Exploring the E-commerce

Electronic commerce, or **e-commerce** or **E-Comm** for short, short, has revolutionized the way we business. Let's delve into the history and and definitions of this exciting industry! industry!
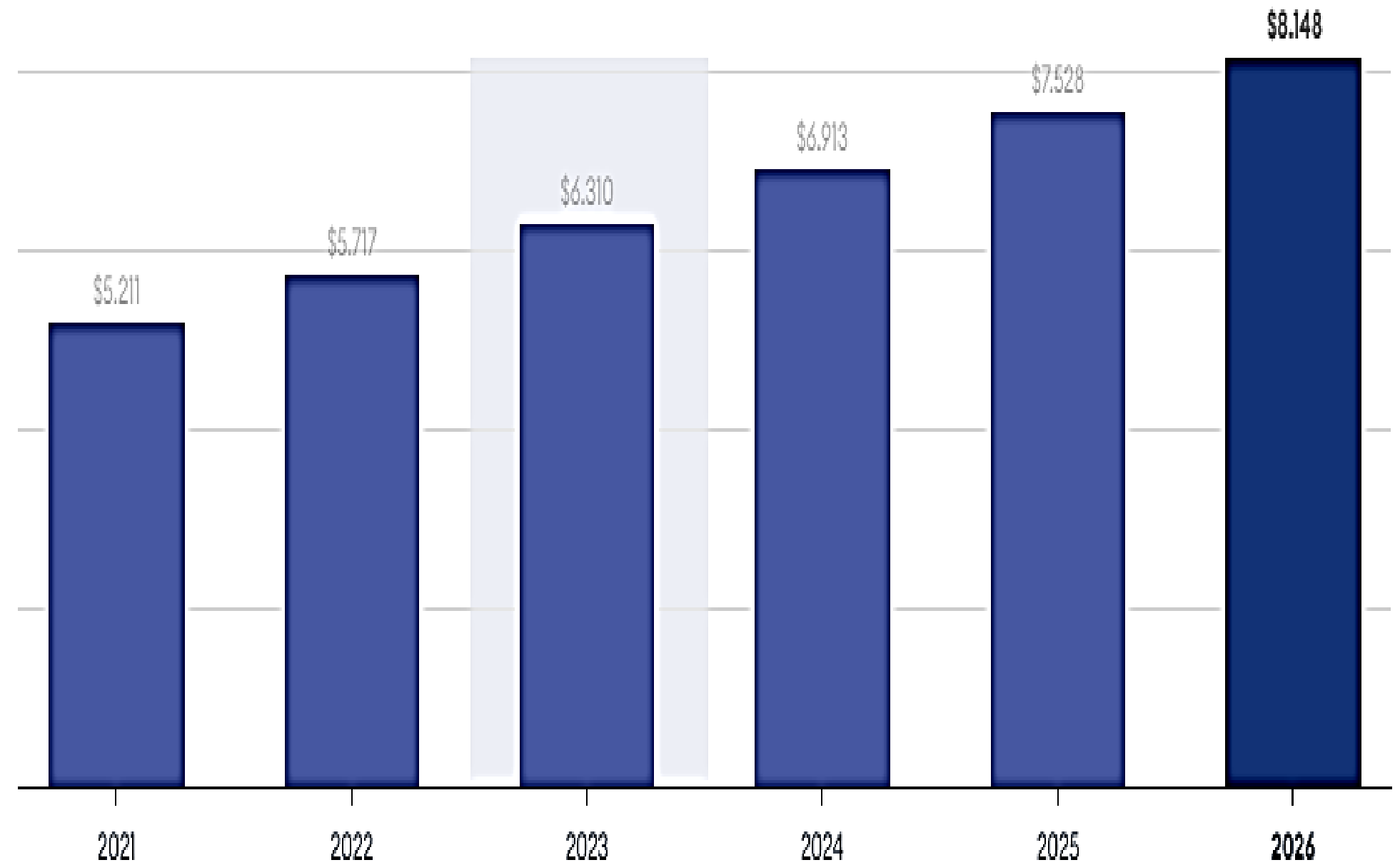
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https://digital-business-trends.com/

The Growth in Retail Ecommerce Sales Worldwide 2021-2026

in trillions (Source: Insider Intelligence)

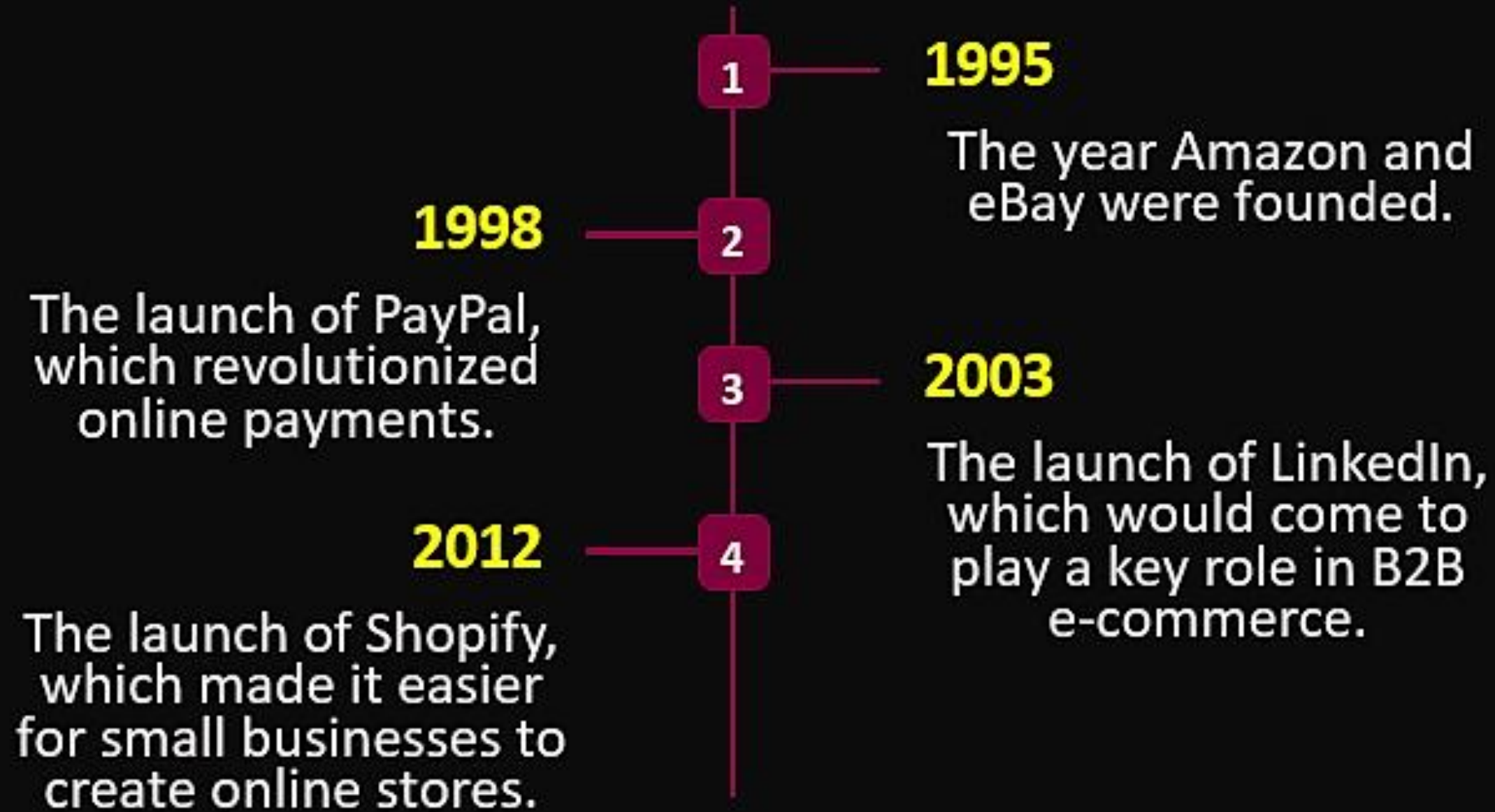| 2021	2022	2023	2024	2025	2026
$5.211	$5.717	$6.310	$6.913	$7.528	$8.148

What is E-commerce?

❑ **E-commerce (E-Comm)** refers to the buying and selling of goods and services online. It involves online transactions, electronic funds transfer, and online inventory management.

❑ **Electronic Business (e-business).** The use of the Internet and other digital technologies to support business processes.

❑ **M-commerce.** The buying and selling of goods or services via mobile devices such as smartphones or tablets.

❑ **Social commerce**. E-commerce and social media are combined in "social commerce" to sell items and services directly to consumers.

Key Events and Milestones in the Development of E-commerce

1995

The year Amazon and eBay were founded.

1998

The launch of PayPal, which revolutionized online payments.

2003

The launch of LinkedIn, which would come to play a key role in B2B e-commerce.

2012

The launch of Shopify, which made it easier for small businesses to create online stores.

Key Drivers and Factors Shaping the Evolution

1 — **Customer experience**

Customers expect seamless and personalized experiences across all channels and devices.

Technology — **2**

New technologies like AI, big data, and blockchain are revolutionizing e-commerce and enabling new business models.

3 — **Logistics & supply chain**

Fast and reliable shipping is critical to e-commerce success, and new technologies are streamlining logistics and supply chain management.

Key Features and Characteristics of E-commerce

Efficient Inventory Management

E-commerce allows for real-time inventory updates and automated tracking, leading to more efficient management of store inventory.

Responsive Design

E-commerce stores are designed to work on all devices, including laptops, mobile devices, and even smartwatches.
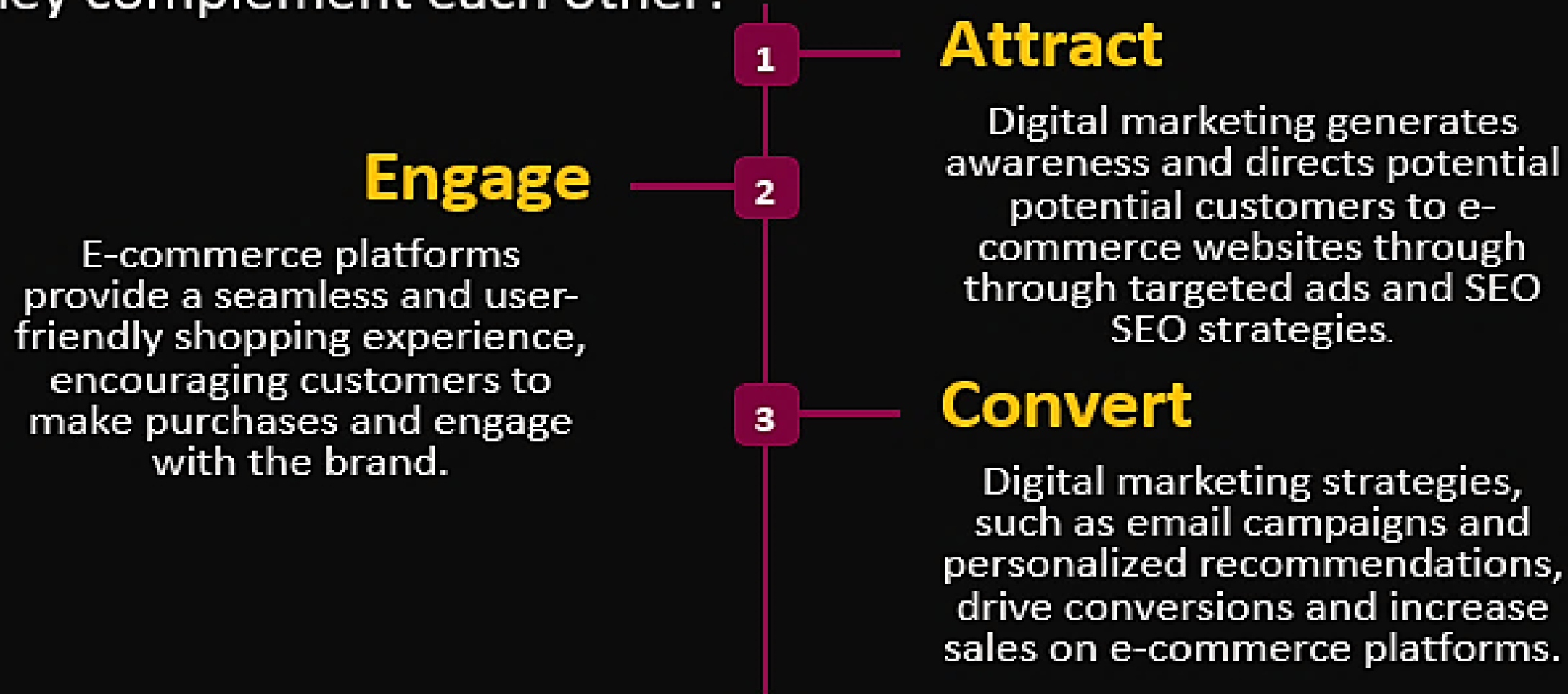
Social Media Integration

E-commerce businesses can take advantage of social media platforms like Facebook and Instagram to reach their target audience and generate sales.

The Synergy of E-commerce and Digital Marketing

E-commerce and digital marketing work hand in hand to create a powerful online presence and drive sales. Here's how they complement each other:

1 — Attract

Digital marketing generates awareness and directs potential potential customers to e-commerce websites through through targeted ads and SEO SEO strategies.

2 — Engage

E-commerce platforms provide a seamless and user-friendly shopping experience, encouraging customers to make purchases and engage with the brand.

3 — Convert

Digital marketing strategies, such as email campaigns and personalized recommendations, drive conversions and increase sales on e-commerce platforms.

Types of E-Commerce

B2B E-Commerce

Business-to-business transactions between companies. Examples include supply chain management and wholesale purchasing.

B2C E-Commerce

Business-to-consumer transactions between businesses and individual customers. Online shopping platforms are popular examples.

C2C E-Commerce

Consumer-to-consumer transactions where individuals sell products directly to each other. Online marketplaces facilitate these transactions.

C2B E-Commerce

Consumer-to-business transactions, where consumers offer products or services to businesses. Freelancer platforms are an example of C2B E-commerce.

E-Commerce Business Models

✓ **Marketplace Model**
 - Platform connecting multiple sellers and buyers
 - Commission-based revenue model
 - Emphasis on variety of products and competitive pricing

✓ **Subscription Model**
 - Regular delivery of products or services
 - Monthly or annual subscription fees
 - Personalized recommendations and convenience for customers

✓ **Drop shipping Model**
 - No inventory management required
 - Acting as an intermediary between customers and suppliers
 - Profit from the difference in price between supplier and customer

✓ **Direct-to-Consumer Model**
 - Manufacturers selling directly to customers
 - Cutting out middlemen and reducing costs
 - Building strong relationships and brand loyalty

✓ **Crowdfunding Model**
 - Funding projects through online platforms
 - Pre-selling products or offering rewards for backers
 - Engaging customers and creating a community

✓ **Peer-to-Peer (P2P):** P2P e-commerce platforms enable individuals to buy and sell directly to one another

✓ **Augmented Reality (AR) and Virtual Reality (VR) Commerce**: Incorporating AR and VR technologies for immersive shopping experiences.

✓ **Sustainability and Ethical E-commerce**: Focusing on eco-friendly and socially responsible products and practices.

✓ **Cross-Border E-commerce**: Specializing in facilitating international e-commerce for businesses.

✓ **Print on demand** (POD) is a business model and a printing technology that allows products, typically custom-designed or personalized items, to be produced and shipped to customers as they are ordered…

E-COMMERCE

Benefits and Challenges of E-Commerce

Benefits:

Convenience, global reach, cost savings, personalized experiences, and efficient inventory management.

Challenges:

Security risks, data privacy concerns, competition, logistics, and customer trust in online transactions.
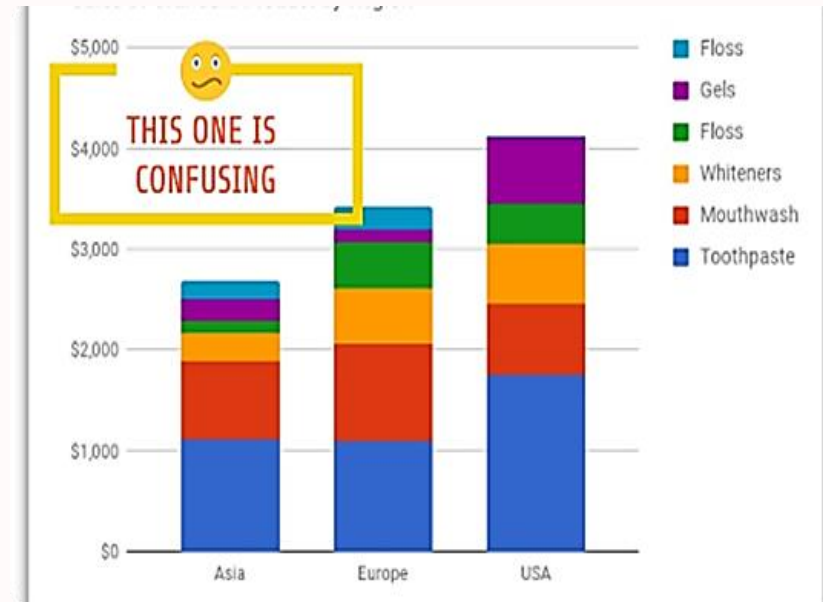
How to drive success in E-Commerce ?

Effective Marketing Techniques

Successful ad campaigns and promotions are essential for driving traffic, sales, and growth.

Customer Engagement and Retention

Engage with your customers through social media and personalized email offers.

Tracking and Analytics

Track your sales and website analytics to determine what's working and what's not.

Growth and Impact of E-commerce on the Global Economy

o **Global reach**

o **Increased competition**

o **Growing market**

o **Changes in the workforce**

E-commerce in Algeria

The Algerian market

Algeria is the largest country in Africa, with a population of over 44 million people and a growing middle class. E-commerce is still in its early stages but has great potential for growth.

Payment methods

Cash on delivery is the most common payment method in Algeria, with credit and debit card payments still relatively uncommon. This presents a challenge for e-commerce companies looking to scale.

Online shopping habits

Online shopping is still a niche activity in Algeria, with only around 3% of the population shopping online. However, the pandemic has led to a surge in e-commerce activity and is driving growth.

Challenges and Opportunities for the the Algerian Market

Challenges

❖ Low trust in online transactions,
❖ Limited digital payment options,
❖ Weak logistics and supply chain infrastructure,
❖ High levels of informal economy.
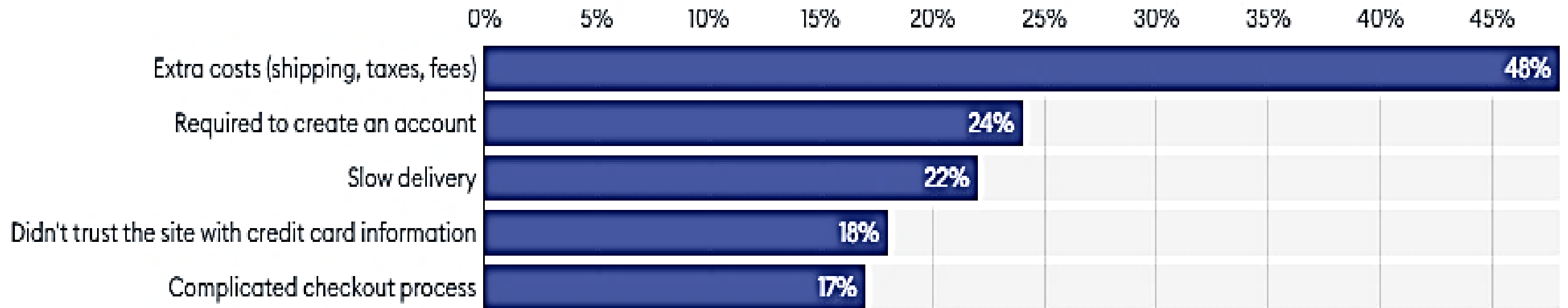
Opportunities

❖ Growing middle class, increasing mobile penetration rate,
❖ favorable demographic structure,
❖ Increasing demand for quality products and services.

Why Consumers Abandon Their Online Cart

(Source: Statista)

Reason	Percentage
Extra costs (shipping, taxes, fees)	48%
Required to create an account	24%
Slow delivery	22%
Didn't trust the site with credit card information	18%
Complicated checkout process	17%

Basic e-commerce terms

- **E-commerce (or e-comm):** The buying and selling of goods or services using the internet
- **E-commerce store**: A store that sells its products online
- **E-commerce platform**: A software application that allows you to sell products or services online
- **Responsive website**: A website that is designed to work on all types of devices, including computers, mobile phones, and tablets
- **Domain**: The core part of a website's URL, or internet address, such as google.com.
- **Landing page**: The first page a visitor encounters when they go to a website
- **Call-to-action**: The instruction provided to the customer that tells them what to do next
- **Conversion**: The completion of an activity that contributes to the success of a business
- **Digital shopping cart**: The virtual equivalent of a physical shopping cart
- **Payment service provider**: A secure way to process transactions online

Why would a store with a physical location make their products available for sale online? Select three.

❑ The majority of customers shop online first.

❑ It is easier to contact customers.

❑Online shopping can drive in-store traffic.

❑Customers enjoy browsing inventory online.

What are the advantages of of selling online? Choose all all that apply:

☐Reduce startup and overhead costs.

☐Sell new products more quickly.

☐Get a greater rate of return.

☐Quickly adapt to customer demands.

Question 1: What does E-commerce (E-Comm) refer to?
A) Buying and selling of goods and services online
B) Buying and selling of goods and services in physical stores
C) Buying and selling of goods and services on TV
D) Buying and selling of goods and services via mail

Question 2: What is the primary mode of payment used in E-commerce transactions?
A) Cash
B) Check
C) Electronic funds transfer
D) Barter

Question 3: What is Electronic Business (e-business)?
A) Another term for traditional brick-and-mortar businesses
B) The use of the internet and digital technologies to support business processes
C) A type of digital marketing strategy
D) Online gaming businesses

Question 4: How does M-commerce differ from E-commerce?
A) M-commerce is focused on buying and selling using mobile devices, while E-commerce is limited to computers.
B) M-commerce refers to buying and selling in physical stores, while E-commerce is entirely online.
C) M-commerce is for large businesses, while E-commerce is for small businesses.
D) M-commerce and E-commerce are the same thing.

Question 5: What does "online inventory management" in E-commerce refer to?
A) Managing your personal online shopping list
B) Keeping track of your favorite online stores
C) Tracking the quantity and availability of products in real-time
D) Managing the storage of personal files online

Question 6: Which of the following is NOT a mobile device commonly used for M-commerce?
A) Smartphone
B) Tablet
C) Laptop
D) Smartwatch

Question 7: How can businesses benefit from Electronic Business (e-business)?
A) By selling products in physical stores
B) By automating supply chains and improving customer relationships
C) By avoiding the use of digital technologies
D) By relying solely on traditional advertising methods

Question 8: What is the key advantage of M-commerce for consumers?
A) Lower prices compared to E-commerce
B) Access to a wider variety of products
C) The ability to shop on the go, anytime, and anywhere
D) No need for an internet connection

Question 9: Which of the following is NOT a typical method of electronic funds transfer in E-commerce?
A) Credit cards
B) Digital wallets
C) Cash-on-delivery
D) Online banking

Question 10: In the world of E-commerce, what does the term "shopping cart" usually refer to?
A) A physical shopping cart used in supermarkets
B) A virtual container for storing selected items for purchase
C) A list of popular online stores
D) A type of credit card

Q1. What technological advancements are expected to revolutionize online transactions in the future of e-commerce?
a) Virtual reality shopping
b) Augmented reality shopping
c) Both b) and c)

Q2. How can delivery drones contribute to e-commerce?
a) Reducing shipping costs
b) Increasing delivery speed
c) Enhancing customer service

Q3. Which of the following is NOT mentioned as a characteristic of the future of e-commerce in the given context?
a) Digital Payments
b) Augmented Reality Shopping
c) Brick-and-mortar retail expansion