



OVERVIEW OF E-COMMERCE

Tin Trinh (tintt@uit.edu.vn)
E-Commerce Department, UIT



OUTLINE

1. The definition of E-commerce
The development of E-commerce
Benefits and obstacles to e-commerce
Infrastructure for E-commerce
2. The statistics of E-commerce in the world and in Vietnam
E-commerce development trend

Everything On Demand: The “Uberization” of E-commerce

- Class Discussion
 - Have you used Uber or any other on-demand service companies?
 - What is the appeal of these companies for users and providers?
 - Are there any negative consequences to the increased use of on-demand services like Uber and Airbnb?

Keyword

- On demand service economy
- Sharing economy

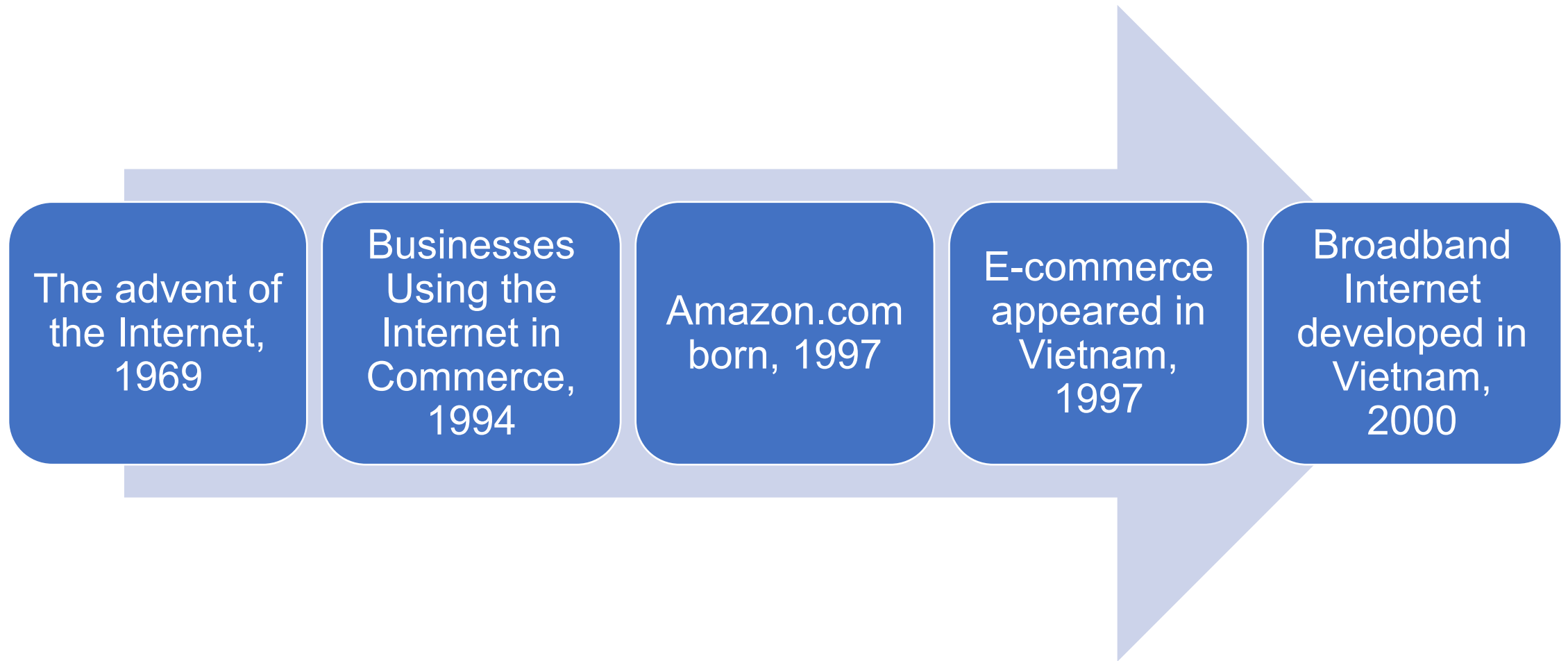


THE DEFINITION OF E-COMMERCE

E-COMMERCE DEFINITION

- E-Commerce: is the implementation of all business activities including marketing, sales, distribution and payment through electronic means (According to the United Nations, UN)
E-commerce includes the production, advertising, sale and distribution of products that are bought and sold and paid for on the internet, but can be delivered and received via the internet in the form of digitization (According to the World Trade Organization - WTO)

THE DEVELOPMENT OF E-COMMERCE



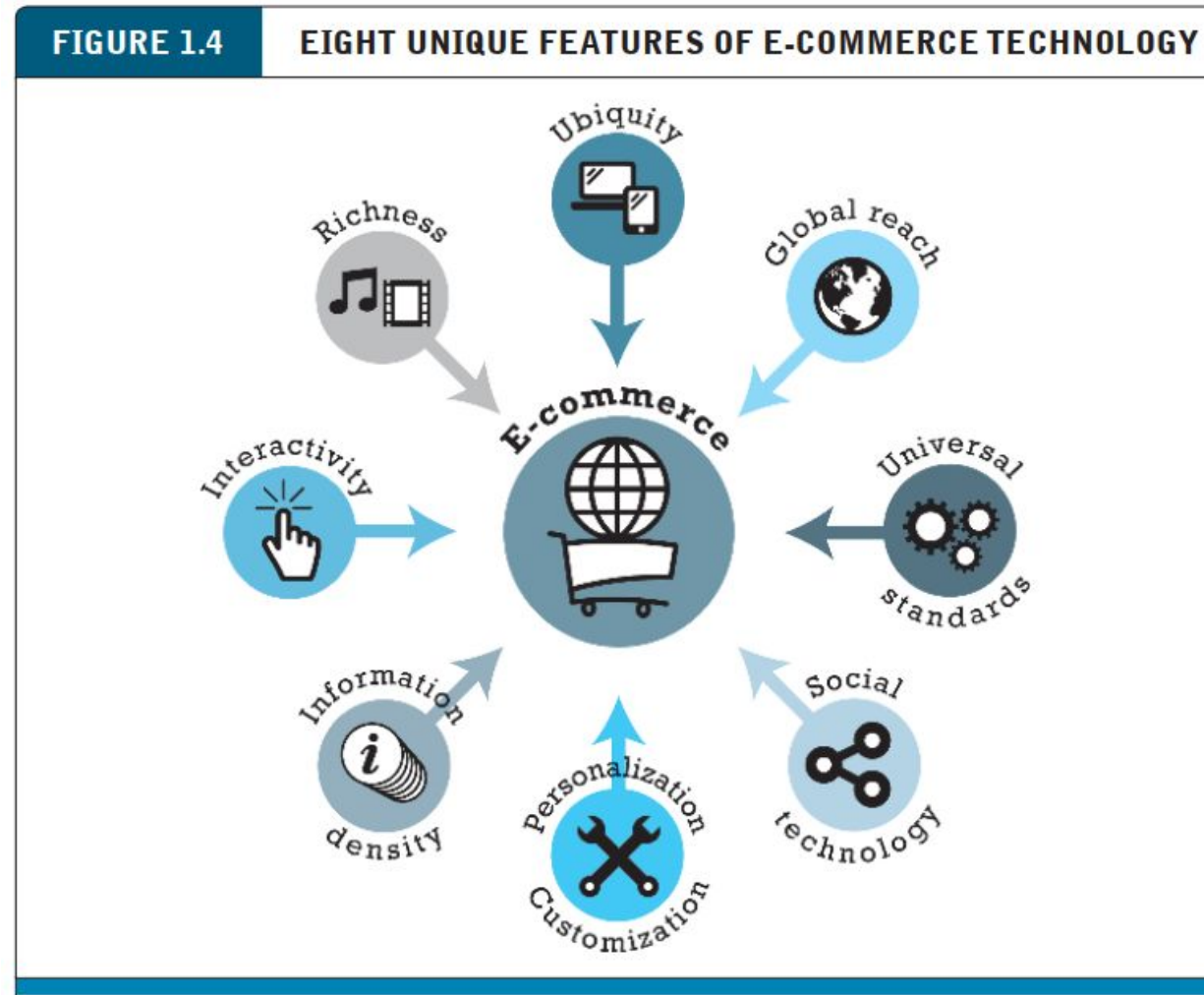
E-COMMERCE CLASSIFICATION

- Based on the participants in commercial activities, e-commerce is divided into several types as follows:

	Government	Business	Consumer
Government	G2G	G2B	G2C
Business	B2G	B2B	B2C
Consumer	C2G	C2B	C2C

- M-Commerce: Tiki Sendo Shoppe Lazada App
Social Commerce: Facebook
- Local E-Commerce

Unique Features of E-commerce Technology



E-COMMERCE VS. TRADITIONAL COMMERCE



Reduced cost of premises, labor, marketing, service quality, increased customer care



Reach more customers, no geographical limitations



Unlimited business hours, **available 24/7**



Fast buying and selling procedures, **easy to find products**, compare prices

BENEFITS OF E-COMMERCE (FOR BUSINESSES)

Save costs and facilitate transactions

- With E-commerce, you won't have to spend a lot of money on renting a store, space, and a large number of service staff. You also don't need to invest much in storage. Instead, you only need to spend 5-10 million VND to build an online sales website, the cost of operating the website per month does not exceed 1 million VND. Businesses can market globally at an extremely low cost. You can get your ads in front of hundreds of millions of viewers from all over the world. This is something that only e-commerce can do for businesses.

BENEFITS OF E-COMMERCE (FOR CUSTOMERS)

E-commerce expands the ability to choose goods, services and suppliers

- With e-commerce, customers are no longer limited by geography or time

They can buy anytime, anywhere, choosing hundreds or even thousands of suppliers from different regions and countries.

Customers can easily find products with high quality or low prices

Digitized goods such as software, movies, music, can be delivered immediately to customers via the internet.

The highly connected environment of e-commerce allows participants to coordinate, share information and experience in buying and selling goods effectively and quickly.

BENEFITS OF E-COMMERCE (FOR SOCIETY)

E-commerce creates a new way of doing business and working in accordance with industrial and modern life

- E-commerce helps small and medium-sized enterprises overcome disadvantages, and at the same time creates a strong reform motivation for state management agencies to keep up with the needs of businesses and society.
Public services such as health, education, and public services of the Government are carried out online at lower costs and more conveniently.

CHALLENGES IN THE APPLICATION OF E-COMMERCE

Government

- Challenges in policy development and application

Individuals and organizations

- The challenge of trust: the essence of e-commerce is an indirect transaction, buyers and sellers know little or even do not know each other. This leads to separate concerns for both buyers and sellers.

Business

- Changes in structure, personnel, and workflows
- Solid IT infrastructure, training for all employees on the habit of using e-commerce
- The IT team is capable of operating, administering and developing the system

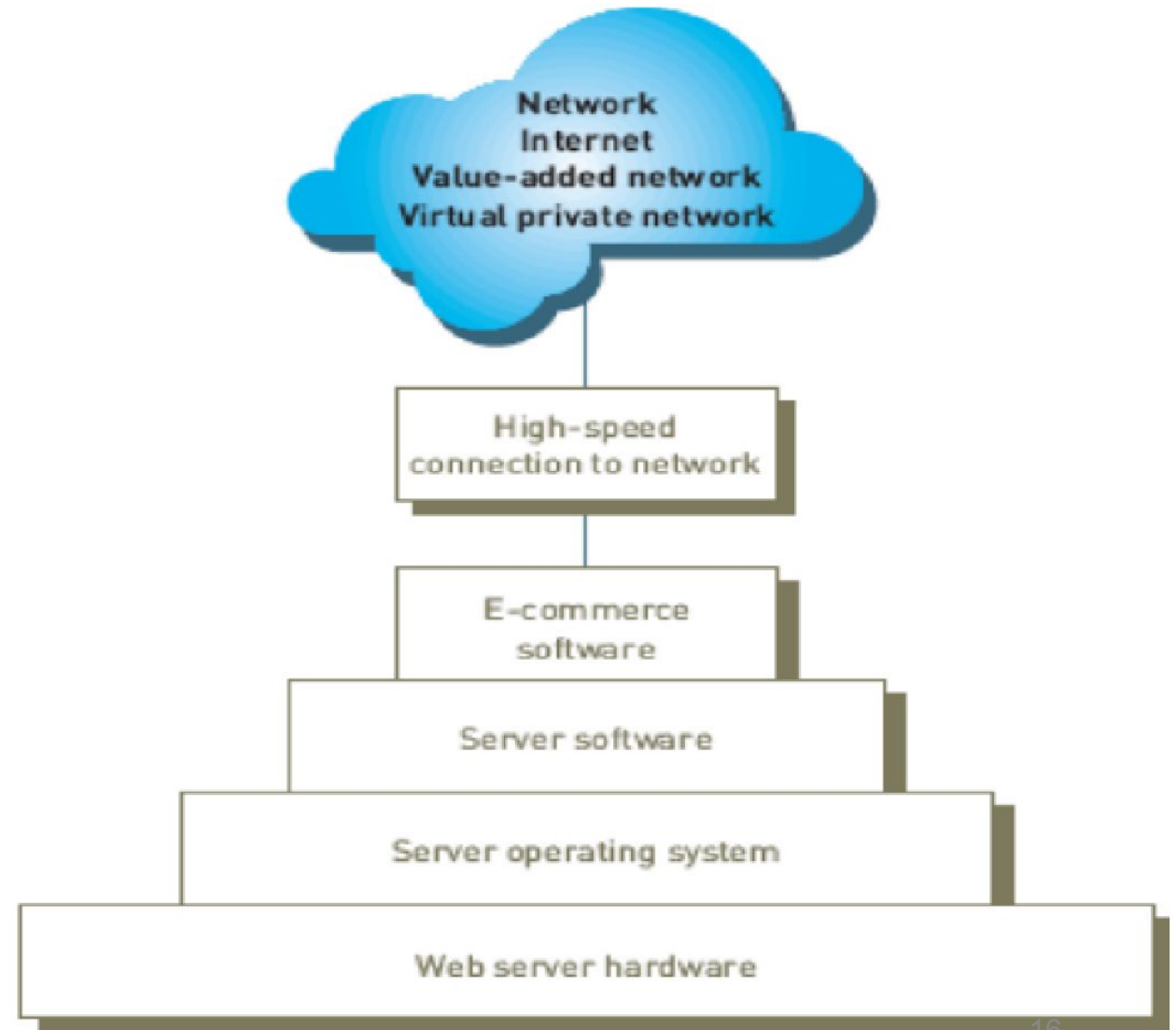
OBSTACLES TO ONLINE PURCHASES



(Tỷ lệ người tiêu dùng)

INFRASTRUCTURE FOR BUSINESS

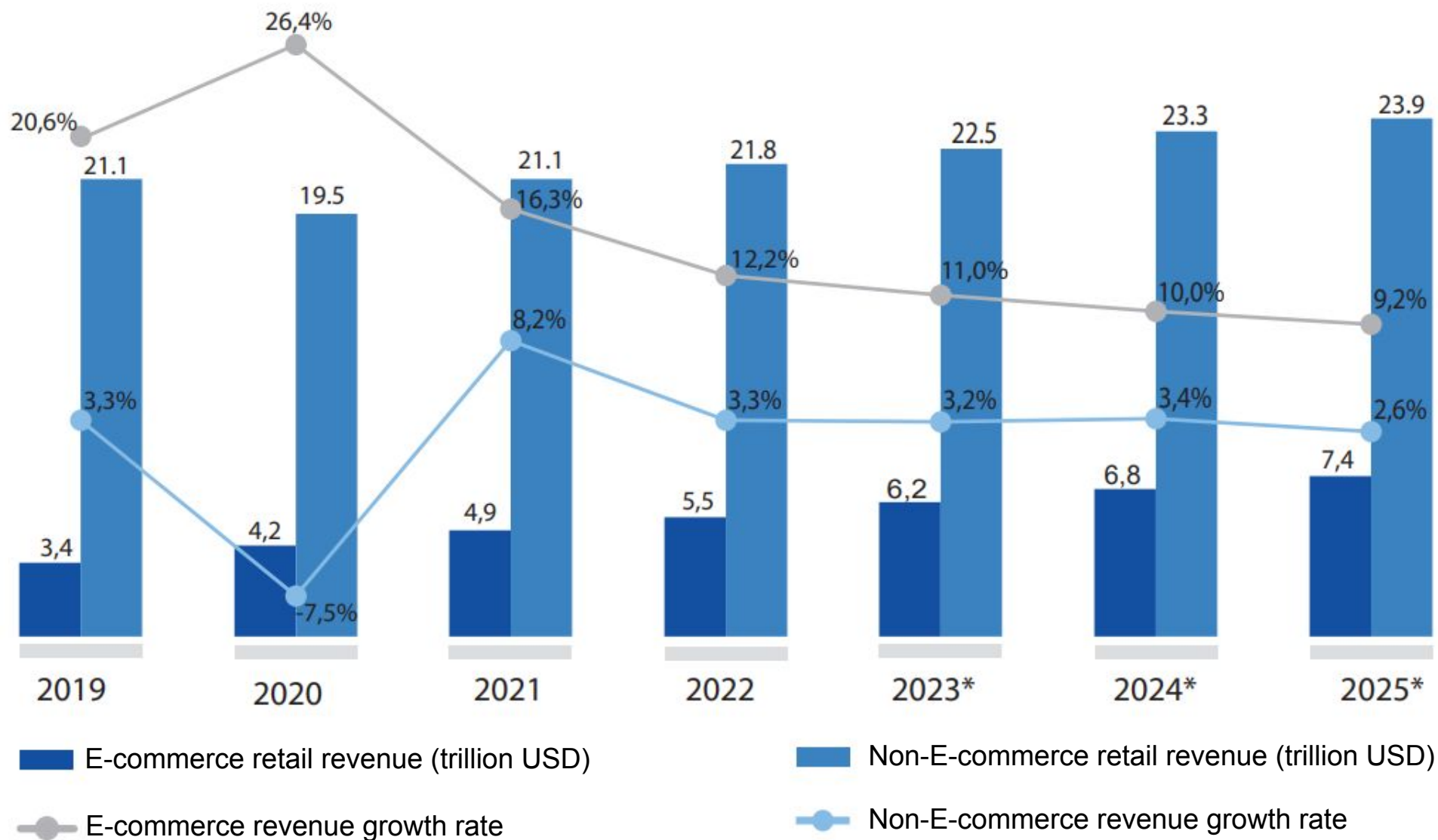
- Web server hardware
Server operating system
Server software
E-commerce software
High-speed connectivity
network





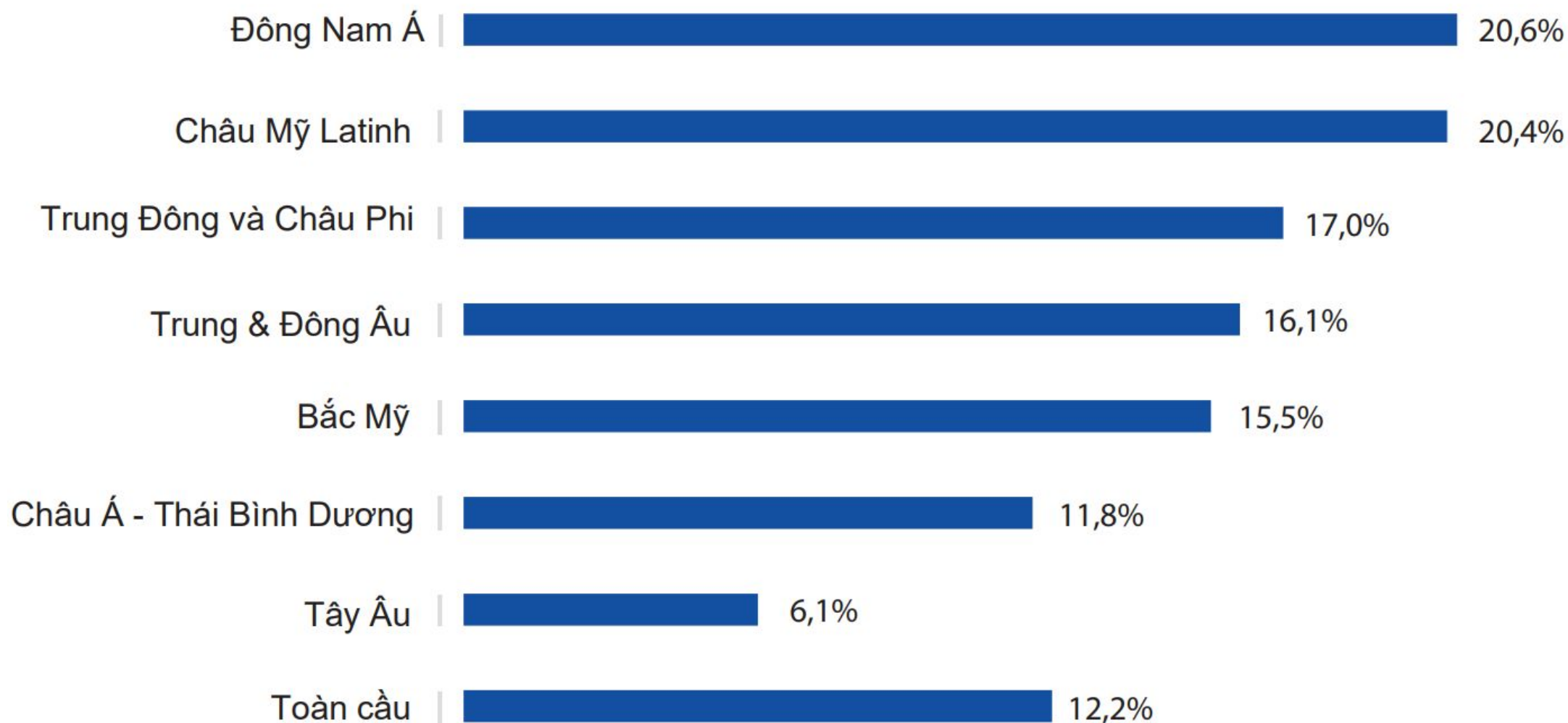
E-COMMERCE STATISTICS IN THE WORLD AND VIETNAM

GLOBAL B2C REVENUE



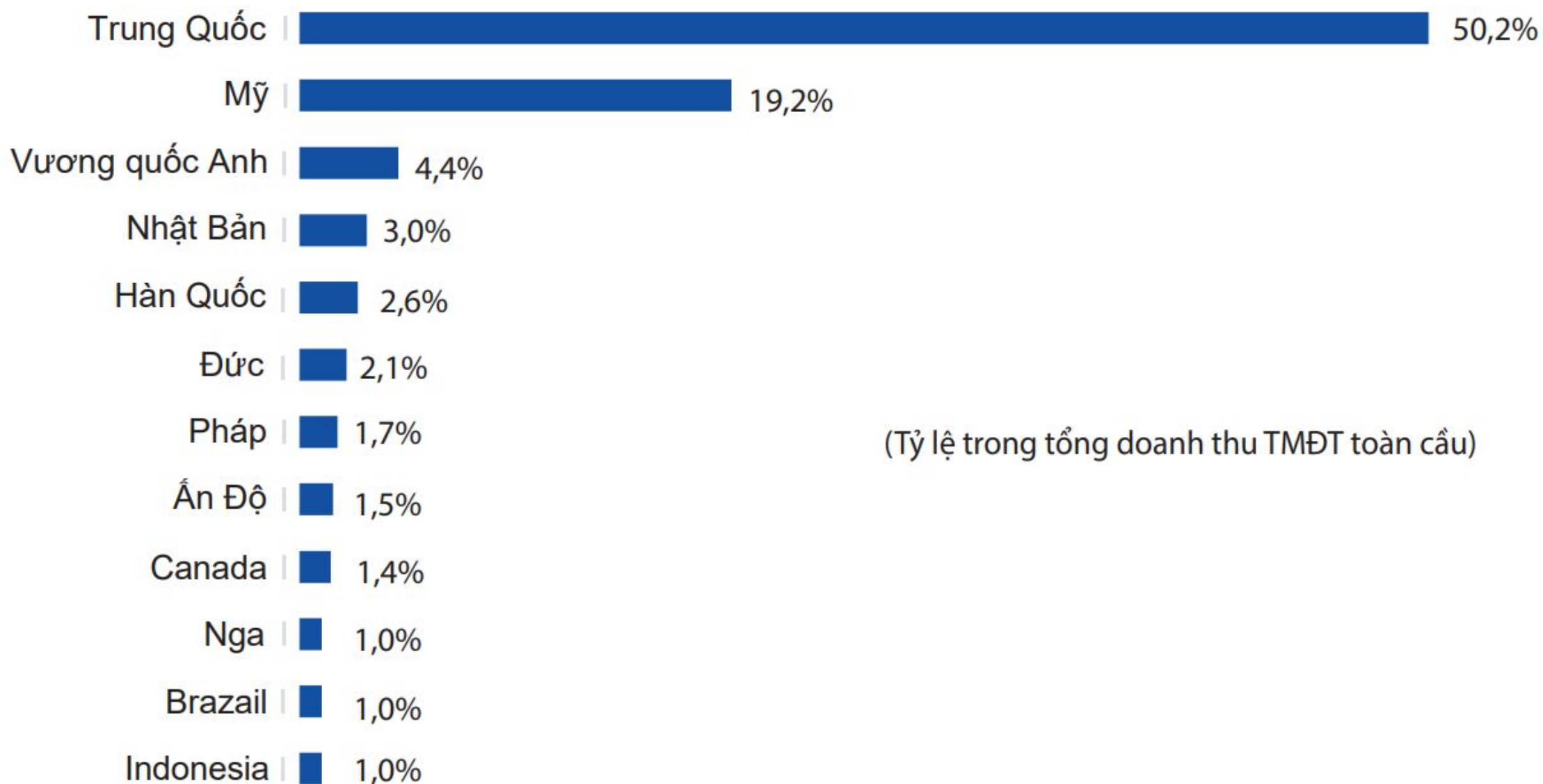
Source: "Global Ecommerce Forecast" Report - eMarketer

Global e-commerce retail revenue growth rate, by region in 2022



Source: "Global Ecommerce Forecast" Report - eMarketer

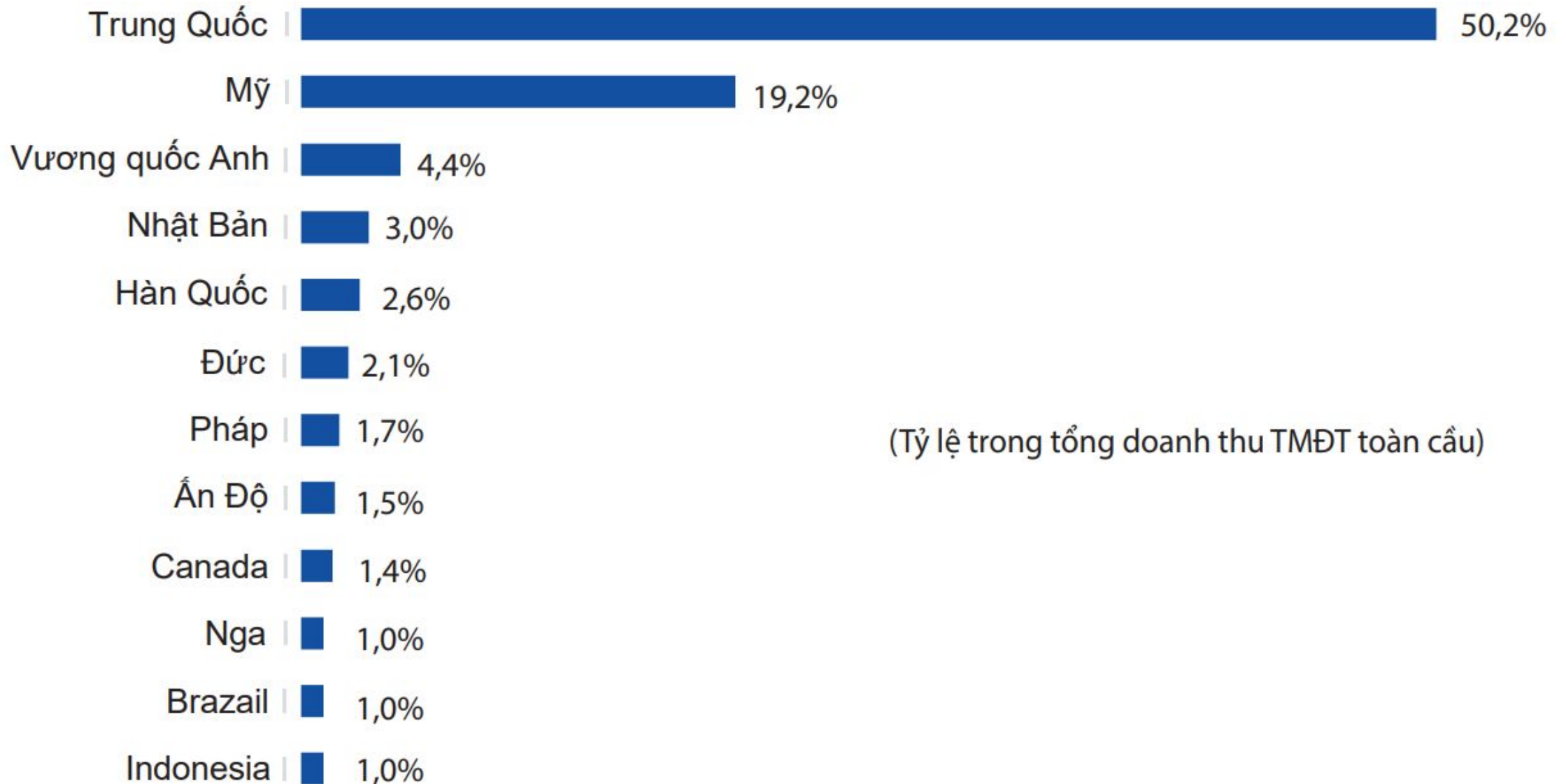
Top 12 countries with the largest global e-commerce market share in 2022



(Tỷ lệ trong tổng doanh thu TMĐT toàn cầu)

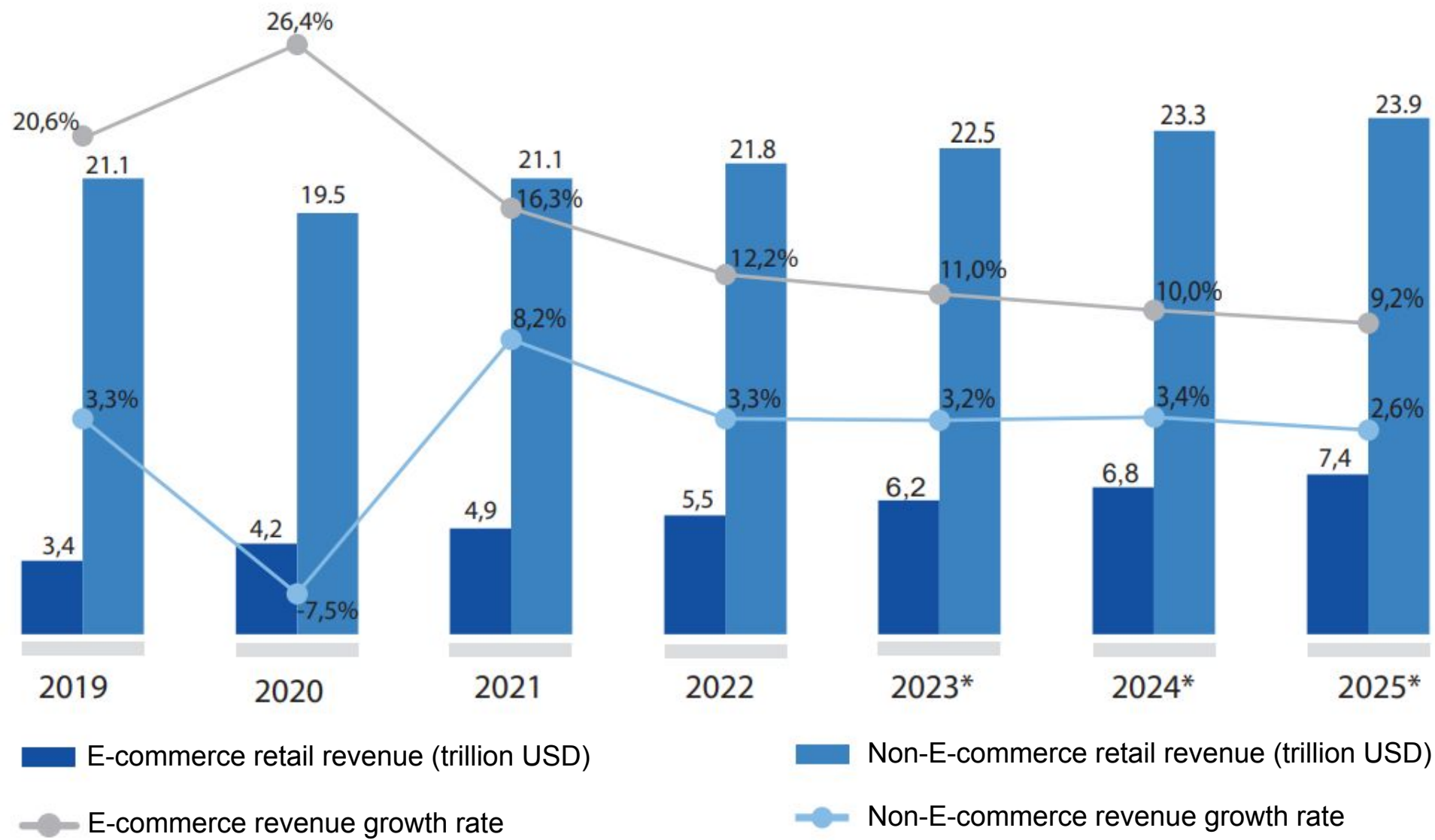
Source: "Global Ecommerce Forecast" Report - eMarketer

Top 10 countries with the largest proportion of retail e-commerce globally in 2022



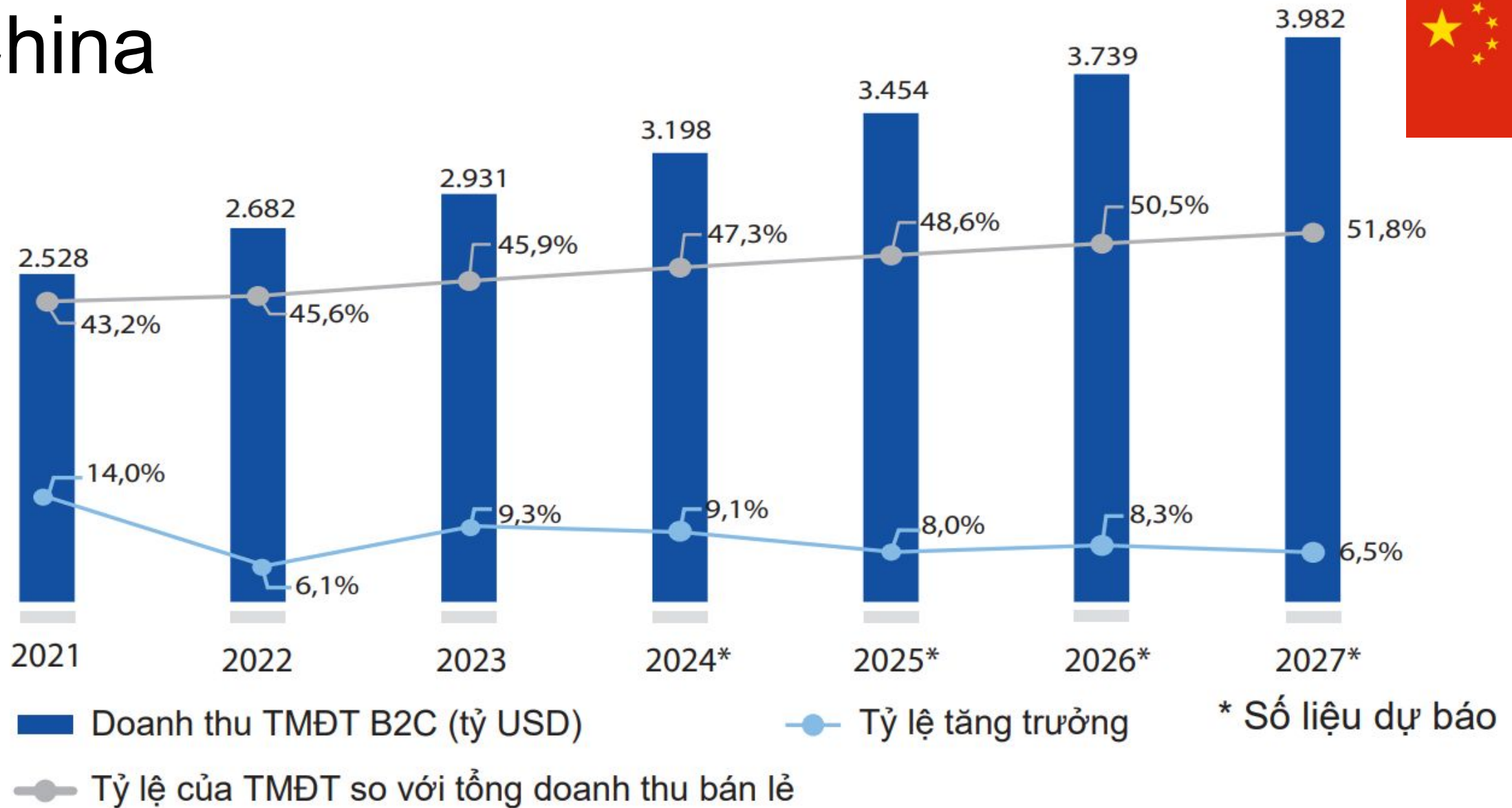
Source: "Global Ecommerce Forecast" Report - eMarketer

GLOBAL B2C REVENUE



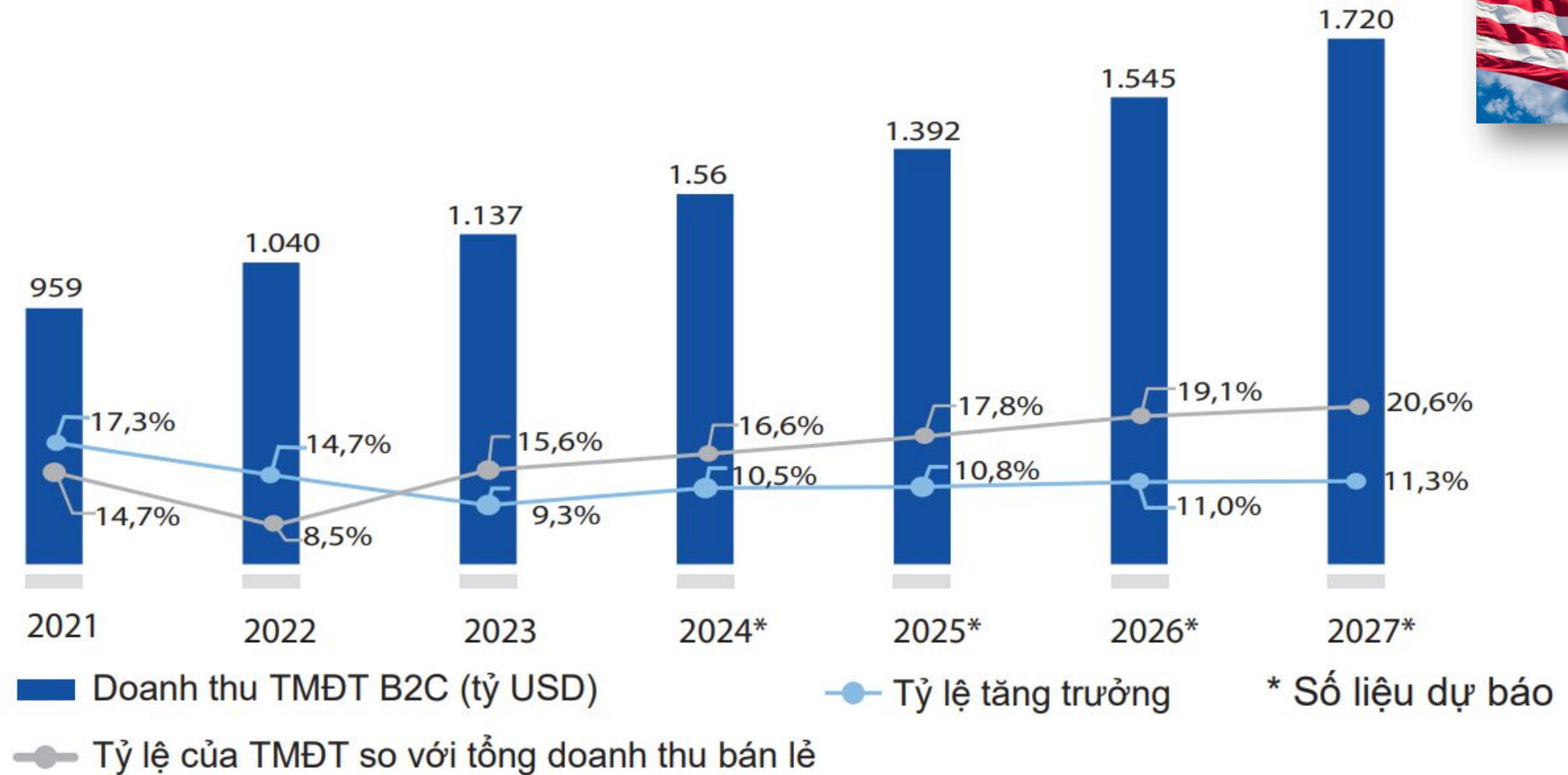
Source: "Global Ecommerce Forecast" Report - eMarketer

China



Source: <https://www.insiderintelligence.com/content/china-ecommerce-forecast-2023>

USA



Source: <https://www.insiderintelligence.com/content/us-ecommerce-forecast-2023>

LIST OF LEADING COMPANIES IN GLOBAL E-COMMERCE

Rank ↕	Company ↕	Revenue USD billions ↕	F.Y. ↕	Employees ↕	Market cap. USD billions ↕	Headquarters ↕	Founded ↕	Industry ↕
1	Amazon	\$469.82	2021	1,608,000	\$1,691	 Seattle	1994	Ecommerce
2	Alphabet	\$257.64	2021	156,500	\$1,917	 Mountain View	1998	Internet
3	JD.com	\$149.32	2021	385,357	\$109.62	 Beijing	1998	Ecommerce
4	Meta	\$117.93	2021	71,970	\$935.64	 Menlo Park	2004	Social Media
5	Alibaba	\$109.48	2021	251,462	\$330.67	 Hangzhou	1999	Ecommerce
6	Tencent	\$87.85	2021	112,771	\$562.84	 Shenzhen	1998	Internet
7	ByteDance	\$58	2021	110,000	\$353	 Beijing	2012	Social Media
8	Netflix	\$29.7	2021	12,135	\$267.46	 Los Gatos	1997	Entertainment
9	Meituan	\$27.77	2021	100,033	\$177.34	 Beijing	2010	Ecommerce
10	PayPal	\$25.37	2021	30,900	\$220.26	 San Jose	1998	Financial Services

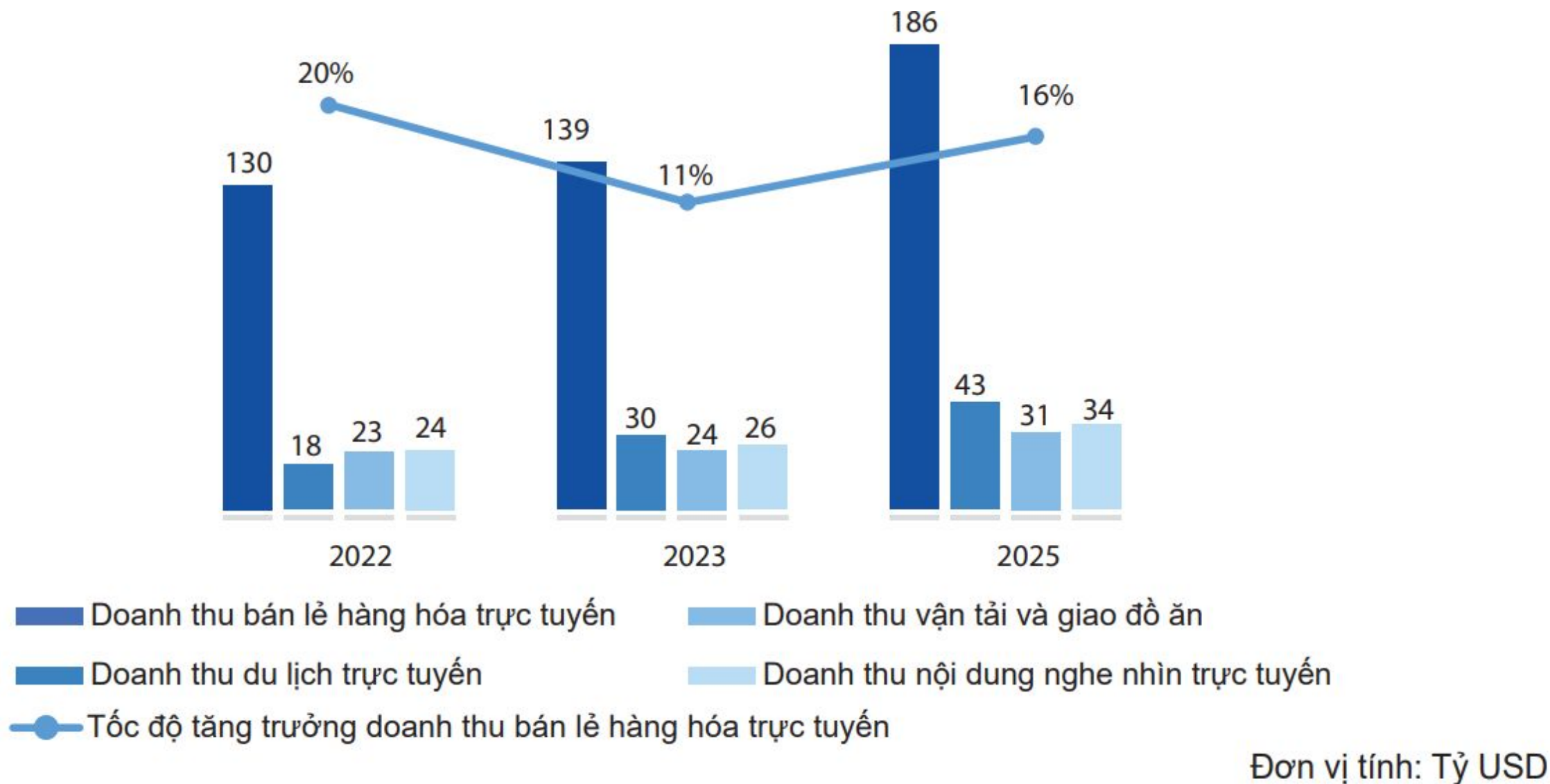
Source: The world's leading ecommerce companies, retrieved 9/9/2024
https://en.wikipedia.org/wiki/List_of_largest_Internet_companies

LIST OF LEADING COMPANIES IN GLOBAL E-COMMERCE

11	Wildberries	\$22.26	2022	154,000	\$14.52	 Moscow	2004	Ecommerce
12	Salesforce.com	\$21.25	2021	49,000	\$212.34	 San Francisco	1999	Software
13	Suning.com	\$21.09	2021	69,398	\$13.47	 Nanjing	1990	Ecommerce
14	Ozon	\$20.068	2023	40,000	\$7.8	 Moscow	1998	Ecommerce
15	Baidu	\$19.54	2021	45,500	\$51.77	 Beijing	2000	Internet
16	Otto Group	\$18.27	2020	49,895	-	 Hamburg	2005	Ecommerce
17	Block	\$17.66	2021	8,521	\$74.50	 San Francisco	2009	Financial Services
18	Uber	\$17.46	2021	29,300	\$81.34	 San Francisco	2009	Transportation
19	Adobe	\$15.78	2021	25,988	\$269.35	 San Jose	1982	Software
20	Shein	\$15.70	2021	10,000	\$47	 Nanjing	2008	Ecommerce

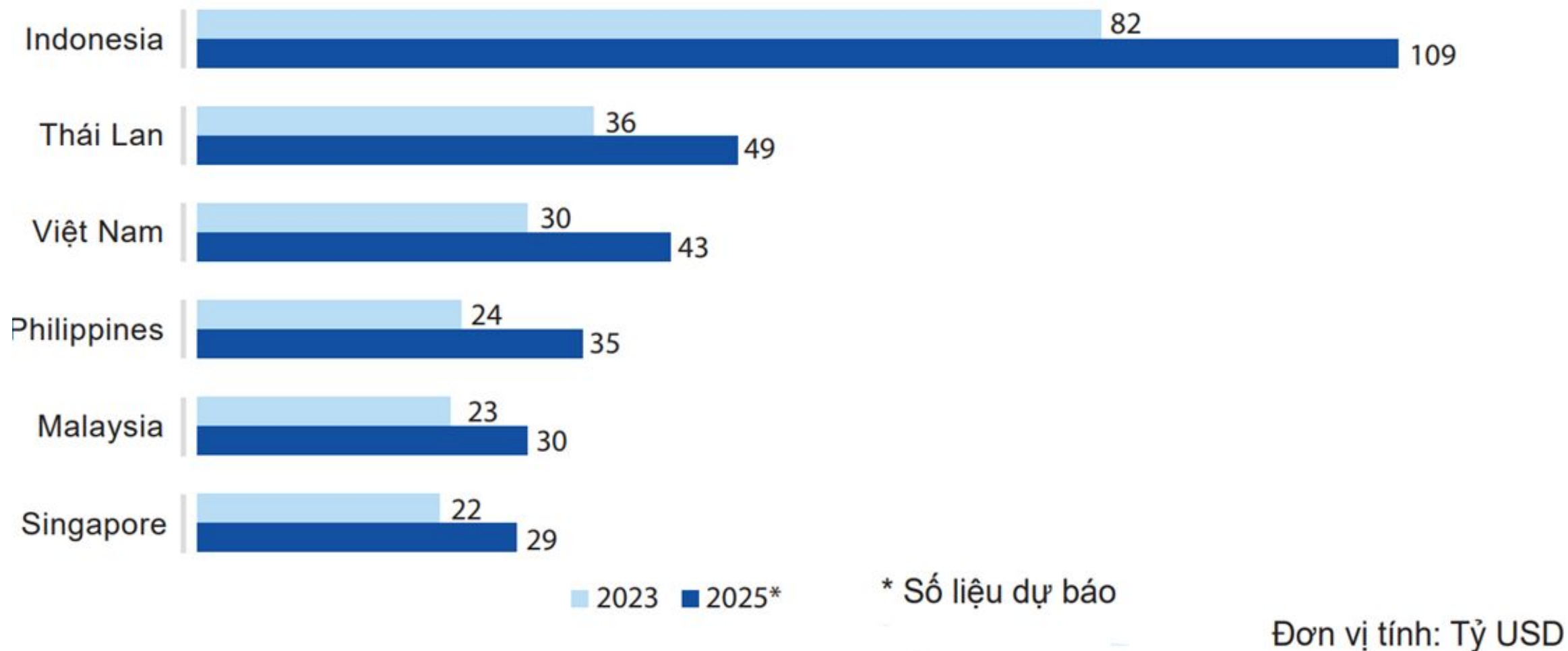
Source: The world's leading ecommerce companies, retrieved 9/9/2024
https://en.wikipedia.org/wiki/List_of_largest_Internet_companies

SOUTHEAST ASIA'S INTERNET ECONOMY SIZE BY SECTOR



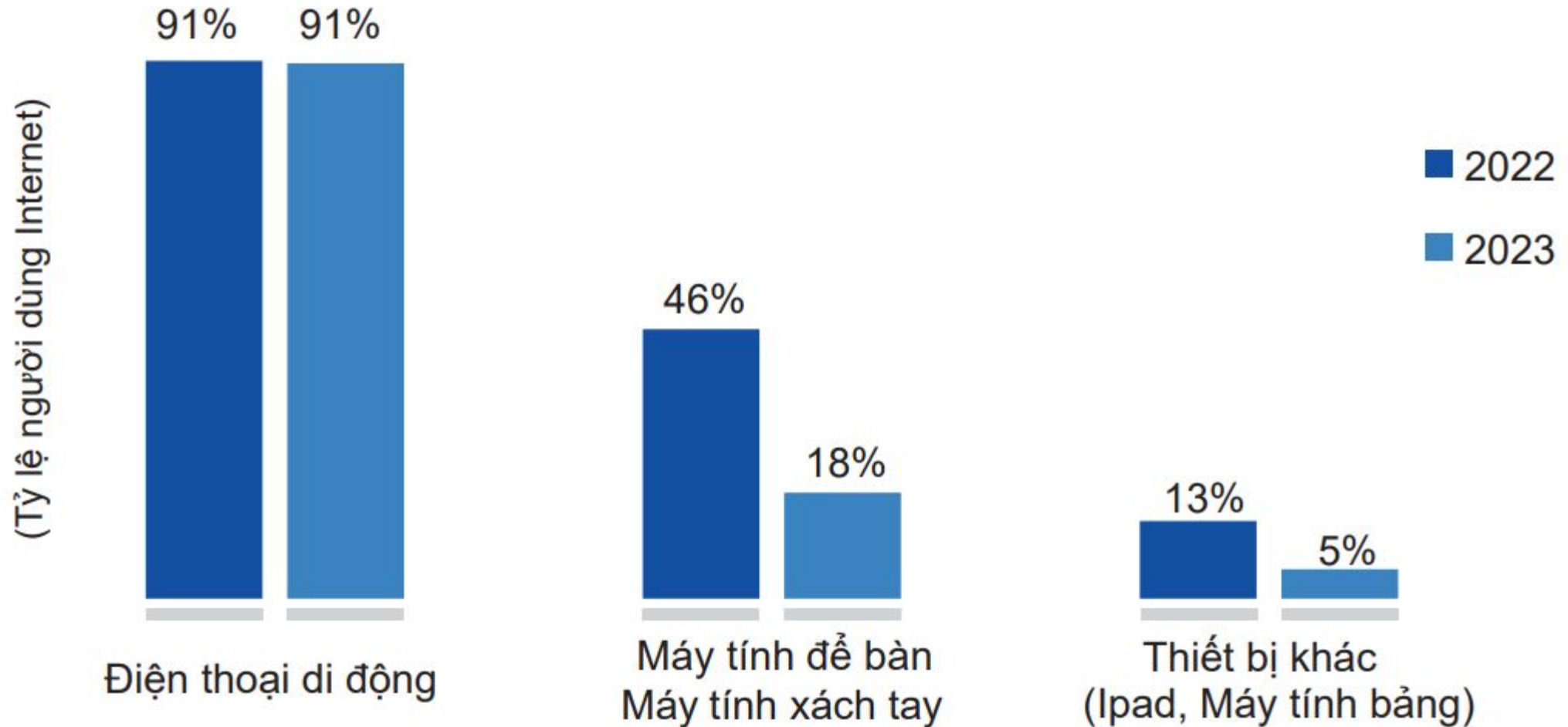
Source: Report “e-Conomy SEA 2023” – Google, Temasek, Bain & Company

INTERNET ECONOMY SIZE BY COUNTRY IN 2023



Source: Report "e-Conomy SEA 2023" – Google, Temasek, Bain & Company

ELECTRONIC MEDIA IS OFTEN USED FOR ONLINE ORDERING



Source: Vietnam E-Commerce Report 2023, iDEA

HOW TO FIND INFORMATION WHEN MAKING AN ONLINE PURCHASE



Source: Vietnam E-Commerce Report 2023, iDEA

HOW TO FIND INFORMATION WHEN MAKING AN ONLINE PURCHASE

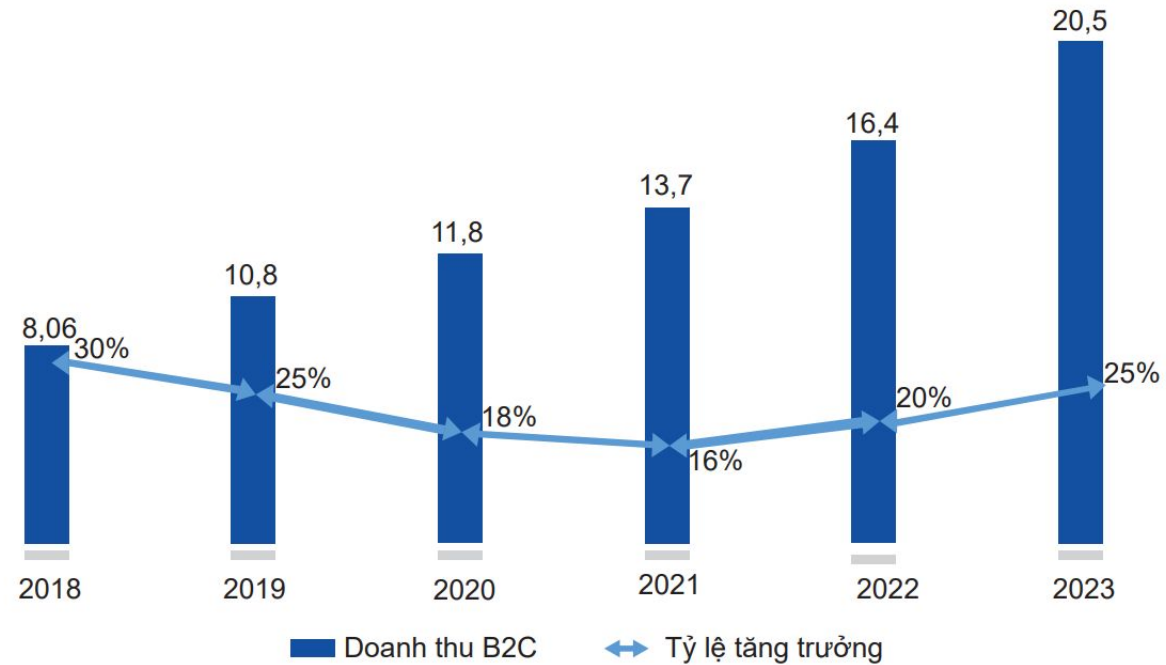


(Tỷ lệ người tiêu dùng trực tuyến)

Source: Vietnam E-Commerce Report 2023, iDEA

STATISTICS ON E-COMMERCE VIETNAM

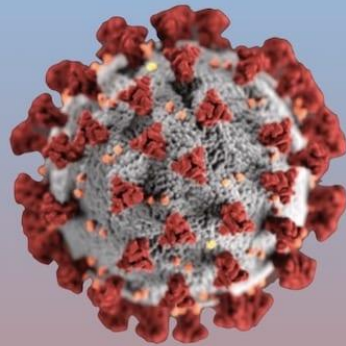
B2C retail e-commerce sales in 2023 will reach **20.05 billion USD**, accounting for **8% of the total retail sales** of consumer goods and services nationwide; Vietnam has the top 3 e-commerce growth rates in Southeast Asia.



Doanh thu TMĐT B2C Việt Nam năm 2018 – 2023 (tỷ USD)⁸

	2018	2019	2020	2021	2022	2023
Ước tính số lượng người tiêu dùng mua sắm trực tuyến (triệu người)	39,9	44,8	49,3	54,6	57,0	61
Ước tính giá trị mua sắm trực tuyến của một người (USD)	202	225	240	251	288	336
Tỷ trọng doanh thu TMĐT B2C so với tổng mức bán lẻ hàng hóa và doanh thu dịch vụ tiêu dùng cả nước	4,2%	4,9%	5,5%	7%	7,5%	8%
Tỷ lệ người dân sử dụng Internet ⁹	60%	66%	70%	73%	73,2%	78,6%

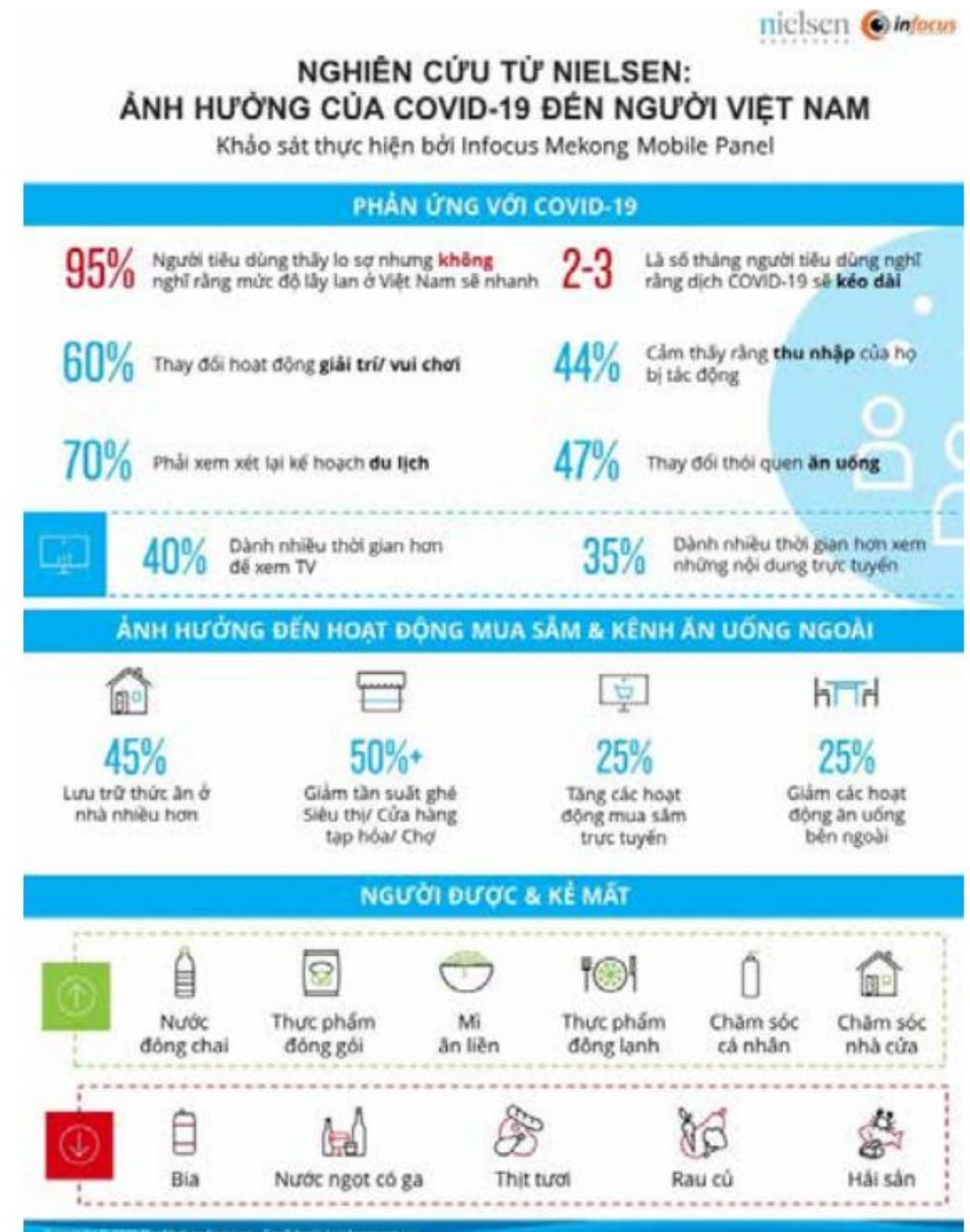
COVID 19 PANDEMIC E-COMMERCE DEVELOPMENT MILESTONES



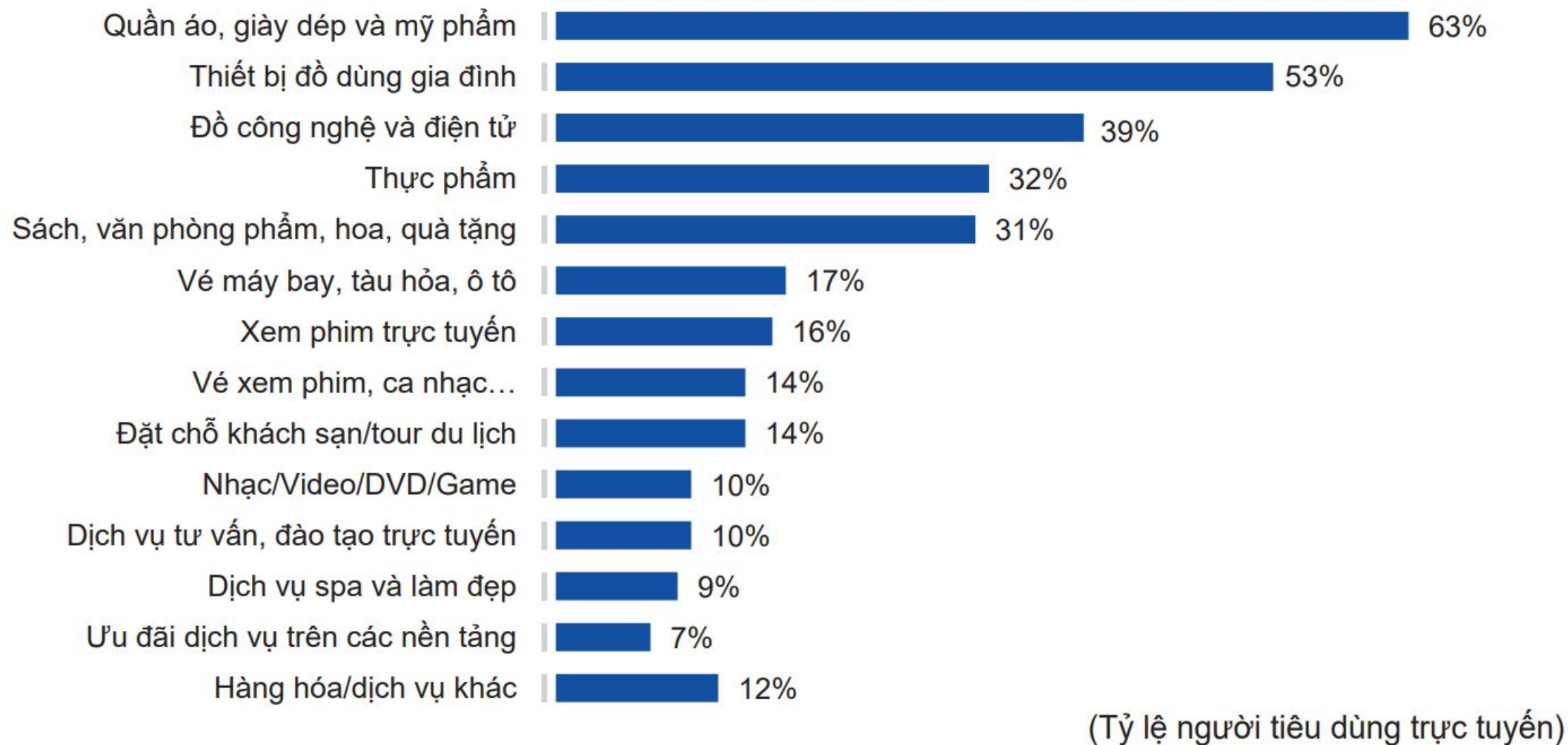
**Coronavirus
SARS-CoV-2
COVID-19**

This Photo by Unknown Author is licensed under [CC BY-SA-NC](#)

- The Covid-19 pandemic promotes traditional businesses to promote "Go Online" activities
Models of buying supermarkets (GrabMart), delivering goods (GrabDelivery), and buying food (Now, GrabFood) are growing strongly

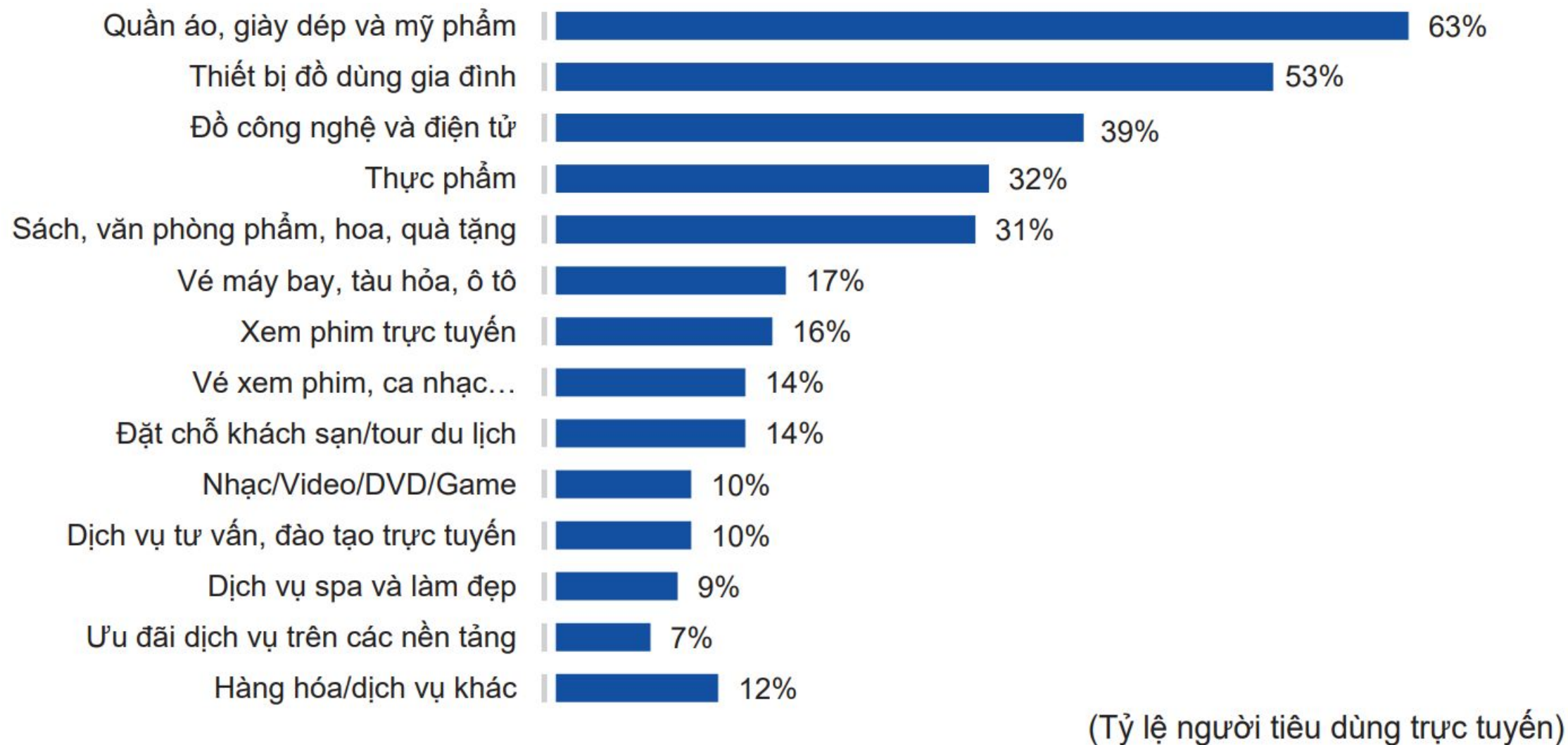


HOW TO FIND INFORMATION WHEN MAKING AN ONLINE PURCHASE



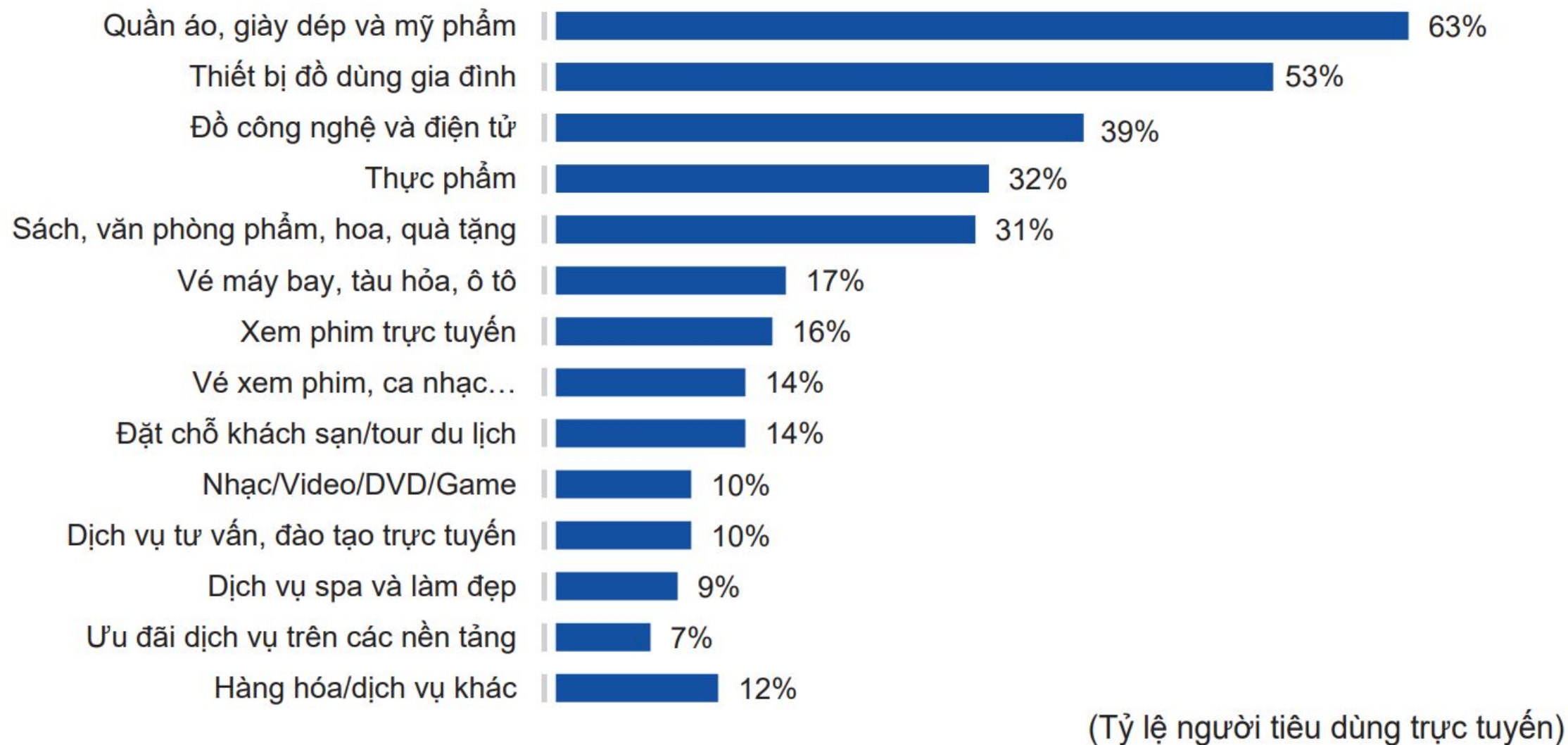
Source: Vietnam E-Commerce Report 2023, iDEA

HOW TO FIND INFORMATION WHEN MAKING AN ONLINE PURCHASE



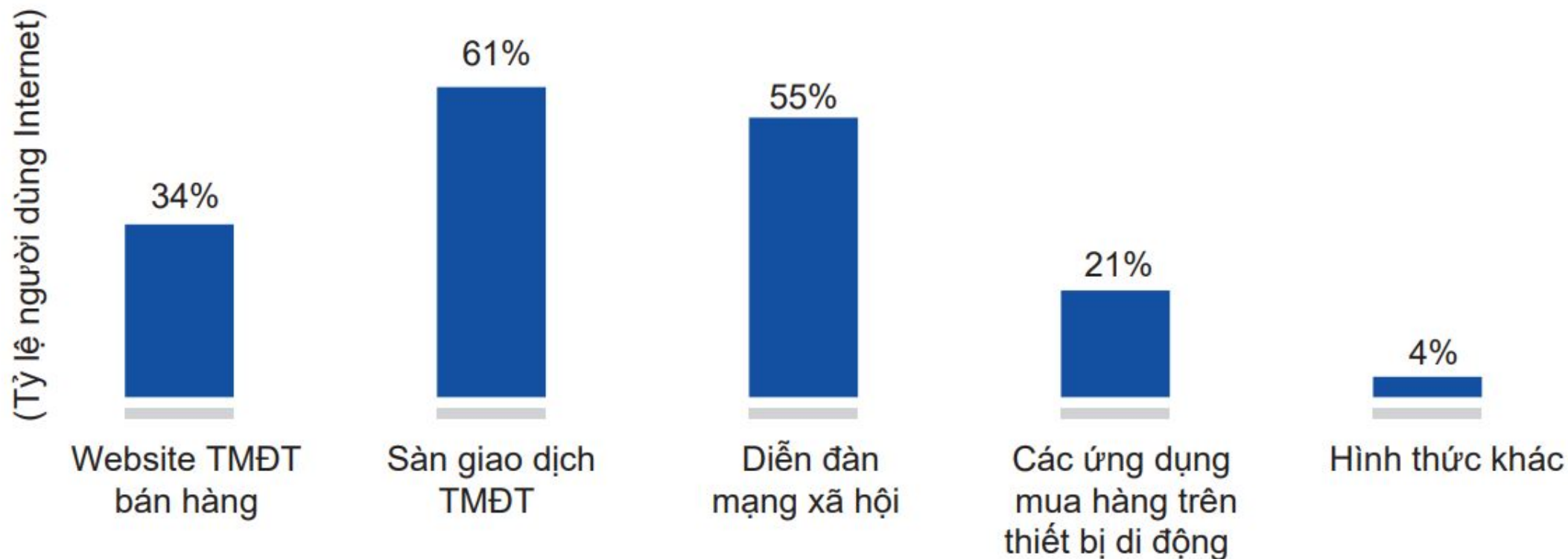
Source: Vietnam E-Commerce Report 2023, iDEA

HOW TO FIND INFORMATION WHEN MAKING AN ONLINE PURCHASE



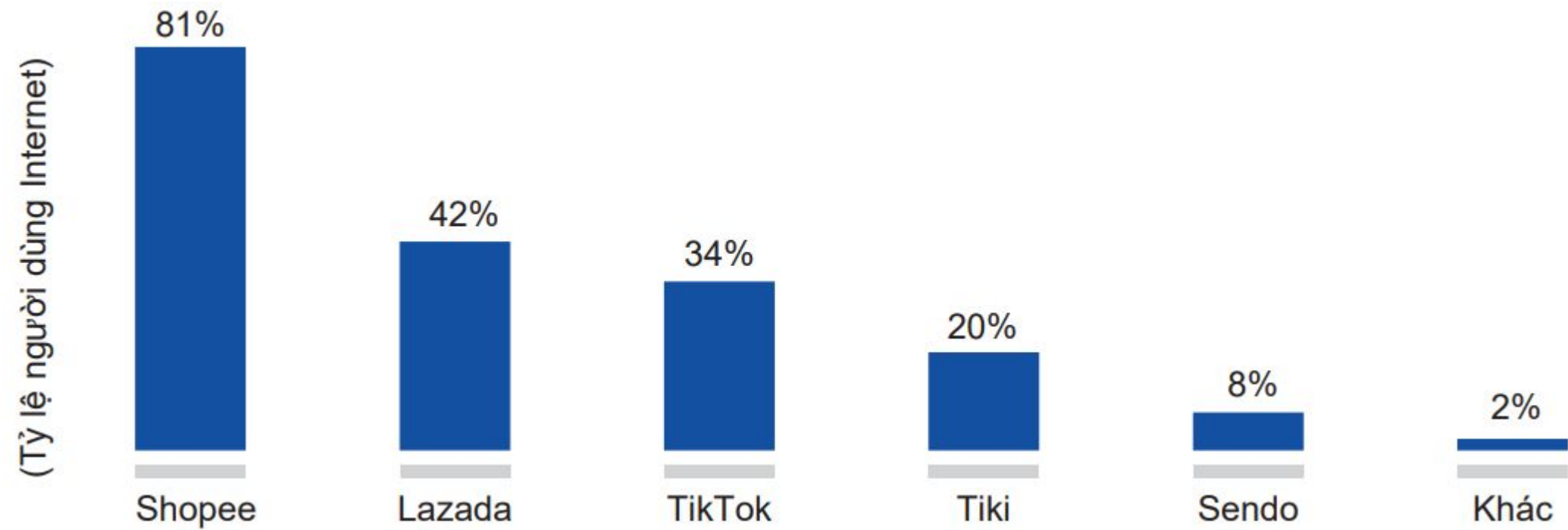
Source: Vietnam E-Commerce Report 2023, iDEA

Popular online shopping channels for consumers in 2023



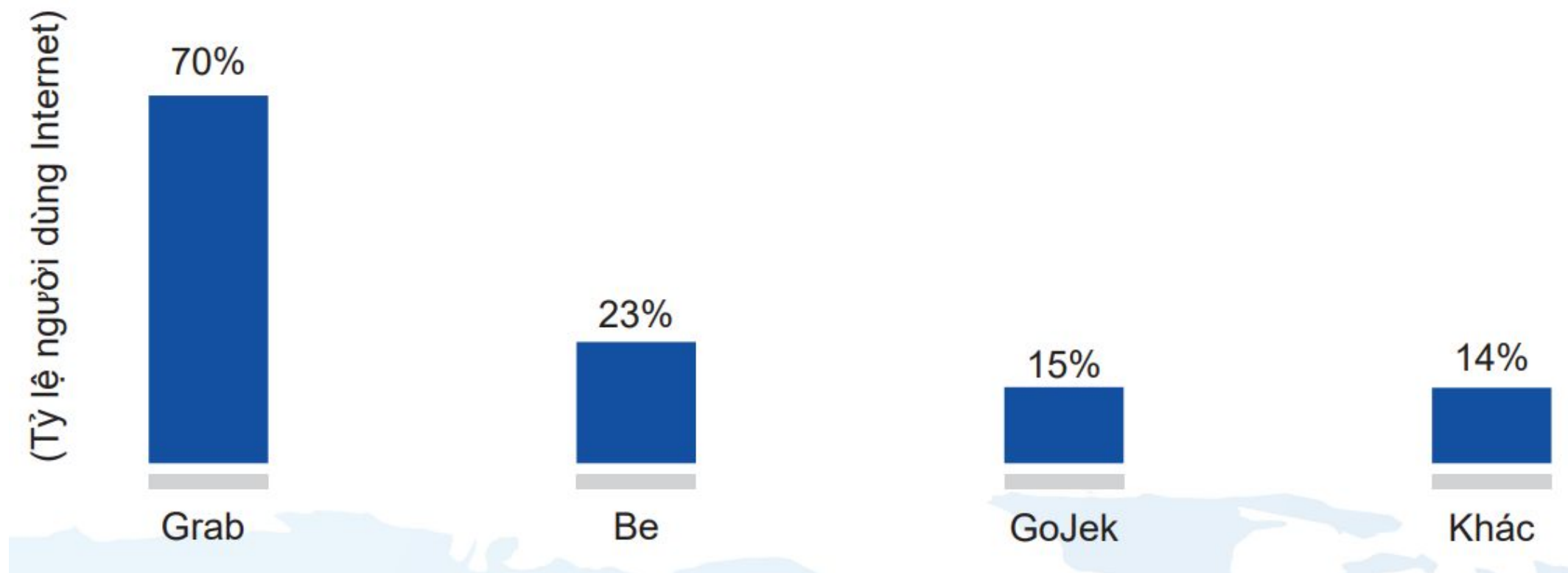
Source: Vietnam E-Commerce Report 2023, iDEA

E-commerce trading platform in the field of wholesale and retail favored by consumers



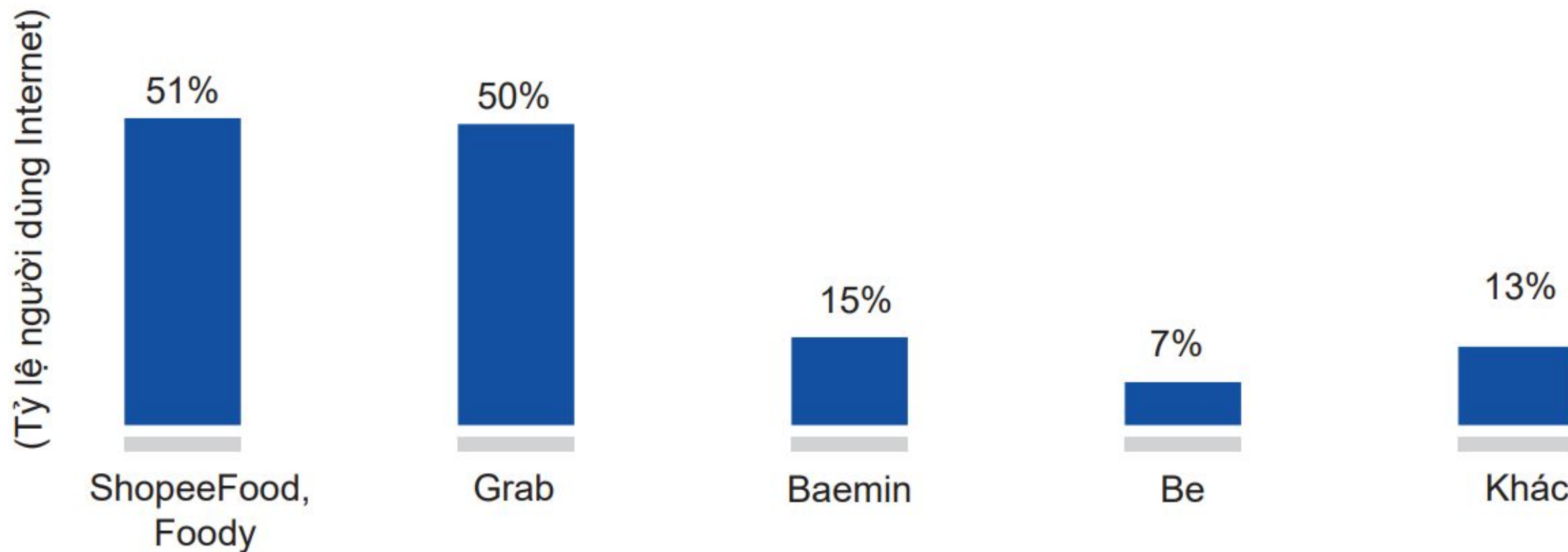
Source: Vietnam E-Commerce Report 2023, iDEA

E-commerce trading floor in the field of transportation services favored by consumers



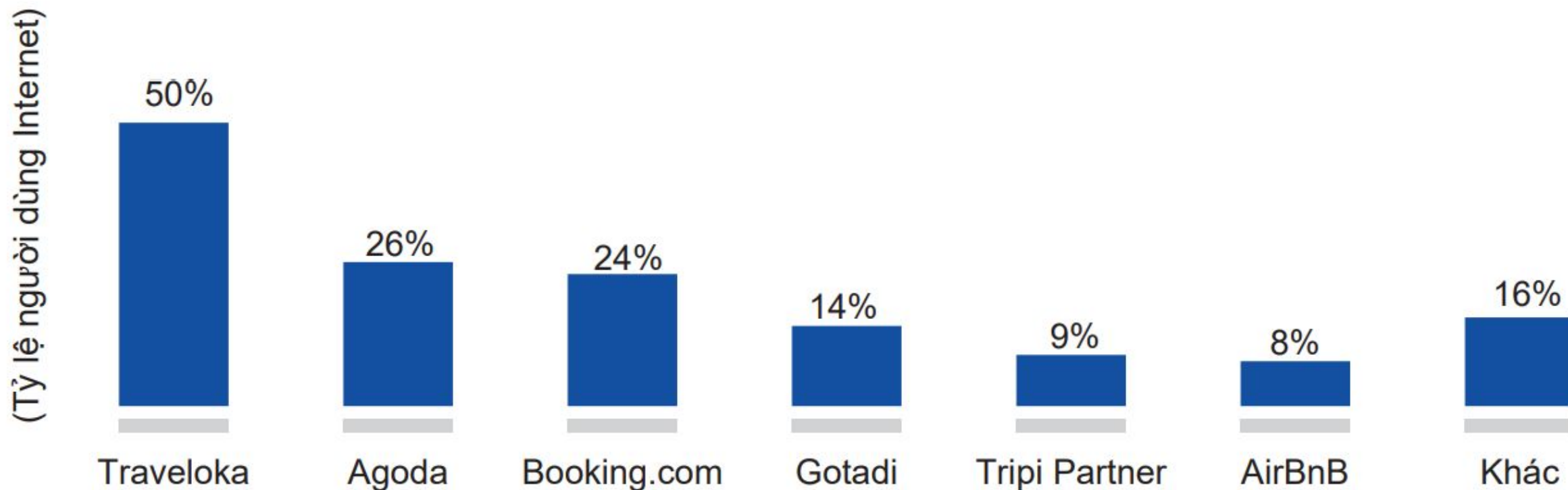
Source: Vietnam E-Commerce Report 2023, iDEA

E-commerce trading platform in the field of food delivery services favored by consumers



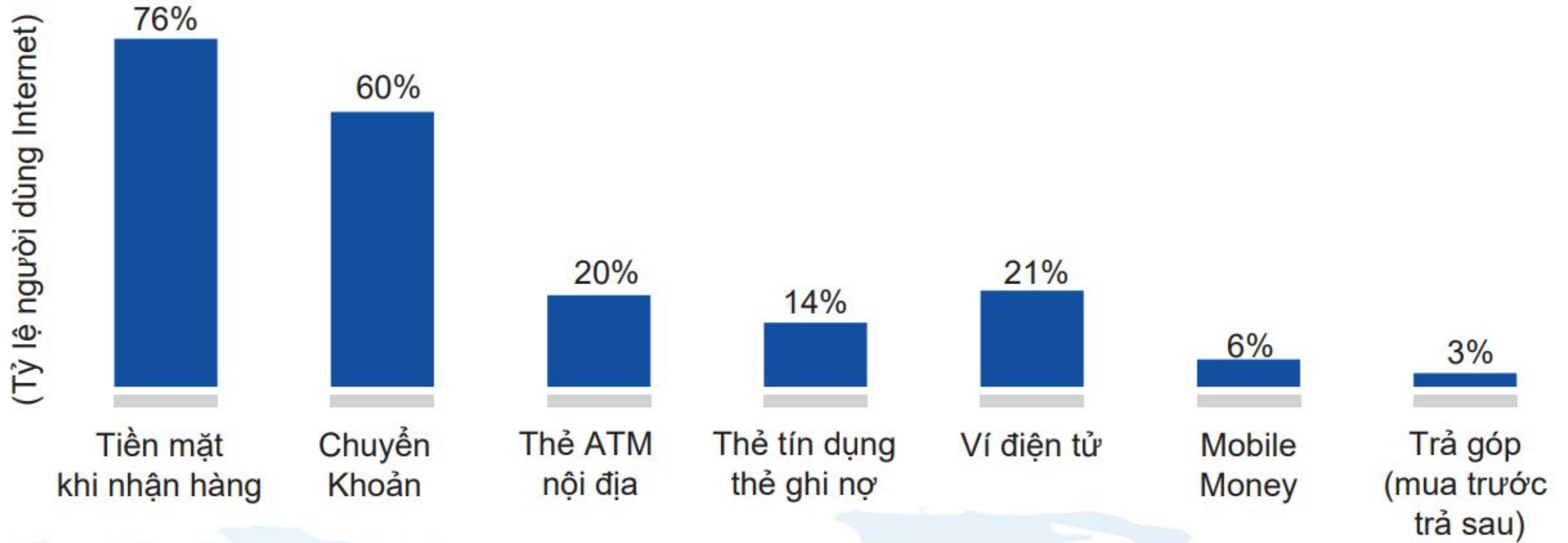
Source: Vietnam E-Commerce Report 2023, iDEA

E-commerce trading platform in the field of online tourism is popular with consumers



Source: Vietnam E-Commerce Report 2023, iDEA

Popular forms of payment



Source: Vietnam E-Commerce Report 2023, iDEA

E-COMMERCE TRENDS

- Live-shopping commerce



E-COMMERCE TRENDS

- Mobile commerce



E-COMMERCE TRENDS

- **Omni Channel:** sync all sales channels to provide a consistent experience for customers. Users can view products at Bitis stores, check prices, discount codes on their phones through the Bitis App and shop through the Bitis website. All channels (OmniChannel) bring convenience to customers, thereby leading to increased sales.



E-COMMERCE TRENDS

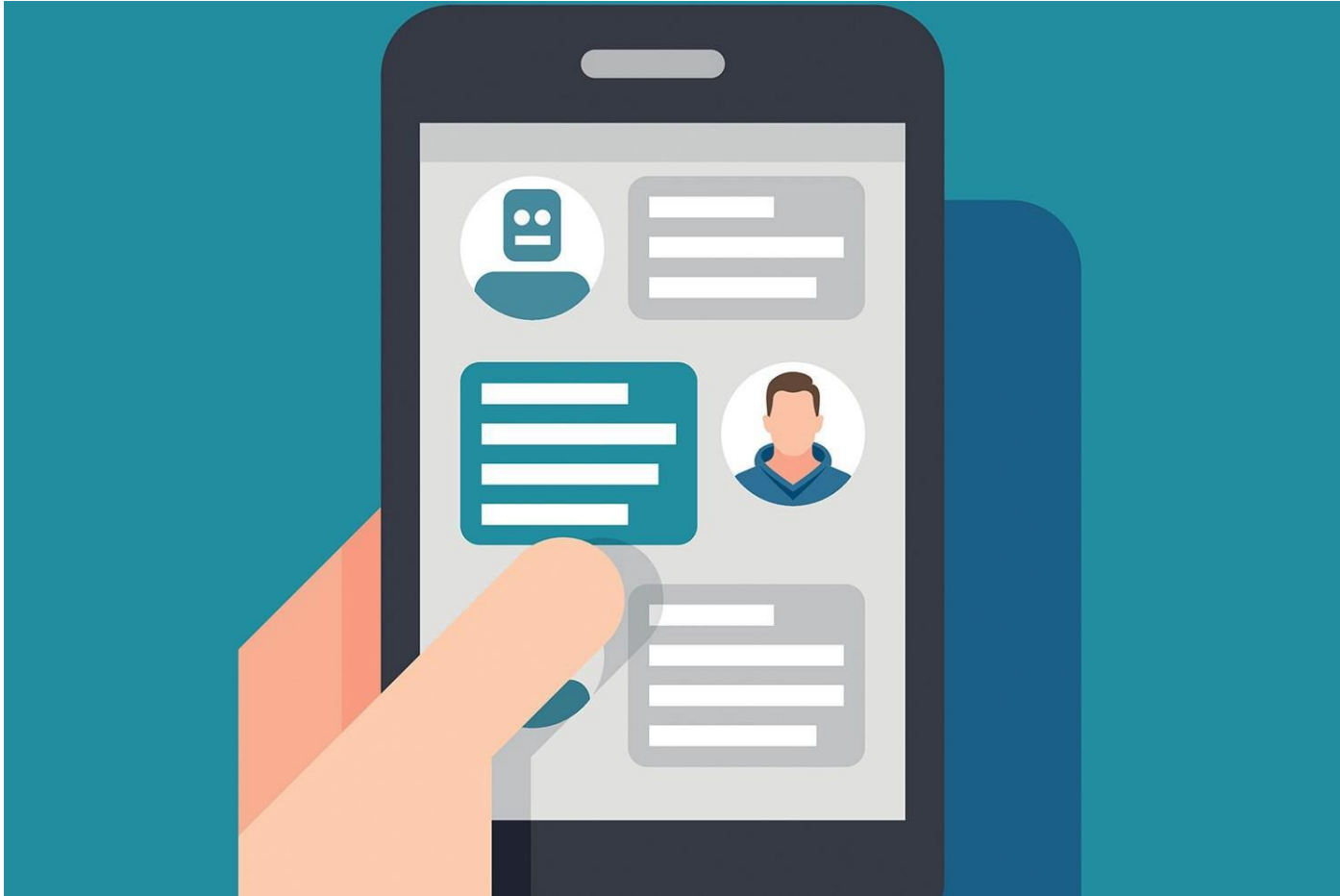
- D2C (Direct-to-Customer) sells directly from sellers to consumers through websites and genuine stores without going through intermediary channels such as distributors and agents



Nguồn: AccessTrade

E-COMMERCE TRENDS

- Chatbot AI



REFERENCES

1. Laudon, K., & Traver, C. (2021). E-commerce 2021–2022: Business. technology. society., Global Edition (17th edition). Pearson.
2. Turban, E., J., King (2017). Electronic Commerce 2018: A Managerial and Social Networks Perspective (9th ed. 2018 edition). Springer.
3. Vietnam E-Commerce Report 2023, iDEA. Link: <https://idea.gov.vn/?page=document>

Q & A