E-COMMERCE MODELS

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Introduction to E-Commerce

E-commerce, also known as electronic **commerce** or internet **commerce**, refers to the buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions.

IMPORTANCE

- Wide variety of products.
- Lower Cost than traditional shopping and selling.
- > Less time consuming and faster consumer consumption.
- > Faster business expansion.

Online Business or E-Business is any kind of business or commercial transaction that includes sharing information across the internet.

Differentiation b/w E-Commerce and E-Business

E-Commerce vs. E-Business

E-Business



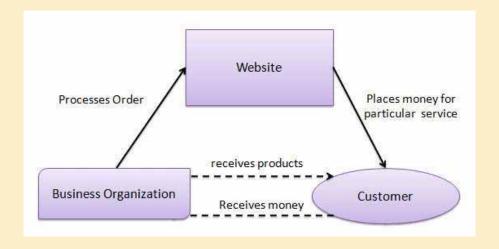
- •A business buying office supplies through an online auction
- •Withdrawing funds from an ATM machine
- Purchasing a book over the Internet
- •A government employee reserves a hotel room over the Internet

•Production process including procurement, ordering, automated stock replenishment, payment processing, and other links with suppliers

- Customer Process including marketing, selling, processing of orders and payments
- Management processes including employees services, training, information sharing

Functions of E-Commerce

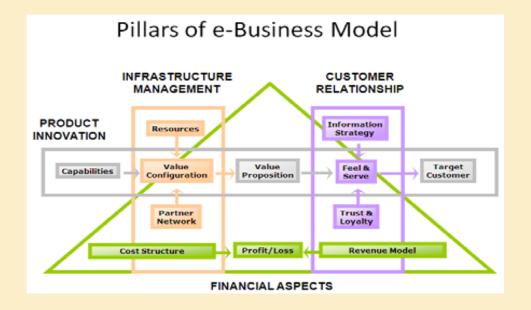
- ➤ Centralize management of production creation.
- > Analyze sales across channels
- > Set rules for Web order fraud
- ➤ Manage order fulfillment better
- > Third-party interface



E-BUSINESS MODELS

Concept of E-Business models

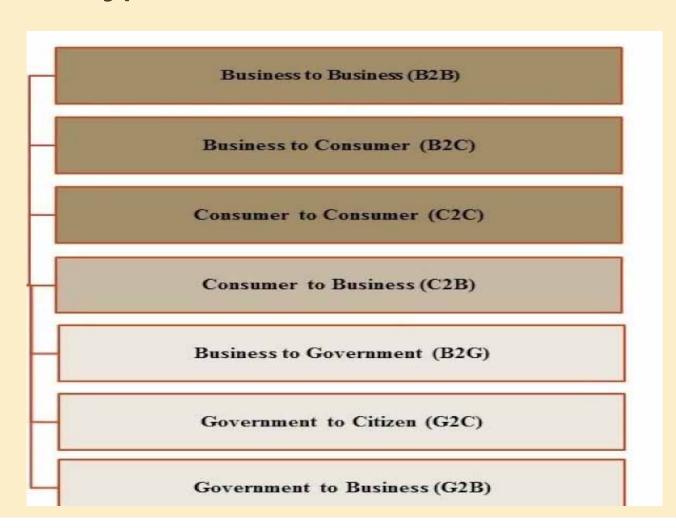
The E-Business model, like any business model, describes how a company makes a plan to generate revenue and make a profit from operations. The model includes the components and functions of the business, as well as the revenues it generates and the expenses it incurs.



Components of E-Business models

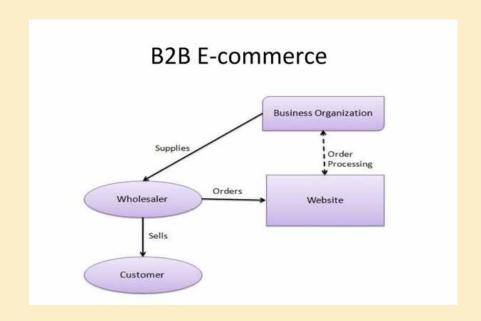
- Value Proposition :- How a company's product or services fulfills the needs of customer.
- Revenue Model :- Defines how the company will generate profits.
- Market Opportunity :- The revenue potential within a company's intended market space.
- Competitive Environment :- Other competitors selling same product in the same market space.
- Market Strategy :- How a company intends to enter a new market and attract strategy.
- Competitive Advantage: How a company will differentiate it's business from the competitors.
- Management Team :- Employees team responsible for company's growth.

Types of E-Business models



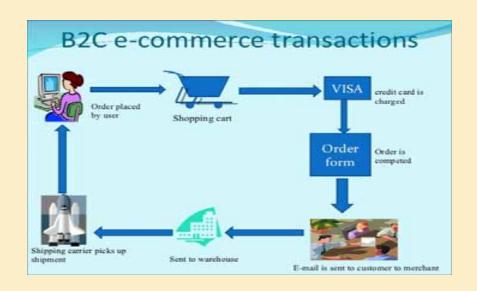
Business-to-Business (B2B)

B2B stands for business-to-business. It consists of largest form of E-Commerce. This model defines that buyer and seller are two different entities. It is similar to manufacturer issuing goods to the retailer or wholesaler.



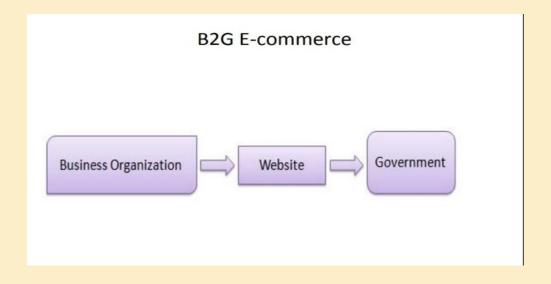
Business-to-Consumer (B2C)

- It is the model taking businesses and consumers interaction. The basic concept of this model is to sell the product online to the consumers.
- ➤ B2C is the direct trade between the company and consumers. It provides direct selling through online portals.



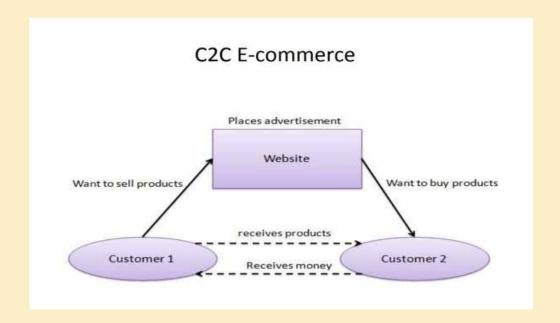
Business-to-Government (B2G)

Business-to-government (B2G) is a business model that refers to businesses selling products, services or information to governments or government agencies. B2G networks or models provide a way for businesses to bid on government projects or products that governments might purchase or need for their organizations.



Customer-to-Customer (C2C)

Customer to customer (C2C) is a business model, whereby customers can trade with each other, typically, in an online environment. C2C businesses are a new type of model that has emerged with e-commerce technology and the sharing economy.



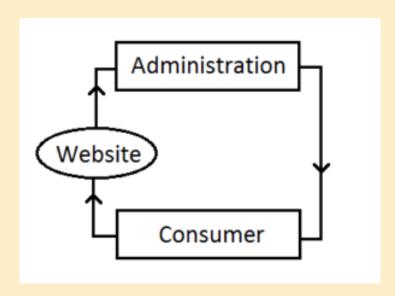
Customer-to-Business (C2B)

Consumer-to-business (C2B) is a business model in which consumers (individuals) create value and businesses consume that value. Another form of C2B is the electronic commerce business model in which consumers can offer products and services to companies, and the companies pay the consumers.



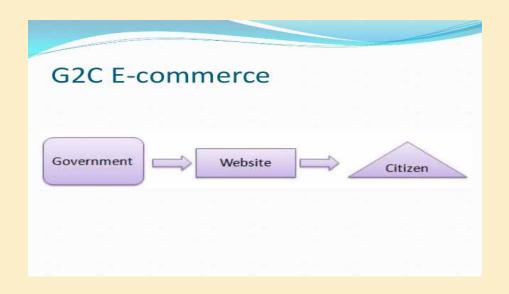
Customer-to-Government (C2G)

Customer to administration or customer to government e-commerce model enables the customers to post feedback or request information regarding public sectors directly to the government administration or authorities.



Government-to-Citizen (G2C)

This model is also a part of e-governance. The objective of this **model** is to provide good and effective services to each citizen. The Government provides the following facilities to the citizens through website.



Government-to-Business (G2B)

Government-to-business (G2B) is a business model that refers to government providing services or information to business organization. Government uses B2G model website to approach business organizations. Such websites support auctions, tenders and application submission functionalities.



Peer-to-Peer (P2P)

A peer-to-peer (P2P) economy is a decentralized model whereby two individuals interact to buy or sell goods and services directly with each other, without an intermediary third-party, or the use of a company of business. The buyer and the seller transact directly with each other.



Advantages of E-Commerce

(To the Organization)

- Improvisation of brand image of the company
- > Faster and efficient
- > Less paper work

(To the Customers)

- ➤ 24*7 customer support
- Quicker delivery
- Organizations provide substantial discounts to customers

(To the Society)

- > Less traffic resulting in low pollution
- > Public services delivered at low costs.

Disadvantages of E-Commerce

(Technical)

- Rapidly changing software's
- > Network Bandwidth
- ➤ Lack of system security

(Non-Technical)

- > Initial cost
- > Lack of product presence
- > User resistance

EXAMPLES OF E-COMMERCE MODELS

■ Souq



■ Alibaba



Amazon



■ Noon

