Types of e-commerce

Inter Organization (B2B) E-Commerce:

As the title suggests, a B2B transaction is where one business is selling to another business. These transactions often involve customizing an order on a rolling basis. B2B transactions can include bulk pricing, larger quantity orders, or specialty products that an average consumer would never need on a day to day basis. B2B transactions create powerful and long-lasting relationships between each side when arranged correctly. Typical products that are involved in B2B transactions include office supplies, gasoline and oil, medical equipment, airplanes, ships, and military equipment. These items are large in physical size or quantities needed which would be overwhelming for an average consumer to purchase on their own.

B2B transactions occur in many forms and take place globally. A popular derivative of the B2B model occurs between business and an administration of some sort (B2A). B2A transactions occur between companies and bodies of public administration such as the government. Also, the B2A model is sometimes referred to as B2G (business-to-government). As the world becomes increasingly reliant upon the internet, so have governments. Many processes are becoming optimized through digitalization and many administrations and governing bodies have implemented third-party technologies to assist in the process. In order to win business, marketing may occur targeted at decision makers within the government or authoritative body. These efforts would fall under the B2A model. Other B2A transactions include social security, employment contracting, financial measuring, and other online payment options.

3 Categories of B2B Ecommerce:

1. Volume Products

E-Commerce solutions around volume products focus on making the ordering process easier. The products represented here are simpler, lower priced items that are often ordered in large quantities. These products are common in CPG, apparel, hardware and automotive supply businesses. For this model of E-Commerce, the value is in enabling customers to place orders in the fewest amounts of clicks.

2. Subscription Products

With the growth of the digital age and SaaS, more and more products are offered as a service, and are therefore purchased on a reoccurring basis. Purchasing plans can vary, but it is most common to see the plans set up in monthly or yearly reoccurring bases – for the tenure of the contract. Instead of purchasing and checking out their products, in this model customers sign up for a service. As a result, E-Commerce solutions must support a unique purchase flow and process.

3. Configuration Products

Examples of these are numerous, but can include networking products, manufacturing equipment, medical devices, or telecommunications solutions. These solutions may be dependent on other offering, and as a result need be bundled together with other products. In this instance, because the offerings are generally of such a high price, customers usually want to get a quote before purchasing.

Intra-Organizational Ecommerce:

Internal commerce is the application of electronic commerce to processes or operations. Specifically, we define internal commerce as using methods and relevant technologies for supporting internal business processes between individuals, departments, and collaborating organizations.

Business to Consumer (B2C) E-Commerce:

B2C, or business-to-consumer, is used to describe a commerce transaction between a business and an end consumer. Traditionally, the term referred to the process of selling products directly to consumers, including shopping in-store or eating in a restaurant. Today it describes transactions between online retailers and their customers.
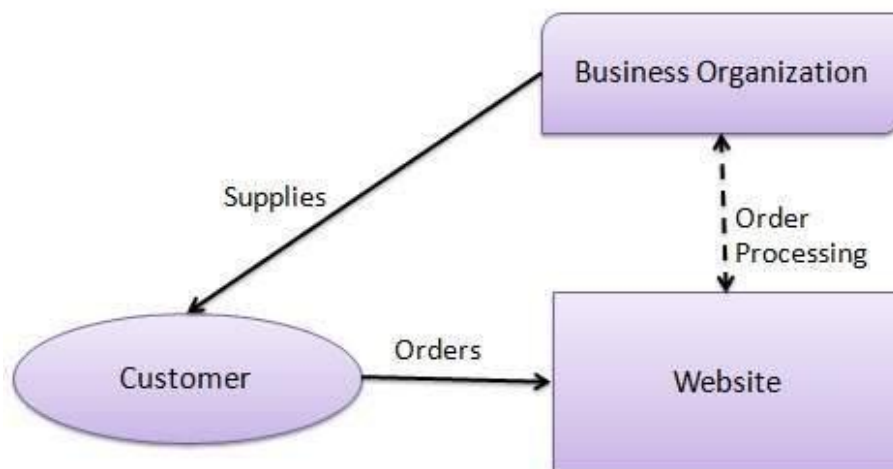
Benefits of B2C e-Commerce:

- **Global Reach**

    The number one benefit of B2C e-Commerce is the global reach it has. Even small businesses operating out of homes can sell to customers on the other side of the world. This availability to sell to anyone anywhere makes sure success is inevitable.

- **No Physical Overheads**

  B2C has primarily been dominated by in-store purchases where consumers need to visit a physical store in order to buy something from a brand. By introducing an e-Commerce element to business, management can lower overhead costs. Shutting down brick and mortar stores which do not make a profit and spending a fraction of the cost on marketing, companies can send consumers to the online store to make purchases.

- **More Data to Profile Customers**

  When you move your business online you open the door to more information about your customers and more ways to target them directly. Using analytics tools like Google Analytics you can discover demographical information about your consumers as well as psychographic information like consumer interests and values. This information can help you create a personality of your consumers that will inform how you talk to them through your website and any marketing material.

- **Traceable Marketing**

  Traditional marketing methods have always been hard to track but, through e-Commerce, online marketing can be easy to implement and track conversions. Attribution models seek to show the importance of different marketing channels in achieving business success online. Reports through Google Analytics can show how a customer-first came to your website, how many visits it took for them to convert, and the page that a customer converted on. With this information, you can build a stronger website that converts better than your competition.