

## 1. Business model / process model / business processes

→ A business model is a set of processes that combine to achieve a company's primary goal, which is typically to yield a profit.

In the first wave of electronic commerce, many investors tried to find start-up companies that had new, Internet-driven business models. These investors expected that the right business model would lead to rapid sales growth and market dominance

If a company was successful using a new “dot-com” business model, investors would clamor to copy that model or find a start-up company that planned to use a similar business model. This strategy led the way to many business failures, some of them quite dramatic.

Today, most companies realize that copying or adapting someone else's business model is neither an easy nor wise road map to success. Instead, companies should examine the elements of their business; that is, they should identify business processes that they can streamline, enhance, or replace with processes driven by Internet technologies.

Companies and investors do use the idea of a revenue model, which is a specific collection of business processes used to identify customers, market to those customers and generate sales to those customers. The revenue model idea is helpful for classifying revenue-generating activities for communication and analysis purposes.

- Business process:

In addition to the revenue model grouping of business processes, companies think of the rest of their operations as specific business processes.

Those processes include purchasing raw materials or goods for resale, converting materials and labor into finished goods, managing transportation and logistics, hiring and training employees, managing the finances of the business, and many other activities

In some cases, business processes use traditional commerce activities very effectively, and technology cannot improve them. Products that buyers prefer to

touch, smell, or examine closely can be difficult to sell using electronic commerce.

For example, customers might be reluctant to buy items that have an important element of tactile feel or condition such as high-fashion clothing

### 3. Advantages and disadvantages

Advantage:

1. Speed Up The Buying Process And Save Time For Customers
2. Personalize The Store As Per The Customer Expectation.
4. Easily Retarget Your Customers.
5. Easier To Encourage An Impulse Buy

6. Reviews Available
7. Able To Provide Detailed Information To The Customer.
8. Best Quality Of Services In Reasonably Low Operation Cost
9. Quick And Affordable Marketing
10. Provide Flexibility To The Customer To Buy Product 24/7
11. Less Store Setup Cost And Quick ROI (Return Of Investments)
12. No Geographical Limitation, Tap The Global Market Form The Day One.
13. Environment – Friendly
14. Compare Product And Price

Disadvantage:

1. Lack Of Personal Touch.
2. Unsure About The Quality
3. Late Delivery
4. Security Issues
5. Internet Bandwidth
6. Some Products Are Difficult To Purchase Online
7. E-Commerce Is Highly Competitive
8. It Is Difficult To Try Before Buying.
9. Site Crash Issues

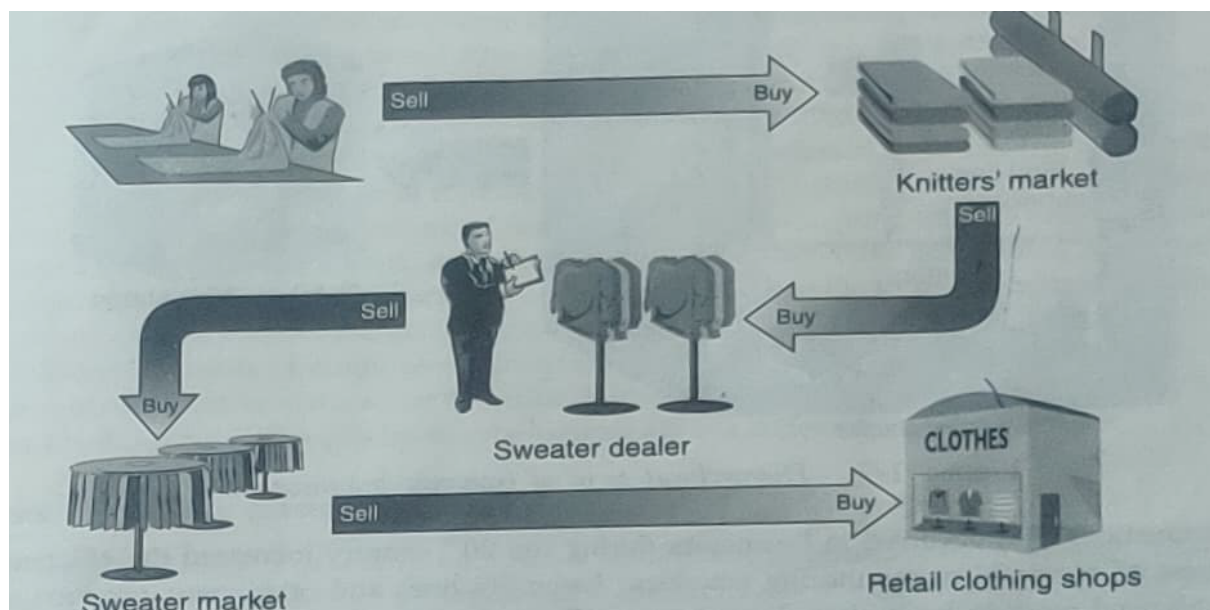
Que–2 Transaction cost

Transaction costs are the total of all costs that a buyer and seller incur as they gather information and negotiate a purchase-and-sale transaction.

Although brokerage fees and sales commissions can be a part of transaction costs, the cost of information search and acquisition is often far larger.

Another significant component of transaction costs can be

the investment a seller makes in equipment or in the hiring of skilled employees to supply the product or service to the buyer.



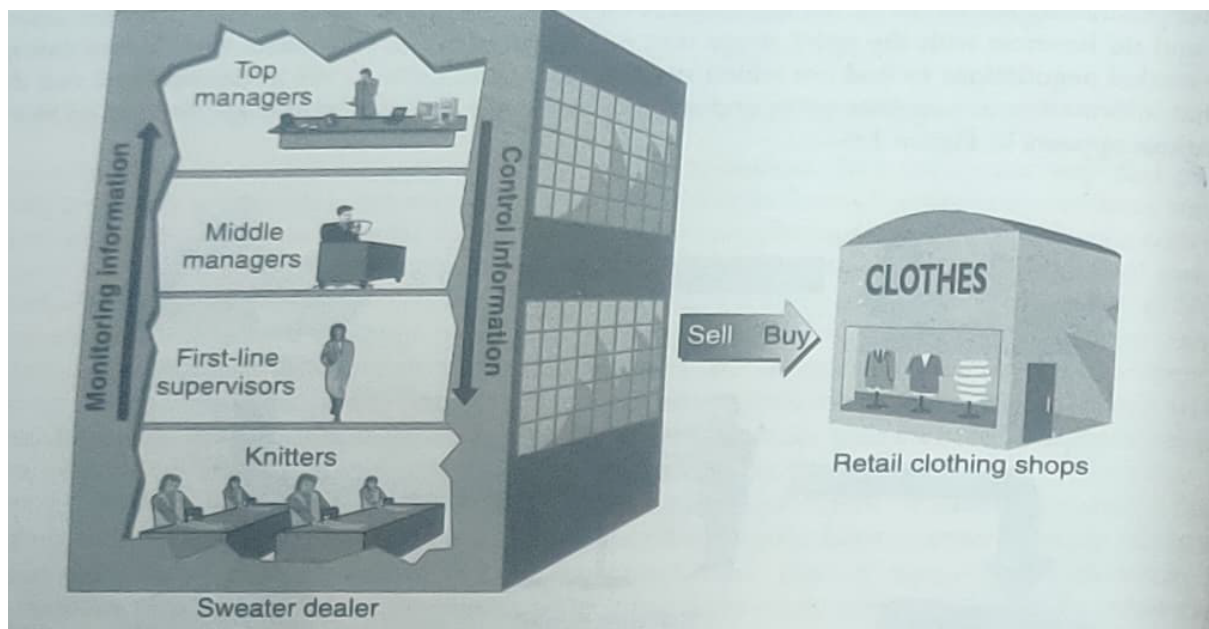
## Que-2 Markets and Hierarchies

when transaction costs were high, business people would form organizations to replace market-negotiated transactions.

These organizations would be hierarchical and would include strong supervision and worker-monitoring elements.

The practice of an existing firm replacing one or more of its supplier markets with its own hierarchical structure for creating the supplied product is called vertical integration.

Figure 1-7 shows how the sweater example would look after the knitters and the individual sweater dealers were vertically integrated into the hierarchical structure of a single sweater dealer.



A strategic business unit, or simply business unit, is an autonomous part of a company that is large enough to

manage itself but small enough to respond quickly to changes in its business environment.

Strategic business units have their own mission and objectives;

## Que -6 Identifying Electronic Commerce Opportunities

Internet technologies can be used to improve such a wide range of business processes that it can be difficult for managers to decide where and how to use them.

Business activities are conducted by firms of all sizes. Smaller firms might combine business activities to create one product, sell through one distribution channel, or sell to one type of customer.

Larger firms combine business activities to sell many different products and services through a variety of distribution channels to several types of customers.

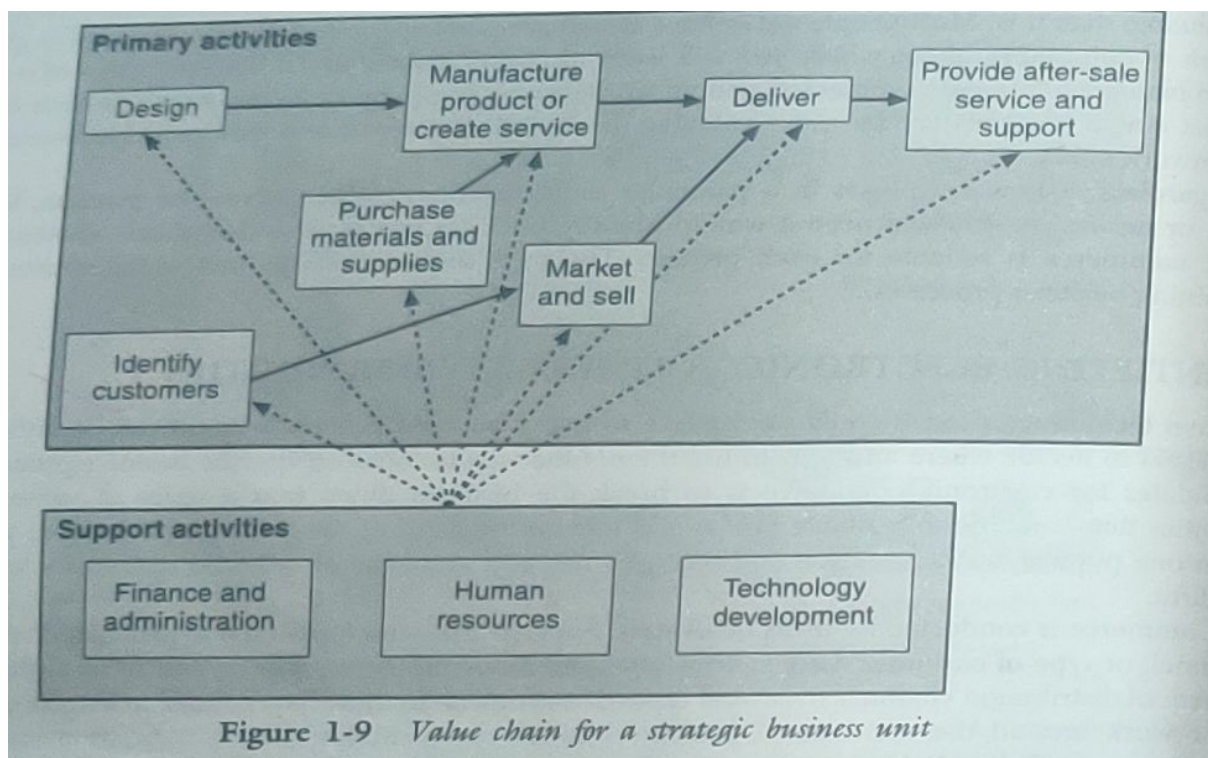
In these larger firms, managers organize their business activities into strategic business units,

### 1. Strategic Business Unit Value Chains

Competitive Advantage, Michael Porter introduced the idea of **value Chains**.

A value chain is a way of organizing the activities that each strategic business unit undertakes to design, produce, promote, market, deliver, and support the products or services it sells.

In addition to these **primary activities**, Porter also includes **supporting activities**, such as human resource management and purchasing, in the value chain model.



Each strategic business unit conducts the following primary activities:

- **Design:** activities that take a product from concept to manufacturing, including concept research, engineering, and test marketing



- **Identify customers:** activities that help the firm find new customers and new ways to serve existing customers, including market research and customer satisfaction surveys
- **Purchase materials and supplies:** procurement activities, including vendor selection, vendor qualification, negotiating long-term supply contracts, and monitoring quality and timeliness of delivery
- **Manufacture product or create service:** activities that transform materials and labor into finished products, including fabricating, assembling, finishing, testing, and packaging
- **Market and sell:** activities that give buyers a way to purchase and that provide inducements for them to do so, including advertising, promoting, managing salespeople, pricing, and identifying and monitoring sales and distribution channels
- **Deliver:** activities that store, distribute, and ship the final product or provide the service, including warehousing, handling materials, consolidating freight, selecting shippers, and monitoring timelines of delivery.
- **Provide after-sales service and support:** activities that promote a continuing relationship with the customer, including installing, testing, maintaining, repairing, fulfilling warranties, and replacing parts

support activities that appear in

Figure 1-9. These activities include the following:

- **Finance and administration activities:** providing the firm's basic

infrastructure, including accounting, paying bills, borrowing funds, reporting to government regulators, and ensuring compliance with relevant laws

- **Human resource activities:** coordinating the management of employees, including recruiting, hiring, training, compensation, and managing benefits

- **Technology development activities:** improving the product or service that the firm is selling and that helps improve the business processes in every primary activity, including basic research, applied research and development, process improvement studies, and field tests of maintenance procedures

## 2. Industry Value Chains

value system to describe the larger stream of activities into which a particular business unit's value chain

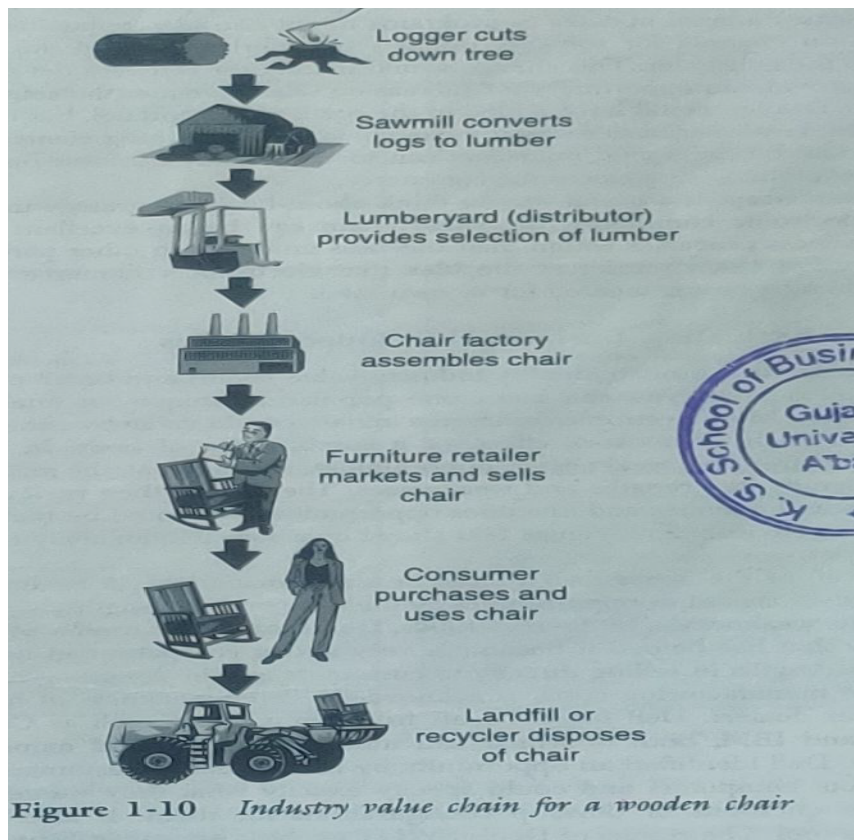
When a business unit delivers a product to its customer, that customer might use the product as purchased materials in its value

Chain.

By becoming aware of how other business units in the industry value chain conduct their activities, managers can identify new opportunities for cost reduction, product improvement, or channel reconfiguration.

Every product or service is sold within an industry value chain that can be identified and analyzed for these opportunities.

To create an industry value chain, start with the inputs to your strategic business unit and work backward to identify your suppliers' suppliers, then the suppliers of those suppliers, and so on. Then start with your customers and work forward to identify your customers' customers, then the customers of those customers, and so on.



### 3. **SWOT Analysis: Evaluating Business Unit Opportunities**

In **SWOT analysis** (the acronym is for strengths, weaknesses, opportunities, and threats), the analyst first looks into the business unit to identify its strengths and weaknesses.

The analyst then reviews the environment in which the business unit operates and identifies opportunities

presented by that environment and the threats posed by that environment.

**Dell Computer** used a SWOT analysis to create a business strategy that helped it become a strong competitor in its industry value chain. Dell identified its strengths in selling directly to customers and in designing its computers and other products to reduce manufacturing costs.

## **Que 7 : International Nature of Electronic Commerce**

Because the Internet connects computers all over the world, any business that engage. in electronic commerce instantly becomes an international business,

### **Trust Issues on the Web**

It is important for all businesses to establish trusting relationships with their customers.

Companies with established reputations in the physical world often create trust by ensuring that customers know who they are.

These businesses can rely on their established brand names to create trust on the Web.

For example, a U.S. bank can establish a Web site that offers services throughout the world. No potential customer visiting the site can determine just how large or well established the bank is simply by browsing through the site's pages.

## **Language Issues**

Most companies realize that the only way to do business effectively in other cultures is to adapt to those cultures. The phrase “think globally, act locally” is often used to describe this approach.

translating the Web site into another language or regional dialect. Researchers have found that customers are far more likely to buy products and services from Web sites in their own language, even if they can read English well.

Today, about 25 percent of Web sites are in English.

## **Cultural Issues**

An important element of business trust is anticipating how the other party to a transaction will act in specific circumstance

companies with established brands can build online businesses more quickly and easily than a new company without a reputation.

The combination of language and customs is often called **culture**.

All companies must be aware of the differences in language and customs that make up the culture of any region in which they intend to do business.

## **Infrastructure Issues**

Internet infrastructure includes the computers and software connected to the Internet and the communications networks over which the message packets travel.

In many countries other than the United States, the telecommunications industry is either government-owned or heavily regulated by the government.

## **Role of Merchandising**

Retail merchants have years of traditional commerce experience in creating store environments that help convince customers to buy.

This combination of store design, layout, and product display knowledge is called **merchandising**. In addition, many salespeople have developed skills that allow them to identify customer needs and find products or services that meet those needs.

The skills of merchandising and personal selling can be difficult to practice remotely.

However, companies must be able to transfer their merchandising skills to the Web for their Web sites to be successful. Some products are easier to sell on the Internet than others because the merchandising skills related to those products are easier to transfer to the Web

## **Ch-4**

### **1. What do you meant by revenue model?**

**a useful way to think about electronic commerce implementations is to consider the various**



**strategies that can be used to generate revenue, which are called revenue models.**

**Not all electronic commerce initiatives have the goal of providing revenue; some are undertaken to reduce costs or improve customer service.**

- Web business revenue-generating models
  - Web catalog
  - Digital content
  - Advertising-supported
  - Advertising-subscription mixed
  - Fee-based

2. Define catalog with example.

The seller establishes a brand image, and then uses the strength of that image to sell through printed information mailed to prospective buyers, who place orders by mail or telephone. this revenue model, called the mail-order or catalog model

Ex.. including apparel, computers, electronics, housewares, and

Gifts

3. Web catalog revenue model with different domain/industry

Many companies have adapted revenue model to the online world by replacing or supplementing their print catalogs with information on their Web sites. This revenue model is called the Web catalog revenue model.

Most customers today place orders through the Web site, but in the early years of electronic commerce, many shoppers used the Web to obtain information about products and compare prices and features, and then made their purchases by telephone.

**Ex . domain-Books,misic and video    ex:**  
**amazon.com,barnes & noble**

**Clothing retailer→Lands' End(1999),My Virtual Model**

**Flower and gifts→ 1-800-flowers,Godiva**

**4. Explain different type of catalogs considering traditional catalog to invention.**

**5. Digital content revenue model(fee for content revenue model)**

**6. Advertising - supported revenue model**

**7. Advertising - subscription mixed revenue model**

## **8. Fee for transaction revenue model**

## **5. Digital content revenue model(fee for content revenue model)**

**Firms that own written information (words or numbers) or rights to that information have embraced the Web as a highly efficient distribution mechanism. Many of these companies use a digital content revenue model;**

**Many companies sell subscriptions that give customers the right to access all or a specified part of the information; others sell the right to access individual items**

**A number of companies combine these two approaches and sell both subscriptions and individual access rights.**

**Ex Academic reserach content : ProQuest→ digital copy of academic publication**

**Business content : Dow Jones →newspaper punlisher subscription,factiva**

**Technical content : ACM→digital library**

**ELECTRONIC BOOKS→**

**Another type of digital content sold online is the electronic book.-->Today, electronic books (that can be**

**read or listened to) are available for dedicated devices such as Amazon's Kindle products.**

**ONLINE MUSIC→The largest online music stores today include Amazon MP3, Apple's iTunes, and Google Play.**

## **6. Advertising - supported revenue model**

**The advertising-supported revenue model is the one used by broadcast network**

**television in the United States. Broadcasters**

**Broadcasters provide free programming to an audience along with advertising messages.**

**Ex→travel site:Travel portals such as Kayak have also been successful as advertising-supported online businesses**

- Problem: measuring and charging site visitor views
  - **Stickiness**
    - Keeping visitors at site and attracting repeat visitors
    - Exposed to more advertising in a sticky site
- Problem: obtaining large advertiser interest
  - Requires **demographic information** collection
    - Characteristics set used to group visitors

**Two examples of successful advertising-supported sites that appeal to audiences with specific interests are The Huffington Post and the Drudge Report.**

## **Web portals (portal)**

- Site used as a launching point to enter the Web
  - Almost always includes a Web directory or search engine
  - Often includes other features
- **Web directories**
  - Listing of hyperlinks to Web pages
- Yahoo!: one of the first
  - Presents search term triggered advertising on each page

## **ADVERTISING-SUPPORTED NEWSPAPERS**

**. They sell advertising to cover the costs of converting their print content to an online format and operating the Web site**

- Internet Public Library Online Newspapers page
  - Provides links to worldwide newspaper sites

## **ADVERTISING-SUPPORTED ONLINE CLASSIFIED AD SITES**

**. advertising. Each ad is placed in a specific classification**

**and only readers interested in that type of ad will read that classification.**

**Sites such as [craigslist](#) now carry free classified ads that would once have produced substantial classified advertising revenue for local newspapers.**

**The most successful targeted classified advertising category has been Web employment sites.**

**ex..CareerBuilder.com,Monster.com**

**Another type of online classified advertising business is the used vehicle site.**

**ex..AutoTrader.com**

## **7. Advertising - subscription mixed revenue model**

**In an advertising-subscription mixed revenue model, which has been used for many**

years by traditional print newspapers and magazines, subscribers pay a fee, but also accept some level of advertising. On Web sites that use the advertising-subscription mixed revenue model, subscribers are typically subjected to much less advertising than they are on sites supported completely by advertising.

this model as they try to find the best way to generate revenue online.

Two of the world's most widely circulated newspapers, The New York Times and The Wall Street Journal, have each used an advertising-subscription mixed model since they first took their publications online.

- *The New York Times* (today)
  - Bulk of revenue derived from advertising
- *The Wall Street Journal* (mixed model)
  - Subscription revenue weighted more heavily



Mixed Advertising-Subscription Supported		
Advertising-Supported	Most Content Free to All Visitors	Most Content Available Only to Subscribers
The Boston Globe Cleveland Plain Dealer Financial Times Newsweek InStyle PC Magazine San Francisco Chronicle Smithsonian Time	BusinessWeek Forbes Inc. Magazine The Los Angeles Times The New York Times The Washington Post Salon.com Technology Review	The Economist Foreign Affairs Harvard Business Review National Geographic Nature People Scientific American Sports Illustrated The Wall Street Journal

**FIGURE 3-3** Revenue models used by online editions of newspapers and magazines

Sports fans visit the ESPN site for all types of sports-related information. ESPN uses a mixed model that includes advertising and subscription revenue,

.

## 8. Fee for transaction revenue model

In the fee-for-transaction revenue model, businesses offer services for which they charge a fee that is based on the number or size of transactions they process.

Some of these services, including stock trading and online banking, lend themselves well to operating on the Web.

## 1) Travel

- Travel
  - Travel agency revenue model: receive fee for facilitating a transaction
- Computers also good at information consolidation and filtering
  - Travel agents have long used networked computers: Sabre Travel Network
- Internet provided a new way to do business online
  - Examples: Travelocity, Expedia, Hotels.com, Hotel Discount Reservations, Orbitz

## 2) Automobile sales

## Automobile sales

- Web sites implement the fee-for-transaction revenue model differently
- CarsDirect.com model
  - Customers select specific car, site determines price and finds local dealer
- Autoweb.com and Autobytel model
  - Locate local dealers, car sells at small premium over dealer's nominal cost
- Car salesperson: disintermediated
- Web site: new intermediary (reintermediation)

## Revenue Models in Transition

- Companies must change revenue model
  - To meet needs of new and changing Web users
- Some companies created e-commerce Web sites
  - Needed many years to grow large enough to become profitable (CNN and ESPN)
- Some companies changed model or went out of business
  - Due to lengthy unprofitable growth phases

## Ch -5

### 1. Four p's of Marketing

→The product is what your company sells.

Ideally, your product or service should fulfill an existing consumer demand. The type of product or service you offer helps you determine how much to charge for it, where it should be placed, and how it should be promoted

For example, [Apple was the first company to sell a touchscreen smartphone](#) that had the ability to do much more than simply make phone calls.

### 2.Price

Price is the amount of money you charge customers for the previously determined product or service. The right price drives up the most amount of sales and the most profit for your company. The price also must be related to the product's real and perceived value.

#### **Example of Price**

There are [several factors that can affect the cost of a product or service](#), like supply costs, seasonal discounts, and competitors' prices.

### 3.Place

The third P of marketing is place. This is the place where you should sell your product and how it should be delivered to the market.

ex.. Place can even refer to where you choose to advertise your product, like on TV, social media, or web pages.

### 4.Promotion

The final P of marketing is promotion. Promotion includes all of the advertising and public relations that make up your promotional strategy for your product.

The goal of promoting your product is to show consumers why they need it, what problem it will solve for them, and why they should fork over their hard-earned money for it. What is the best way to

reach your target market? It might be a social media platform, a PR campaign, or an SEO strategy.

Ex – They might include online marketing, SEO, social media, Google Ads, [social media advertising](#), affiliate marketing or [influencer marketing](#), content marketing, or email marketing

1.e-Governance can be defined as the application of information and communication technology (ICT) for providing government services, exchange of information, transactions, integration of previously existing services and information portals.

2.pillar of e -gover

## PILLARS OF E-GOVERNANCE

.1.Process.:-A series of steps taken in order to achieve a particular end.

2.People.:-The supporters or employees of a person in a position of power or authority.

3. Technology:-The application of scientific knowledge for practical purpose, especially in industry.

4. Resources:-An strategy which maybe adopted in adverse circumstances.

- e-Government is a system whereas e-Governance is a functionality.
- Government means the application of ICT in government operations, as a tool to make a better government. e-Governance, on the other hand, implies the use of ICT in transforming and supporting functions and structures of the system.
- It is a one-way protocol but e-Government is a two-way protocol (government to citizen and vice versa)
- e-Governance is the part of e-Government. e-Governance never comes alone.

## 6. Issue in e-governance

- **Technical Issues**
- Security: Internet transactions are a major concern due to a lack of security. Insurance, banking, and

utility bill payments are all handled by e-government platforms.

- Privacy: Misuse of personal data is another aspect that has proved challenging.
- Interoperability: Coordination between the ministries, communication gaps, and data transfer limitations.
- **Economic Issues**
- Cost: Implementing e-governance operations and maintaining services is very costly.
- Reusability: Any government-developed model must be reusable. E-governance is a nationwide plan that should include software or programs that government agencies can use.
- Maintenance: The government needs to constantly maintain such platforms and introduce new software to meet citizens' current demands.
- Portability: Providing technologies independent of heavy immovable hardware.
- **Social Issues**



- **Accessibility:** Many people in rural areas cannot access such a portal due to language barriers, insufficient infrastructure, etc.
- **Illiteracy:** Illiteracy is a major factor that renders such platforms useless.
- **Language:** A major chunk of the population can't understand English. The government must meet the gap and add different languages to their portals.
- **Awareness:** Informed citizens, concerned institutions, and government departments should take it as a responsibility to spread the information and promote e-services.

## Maturity model

### **Level 1 — Initial (E-Government)**

At this level, the focus is on moving services online for user convenience and cost savings, but data and its uses are extremely limited. “If the organizational view is

that a high percentage of online services or mobile access represents a modern digital government, then more education and advocacy is needed to show what real digital government looks like, and its benefits,” said Di Maio. “To make the case for advancement, create case studies explaining how digital transformation will ease or remove high-priority pain points for the organization.”

## **Level 2 — Developing (Open)**

Level 2 is not necessarily subsequent to level 1.

E-government and open government programs often coexist, with different leadership and priorities. Open government often takes the form of public-facing programs intended to promote transparency, citizen engagement and the data economy. Examples we see today are nascent open data initiatives, often in the context of [smart city programs](#) such as the [Copenhagen Data Exchange](#).

### **Level 3 — Defined (Data-Centric)**

On this level the focus shifts from simply listening to citizen or user needs to proactively exploring the new possibilities inherent in strategically collecting and leveraging data. The key performance indicators here are “how much of our data is open?” and “how many of our applications are built on open data?” It’s tempting at this point to engage in vanity projects or skip ahead before the proper groundwork is laid; it’s paramount to remain focused on designing and implementing data-centric strategies and processes.

### **Level 4 — Managed (Fully Digital)**

By this level, the organization, agency or department has fully committed to a data-centric approach to improving government, and the preferred approach to innovation is based on open data principles. Data flows regularly across organizational boundaries, leading to

easier interactions and better services for constituents. It's possible at this stage to encounter privacy-related backlashes, as citizens can be uncomfortable with how their data is being collected and used. Therefore, it is important to ensure that data is used within existing norms and regulations, and that this is clearly communicated.

## **Level 5 — Optimizing (Smart)**

At this point, the process of digital innovation using open data is embedded deeply across the entire government, with buy in and leadership from the top tier of policymakers. The innovation process is predictable and repeatable, even in the face of disruptions or sudden events that require rapid responses.

It includes four stages of E-governance: Presence, Interaction, Transaction, and Transformation.