

# E-commerce marketplace

[Business](#), [E-Commerce](#)



## BUSINESS

Retail consumer E-commerce continues to grow up at double-digit rates. The online demographics of shoppers continue to broaden. Online website continues to reinforce profitability by refining their business models and leveraging the capabilities of the Internet. The first wave of E-Commerce transformed the business world of books, music, and air travel.

In the second wave, eight new industries are facing a similar transformation: telephones, movies, television, jewelry, real estate, hotels, bill payments, and software. The breadth of E-Commerce offerings grow ups, especially each and every one in travel, information clearinghouses, entertainment, retail apparel, appliances, and home furnishings.

Each and every one business and entrepreneurs continue to flood into the E-Commerce marketplace, often riding on the infrastructure craft by industry giants such as Amazon, eBay, and Overture. Brand extension each and every one the way through the Internet grow ups as large firms such as Sears, J. C. Penney, L. L. Bean, and Wal-Mart pursue integrated, multi-channel bricks-and-clicks strategies.

B2Bsupply chain transactions and collaborative commerce continue to reinforce and grow up beyond the \$1.5 trillion mark. TECHNOLOGY: Wireless Internet connections (Wi-Fi, Max, and 3Gtelephone) grew up rapidly.

Podcasting takes off as a new media format for distribution of radio and user-generated commentary.

The Internet broadband foundation becomes stronger in households and businesses. Bandwidth prices of telecommunications companies re-capitalize their debts. RSS (Real Simple Syndication) grows up to become a major new form of user-controlled information distribution that rivals e-mail in some applications. Computing and networking component prices continue to fall dramatically. New Internet-based models of computing such as.

NET and Web services expand B2B opportunities. SELF-PUBLISHING (user-generated content) and syndication in the form of blogs, wikis and social network grow up to form an entirely new self-publishing forum. Newspapers and other conventional, customary & traditional media adopt online, interactive models.

Conflicts over copyright management and control grow up in significance. Over half the Internet user population (about 80 million adults) joins a social group on the Internet. Taxation of Internet sales becomes more widespread and accepted by large online merchants. Controversy over content regulation and controls amplifies and rises.

Surveillance of Internet communications grows up in significance. Concerns over commercial and governmental privacy invasion grow up. Internet fraud and abuse occurrences amplify and rise. First Amendment rights of free speech and association on the Internet are challenged. Spam grows up despite new laws and promised technology fixes. Invasion of personal privacy on the Web expands as marketers discover and locate new ways to track users.

## BUSINESS APPLICATION OF E-COMMERCE

Typical business organizations (or parts within a business organization) design, produce, market, deliver and support its product (s)/service(s). Each of these activities adds cost and value to the product/service that is eventually distributed to the customer. The value-chain consists of a series of activities designed to satisfy a business need by adding value (or cost) in each phase of the process.

In addition to these primary activities that result in a final product/service, supporting activities in this process also should be included: Managing company infrastructure Managing human resources Obtaining various inputs for each primary activity Developing technology to keep the business competitive.

For instance, in a furniture manufacturing company, the company buys wood (raw materials) from a logging company and then converts the wood into chair (finished product); chairs are shipped to retailers, distributors, or customers. The company markets and services these chairs products.

Those are the primary activities (value-chain) that adds value and result in a final product/service for the company. Value-chain analysis may highlight the opportunity for the company to manufacture products directly. This means, for furniture manufacturer, it may enter in the logging business directly or through partnership with others.

he value chain may continue after delivering chairs to the furniture store.

The store, by offering other products/services and mixing and matching this

product with other products, may add additional value to the chair. The Internet can increase the speed and accuracy of communications between suppliers, distributors, and customers.

Furthermore, the Internet's low cost allows companies of any size to be able to take advantage of value-chain integration. E-commerce may improve value chain by identifying new opportunities for cost reduction. For instance, using e-mail to notify customers instead of using regular mail helps for reducing cost. Selling to distant customers using the company web site may allow revenue improvement or generation.

These sales may not have been materialized otherwise or selling digital products such as songs or computer software or distributing software through the web. Offering online customer service or new sales channel identification helps for product/service improvement. Dell Computer generates a large portion of its revenue through the Web by eliminating the middleman.

Cisco systems sell much of its networking hardware and software over the Web, improving revenue and reducing cost. United Parcel Service (UPS) and Federal Express use the Internet to track packages that result in enhanced customer service. History of Ecommerce One of the most popular activities on the Web is shopping.

It has much allure in it — you can shop at your leisure, anytime, and in your pajamas. Literally anyone can have their pages built to display their specific goods and services. History of ecommerce dates back to the invention of the

very old notion of "sell and buy", electricity, cables, computers, modems, and the Internet.

Ecommerce became possible in 1991 when the Internet was opened to commercial use. Since that date thousands of businesses have taken up residence at web sites. At first, the term ecommerce meant the process of execution of commercial transactions electronically with the help of the leading technologies such as Electronic Data Interchange (EDI) and Electronic Funds Transfer (EFT) which gave an opportunity for users to exchange business information and do electronic transactions.

The ability to use these technologies appeared in the late 1970s and allowed business companies and organizations to send commercial documentation electronically. Although the Internet began to advance in popularity among the general public in 1994, it took approximately four years to develop the security protocols (for example, HTTP) and DSL which allowed rapid access and a persistent connection to the Internet.

In 2000 a great number of business companies in the United States and Western Europe represented their services in the World Wide Web. At this time the meaning of the word ecommerce was changed. People began to define the term ecommerce as the process of purchasing of available goods and services over the Internet using secure connections and electronic payment services.

Although the dot-com collapse in 2000 led to unfortunate results and many of ecommerce companies disappeared, the "brick and mortar" retailers

recognized the advantages of electronic commerce and began to add such capabilities to their web sites (e. g., after the online grocery store Webvan came to ruin, two supermarket chains, Albertsons and Safeway, began to use ecommerce to enable their customers to buy groceries online).

By the end of 2001, the largest form of ecommerce, Business-to-Business (B2B) model, had around \$700 billion in transactions. According to all available data, ecommerce sales continued to grow in the next few years and, by the end of 2007, ecommerce sales accounted for 3.4 percent of total sales.

Ecommerce has a great deal of advantages over "brick and mortar" stores and mail order catalogs. Consumers can easily search through a large database of products and services. They can see actual prices, build an order over several days and email it as a "wish list" hoping that someone will pay for their selected goods. Customers can compare prices with a click of the mouse and buy the selected product at best prices. Online vendors, in their turn, also get distinct advantages.

The web and its search engines provide a way to be found by customers without expensive advertising campaign. Even small online shops can reach global markets. Web technology also allows to track customer preferences and to deliver individually-tailored marketing. History of ecommerce is unthinkable without Amazon and E-bay which were among the first Internet companies to allow electronic transactions.

Thanks to their founders we now have a handsome ecommerce sector and enjoy the buying and selling advantages of the Internet. Currently there are 5 largest and most famous worldwide Internet retailers: Amazon, Dell, Staples, Office Depot and Hewlett Packard. According to statistics, the most popular categories of products sold in the World Wide Web are music, books, computers, office supplies and other consumer electronics.

Amazon. com, Inc. is one of the most famous ecommerce companies and is located in Seattle, Washington (USA). It was founded in 1994 by Jeff Bezos and was one of the first American ecommerce companies to sell products over the Internet. After the dot-com collapse Amazon lost its position as a successful business model, however, in 2003 the company made its first annual profit which was the first step to the further development.

At the outset Amazon. com was considered as an online bookstore, but in time it extended a variety of goods by adding electronics, software, DVDs, video games, music CDs, MP3s, apparel, footwear, healthproducts, etc. The original name of the company was Cadabra. com, but shortly after it become popular in the Internet Bezos decided to rename his business " Amazon" after the world's most voluminous river.

In 1999 Jeff Bezos was entitled as the Person of the Year by Time Magazine in recognition of the company's success. Although the company's main headquarters is located in the USA, WA, Amazon has set up separate websites in other economically developed countries such as the United Kingdom, Canada, France, Germany, Japan, and China.



The company supports and operates retail web sites for many famous businesses, including Marks ; Spencer, Lacoste, the NBA, Bebe Stores, Target, etc. Amazon is one of the first ecommerce businesses to establish an affiliate marketing program, and nowadays the company gets about 40% of its sales from affiliates and third party sellers who list and sell goods on the web site.

In 2008 Amazon penetrated into the cinema and is currently sponsoring the film " The Stolen Child" with 20th Century Fox. According to the research conducted in 2008, the domain Amazon. com attracted about 615 million customers every year. The most popular feature of the web site is the review system, i. e. the ability for visitors to submit their reviews and rate any product on a rating scale from one to five stars.

Amazon. com is also well-known for its clear and user-friendly advanced search facility which enables visitors to search for keywords in the full text of many books in the database. One more company which has contributed much to the process of ecommerce development is Dell Inc., an American company located in Texas, which stands third in computer sales within the industry behind Hewlett-Packard and Acer.

Launched in 1994 as a static page, Dell. com has made rapid strides, and by the end of 1997 was the first company to record a million dollars in online sales. The company's unique strategy of selling goods over the World Wide Web with no retail outlets and no middlemen has been admired by a lot of customers and imitated by a great number of ecommerce businesses.

The key factor of Dell's success is that Dell.com enables customers to choose and to control, i. e. visitors can browse the site and assemble PCs piece by piece choosing each single component based on their budget and requirements. According to statistics, approximately half of the company's profit comes from the web site.

In 2007, Fortune magazine ranked Dell as the 34th-largest company in the Fortune 500 list and 8th on its annual Top 20 list of the most successful and admired companies in the USA in recognition of the company's business model. History of ecommerce is a history of a new, virtual world which is evolving according to the customer advantage. It is a world which we are all building together brick by brick, laying a secure foundation for the future generations.