoperable B2B e-markets across the globe. Corporations are encouraged to use e-commerce in marketing and promotion to capture international markets, both big and small. The Internet is likewise used as a medium for enhanced customer service and support. It is a lot easier for companies to provide their target consumers with more detailed product and service information using the Internet. Close to a third of the 1. To enhance customer service, Submarino has diversified into offering logistical and technological infrastructure to other retailers, which includes experience and expertise in credit analysis, tracking orders and product comparison systems. The development of ICT is a key factor in the growth of e-commerce. For instance, technological advances in digitizing content, compression and the promotion of open systems technology have paved the way for the convergence of communication services into one single platform. This in turn has made communication more efficient, faster, easier, and more economical as the need to set up separate networks for telephone services, television broadcast, cable television, and Internet access is eliminated. At present the high costs of installing landlines in sparsely populated rural areas is a disincentive to telecommunications companies to install telephones in these areas. Installing landlines in rural areas can become more attractive to the private sector if revenues from these landlines are not limited to local and long distance telephone charges, but also include cable TV and Internet charges. This development will ensure affordable access to information even by those in rural areas and will spare the government the trouble and cost of installing expensive landlines. For e-commerce to be a competitive alternative to traditional commercial transactions and for a firm to maximize the benefits of e-commerce, a number of technical as well as enabling issues have to be considered.

Chapter 9 : Consumer-To-Consumer (C2C) Electronic Commerce: The Recent Picture

The business to consumer as a business model differs significantly from the business-to-business model, which refers to commerce between two or more businesses. While most companies that sell.

Business to Business ; Dot-coms "Business-to-Consumer," usually abbreviated B2C, is a phrase that has become attached to electronic business activities that focus on retail transactions rather than activities conducted between two businesses; the latter, business-to-business, is called B2B. These uses appeared along with Internet commerce in the s and have been current since then. The usage has expanded so that, in the mids, B2C is also used as a handy abbreviation in talking about retail trade where electronics is just one component of the transaction and other cases where simply "retail trade" is meant. Combined forms are also referred to by other catchy phrases such as "bricks-and-clicks," "click-and-mortar," and "clicks-and-bricks. Census Bureau began collecting and tabulating data on electronic commerce in , with the first comprehensive tabulations available for The data capture all economic exchanges for major economic sectors whether they take place over the Internet or by means of privately maintained electronic data interchange EDI channels. Between and the last year available , electronic trade as a whole increased from 7. During this four-year period, B2C has represented a small fraction of total e-trade: In light of the rather extensive publicity regarding Internet business activity, these results may appear surprising. But the reasons for this lie in the fact that business-to-business electronic transactions predate the rise of the Internet by many decades; they were already massive when the Internet appeared; and businesses were also first in exploiting the Internet for B-to-B trading. B2C was also growing more rapidly than its more massive B-to-B electronic counterpart, reflecting its relative novelty and immaturity. The B2C activity was further subdivided into retail sales of products Other major participants and their shares were Motor Vehicle and Parts Dealers Within the largest category, Electronic Shopping and Mail Order Houses those that do not have physical "stores" , the top five subdivisions ignoring the large miscellaneous category , were Computer Hardware And pure electronic retailing wins over brick-and-click by a long country mile. Electronic Services Within the services categories delivered by electronic means, all of which the Census Bureau classifies as B2C, the biggest categories, arranged by share of total e-services delivered, were Travel Arrangements and Reservation Services The last category, somewhat puzzling, is presumably centered on the truck rental business. The biggest industrial grouping within services is Information Second is Administrative Support Third is Professional, Scientific, and Technical Services These categorizations somewhat mix apples and oranges in that they put side-by-side strategies of distribution, positions in the sales channel, and strategies aimed at reaching particular audiences. Thus the categories present views of B2C that are not necessarily mutually exclusive. Direct sellers are further subdivided into e-tailers and manufacturers. E-tailers ship product from their own warehouse and also, as Amazon. Intermediaries perform a brokerage function. In these cases the B2C business fulfills the role of a middleman between consumers who visit its site and businesses whom it represents. Brokers provide a variety of services to buyers by assembling attractive arrays of products and to sellers by, for instance, facilitating the financial side of the transactions. Advertising-based models make use of high-traffic or specialized sites in order to attract consumers by advertising placed at these sites. Advertising itself may be the "business. The high-traffic approach emphasizes sheer numbers and thus offers products of wide interest at median price-point. The community-based model may be seen as a hybrid of the two advertising approaches. The communities in question are "chat groups" and interest groups with specific preoccupations. Thus sites used by computer programmers for exchanging informationâ€”or by gardeners trading adviceâ€”are good venues for advertising software and hardware product to one group, tools and seeds to another. Fee-based models rely on the value of the content that they present on the Internet. Paid subscription services or pay-as-you-buy services are differentiations within the category. The latter approach is used, for example, by sellers of single articles of which they show parts or a summary as teasers; the former approach is used to sell on-line subscriptions to journals. This type of commerce may still only be in its infancy and likely to grow simply because it is a convenient form of purchasing and also because looming storm clouds on the energy horizon may soon cause a quick trip to the store cost consumers a tidy sum. Leaves in the wind, suggesting the trend, are provided by the recent history of electronic retailing, more than half of all B2C. Total retail sales in the U. In e-retail was just a small fraction of total retail at 2. These results were achieved during the time and in the quite visible presence of the so-called dot-com bust. This meant that new B2C startups could no longer count on deep investment pocketsâ€"but the dot-coms that survived the bust have been doing very well. Many of them are small businessesâ€"some of which are pure B2Cs serving niche markets very effectively. For a closer look at the factors that spell success, see another entry in this volume, Dot coms. Retrieved on 3 May Retrieved on 29 April