

Introduction to E-Commerce

What is E-commerce?

- Use of Internet to transact business
 - Includes Web, mobile browsers and apps
- More formally:
 - Digitally enabled commercial transactions between and among organizations and individuals

The Difference Between E-commerce and E-business

- E-business:
 - Digital enabling of transactions and processes within a firm, involving information systems under firm's control
 - Does not include commercial transactions involving an exchange of value across organizational boundaries

Technological Building Blocks Underlying E-commerce

- Internet
- World Wide Web
- Mobile platform
 - Mobile apps

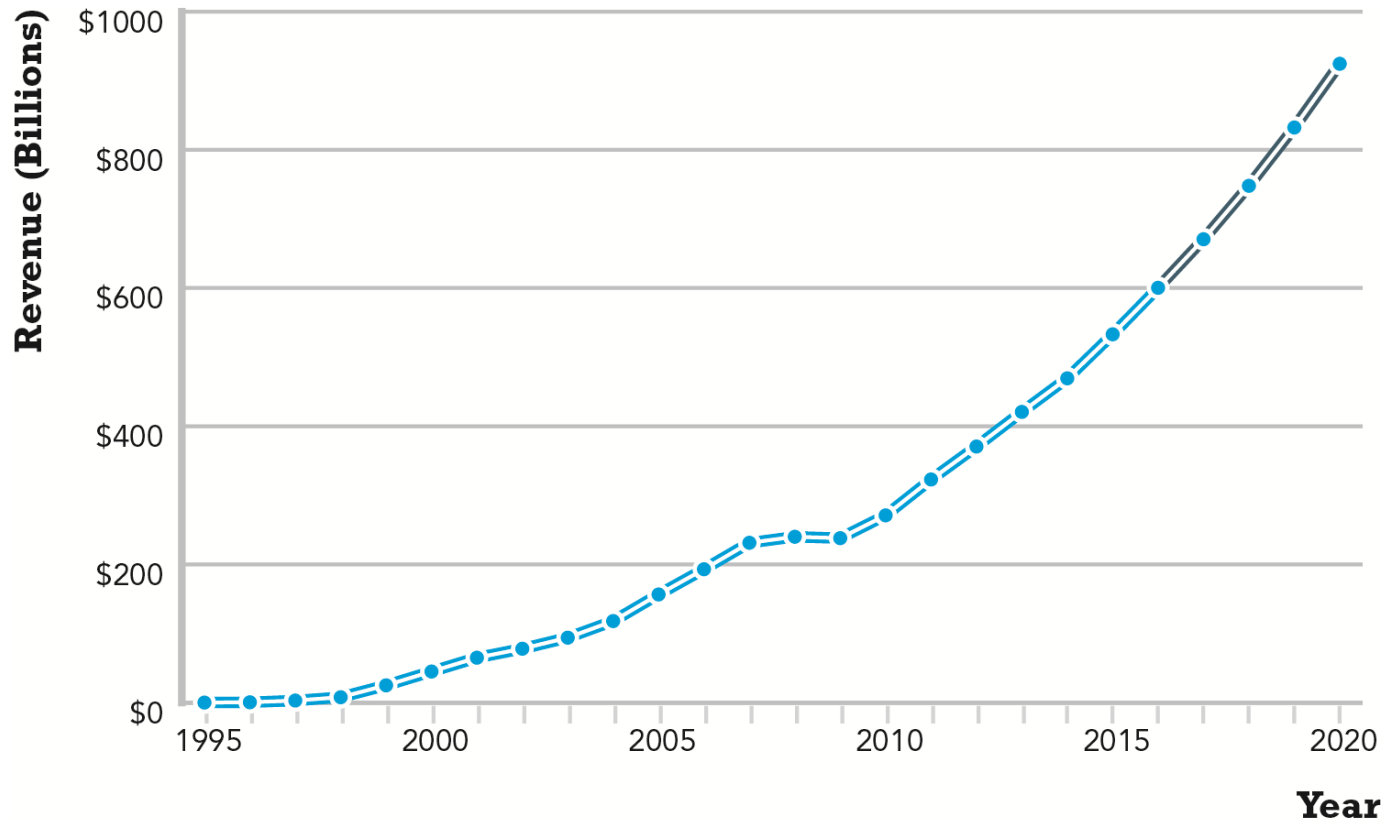
Major Trends in E-commerce

- Business trends include:
 - All forms of e-commerce show very strong growth
- Technology trends include:
 - Mobile platform has made mobile e-commerce reality
- Societal trends include:
 - Increased online social interaction and sharing

Types of E-commerce

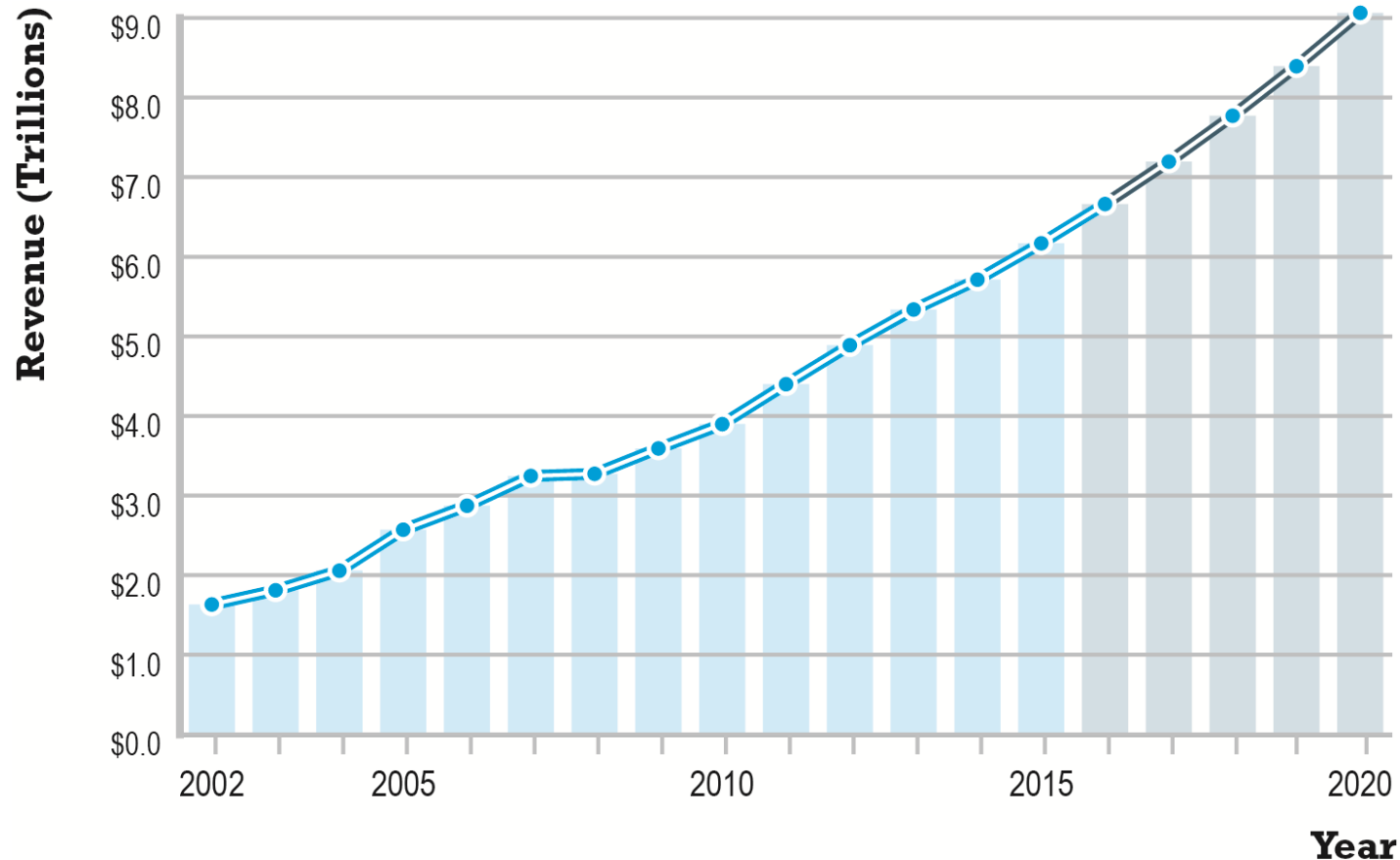
- Business-to-Consumer (B2C)
- Business-to-Business (B2B)
- Consumer-to-Consumer (C2C)
- Mobile e-commerce (M-commerce)
- Social e-commerce
- Local e-commerce

The Growth of B2C E-commerce in the U.S.



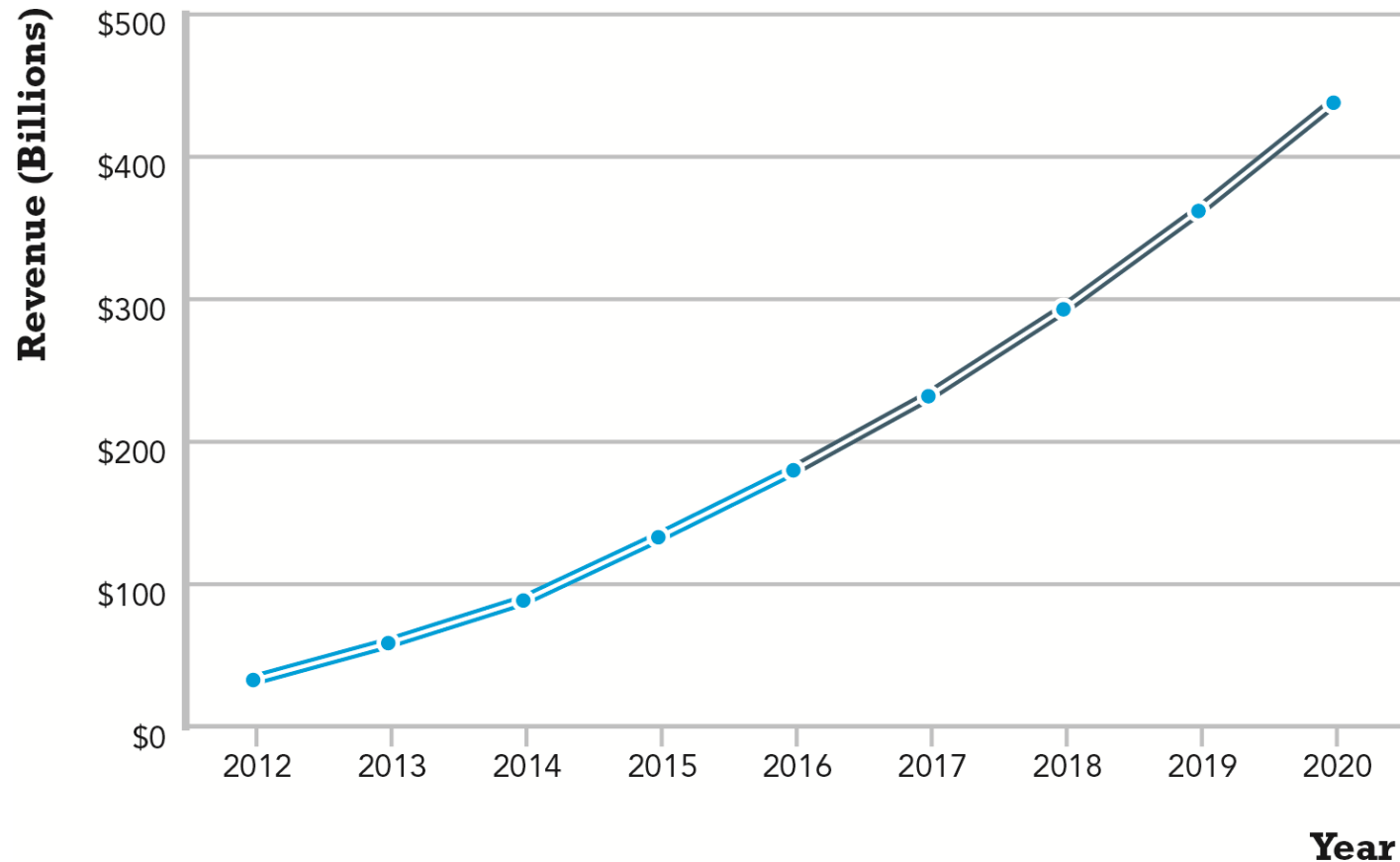
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The Growth of B2B E-commerce in the U.S.



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The Growth of M-commerce in the United States



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E-commerce: A Brief History

- 1995–2000: Invention
 - Sale of simple retail goods
 - Limited bandwidth and media
 - Euphoric visions of
 - Friction-free commerce
 - First-mover advantages
 - Dot-com crash of 2000

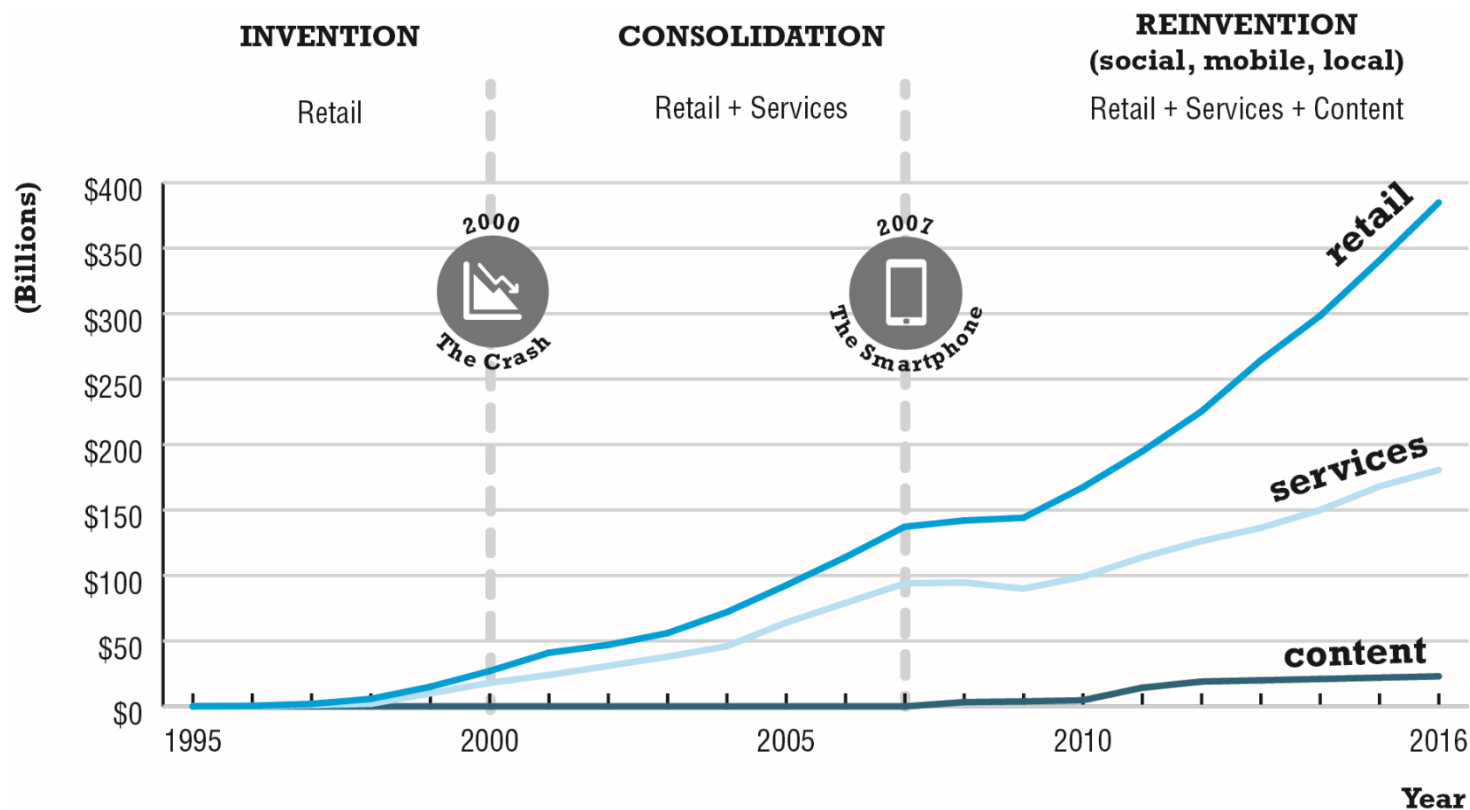
E-commerce: A Brief History

- 2001–2006: Consolidation
 - Emphasis on business-driven approach
 - Traditional large firms expand presence
 - Start-up financing shrinks
 - More complex products and services sold
 - Growth of search engine advertising
 - Business Web presences expand

E-commerce: A Brief History

- 2007–Present: Reinvention
 - Rapid growth of:
 - Web 2.0, including online social networks
 - Mobile platform
 - Local commerce
 - On-demand service economy
 - Entertainment content develops as source of revenues
 - Transformation of marketing

Periods in the Development of E-commerce



Understanding E-commerce: Organizing Themes

- **Technology:**
 - Development and mastery of digital computing and communications technology
- **Business:**
 - New technologies present businesses with new ways of organizing production and transacting business
- **Society:**
 - Intellectual property, individual privacy, public welfare policy