E-Commerce

Ecommerce, 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. Ecommerce is often used to refer to the sale of physical products online, but it can also describe any kind of commercial transaction that is facilitated through the internet.

Whereas e-business refers to all aspects of operating an online business, E-commerce refers specifically to the transaction of goods and services.

E-Commerce is the exchange of goods and services between (usually) independent organisations and/or persons supported by a comprehensive usage of powerful ICT (Information and Communication Technology) systems and a globally standardised network infrastructure.
For this purpose the business partners have to couple their business processes and their ICT systems. These systems have to work together temporarily and seamlessly and have to share, exchange and process data during the whole business process and across the boundaries of the cooperating organisations.

Data security and data privacy as well as the compliance with laws and other policies and procedures have, of course, to be guaranteed.
INTERNET BASED BUSINESSES

Search engine

Search engines are the most used software in the Internet. They are the starting step for many Internet-based activities, not only but, of course, also if somebody is looking for a business opportunity.

A traditional and similar business model is given by the so-called “yellow pages”, where firms are listed and grouped according to branches and locations.

Online shop

An online shop is a website, where you can buy products or services, e.g. books or office supplies. Traditional and similar business models are direct mail selling (no shop facility, offering of goods via a printed catalogue,
ordering by letters or telephone calls) and factory outlets (producer has own shop facility, does not sell his products via merchants).

**Content provider**

Content providers offer content, a completely digital good, e.g. information, news, documents, music. A specific variant of a content provider is the information broker, who is a trader of information.

Traditional business models in this area are newspaper publishers, magazine publishers, radio and television broadcasting services or publishing companies.

**Online marketplace/electronic mall**

An online marketplace is a website, where suppliers and potential customers can come together like on a real marketplace in a small town. An E-Mall is a set of online shops, which can be found on one website.
Examples of traditional and similar business models are shopping centres, marketplaces and buying associations.

**Virtual community**

A virtual community is a platform for communication and exchange of experience. It is similar to a virtual club or association. e.g. Facebook, Instagram, Twitter.

**Information broker**

An information broker collects, aggregates and provides information, e.g. information with respect to products, prices, availabilities or market data, economical data, technical information.

Traditional and similar business models are magazines running tests of computers, cars, consumer goods, restaurants.
Transaction broker

A transaction broker is a person or an organisation to execute sales transactions. Sometimes those brokers are used to hide the real customer to the supplier. A transaction broker is an agent who is an expert in a specific area and can take over parts of a business.

A similar traditional business model is the free salesman.

This list describes a great variety of Internet-based business models. However, it will not be a complete compilation because with new and innovative technologies new business ideas will come up and lead to new and additional offerings.
E-COMMERCE WITH THE “5-C-MODEL”

**Commerce**

In the electronic marketplaces there is a matching of customers and suppliers, an establishing of the transaction terms, and the facilitation of exchange transactions.

**Collaboration**

The Web is a vast network, of relationships among firms and individuals. More or less formal collaborations are created or emerge on the Web to bring together individuals engaged in knowledge work in a manner that limits the constraints of space, time, national boundaries, and organisational affiliation.
**Communication**

As an interactive medium, the Web has given rise to a multiplicity of media products and has become a forum for self-expression and self-presentation. The rapidly growing M-Commerce enables connectivity in context, with location-sensitive products and advertising.

In the communications domain, the Web also serves as a distribution channel for digital products.

**Connection**

Common software development platforms, enable a wide spectrum of firms to avail themselves of the benefits of the already developed software, which is, moreover, compatible with that of their trading and collaborating partners.

The Internet, as a network of networks that is easy to join is now widely expanding in the mobile domain.
Computation

Internet infrastructure enables large-scale sharing of computational and storage resources.

**M-Commerce (Mobile Commerce)**

M-Commerce is commonly understood as the usage of mobile devices for business purposes, especially mobile phones and PDA’s (Personal Digital Assistants).

Features of M-Commerce are

- Location independence of customers
- High availability of services through well established mobile phone networks.
- Advanced security features
- Potential of personalisation
- Accessibility of customers
Types of E-Commerce Models

There are four main types of e-commerce models that can describe almost every transaction that takes place between consumers and businesses.

1. Business to Consumer (B2C)

When a business sells a good or service to an individual consumer (e.g. You buy a pair of shoes from an online retailer).

2. Business to Business (B2B)

When a business sells a good or service to another business (e.g. A business sells software-as-a-service for other businesses to use)
3. Consumer to Consumer (C2C)

When a consumer sells a good or service to another consumer (e.g. You sell your old furniture on eBay to another consumer)

4. Consumer to Business (C2B)

When a consumer sells their own products or services to a business or organisation (e.g. An influencer offers exposure to their online audience in exchange for a fee, or a photographer licenses their photo for a business to use).

The Internet is a double-edged sword when it comes to customer relationships.

On the one hand, it provides the marketer with powerful tools such as e-mail and the Web with which to craft the necessary dialogue with individual customers and prospects.
On the other hand, with a vast array of choices available just a mouse click away, it also provides an easy and final exit for any relationship that sours. Not only do the dissatisfied customers have easy access to many almost identical commerce sites selling whatever offering you have, but they also can quickly spread their dissatisfaction using e-mail, discussion forums, chat rooms and Web sites.