Understanding Electronic Commerce

- Electronic commerce is the use of networks or the Internet to carry out business of any type
- Types of e-commerce:
  - Business-to-Business (B2B)
  - Consumer-to-Consumer (C2C)
  - Business-to-Consumer (B2C)

Business-to-Business E-Commerce

- B2B e-commerce involves one business providing another business with materials and supplies

Consumer to Consumer E-Commerce

- C2C is online exchange or trade of goods, services and information between individual consumers

Business to Consumer E-Commerce

- B2C occurs when a business uses the Internet to supply consumers with information, services and/or products
- Shop whenever you want and choose from a wide variety of products and services

Online Shopping

- Users researched a purchase online
- Shopping portals (shopping.com, BizRate.com, Froogle.com) let you comparison shop online
Online Grocery Shopping

- Select online
- Delivered

The Dot-Com Phenomenon

- 1995 Internet opened for commercial development
- 1995 – 2000 dot.com boom
- Amazon.com, HalfPrice.com and Buy.com a dot.com success

Building Your Own Online Business

- Low capital investment
- Develop a business plan
- Business name & domain name
- Create Web pages
- Web hosting
- Register with search engines
- Online payments

Web Storefronts

- Virtual stores
- Web storefront creation packages
  - Help businesses create virtual stores
  - Allow visitors to register, browse, and make purchase
  - Also called commerce servers

Online Travel Reservations

- Web sites such as PriceLine.com, CheapTickets.com, Orbitz.com and Expedia.com offer online travel reservations
- Airline flights, hotels, and car rentals can be booked online

Online Banking

- Online banking offers customers the ability to access their accounts, balance checkbooks, transfer funds, and pay bills
- All information is stored on the bank’s computers which allows access from anywhere
- The browser’s secure mode is used to encrypt data
Online Stock Trading

- Online stock trading enables investors to buy and sell stocks on the Internet
- They account for one out of every six stock trades
- They offer a low fee/charge per trade

Nonretail Online Services

- Insurance quotes
- News/weather
- Health/medicine
- Dating
- Real estate listings

Web Auctions

- Consumer-to-consumer e-commerce
- Similar to traditional auctions
- Types
- Auction house sites
- Person-to-person auction sites
  - Auction.com and Ebay.com

Avoiding E-Commerce Hazards

- Carefully create usernames and passwords
- Know the company you are dealing with
- Check on retailer rating
- Look for secure site
- \(https://\)
- Lock icon in browser
- Do not use Debit Cards

Security

- Payment methods must be fast, reliable, and secure
- Three basic options
  - Checks
  - Credit card
  - PayPal
  - Electronic cash
  - E-cash
  - Cybercash
  - Digital cash

Participation Question

eBay transactions are examples of which type of e-commerce?

- A. B2B
- B. B2C
- C. C2C
- D. B2I
- E. C2I