



CSC-370

E - Commerce

(BSc CSIT, TU)

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Types of B2C Models

1. E-tailer / Electronic Retailing
2. Community Provider / Social Networking
3. Content Provider
4. Portal
5. Transaction Broker
6. Market Creator
7. Service Provider

Types of B2C Models

1. E-tailer / Electronic Retailing

- sale of goods and services through the Internet
- E-tailing requires companies to tailor their business models to capture Internet sales, which can include building out distribution channels such as warehouses, Internet webpages, and product shipping centers.
- E-tailing can lower infrastructure costs by doing away with the need for stores, yet it can require infrastructure-related investments in shipping and warehousing
- Digital version of product sales.
- Revenue is generated by : Sales of goods

Types of B2C Models

2. Community Provider / Social Networking

- Provides online environment (social network) where people with similar interests can transact, share content, and communicate.
- e.g., Facebook, LinkedIn, Twitter
- Revenue generated by : typically hybrid, combining advertising, subscriptions, sales, transaction fees, affiliate fees etc

Types of B2C Models

3. Content Provider

- Distributes information (digital) content on the Web like News, music, video, text, artwork, entertainment, traffic reports, and job listings that are regularly updated.
- Revenue is generated by : subscription, pay per download (micropayment), advertising etc.

Types of B2C Models

4. Portal

- Portal business models provide entry to content or services on the Internet.
- Search engines are portal business models that include many kinds of content and services.
- They are profitable for advertisers because they draw a large amount of user traffic.
- Many offer the user ways to customize their interface making the portal even more alluring.
- Revenue is generated by : advertising, referral fees, transaction fees, subscriptions
- Portals do not sell anything directly
- Eg : google, yahoo etc.

Types of B2C Models

5. Transaction Broker

- Site that processes transactions for consumers that are normally handled in person, by phone or by mail
- Process online transactions for consumers
- Transaction brokers make money each time a transaction occurs
- Eg : Esewa, eWallets, Paypal, khalti etc.
- Revenue : transaction fees
- Industries using this model are financial services, travel services, job placement services etc.

Types of B2C Models

6. Market Creator

- Builds a digital environment where buyers and sellers can meet
- Display products, search for products, and establish a price for products
- Eg : ebay, daraz etc.
- Revenue : transaction fees

Types of B2C Models

7. Service Provider

- Service providers make money by providing various specific services over the internet.
- e.g., Google - Google Maps, Gmail, Drive, Photos, Research, Note etc.
- Valuable, convenient, time-saving, low-cost alternatives to traditional service providers
- Sales of services, subscription fees, advertising, sales of marketing data etc.

Types of B2B Models

1. Net Marketplaces

- E-distributor
- E-procurement
- Exchange
- Industry consortium

2. Private Industrial Networks

Types of B2B Models : Net Marketplaces

- E-distributor
 - A company that supplies products and services directly to individual businesses or companies
 - Revenue : Sales of goods/services
 - Eg : Cisco Systems, Fiat Group Automobiles S.p.A. and Eneco Energie, grainger.com(sells industrial equipment and tools) etc.

Types of B2B Models : Net Marketplaces

- E-procurement
 - Creates and sells access to digital electronic markets
 - sells business services to other firms
 - a company that sells access to Internet-based software applications to other companies
 - Eg : godaddy, hostgator, online software downloading sites etc.
 - Revenue : Service fees

Types of B2B Models : Net Marketplaces

- Exchange
 - An independent digital electronic marketplace where suppliers and commercial purchasers can conduct transactions
 - The greater the number of sellers and buyers, the lower the sales cost and the higher the chances of making a sale
 - Create powerful competition between suppliers
 - Eg : liquidation.com
 - Revenue : transaction, commission fees

Types of B2B Models : Net Marketplaces

- Industry Consortium
 - Industry-owned vertical digital marketplace that serve specific industries such as the automobile, aerospace, chemical etc
 - More successful than exchanges
 - Sponsored by powerful industry players
 - Strengthen traditional purchasing behavior
 - Revenue : transaction, commission fees
 - Eg : Exostar (an online trading exchange for the aerospace and defense industry)

Types of B2B Models : Private Industrial Networks

- A private industrial network, also known as a private exchange, links a firm to its suppliers, distributors, and other key business partners for efficient supply chain management and other collaborative activities.
- Used to coordinate communication among firms engaged in business together
- The network is owned by a single large purchasing firm
- provides a single digital marketplace based on Internet technology for many different buyers and sellers.
- Eg : Walmart (monitor the sales of their goods, the status of shipments, and the actual inventory level of their goods)

Value Chain Model

- A value chain is a business model that describes the full range of activities needed to create a product or service
- A value chain is a step-by-step business model for transforming a product or service from idea to reality
- Value chains help increase a business's efficiency so the business can deliver the most value for the least possible cost.
- The end goal of a value chain is to create a competitive advantage for a company by increasing productivity while keeping costs reasonable
- goal of a value chain is to deliver the most value for the least cost in order to create a competitive advantage

Components of Value Chain Model

- Primary activities consist of five components, and all are essential for adding value and creating competitive advantage
 - **Inbound logistics** : include functions like receiving, warehousing, and managing inventory.
 - **Operations** : include procedures for converting raw materials into a finished product.
 - **Outbound logistics** : include activities to distribute a final product to a consumer.
 - **Marketing and sales** : include strategies to enhance visibility and target appropriate customers such as advertising, promotion, and pricing
 - **Service** : includes programs to maintain products and enhance the consumer experience like customer service, maintenance, repair, refund, and exchange

Components of Value Chain Model

- Support activities consist of four components, and are used to make primary activities more efficient
 - **Procurement** : concerns how a company obtains raw materials.
 - **Technological development** : is used at a firm's research and development (R&D) stage - like designing and developing manufacturing techniques and automating processes.
 - **Human resources (HR) management** : involves hiring and retaining employees who will fulfill the firm's business strategy and help design, market, and sell the product.
 - **Infrastructure** : includes company systems and the composition of its management team - such as planning, accounting, finance, and quality control
- Eg : Starbucks Corporation, Trader Joe's(private grocery store)

Value Web Model

- Value Web Models is a collection of independent firms using highly synchronized IT to coordinate value chains to produce or service collectively.
- It is more customer driven and works in a less linear operation than value chain.
- value web is a networked system that can synchronize the business processes of customers, suppliers, and trading partners among different companies in an industry or in related industries