

# FUNCTIONS OF ELECTRONIC COMMERCE

- E- Advertising: Advertising and information are currently the largest commercial activities on the web. EXAMPLE: WEBSITES, BANNERS, E- COMMERCE Portals like [www.yahoo.com](http://www.yahoo.com), news groups.
- E- Catalogs: E- catalogs are web pages offering information about the products or services offered by the company. EXAMPLE: characteristics, availability, ways of payment, price.
- E- Publishing: Successful e-commerce efforts to e-publishing online newspapers and independent and independent publication through the internet.

# FUNCTIONS ARE CONTINUED....

- E-Banking: It offers remote banking facility electronically. EXAMPLE: Account information, funds transfer, bill payment, requests, intimation of cheque books, stock payment.
- E- Travelling: E-travelling plans are made by customers to check the availability of tickets for the dates of travel, time, hotel bookings. It saves time.
- E-Communication: Delivery of information and documents to facilitate business transactions. EXAMPLE: E-Mail

# FUNCTIONS ARE CONTINUED....

- PROCESS MANAGEMENT: The function of process management covers the automation and efficient business process. EXAMPLE: NETWORKING. One can share and transfer information one computer to another computer.
- SERVICE MANAGEMENT: Applying the technology to improve the quality of service. EXAMPLE: customer can track shipment schedule 24/7.
- TRANSACTION CAPABILITIES: The function of transaction capabilities provides ability to buy/sell on the internet or other online service. EXAMPLE: Retail websites amazon.com

# CHARACTERISTICS OF E-COMMERCE MODEL

- ◉ No entry barriers: Anyone can setup a business website. The biggest challenge is doing it well and making it success.
- ◉ Huge Market: More business opportunities are available in the business.
- ◉ Plenty of Revenue sources: Products and services on internet can be sold, leased, rented.
- ◉ Market Domination: Close to globe free market. No one can dominate the internet market.
- ◉ Use of Technology: Everyone can access web browsers, web servers, internet connections. People technical talent needed to use of technology efficiently and effectively.

# E-COMMERCE BUSINESS MODELS

- ◉ Business to consumer (B2C)
- ◉ Business to Business (B2B)
- ◉ Consumer to Consumer (C2C)
- ◉ Consumer to Business (C2B)
- ◉ Peer to Peer (P2P)

## Business to consumer (B2C)

It is a commerce between company and consumers, involves customers gathering information, purchasing physical goods, tangible materials.

EXAMPLES: amazon.com, flipkart, ebay.com

# ADVANTAGES OF B TO C MODEL

- ◉ It reaches worldwide market.
- ◉ Many buy on regular basis.
- ◉ Display information, pictures, prices of products.
- ◉ Shopping 24/7
- ◉ Connects people
- ◉ E-payment system
- ◉ Increase in variety of goods
- ◉ Connects people.
- ◉ Information sharing
- ◉ No middleman
- ◉ It reduces paper costs

# DISADVANTAGES OF B TO C MODEL

- ◉ Lacks personal touch
- ◉ Ecommerce delays goods
- ◉ Dependent on internet
- ◉ Need to employ number of staff
- ◉ Required higher cost of doing business
- ◉ High marketing expenses.

# BUSINESS TO BUSINESS (B2B)

- ◉ Business to Business refers to e commerce activities between business.
- ◉ This is the type of e commerce that deals with relationships between and among the businesses.

## ADVANTAGES OF B TO B MODEL

- New ways to increase revenue
- New potential customers
- 24/7 online ordering
- Expanded the purchases and selling

## DISADVANTAGES OF B TO B MODEL

- Not suitable for every business
- Most sites charge a small fee per transaction.
- Competition.
- B TO B happens in newspapers, telephone, face to face meetings.

# CONSUMER TO CONSUMER (C2C)

- Consumer to consumer e-commerce is between private individuals or consumers. No intermediary involved. This type of e-commerce is for growth of electronic marketplaces and online.

## ADVANTAGES OF CONSUMER TO CONSUMER (C2C)

- Direct contact
- Easy to start business
- Global customers
- Feedback
- Cost reduction
- Faster speed

## ADVANTAGES OF CONSUMER TO CONSUMER (C2C)

- Fees
- Commission
- Frauds
- Illegal products

# CONSUMER TO BUSINESS (C2B)

- ◉ Individual customers offer to sell products and services to companies who are prepared to purchase them.
- ◉ End consumers create products and services which are consumed by business and organisation.
- ◉ EXAMPLE: facebook.com makes use of their wide user networks and database offering prime locations for advertising.
- ◉ Websites, blogs, videos and social networks

# PEER TO PEER (P2P)

- Peer to peer e commerce is a types of technology which enables the internet users to share the files and documents directly without the help of web servers.
- EXAMPLE:
- Shopping malls: stores of web sites. Network is organised around the organisations.

# E-BUSINESS REVENUE MODEL

## **1. WEB CATALOGUE REVENUE MODEL:**

This model would use electronic catalogue and shopping cart providing access to customers throughout the world. To generate revenue and earn profit.

**EXAMPLE:** Online sellers of computers, electronic items, books, music, videos, toys, flowers, gift.

## **2. DIGITAL CONTENT REVENUE MODEL:**

E-business offer different types of information services such as legal information, corporate information, government information, news and resources for libraries.

## **3. ADVERTISING SUPPORTED REVENUE MODEL**

In this model the information is provided free of any charge to certain audience and advertising revenue is sufficient to support the operation of business and its cost.

**EXAMPLE:** Yahoo portal

### **4. ADVERTISING SUBSCRIPTION MIXED REVENUE MODEL**

In this type, subscribers pay a fee and accept some level of advertising. E- business can earn its revenue from both the sources.

**EXAMPLE:** Online newspaper

### **5. FEE FOR TRANSACTION REVENUE MODEL:**

There are business offering services for which they charge a fee based on the number or size of transactions they process. The business provides information to the customers which is required to complete transaction. **EXAMPLE:** Online travel agents.

6. **INTERNET MARKETING:** Internet has opened a new door of marketing opportunity to marketers. **EXAMPLE:** E-mail marketing, banner advertising, promotions, relationship management.

## E-BUSINESS REVENUE MODEL CONTINUED....

7. **GEOGRAPHIC SEGMENTATION:** Customers are divided into groups on the basis where they live or work. **EXAMPLE:** Urban and rural customers.
  
8. **PSYCHOGRAPHIC SEGMENTATION:** Customers are grouped by variables such as social class, personality or approach to life or lifestyle.
  
9. **MARKET SEGMENTATION ON THE WEB:** each website differ from one to one. Web page designed exclusively for kids, old people.
  
10. **BEHAVIORAL SEGMENTATION:** Creation of separate experiences for customers based on their behaviour is called behavioural segmentations.

## E-BUSINESS REVENUE MODEL CONTINUED....

- ◉ **CHOOSING A DOMAIN NAME:** Choosing a suitable domain name is the first thing to be considered at the start of an online business.
- ◉ **MARKETING RESEARCH:** It consist of interviews, paper and phone surveys, questionnaire, findings based on previous investigations.
- ◉ **WEB DESIGN:** Only interaction of an e-business of an e-business with its customers is through the web site.

# PORTALS

- A Portal is a website which collects catalogues and characterizes a huge amount of information. By displaying a large number of hyperlinks such sites provide an entrance to the world wide web.

## **TYPES OF DIFFERENT TYPES OF PORTALS**

1. **VERTICAL PORTALS**: Provide access to a variety of information and services about a particular area of interest.  
**EXAMPLE**: Undergraduates, students.
2. **HORIZONTAL PORTALS**: Often referred to as mega portals, target the entire internet community.

WWW.Yahoo.com

WWW.GOOGLE.COM

# TYPES OF DIFFERENT TYPES OF PORTALS

## CONTIND.....

- Enterprise Portals: These are portals developed and maintained for use by me

# ADVANTAGES OF PORTALS

- ⦿ Portals provide from multiple sources and in multiple formats .
- ⦿ Portals provide web based services such as chat rooms, searches, free password.
- ⦿ Allow users to conduct business transactions.

## **DISADVANTAGES OF PORTALS**

- ⦿ Extremely competitive environment.
- ⦿ Inability to complete the business transaction or get the sale.
- ⦿ Having too much or too little information and thereby either confusing or frustrating the user.
- ⦿ A related issue to the above is having the latest information.

# VIRTUAL COMMUNITY

- Virtual community is a social network of individuals who interact through specific social media, which have no limit about geographical area as well as political restriction.

- **BENEFITS OF VIRTUAL COMMUNITY**

- More flexible: 24 hours and 7 days.
- Easy relevance:
- Community: Over time can develop into a supportive, participants come to regard as the high point of their course.
- Limitless: Working continues
- Choice: variety of products

# LIMITATIONS OF VIRTUAL COMMUNITIES

- ◉ Virtual community takes time.
- ◉ Obtaining network access can be a problem
- ◉ Requires knowledge of reading and writing and typing.
- ◉ Overloading information.
- ◉ No physical documents: without facial expressions and gestures.

THANK YOU