

Ebusiness company comparisons

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



EBusiness Company Comparisons Name: Course: Date: EBusiness Company Comparisons How do companies such as Expedia, Priceline, Google, Yahoo, Amazon and eBay make money online? Discuss their business models.

Google, Expedia and Price line: These three companies have different characteristics, structures and modes of operation that sets them aside from classical companies. These new generation companies make use multi level e-commerce strategies. These online companies normally start out by adopting a strong Business-to-Consumer (B2C) relationship among their customers. Such companies also have a good Business-to-Business (B2B) network with their suppliers (Rappa, 2012). However, with the changes in the market, these strong ties with the suppliers broke down and made way for Customer-to-Business transactions where the customers' value was realized to be important (Rappa, 2012).

EBay and Amazon: These companies have shifted significance to that of the customer. This prompted new avenues of making revenues such as facilitating increased customer-to-customer participation through platforms such as the Amazon or the eBay marketplace. These companies let the customers sell anything they desire using its platform and this freedom of choice and flexibility by users has contributed to higher profit margins. These virtual companies obtain profit by earning a commission whenever any user visits their site, samples their products or posts a company's links. The nature of the Internet makes it very easy to have a large customer base that can be taken advantage of if the company establishes a strong sales revenue model. The sizes of these customer bases range from 10 to 80 million people (Rappa, 2012). Yahoo: The Yahoo Company shares some

characteristics with EBay and Amazon in the way it is structured. However, they are unique in that their departments are serviced by sophisticated Customer Relationship Management (CRM) systems that collect all relevant and legal customer information and behavior.

These companies then offer tailor-made products or bundles of items, based upon preferences. The founder of Amazon, one of the renowned online bookstores also stressed on the proper use of digital services that helped his company make huge profits by having digital inventories that allow for low prices and subsequently, more customers (Rappa, 2012). Influence of latest online trends on the future business models The social media has revolutionized the way in which companies handle their operations, do their marketing and advertise their goods and services.

Social media has the function of facilitating participation, discussion and sharing of content in a suitable way. Examples of social media include blogs and social networking sites such as You Tube, Facebook, Wikipedia and LinkedIn. The technological aspect of social media can be instrumental in shaping a business model through integrating the customer into the product or service development process. An example is Threadless is an apparel company which gives customers a chance to submit their designs for online analysis (Rappa, 2012).

Changes in the marketing trends thanks to social networking have transformed marketing into a personal and unique art. People are increasingly avoiding the direct salesperson who aggressively markets his products. Instead, marketing now involves conversations among peer groups

and circles in social sites about a product. Companies therefore focus on the existing customers as channels to access their friends. Innovation in the marketing and sales of goods and services has also changed most business models.

Advertising platforms have been maximized on the Internet and social sites that serves to increase loyalty and number of customers. Cloud computing has also change various aspects of business models especially for online companies such as Google and Yahoo. Using cloud computing can drastically reduce the costs incurred in handling various supplier transactions as well as lowering the costs for buyers by limiting the mental, physical and monetary challenges. Many institutions have also adopted cloud computing and succeeded immensely for example Alibaba that adopted cloud system and increased their virtual storage capability. This new model has been labeled hardware as a service (HaaS) or Software as a Service (SaaS) (Shaw, 2003). Key conclusions, comparisons on marketing in the new economy E-commerce has been singled out as one of the most promising branches of internet marketing. Through internet marketing, new avenues of marketing have been availed such as geo-targeting where consumers are targeted using the geo-location of website visitor. Products are designed and delivered to these visitors based on where they are located.

Niche marketing has also been improved by the advent of internet marketing in that target audiences are identified. Online advertising messages are tailor made to target youth, children, workers and old people. The social media and mobile technologies have also taken the business environment by

storm by influencing the sharing of information and building networks.

Technologies such as smart phones and tablets provide instant access to business information such as stock prices, mergers and acquisitions as well as new products (Hoque, 2000). Some financial institutions in America have taken the social media wave to a new level by considering the influence brought about by small businesses having a wide following on social sites.

The social "credit" of a company can now be considered useful for corporate bailouts and securing finance. The creation of new relationships is another new aspect that has greatly changed how people perceive the new economy. A rush by businesses to develop and sustain relationships with their customers serves to increase customer loyalty has seen the emergence of corporate giants on social platforms such as Facebook.

Customers get to learn, converse, engage and share experiences with the management of the business hence increasing the loyalty. References
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