



## Business-to-Consumer E-Commerce

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## Online vs Offline Retailing

- Vocabulary
  - Bricks-and-mortar
  - Clicks-and-mortar
  - Pure play
- **Group Activity:** Pros and cons of each?

## 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

## 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

## 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

## Option 1: Storefront Creation Service

### Advantages

- Easy to use
- All tasks are handled in your browser
- Updates can be made from any connection
- No extra software installations required
- Fast set-up
- Little or no technical knowledge required
- No need to find a web hosting company
- No need to develop a separate web site

## Option 1: Storefront Creation Service

### Disadvantages

- Limited flexibility in store design & layout
- Store may look very similar to others created using the same product
- Customization may not be possible

(e.g., canadapost.ca, 5click.com, bcentral.ca, onlinemart.ca, yahoo.ca, moneris.ca)

**Cost:** \$30 to several hundred dollars per month

## Option 2: Stand-Alone Software

### Advantages

- Store owner has complete control over store layout & design
- Good for firms who already have a web site
- Store is hosted on your web servers
- Highly customizable

## Option 2: Stand-Alone Software

### Disadvantages

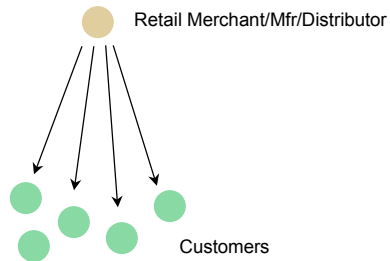
- Requires software installation & set-up
- Requires technical knowledge & some familiarity with HTML
- Usually requires additional programming & design work

(e.g., ecBuilder, Mercantec SoftCart, Miva Merchant, PDG Shopping Cart)

**Cost:** Free to hundreds of dollars per month

### Conceptually...

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



### Option 3: Marketplace or Cybermall

#### Advantages

- Potentially large amount of visitor traffic
- Creation & maintenance of site handled through browser
- Can complement a stand-alone online store

### Option 3: Marketplace or Cybermall

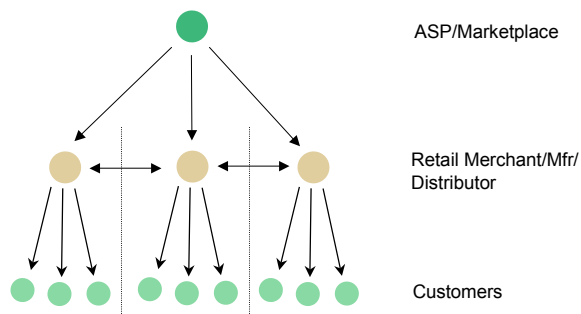
#### Disadvantages

- May not be able to have your own domain name
- Must conform to site policies
- May have to pay commission on sales

(e.g., Canadashop.com, eBay Canada Stores, Amazon.com zShops, Yahoo! Stores)

**Cost:** Varies (set-up, monthly, % commission)

### Application Service Providers/Cybermall



ASP/Marketplace

Retail Merchant/Mfr/  
Distributor

Customers

## Option 4: Advanced E-Commerce Software

### Advantages

- Fully customizable
- Complete storefront solution
- Most powerful
- Often includes more advanced features like web site analysis & personalization
- Can often be tied into back-end systems

## Alberta B2C Example

The screenshot shows the canadashop.com website. At the top, there is a navigation bar with links for 'about us', 'shopping cart', 'points', 'help', and 'sell/advertise'. Below this is a search bar with 'Search All' and a 'Stores' dropdown menu. A red banner reads 'Become a merchant today!'. The main content area features a 'welcome to one dot shopping!' message. On the left, there is a 'categories' sidebar listing items like 'Art & Crafts', 'Babies & Children', 'Books', 'Clothing', 'Collectibles', 'Electronics', 'Entertainment', 'Food & Beverage', 'Gifts', 'Health & Fitness', 'Home & Garden', 'Jewelry', 'Lingerie', and 'Pets'. The main display area includes a featured product 'Anne of Green Gables Dolls and Accessories', a 'Timeless' watch by Raymond Weil, and a 'Plug & Play E-Mail Server'. On the right, there are sections for 'Top 5 Sellers' and 'Most Viewed' with lists of products and their respective links.



## Alberta B2C Example

Peace Northern Alberta Canada

### CountryMarkets.com

**The Peace Region E-Commerce Project**  
 The sole purpose of this site and services is to promote E-Commerce and Internet activity among all businesses in the North West region of Alberta.

**Services**

- Shopping cart services that can be hosted on any website
- Sponsored Digital Certificates
- 128 bit Encryption and Security for form processing
- General and specialized web hosting
- Free counseling for any business located in the region
- Training via public sessions

**Important Links in the region for other projects.**  
[Regional Expertise Database](#) (A self registry to list and categorize expertise in the region)  
[NorthernVisitor.Com](#) ( Regional Tourism information)  
[SMEDA.Com](#) ( Community Futures office)  
[PREDA](#) ( Peace Region Economic Development Alliance)

## Option 4: Advanced E-Commerce Software

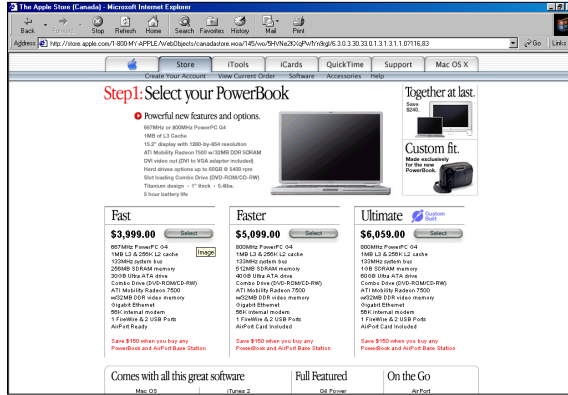
### Disadvantages

- Need to install software
- May require programming expertise & install
- May involve long set-up process
- Bigger investment

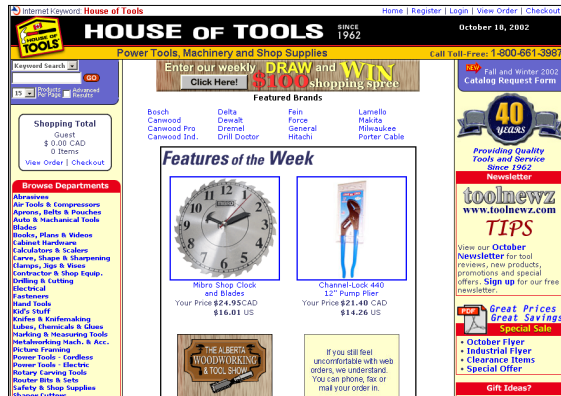
(e.g., AbleCommerce, WebSphere, Intershop, MS Commerce Server)

**Cost:** \$1,000-\$1,000,000+

Examples



Alberta B2C Example



### B2C Example



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### B2C Example



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## What to Look For?

- Ease of use
- Quality of appearance & navigation
- Order management: notification, encryption, tracking
- Payment, taxes & shipping methods
- Help files, documentation & technical support
- Customer registration
- Data export/import capabilities

## What to Look For?

- Fraud protection
- Pricing structure
- Integration
- Inventory management
- Language & currency support
- Scalability

## What to Look For?

- Customization
- Order confirmation by e-mail
- Real-time credit card processing
- Sales & marketing reports
- Search capabilities
- Shopping cart

## Useful Tips

1. Invest in a clean, professional design
2. Keep your content fresh
3. Make sure site doesn't go down
4. Include contact information
5. Provide testimonials
6. Consider seal programs (TRUSTe, BBBOnline)
7. Create a privacy policy
8. Provide large product images  
& detailed product info

### Useful Tips

9. Sell well-known brand names
10. Modify site “look & feel” for season/holiday
11. Cross-sell products
12. Make site easy to navigate
13. Include a site map
14. “3-click” rule
15. Fully disclose shipping fees

### Recommended book:

- *Selling Online*, 2002, Jim Carroll and Rick Broadhead

It all clicks @ [www.e-future.ca](http://www.e-future.ca)



## Shared Vision

- Western Economic Diversification  
[www.wd.gc.ca](http://www.wd.gc.ca)
- Industry Canada  
[www.strategis.ic.gc.ca](http://www.strategis.ic.gc.ca)
- Alberta Economic Development  
[www.alberta-canada.com](http://www.alberta-canada.com)
- Alberta Innovation & Science  
[www.innovation.gov.ab.ca](http://www.innovation.gov.ab.ca)
- Redengine  
[www.redengine.com](http://www.redengine.com)
- The Business Link  
[www.cbsc.org/alberta](http://www.cbsc.org/alberta)