

ICT 700

Introduction To Business Information Systems

LECTURE 8

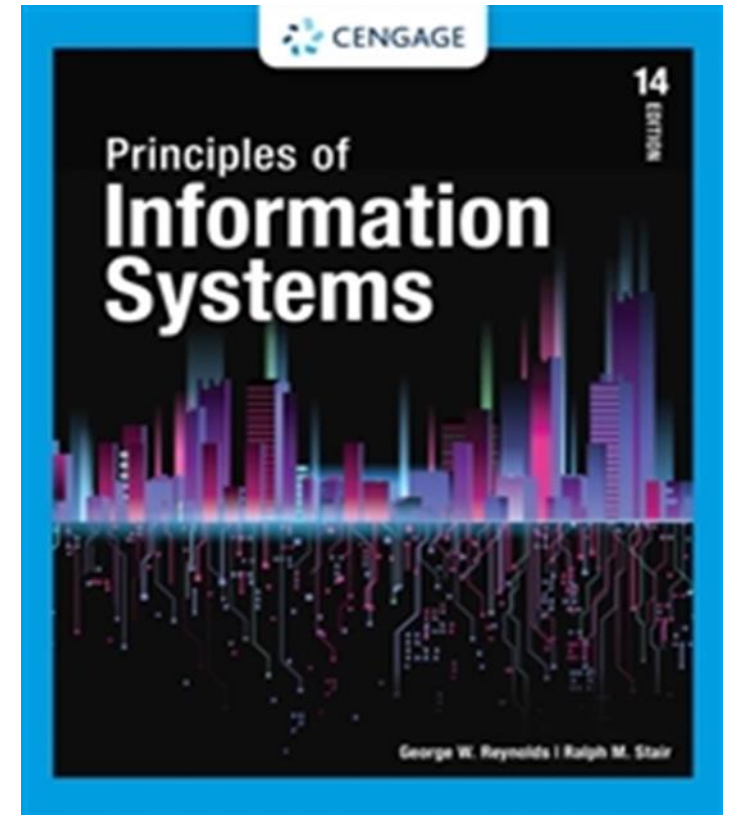
Ecommerce Using CRM And SCM

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Reading Chapter:

Chapter 9 – Stair & Reynolds (2020)



Learning Objectives

1. Describe the underlying concepts of e-commerce.
2. Outline a multistage purchasing model that describes how e-commerce works.
3. Outline the key components of a successful e-commerce business strategy.
4. Discuss common types of e-commerce applications.
5. Discuss key features of electronic payment systems needed to support e-commerce.
6. Identify the key components of technology infrastructure that must be in place for e-commerce to work.



Why Learn E-commerce?

1. Over the last several decades, e-commerce has transformed many areas of our lives and careers.
2. One fundamental change has been the manner in which organizations interact.
3. Most organizations today have set up business on the Internet.

E-commerce Concepts

E-commerce: conducting business activities electronically over computer networks

Business activities proven to be strong candidates for conversion to e-commerce:

1. Paper based
2. Time-consuming
3. Inconvenient for customers

E-commerce Categories

1. Business-to-business (B2B)
2. Business-to-consumer (B2C)
3. Consumer-to-consumer (C2C)



M-Commerce Categories

Many benefits: smartphone Internet access

Some limitations: small display space

TYPES OF E-WALLETS

Electronic wallet software stores data needed to conduct payments on the web or at points-of-sale. Those e-wallets come in many different forms with a variety of functionalities...



EMONEY WALLET

Web applications for online payments and storage of emoney, digital assets and user data.



CRYPTO WALLET

Wallets storing the keys of users to access their cryptocurrencies and conduct transactions.



MOBILE WALLET

Online or offline wallets on mobile devices, for point-of-sale payment (typically NFC technology).



IOT WALLET

Wallets attached to Internet of Things devices, allowing purchases directly from there.

FOR A DETAILED OVERVIEW OF E-WALLET TECHNOLOGY, GO HERE:
[TRIPLEMINT.COM/BLOG/ELECTRONIC-WALLET-DEFINITION](https://triplemint.com/blog/electronic-wallet-definition)

triplemint

Business-to-Business (B2B) E-Commerce

- **Customers deal directly with an organization**
 - Producers and providers of consumer products can eliminate middlemen
- **Steady growth**
 - Cheaper goods and services online
 - Online shoppers can design a personalized product
 - Use of social media networks to promote products and reach customers

Business-to-Consumer (B2C) E-Commerce

	Alibaba	Amazon
Annual Sales	\$39.8 billion	\$232.8 billion
Annual net profit	\$10.2 billion	\$10.0 billion
Domestic e-commerce as percentage of total e-commerce	about 80%	about 60%

Consumer-to-Consumer (C2C) E-Commerce

1. Involves electronic transactions between consumers facilitated by a third party.
2. Popular sites: eBay, eBid, Etsy, Fiverr, Ibidfree, Kijiji, Ubid, Facebook Marketplace, and Taobao
3. Companies and individuals involved in C2C must be careful.
4. Sales must not violate the rules of various county, state, and country legal jurisdictions

Consumer-to-Consumer (C2C) E-Commerce

Factors	B2B	B2C	C2C
Typical value of sale	Thousands or millions of dollars	Tens or hundreds of dollars	Tens of dollars
Length of sales process	Days to months	Days to weeks	Hours to days
Number of decision makers involved	Several people to a dozen or more	One or two	One or two
Uniformity of offer	Typically a uniform product offering	More customized product offering	Single product offering, one of a kind
Complexity of buying process	Extremely complex; much room for negotiation on quantity, quality, options and features, price, payment, and delivery options	Relatively simple; limited negotiation on price, payment, and delivery options	Relatively simple; limited negotiation on payment and delivery options; negotiations focus on price
Motivation for sale	Driven by a business decision or need	Driven by an individual consumer's need or emotion	Driven by an individual consumer's need or emotion

E-Government

Use of information and communications technology to:

- Simplify information sharing
- Speed formerly paper-based processes
- Improve relationships between citizens and government

Forms of e-government:

- Government-to-consumer (G2C)
- Government-to-business (G2B)
- Government-to-government (G2G)

M-Commerce Concept

- Concepts and strategies stayed the same, but tactics of e-commerce had to change
For examples: Smaller-sized user interface
- Mobile commerce (m-commerce) relies on use of wireless devices to place orders and conduct business
For examples : Smartphones and tablets

M-Commerce in Perspective

North America M-commerce Market

- Maturing much later than that in other countries.
- In 2017 m-commerce accounted for 35 percent of all e-commerce sales.
- By 2021, its portion of e-commerce sales is expected to reach 54 percent.
- The number of mobile Web sites worldwide has grown rapidly.
- Advances in wireless broadband technologies.

M-Commerce Sites

Rank	Company
1	eBay
2	Amazon
3	Apple
4	Burberry
5	John Lewis
6	Lush

Advantages of E-Commerce

Conversion to an e-commerce or m-commerce system enables organizations to:

1. Reach new customers
2. Reduce costs
3. Speed the flow of goods and information
4. Increase the accuracy of orders
5. Improve customer service

Multistage Model for E-Commerce

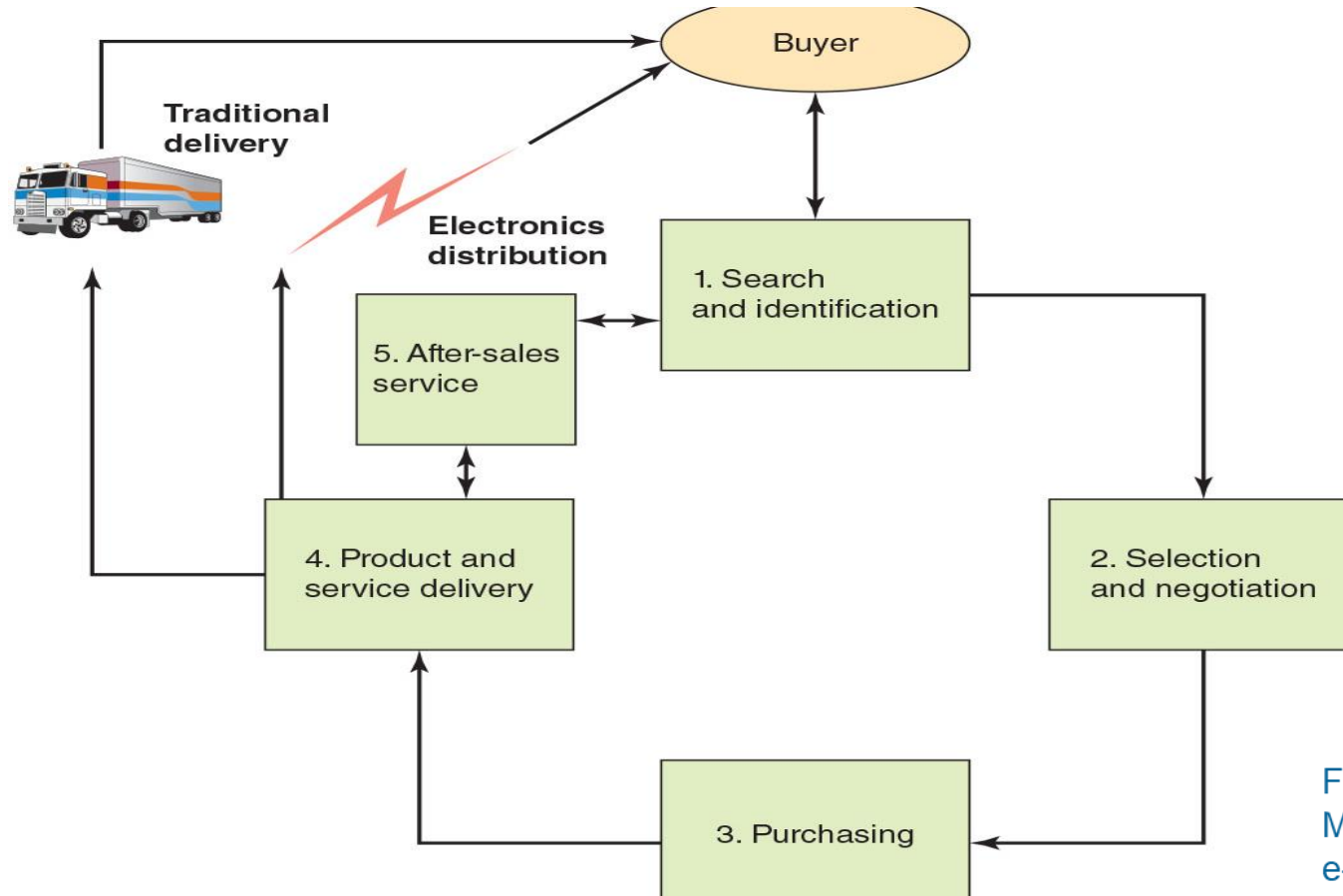


FIGURE 9.2
Multistage model for
e-commerce (B2B and B2C)
A successful e-commerce
system addresses the stages that
consumers experience in the sales
life cycle.

Multistage Model for E-Commerce

A successful e-commerce system must address the many stages that consumers experience in the sales life cycle:

- **Search and identification**
- **Select and negotiate**
- **Purchase products and services electronically**
- **Deliver products and services**
- **After-sales service**

Group Discussion

In a group, click on Google Chrome and search for a B2C E Commerce application which has two **innovative** features.

Prepare 4 PowerPoint slides

1. Slide 1 Topic, Team Members
2. Slide 2 Application Feature One
3. Slide 3 Application Feature Two
4. Slide 4 Question and Answer

E-Commerce Challenges

Three Key Challenges To E-commerce

1. Dealing with consumer privacy concerns

- About one-third of all adult Internet users will not buy online due to privacy concerns.

2. Overcoming consumers' lack of trust

- Online marketers must create specific trust-building strategies for their Web sites.

3. Overcoming global issues

- Cultural, language, time and distance, infrastructure, currency, and law challenges.

E-Commerce and M-Commerce Applications

Areas in which applications are used

Wholesale e-commerce

Manufacturing

Marketing

Advertising

Bartering

Retargeting, price comparison, and couponing

Investment and finance

Banking

Online personalized shopping

Strategies for Successful E-Commerce and M-Commerce

Companies must develop effective Web sites that include the following characteristics:

1. Easy to use
2. Accomplish the goals of the company
3. Safe and secure
4. Affordable to set up and maintain

Defining an Effective E-Commerce Model and Strategy

Company's decision on the effective e-commerce model it wants to use

First major challenge for a successful e-commerce site

Three components of a successful model:

- Community
- Content
- Commerce

Defining an Effective E-Commerce Model and Strategy



FIGURE 9.11 Content, commerce, and community
A successful e-commerce model includes three basic components.

Defining the Functions of a Web Site

1. Decide which tasks the site must accomplish.
2. Create an attractive presence for the company.
3. Meet visitor needs.
4. Redefine the site as needed.

Electric Payment Systems

Electric Payment Systems (4 of 4)

Payment System	Description	Advantages	Disadvantages
Credit card	Carries preset spending limit based on the user's credit history	Each month the user can pay all or part of the amount owed.	The unpaid balance accumulates interest charges—often at a high rate of interest.
Charge card	Looks like a credit card but carries no preset spending limit	Does not involve lines of credit and does not accumulate interest charges	The entire amount charged to the card is due at the end of the billing period or the user must pay a fee.
Debit card	Looks like a credit card or automated teller machine (ATM) card	Operates like cash or a personal check	Money is immediately deducted from user's account balance.
Smart card	Is a credit card device with embedded microchip capable of storing facts about cardholder	Better protected from misuse than conventional credit, charge, and debit cards because the smart card information is encrypted	Slowly becoming more widely used in the United States</TBXT1>

TABLE 9.8 Comparison of payment systems



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Technology Infrastructure Required to Support E-Commerce and M-Commerce

Poor Web site performance drives consumers to abandon some e-commerce sites in favor of those with better, more reliable performance

1. Slow response time,
2. Inadequate customer support and
3. Lost orders

Case Study



Case Study E Commerce In 2030



Case Study M Commerce



Any Questions?

Thank You for listening . . =)

