

Lesson Proper for Week 14

The Scope of e-Commerce

Figure 13.1 illustrates the range of business processes involved in the marketing, buying, selling, and servicing of products and services in companies that engage in e-commerce. Companies involved in e-commerce as either buyers or sellers rely on Internet-based technologies and e-commerce applications and services to accomplish marketing, discovery, transaction processing, and product and customer service processes. For example, electronic commerce can include interactive marketing, ordering, payment, and customer support processes at e-commerce catalog and auction sites on the World Wide Web. But e-commerce also includes e-business processes such as extranet access of inventory databases by customers and suppliers (transaction processing), intranet access of customer relationship management systems by sales and customer service reps (service and support), and customer collaboration in product development via e-mail exchanges and Internet newsgroups (marketing/discovery).

e-Commerce Technologies

What technologies are necessary for electronic commerce? The short answer is that most information technologies and Internet technologies that we discuss in this text are involved in electronic commerce systems. A more specific answer is illustrated in Figure 13.2, which is an example of the technology resources required by many e-commerce systems. The figure illustrates some of the hardware, software, data, and network components used by Free Markets Inc. to provide B2B online auction e-commerce services.

Categories of e-Commerce

Many companies today are practicing in or sponsoring three basic categories of electronic commerce applications: business-to-consumer, business-to-business, and consumer-to-consumer e-commerce. Note: We will not explicitly cover business-to-government (B2G) and e-government applications in this text. However, many e-commerce concepts apply to such applications.

! **Business-to-Consumer (B2C) e-Commerce.** In this form of electronic commerce, businesses must develop attractive electronic marketplaces to sell products and services to consumers. For example, many companies offer e-commerce websites that provide virtual storefronts and multimedia catalogs, interactive order processing, secure electronic payment systems, and online customer support.

Figure 13.1 E-commerce involves accomplishing a range of business processes to support the electronic buying and selling of goods and services.