Topic 8: E-Commerce (part 2)

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Review

- eCommerce history
- Comparison with Brick-and-Mortar
- Business start-up
- Regulation
- Buying online
Online Sales Tax

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

• Supreme Court decision in 1992:
  • “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”

• Recent (2012) Amazon.com ruling
Abbreviations

• **B2C** : Business to Consumer (Target)
• **B2B** : Business to Business (Staples)
• **C2C** : Consumer to Consumer (Ebay)
• **B2B2C** : Business to Business to Consumer (Amazon.com)
• **C2B** : Consumer to Business
• One company can be multiple types
How Internet Affected:

• E-sales
• Communication
• Decentralization
• Training
• Information Management
• Employee/Task Tracking
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E-retail Sales

- U.S. web sales
- 31.4% of sales for total year happen in Q4
- *Black Friday, Christmas*
- 2014: e-commerce 6.5% of total sales
- *Up from 5.8% (2013)*
- *(Does not include*
E-retail Sales

Estimated Quarterly U.S. Retail E-commerce Sales as a Percent of Total Quarterly Retail Sales:
1st Quarter 2006 – 4th Quarter 2015

Percent of Total

Not Adjusted
Adjusted
Int’l Spending

• 2012, ecommerce surpassed $1 trillion in total sales
  • Up 21.1% from 2011
  • Baseline: $23 trillion global retail sales

• Biggest online market
  • China: nearly 700 million users
  • Reported $250B, 2015 Q1+Q2
How Internet Affected Businesses

- 4000 years of urban infrastructure built in next 40 years
- # of mobile devices > world population
- 70% of Fortune 1000 companies from 10 years ago, now gone
- Kodak: 90% of market, to bankruptcy (2012)
- Borders added Superstores instead of eBooks, outsourced website, ... R.I.P. 2011
- Happy employees lead to 240% rise in performance-related business outcomes, and 5x ROI
- ROI: Return On Investment
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Communications

• Biggest impact: quick data transfer
  • *Email*

• For businesses, internally:
  • *IM (instant message)*
  • *Live employee support*
  • *Web conferences*

• For businesses, externally:
  • *Websites*
  • *Live customer support*
  • *Blogs*
Decentralization

• Coworkers or work team no longer need to be in same office or workspace
• Employee management
• Working from another state/country
  • Talent retention (distant = disconnect)
• Purchasing office supplies
• Requesting repairs
Decentralization

• Software!

• Companies who sell software compete:
  • Open-source
  • Piracy

• Open source is huge decentralization
  • The entire world is the company workforce
How Internet Affected:

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Training

• Employee training important
  • New laws
  • New procedures or company policy

• Now online:
  • Live training sessions, with interaction
  • Pre-taped
  • Like old VHS/DVD recordings
  • ...UCR
Information Management

- Internal Employee Websites
- *Internal employee directories*
- *Current news bulletin*
- 401K
- Health plans
- *(Electronic) time cards*
Information Management

- Company Policies and Procedures
  - Available and easily accessible
  - Searchable
  - Never out of date!
  - Keeps everyone in line
  - Covers company, legally
How Internet Affected:

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- And concluding remarks
Employee/Task Tracking

• Where is my package?
• Where is my employee?
  • Tracked remotely
Outsourcing

- Easier communication = better collaborations over distance
  - Can be across the state, country, or world

- Main departments outsourced:
  - Customer service
  - Computer programming
  - Accounting/billing/payroll
Businesses Must Adapt

• Or… expire
Caution!

• Using your cell phone at work
• *Personal calls on the clock*
• Surfing the web
• *Viewing inappropriate content (NSFW)*
• Job-dependent, just know what’s okay
• Some companies block certain sites
• *Facebook, ebay, gmail*
Elitism... Sucks

• Computer is a *tool*, not a *goal*
• Don’t judge less tech-savvy coworkers
• Those slower to learn new technologies likely know the old ones very well
• Learn from each other
• We’ve all had computer issues!
Friday

• Wikipedia vs. Encyclopedia Britannica
• Editing a page on Wikipedia!