

# 01. Electronic Commerce

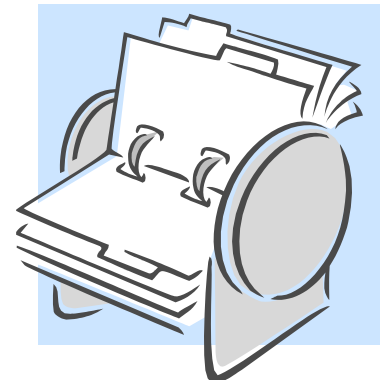
## Overview of Electronic Commerce



- Code: 166140-01+02
- Course: Electronic Commerce
- Period: Autumn 2011
- Professor: Sangwon Lee, Ph.D.

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- 14. E-Commerce Applications and Infrastructures



# 01. Electronic Commerce

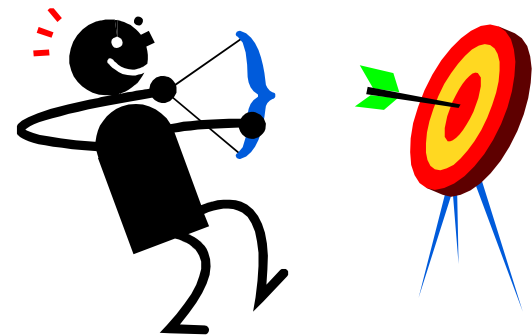
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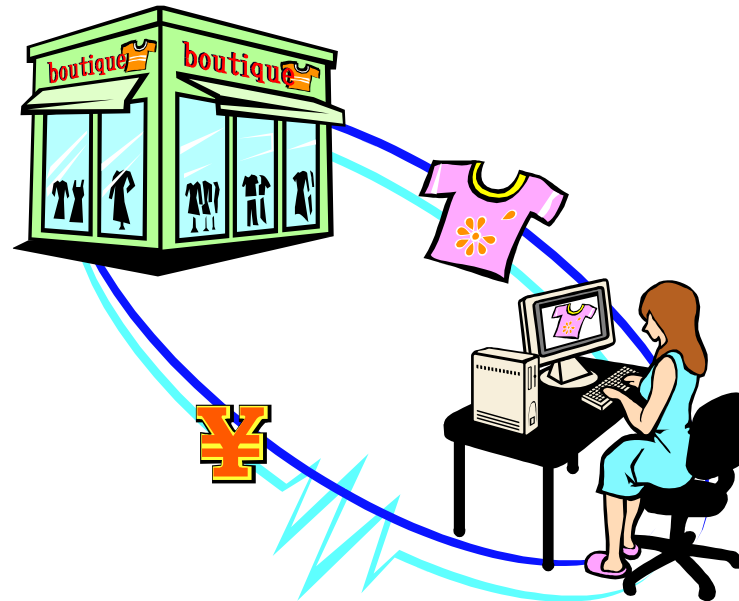
# Learning Objectives

- 01. Define electronic commerce (EC) and describe its various categories.
- 02. Describe and discuss the content and framework of EC.
- 03. Describe the major types of EC transactions.
- 04. Describe the digital revolution as a driver of EC.
- 05. Describe the business environment as a driver of EC.
- 06. Describe some EC business models.
- 07. Describe the benefits of EC to organizations, consumers, and society.
- 08. Describe the limitations of EC.
- 09. Describe the contribution of EC to organizations responding to environmental pressures.
- 10. Describe online social and business networks.



# 01. Electronic Commerce

- Definitions and Concepts
  - Electronic commerce (EC)
    - The process of buying, selling, transferring, or exchanging products, services, or information via computer networks.



# 01. Electronic Commerce

- Definitions and Concepts
  - E-business
    - A broader definition of EC that includes not just the buying and selling of goods and services, but also servicing customers, collaborating with business partners, and conducting electronic transactions within an organization.



**Optimal  
Performance**

**Sales Up**



**Cost Down**

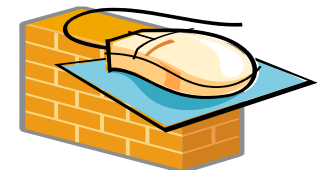
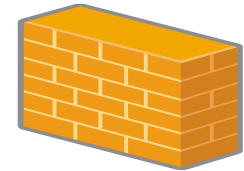
# 01. Electronic Commerce

- Definitions and Concepts
  - Electronic market (e-marketplace)
    - An online marketplace where buyers and sellers meet to exchange goods, services, money, or information.



# 01. Electronic Commerce

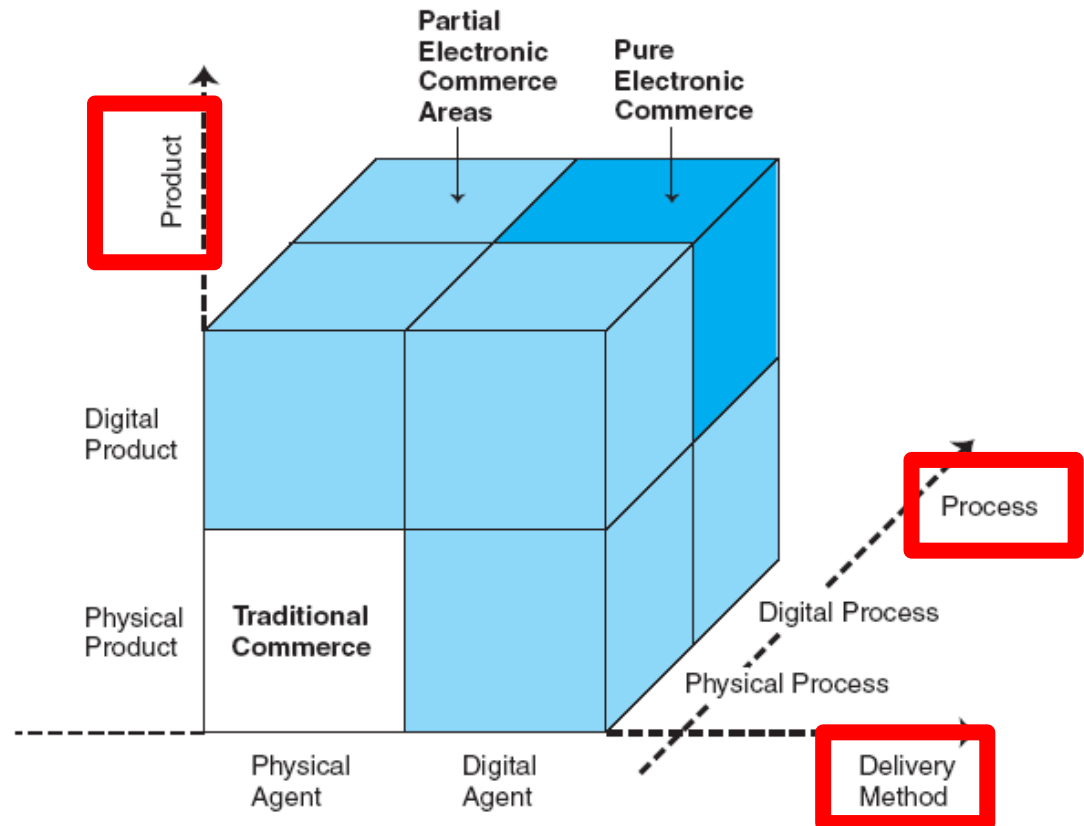
- Types 1 of EC
  - Brick-and-mortar (old economy) organizations
    - Old-economy organizations (corporations) that perform their primary business off-line, selling physical products by means of physical agents.
  - Pure-clicks (or virtual or pure-play) organizations
    - Organizations that conduct their business activities solely online.
  - Clicks-and-mortar (or clicks-and-brick) organizations
    - Organizations that conduct some e-commerce activities, usually as an additional marketing channel.





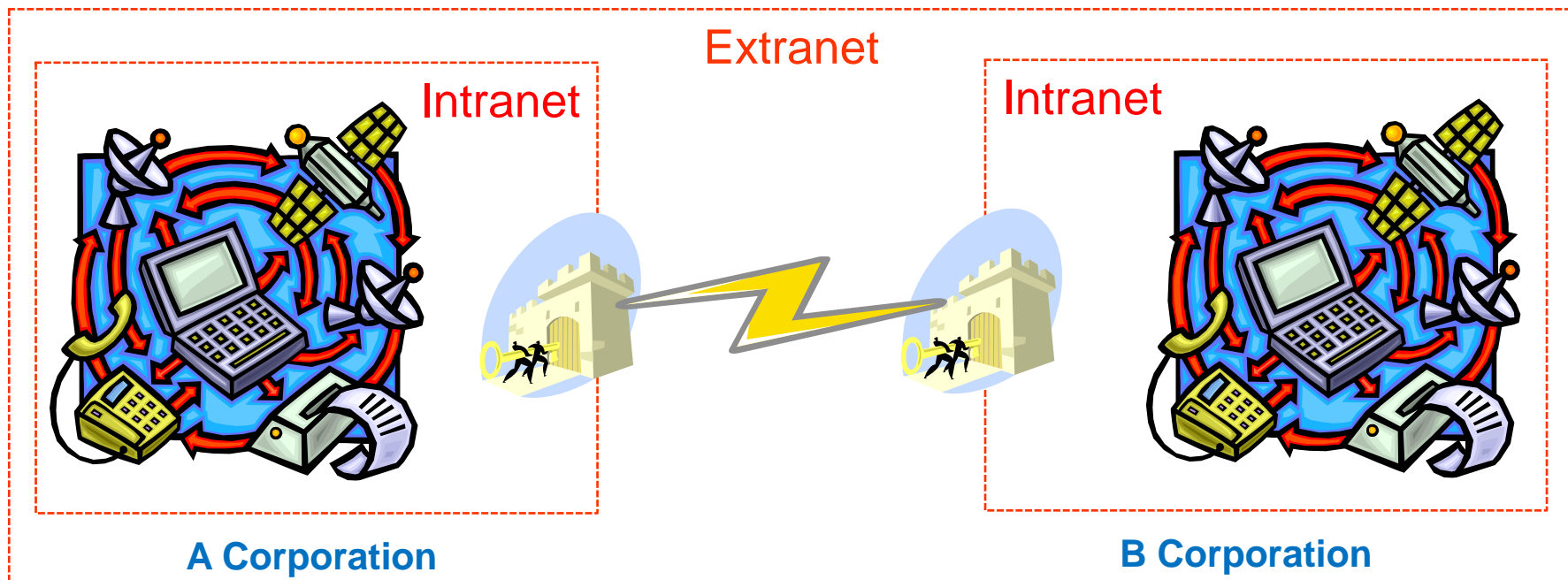
# 01. Electronic Commerce

- Types 2 of EC
  - Pure EC
  - Partial EC
  - Traditional commerce



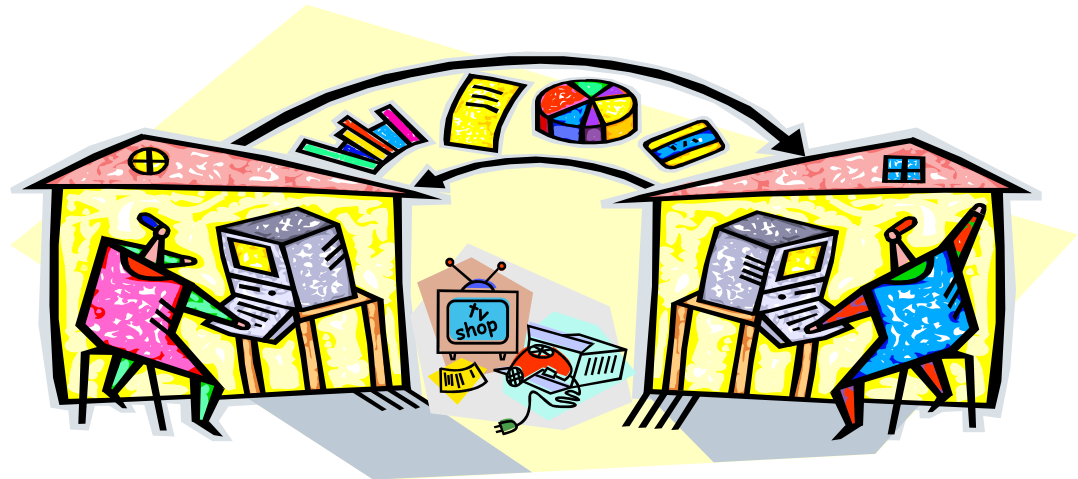
# 01. Electronic Commerce

- Types 3 of EC
  - Non-Internet EC
  - Intranet EC
    - An internal corporate or government network that uses Internet tools, such as Web browsers, and Internet protocols.
  - Extranet EC
    - A network that uses the Internet to link multiple intranets.



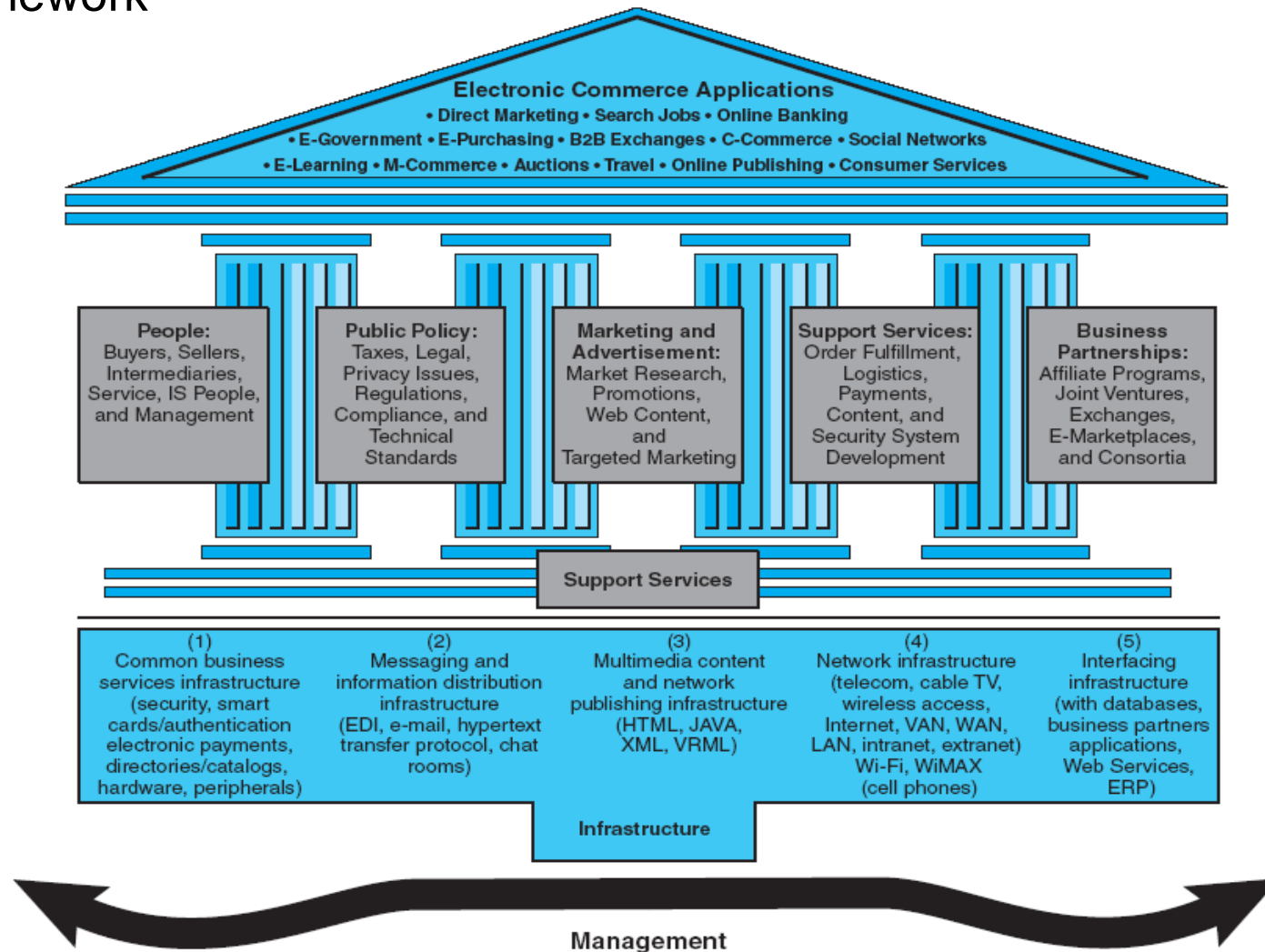
# 01. Electronic Commerce

- Information Systems
  - Interorganizational information systems (IOSs)
    - Communications systems that allow routine transaction processing and information flow between two or more organizations.
  - Intraorganizational information systems
    - Communication systems that enable e-commerce activities to go on within individual organizations.



## 02. EC Framework

### • Framework



## 02. EC Framework

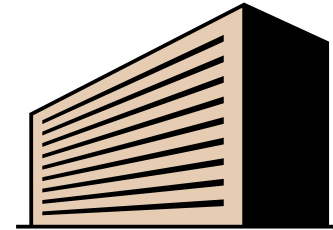
- Three Subjects of Economy



**C**onsumer



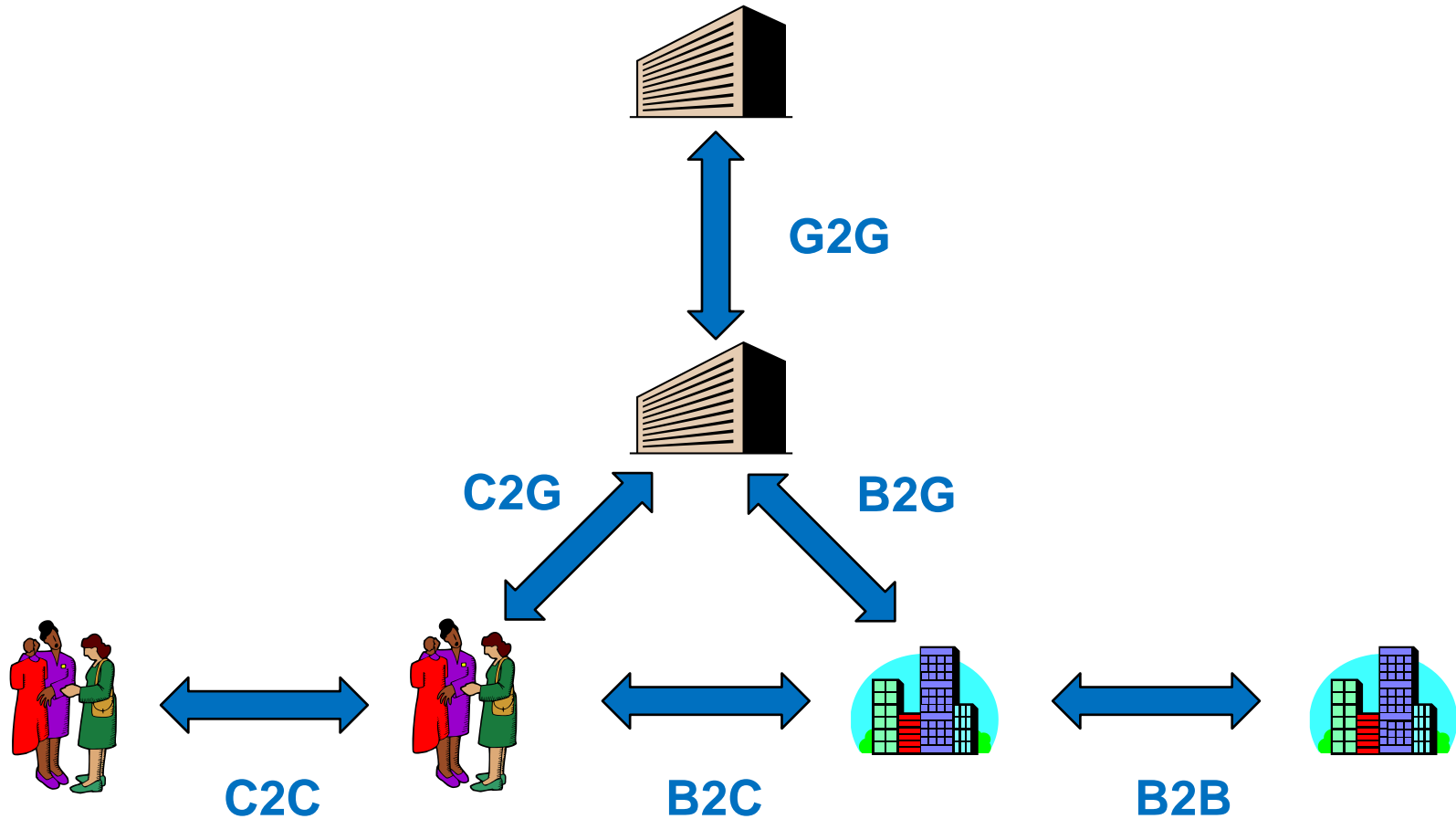
**B**usiness Company



**G**overnment

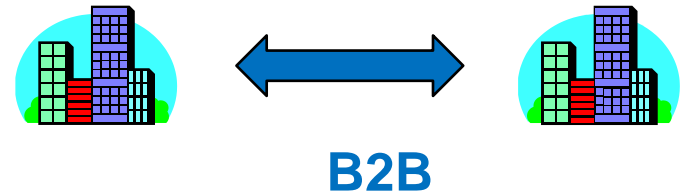
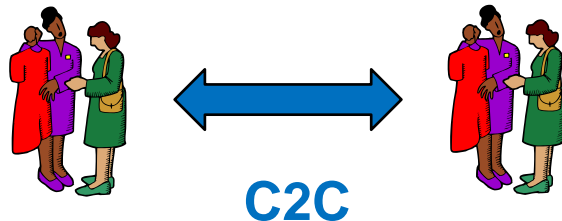
## 02. EC Framework

- Classification of EC by the Nature of the Transactions/Interactions



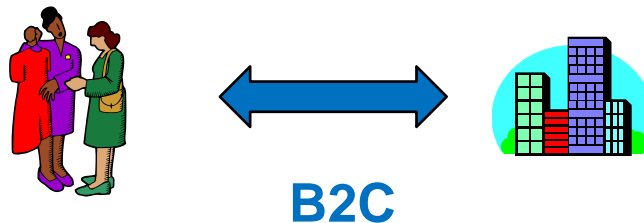
## 02. EC Framework

- Classification of EC by the Nature of the Transactions/Interactions
  - Consumer-to-consumer (C2C)
    - E-commerce model in which consumers sell directly to other consumers.
  - Business-to-business (B2B)
    - E-commerce model in which all of the participants are businesses or other organizations.



## 02. EC Framework

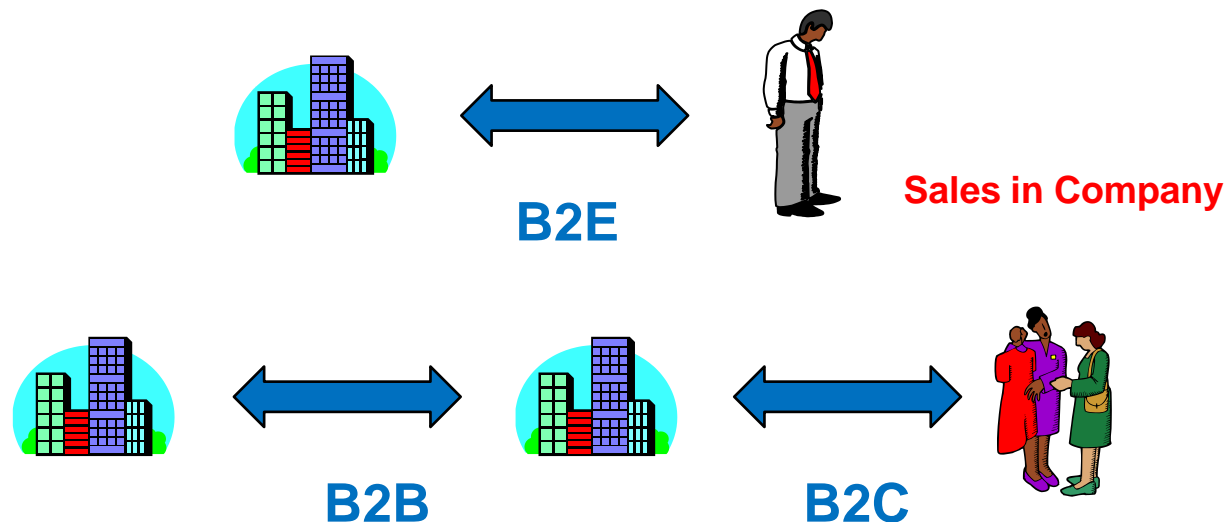
- Classification of EC by the Nature of the Transactions/Interactions
  - Business-to-consumer (B2C)
    - E-commerce model in which businesses sell to individual shoppers.
  - Consumer-to-business (C2B)
    - E-commerce model in which individuals use the Internet to sell products or services to organizations or individuals who seek sellers to bid on products or services they need.
  - E-tailing (B2C)
    - Online retailing.





## 02. EC Framework

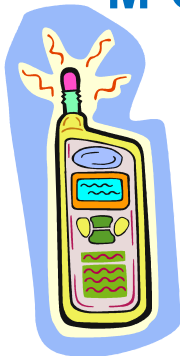
- Classification of EC by the Nature of the Transactions/Interactions
  - Business-to-employees (B2E)
    - E-commerce model in which an organization delivers services, information, or products to its individual employees.
  - Business-to-business-to-consumer (B2B2C)
    - E-commerce model in which a business provides some product or service to a client business that maintains its own customers.



## 02. EC Framework

- Classification of EC by the Nature of the Transactions/Interactions
  - Mobile commerce (m-commerce)
    - E-commerce transactions and activities conducted in a wireless environment.
  - Location-based commerce (l-commerce)
    - M-commerce transactions targeted to individuals in specific locations, at specific times.
  - Collaborative commerce (c-commerce)
    - E-commerce model in which individuals or groups communicate or collaborate online.

### M-Commerce



**By Mobile Devices**

### L-Commerce



**For Specific Locations**

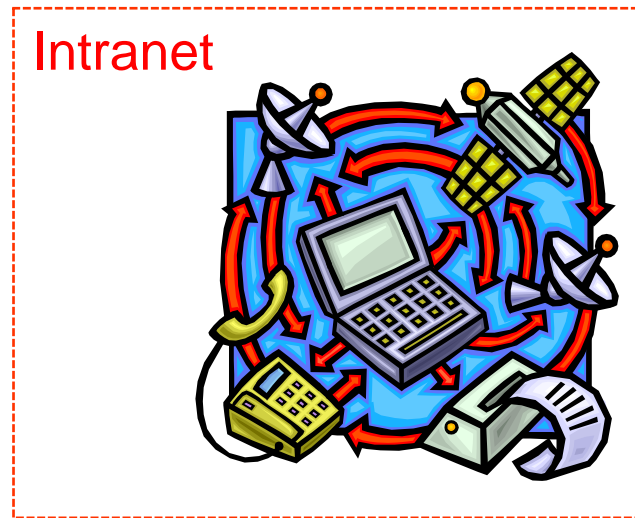
### C-Commerce



**Group Purchasing**

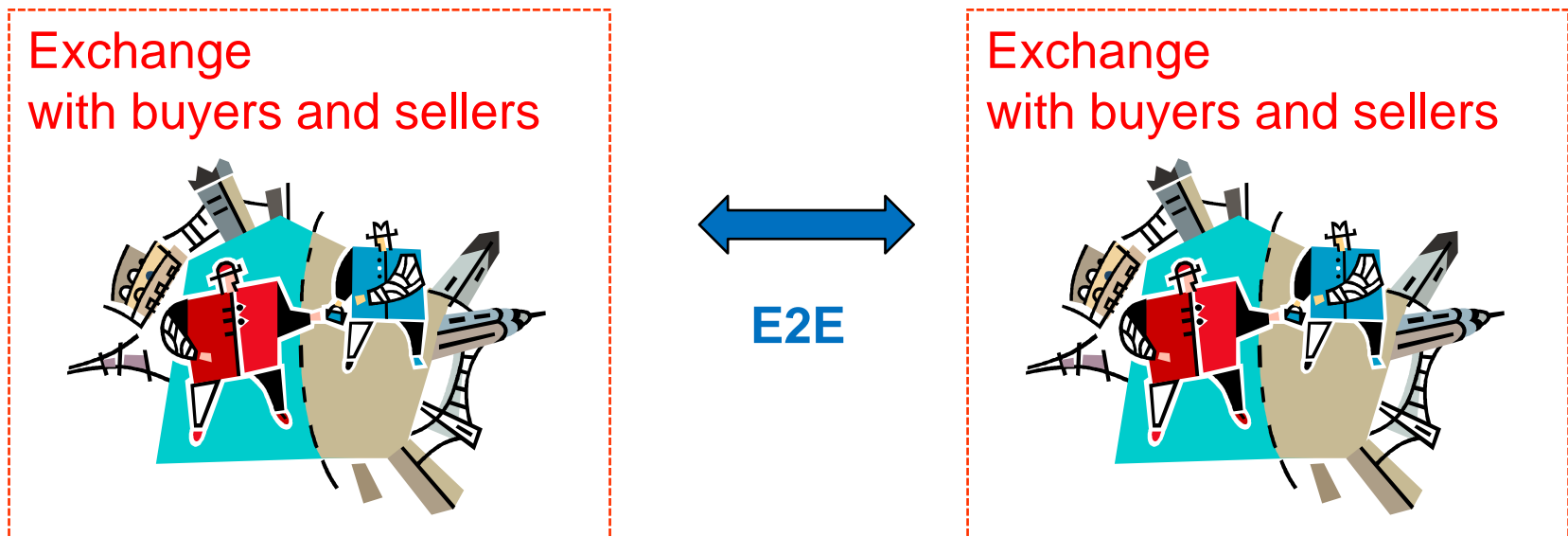
## 02. EC Framework

- Classification of EC by the Nature of the Transactions/Interactions
  - Intrabusiness EC
    - E-commerce category that includes all internal organizational activities that involve the exchange of goods, services, or information among various units and individuals in an organization.



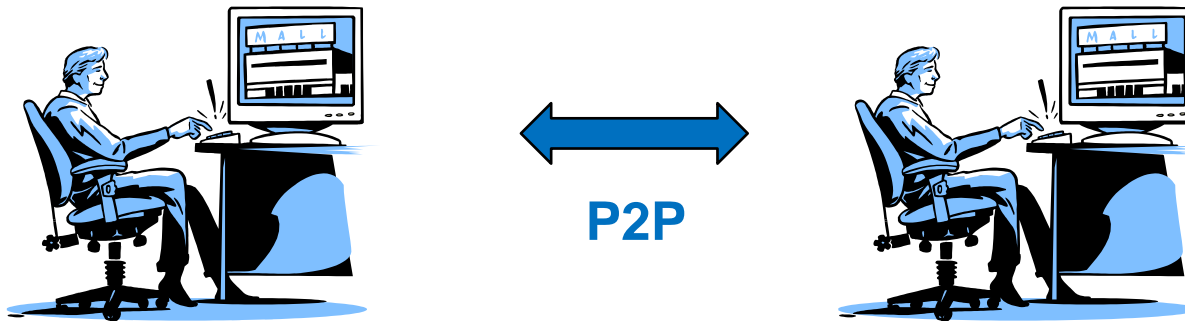
## 02. EC Framework

- Classification of EC by the Nature of the Transactions/Interactions
  - Exchange
    - A public electronic market with many buyers and sellers.
  - Exchange-to-exchange (E2E)
    - E-commerce model in which electronic exchanges formally connect to one another for the purpose of exchanging information.



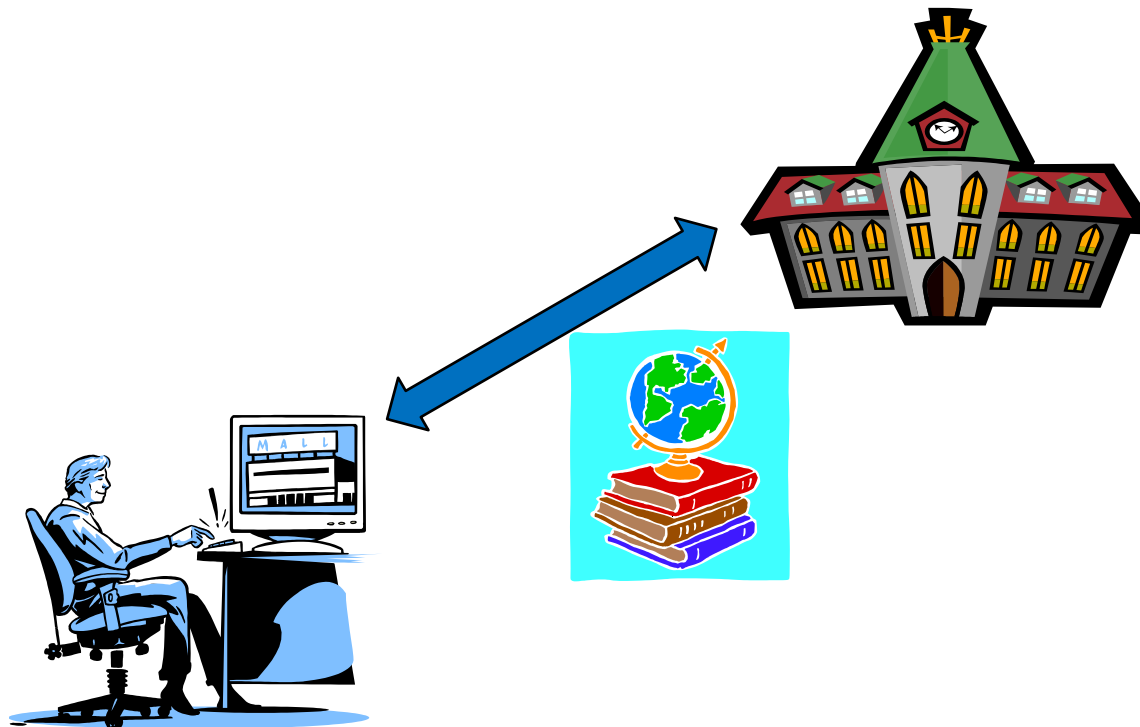
## 02. EC Framework

- Classification of EC by the Nature of the Transactions/Interactions
  - Peer-to-peer
    - Technology that enables networked peer computers to share data and processing with each other directly; can be used in C2C, B2B, and B2C e-commerce.



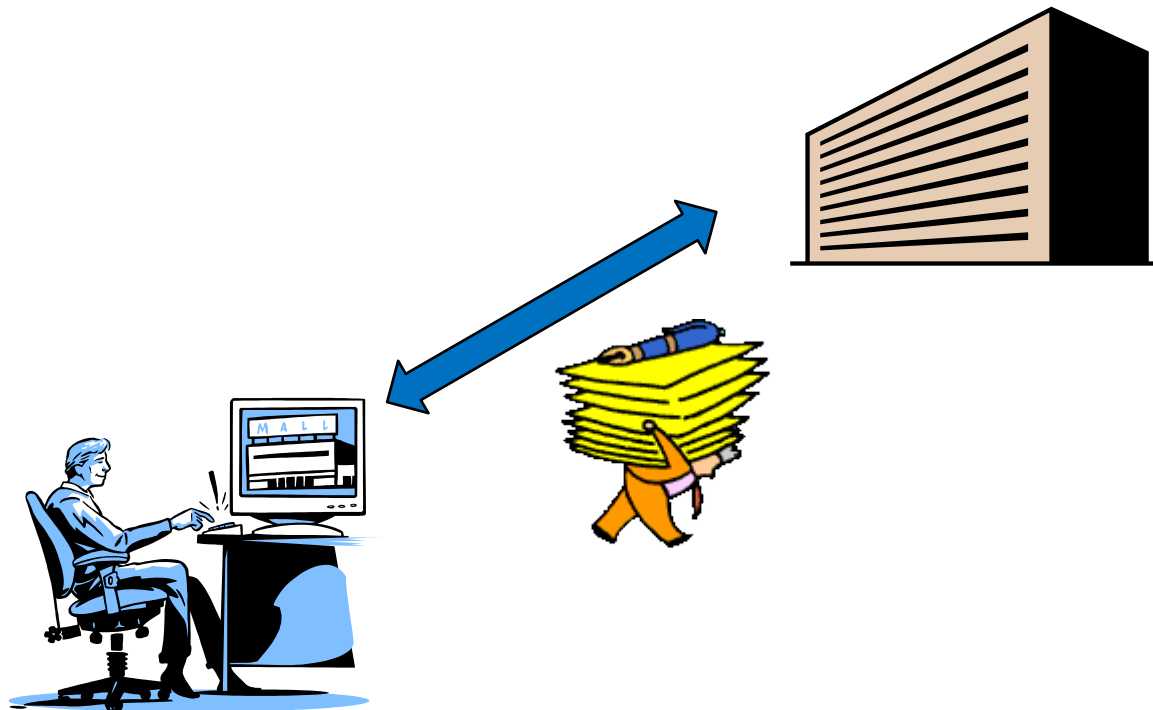
## 02. EC Framework

- Classification of EC by the Nature of the Transactions/Interactions
  - E-learning
    - The online delivery of information for purposes of training or education.



## 02. EC Framework

- Classification of EC by the Nature of the Transactions/Interactions
  - E-government
    - E-commerce model in which a government entity buys or provides goods, services, or information from or to businesses or individual citizens.



# 02. EC Framework

- The Interdisciplinary Nature of EC
  - The Google revolution
  - EC failures
  - EC successes



## 검색

- Q&A** Knowledge  
원 질문에 존재하는 질문과 답변 형태의 지식정보를 검색합니다
- 뉴스**  
전세계 뉴스를 검색합니다
- 대스코틀랜드**  
컴퓨터의 정보를 검색합니다
- 도서** Power  
원하는 책에 대한 정보를 손쉽게 검색합니다
- 다국어**  
원문 주제를 검색합니다
- 블로그** 검색  
가장 좋아하는 주제로 블로그를 검색합니다
- 비디오**  
전 세계 동영상 검색하고 감상합니다
- 사전**  
모든 단어, 구문, 속어의 의미를 검색합니다
- 상품** 검색  
원하는 상품에 대한 가격 및 제품 정보를 검색합니다
- 뉴스** 검색  
원하는 뉴스 및 검색결과를 이메일로 받아봅니다
- 웹** 검색  
80억 개 이상의 웹페이지를 검색합니다
- 원** 검색  
보다 향상된 검색을 제공합니다
- 이미지**  
원하는 이미지를 검색합니다
- 지도**  
전 세계의 주소, 시설, 서비스의 위치와 정보를 검색합니다
- Google** 크롬  
가볍고, 빠르며, 온전한 웹 브라우저입니다
- 토픽** Power  
화제가 되는 실시간 토픽을 보여줍니다
- 웹** 검색  
브라우저에 검색할을 합니다
- 학술** 검색  
논문 및 전문 학술자료를 검색합니다

## 커뮤니케이션 및 공유

- Blogger**  
온라인에서 자신의 일상을 공유합니다
- Gmail**  
스팸없는 대용량 무료 이메일을 제공합니다
- Panoramio**  
전세계의 사진 탐색 및 공유
- Picasa**  
사진 검색, 편집 및 공유가 쉬워집니다
- SketchUp**  
3D 모델을 쉽고 빠르게 만들어 보세요
- YouTube**  
동영상을 보고 나누고 업로드하세요
- 그룹**  
메일링 리스트 및 토론 그룹을 만듭니다
- k**  
전 세계 사용자들의 지식을 공유합니다
- 리더**  
자주 찾는 웹사이트들의 최신정보를 한 번에 봅니다
- 문서** 도구  
온라인으로 프로젝트를 및 문서를 공유합니다
- 번역**  
다른 언어로 웹페이지를 볼 수 있습니다
- 위치** 찾기  
친구의 현재 위치를 확인해 보세요
- 블로그** 31  
일정을 만들고 친구와 공유할 수 있습니다
- 토크**  
컴퓨터로 대화를 걸고 인스턴트의 메시지를 보냅니다

## 모바일 서비스

- 모바일**  
휴대전화로 Google에 접속합니다
- 모바일 지도**  
휴대전화에서 지도와 위치를 확인하고 경로를 탐색합니다

## 컴퓨터 기능 향상

- 패키지**  
유용한 무료 소프트웨어를 모아 놓았습니다



## 03. Digital Revolution

- Digital Economy
  - An economy that is based on digital technologies, including digital communication networks, computers, software, and other related information technologies; also called the Internet economy, the new economy, or the Web economy.

**Traditional Economy  
on Production**



**Digital Economy  
on Information Technology**

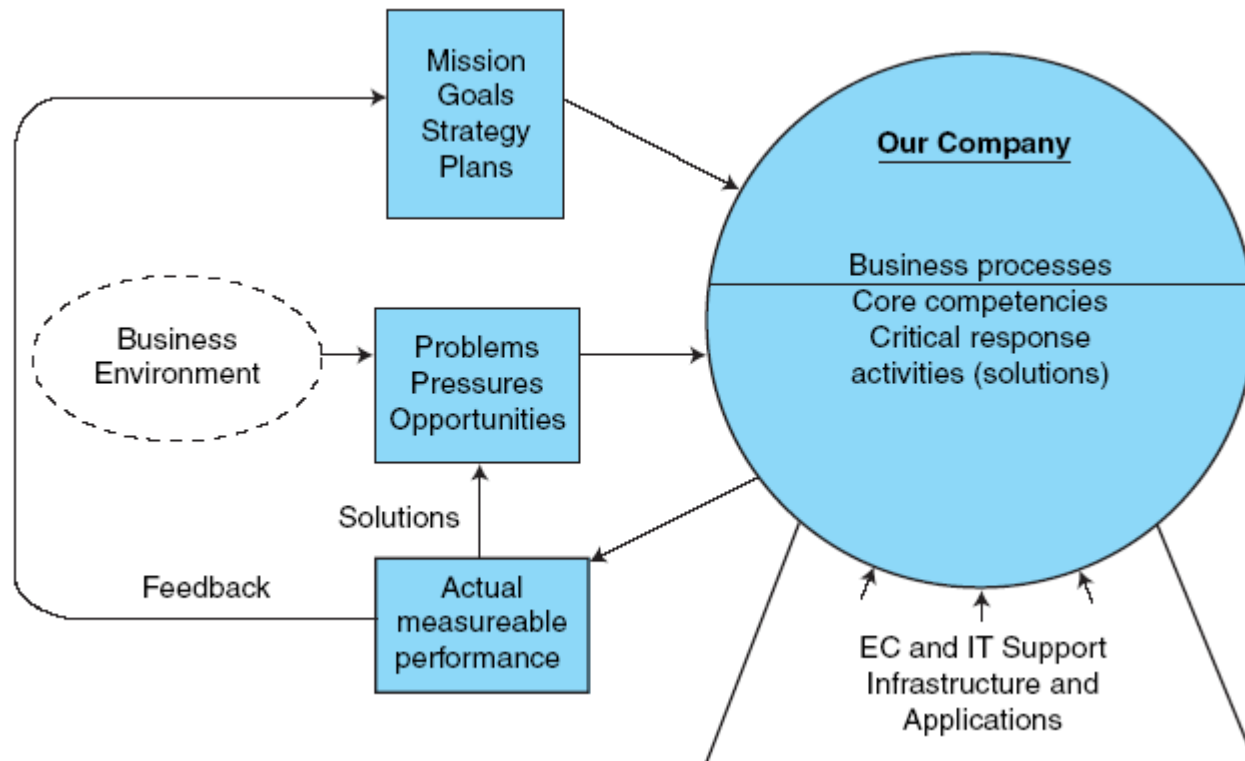


## 03. Digital Revolution

- Drivers of EC
  - The digital revolution drives E-Commerce.
    - The digital revolution accelerates EC mainly by providing competitive advantage to organizations.
    - The digital revolution enables many innovations.

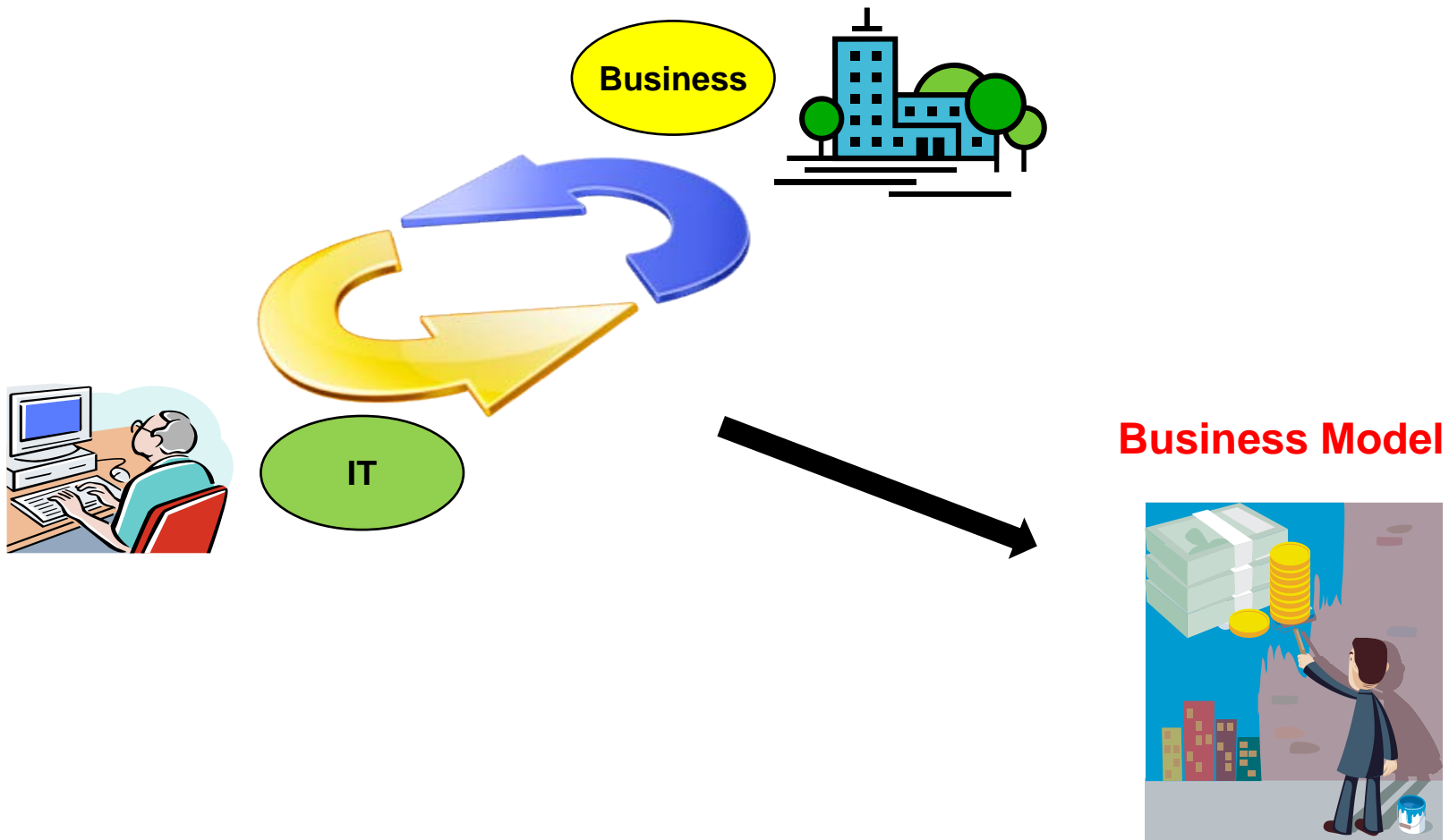
## 03. Digital Revolution

- Drivers of EC
  - The business environment drives E-Commerce.
  - Business Environment Impact Model



## 04. EC Business Models

- Business Model (BM)
  - A method of doing business by which a company can generate revenue to sustain itself.



## 04. EC Business Models

- Classification of BM
  - Online direct marketing
  - Electronic tendering (or bidding) systems for procurement
    - Model in which a buyer requests would-be sellers to submit bids; the lowest cost or highest value bidder wins.
  - Name-your-own-price (or reverse-auction) model
    - Model in which a buyer sets the price he or she is willing to pay and invites sellers to supply the good or service at that price.
  - Auction model



## 04. EC Business Models

- Classification of BM
  - Search engine model
    - Model finds the best price
  - Affiliate marketing
    - An arrangement whereby a marketing partner (a business, an organization, or even an individual) refers consumers to the selling company's Web site.
  - Viral marketing
    - Word-of-mouth marketing in which customers promote a product or service to friends or others.



## 04. EC Business Models

- Classification of BM
  - Product customization
    - Creation of a product according to the buyer's specifications.
  - Service personalization
    - The creation of a service or information according to specific customer specifications.
  - Group purchasing
    - Quantity (aggregated) purchasing that enables groups of purchasers to obtain a discount price on the products purchased.
  - Virtual world
    - A user-defined world in which people can interact, play, and do business. The most publicized virtual world is Second Life.



## 04. EC Business Models

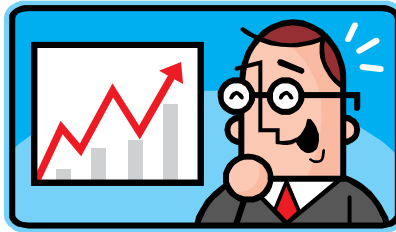
- Classification of BM
  - Electronic marketplaces and exchanges
  - Information brokers (infomediaries)
  - Bartering
  - Value-chain integrators
  - Value-chain service providers
  - Supply chain improvers
  - Social networks, communities, and blogging
  - Negotiation





## 05. Benefits and Limitations of EC

- Benefits of EC
  - Benefits to organizations
  - Benefits to consumers
  - Benefits to society
  - Facilitating problem solving



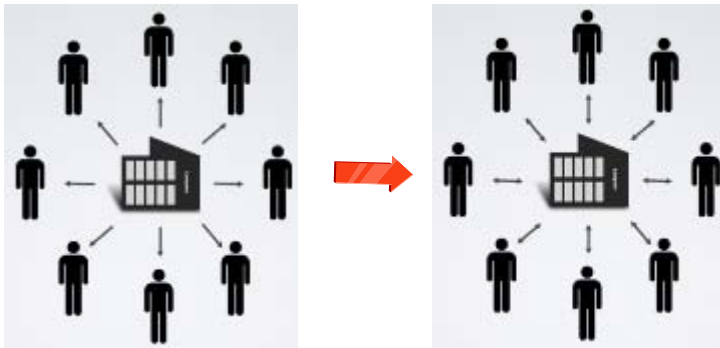
## 05. Benefits and Limitations of EC

- Limitations of EC
  - Technological limitations
  - Nontechnological limitations



## 06. EC Infrastructure

- Web 2.0
  - The second-generation of Internet-based services that let people generate content, collaborate, and share information online in perceived new ways—such as social networking sites, wikis, communication tools, and folksonomies.



**Web 1.0**

**Web 2.0**

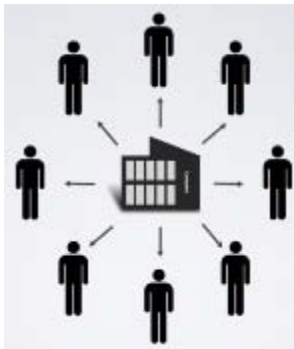
## 06. EC Infrastructure

- Web 2.0
  - Mind map of Web 2.0

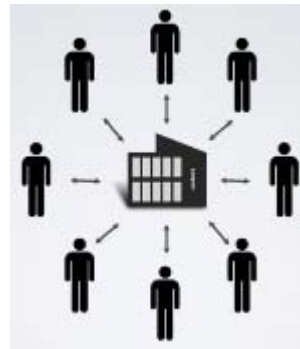


## 06. EC Infrastructure

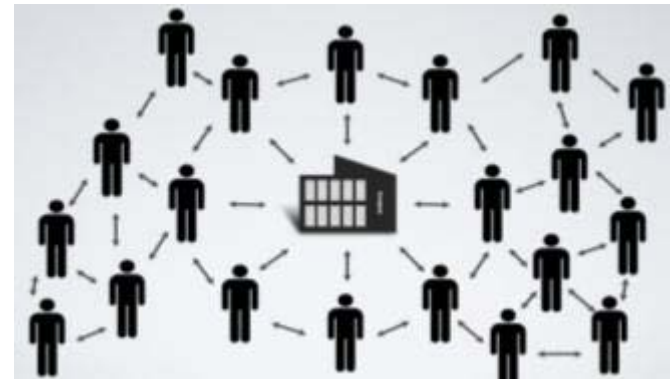
- Social Networks
  - Web sites that connect people with specified interests by providing free services such as photo presentation, e-mail, blogging, and so on.



**Web 1.0**



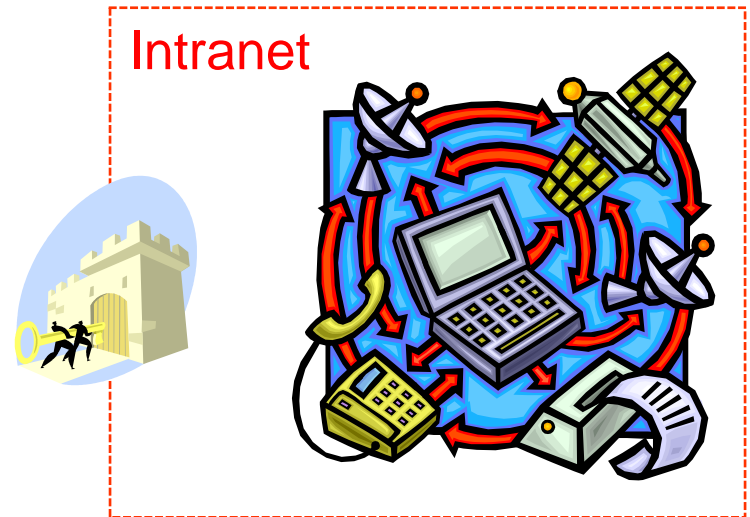
**Web 2.0**



**Socially Network**

## 06. EC Infrastructure

- Digital Enterprise
  - A new business model that uses IT in a fundamental way to accomplish one or more of three basic objectives: reach and engage customers more effectively, boost employee productivity, and improve operating efficiency. It uses converged communication and computing technology in a way that improves business processes.



## 06. EC Infrastructure

- Corporate Portal
  - A major gateway through which employees, business partners, and the public can enter a corporate Web site.

