

B2C (Business to Consumer)

•Business-to-consumer e-commerce, or commerce between companies and consumers, involves customers gathering information; purchasing physical goods (i.e., tangibles such as books or consumer products) or information goods (or goods of electronic material or digitized content, such as software, or e-books); and, for information goods, receiving products over an electronic network.

B2C (Business to Consumer) Cont.

- B2C e-commerce reduces transactions costs (particularly search costs) by increasing consumer access to information and allowing consumers to find the most competitive price for a product or service. B2C e-commerce also reduces market entry barriers since the cost of putting up and maintaining a Web site is much cheaper than installing a “brick-and-mortar” structure for a firm.

- In the case of information goods, B2C e-commerce is even more attractive because it saves firms from factoring in the additional cost of a physical distribution network.

- Moreover, for countries with a growing and robust Internet population, delivering information goods becomes increasingly feasible.

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Type of B2C E-commerce

- Not all electronic commerce is about retail. Here is an extended list of types of B2C electronic commerce:
- Storefront (Retail) – products offered for sale with revenue on sale
- Shopping mall - multiple retailers with revenue from commission or space hire
- Auction - vendors or buyers pay fixed price or percentage
- Portal - aggregation of services and content with mixed revenues

Type of B2C E-commerce Cont.

- Name of your price - site offers buyers to sellers for commission or fixed fee
- Comparison pricing – site compares retailers and receives introduction fee or advertising
- Demand sensitive pricing – site combines group demand to buy in bulk
- Free products or services - site makes money from collecting data from visitors
- Business exchanges – site facilitates transactions between companies for a fee
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Type of B2C E-commerce Cont.

- Recruitment - job hunters or companies pay to meet
- Affiliate schemes - site offers introduction fees to other sites
- Service rental - site allows software services to be rented
- Membership - fee for regular content or services
- Gambling - lose money by paying fees
- Classified advertising - advertise for a fee

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Thank You