



e-BUSINESS

Dr. Vasilios Zoumpoulidis

e-Business

E-Business

- transactions and interaction between its partners

Characteristics of this category are:

- the focus of entrepreneurship on the core competencies of the organization
- orientation on the accumulation of the processes



Problems in e-Business



Electronic business (e-business) in the B-B model has to face three main problems:

1. Trade is geographically segmented
2. Interactions between firms are as much complex as information intensive
3. Supply chains are overbooked due to the inability to plan for proper product increase and variety



e-Business analysis process

1. Pre-Sale
2. Sale
3. Post-Sale

Pre-Sale Phase



Potential customers:

- they are looking for product or service offers
- they assess and evaluate such offers by comparing them with terms and conditions of different offers
- they negotiate terms and conditions directly with potential suppliers
- ultimately, they decide according to their needs and preferences

Sales Phase



- Order management with control of available stock and intermediate sub-products, planning and ordering of sub-products, if the product delivered is perceived
- Delivery of the product directly to the customer, or through other suppliers, if the product delivered is perceived
- Payment management by the customer using a third party bank settlement, e.g. a bank

Post-Sale Phase



- Customer service in case of defective products/services
- Provision of new versions/upgrades and technical support
- Providing manuals and online common solutions
- Establishing a strong relationship with customers by informing them about new products, services, solutions and prices

Basic e-Business Activities



- Online offer of goods/services
- Online booking/confirmation
- Online order
- Online contract
- Online delivery
- Online payment

Typical e-Business Scenarios



- Awareness and Repeat Visits
- Continuously interconnected e-shops
- Presentation Websites
 - Simple Websites, Layout Websites
 - Information Websites
- Content Websites
 - e-shop
 - Cybersuperstores

Typical e-Business Scenarios



- Incentive Websites
- Search Agents
- Lists
- Search Services
- Publishers
- Virtual Resellers
- Website Computers
- Auditors
- Closed user groups
- Financial Intermediaries
- Specific Purchases

Main Business-to-Consumer (B2C) models



a) Advertising Model

- General Portal
- Personalized Portal
- Incentive Portal
- Free Portal
- Offers Portal

Main Business-to-Consumer (B2C) models

b) Mediation Model

- Recommendation System
- Registration System

c) Opportunity Models

d) Community Model

e) Voluntary Contribution Model

f) Knowledge Networks

g) Subscription Model

h) Utility Model



Successful B2C cases



- Software Companies
- e-Companies
- e-Shopping Malls
- e-product Companies
- e-gift Companies
- e-music Companies
- Specialized e-Companies
- e-Auctions / e-Financial Services
- Shipping
- e-Travel / Transport Companies



Business-to-Business (B2B) Main Models

- a) Transactions
- b) Exchange of Purchases
- c) Business Society
- d) Purchasing
- e) Allocation Market
- f) Virtual Shopping Malls
- g) Resellers
- h) Auction Broker
- i) Reverse Auction
- j) Search Agent



B2B Marketplaces

Marketplaces (exchanges) are gathering points that bring buyers and sellers together to create markets for the exchange of goods and services.

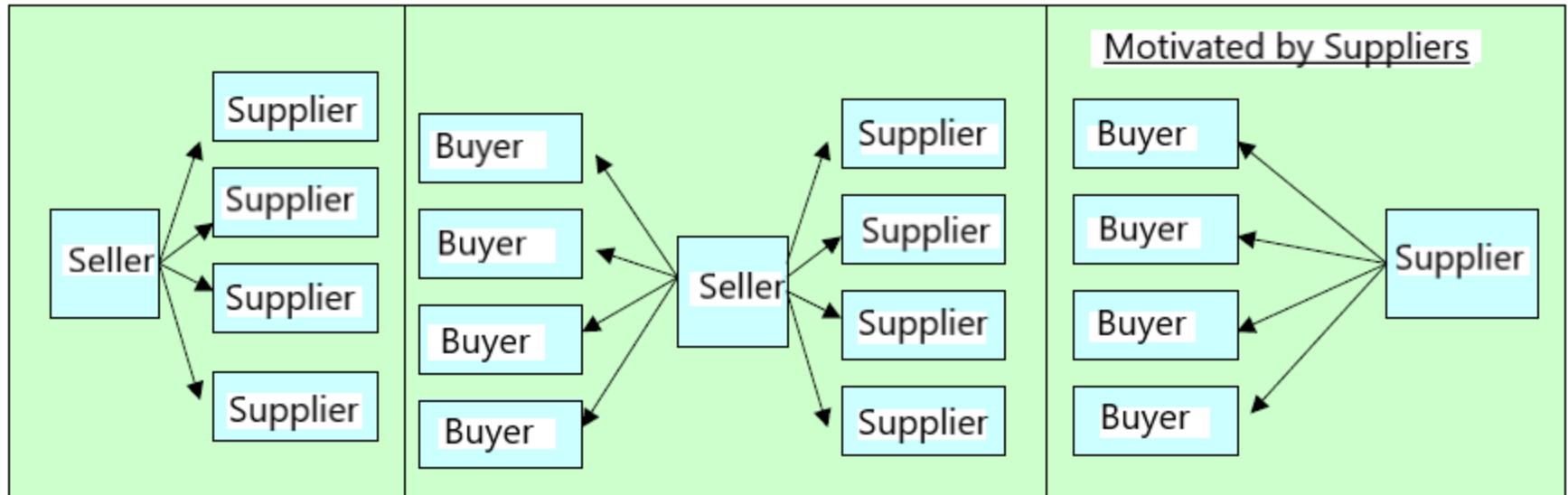
Functional Characteristics



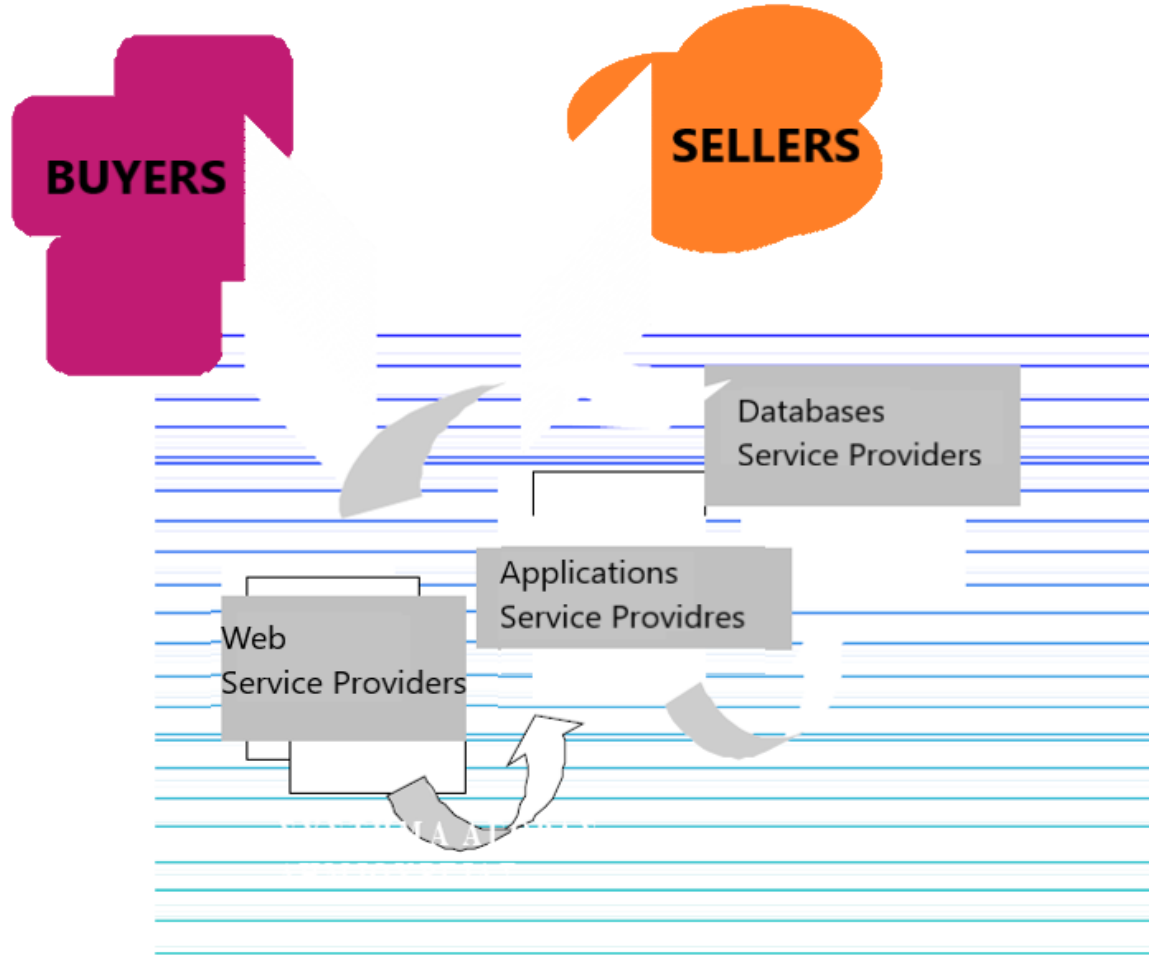
- Supply
- Source of Supply
- Order
- Fulfillment
- Payment
- Content management



B2B Categorization of Marketplaces



Roles of Marketplaces



e-Hub



- We use the term **e-Hub** to describe exchanges that add meaningful collaborations which represent the full range of business processes
- Business markets can be classified into:
 - ✓ Manufacturer Additions
 - ✓ Functional Additions

Forms of e-Commerce



- e-Commerce
- e-Business
- e-Company
- M-Commerce (Mobile Commerce)
- e-Marketplace (B2B)
- e-Malls
- e-Procurement
- e-Auctions
- e-Infobrokers

Examples of e-Business Models



- e-Shops, e-Malls
- e-Auctions
- e-Procurement
- Third-Party Marketplaces
- Value-Chain Integrators
- Virtual Business Communities
- Value-Chain Service Providers
- Information Brokerage
- Trust and Other Services

e-Shop



- **Definition:** Network marketing of a company, or a store, for
 - promotion of products and services
 - order, purchase of products and services
- **Benefits:** Increased demand, low-cost global presence and reduced advertising and sales expenses
- **Benefits for consumers:** lower prices, more options, better information, 24-hour availability, ease of selection, purchase, product/service receipt
- **Sources of revenue:** reduced costs, increased sales, advertising
- **Examples:** <http://www.e-shop.gr/>



- **Definition:** A collection of e-shops under the same umbrella (usually a well-known shopping store), enriched by a guaranteed payment method
 - It can be specialized in a specific market sector and even, offer value-added services: discussion forums, closed user groups, etc.
- **Benefits for the e-mall:** various offered services, advertisement space, use of trademark, increased web traffic, customers can visit neighboring stores
- **Benefits for consumers:** same as the e-shop; in addition, easy access to other stores, handy common interaction environment, increased trust due to the well-known shopping store
- **Benefits for the e-shops:** reduced costs and complexity for web presence, increased commercial traffic
- **Example:** <https://www.emall.me/Frontend/Default.aspx>

e-Malls: they are service provider companies for other companies that wish to advertise and sell their products on the Internet

The services provided by this specific business model are:

- Presentation of Products (e.g. electronic lists)
- Sophisticated search engine for products and stores
- Dynamic update of the shopping basket
- Integrated payment mechanism
- Order Tracking
- Advertising Mechanisms

(e.g. <http://emallofamerica.com/>, <http://www.premier-net.com/vvtc/DepartmentStores/emalls/>)

There are automatic mechanisms for creating websites for buying and selling by following specific steps (www.e-pages.com)

e-Mall Products



- Hosting (hosting individual websites)
- Merchant (hosting Commerce Service Providers websites – CSPs)
- e-Pages (software package for the construction of Hosting and Merchant websites)
- Software to implement all of the above

e-Procurement



- **Definition:** Online offer and supply of goods and services.
Basic functions include:
 - Presentation of product lists, order management, payment management, offer evaluation mechanism
- **Benefits:** Wide range of suppliers to choose, lower costs, better quality, improved distribution of information and reduced procurement costs, reduced time
- **Benefits for suppliers:** supply opportunities on a global scale, lower costs (automated process regarding offers)
- **Example:** <http://eprocurement.nc.gov/>

e-Auctions



- **Definition:** Online automation of auction processes with simultaneous presentation of goods. Integrating the auction process with contract, payment and delivery processes
- **Revenue sources for the auction provider:** platform sale, transaction fees, advertising
- **Benefits for suppliers & buyers:** increased efficiency, saving time, selling smaller quantities at lower prices, better utilization of production volume
- **Example:** www.ebay.com

e-Auctions



The entities involved in an e-auction system are:

1. The "**auctioneer**": determines the conditions under which the auction will take place
2. The "**supplier**": offers its products for sale
3. The "**customer**": offers a price for the products he wishes to buy

Third Party Marketplace



- A suitable model for companies that wish to outsource their network marketing to a third party
- It offers at least one interactive environment to their suppliers' product lists
- Additional features such as branding, payments, accounting, orders, etc. are added to these third party market places
- **Revenue from:** participation fees, service fees, transaction fees or, a percentage of the transaction value
- **Example:** the Amazon marketplace

Virtual Business Communities



- The information is coming by the members
- Revenue from membership fees and advertising
- Additional tool to existing marketing techniques
- <http://www.polyvore.com/>



Value Chain Service Provider

- It specializes in a specific function of the value chain (e.g. Payments) with the intention of making it their distinct and competitive advantage
- e.g. banks or, www.FedEx.com

Value Chain Integrator



- Integration of multiple steps in the value chain with a view to exploiting the flow of information between these steps as value is added
- Profits from advisory fees and trading

<http://www.ergogroup.no/en/private-sector/system-development-and-integration/related-content/value-chain-integration/>

Collaboration Platform



- It started as a server-based software by which local users purchase a license to download the software. They may also pay for the number of seats, the bandwidth they use, etc.
- Today, it is also an online service with a “thin client”, usually with a web browser over the Internet
 - This model is called Software as a Service (SaaS) or "on-demand software". Users pay a subscription or usage fee
 - SaaS has been established as a delivery model for most applications such as accounting, collaboration, customer relationship management (CRM), management information systems (MIS), enterprise resource planning (ERP), invoicing, human resource management (HRM), content management (CM) and service desk management
 - SaaS has been integrated into the strategy of the most major business software companies

Information Brokerage



- Information Brokers (e-info brokers) offer, in a safe and fast way, the below functions:
 - Information Locating
 - Information Gathering
 - Information Storage
 - TTP
- Added value to the vast amounts of data is coming from intra-business functions such as, information retrieval, customer profiling
- Revenue from subscriptions, advertising, etc.
- www.yahoo.com

Trust Services



- Trust services
 - provided by online notaries and by trusted third parties
 - Revenue from subscriptions, fees for making use of services, software sales or, consultancy
 - trust service provider
- <http://www.globalsign.com/>

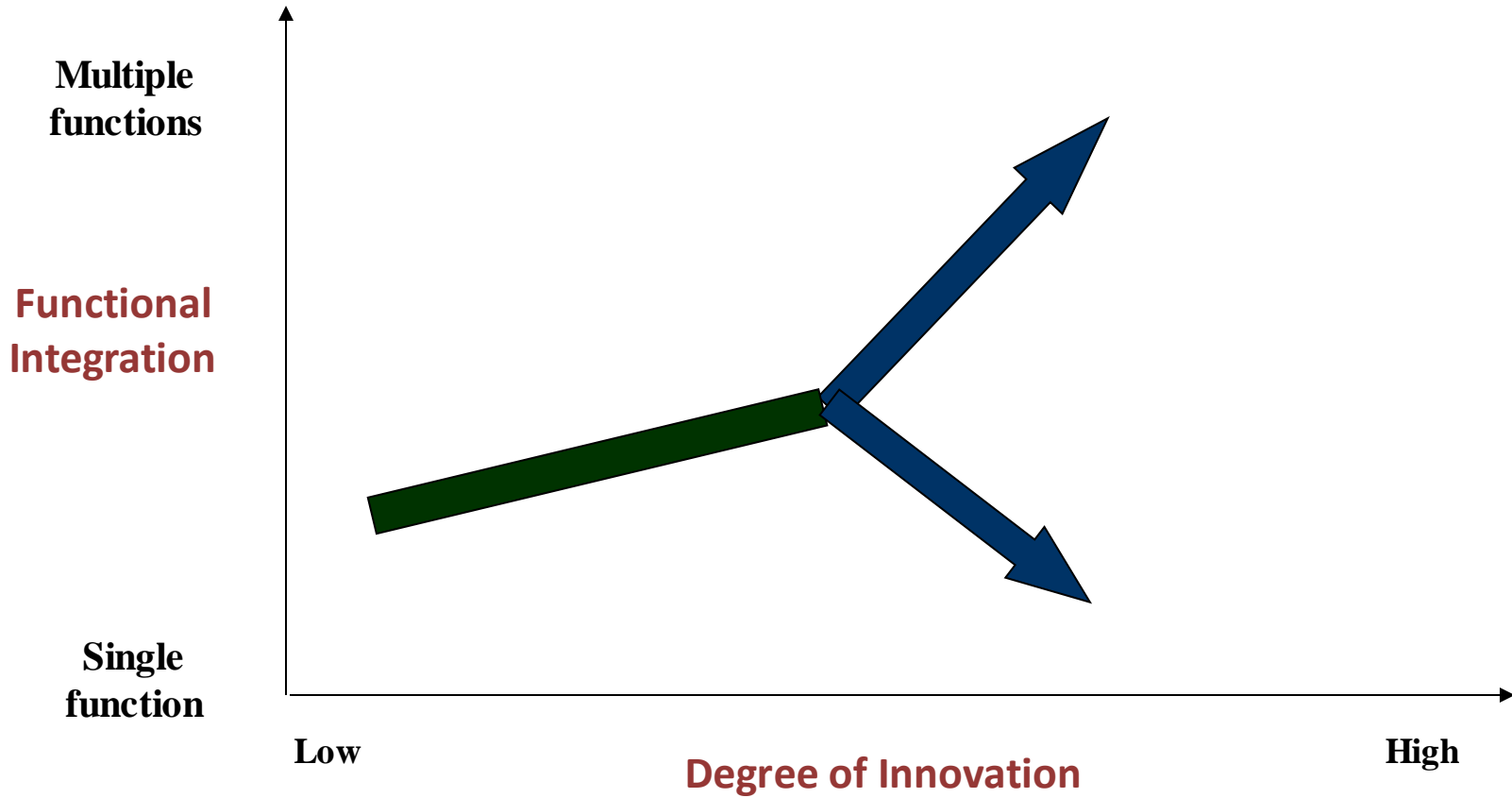


Trends and Evolution of e-B Models (1/2)

- Trend for increasing integration of information flows
- Development of specialized services with a high degree of innovation

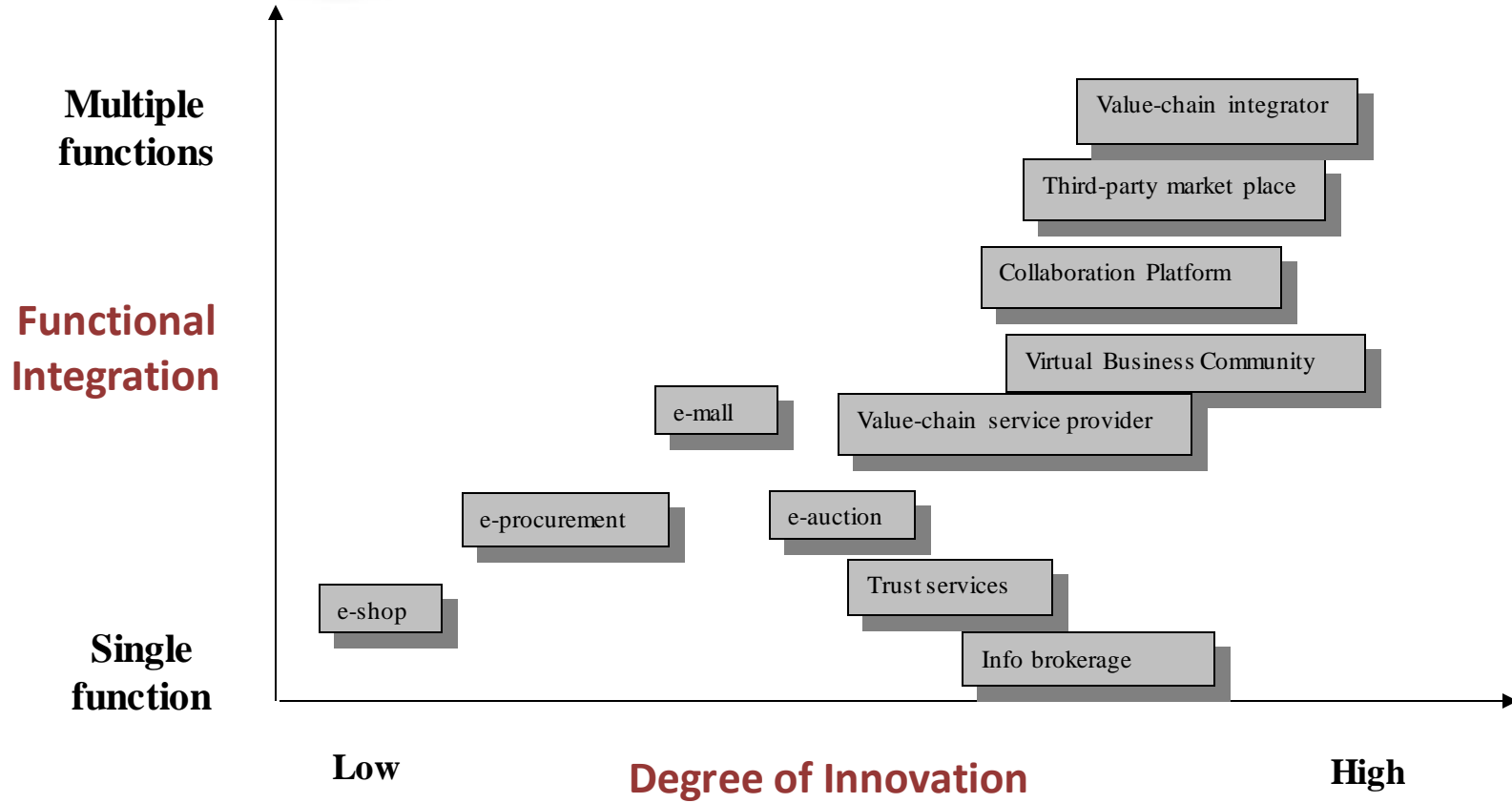


Trends and Evolution of e-B Models (2/2)





Model Classification of e-B





10 Types of Internet e-Business Models

1. e-shop
2. e-procurement
3. e-malls
4. e-auctions
5. Virtual Business Communities
6. Collaboration Platforms
7. Third-party Marketplace
8. Value-chain Service Providers
9. Information Brokerage
10. Trust and other Services