E-Commerce
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● Not practical until transactions could be secured. (1994/1995)

● Long time to profit??
  ○ Choosing expansion was dangerous.
Online Store
- No building rent
- Fewer employees
- Ease of access
- Less in stock
- No impulse buys
- Commitment to purchase (no pressure!)

Bricks-and-Mortar
- Greater visibility
- Greater ‘trust’
- Impulse buys
- Cost of store
- Cost of employees
- More in stock
The New Model:

● Brick and Click:
  ○ Integrating online and physical storefronts.
  ○ Modern businesses MUST have web presence.
  ○ Costs kept down through offering high profit margin items online
  ○ Also, items customers rarely buy on impulse.
Online retail spending (US):

- $127 Billion in 2007, 11% - from 2006 (US Census bureau figures)
- Still only ~ 3.1% of all retail sales – may plateau at ~15%, perhaps?
- By 2012, over half of all purchases will be *influenced* by online ads/marketing
- Great for niche markets.
Setting up a Business

● "Easy":
  ○ Website
  ○ Shopping cart
  ○ Secure transactions
  ○ Shipping
Setting up a Business

- **Hard:**
  - Getting surfers to your store

- **Harder:**
  - Getting repeat visitors

- **Hardest:**
  - Getting them to actually buy something!
Types of Businesses

- **B2C**: Business to Consumer (Target)
- **B2B**: Business to Business (Staples.com)
- **C2C**: Consumer to Consumer (Ebay)
- **B2B2C**: Business to Business to Consumer (Amazon.com)
- **C2B**: Consumer to Business (Travelocity.com)
Concerns:

- Online stores sued under ADA (e.g. Target)
How to sell online:

- Use pre-built systems for selling, accepting payment, etc.
- Beware shipping costs!
- Don’t expect your money fast.
How to buy online:

- Beware smaller companies
- Be sure they use https
- Read Delivery, Return, Privacy Policies
- Check for physical address, customer service telephone number
- Use credit card, not bank card
- Print to PDF confirmation pages
Check the company:
- Bizrate.com
- Epinions.com

Check the Product:
- Consumerreports.org
- Cnet.com
- Zdnet.com

Beware Sock Puppets! (People who post comments, posing as people they are not.)
Online Sales Tax:

○ You are always *supposed* to pay, either now or later.

○ However ...

“A Supreme Court decision in 1992 said that mail-order merchants, and, by extension, online retailers, need not collect taxes on behalf of their customers' local jurisdictions unless those customers were in a state where the business operated”