• Introduction: What is E-Commerce
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• E-Commerce Guide: Step-by-Step
• E-Commerce in the ESCWA Region
What is E-Commerce

- **E-commerce** is:
  - A general term that refers to the use of electronic communication to do business.

  - Specifically, the transfer of information (transactions), over the Internet
  
  - Covers a range of different types of businesses from consumer-based retail sites (Amazon.com), through auction and music sites like (eBay or MP3.com), to business exchanges trading goods or services between corporations.
What is E-Commerce

• E-commerce Big Picture

Supply of Information → Market Intermediaries → Demand for Information

• Some people use the term e-business to refer to all the categories of e-commerce
E-Commerce Categories

• There are 5 general e-commerce categories:
  
  – Business to Consumer (or B2C) e-commerce
  
  – Business to Business (or B2B) e-commerce
    *(sometimes called e-procurement)*
  
  – **Business processes** that support buying and selling activities
  
  – Business-to-government (or B2G) e-commerce
  
  – Consumer-to-consumer (or C2C) e-commerce
## E-Commerce Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>B2C</strong></td>
<td>Businesses sell products or services to individual customers (consumers)</td>
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<tr>
<td><strong>B2B</strong></td>
<td>Businesses sell products or services to other businesses</td>
</tr>
<tr>
<td><strong>Business processes</strong></td>
<td>Businesses and other organisations maintain and use information to identify and evaluate customers, suppliers and employees (and to support buying, selling hiring, planning and other activities).</td>
</tr>
<tr>
<td><strong>B2G</strong></td>
<td>Business sell goods or services to governments and government agencies</td>
</tr>
<tr>
<td><strong>C2C</strong></td>
<td>Participants in an online marketplace can buy and sell goods with each other</td>
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</table>
A computer manufacturing company performs the following activities on the Internet:

- Sells computers to individuals (B2C)
- Purchases parts (e.g. hard drives, power supplies etc.) from a supplier (B2B)
- Hires staff, manage customer accounts, advertise, etc. (Business processes)
- Sells computers to the Government to be used in schools, public access points etc. (B2G)
- On eBay.com individuals buy and sell this brand of computers (C2C)
E-Commerce Advantages / Disadvantages

**Advantages**

- E-commerce increases sales, decreases cost
- Provides purchasing opportunities for buyers (businesses can identify new suppliers and partners)
- Online availability

**Disadvantages**

- Inability to sell some products especially those of high costs
- Many products require a large number of people to purchase to be viable
- Cultural and Legal Impediments
E-Commerce Legal Issues

• The laws in tangible world apply on-line, and often new ones for the web are created.

• Practical Legal Issues related to e-commerce include:
  – Contracts
  – Terms & Conditions
  – Data privacy
E-Commerce Legal Issues

• **Contracts**
  
  – A contract is formed when one party accepts the offer of another party.

  – Although case law is limited, one must assume that it is a legally binding contract acceptance if a user:

    • Clicks a button on a Web page
    • Enters information on a Web form
    • Downloads a file from a Web site

  – Ordinary signatures are replaced by digital signatures (to reduce forgeries)
E-Commerce Legal Issues

- Terms and Conditions
  - Rules Web sites visitors must follow
  - Purpose is to limit the owner’s liability for what might be done with the information entered
  - The visitor is held to the terms, even if he/she did not read the text or click an accept button; the visitor is bound by simply using the site

Conditions of Use of Amazon.com
• Data Privacy

– Web sites should include a statement specifying how any personal information collected is used

=> Users will be confident that their personal information will not be sold to other vendors or organisations

– Users should be provided with a secure method of entering this information
• Payment systems are still evolving

• Electronic payments have become far cheaper than mailing paper checks

• There are currently 4 primary payment methods:
  – Cash
  – Checks
  – Credit cards (most popular method online)
  – Debit cards
• Processing of payment is done in 3 steps as follows:

Step 1
• The merchant authenticates the payment card to ensure it is valid and not stolen

Step 2
• The merchant checks with the payment card issuer to ensure that credit or funds are available and puts a hold on the credit line or the funds needed to cover the charge

Step 3
• Settlement occurs, usually a few days after the purchase, which means that funds travel between banks and are placed into the merchant’s account
E-Commerce Guide: Step-by-Step

To create your website and marketing your company overseas using the internet and key service providers. Set up a website catering to the requirements of your organizations products or services as follows:

<table>
<thead>
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<tbody>
<tr>
<td><strong>Choose a Domain Name</strong></td>
<td>The first important decision you'll make is selecting a domain name for your company's international website, which can have significant marketing implications.</td>
</tr>
<tr>
<td><strong>Register at major Search Engines</strong></td>
<td>Registering with the major search engines in the countries you wish to target will make it easy for your potential customers to find your website.</td>
</tr>
<tr>
<td><strong>Select a dependable Web Host</strong></td>
<td>A dependable web hosting service to host your website can make a lot of difference to your internet business. Value-added services such as site maintenance, search registration, site development helps in promoting your site.</td>
</tr>
<tr>
<td><strong>Localize and internationalize your website content</strong></td>
<td>If you wish to target both local and international customers, it is important to tailor your website to local language and cultural tastes.</td>
</tr>
<tr>
<td><strong>Execute Orders</strong></td>
<td>Offer your customers a variety and easy methods of payment options that meet local business practices. When doing international business, be aware of other considerations like as taxes, shipping, customs duties, and after sales service.</td>
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E-Commerce in the Region

• E-commerce sector in the region has not realized its full potential

• Only 60% of EMCS have:
  Internet Users Penetration rate > World average

% Internet Users , 2008

Source: ITU 2008
Several obstacles hinder the growth of the sector in the region. These include:

- Inadequate ICT infrastructure,
- Legal challenges, social and cultural resistance to using & adopting technology, and
- Low levels of ICT literacy.
Conclusion

• **E-Commerce** is the new mean for doing business in the information age

• Additional efforts must be exerted in the region to promote e-commerce

• Building confidence in the electronic environment must be prioritized since it *facilitates the use and proliferation of e-commerce services among all stakeholders*. 
Thank You