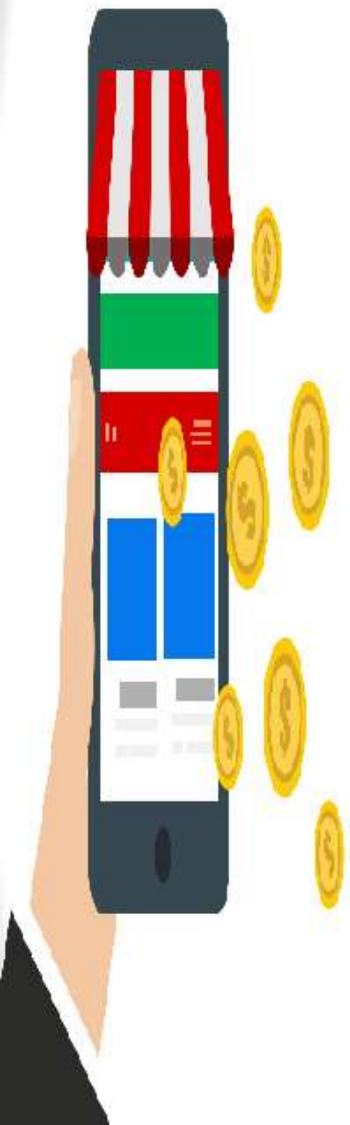


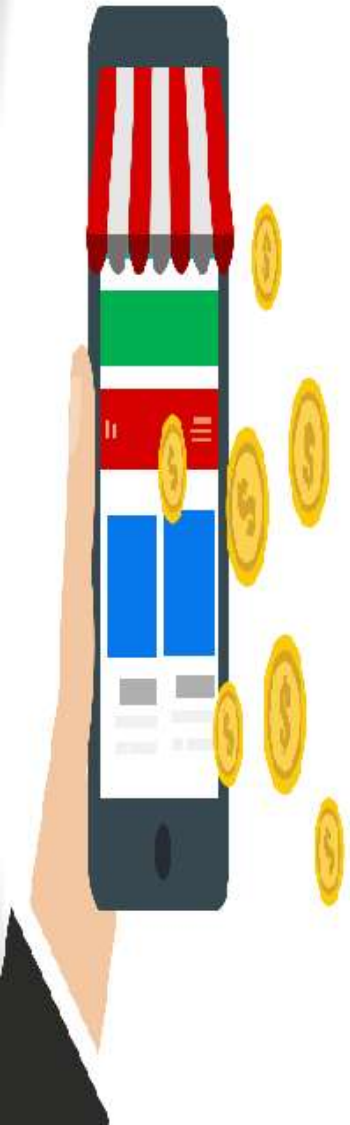
E-Commerce

Dr. Rastgoo



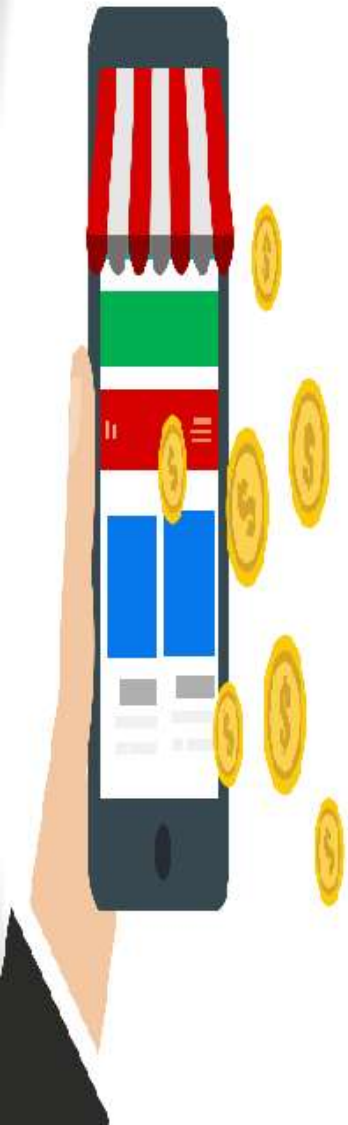
What is Ecommerce?

- Ecommerce = Electronic commerce!
- In simple terms, it means running an **online** business.
- It refers to the selling and purchasing of goods and services over the **internet** where the exchange of money and data takes place via protected connections in order to execute a transaction.



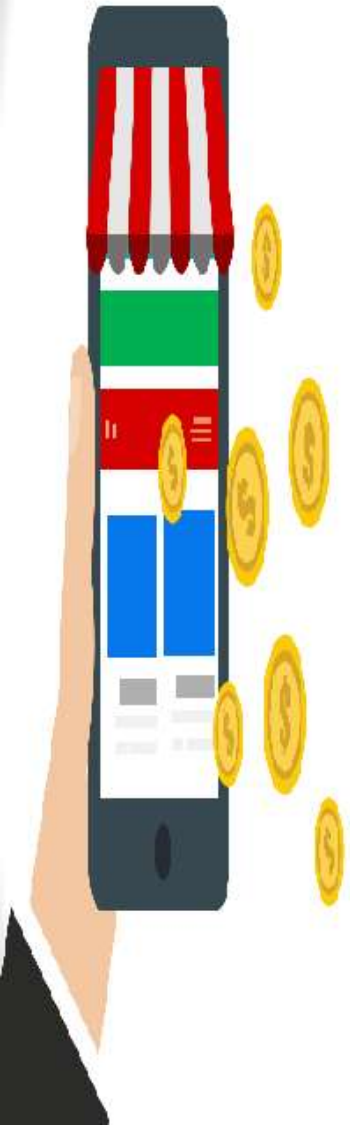
History of Ecommerce

- The history of ecommerce goes back to the early 1990s.
- The ecommerce phenomenon kicked off in 1991 when the online world became more recognizable.
- It took some time but was open for commercial use sooner than expected.
- Since then, many businesses took up their residence over the **World Wide Web**.



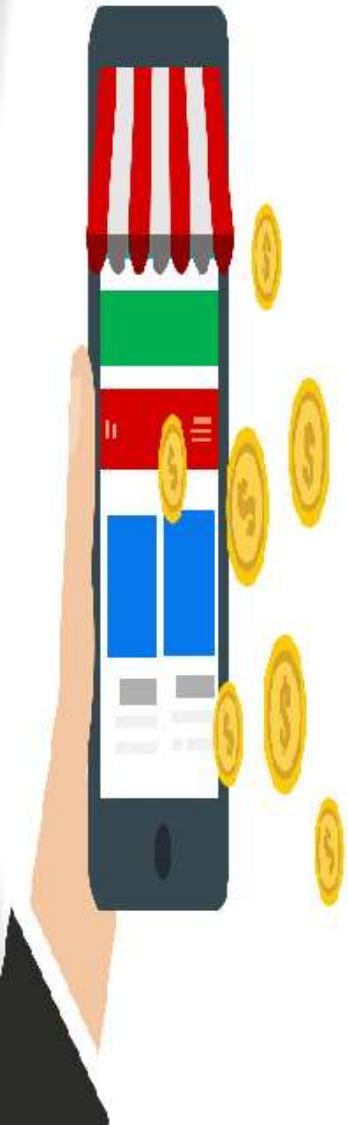
History of Ecommerce

- As soon as the common men became familiar with the internet by 1994, ecommerce become popular.
- Security protocols like DSL and HTTPS nearly took around four years to effectively develop in order to allow a quick, persistent connection to the Internet.



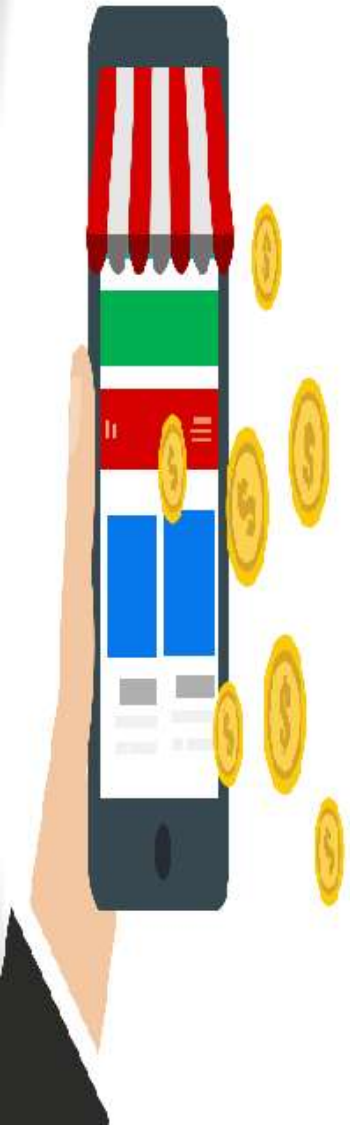
History of Ecommerce

- During the year **2000**, many businesses from the USA and Western Europe went online to sell their products and services.
- This was the time when the meaning of “**ecommerce**” changed.
- Many retailers saw the benefits of ecommerce and began to optimize their websites in order to expand their businesses online.



History of Ecommerce

- By the end of 2001, Business-to-Business (B2B) model became the most effective domain of ecommerce as it made roughly \$700 billion in revenue.
- Since then, ecommerce has seen an unprecedented growth as online sales continued to rise.



History of Ecommerce

- If we speak about the growth of ecommerce in the last decade, according to Google Trends, it has remained steady with nominal fluctuations since 2008 until 2015/2016.

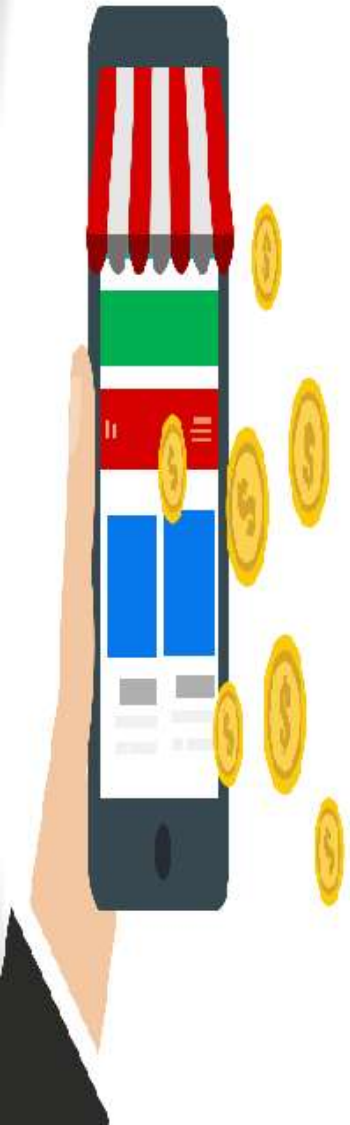


- However, the trend of ecommerce began to grow with a promising incline since 2016/2017 and since then, more and more businesses began to create their online presence in order to grow in today's digital landscape.



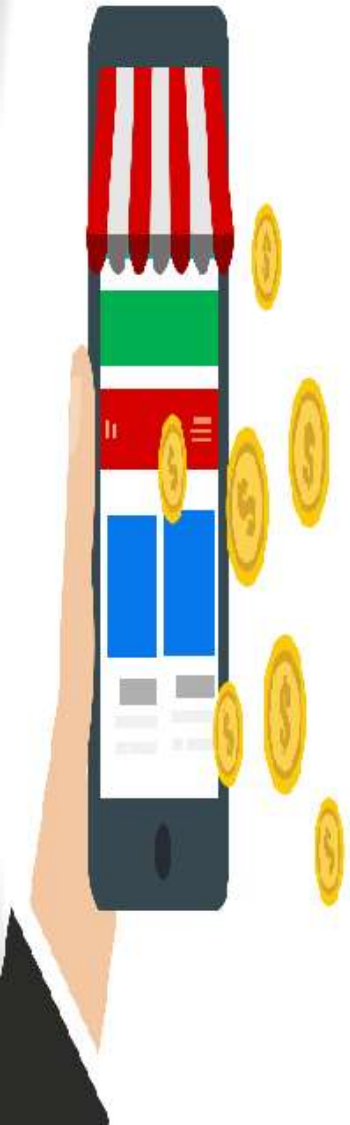
History of Ecommerce

- Today, ecommerce, for people, is a process of purchasing goods and services over the **Internet** by using an electronic payment service through **protected** connections.
- The best-selling products are emerging from categories like music, books, computers, office supplies, and consumer electronics.



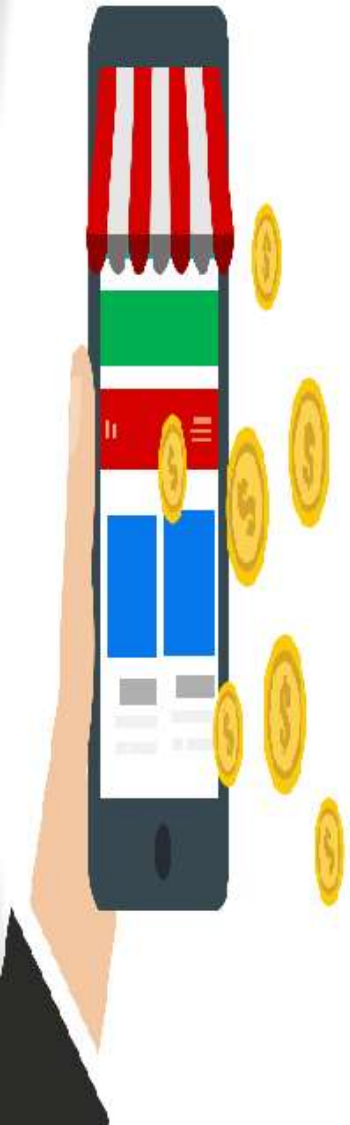
Importance of Ecommerce in Today's World

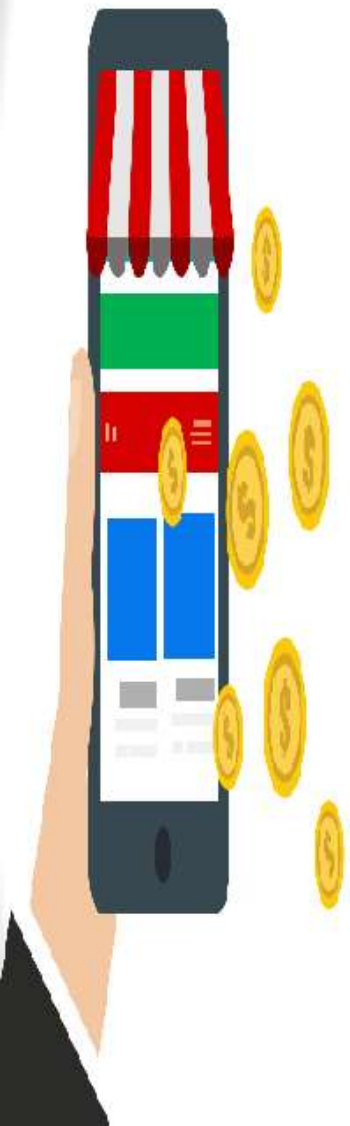
- Ecommerce allows customers to easily find their desired product(s) through a large database.
- They can research the product beforehand, compare prices, learn more from customer **reviews**, and then buy it once their concerns are rectified by the online customer support representative.



Importance of Ecommerce in Today's World

- Online **retailers** on the other hand, also get to enjoy many ecommerce benefits.
- The internet or more accurately, search engines allow online businesses to reach global markets.
- They can be found by potential customers without spending hundreds of dollars on expensive **advertising** campaigns.
- The internet has allowed them to track customer **preferences** and then execute perfectly tailored marketing campaigns.





Ecommerce Classification

- There are **four** primary types of ecommerce business models.
- All of them are classified based on the nature of the **transactions**.
- The classification of ecommerce businesses are as follows:



Business-to-Business (B2B) Ecommerce



- The B2B ecommerce model refers to trading goods or services from one **business** to the **other**.
- The B2B model promotes online businesses to interchange goods with each other.
- For instance, a manufacturer sells his goods to a wholesaler who then sells it to the retailer.
- In this scenario, the **manufacturer** and the **wholesaler** are following the B2B model.



Business-to-Consumer (B2C) Ecommerce

- The B2C ecommerce model works as the name suggests.
- In the B2C ecommerce model, a **business** sells the goods or services directly to the individual **customer** online.
- In the aforementioned example, the retailer is following the B2C model as he is purchasing from the wholesaler in bulk, but selling the goods online to individual customers.



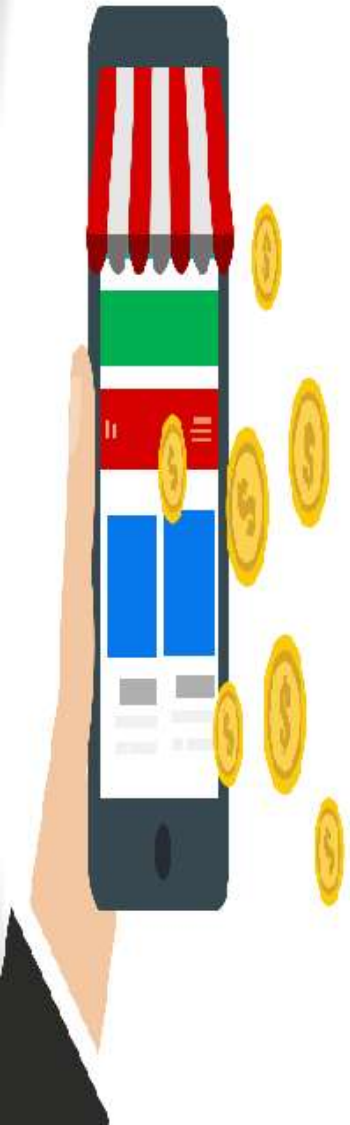
Business-to-Consumer (B2C) Ecommerce

- With the help of the B2C model, the customers can view and purchase the desired products from the retailer's online store.
- Once the online retailer receives an order, he processes the order and then sends the goods directly to the customer.
- For instance, **Amazon** is an excellent example of B2C ecommerce model as they sell individual goods to individual customers.



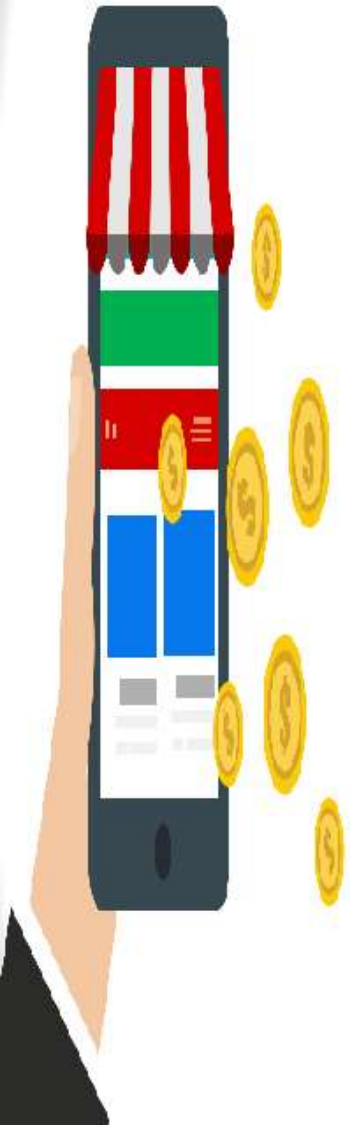
Consumer-to-Consumer (C2C) Ecommerce

- Another ecommerce business model is the C2C model.
- It allows the **customer** to sell the goods or services to other **customers** with the help of the internet.
- It makes perfect sense in today's digital landscape.
- In simpler terms, this is **mobile ecommerce**!



Consumer-to-Consumer (C2C) Ecommerce

- The C2C ecommerce model allows an individual to sell their assets online for e.g. a car, a house or a bike to other individuals.
- The seller can publish an ad containing all the product details.
- Interested customers can view the details of the product and contact the seller to pursue the transaction.
- **Ebay** is a great example of the C2C ecommerce model that is running successfully.



Consumer-to-Business (C2B) Ecommerce

- This interesting ecommerce model allows an individual **customer** to sell goods and services to a **business**.
- It follows the reverse path of the B2C model where businesses create products and services for the end user.
- The C2B ecommerce model allows individual customers to sell goods or services to businesses that are willing to purchase from them.



Consumer-to-Business (C2B) Ecommerce

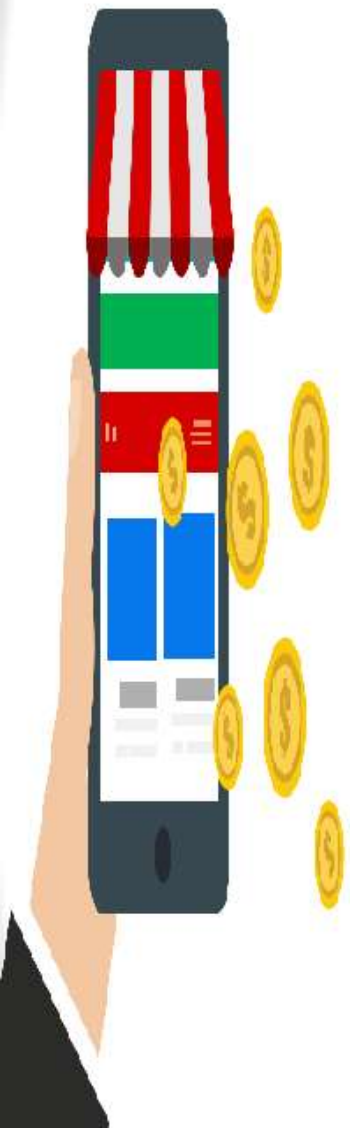


- For instance, if you are a **software architect**, then you can showcase your skills set to potential businesses on platforms.
- If the business is enticed by your software skills then they will purchase the software from you, and might as well, hire you for future services.

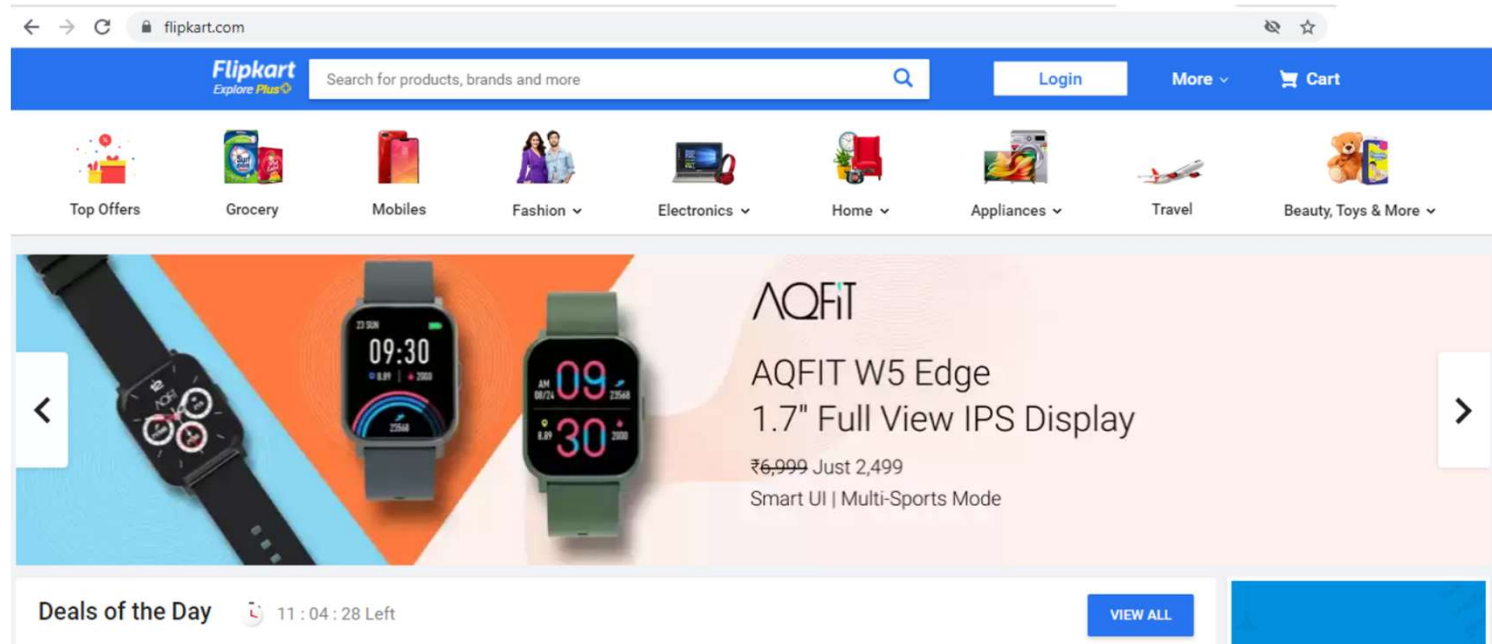


Top Examples of Ecommerce

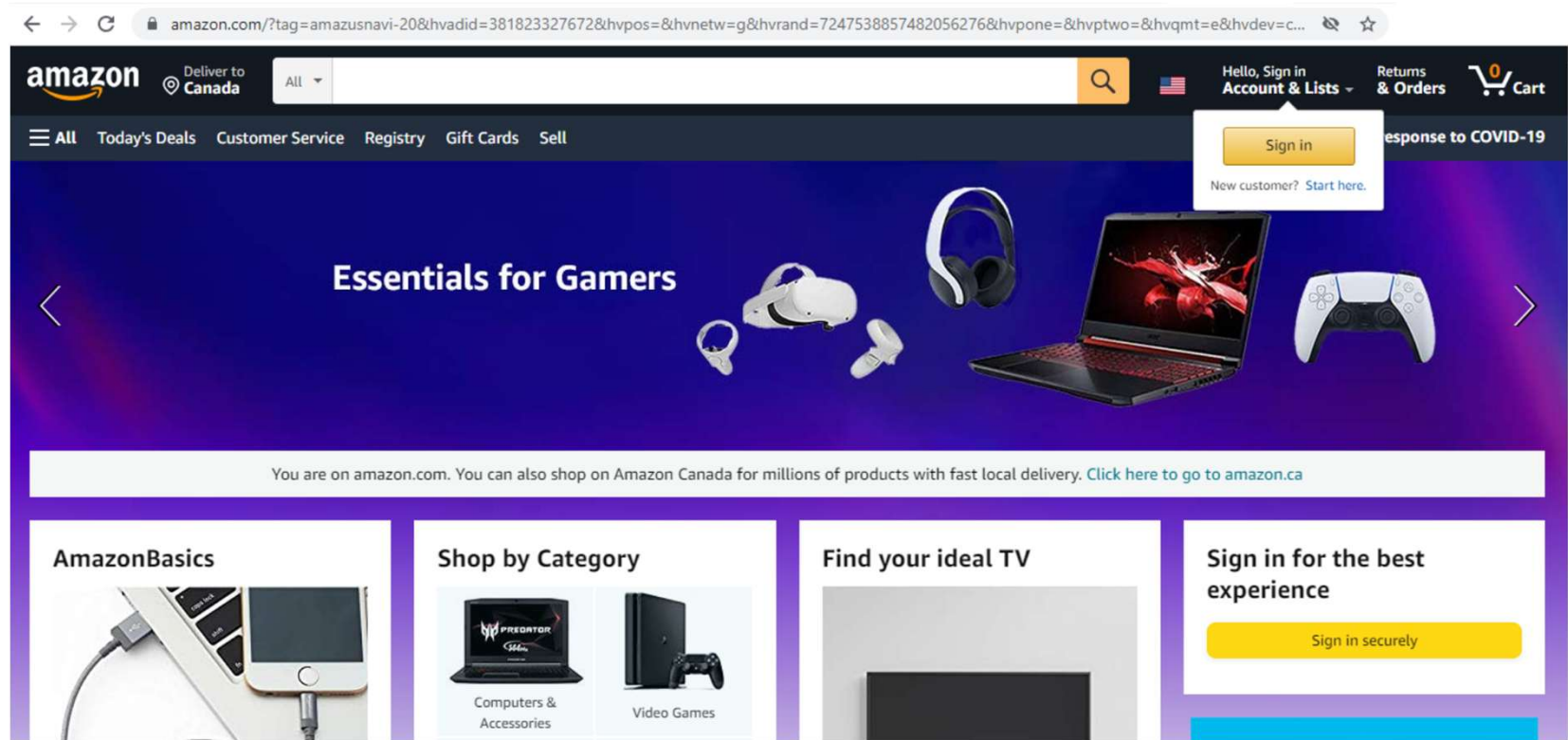
- There are some pretty major examples of ecommerce businesses that have made it big, including **Amazon**, **FlipKart**, **eBay**, and **Myntra**.
- Here are some major examples that you might have heard of.



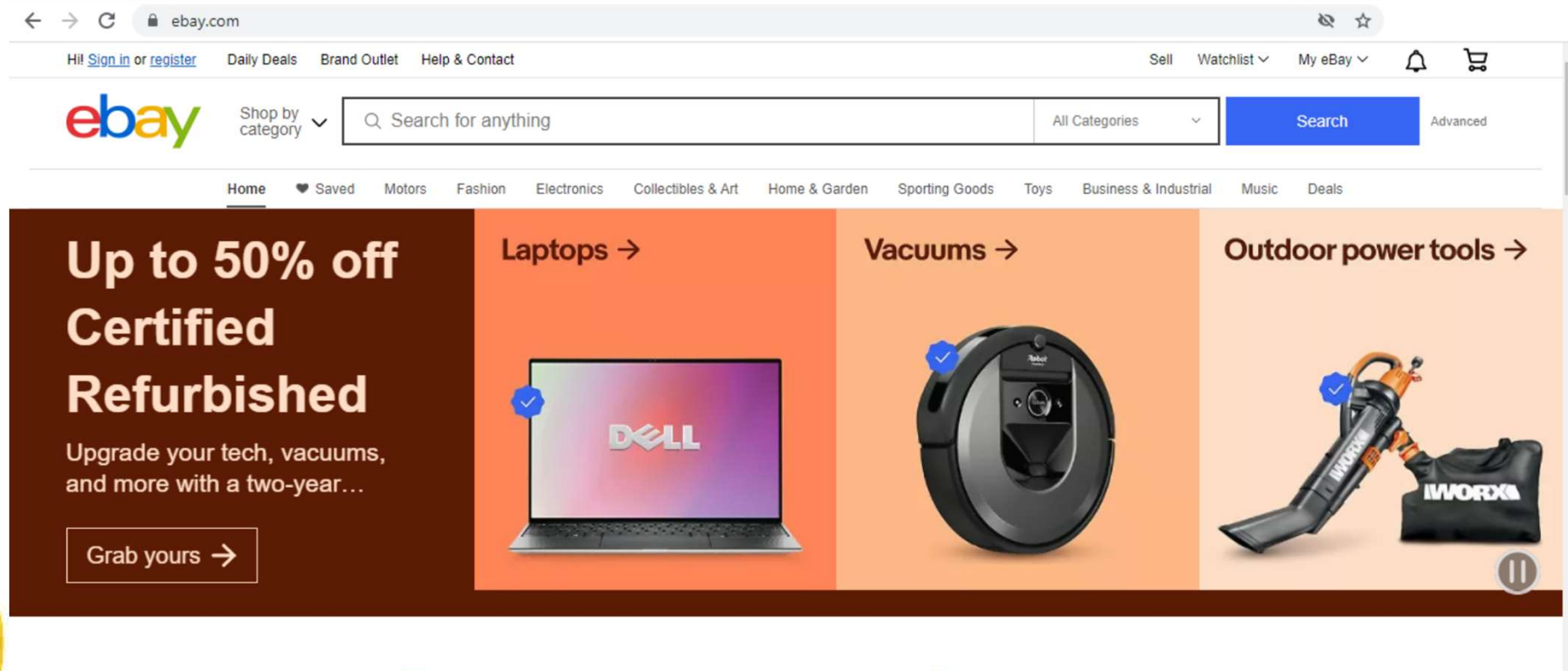
Top Examples of Ecommerce: FlipKart



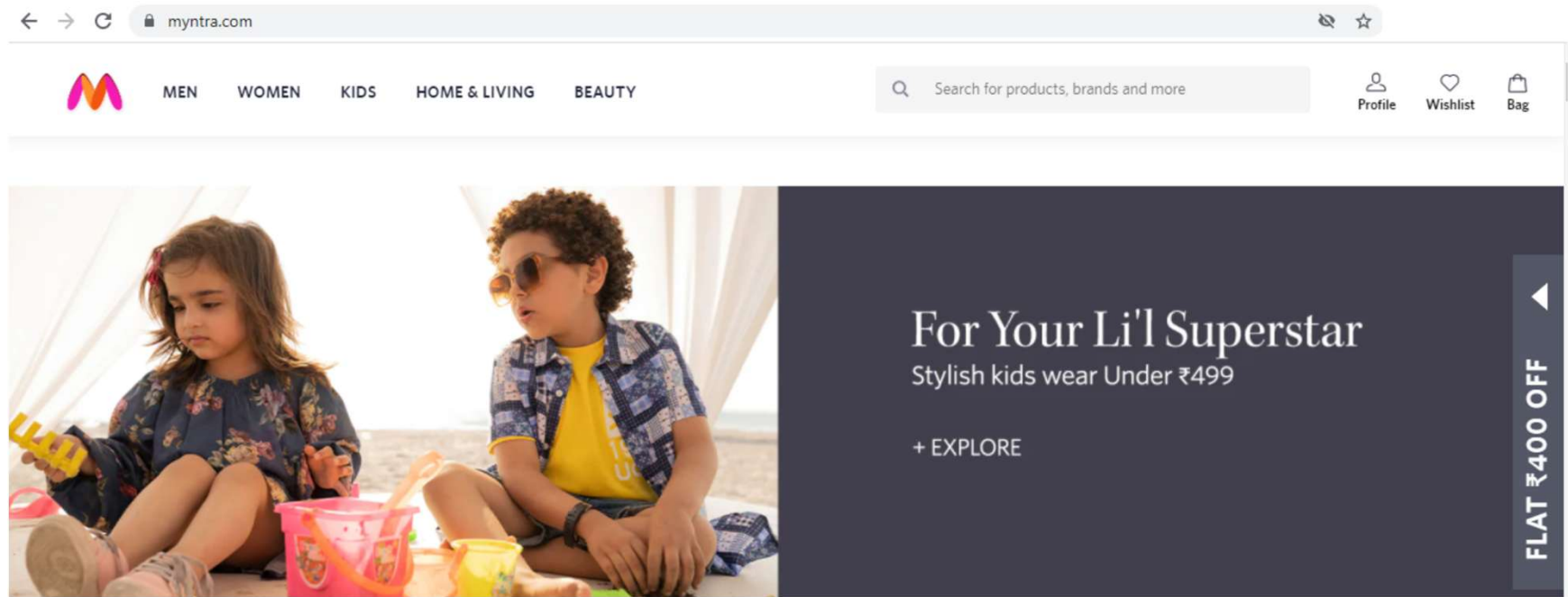
Top Examples of Ecommerce: amazon



Top Examples of Ecommerce: eBay



Top Examples of Ecommerce: Myntra



Amazon.com Inc



- Amazon.com Inc. is one of the best examples of a thriving ecommerce business that initially began as a retailing platform, however, with the passage of time.
- They moved their operations online and became one of the largest ecommerce platforms in the world.
- They are located in **Seattle, Washington (USA)** and was founded in **1994** by Jeff Bezos.
- It became one of the first American ecommerce business to sell goods online.





-
- A collage of various consumer products including power tools, electronics, toys, and household items, with the Amazon logo prominently displayed in the top right corner.

Amazon.com Inc



- In the year 1999, Time Magazine entitled Jeff Bezos as “Person of the Year” in recognition of Amazon.com’s success.
- Although their headquarter is located in the USA, Amazon established different websites in various developed countries such as the UK, Canada, France, Germany, Japan, and China.
- Amazon.com supports and operates retail websites for various popular organizations.



Amazon.com Inc



- Moreover, Amazon is also one of the first ecommerce websites to establish an affiliate marketing program.
- Nowadays, Amazon.com generates 40% of its sales from a well-established affiliate program where affiliates sell the goods on their own website.
- According to the research conducted in 2008, Amazon.com attracted nearly 615 million online customers annually.
- Their most popular feature is their product review system that allows any customer to submit their review and rate the product on a scale from one to five stars.



Warby Parker



- Warby Parker is an American online **eyewear** retailer that is headquartered in New York City.
- It was founded in 2010 by Neil Blumenthal, Andrew Hunt, David Gilboa, and Jeffrey Raider.
- They primarily sell through their website, however, they also have more than 80 retail stores prescription glasses and sunglasses in the USA and Canada.



Warby Parker

- The organization's official name is JAND Inc.
- Their "Home-Try-On" program allows any customer to ask for five frames from their website.
- When they receive the eyewear, they can try them at home for five days, with no additional charges.



WARBY PARKER
eyewear

Toms

- Toms is located in California.
- It was founded in 2006 by Blake Mycoskie, an entrepreneur from Arlington, Texas.
- Toms design and sell shoes, eyewear, coffee, apparel, as well as handbags.



Toms



- Toms' business model is also known as the “One For All” model which refers to their promise to deliver value.
- When they sell a pair of **shoes**, a new pair of shoes is provided to an impoverished child.
- When they sell eyewear, a part of its profit is used to save or restore eyesight for the people who are unable to see.



Toms



- With the purchase of each coffee, Toms work with their “giving partners” in order to provide 140 liters of water.
- Also, during the year 2015, Toms’ collection of bags were launched to help contribute to the advancements needed in maternal health.
- With the purchase of every Toms bag, training for skilled birth attendants was provided. Furthermore, they began distribution of birth kits containing items that allow women to practice safe childbirth.



Birchbox

- Birchbox is an online monthly subscription service based in New York City that sends its subscribers a box of selected samples of beauty related products.
- These products vary from skincare items, perfumes, organic products, and numerous other cosmetics.



Birchbox



- Birchbox was founded in September 2010 by Katia Beauchamp and Hayley Barna.
- Birchbox's initial funding began with \$1.4 million in seed funding from investors during October 2010.
- Moreover, Birchbox managed to gather \$10.5 million in Series A Funding in August 2011.



Birchbox

- By April 2014, Birchbox had managed to generate \$60 million in Series B funding.
- They were valued at \$485 million by the end of 2014.



Birchbox



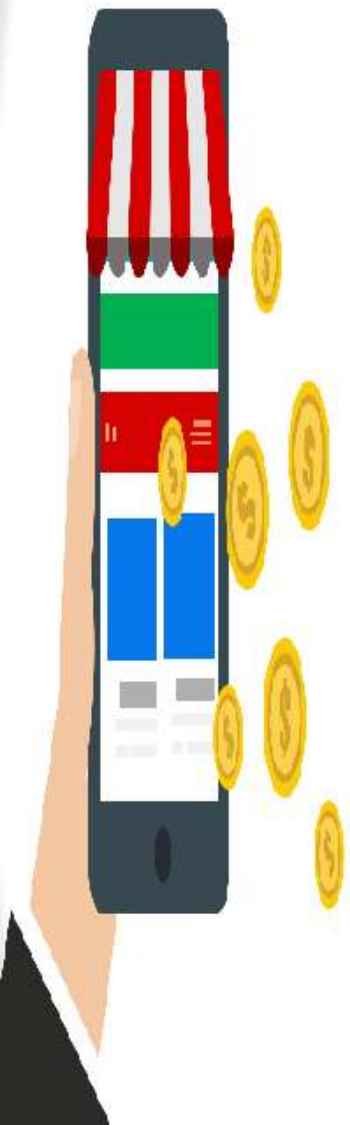
- In October 2014, Birchbox collaborated with Soldsie in order to launch its first Instagram shop.
- It allowed interested Instagram users to buy directly via Instagram simply by leaving a comment on the photo of the product they liked with the hashtag #birchboxcart.



Birchbox



- By September 2015, Birchbox had more than a million subscribers catered by 300+ employees.
- As of May 2018, it has raised a total of almost \$90 million in funding.



Dollar Shave Club



- The Dollar Shave Club is an American company located in **California**.
- It basically delivers **grooming products** like razors to customers by mail on a monthly basis.
- The company was founded by Mark Levine and Michael Dubin who met at a party and exchanged their frustrations with the cost of razor blades.



