

efuturecentre



## E-Business Essentials

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- 11 Mini E-Future Centres
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**“E-Facts”**

## E-Fact

- More than two-thirds of brick-and-mortar retailers judge their online success by the wrong metrics because they forget to take into account the *offline* sales that their web sites generate.

Source: Jupiter Media Matrix ([www.jmm.com](http://www.jmm.com))

From *Selling Online*, Jim Carroll & Rick Broadhead, 2002

## E-Fact

- Almost a quarter of all Canadian adults bank online.

Source: NFO CFgroup ([www.nfofgroup.com](http://www.nfofgroup.com))

From *Selling Online*, Jim Carroll & Rick Broadhead, 2002

## E-Fact

- More than 4.8 million Canadian households will make consumer purchases over the Internet in 2004, up from 2.5 million in 2001.

Source: Yankee Group ([www.yankeegroup.com](http://www.yankeegroup.com))

From *Selling Online*, Jim Carroll & Rick Broadhead, 2002

## E-Fact

- Sixty-five percent of Internet users say it is very important that a site display its privacy policy.

Source: Consumer WebWatch ([www.consumerwebwatch.com](http://www.consumerwebwatch.com))

From *Selling Online*, Jim Carroll & Rick Broadhead, 2002

E-Fact

- Close-up product images are the web site feature most likely to increase a shopper's likelihood of purchasing.

Source: PriceWaterhouseCoopers ([www.pwcglobal.com](http://www.pwcglobal.com))

From *Selling Online*, Jim Carroll & Rick Broadhead, 2002

E-Fact

- Two-thirds of female online shoppers say they would not make a major purchase without first researching it on the Internet.

Source: IDC ([www.idc.com](http://www.idc.com))

From *Selling Online*, Jim Carroll & Rick Broadhead, 2002

## E-Fact

- Total e-commerce sales in Canada amount to \$13.7 billion (27.2% increase from 2001; 46% increase in 2001; 0.6% of total operating revenue).

Source: The Daily, *Electronic Commerce and Technology 2002*, Statistics Canada, April 2, 2003.

## E-Fact

- Total B2C in Canada = \$3.7 billion  
Total B2B in Canada = \$9.7 billion

Source: The Daily, *Electronic Commerce and Technology 2002*, Statistics Canada, April 2, 2003.

### E-Fact

- 32% purchase goods online (Canadian businesses)  
76% use the Internet  
31% have a web site  
15% have an intranet

Source: The Daily, *Electronic Commerce and Technology 2002*, Statistics Canada, April 2, 2003.

### E-Business... What is it?

- “Use of technology to **facilitate** the buying, selling, or exchanging of products & services over the Internet.”\*
- Beyond online shopping
- Last generation to question the need, relevance, and importance of e-business

\* Source: PriceWaterhouseCoopers' *E-Business Technology Forecast*, 1999, p1.

## Why E-Business?

- Lower costs & increase revenue
- Enhance productivity
- Extend reach
- Respond to new customer & competitive demands
- Automate business processes & work flow
- Improve customer service (convenience)
- Improve relationships with trading partners

## E-Business Applications

- E-mail
- Market research
- Online purchasing (marketplaces)
- Web site
- Online sales & auctions (cybermall)
- Online banking
- E-marketing
- Customer Relationship Management (CRM)
- Enterprise Resource Planning (ERP)



## “E-Business is just for techies...”

- Interdisciplinary nature of e-business:
  - Management
  - Marketing & sales
  - Consumer behaviour
  - Business law & ethics
  - Finance & accounting
  - Operations
  - Management information systems (MIS)

## E-business is *still* business...

## Before You Begin

- Need to have realistic expectations
- E-business involves careful planning, preparation, development, execution, and refinement
- E-business should complement your traditional business strategy
- “Cautious optimism”

## Why Do Online Retailers Fail?

1. Unrealistic business models
2. Low margins leading to losses
3. Excessive spending on marketing
4. Unrealistic online sales expectations
5. Failing to appreciate how expensive it is to set up online store

## Why Do Online Retailers Fail?

6. Intense competition
7. Lack of differentiation
8. Lack of focus on the issues that really matter (profitability, gross margins, cash flow, bus. model)
9. Not appreciating that Internet is just another channel

## How to Get Started?

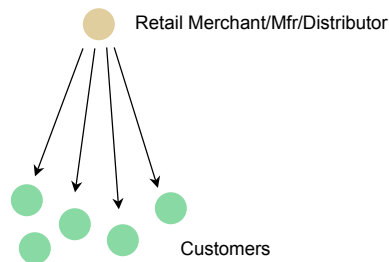
- Register domain name (CIRA.ca; ICANN.org)
- Find a web host (e-mail & web space)
- Planning
  - Goals?
  - Web site analysis?
  - Web site map?
- Find web designer/developer (other partners?)
  - What to look for?
- Implementation & Maintenance

## Online vs Offline Retailing

- Vocabulary
  - Bricks-and-mortar
  - Clicks-and-mortar
  - Pure play
- Pros and cons of each?

## Conceptually...

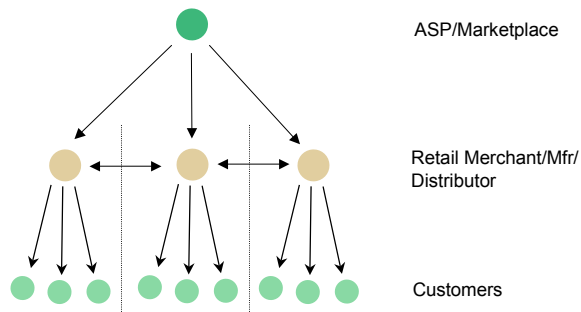
- Business-to-consumer e-commerce/Online retailing/  
E-tailing)



### Options for Selling Online

1. Basic browser-based storefront creation service
2. Stand-alone shopping cart software
3. Online marketplace or cybermall
4. Advanced B2C e-commerce software

### Application Service Providers/Cybermalls



### Alberta B2C Example



### Alberta B2C Example



## 6 Basic Online Store Elements

1. Specify store name & contact info
2. Define product categories & information (description, prices, SKUs, discounts, product images)
3. Choose layout & design
4. Specify tax & shipping details
5. Specify accepted credit cards
6. Set up merchant account and real-time credit card processing

## Five Rules for Business Success

1. The product or service must be ideally suited to the existing market and to what people want, need, and are willing to pay for.

© 2000, *The 100 Absolutely Unbreakable Laws of Business Success*, Brian Tracy.

## Five Rules for Business Success

2. There must be a company-wide focus on marketing, sales, and revenue generation.

\* The failure to focus single-mindedly on sales is the # 1 cause of business failure in any economy.

## Five Rules for Business Success

3. Efficient internal systems of bookkeeping, accounting, inventory management, and cost control must exist.

\* Poor control of operating costs and internal administration is the # 2 reason for business failure.



### Five Rules for Business Success

4. There must be a clear sense of direction and a high level of synergy and teamwork among managers and staff in the organization.

### Five Rules for Business Success

5. The company should never stop learning, growing, innovating, and improving.

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