

E-commerce & m-commerce



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Define E-commerce and m-commerce

- **Electronic commerce** : is the conducting of business activities (distribution, buying, selling, marketing, and servicing of products or services) electronically over computer networks.
- **Mobile commerce** : relies on the use of mobile devices, such as tablets and smartphones, to place orders and conduct business. Smartphone manufacturers such as Apple, Huawei, Lenovo, LG, Samsung, and Xiaomi are working with communications carriers such as AT&T, Sprint/Nextel, T-Mobile, and Verizon to develop wireless devices, related technology, and services to support m-commerce.

Identify deferent E-commerce model

Although companies can select from a number of approaches, the most successful e-commerce models include three basic components: community, content, and commerce. Discussion forums and other social shopping tools can build a loyal community of people who are interested in and enthusiastic about the company and its products and services.

Providing useful, accurate, and timely content, such as industry and economic news and stock quotes, is a sound approach to encourage people to return to your Web site time and again.

Identify business application in E-commerce

Wholesale e-Commerce

Wholesale e-commerce spending now represents more than 40 percent of all wholesale sales revenue, according to a 2015 survey.⁴⁴ A key sector of wholesale e-commerce is spending on manufacturing, repair, and operations (MRO) goods and services—from simple office supplies to mission-critical equipment, such as the motors, pumps, compressors, and instruments that keep manufacturing facilities running smoothly.

Manufacturing

One approach taken by many manufacturers to raise profitability and improve customer service is to move their supply chain operations onto the Internet. Here, they can form an [electronic exchange](#), an electronic forum where manufacturers, suppliers, and competitors buy and sell goods, trade market information, and run back-office operations.

Marketing

The nature of the Web enables firms to gather more information about customer behavior and preferences as customers and potential customers gather their own information and make their purchase decisions

Bartering

During the recent economic downturn, many people and businesses turned to bartering as a means of gaining goods and services. A number of Web sites have been created to support this activity, Some businesses are willing to barter to reduce excess inventory, gain new customers, or avoid paying cash for necessary raw materials or services.

Retargeting

An average of 74 percent of all online shopping carts are abandoned, representing more than \$4 trillion worth of merchandise in 2013. “Retargeting” is a technique used by advertisers to recapture these shoppers by using targeted and personalized ads to direct shoppers back to a retailer’s site.

- **Price Comparison**

An increasing number of companies provide mobile phone apps that enable shoppers to compare prices and products online. Red Laser enables shoppers to do a quick price comparison by simply scanning the product's bar code.

- **Coupons**

During 2015, more than \$515 billion in consumer incentives were distributed via 286 billion free-standing insert (FSI) coupons, with an average face value of \$1.80 per coupon. Surprisingly, only 0.95 percent of those coupons were redeemed even during tough economic times for many people.

- **Investment and Finance**

The Internet has revolutionized the world of investment and finance. Perhaps the changes have been so significant because this industry had so many built-in inefficiencies and so much opportunity for improvement.

- **Banking**

Online banking customers can check balances of their savings, checking, and loan accounts; transfer money among accounts; and pay bills.

- **Online Personalized Shopping**

An increasing number of Web sites offer personalized shopping consultations for shoppers interested in upscale, contemporary clothing—dresses, sportswear, denim clothing, handbags, jewelry, shoes, and luxury gifts.

Identify multi stage model

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

At the heart of any e-commerce system is the user's ability to search for and identify items for sale; select those items and negotiate prices, terms of payment, and delivery date; send an order to the vendor to purchase the items; pay for the product or service; obtain product delivery; and receive after-sales support

List challenges to convert to E-commerce

Dealing with Consumer Privacy Concerns

- **Target** reported that cyberthieves compromised the credit card data and personal information of as many as 110 million customers.
- **Patreon**, a crowdfunding platform that allows users to make ongoing donations to a Web site, artist, or project sustained a security breach that resulted in their entire cache of data—including names, email addresses, and donation records—being published online in 2015

Lack of trust

in online sellers is one of the most frequently cited reasons that some consumers give to explain why they are unwilling to purchase online. Can they be sure that the company or person with which they are dealing is legitimate and will send the item(s) they purchase

Overcoming Global Issues

Cultural challenges. Great care must be taken to ensure that a Web site is appealing, easy to use, and inoffensive to potential customers around the world.

- **Language challenges:** Language differences can make it difficult to understand the information and directions posted on a Web site.
- **Time and distance challenges:** Significant time differences make it difficult for some people to be able to speak to customer services representatives or to get technical support during regular waking hours.
- **Infrastructure challenges:** The Web site must support access by customers using a wide variety of hardware and software devices.
- **Currency challenges:** The Web site must be able to state prices and accept payment in a variety of currencies.
- **State, regional, and national law challenges:** The Web site must operate in conformance to a wide variety of laws that cover a variety of issues, including the protection of trademarks and patents, the sale of copyrighted material, the collection and safeguarding of personal or financial data, the payment of sales taxes and fees, and much more.

Identify infrastructure component of E-commerce

- **Hardware**

A Web server hardware platform complete with the appropriate software is a key ingredient to e-commerce infrastructure.

- **Web Server Software**

In addition to the Web server operating system, each e-commerce Web site must have Web server software to perform fundamental services, including security and identification, retrieval and sending of Web pages, Web site tracking, Web site development, and Web page development.

- **E-Commerce Software**

After you have located or built a host server, including the hardware, operating system, and Web server software, you can begin to investigate and install e-commerce software to support five core tasks: catalog management to create and update the product catalog, product configuration to help customers select the necessary components and options, shopping cart facilities to track the items selected for purchase

- **Mobile Commerce Hardware and Software**

For m-commerce to work effectively, the interface between the mobile device and its user must improve to the point that it is nearly as easy to purchase an item on a wireless device as it is to purchase it on a PC. In addition, network speeds must continue to improve so that users do not become frustrated.

- **Electronic Payment Systems**

Electronic payment systems are a key component of the e-commerce infrastructure.

Current e-commerce technology relies on user identification and encryption to safeguard business transactions. Actual payments are made in a variety of ways

- **Transport Layer Security**

All online shoppers fear the theft of credit card numbers and banking information. To help prevent this type of identity theft, the Transport Layer Security communications protocol is used to secure sensitive data.

Electronic Cash

Electronic cash is an amount of money that is computerized, stored, and used as cash for e-commerce transactions. Typically, consumers must open an account with an electronic cash service provider by providing identification information. When the consumers want to withdraw electronic cash to make a purchase, they access the service provider via the Internet and present proof of identity—a digital certificate issued by a certification authority or a username and password.

Identify advantage assisted with use of E-commerce

- Reach New Customers

The establishment of an e-commerce Web site enables a firm to reach new customers in new markets.

- Reduce Costs

By eliminating or reducing time-consuming and labor-intensive steps throughout the order and delivery process, more sales can be completed in the same period and with increased accuracy. With increased speed and accuracy of customer order information, companies can reduce the need for inventory—from raw materials to safety stocks and finished goods—at all the intermediate manufacturing, storage, and transportation points.

- **Speed the Flow of Goods and Information**

When organizations and their customers are connected via e-commerce, the flow of information is accelerated because electronic connections and communications are already established.

As a result, information can flow from buyer to seller easily, directly, and rapidly.

- **Increase Accuracy**

By enabling buyers to enter their own product specifications and order information directly, human data-entry error on the part of the supplier is eliminated.

And order accuracy is important—no matter what the product is.

- **Improve Customer Service**

Increased and more detailed information about delivery dates and current status can increase customer loyalty. In addition, the ability to consistently meet customers' desired delivery dates with high-quality goods and services eliminates any incentive for customers to seek other sources of supply.

Reference :

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