Fundamentals of Information Systems, Seventh Edition

Chapter 5
Electronic and Mobile Commerce and Enterprise Systems

Principles and Learning Objectives

- Electronic and mobile commerce are evolving, providing new ways of conducting business that present both potential benefits and problems

  - Describe the current status of various forms of e-commerce, including B2B, B2C, C2C, and m-commerce

  - Identify several e-commerce and m-commerce applications

  - Identify several advantages associated with the use of e-commerce and m-commerce

Principles and Learning Objectives (continued)

- E-commerce and m-commerce require the careful planning and integration of a number of technology infrastructure components

  - Identify the key components of technology infrastructure that must be in place for e-commerce and m-commerce to work

  - Discuss the key features of the electronic payment systems needed to support e-commerce and m-commerce

Principles and Learning Objectives (continued)

- An organization must have information systems that <u>support</u> the routine, day-to-day activities that occur in the normal course of business and help a company <u>add value</u> to its products and services

    - Identify the basic activities and business objectives common to all transaction processing systems

Principles and Learning Objectives (continued)

- An organization that implements an enterprise system is creating a highly integrated set of systems, which can lead to many business benefits

  – Define the term enterprise resource planning system, identify its functions, and list its benefits.

  – Define the tern customer resource management system, identify its functions, and list its benefits.

  – Define the term product lifecycle management system, identify its functions, and list its benefits.

Why Learn About Electronic and Mobile Commerce and Enterprise Systems?

- Electronic and mobile commerce and enterprise systems:

    – **Have transformed many areas of our lives and careers**

- One fundamental change has been:

    – **The manner in which companies interact with their suppliers, customers, government agencies, and other business partners**

An Introduction to Electronic Commerce

- **Electronic commerce**:
  - Conducting business activities electronically over computer networks

- Business activities that are strong candidates for conversion to e-commerce:
  - **Paper-based**
  - **Time-consuming**
  - **Inconvenient for customers**

Business-to-Business (B2B) E-Commerce

- Subset of e-commerce

- All the participants are organizations

- B2B market considerably larger and growing faster than B2C e-commerce

- B2B revenue about 13 times larger than B2C

Business-to-Consumer (B2C) E-Commerce

- B2C e-commerce organizations sell their products directly to consumers

- **Disintermediation:**
  - The elimination of intermediate organizations between the producer and the consumer

- Web-influenced sales are sales in local stores that are stimulated through online marketing

Consumer-to-Consumer (C2C) E-Commerce

- Subset of e-commerce that involves consumers selling directly to other consumers

- Popular sites:
  - e-Bay, Bidzcom, Craigslist, eBid, Kijiji
  - ePier, Ibidfree, Ubid, and Tradus

- Companies and individuals engaging in e-commerce must be careful that their sales do not violate rules of various, county, state, or country jurisdictions

Consumer-to-Consumer (C2C) E-Commerce (continued)

Factors	B2B	B2C	C2C
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 price, payment and delivery options, quantity, quality, options, and features	Relatively simple, limited discussion over price and payment and delivery options	Relatively simple, limited discussion over payment and delivery options; negotiation over 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

Table 5.1

Differences Between B2B, B2C, and C2C

e-Government

- Use of information and communications technology to:
  - Simplify the sharing of information
  - Speed formerly paper-based processes
  - Improve the relationship between citizen and government

- Forms of e-Government
  - Government-to-consumer (G2C)
  - Government-to-business (G2B)
  - Government-to-government (G2G)