

The Basics and Benefits of Online Community:

1. Private Online Communities differ from Public Social Networks

Connecting to everyone in a voice and format that is educational, insightful and fun requires strategies and techniques that leverage individual contributions without compromising big picture goals and objectives.

But for people who do not work directly with online community tools and strategies every day, a term like ‘Online Community’ can often become blended among a myriad of buzzwords surrounding social networks, platforms, and strategies.

One of the greatest areas of confusion for people who are new to the Online Community software industry is the differences between large public social media networks, like Facebook or LinkedIn for examples, and smaller private communities, like branded online customer communities, partner communities, or member communities.

Think about the approach this way : while an average user might casually “spend time” on a public or personal social network, members of private Online Communities are often intent on investing time with a purposeful mindset, seizing the opportunity to engage with a specific organization’s community for personal growth or professional growth.

While these platforms share similarities, like the ultimate purpose of connecting people online, there are vast differences in their cost, functionality, and behaviour when it comes to strategizing and targeting your audience.

2. An Online Community Can Optimize the Customer Experience

Whether your audience is made up of customers or members, they have high expectations (perhaps higher than you would like to admit). To engage everyone, you need to create a distinctive and original experience that allows everyone to better function, create and innovate. And if your customers or members can effectively function, create and innovate with each other online, imagine the ripple effects throughout their experience – and your organization – offline.

Online Communities have many internal functions for your organization, from content creation to marketing intelligence to effective integrations with other business solutions like marketing automation, but for the customers, they often play an enormous part in their experience and overall satisfaction.

If you want customers to engage with you and each other, you need to show them that they are being heard and you are taking into account their feedback and thoughts. Leading brands use Online Communities to build meaningful relationships with customers or members, which translates into greater brand loyalty and upsell opportunities.

In fact, recent Aberdeen findings show that an Online Community platform help firms improve their Return On Marketing Investment (ROMI) by 33 percent.

At the end of the day, if your community members know they matter – which they do – they will actually feel invested in the community. And that sense of belonging translates to higher engagement and loyalty towards your organization.

You and your competitors may look similar on paper, but an Online Community can be a great differentiator in terms of delivering value.

3. Online Communities Are Built for Engagement and Empowered Communal Support

Not all communities look and feel the same – they take many shapes and forms to fit the needs of their unique members and organization. There is not a one-size-fits-all formula for success.

To bring everyone to your online forum, you need to think broadly about everyone involved – how do they benefit from the community, and how inclusive is the space? To do so, first, you need to be very clear on one question: what is your Online Community for? The answer will influence your tactics and strategies to achieve high engagement.

Think of a community for a specific group. If it is a community for people who use a specific tool or product, its purpose is to learn, educate and network with similar people. Or, if the community is for a local cycling group, its purpose is to connect, plan biking events and advocate for bike safety. **No matter the community, it functions best when interactions are easy, make sense, secure, and intuitive.**

One of the greatest **benefits** of an Online Community, aside from driving positive member-driven and customer-focused communications, is the ability to **empower your people to self-serve, reducing customer support costs.**

For example, Jama Software’s online support community serves as a primary knowledge base that customers often reference first for help. They found that even when customers do create a formal support ticket, **73 per cent of Jama’s responding staff have found that many inquiries can be solved easily by linking a customer directly to the best resource in the community.**

“Our ticket volume has continued to go down since launching a community in 2014, even though our customer base has grown. The tickets that do come in are more technically challenging than they were in the past.” – Kristina King, Manager, Technical Support, Jama Software.

Brings a Vibrant and Multi-Dimensional Online Community to Life

Communities do not thrive because of lists or products or processes. A community is multi-dimensional and vibrant. And it thrives because of the people that are a part of it. People are unpredictable, creative and diverse, and bringing them together in a place where they can interact and engage can seem overwhelming. But it does not have to be – and it usually advances your organization.

By breaking down the traditional one-way exchange of information and opening up your communication, your community will deliver value far beyond expectations. When you are able to tap into people's unique perspectives and invite them to share their expertise and knowledge with others, you inspire engagement and connections that are relevant and meaningful.

In the end, you will likely discover that people who feel like a critical part of the community because of their distinctive contributions are also those people who remain most loyal and lasting. This cycle of distinctiveness – tapping into the unique qualities of people and allowing them to influence others – is just one way a community can enhance an organization's ability to communicate, grow and remain relevant.

1.4 What is E-commerce?

E-commerce, also known as Electronic Commerce or Internet Commerce, refers to the buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions. E-commerce is often used to refer to the sale of physical products online, but it can also describe any kind of commercial transaction that is facilitated through the internet.

Whereas eBusiness refers to all aspects of operating an online business, e-commerce refers specifically to the transaction of goods and services.

The history of e-commerce begins with the first-ever online sale: on August 11, 1994, a man sold a CD by the band Sting to his friend through his website Net Market, an American retail platform. This is the first example of a consumer purchasing a product from a business through the World Wide Web—or “e-commerce” as we commonly know it today.

Since then, e-commerce has evolved to make products easier to discover and purchase through online retailers and marketplaces. Independent freelancers, small businesses, and large corporations have all benefited from e-commerce, which enables them to sell their goods and services at a scale that was not possible with traditional offline retail.

1.4.1 Types of E-commerce Models

Four main types of e-commerce models can describe almost every transaction that takes place between consumers and businesses:

1. **Business to Consumer (B2C):** When a business sells a good or service to an individual consumer (e.g., You buy a pair of shoes from an online retailer).
2. **Business to Business (B2B):** When a business sells a good or service to another business (e.g., A business sells software-as-a-service for other businesses to use).
3. **Consumer to Consumer (C2C):** When a consumer sells a good or service to another consumer (e.g., You sell your old furniture on eBay to another consumer).

4. **Consumer to Business (C2B):** When a consumer sells his own products or services to a business or organization (e.g., An influencer offers exposure to his online audience in exchange for a fee, or a photographer licenses his photo for a business to use).

1.4.2 Examples of E-commerce

E-commerce can take on a variety of forms involving different transactional relationships between businesses and consumers, as well as different objects being exchanged as part of these transactions:

1. **Retail:** The sale of a product by a business directly to a customer without any intermediary.
2. **Wholesale:** The sale of products in bulk, often to a retailer who then sells them directly to consumers.
3. **Drop shipping:** The sale of a product, which is manufactured and shipped to the consumer by a third party.
4. **Crowd funding:** The collection of money from consumers in advance of a product being available to raise the startup capital necessary to bring it to market.
5. **Subscription:** The automatic recurring purchase of a product or service regularly until the subscriber chooses to cancel.
6. **Physical products:** Any tangible good that requires inventory to be replenished and orders to be physically shipped to customers as sales are made.
7. **Digital products:** Downloadable digital goods, templates, and courses, or media that must be purchased for consumption or licensed for use.
8. **Services:** A skill or set of skills provided in exchange for compensation. The service provider's time can be purchased for a fee.

E-commerce in 2020: Top Emerging Trends You Need to Consider

Many new technologies and trends are emerging every day, which changes the way people shop. As an e-commerce business owner, if you want to succeed in the retail industry, you have to acquaint yourself with new trends.

Are you wondering how emerging e-commerce trends take your business to the next level? Let us analyse the latest customer shopping trends and take a look into the revolutionary technologies to get an understanding of how it enhances the shopping experience in the digital world.

1.5 Emerging Trends in E-commerce

1. Immersive Commerce

Mostly, Virtual Reality (VR) and Augmented Reality (AR) is used in gaming or learning applications.

AR provides an immersive experience during shopping, which lets the customers choose the product from a virtual physical store (similar feel of shopping at a physical store but from home).

It allows the customer to preview the product in different aspects such as colour or style. They use the cameras of your smartphone to provide a view of the real world and add digital information like text or images on the top of the view.

Virtual Reality projects the images or video of a product like you are viewing them in 3D. It allows the user to see from all possible angles and provides a better perspective of the product with a 360-degree product view, i.e., you can move around and look in every direction as if you were physically present there.

Both AR and VR change the way the customers look into your store and provides them with a great user experience. These technologies are slightly expensive to use now and, in some cases, they may be inappropriate.

2. Voice Commerce

According to research reports, in 2020, almost 50% of internet searches were done using voice search.

Most of the customers use any one of the virtual assistants from Google, Amazon or Microsoft to conduct a voice search when using their smart devices.

It is an alternative for using a keyboard or screen to purchase products online. It is not only finding the product that you want but also helps in ordering and buying the same product.

Making a way to purchase the product easier, faster and at any time, made the voice search an essential feature in e-commerce. Features of the voice search are:

- Hands-free user interface for faster and easier shopping
- Answer all the user queries instantly
- Paves the way to buy products while doing other things as well.

Making smart devices to understand natural language and process them are the challenges this technology is facing today.

3. Social Commerce

Social Commerce is buying the product directly from social media. That is, you can eliminate the links that direct to your website and make your customers complete the purchase on social media itself.

For example, anyone can search, enquire, and place an order directly on social media like Facebook, etc. It combines both social media and e-commerce to offer these benefits:

- Increase customer trust and grow your user base.
- Smooth checkout process when compared to traditional e-commerce.
- Users can easily recommend products to others.

Meesho is one of the best examples of social commerce and it is performing well across India.

4. AI and Machine Learning

Machine Learning provides an e-commerce system to automatically learn and improve from customers' behaviours automatically.

E-commerce uses various personal data of the user for different purposes like personalization, payment details or delivery details. Since it handles huge data so it is difficult to check for inconsistency.

You can automate anomaly detection with the help of Machine Learning technology. You can make use of multi-variate statistical analysis and artificial neural networks for detecting the fraud user action which raises suspicions.

Some errors like missing product images and incomplete product descriptions which result in irrelevant product display can be quickly sorted with the help of Machine Learning.

5. Chatbots

A Chatbot is an artificial intelligence that simulates communication with a user in a natural language through websites, mobile apps, telephone or messaging applications.

According to the Grand View research report, the global Chatbot market is expected to reach \$1.23 billion in 2025, with an annual growth of 24 per cent. Already, 80 per cent of businesses are using or had planned to use Chatbots by 2020.

Chatbots for e-commerce is designed to:

- Guide a customer during the purchase.
- Offer product recommendations as per the buyers' interest.
- Provide 24/7 customer support.

The major problem with the Chatbot is that it only provides information to the customer with the pre-programmed data. It fails when a user's requests or queries are out-of-the-box.

6. Beacons

A Beacon is a wireless transmitter that uses low-energy Bluetooth Technology (BLE) to send signals to other nearby smart devices. It can deliver promotional messages through wireless communication.

But the question is how to use the Beacon for your e-commerce business? Here are some ways:

- Sending welcome offers when a user is in a public place like traffic signals, shopping malls or in a cinema hall
- Sharing links regarding advertisements and offers
- Collecting data from various channels to bridge the gap between them and suggest relevant products
- Beacons help to wake up the app if it is not running

A major problem with Beacon is that it is not secure and cost-efficient to leverage it for your business.

7. E-commerce Product Videos

According to a study conducted by Bright Cove, 46 per cent of consumers have purchased an item by watching a product description video.

A video gives a better understanding of the product and increases the customers' trust. Some videos demonstrate how to use the product along with a detailed product catalogue urging the users to make a purchase.

Interactive video gives the user the ability to interact while watching the video through various activities like click, drag, hover or scroll. This also provides a way for website owners to track the conversion and completion rates.

Interactive makes the viewers be part of your video which helps to analyse the user activities. They are time-consuming to create than images and requires specialized technology and more in-depth editing.

8. Snapchat Collection Ads

Snapchat is a growing social media with more than 200 million users and people use it at least 25 times every day. Snapchat Collection Ads are full-screen ads on Snapchat in video format. They play with sound and 100 per cent in-frame ads.

You can upload product catalogues to Snapchat to create various ad formats that are more specific. The ads should target Snapchat users who use the site based on the website they visited.

Snapchat Ads is a low-cost marketing strategy and it can be easily implemented by any e-commerce business.

Electronic Markets Definition: To Understand and Better the Concept

One of the perks of the internet is the ability to bring buyers and sellers together in a virtual space. This creates Electronic Markets. These markets, or commercial websites, on the internet allow buyers and suppliers to meet and trade with each other. These electronic markets are also known as online markets or e-hubs. They may also offer additional services, such as logistical services or payment. These markets may also support other activities, like sponsoring online discussions, providing research on customer demand, industry forecasts, and more. E-Markets offer sellers many opportunities to find the best price for the goods they would like to sell and reduce their transaction costs.

Many different market mechanisms are made available to E-Markets' participants, and the market's flexibility may be customized to serve any industry's full supply chain. Electronic markets provide an ideal environment for commercial exchange, because of the efficiency attained by tightening and automating the relations between sellers and buyers of services and products.

In fact, every market, whether online or not, represents a complex assembly of buyers and suppliers united by intricate lines of power and dependency. Everyone must keep in mind that each market carries a built-in measure of inefficiency. E-Markets, however, minimize that inefficiency by tightening the relationships between a person who wants to sell his or her old device and the buyer. E-Markets promote transparency and offer the closest approximation to a perfectly efficient trading system that has been developed thus far.

For an intelligent buyer, the more suppliers in an electronic market, the more purchase alternatives he offers, and the more benefits he can extract. The search for the best value proposition helps sellers avoid intermediaries and get the most of the devices they don't need anymore, as well as any other merchandise, the seller is willing to sell.

1.6 A 7-Step Framework for Successful E-commerce Implementation

Successful implementation of any e-commerce business is dependent on implementing or adopting these 7 key steps:

- Planning for e-commerce Business
- Technology Selection/Website Audit and Analysis
- Customer Acquisition
- Customer Engagement
- Customer Retention
- Optimizing Key Metrics, and
- Business Analysis & Customer Insights

Each of these steps has a positive and cascading effect on the other steps and hence implementing each of them in the right priority and in a phased manner is of utmost importance.

For an e-commerce business to get the maximum ROI on their investment, it is the execution of these 7 steps around the 4 core pillars that will be your mantra for success!

1.6.1 Classification of EC by the Nature of the Transaction

The following types of ECs are commonly distinguished:

1. **Business-to-Business (B2B):** All of the participants in Business-to-Business (B2B) e-commerce are business or other organizations. Today most EC is B2B.
2. **Business-to-Consumer (B2C):** Business-to-Consumer (B2C) EC includes retail transactions from business to individual shoppers. The typical shopper at Amazon.com is a consumer or customer. This type is also called E-tailing.
3. **Business-to-Business-to-Consumer (B2B2C):** In Business-to-Business-to-Consumer (B2B2C) EC, a business provides some product or service to client business. The client business maintains its own customers, to whom the product or service is provided. An example is Qantas' Pan-Pacific market cited earlier. The term B2B is frequently used to describe B2B2C as well.
4. **Consumer-to-Business (C2B):** This category includes individuals who use the Internet to sell products or services to organizations, as well as individuals who seek sellers to bid on products or services they need. Priceline.com is a well-known C2B organizer.
5. **Consumer-to-Consumer (C2C):** In the Consumer-to-Consumer (C2C) category, consumers sell directly to other consumers. Examples include individuals selling residential property, cars, and so on in online classified ads. The advertisement of personal services over the Internet and the selling of knowledge and expertise online are other examples of C2C (e.g., guru.com). In addition, several auction sites allow individuals to place items up for auction. A special type of C2C is where people exchange music, videos, software, and other digitizable goods electronically using Peer-to-Peer (P2P) technology. A well-known organizer of P2P is Napster (napster.com). (As a result of legal challenges, Napster no longer offers free exchanges; in 2002 it tried offering only digital goods that people pay for.)
6. **Mobile Commerce:** E-commerce transactions and activities conducted in a wireless environment are referred to as Mobile Commerce or M-commerce. Such transactions targeted to individuals in specific locations, at specific times, are referred to as Location-based Commerce, or L-commerce.
7. **Intra Business (organizational) EC:** The Intra-Business EC category includes all internal organizational activities that involve the exchange of goods, services, or information among various units and individuals in that organization. Activities can range from selling corporate products to employees to online training and collaborative design

- efforts. Intra-Business EC is usually performed on intranets or corporate portals (in general, gateways to the Web).
8. **Business-to-Employees (B2E):** The Business-to-Employees (B2E) category is a subset of the Intra-Business category in which the organization delivers services, information, or products to individual employees, as Qantas Airways is doing with its College Online.
 9. **Collaborative Commerce (C-commerce):** When individuals or groups communicate or collaborate online they may be engaged in Collaborative Commerce (C-commerce). For example, business partners in different locations may design a product together, using screen sharing, or they may jointly forecast market demand.
 10. **Non-Business EC:** An increasing number of non-business institutions such as academic institutions, not-for-profit organizations, religious organizations, social organizations, and government agencies are using EC to reduce their expenses or to improve their general operations and customer service. (Note that in the previous categories one can usually replace the word business with the organization.)
 11. **E-Government:** Government-to-Citizens (G2C) and to others. In e-Government EC, a government entity buys or provides goods, services, or information to businesses or individual citizens.
 12. **Exchange-to-Exchange (E2E):** An exchange describes a public electronic market with many buyers and sellers. As these proliferate, it is logical for exchanges to connect to one another. Exchange-to-Exchange (E2E) EC is a formal system that connects exchanges.

1.6.2 Pros of E-commerce

1. *Faster Buying Process*

Customers can spend less time shopping for what they want. They can easily browse through many items at a time and buy what they like. When online, customers can find items that are available in physical stores far away from them or not found in their locality.

For example, Rajesh is a customer who goes to a store to buy a washing machine. After searching, he realises that he cannot find the product he needs. He logs onto a popular e-commerce marketplace and finds the washing machine. What is even better is that there is a special offer price and it can be delivered to his home.

This is where e-commerce comes to the rescue for many shoppers. They go online, search for an item, get a fast response and can buy it just as quickly.

Advantages of eBusiness include helping one to choose from a wide range of products and get the order delivered too. Searching for an item, seeing the description, adding to cart – all steps happen in no time at all. In the end, the buyer is happy because he has the item and did not have to travel far.

2. Store and Product Listing Creation

A product listing is what the customer sees when they search for an item. This is one advantage in e-commerce meant for the seller. This online business' plus point is that you can personalise your product listing after creating them. The best part? Creating a listing takes very little time, all you require is your product name or codes like EAN, UPC, ISBN or ASIN.

Sellers can add many images, a description, product category, price, shipping fee and delivery date. So, in just one step you can tell the customer many things about the item. Creating your listing shows the buyers what you have.

Rules for Product Listing

- Use high-quality resolution images. Blurry images distract and confuse customers.
- Maintain image dimensions. Usually, e-commerce marketplaces will recommend a resolution format.
- Provide multiple product views. Some sites even let you include a 360-degree view of items.
- When adding product variants – such as lipsticks in different shades – ensure each variant has its specific image.

Customising listings makes them attractive and appealing. Here the seller has full control over customisation, he can mention offers available, discounts etc. Other advantages of eBusiness product listing are that it is free to upload and fast.

How this is different from offline stores : Offline retail merchants can provide only some details about the product. This can be a hassle as they have to keep repeating the same data to every customer! On the other hand, an online marketplace gives you space to describe the product – just once and interested people will read it. One can include even more information like reviews, demo videos, offers ready and expected delivery timing.

Lastly, the listing stays online 24/7 so the customer can see the item when he wishes. Sellers do have the option of adding multiple listings or removing items that are sold out.

3. Cost Reduction

One of the biggest advantages of e-commerce to businesses that keep sellers interested in online selling is cost reduction. Many sellers have to pay lots to maintain their physical store. They may need to pay extra upfront costs like rent, repairs, store design, inventory etc. In many cases, even after investing in services, stock, maintenance and workforce, sellers do not receive desired profits and ROI.

How this is different from online stores? With an e-commerce store, a seller can reduce how much is spent on the store's upkeep. An e-commerce store is affordable and requires less investment when compared with a physical store.

This is also a good opportunity for individuals and small scale sellers who want to earn an income but do not have the required start-up capital.

4. Affordable Advertising and Marketing

Sellers do not have to spend a lot of money to promote their items. The world of e-commerce has several affordable, quick ways to market online. E-commerce marketplaces are visual channels – and sellers can really show off their products. For example, Amazon sellers can use advertising tools to add videos, info-graphics, good quality resolution images.

One can add life to plain, boring text using DIY features to create customised deals, coupons, A+ content and sponsored ads. Many e-commerce marketplaces offer customer insight tools that can be used to analyse customers. Usually, this is a page that shows all orders – pending, unshipped, sent, cancelled, returned.

5. Flexibility for Customers

An important advantage of e-commerce to business is that sellers can provide flexibility to customers. One highlight is that the product and services are ready 24/7. The result is that seller can offer his item any place, any time.

Customers are always present on an E-commerce marketplace: They are likely to return for repeat purchases online because of the conveniences they get. These conveniences include free shipping (usually on a minimum cart value), express order delivery, deals and discounts, subscription advantages.

They also share reviews on the things they buy. Good reviews result in two extra benefits of e-commerce. One is that buyers gain trust in your store based on the number of positive reviews. The other is that it can help you identify your best-selling items.

Sellers can leverage this customer flexibility to build their revenue. They can sell on an online marketplace confidently knowing that there are plenty of buyers.

6. Product and Price Comparison

In e-commerce, sellers can compare the products using tools or on their own. This gives them a good idea of product alternatives available, the standard rates if a product need is unfulfilled.

Comparison is faster online and covers many products: It helps to save time when making this comparison, as all details are available on the shopping site. In a physical store, sellers may not be able to get access to so many details – they only have better knowledge about their own inventory.

There is one more benefit for the customer too. When people see many items ready for purchase, they feel more confident about spending.

7. No Reach Limitations

A seller with a physical store may only be able to reach a certain number of buyers. They can deliver to the customers' homes but there can be distance limitations. Several e-commerce marketplaces have their own logistics and delivery system.

Reaching out to more customers: Sellers that need to expand their reach to find new customers can benefit from this. This applies to online-only sellers and those with a physical store.

Online-only sellers can save on the logistics costs and be rest assured of customers. Sellers with a physical store begin selling their goods to local buyers.

8. Faster Response to Buyer/Market Demands

Every interaction is faster when you begin selling online. E-commerce marketplaces offer you a streamlined logistics or delivery system. What this means is that the buyer's order gets delivered efficiently. Product Returns Management is one more plus point that can be handled quickly – you either refund the payments or give a replacement.

Speedily actions can even be applied when responding to market demands. Think of this e-commerce example - when a buyer sees that an item is out of stock, he can click on the 'Notify Me' option. This informs him when that item is available for sale again. It also informs sellers that they need to restock that item so they can get more buyers.

Next comes the trends: Suppose there is demand for voice-activated personal assistants, a seller can immediately respond to that demand by stocking these items. He is sure that this product will sell and has seen the same happening with other sellers too.

Merchants can create deals, promotions quickly too. This attracts customers and increases the chances of creating more sales. E-commerce sellers may plan and apply coupons when they like – even customise such offers for their own store.

9. Several Payment Modes

Buyers like personalisation – the same goes for paying for their orders. E-commerce marketplaces permit multiple payment modes that include UPI, cash on delivery, card on delivery, net banking, EMIs on credit or debit card and pay-later credit facility.

Cart Recovery: This is one huge benefit of e-commerce. Sometimes a buyer reaches the checkout page but does not complete the purchase. Here, you can notify customers via phone messages, email to finish buying.

There is a catch – Customers can only use one type of payment mode per order. This choice is affected by the order value, ease of payment or availability of cash or card. In some cases, payment modes can be merged with a dedicated wallet amount.

What this means for sellers is that they no longer have to lose a potential sale opportunity due to a lack of available payment modes.

1.6.3 What Are the Disadvantages of E-commerce?

Below are a few e-commerce disadvantages that merchants typically experience, which do not apply to a physical store.

E-commerce Disadvantage #1: One Cannot Buy During a Site Crash

The worst of the e-commerce disadvantages is when no one can buy from your store if your site crashes. That is why it is important to ensure your website is hosted on the right platform. For example, if you are paying the minimum hosting fee and get a surge in traffic from a high converting ad or a television shout-out like Shark Tank, your site will likely crash.

Fortunately, e-commerce solutions like Shopify offer free hosting at their monthly fee, allowing you to have one of the best servers on the market. In recent memory, there was only one time where sites were down. However, e-commerce stores were not the only sites affected. Twitter, Spotify, Soundcloud, and more were affected by this crash. The issue was resolved the same day. Yet, site crashes on platforms like Shopify are so rare that it is likely not to cause problems in your business.

E-commerce Disadvantage #2: Customers Cannot Try Before They Buy

While this is currently a problem for many retailers, this won't be a long-term problem. With augmented reality, more stores are starting to add AR elements to their store to allow customers to try products on. Augmented Reality e-commerce companies offer solutions for businesses to create a more interactive experience with their customers.

How exactly does AR work? You can check out Sephora's Virtual Artist app for an example. The beauty retailer offers an Augmented Reality experience where customers can try on different eyeshadows, lip colors, and more virtually.

E-commerce Disadvantage #3: e-commerce Is Highly Competitive

Battling for customers is another one of the worst e-commerce disadvantages. The reality is that the best niches are often the most competitive. That is why so many entrepreneurs are drawn to them. However, the more competitive a niche is, the more expensive ads for that niche are. There are a couple of ways around this. First, you can execute a different marketing strategy than your competitors.

If all your customers are being targeted by competitors through Facebook ads, you might try ranking organically with SEO optimization. If all your competitors are using Pinterest, you might try Instagram marketing if your audience is very visual. Second, if your ads are expensive, you can send traffic to blog posts and retarget your customers who visit them to create lower-cost ads. Working on CRO campaigns can help you be much more successful than your competitors.

E-commerce Disadvantage #4: Customers Can Be Impatient

If a customer has a question in store, a salesperson is on the floor ready to answer them. However, an e-commerce disadvantage is that most businesses experience a delay in responding to customer inquiries. The reality is most customers expect a response from a business within the hour on social media. If you delay in responding to their message, they can become angry and shop somewhere else instead. You need to be online 24/7.

You can hire customer service representatives who are trained to make your customers happy via Upwork. Or you can work with a Chatbot to help customers find their answers any time of the day or night. But all of this still does not equate to a person who is able to look after each customer, face-to-face.

E-commerce Disadvantage #5: Shipping Times Can Be Lengthy

Customers consider shipping times to be one of the worst e-commerce disadvantages. When a customer shops in person, she can take the product home right away. But with online shopping, most customers receive their products in a week or more.

Although Amazon offers same-day shipping, it was not a profitable model until they created Amazon Prime. It only became profitable because they have tens of millions of Prime members. The solution is to be transparent with your customer. Let them know when they can expect packages when they place an order.

E-commerce Disadvantage #6: Physical Retail Is Still More Popular Despite Decline

Starting an online business in the early stages allows you to become a leader in your niche. However, if you have a brick-and-mortar shop, you can consider creating an online presence for your business and *vice versa*. For instance, Amazon, despite being the biggest online store, is now creating in-person stores. Likewise, retailers like Gap and Macy's are rushing to go online. As things currently stand, there is a lot of potential that e-commerce businesses can cash in on.

1.7 Integrating the Marketplace with the Marketspace

"The marketplace is the place of exchange between buyer and seller. Once one rode a mule to get there; now one rides the Internet. An electronic marketplace can span two rooms in the same building or two continents. How individuals, firms and organizations will approach and define the electronic marketplace depends on people's ability to ask the right questions now and to take advantage of the opportunities that will arise over the next few years." – **Derek Leebaert**.

"It is not hyperbole to say that the 'network' is quickly emerging as the largest, most dynamic, restless, sleepless marketplace of goods, services, and ideas the world has ever seen." - IBM CEO Lou Gerstner, speaking at CeBIT 98 in Hanover, Germany, predicted that the global e-commerce will reach the US \$200 billion by 2000, an estimate that he considers conservative.

An Internet Market (I-Market) is the virtual place of exchange between buyer and seller in cyberspace. An I-Market is a virtual, digital marketspace where buyers and sellers congregate to buy and sell products and services. The "virtual" part eliminates the market-friction caused by the barriers of time (a customer can buy products 24 hours a day, 365 days a year), geographic location (from anywhere in the world), and form (for a growing list, atoms can be replaced by bits in delivering goods and services). No longer does a company need to have a physical presence to enter a new market. No longer are customers required to do business during normal business hours. Products often can leap atoms (a compact disk, a software program, a bank statement, a

check, or an airline ticket) to bits (MP3 audio, downloadable software programs, online financial statements and payments, or e-tickets). In one fell swoop, an I-Market can give a company an immediate, 24 hours \times 365 days' presence in the global marketplace. More importantly, it allows a company to more effectively meet the needs of its customers. Executed correctly, the results are new customers, increased loyalty from customers, increased sales and reduced costs. If executed poorly, however, the results can be disastrous.

Fig. 1.1: Illustrates a small sampling of business processes being integrated electronically across corporate boundaries using e-commerce as business infrastructure. E-commerce is not a Website, it is a completely new platform for a whole new way of doing business. To respond to the e-commerce imperative, companies will need to change their business models, rethink the way they work and extend their internal business processes out to their suppliers, trading partners and customers.

As shown in the centre of the figure, this new business infrastructure applies to all kinds of businesses: manufacturing, distribution or services. In any industry, an enterprise is located in a value-chain where it buys goods and services from suppliers, adds value, and sells to customers. Value-chain analysis was pioneered two decades ago by Harvard's competitive strategy authority, Michael Porter. Rather than outdated Porter's work, e-commerce provides the business platform for realizing Porter's visions. On the sell-side of an enterprise, customer-facing processes include catalogue management, order entry, customer support and overall customer relationship management. On the buy-side of an enterprise, supplier-facing processes include procurement and supply chain management, travel and entertainment, logistics and collaborative supply and demand planning.

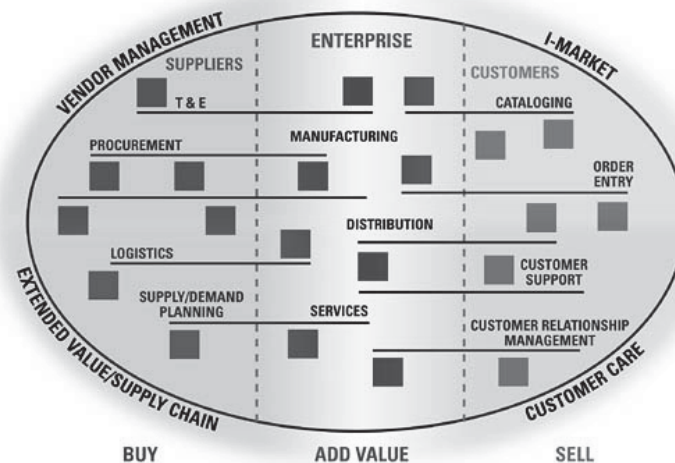


Fig. no. 1.1: Inter-Enterprise Business Processes Enabled by e-commerce Applications

As shown, an I-Market is one of four major categories of e-commerce applications. On the buy-side are Vendor Management and Extended Supply Chain systems. On the sell-side of any business, the customer-facing e-commerce applications include I-Markets and Customer Care - these two, of course, are tightly integrated families of business processes and software applications. We separate the two to maintain focus and carry out an in-depth discussion of each. In our book, *Enterprise e-commerce*, a full chapter is devoted to Customer Care, the other side of the I-Market coin. Here we focus on the business and technology issues, challenges and strategies of I-Market initiatives and applications.

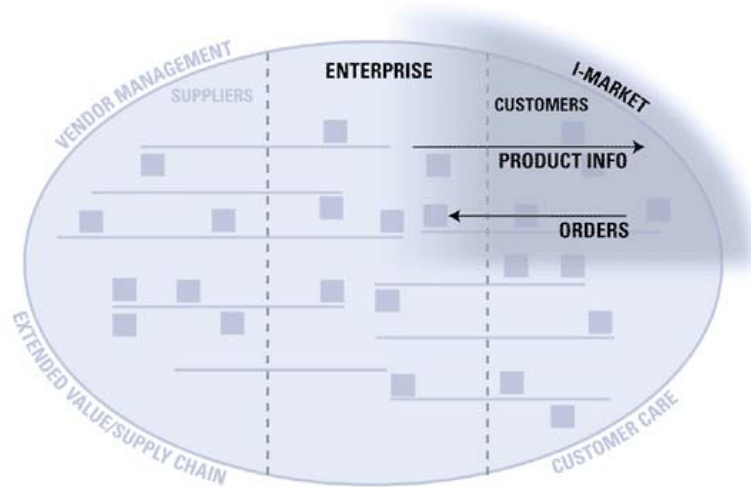


Fig. no. 1.2: A Top View of an I-Market

Fig. 1.2: This presents a top view of an I-Market - a new channel of communication and interaction between an enterprise and its customers. To be successful, an enterprise's I-Market initiatives must attract customers, handle customer transactions, and retain customers through excellent customer care. The entire framework must be carefully managed to bring about reliability, cost reductions and continuous process improvement - all judged from the customer's perspective. The benefits provided by e-commerce must flow throughout the entire supply chain, from manufacturers, wholesalers and resellers to the ultimate customer. An I-Market serves communities of customers that, because they can collaborate, have the power to demand the best possible value. Anything less will not be tolerated - the Customer Age is about mass customization. It is about turning a company and its entire value-chain - over to the command and control of the customer - wow!

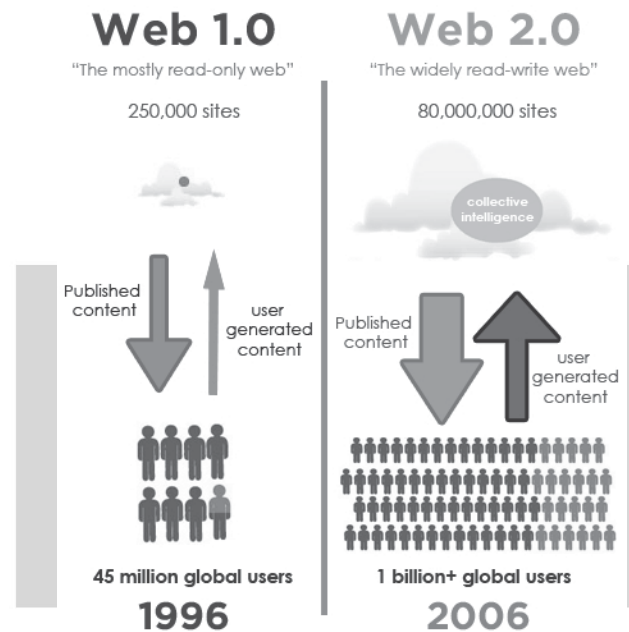
What is Web 2.0 Technology?

When it comes to defining Web 2.0, the term means such internet applications which allow sharing and collaboration opportunities to people and help them to express themselves online.

“Web 2.0 is the business revolution in the computer industry caused by the move to the internet as a platform, and any attempt to understand the rules for success on that new platform.” – Tim O’Reilly.

It is a simply improved version of the first Worldwide Web, characterized specifically by the change from static to dynamic or user-generated content and also the growth of social media.

The concept behind Web 2.0 refers to rich web applications, web-oriented architecture, and social web. It refers to changes in the ways web pages are designed and used by the users, without any change in any technical specifications.



Darcy DiNucci - an Information Architecture Consultant, coined the term Web 2.0 in her article “Fragmented Future”. The term was popularized by Tim O’Reilly and MediaLive International in 2004.

What are the Examples of Web 2.0 Applications?

Web 2.0 examples include hosted services (Google Maps), Web applications (Google Docs, Flickr), Video sharing sites (YouTube), Wikis (MediaWiki), blogs (WordPress), social networking (Facebook), Folksonomies (Delicious), Microblogging (Twitter), Podcasting (Podcast Alley) and content hosting services and many more.

So the major difference between Web 1.0 and Web 2.0 is that Web 2.0 websites enable users to create, share, collaborate and communicate their work with others, without any need for any web design or publishing skills. These capabilities were not present in the Web 1.0 environment.

Nowadays, the way web users are getting information has drastically changed. Today, users use content they are specifically interested in, often using Web 2.0 tools.