كلية المنصور الجامعة

Al – Mansour University College

Computer Science and Information System Department

4th Stage / Information System

Course 1

Management Information System

Lecture_09

E-commerce: Digital Markets, Digital Goods

By

Asst.Prof. Dr. Abeer S. Jamil

2019-2020

6.1 E-Commerce

- E-commerce: use of the Internet and Web to transact business; digitally enabled transactions.
- Began in 1995 and grew exponentially; still
- Companies that survived the dot-com bubble burst and now thrive.
- E-commerce revolution is still in its early stages.

6.2 Why E-Commerce Is Different?

1- Ubiquity

•Internet/Web technology available everywhere:work, home, and so on, anytime.

2- Effect:

•Marketplace removed from temporal, geographic locations to become "marketspace"

•Enhanced customer convenience and reduced shopping costs

6.3 Features of E-commerce Technology?

1- Global reach

1.1 The technology reaches across national boundaries, around Earth

1.2 Effect:

- Commerce enabled across cultural and national boundaries seamlessly and without modification.
- Marketspace includes, potentially, billions of consumers and millions of businesses worldwide.

2- Universal standards

2.1 One set of technology standards: Internet standards

2.2 Effect:

- Disparate computer systems easily communicate with one another.
- Lower market entry costs—costs merchants must pay to bring goods to market.
- Lower consumers' search costs—effort required to find suitable products.

3- Richness

3.1 Supports video, audio, and text messages

3.2 Effect:

- Possible to deliver rich messages with text, audio, and video simultaneously to large numbers of people.
- Video, audio, and text marketing messages can be integrated into single marketing message and consumer experience.

4- Interactivity

4.1 **The technology works through interaction with the user.**

4.2 Effect:

- Consumers engaged in dialog that dynamically adjusts experience to the individual.
- Consumer becomes co-participant in

  process of delivering goods to market.

5- Information density

5.1 Large increases in information density—the total amount and quality of information available to all market participants

5.2 Effect:

- Greater price transparency
- Greater cost transparency
- Enables merchants to engage in price discrimination

6- Personalization/Customization

6.1 Technology permits modification of messages, goods

6.2 Effect:

- Personalized messages can be sent to individuals as well as groups.
- Products and services can be customized to individual preferences.

7- Social technology

7.1 The technology promotes user content generation and social networking

7.2 Effect:

- New Internet social and business models enable user content creation and distribution, and support social networks.

6.4 Types of E-commerce

- **Business-to-consumer (B2C)**
- **Business-to-business (B2B)**
- **Consumer-to-consumer (C2C)**
- **Mobile commerce (m-commerce)**

6.5 E-commerce Business Models

1. **Portal**
2. **E-tailer**
3. **Content provider**
4. **Transaction broker**
5. **Market creator**
6. **Service provider**
7. **Community provider**

6.6. E-commerce Revenue Models

- **Advertising**
- **Sales**
- **Subscription**
- **Free/Fremium**
- **Transaction fee**
- **Affiliate**

6.7 E-commerce Marketing

- Internet provides marketers with new ways of identifying and communicating with customers.
- Long tail marketing: ability to reach a large audience inexpensively.
- Behavioral targeting: tracking online behavior of individuals on thousands of Web sites.
- Advertising formats include search engine marketing,

  display ads, rich media, and e-mail.