

e-Business Systems


(Unit – 4)

by

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Business Models

- A business model is a company's plan for profitably doing business.
- A business model is a broad term outlining everything concerning the main aspects of the business, all of which are contained in the answers to the following questions:
 - What value will we create?
 - How will we deliver it?
 - How will we bring in revenue?
 - How will we earn profit?
- Models generally include information like products or services the business plans to sell, target markets, and any anticipated expenses.

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Business Models (contd...)

- A primary component of the business model is the value proposition.
 - A value proposition refers to the value a company promises to deliver to customers.
 - A value proposition can be presented as a business or marketing statement that a company uses to summarize why a consumer should buy a product or use a service.
 - This statement convinces a potential consumer that one particular product/service the company offers will add more value or better solve a problem for them than other similar offerings will.
- Business model describes how a business will work in view of value generation.
- To describe how the company generates income, revenue models are used.
 - A revenue model is a part of the business model that explains different mechanisms of income generation and its sources.


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Essential Components of a Business Model

- **Value Proposition:** A feature that makes your product attractive to customers.
- **Target Market:** A specific group of consumers who would be interested in the product.
- **Competitive Advantage:** A unique feature of your product or service that can't easily be copied by competitors.
- **Cost Structure:** A list of the fixed and variable expenses your business requires to function, and how these affect pricing.
- **Key Metrics:** The ways your company measures success.
- **Resources:** The physical, financial, and intellectual assets of your company.
- **Problem and Solution:** Your target customers' pain points, and how your company intends to meet them.
- **Revenue Model:** A framework that identifies viable income sources to pursue.
- **Revenue Streams:** The multiple ways your company can generate income.
- **Profit Margin:** The amount your revenue exceeds business costs.


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Example of Business Model for Netflix

- Netflix follows **subscription-based business model** in which the company charge a subscription fee (monthly, annually, etc.) for customers to access a service.
 - **What kind of product or service a company will sell:** Netflix sells an online streaming service.
 - **How it intends to market that product or service:** Netflix uses a multichannel marketing strategy and markets its service through social media, email marketing, advertising and even simple word-of-mouth marketing.
 - **What kind of expenses it will face:** Netflix's expenses include the costs to produce or acquire the content on its platform, as well as the technology and staff needed to maintain the service.
 - **How it expects to turn a profit:** Even though Netflix is such a large enterprise, (and has a few different ways of making money) when it comes down to it, it expects to earn a profit from its **subscription sales**.

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Example of Business Models for Two Companies

- Consider two competing business plans where two companies (A & B) rent and sell movies.
 - Both companies made Rs. 5 million in revenues after spending Rs. 4 million on their inventories of movies – it means that each company makes a gross profit of Rs. 1 million (**20% profit margin**).
 - **But things change with the arrival of the Internet.**
 - Company B decides to stream movies online instead of renting or selling physical copies.
 - This change disrupts the business model in a positive way. The licensing fees don't change, but the cost of holding inventory goes down considerably. In fact, the change reduces storage and distribution costs by Rs. 2 million. The new gross profit for the company is Rs. 3 million (**60% profit margin**).
 - Meanwhile, Company A fails to update its business plan and is stuck with a lower gross profit margin. As a result, its sales begin to slide downwards.
 - **Company B is not even making more in sales, but it has revolutionized its business model, and that has greatly reduced its costs.**

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Business Models over Internet

- In the early days, businesses evolved over the Internet were **content-centric**.
- The later period saw the emergence of **transaction-focused** sites.
- **The business models that have emerged on the Internet broadly fall in to one of the two categories:**
 - Business models based on the activities that occur in the real world, and have been transplanted on the Internet.
 - Business models that naturally involves the Internet environment and evolves from the environment itself.

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Classification of Business Models over Internet

The two way taxonomy — **content** versus **transaction** and **native** versus **transplanted** — classifies the Internet business models in to four categories:

- Native Content based Models
- Transplanted Content based Models
- Native Transaction based Models
- Transplanted Transaction based Models


		Content	Transactions
Transplanted	Native	<ul style="list-style-type: none"> • Information Content Model • Freeware Model • Information Exchange Model 	<ul style="list-style-type: none"> • Digital Products • Metered Service Model • Metamediary Model
	Transplanted	<ul style="list-style-type: none"> • Subscription Model • Advertisement Model • Infomediary Model • Affiliate Model 	<ul style="list-style-type: none"> • Electronic Store Model • Brokerage Model • Manufacturing Model

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Native Content based Models


- **Information Content Model**
 - The sites, based on the information content model, can be organized as a virtual library or provide information on a specific subject.
 - **Examples:**
 - Virtual Library (<http://www.vlib.org>) – The oldest catalog of the web.
 - International Council of Museums (<http://www.icom.org/vlmp>) – The virtual library of museum.
 - DBLP (<http://www.uni-trier.de/db/>) - The most comprehensive computer science bibliography information.
 - NetLib (<http://www.netlib.org>) – The largest collections of the mathematical software.
 - National Informatics Center (<http://www.nic.in>) – It provides information on the activities of many government departments upcoming legislations, current legislations, and a plethora of information related to the government, for everyone to access.

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 **Native Content based Models (contd...)**


- **Freeware Model**
 - Internet software companies have extensively utilized the freeware model to offer downloads of their products.
 - The internet is replete with archives of freely available music, pictures, and even education tutorials that can be accessed and downloaded free of cost.
 - **Examples:**
 - Linux
 - Apache

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 **Native Content based Models (contd...)**


- **Information Exchange Model**
 - This model is based upon the exchange of information between individuals and organizations, over the Internet.
 - The information captured, during the interaction, about a person can be used for building the profile.
 - The profile can be later utilized by advertising companies for screening out and creating mailing lists.
 - Users may also provide the information, during interaction, in trying to access some information related to the product or service, either directly or indirectly through mechanisms such as **cookies**.
 - **Many of the news delivery services and targeted advertising services indulge in this model.**

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 **Transplanted Content Model**


- The traditional content/information providers (such as journals, research databases, directories and advertising) have **transplanted businesses on the Internet to take advantage of the growing audience.**
- **Subscription Model**
 - In this model, users subscribe to the website in order to access the database and/or information for a period of time and pay for access to the site.
 - **Examples:**
 - **Journal Subscription Service** – ACM, IEEE, Elsevier, Springer, etc.
 - **E-Books Service** - Pearson eLibrary, McGraw-Hill eBook Library, etc.

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 **Transplanted Content Model (contd...)**


- **Advertising Model**
 - Many websites providing content, e-mail, chat sessions, and discussion forums serve advertisements to content viewers.
 - Usually, such websites provide content and services free of cost and generate revenue through the advertisements they display.
 - It is the basis of the growth and success of many search engine companies (Yahoo, Google, etc).
 - **Examples:**
 - **Juno.com** – By offering a free internet access, it has emerged as a leading internet service provider in USA. In order to avail of free ISP services, users agree to accept a continuous stream of advertisements in return.
 - **CallTiger** – An Indian ISP followed the same model, now ranks among the top connectivity providers in India.

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 **Transplanted Content Model (contd...)**


- **Infomediary Model**
 - The infomediary model is characterized by the capture and/or sharing of information. The simplest form of an infomediary model is the **registration model**.
 - **Example** - Companies that offer white papers, or expert articles containing valuable advice, to website visitors.
 - Registration is a condition for viewing or downloading the articles so the company can capture contact information and other data from the interested party and use it to make sales calls and potentially acquire new clients for its consultants.
 - The infomediary model is based on the premise of lowering the interaction cost to consumers during the process of searching for suitable products/services and prices.
 - Businesses based on the infomediary model address the information demand of consumers by identifying the best deal for them.

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 **Transplanted Content Model (contd...)**

- **Affiliate Model**
 - The commission-based business models have existed from long before the advent of the internet.
 - Affiliate model refers to promoting other company's products and **charging commissions for every sale**.
 - There are a number of different payment methods within the affiliate model: **Pay Per Click, Pay Per Impression, Pay Per Lead, Pay Per Sale**.
 - **Examples:**
 - **The Wire Cutter** - Review affiliate websites for electronics, gadgets and consumer goods.
 - **Dating Advice** – Website to help people improve their dating skills and find the best dating website/app.
 - **PC Part Picker** - Website for people who want to build their own computers (usually gaming computers).
 - **Affiliate model is generally monetized through affiliate links.**


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Native Transaction Models

- **Digital Products Merchant Model (Online Transaction and Delivery Model)**
 - The world wide web is particularly suited for merchandising digital products as these products can be described, experienced, as well as delivered over the Internet.
 - The music, video recordings, pictures, software products, books, documents and data bases are good examples of the products that are available or can be easily transformed into digital form.
 - In this model, vendors of digital products or services offer their goods through a website. **Online delivery usually happens by downloading the digital product on the buyer's computer.**
 - www.softwarebuys.com, www.songsforsale.co.uk are examples of this business model.


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Native Transaction Models (contd...)

- **Metered Service Model (also called Pay-per-Use or Consumption-based Pricing)**
 - This model follows a payment structure in which a customer has access to potentially unlimited resources but only pays for what they actually use.
 - Metered services are becoming increasingly common in enterprise IT environments.
 - **Examples:**
 - Metered usage cloud pricing for Infrastructure-as-a-Service (IaaS), Platform-as-a-Service (PaaS) and Software-as-a-Service (SaaS) cloud services from public cloud providers like Amazon Web Services (AWS) and Microsoft Azure.
 - Internet Service Providers (ISPs) and Telecommunication Companies follows metered service model.


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Native Transaction Models (contd...)

- **Metamediary Model**
 - Internet intermediaries who provide information mediation as well as transaction support are called metamediaries.
 - Metamediaries present the information from the users' viewpoint rather than that of the industry segments.
 - The metamediary connects customers with providers of related goods and services that fill this need by offering them a virtual trading space called the metamarket, where not only can they acquire all the information but also execute transaction.
 - In the electronic market, the metamediary functions as a central online hub that aggregates the multi-product, multi-vendor information to better serve the users' requirement.
 - **Examples:** **PolicyBazar** - Largest aggregator and marketplace of all insurance products in India


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Transplanted Transaction Models

- **Electronic Store Model**
 - In this model, **customers interact with the seller through a web based interface** for gathering and analyzing the information needed for an informed decision.
 - Once the decision about buying a product has been made, the customer presses the "buy one now" button for purchase.
 - In an integrated electronic commerce environment the order transaction automatically raises the shipping and handling transaction, and may also integrate with delivery partners so that pick-ups can be scheduled from appropriate locations for timely delivery.
 - **Examples:**
 - Amazon, Flipkart, etc.


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Transplanted Transaction Models (contd...)

- **Brokerage Model**
 - The market makers, also known as brokers, play an important role of facilitating transactions by bringing buyers and sellers together in traditional commerce.
 - The brokers charge a fee or a commission on transactions that are facilitated by them.
 - **The brokerage model of traditional commerce has also been adopted in the e-commerce.**
 - The stock market operates through agents, who take orders for buying and selling on behalf of their customers and place them on the stock exchange for matching and fulfilling requests.
 - In traditional system, higher transaction commission are charged by brokers.
 - **Electronic commerce reduces these information related inefficiencies that drive up business cost.**
 - **The financial brokerage firms like eTrade have grown by going online, incurring lower business costs that in turn result in lower transaction commissions charged to customers by placing the buy or sell order in financial instruments.**


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Transplanted Transaction Models (contd...)

- **Manufacturer Model**
 - **The model is similar to the electronic store model, except here the seller happens to be the manufacture himself.**
 - The manufacturer as a direct seller to the customer, through the web, offers numerous advantages in the area of customer support and service, product marketing, and fulfillment of guarantees.
 - Manufacturers have a better sense of customers' requirements, viewpoints, suggestions, and complaints with regards to the existing products, leading to improved product offerings and newer products.
 - **Examples:** Dell Computers transformed itself to harness the powers and advantages offered by the web.


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Revenue Models over Internet

- A revenue model is a part of the business model that explains different mechanisms of income generation and its sources.
 - Web Catalog Revenue Models
 - Fee-for-Content Revenue Models
 - Advertising-Supported Revenue Models
 - Fee-for-Transaction Revenue Models
 - Fee-for-Service Revenue Models
 - Free for Many, Fee for a Few

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Web Catalog Revenue Model

- In the traditional catalog-based retail revenue model, the seller establishes a brand image, and then uses the strength of that image to sell through printed information mailed to prospective buyers, who place orders by mail or telephone.
- For more than a century, this revenue model, called the **mail-order** or **catalog model**, has been successful for a wide variety of consumer items, including apparel, computers, electronics, etc.
- Many companies have adapted this revenue model to the online world by replacing or supplementing their print catalogs with information on their websites. **This revenue model is called the web catalog revenue model.**
- Most customers today place orders through the website.

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Fee-for-Content Revenue Models

- Firms that own written information (words or numbers) or rights to that information use a digital content revenue model.
- Many companies sell subscriptions that give customers the right to access all or a specified part of the information
- Many companies sell the right to access individual items.
- A number of companies combine these two approaches and sell both subscriptions and individual access rights.
- **Example:** Legal, Academic, Business, and Technical Content; E-Books; Online Music and Video;


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Advertising-Supported Revenue Models

- Instead of charging a fee or subscription for content, many online businesses display advertising on their websites.
- The fees charged from advertisers is used to support the operation of the website and pay for the development or purchase of its content.
- Some sites rely entirely on advertising for their revenue; others use it only to provide part of their revenue.
- Examples:** Broadcast Network Television; Newspapers; Classified Ad Sites


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Revenue Models used by Online Newspapers and Magazines

Advertising-Supported	Advertising-Subscription Mixed Supported	
Most or All Content Free to All Visitors	Substantial Content Free to All Visitors	Most Content Available Only to Subscribers
<i>The Boston Globe</i> <i>Cleveland Plain Dealer</i> <i>Financial Times</i> <i>Newsweek</i> <i>InStyle</i> <i>PC Magazine</i> <i>San Francisco Chronicle</i> <i>Smithsonian</i> <i>Time</i>	<i>BusinessWeek</i> <i>Chronicle of Higher Education</i> <i>Forbes</i> <i>Inc. Magazine</i> <i>The Los Angeles Times</i> <i>The New York Times</i> <i>The Washington Post</i>	<i>The Economist</i> <i>Foreign Affairs</i> <i>Harvard Business Review</i> <i>National Geographic</i> <i>Nature</i> <i>Scientific American</i> <i>Sports Illustrated</i> <i>Technology Review</i> <i>The Times</i> <i>The Wall Street Journal</i>

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Fee-for-Transaction Revenue Models

- In the fee-for-transaction revenue model, businesses offer services for which they charge a fee that is based on the number or size of transactions they process.
- Examples:**
 - Stock Brokerage Firms
 - Insurance Brokers
 - Event Tickets
 - Online Banking and Financial Services
 - Travel Agents

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Fee-for-Service Revenue Models

- Companies are offering an increasing variety of services on the Web for which they charge a fee.
- These are neither broker services nor services for which the charge is based on the number or size of transactions processed.
- The fee is based on the value of the service provided.
- **Examples:**
 - Financial Advice
 - Professional Services of Accountants, Lawyers, and Physicians

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Free for Many, Fee for a Few

- Digital products have large up-front costs.
 - Once those costs are incurred, additional units can be made at very low additional cost.
- **Example:**
 - A software program can cost thousands (or even millions) of rupees to create because it requires many hours of expensive programmer time to design, code, and test.
 - Making minor changes in the program so that it works better for different types of customers can be relatively inexpensive.
 - Thus, the profitability of digital products depends on factors that are quite different from those that determine the profitability of physical products.

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Emerging Trends in e-Business

- **Micro-Payments**
- **Mobile Technologies**
- **Social Media** - Social media sites increasingly act as points of entry to e-commerce sites.
- **Fulfillment Options** - Users want to have multiple fulfillments and return options when interacting with a vendor: ship to address, courier, pick-up in store, return to store, etc. Having many fulfillment options is how customers view their overall customer experience.
- **Global Availability** - Increasingly, consumers want the availability to buy products from foreign sites and have them delivered locally. Thus, currency and customs will be of growing concern to many online retailers. Along with this, there will be concerns with local privacy laws and restrictions on related data collection and storage.


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Emerging Trends in e-Business (contd...)

- **Localization** - While the trend is to globalize, what's often more important is to localize. It is observed that sites that 'feel' local – with proper imagery, language, time/date, weights/measures, currency, etc. – resonate far more than sites that seem culturally distant.
- **Customizability** - Consumers want control, and want to be able to design the details of the items they purchase.
- **Time-based Availability** – Many sites (like Groupon and Gilt) capitalize on the perception of limited-time availability. Creating a sense of urgency drives traffic and purchase behavior.

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Electronic Governance (E-Governance)


- E-Governance is the application of Information and Communication Technologies (ICTs) for delivering government services through integration of various stand-alone systems between Government-to-Citizens (G2C), Government-to-Business (G2B), and Government-to-Government(G2G) services.

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graph LR
    Citizens[Citizens] <--> CG[Central Government]
    CG <--> LG[Local Government]
    LG <--> Business[Business Govt, Businesses, NGOs]
    CG <--> Business
    
```

- Through e-Governance, the government services are made available to the citizens in a convenient, efficient, and transparent manner.


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Objectives of E-Governance

- Support and simplify governance for government, citizens, and businesses.
- Make government administration more transparent and accountable while addressing the society's needs and expectations through efficient public services and effective interaction between the people, businesses, and government.
- Ushering in transparency and accountability
- Ensure speedy administration of services and information.
- Improve efficiency within Government (between centre-state or inter-states)
- Reduce difficulties for business, provide immediate information and enable digital communication by e-business.


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Challenges associated with e-Governance

- **Lack of Computer Literacy**
 - India is still a developing country and a vast majority of the citizens lack computer literacy which hinders the effectiveness of e-governance.
- **Lack of accessibility to the Internet or Computers in some parts of the Country**
- **Risk of Personal Data Theft and Leakage**
- **Lax Administration**
 - The service provider can easily provide excuses for not providing the service on technical grounds such as "server is down" or "internet is not working", etc.

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e-Governance in the Indian Context

- In 2006, the **National e-Governance Plan (NeGP)** was formulated. Later, it was integrated into **Digital India Program (DIP)**.
- The NeGP/DIP has enabled many e-governance initiatives like:
 - Direct Cash Transfer
 - Aadhar Enabled Payment System (AEPS)
 - Digital Locker
 - Aadhaar
 - Computerization of Land Records
 - e-Courts
 - e-District
 - e-Office

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Digital Commerce (D-Commerce)

- Digital commerce is a form of **e-commerce** used by companies to **sell and deliver products online**.
 - In digital commerce, transaction and delivery of product/service are done online; **there is no physical product which is delivered**.
 - D-commerce is used by the companies that sell various forms of electronic contents such as **news, e-books, audio, video, images, music, webinar, web hosting, SaaS, software, and mobile apps**.
 - D-commerce it is not just the process of online transactions, it also includes **marketing, selling, servicing, R&D, and procuring products** for all types of platforms which include **social networks, desktops, and mobiles**.
 - D-commerce has merged the disciplines of marketing and selling. It has become a single continuous activity that includes creating awareness, engagement, conversion, transaction and **repeat purchases**.

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D-Commerce Vs. E-Commerce

- D-commerce products are intangible and in only digital formats to consume with digital devices whereas e-commerce products can be tangible, digital or services.
- You can sell the same digital products repeatedly by providing a link to its cloud or online storage whereas with e-commerce the tangible products involve single transactions.
- D-commerce products include e-books, learning courses, photography, multimedia content, digital assets, themes, templates, extensions, software, digital arts, web development and mobile app development whereas e-commerce products can be any type that one would find in a brick and mortar store.
- With d-commerce, software or services are delivered online - The products are created and uploaded on a hosting platform or marketplaces like websites and mobile apps and therefore have no requirements for warehouse, inventory and shipping management. E-commerce will have these requirements and therefore higher overhead expenditures.
- D-commerce products or services are free from product-related issues like perishing, damages, and wear and tear issues. E-commerce has to face issues of returns, and refunds which D-commerce avoids.

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Challenges of Digital Commerce


- **Delivering Consistent Customer Experiences**
 - Customer expectations are constantly changing. Businesses should make a habit of adopting a strategic approach to monitoring customer data to easily pinpoint areas that are working well and those that need improvement.
 - Analyzing algorithms will assist you in tweaking your digital commerce platform to ensure consistency across all areas of the online shopping experience.
- **Meeting New Technology Expectations**
 - Devices are constantly being upgraded, which means you'll need to update your digital commerce campaigns regularly to serve your tech-savvy customers.
 - Before buying a product, customers tend to use multiple digital platforms when searching for the right brand.
 - Although consumer behaviors are difficult to predict in this fast-moving era of marketing technology, you can provide seamless purchasing experiences by staying abreast of digital commerce trends, including artificial intelligence, conversational marketing, personalization, video marketing, visual search, and shoppable posts.

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Challenges of Digital Commerce (contd...)

- **Generating Enough Traffic**
 - Gone are the days of retailers depending on a single source of traffic coming to their ecommerce website.
 - Successful digital commerce gurus are tapping into SEO, PPC, email, social, display ads, retargeting, mobile, shopping engines, and affiliates as a way of sending targeted traffic to their web-hosted store.
- **Converting and Retaining Customers**
 - Most marketers consider marketing automation to be a highly useful tool for both generating and converting leads. The Social Media Today's 2019 State of Marketing Automation Survey report revealed that 75% of marketers/companies are already using at least one kind of marketing automation tool.
 - It is important for businesses to retain and re-engage existing customers by adopting appropriate digital commerce tools (such as feedback surveys, live educational webinars, and automation).
- **Expanding Business with Technology**
 - It is important to consider analytics, shopping cart solutions, email software, CRM systems, etc. for expansion.


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Key Trends in Digital Commerce

- Personalized Content
- Subscription Commerce
- Artificial Intelligence
- Progressive Web Apps (PWAs)
- Customer Analytics

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Mobile Commerce (M-Commerce)

- Mobile Commerce (M-Commerce) is the use of wireless handheld devices like cellphones and tablets to conduct commercial transactions online, including the purchase and sell of products, online banking, and paying bills.
- M-commerce is known as next-generation or revised form of e-commerce.
- The rapid growth of mobile commerce has been driven by a number of factors, including increased wireless handheld device computing power, a proliferation of m-commerce applications, and the broad resolution of security issues.

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Types of M-Commerce

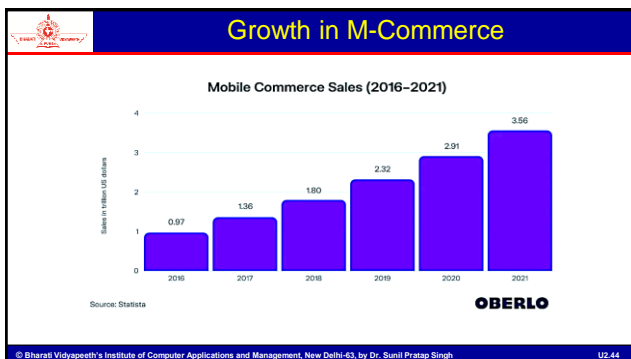
- M-commerce can be categorized by function as either mobile shopping, mobile banking or mobile payments.
 - Mobile shopping allows a customer to use mobile phone (or wireless handheld device) to purchase a product using a mobile application such as Amazon, or over a web application.
 - Mobile banking includes any handheld technology that enables customers to conduct financial transactions. This is typically done through a secure, dedicated app provided by the banking institution.
 - Mobile payments enable users to buy products in-person using a mobile device. Digital wallets, such as Apple Pay or Google Pay, allow a customer to buy a product without needing to swipe a card or pay with physical cash.

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M-Commerce as a Revised Form of E-Commerce

- According to statista.com, there are nearly 4.32 billion active mobile Internet users around the globe.
 - To put it simply with an example, the apparel industry has roughly 4.32 billion customers to whom businesses can reach and generate huge revenue.
 - People are more comfortable purchasing through mobile apps rather than from an e-commerce website through a laptop/desktop.
 - Businesses can implement appropriate strategies to onboard users quickly through mobile commerce. This leads to improvement in conversions and revenue.


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Advantages of Mobile Commerce

- Monitoring KPIs**
 - Businesses can use mobile commerce platforms to track essential KPIs and implement counter-strategies, if needed, to close gaps and improve performance. Some of these KPIs are:
 - Mobile traffic to the e-store
 - Engagement time on the mobile app
 - Frequently ordered items
 - Value of the orders
 - Logging time
- Accelerated Shopping Experience**
 - Websites are slower and less responsive than mobile applications. With mobile shopping apps customers can browse, research, and buy products quickly.


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Advantages of Mobile Commerce (contd...)

- **Customer Notifications**
 - Customers can be easily notified about new offers, launches, and services through mobile commerce applications.
 - Businesses use tools like push notifications to communicate with customers in real time.
- **New Marketing Alternatives**
 - In mobile-friendly commerce platforms, retargeting can be more effectively used.
 - It is possible to market competitive products on apps after a customer expresses interest.
 - Integration of social media applications with the app can help drive customers back and forth to the website and social media handles.
 - This will allow customers to share products with others and try things recommended by friends or influencers.


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Advantages of Mobile Commerce (contd...)

- **Reaching the Unreached**
 - Mobile phones have a higher penetration rate than laptops and desktops.
 - Essentially, there is a sizable untapped market that is entirely reliant on mobile phones.
 - Businesses can convert these users into prospective buyers by creating mobile-friendly websites and applications.


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Barriers for M-Commerce

- **M-Commerce Platforms on Old Phones**
 - Some m-commerce applications aren't compatible with older phones.
 - Crashing of app or inability to display new features may result in a negative customer experience..
- **Unstable Network Connections**
 - Customers may be discouraged from making a purchase as a result of delayed loading and transaction issues caused by an unreliable Internet connection.
 - However, we anticipate that this issue will be resolved with the advent of 5G.
- **Security Concerns**
 - Customers are hesitant to transact on their mobile devices due to security risks. These days, there has been a surge in mobile transaction fraud – virus attacks, identity theft, hacking, etc.

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Barriers for M-Commerce (contd...)

- **Inconvenience due to Mobile Screen**
 - In comparison to desktop e-commerce websites, mobile screens are smaller.
 - Smaller screens can make it difficult to get detailed product resolution.
 - This may lead to hesitancy in completing purchases through the phone.

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Barriers for M-Commerce (contd...)

- **Inconvenience due to Mobile Screen**
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Strategies for Online Business Models

- **How to Choose an e-Commerce Business Model?**
 - **Understand your Customer**
 - Who are they? Building your ideal customer profile (ICP) with their behaviors and habits is a great first step in choosing the right e-Commerce Business Model.
 - **Understand your Value Proposition**
 - What makes your product different? What areas do you exceed compared to the competition?
 - **Sell your Product the Right Way**
 - A good way to understand this is the difference between being a manufacturer vs. a distributor.
 - If you create your own product then consider wholesale or a subscription service. If you distribute, you'll need to focus more on direct marketing and increasing the volume of customers to your website.
 - **Position your Product**
 - The most crucial part is making sure your customers understand why you are better than the competition.

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Creating an Effective Business Presence Online

Web Presence Objectives and Strategies	
Objectives	Strategies
Attracting visitors to the Web site	Include links to the Web site (or specific pages) in marketing e-mails
Making the site interesting enough that visitors stay and explore	Product reviews, comparison features, advice on how to use a product or service
Convincing visitors to follow the site's links to obtain information	Clearly labeled links that include a hint of the information to be obtained by following them
Creating an impression consistent with the organization's desired image	Using established branding elements such as logos, characters used in other advertising media, slogans, or catchphrases
Building a trusting relationship with visitors	Ensuring the validity and objectivity of information presented on the site
Reinforcing positive images that the visitor might already have about the organization	Presenting testimonials, information about awards, links to external reviews or articles about the organization or its products and services
Encouraging visitors to return to the site	Featuring current information about the organization or its products and services that is regularly updated

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Strategies for an Advertising-supported Revenue Model

General interest strategy: Advertisers pay low rates to reach large numbers of undifferentiated visitors

Specific interest strategy: Advertisers pay high rates to reach small numbers of visitors with specific interests related to the theme of the site

Collection of specific interests: Advertisers pay high rates for ads on specific pages that appeal to visitors with specific interests related to those pages or sections of the site

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Web Marketing Strategies

- New Strategies for Display Ads
 - Rich Media and Video Ad Formats
 - Text Ads
 - Mobile Device Advertising
- E-Mail Marketing
- Technology-Enabled Customer Relationship Management
- Creating and Maintaining Brands on the Web
- Viral Marketing Strategies and Social Media
- Search Engine Positioning and Domain Names

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