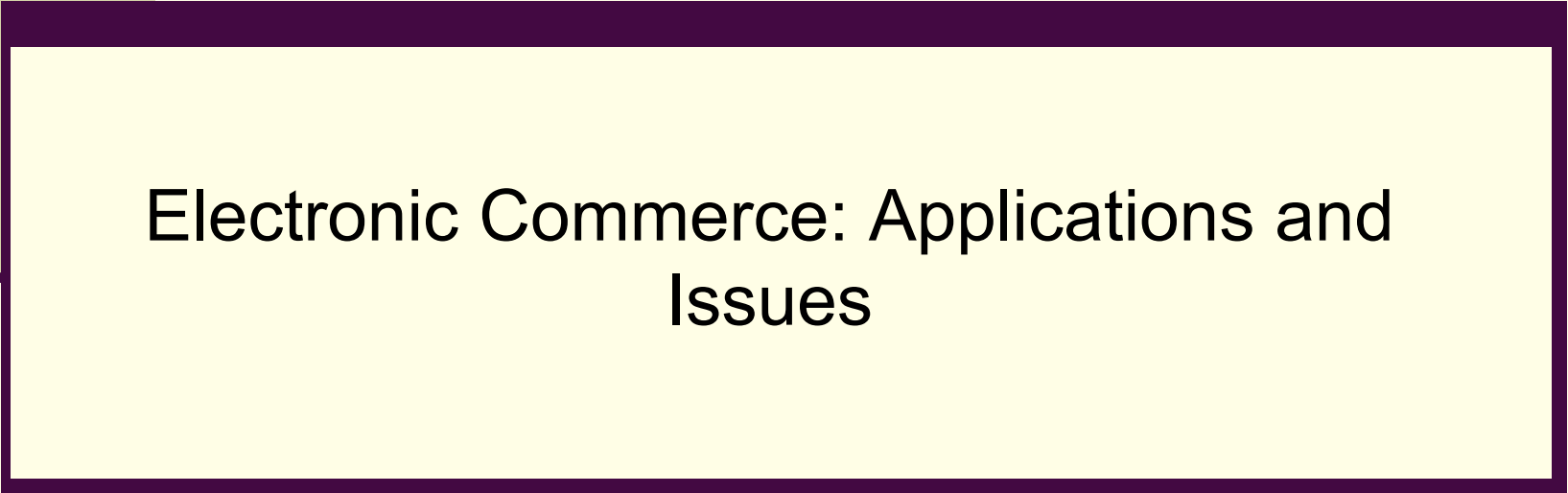






# CHAPTER 6



## Electronic Commerce: Applications and Issues

# CHAPTER OUTLINE

---

6.1 Overview of E-Business & E-Commerce

6.2 Business-to-Consumer (B2C) E-Commerce

6.3 Business-to-Business (B2B) E-Commerce

6.4 Electronic Payments

6.5 Ethical and Legal Issues in E-Business

# LEARNING OBJECTIVES

---

- Describe electronic commerce, including its scope, benefits, limitations, and types.
- Distinguish between pure and partial electronic commerce.
- Understand the basics of how online auctions work.

## LEARNING OBJECTIVES (continued)

---

- Differentiate among business-to-consumer, business-to-business, consumer-to-consumer, business-to-employee and government-to-citizen electronic commerce.
- Describe the major e-commerce support services, specifically payments and logistics.
- Discuss some ethical and legal issues relating to e-commerce.

# Chapter Opening Case



Storefront in NYC



J&R Web site

# 6.1 Overview

---

Electronic Commerce (E-Commerce, EC)

E-Business

# Overview (continued)

---

- **Pure** versus **Partial** Electronic Commerce depends on the degree of digitization involved.
  - Brick-and-mortar organizations
  - Virtual organizations
  - Click-and-mortar organizations

# FreshDirect (IT' s About Business 6.1)

---

The following slides give you a look at FreshDirect, which is a partial EC, or clicks-and-mortar company.





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DELIVERY INFO



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- ORGANIC • LOCAL • KOSHER • OUR PICKS • EASY MEALS
- READY TO COOK • HEAT & EAT • BAKERY • CATERING
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ONE OF OUR FAVORITES

# PIZZA & SALAD MEAL FOR TWO



Only \$12.49!

[Click here to buy.](#)

## “THE CITY’S BEST PRICE PER POUND”

NEW YORK Magazine, Jan. 23-30, 2006



COFFEE BUZZ

## Welcome to FreshDirect!

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### PREPARED IN-HOUSE BY OUR CHEFS



[Ready to Cook](#)



[Heat & Eat](#)



[Bakery](#)



[Catering](#)

### GREAT FRESH FOOD TREATED WITH LOVE & RESPECT



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[Vegetables](#)



[Meat](#)



[Seafood](#)



[Deli](#)



[Cheese](#)



[Dairy](#)



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[Kosher](#)

### POPULAR BRANDS & EVERYDAY PANTRY NEEDS



**SALMON**

**Wild Alaskan**

- [Salmon, Coho](#)
- [Salmon, Coho Fillet](#)
- [Wild King Salmon](#)
- [Fillet, Flash Frozen](#)
- [Wild King Salmon](#)
- [Steak, Flash Frozen](#)

**Irish Organic**

- [Organic Salmon](#)
- [Fillet Value Pack](#)
- [Salmon,](#)
- [Farm-Raised,](#)
- [Organic](#)
- [Salmon, Organic](#)
- [Salmon, Organic](#)
- [Farm-Raised Fillet](#)

**North Atlantic**

- [Salmon, North Atlantic](#)
- [Farm-Raised](#)
- [Salmon, North Atlantic](#)
- [Farm-Raised Fillet](#)
- [Salmon, North Atlantic](#)
- [Farm-Raised Fillet Value Pack](#)
- [Salmon, North Atlantic](#)
- [Farm-Raised Side](#)
- [Salmon, North Atlantic, Boneless](#)
- [Salmon, North Atlantic, Steak](#)

**Currently Not Available**

- [Salmon, Coho](#)
- [Salmon, Coho Fillet](#)

**FARM-RAISED NORTH ATLANTIC WHOLE SALMON**

(10 - 12 lb ea)

**\$5.99/lb**

Please Choose

Preparation ▼

Marinade/Rub (optional) ▼

*marinade packed separately and priced per lb of fish*

Send Bones

Quantity (fish)  ▲▼

**Estimated**

**ADD TO CART**



**How much should I buy?**

1lb whole fish makes about 1 serving

ALSO AVAILABLE:

- [Steaks](#) · [Whole](#)
- [Side](#) · [Steaks](#) · [Fillets](#) · [Value Pack](#)



**About | [Nutrition](#)**

Ahhh, salmon. With its pastel pink-orange color and its big-flaked, meaty flavor, Atlantic salmon is deservedly one of the most popular fish around. Its medium to high "good fat" (omega-3) level gives it a rich, dense texture that works for almost any cooking method. Great whether cooked through or pink in the middle. We especially love it grilled.

Fish and shellfish contain vital nutrients and Omega-3 fatty acids, which contribute to heart health.

**[Click here to learn more.](#)**

**Origin:** Canada

**How To Cook It**

- [Braise](#), [Grill](#), [Poach](#)
- [Smoke](#)

**KIDS' MENU**



ONE OF OUR FAVORITES

**YOUR CART**

Subtotal: **\$0.00**



**[Check Out](#)**

**Product Request?**

[Click here.](#)

Peak Season: Fall

★ Compare by: [Taste & Price](#) | [Usage](#) ★

You have **\$50.00** left.  
[See offer details](#)



- [Braeburn](#)
- [Cortland](#)
- [Empire](#)
- [Fuji](#)
- [Gala](#)
- [Golden Delicious](#)
- [Granny Smith](#)
- [Jonagold](#)
- [McIntosh](#)
- [Red Delicious](#)
- [Rome](#)

**Currently Not Available**

- [Crispin](#)
- [Golden Delicious, Bag](#)
- [Jonathan](#)
- [Lady](#)
- [Macoun](#)
- [Pippin](#)
- [Red Delicious, Bag](#)



[Braeburn](#)  
\$1.29/lb



[Cortland](#)  
\$1.49/lb



[Empire](#)  
\$1.29/lb



[Fuji](#)  
\$1.49/lb



[Gala](#)  
\$1.29/lb



[Golden Delicious](#)  
\$0.89/lb



[Granny Smith](#)  
\$1.29/lb



[Jonagold](#)  
\$0.99/lb



[McIntosh](#)  
\$1.29/lb



[Red Delicious](#)  
\$0.99/lb



[Rome](#)  
\$0.99/lb

Rome Apple

**YOUR CART**

Est. Total: **\$0.00**



[VIEW CART](#)

---

[Check Out](#)

**Product Request?**  
[Click here.](#)

CURRENTLY NOT AVAILABLE





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# FRUIT

- [Apples](#)
- [Berries & Cherries](#)
- [Nectarines](#)
- [Tropical & Specialty](#)
- [Cut Fruit & Fruit Salad](#)
- [Apricots](#)
- [Citrus](#)
- [Peaches](#)
- [Red Jacket Orchards](#)
- [Seasonal Guide](#)
- [Avocados](#)
- [Grapes](#)
- [Pears](#)
- [Gift Boxes](#)
- [Fresh-Squeezed Juice](#)
- [Bananas](#)
- [Melons](#)
- [Plums](#)
- [Dried Fruit & Nuts](#)
- [Value Packs](#)

## APPLES

### Apples

- [Apple, Cortland, Red Jacket Orchards](#)
- [Apple, Ida Red, Red Jacket Orchards](#)
- [Apple, Stayman, Red Jacket Orchards](#)
- [Apples, Breaburn](#)
- [Apples, Cortland](#)
- [Apples, Fuji](#)
- [Apples, Gala](#)
- [Apples, Golden Delicious](#)
- [Apples, Granny Smith](#)
- [Apples, Red Delicious](#)

### Value Packs

- [Apples, Fuji, Value Pack](#)
- [Apples, Gala, Value Pack](#)
- [Apples, Golden Delicious, Value Pack](#)

## Sweet, Crispy Apples

★ Compare by: Taste & Price | [Usage](#) | [\(Unsort\)](#) ★

Variety	- Sweet +	- Tart +	- Crisp +	Price
<b>Apples:</b>				
<a href="#">Gala Apples</a>	●●●●●	●●●○○	●●●○○	\$4.49/4pk
<a href="#">Red Delicious Apples</a>	●●●●●	●●○○○	●●●○○	\$3.99/4pk
<a href="#">Red Jacket Orchards Empire Apples</a>	●●●●●	●●●○○	●●●○○	Not Available
<a href="#">Crispin Apples</a>	●●●●○	●●●○○	●●●○○	Not Available
<a href="#">Fuji Apples</a>	●●●●○	●●●○○	●●●○○	\$4.49/4pk
<a href="#">McIntosh Apples</a>	●●●●○	●●●○○	●●●○○	Not Available
<a href="#">Red Jacket Orchards Crispin Apples</a>	●●●●○	●●●○○	●●●○○	Not Available
<a href="#">Red Jacket Orchards Fuji Apples</a>	●●●●○	●●●○○	●●●○○	Not Available
<a href="#">Red Jacket Orchards Jonagold Apples</a>	●●●●○	●●○○○	●●●○○	Not Available
<a href="#">Red Jacket Orchards Macintosh Apples</a>	●●●●○	●●●○○	●●●○○	Not Available
<a href="#">Cortland Apple</a>	●●●○○	●●●○○	●●○○○	Not Available
<a href="#">Cortland Apples</a>	●●●○○	●●●○○	●●○○○	\$2.79/4pk



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# FRUIT

- [Apples](#)
- [Apricots](#)
- [Avocados](#)
- [Bananas](#)
- [Berries & Cherries](#)
- [Citrus](#)
- [Grapes](#)
- [Melons](#)
- [Nectarines](#)
- [Peaches](#)
- [Pears](#)
- [Plums](#)
- [Tropical & Specialty](#)
- [Red Jacket Orchards](#)
- [Gift Boxes](#)
- [Dried Fruit & Nuts](#)
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- [Apple, Stayman, Red Jacket Orchards](#)
- [Apples, Braeburn](#)
- [Apples, Cortland](#)
- [Apples, Fuji](#)
- [Apples, Gala](#)
- [Apples, Golden Delicious](#)
- [Apples, Granny Smith](#)
- [Apples, Red Delicious](#)

### Value Packs

- [Apples, Fuji, Value Pack](#)
- [Apples, Gala, Value Pack](#)
- [Apples, Golden Delicious, Value Pack](#)

## Sweet, Crispy Apples

★ Compare by: [Taste & Price](#) | [Usage](#) | [\(Unsort\)](#) ★

Variety	Good for Baking	Good for Sauce	Great for Kids	Price
<b>Apples:</b>				
<a href="#">Braeburn Apple</a>	●	●		Not Available
<a href="#">Braeburn Apples</a>	●	●		\$4.49/4pk
<a href="#">Cortland Apple</a>	●	●		Not Available
<a href="#">Cortland Apples</a>	●	●		\$2.79/4pk
<a href="#">Crispin Apples</a>	●			Not Available
<a href="#">Fuji Apples</a>	●			\$4.49/4pk
<a href="#">Golden Delicious Apples</a>	●		●	\$3.99/4pk
<a href="#">Granny Smith Apples</a>	●			\$4.49/4pk
<a href="#">Red Jacket Orchards Cortland Apples</a>	●	●		\$2.79/4pk
<a href="#">Red Jacket Orchards Crispin Apples</a>	●	●	●	Not Available
<a href="#">Red Jacket Orchards Fuji Apples</a>	●			Not Available
<a href="#">Red Jacket Orchards</a>	●	●	●	\$2.69/4pk





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**"I'm putting my money where your mouth is!"**

**Sign up now!**  
**\*See offer details**



**JOE FEDELE CEO, FRESHDIRECT**  
Co-founder of Fairway Uptown

Welcome to FreshDirect!

It's all about the food.

**Start saving up to 25% on food shopping every week!**

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[Deli](#)



[Cheese](#)



[Dairy](#)



[Coffee](#)



[Tea](#)



[Pasta](#)



[Bakery](#)



[Meals](#)



[Frozen](#)



[Grocery](#)



[Specialty](#)



[Delivery Info](#)

[ABOUT US/PHOTO TOUR](#) · [OUR FRESHNESS GUARANTEE](#)

[DELIVERY INFO](#)

[NEW PRODUCTS](#)

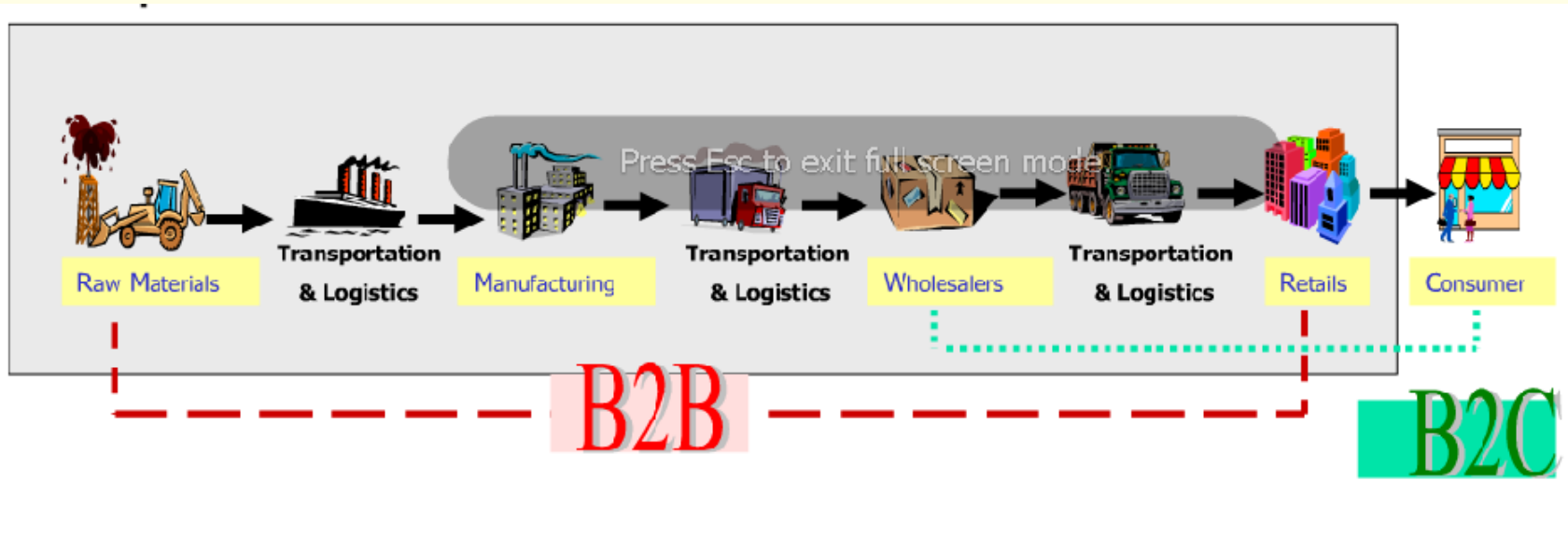
# Types of E-Commerce

---

- Business-to-Consumer (B2C)
- Business-to-Business (B2B)
- Consumer-to-Consumer (C2C)
- Business-to-Employee (B2E)
- E-Government
- Mobile Commerce (m-commerce)



# B2B and B2C Electronic Commerce



# E-Commerce Business Models

---

Online direct marketing



Electronic tendering system



Name-your-own-price



Find-the-best-price



# E-Commerce Business Models (continued)

Affiliate  
marketing

Note the  
Sony logo  
at the top  
of this Web  
page



www.howstuffworks.com

# E-Commerce Business Models (continued)

---

Viral marketing



Group purchasing



Online auctions



# E-Commerce Business Models

(continued)

---

Product customization



Deep discounters



Membership



# E-Commerce Business Models (continued)

## Bartering online

The screenshot shows the website for Barter Business Unlimited. The browser window title is "Barter Business Unlimited - Windows Internet Explorer" and the address bar shows "http://www.bbu.com/". The website header includes the company logo and navigation links like "contact" and "site map". A main banner features a woman's face and the slogan "Get the Competitive Edge", with buttons for "MEMBER LOGIN" and "APPLY NOW!". Below the banner is a large image of a barter card for "WORLDWIDE TRAVEL INC." and the text "Increase Sales! Save Cash! Welcome to the world of barter exchange and Barter Business Unlimited." A sidebar on the left lists various categories such as "WHAT IS BARTER?", "EXCLUSIVE MEMBERSHIP BENEFITS", "FREQUENTLY ASKED QUESTIONS", "REQUEST INFO", "NEWS", "EVENTS", "CAREER OPPORTUNITIES", "TESTIMONIALS", "AFFILIATES", and "CONTACT US". A testimonial section titled "What Our Members Are Saying" includes a quote from a member. At the bottom, there are two bullet points: "Do you want to increase your annual sales?" and "Need to move excess inventory?". The browser's status bar at the bottom shows the URL "http://www.bbu.com/benefits.asp" and the zoom level "100%".

Barter Business Unlimited - Windows Internet Explorer  
http://www.bbu.com/  
Google "viral marketing" Go Bookmarks 14 blocked Check Look for Map AutoFill Send to Settings  
Barter Business Unlimited

As a Barter Business Unlimited memb contact site map

**BARTER BUSINESS UNLIMITED**

Get the Competitive Edge

MEMBER LOGIN APPLY NOW!

**Increase Sales! Save Cash!**

Welcome to the world of barter exchange and Barter Business Unlimited.

WHAT CAN I BUY?

With over 6,000 cardholders locally and over 100,000 businesses through our network, Barter Business Unlimited is helping businesses to increase sales, build customer loyalty, tap into new markets, while conserving cash flow -- All by bartering goods and services within the membership network. Businesses save needed cash reserves by using barter dollars earned from selling products or services to other member companies. A business membership lets you purchase products direct from other businesses, as well as obtaining media advertising, travel and entertainment services, healthcare and fitness opportunities and so many other professional services.

- Do you want to increase your annual sales?
- Need to move excess inventory?

http://www.bbu.com/benefits.asp

# Major E-Commerce Mechanisms

---

## Auctions

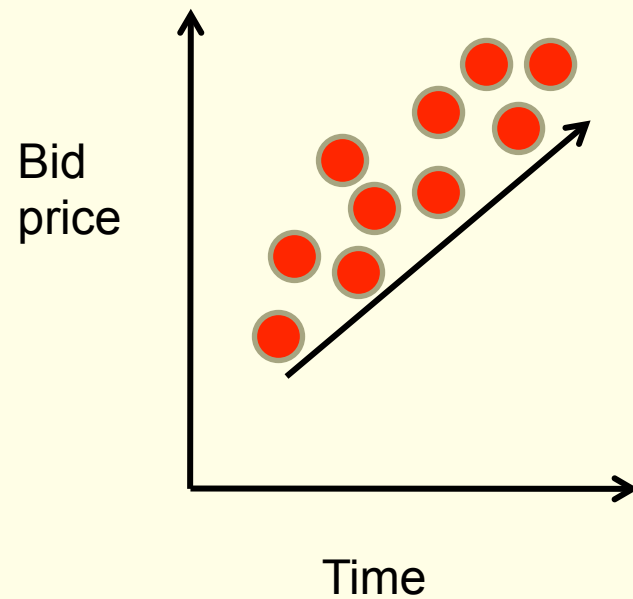
Forward Auctions

Reverse Auctions

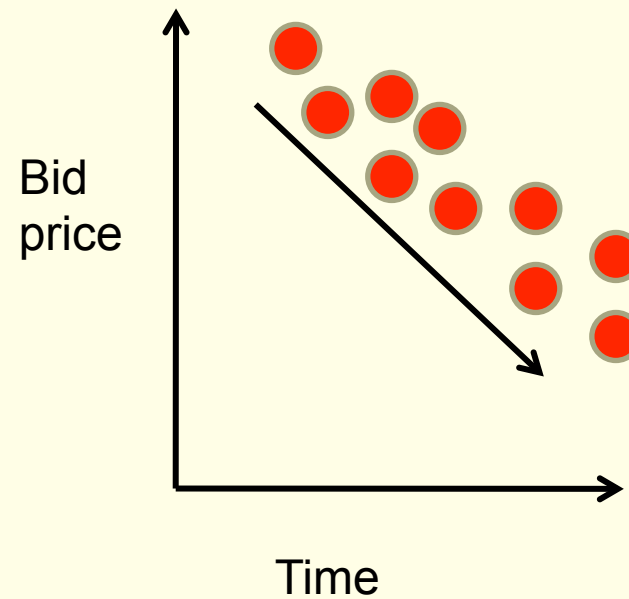


Slides of electronic storefronts, electronic malls, and electronic marketplaces are in subsequent sections

# Forward and Reverse Auctions



Forward Auction



Reverse Auction



# Benefits of E-Commerce

---

- **Benefits to organizations**

- Makes national and international markets more accessible
- Lowering costs of processing, distributing, and retrieving information

- **Benefits to customers**

- Access a vast number of products and services around the clock (24/7/365)

# Benefits of E-Commerce (continued)

---

- **Benefits to Society**

- Ability to easily and conveniently deliver information, services and products to people in cities, rural areas and developing countries.

# Limitations of E-Commerce

---

## ■ Technological Limitations

- Lack of universally accepted security standards
- Insufficient telecommunications bandwidth
- Expensive accessibility

## ■ Non-technological Limitations

- Perception that EC is unsecure
- Unresolved legal issues
- Lacks a critical mass of sellers and buyers

# Business-to-Consumer (B2C) Electronic Commerce

---

## Electronic storefronts



## Electronic malls



# Leading E-Tailing Websites

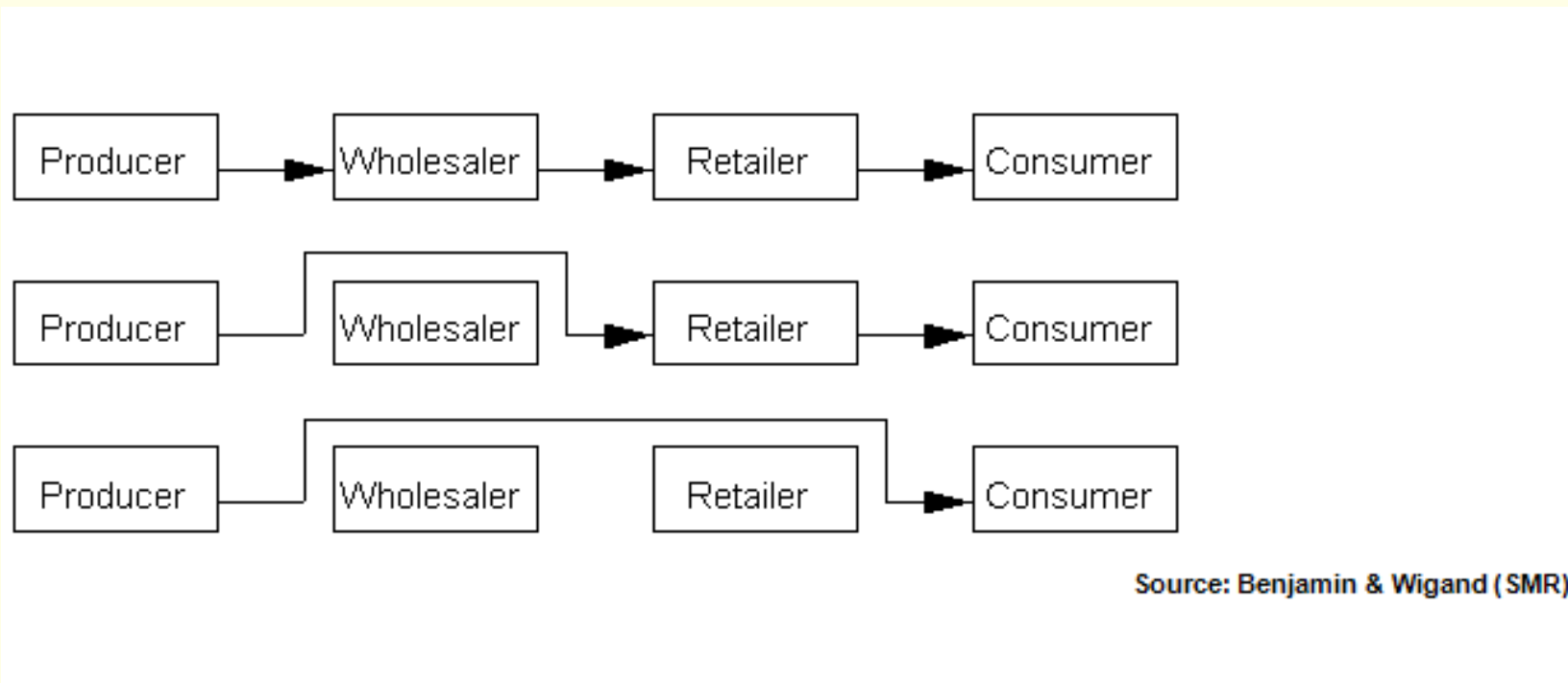
---

B2C electronic commerce is also known as **e-tailing**. Examples of e-tailing Websites include:



# Online Service Industries

A key issue is **disintermediation**



# Disintermediation example



Online  
diamond  
broker

The screenshot shows the Blue Nile website in a Windows Internet Explorer browser window. The browser's address bar displays 'http://www.bluenile.com/'. The website header includes the Blue Nile logo, the tagline 'Education. Guidance. Diamonds and Fine Jewelry.', and navigation links for 'Track My Order', 'Sign In', 'Wish List / My Blue Nile', and 'Shopping Basket'. Below the header is a navigation menu with categories: 'DIAMONDS', 'ENGAGEMENT', 'JEWELRY', 'GIFTS', and 'EDUCATION'. A search bar is located on the left side of the page. The main content area features a 'Welcome to Blue Nile' message, a 'Find the Perfect Ring' section with images of engagement rings, a 'Diamond Jewelry' section, and a 'Search for Diamonds' section with filters for 'Round', 'Princess', and 'Emerald' shapes. The browser's status bar at the bottom shows 'Done' and 'Internet'.

# Use Blue Nile's decision support system to specify your own diamond

Build Your Own Ring™ - Windows Internet Explorer

http://www.bluenile.com/diamond\_search.asp?track=dss&filter\_id=1

Google "Blue Nile logo" Go Bookmarks 15 blocked Check AutoLink AutoFill Send to Blue Nile logo Settings

Build Your Own Ring™ Google Image Result for http...

blue nile Education, Guidance, Diamonds and Fine Jewelry. *Your heart pounds. She opens the box. The rarest of treasures. The diamond enters.*

888-565-7641

DIAMONDS ENGAGEMENT JEWELRY GIFTS EDUCATION

Search

Engagement

- Diamonds
- Engagement Rings
- Build Your Own Ring™

Related Links

- Engagement Ring Guide
- Learn About Diamonds

Freight® Shipping on Every Order

Home > Engagement > Build Your Own Ring™

**BUILD YOUR OWN RING™**

1. Select Your Diamond \$0

2. Choose Your Setting + \$0

3. Add to Basket = Subtotal: \$0

Give us your [feedback](#).

Refine Search Criteria

Need Help? [how to use search](#)

Customize Search [add/remove search criteria](#)

Shape	Carat	Cut	Color	Clarity	Price
<input checked="" type="checkbox"/> Round	13.01	Signature Ideal	D	FL	\$868,285
<input type="checkbox"/> Princess		Ideal	E	VVS1	
<input type="checkbox"/> Emerald		Very Good	G	VVS2	
<input type="checkbox"/> Asscher		Good	H	VS1	
<input type="checkbox"/> Marquise		Fair	I	VS2	
<input type="checkbox"/> Oval			J	SI1	
<input type="checkbox"/> Radiant				SI2	
<input type="checkbox"/> Pear					
<input type="checkbox"/> Heart					
<input type="checkbox"/> Cushion	0.23				\$283

Your Search Results: 32,596 Round Diamonds

compare Carat Cut Color Clarity Polish Symmetry Report Price Details

0.23 Very Good H SI1 FY VG GIA \$283 [view details](#)

http://www.bluenile.com/engagement\_segment.asp?track=51&track=flyout\_engagement&elem=btn

Internet 100%



# Online Service Industries

---

## Cyberbanking



## Online securities trading



The logo for Bloomberg is the word 'Bloomberg' in a yellow, sans-serif font, set against a dark grey rectangular background.

## Online job market



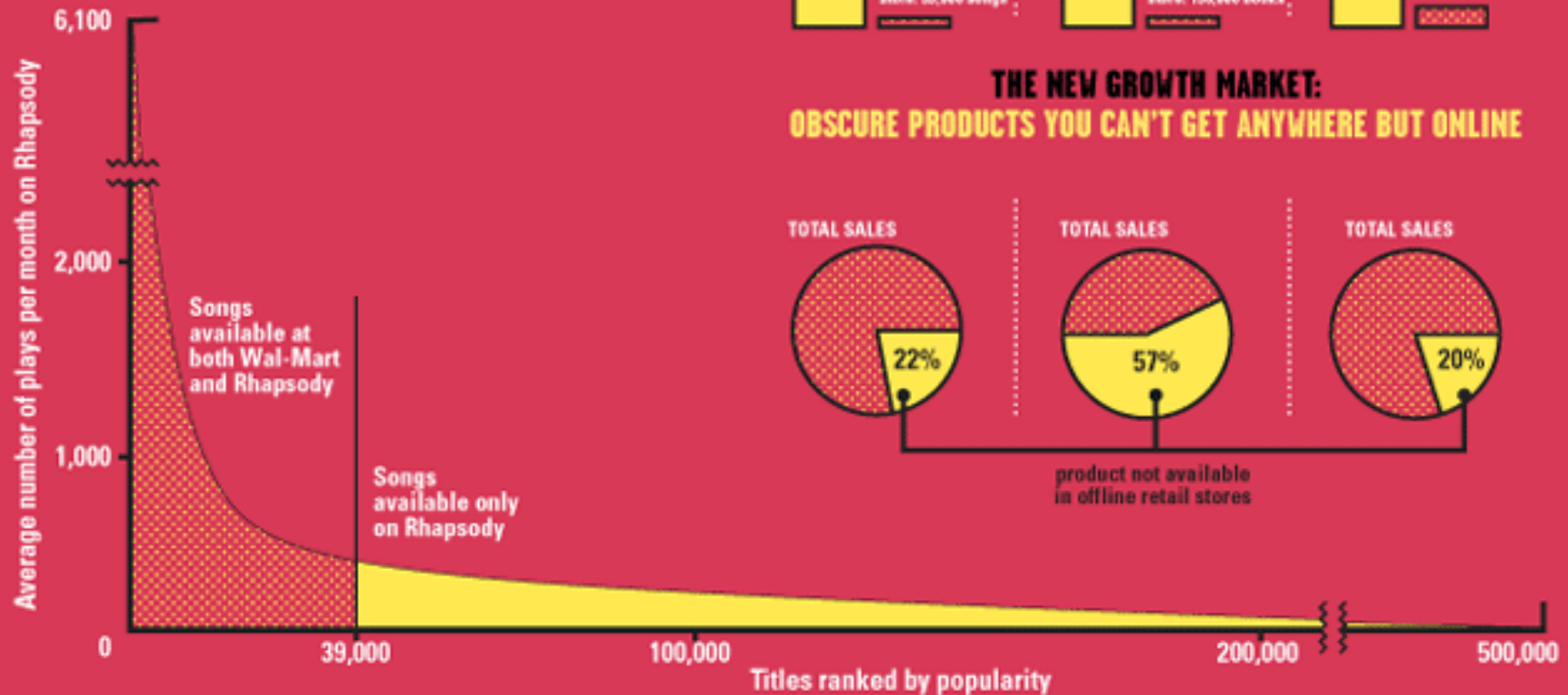
## Travel services



# The Long Tail

## ANATOMY OF THE LONG TAIL

Online services carry far more inventory than traditional retailers. Rhapsody, for example, offers 19 times as many songs as Wal-Mart's stock of 39,000 tunes. The appetite for Rhapsody's more obscure tunes (charted below in yellow) makes up the so-called Long Tail. Meanwhile, even as consumers flock to mainstream books, music, and films (right), there is real demand for niche fare found only online.



Sources: Erik Brynjolfsson and Jeffrey Hu, MIT, and Michael Smith, Carnegie Mellon; Barnes & Noble; Netflix; RealNetworks

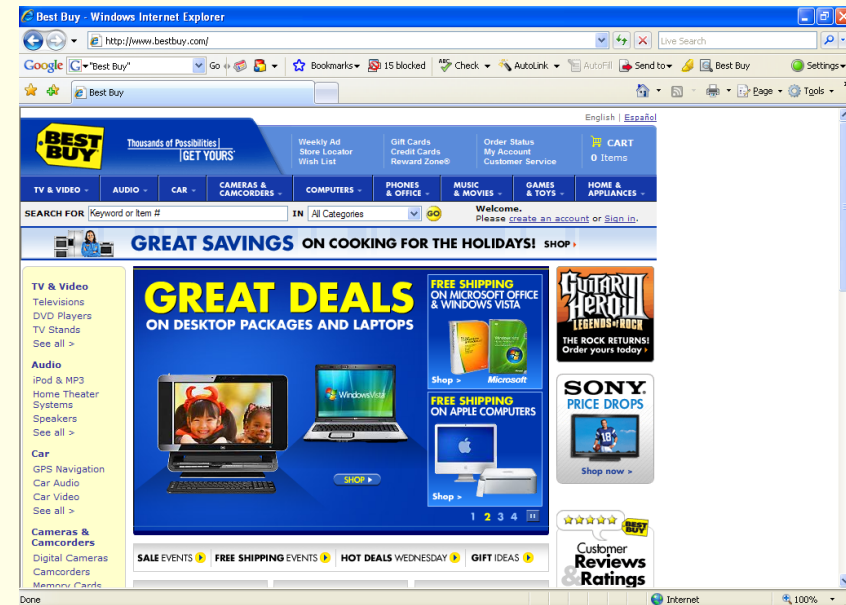
# Issues in E-Tailing

---

Channel conflict

Order fulfillment

# Channel Conflict



???

# Online Advertising

---

- **Advertising** is an attempt to disseminate information in order to influence a buyer-seller transaction.
- Online Advertising methods
  - Banners
  - Pop-up ad
  - Pop-under ad
  - Permission marketing
  - Viral marketing

# A closer look at Online Advertising

---

- **“We must accept the fact that there is no ‘mass’ in ‘mass media’ anymore.”** Jim Stengel, Global Marketing, Proctor & Gamble.
- **“TV networks face upheaval because of ever-increasing incursions from digital media like Internet sites.”** Jeff Zucker, chief executive of the NBC Universal Television Group.
- **“We never know where the consumer is going to be at any point in time, so we have to find a way to be everywhere. Ubiquity is the new exclusivity.”** Linda Kaplan Thuler, Chief Executive at the Kaplan Thaler Group, a New York ad agency.

# Drivers of today's online advertising

---

- The emergence of “communitainment.”
- The increasing popularity of Usites.
- Mainstreaming of the Internet.
- Declining usage of traditional media.
- Fragmentation of content consumption.
- Consumers are multitasking and they do not like ads.

Source: PiperJaffrey

# Communitainment

---

- PiperJaffray, an investment bank, defines **communitainment** as the blending of community, communication, and entertainment into a new form of online activity driven by consumers.
- The bank predicts that consumers will shift more than 50% of their content consumption over the next decade to communitainment formats (e.g., social networking, video, and photo sharing sites), displacing traditional forms of media content like TV, magazines, and large Internet sites.
- This trend presents a major challenge for advertisers.



# Usites

---

PiperJaffray defines **Usites** as Web sites with user generated content comprising all or most of their content.



# Mainstreaming of the Internet

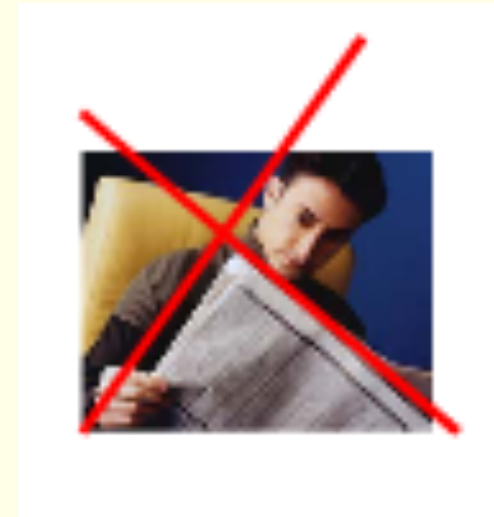
---



HTTP

# Declining usage of traditional media

---



# Fragmentation of content consumption

Newspapers  
Broadcast TV  
Magazines  
Broadcast Radio  
Eight Track  
**1966**



1 Newspapers  
2 Magazines  
3 Cable TV  
4 Broadcast TV  
5 Radio  
6 Cassette Tapes  
7 Walkman  
8 VCR  
9 Cable TV  
10 Personal Computer  
11 Console Video Games  
12 PC Video Games

**1986**



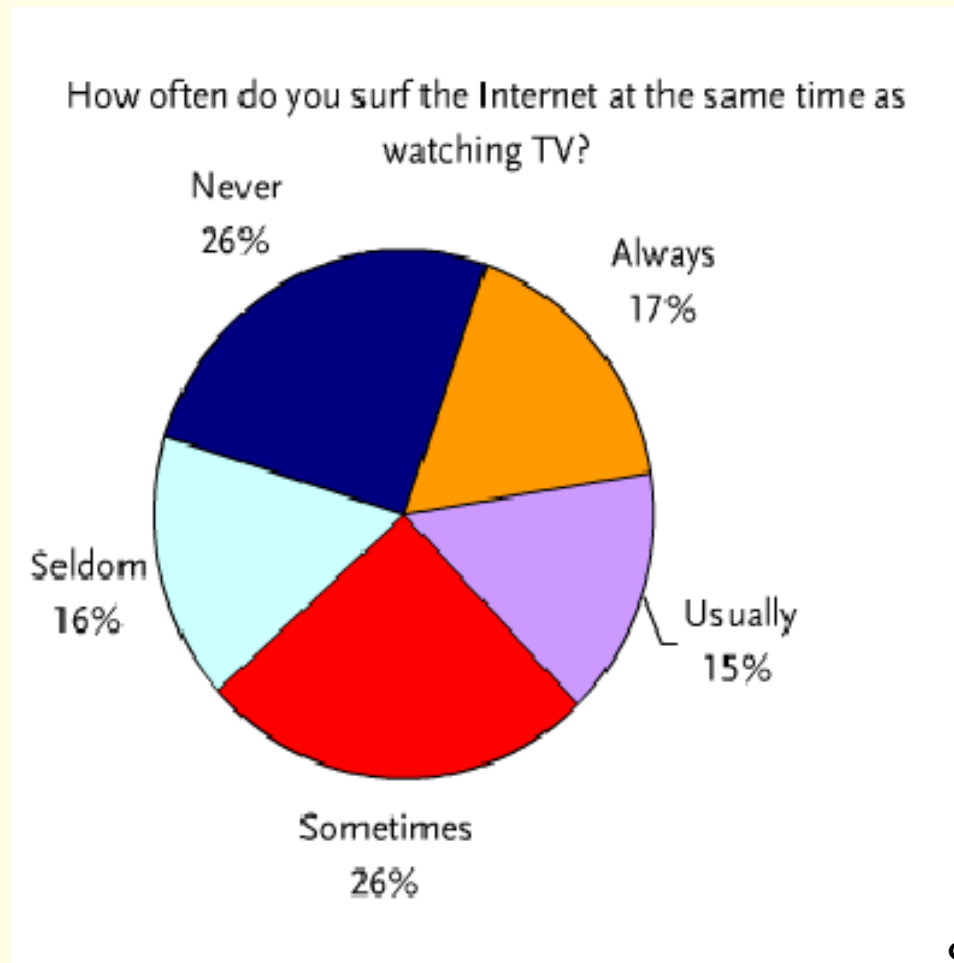
1 Newspapers  
2 Magazines  
3 Email  
4 Broadcast TV  
5 Radio  
6 CD Player  
7 Cable TV  
8 Personal Computer  
9 Satellite Television  
10 Internet  
11 Cell Phone  
12 DVD Players  
13 Satellite Radio  
14 MP3 Players  
15 Tivo/DVR  
16 Slingbox  
17 iPod  
18 Blogs  
19 Online Video  
20 Mobile Internet  
21 Console Video Games  
22 PC Video Games  
23 MMORP Games  
24 Mobile Games  
25 Text Messaging  
26 Mobile Video  
27 Download Movies  
28 Podcasts  
29 Instant Messaging  
30 Social Networks

**2006**



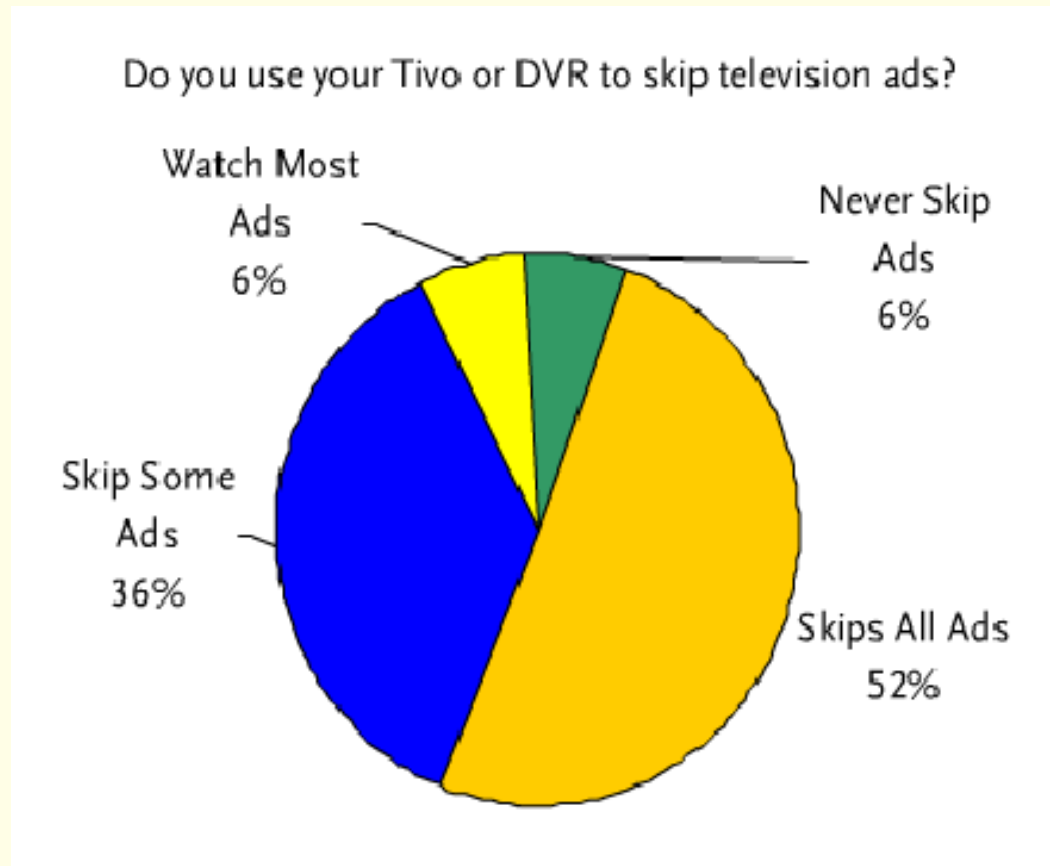
Source: PiperJaffray

# And...consumers are multitasking



Source: PiperJaffray

# And...consumers don't like ADS



Source: PiperJaffray

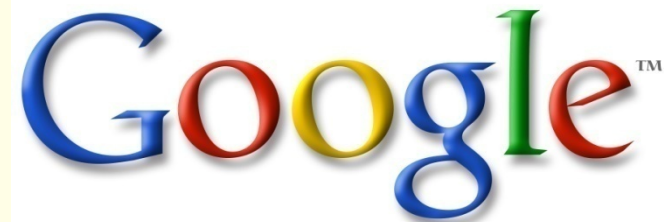
# Eight Types of Web sites for Advertising

---

**Portals:** most popular; best for reach but not targeting

The image shows the classic Yahoo! logo in red, bold, sans-serif capital letters with an exclamation point, set against a white background.

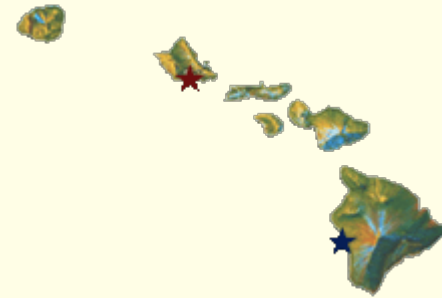
**Search:** second largest reach; high advertising value

The image shows the Google logo in its signature multi-colored font (blue, red, yellow, green, red) with a trademark symbol, set against a white background.

# Eight types of sites (continued)

---

**Commerce:** high reach;  
not conducive to  
advertising



Mall of Hawai' i

**Entertainment:** large  
reach; strong  
targetability





# Eight types of sites (continued)

**Community:** emphasize being a part of something; good for specific advertising



**Communications:** not good for branding; low targetability



# Eight types of sites (continued)

---

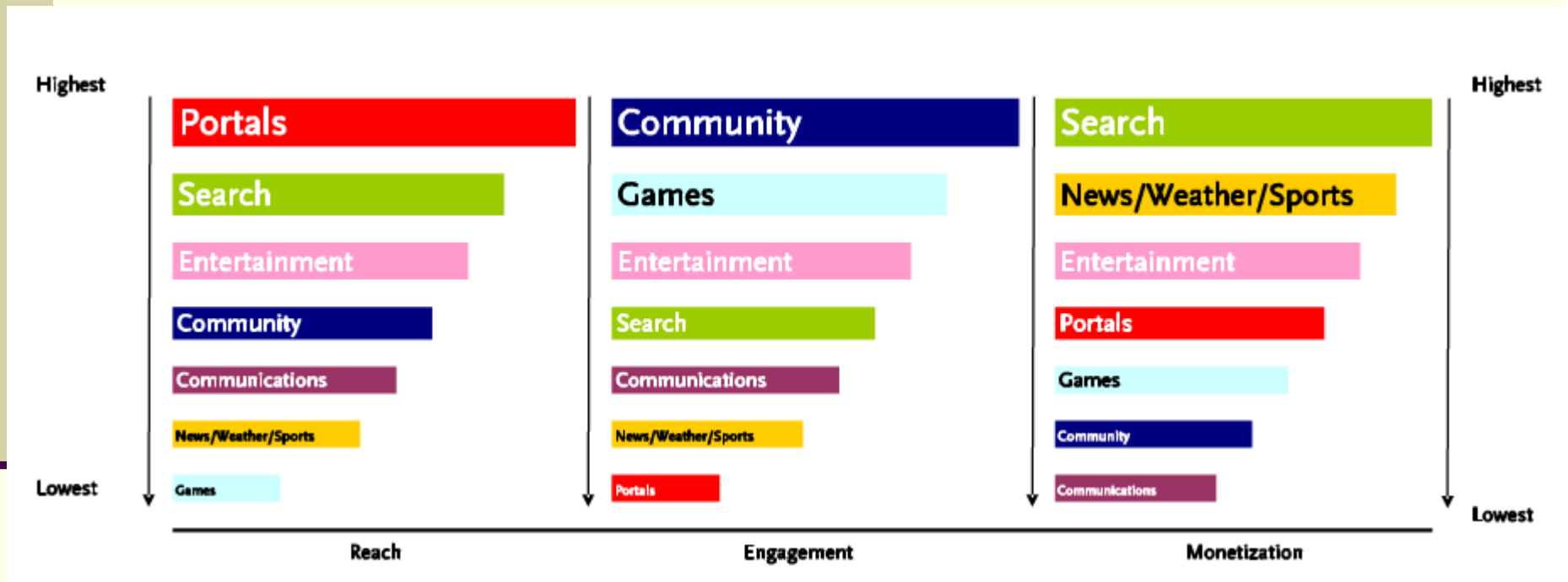
**News/weather/sports:**  
poor targetability



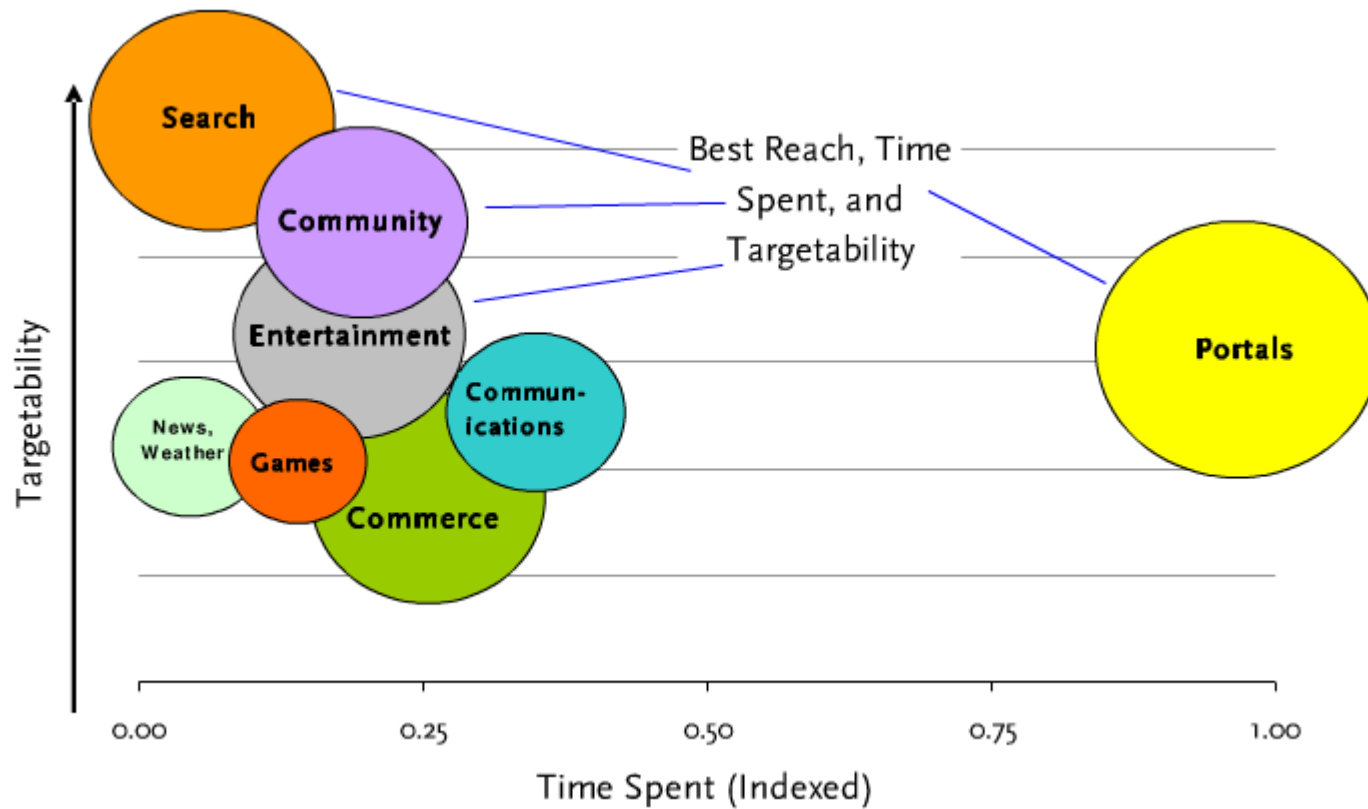
**Games:** good for very  
specific types of  
advertising



# What the eight categories mean for advertisers



# A graphical look at the eight categories

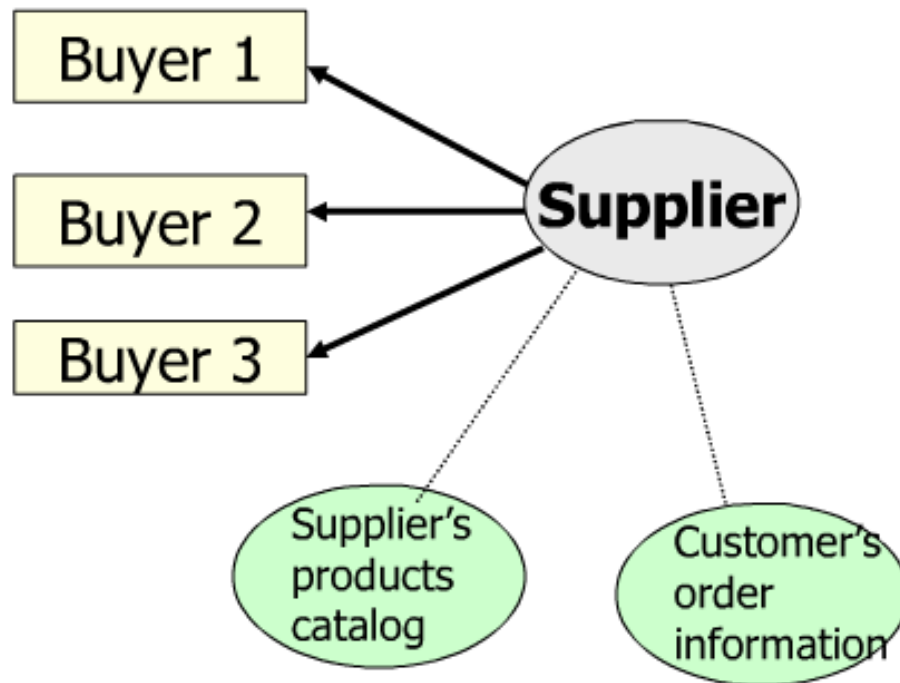


## 6.3 Business-to-Business (B2B) Electronic Commerce

---

In **B2B e-commerce**, the buyers and sellers are organizations.

# B2B Sell-Side Marketplace



**Key mechanisms:**  
electronic catalogs and  
forward auctions

# Ariba (sell-side marketplace)



The screenshot shows the Ariba website in a Windows Internet Explorer browser window. The address bar displays "http://www.ariba.com/". The browser's toolbar includes navigation buttons, a search box, and various utility icons. The website header features the Ariba logo and a navigation menu with links for Buyer Solutions, Supplier Solutions, Customers, Partners, Company, Support, Learning Center, and LOGIN. A large banner on the left lists services: Visibility, Sourcing, Procurement and Expense, Invoice and Payment, Supplier Management, Managed Procurement Services, and Ariba Consulting Services. The main banner on the right contains the text "is all about Getting more from the money you spend." Below this, three columns are labeled "START", "ENHANCE", and "CONNECT and Grow Your Business". A news section highlights "Ariba Reports Results for Fourth Quarter and Fiscal Year 2007" and "Ariba Announces Definitive Agreement to Acquire Procuri". A sidebar on the left lists "Spend Management Success" with a list of clients including AEGON, American Express Corporate Services, Mondy, Adquira, E\*TRADE, Pfizer, AMD, and Shaw Industries. A central promotional box for "ATTEND A REAL POWER LUNCH" is dated November 7, 2007, focusing on "Recalls and Supply Chain Management" and includes a "REGISTER TODAY" link. A statistics box on the right lists: "Ariba customers source more than \$450 million every day in over 5,000 unique categories", "Ariba manages more than 170 Billion Dollars in procurement spend each year", "Around the world, Ariba is on over 4 million desktops", and "More than 145,000 suppliers on the Ariba Supplier Network more...". The browser's status bar at the bottom shows the URL "http://www.ariba.com/suppliers/suppliers\_overview.cfm" and the page zoom level at 100%.



(Sell-side marketplace)

Dell Auction | Computer Auctions | Refurbished Computers - Windows Internet Explorer

http://www.dellauction.com/

Google "Cisco Connection Online" Go 14 blocked Check AutoLink AutoFill Send to Settings

Dell Auction | Computer Auctions | Refurbished Comp...

**DELL** DELL AUCTION

Computers My Auction Account Bidder Help

Contact Dell Auction Auction home | Desktops | Notebooks | Workstations | Accessories

Contact information

Search Dell Auction

Search by Title

Quick Product Search

Type Processor Price Range

Search by Seller

Select a Seller

Registration

Register for free My auction account Sign On

Information

FAQs Privacy Policy Site terms of use About Dell Auction About Dell Financial Services Dell Support site

**Visit Our Other Dell Store**  
**DFSDirectSales.com**

Offering everyday low fixed prices on premium grade, previously leased Dell refurbished products

- Diverse mix of products
- Dedicated customer care team
- 30 day return policy
- Refurbished & tested by Dell

Always A Great Value From Dell Financial Services!

**WELCOME TO DELL AUCTION**  
The Internet's premier technology exchange.

**Start Bidding**

**Dell Latitude™ Notebooks**

Choose Latitude notebooks when need a flexible, reliable balance of performance and mobility. All Latitudes are powered by Intel® processors.

**Dell Inspiron™ Notebooks**

Great for stand-alone environments and multimedia viewing. Inspirons provide outstanding notebook style, usability and value.

**Featured Item**

DELL DIMENSION 4600 2.8 GHZ NO

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(Sell-side marketplace)

Hong Kong office supply, stationery, equipment - bigboXX.com - Windows Internet Explorer

http://www.bigboxx.com/default.asp?rand=0.7327839972613594

Google "Ariba logo" Go

Hong Kong office supply, stationery, equipment - big...

bigboXX.com

凡購買指定 3M 文儀產品，即可憑每件產品  
獲贈零食物語 \$10 現金券及吉野家下午茶  
餐酒一送一優惠券

中文  
Make bigboXX.com your homepage

Office Supplies | Print Center | Premiums | Records Management | Furniture | Floral & Gifts | bigboXX mall

Search [Help](#)

Shopping Cart [Items: 0](#) [Total: \\$0.00](#)

Login [register now](#) [forgot password?](#)  
User Name:  Password:

bigboXX Customer Service Hotline - 212' Thu, 25 Oct 2007

Office selection

- Computer Supplies
- Paper
- Breakroom Supplies
- Stationery
- Office Machines/Acc
- Computing & AV Equip
- Monthly Specials

Personal products

Priceline Travel Counter

- Register now
- Tutorial
- Shopping tools
- Downloads
  - price list
  - autopay application
  - business letters
  - office forms

To you... From Avery

Purchase 2 boxes or selected Avery 100's Laser Labels

Starbucks \$25 禮券 Free

SPCA PetGuard 愛寵樂

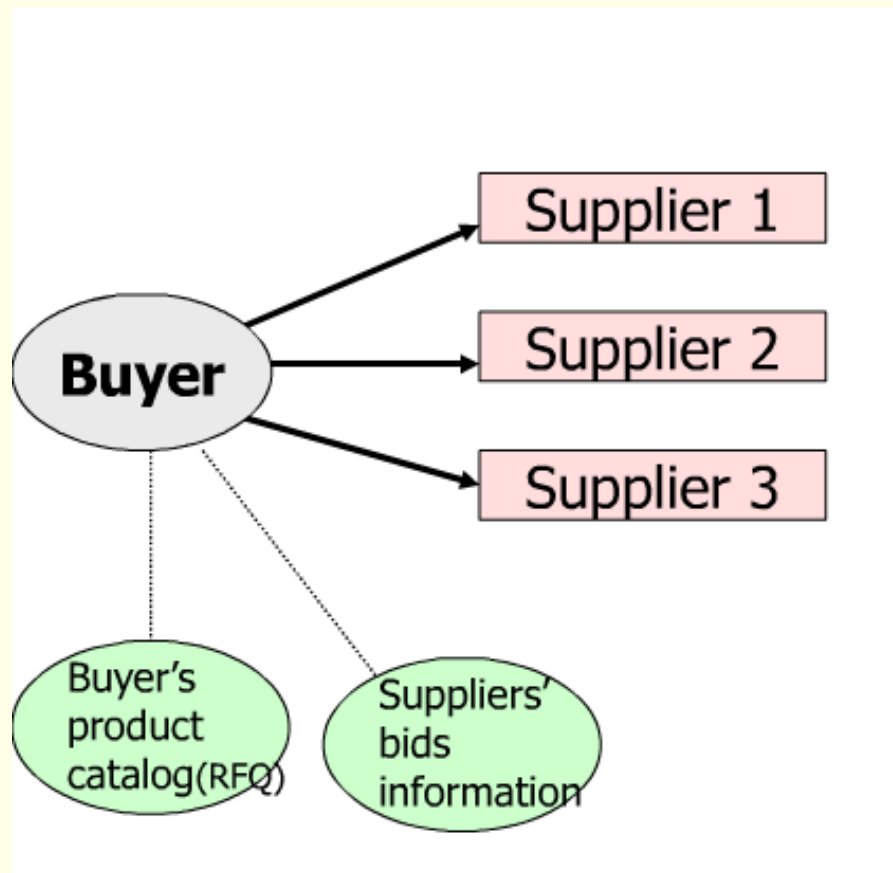
ROYAL & SUNALLIANCE

Today's Hotspots

 Buy Get 114329 Bajija BJA2000B Auto RMB detector bigboXX Price <del>\$1,250.00</del> Discounted \$950.00 <b>special offer</b>	 Buy 5 Get 102458 EON Laminat Pouch 100Mic 100's 216x303mm bigboXX Price <del>\$423.00</del> Discounted \$87.00 <b>special offer</b>	 Buy 5 Get 113286 M&A Binding Board 480gsm A4 Yellow 100's bigboXX Price <del>\$420.00</del> Discounted \$90.00 <b>special offer</b>	 Buy 2 Get 113370 Megaman GSU111s Warmlight Dimmerable Lamp bigboXX Price <del>\$428.00</del> Discounted \$70.00 <b>special offer</b>
--	---	---	--

Done Internet 100%

# B2B Buy-Side Marketplace



**Key mechanism:**  
reverse auctions

# United Sourcing Alliance



United Sourcing Alliance - Windows Internet Explorer

http://www.usa-llc.com/

Google | Trading Process Network | Bookmarks | 14 blocked | Check | Look for Map | AutoFill | Send to | GE | Settings

United Sourcing Alliance

HOME | CONTACT

UNITED SOURCING ALLIANCE

Company Overview | Our Services | USA's Engagement Model  
Bottom Line Results | ROI Guarantee | Supply Solutions

Providing Significant Hard-Dollar Savings

"IPG has realized significant savings since teaming up with USA. We plan to work with USA on future projects and continue to increase our annual savings."  
-Jennifer Seawright  
Corporate Project Director  
Intertape Polymer Group

**Since inception, United Sourcing Alliance has focused on one primary goal: to provide significant and measurable hard-dollar savings to our clients.**

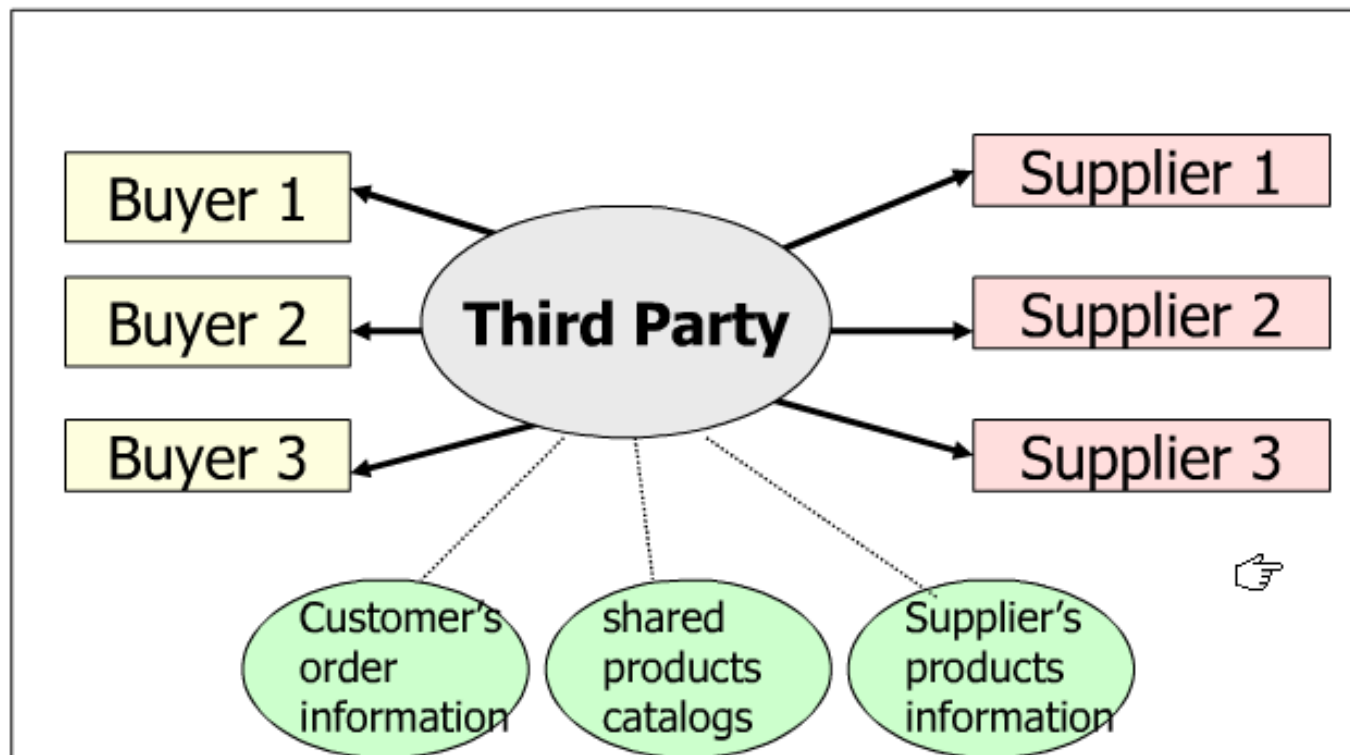
Our company was founded in 1998 as a group purchasing organization composed of six textile companies. Today, USA services a dynamic client base with over \$20 billion in aggregate sales. Utilizing our group's representative spend, we create "**Demand Aggregation**" pricing for our clients through pre-negotiated contracts with our strategic suppliers.

In any economic climate, strengthening the bottom line is critical for profitability and delivering shareholder value. With nearly half of companies' revenues being spent on purchasing activities, one of the fastest and most economical ways to deliver bottom-line results is to reduce the cost of sourcing and the price of the items you purchase.

United Sourcing Alliance provides its clients with an average annual level of savings in the 12-15% range. We back this up with a minimum guarantee of

Done | Internet | 100%

# Electronic Exchanges



# Boeing PART




The Boeing PART Page - Windows Internet Explorer

http://www.boeing.com/assocproducts/bpart/partpage/featpg.html

Google "Boeing PART" Go Bookmarks 14 blocked Check AutoLink AutoFill Send to Boeing PART Settings

The Boeing PART Page



Boeing Home Commercial Home

**BOEING PART PAGE**

[Home](#) | [Features](#) | [Benefits](#) | [Customer Requirements](#) | [To Get Started](#)

**Parts**  
View up-to-date part information such as prices, availability and interchangeability. Partial part number search is available.

**Orders**  
Enter a new purchase order, change an existing purchase order, or check the status of your orders. View multiple purchase orders at once by entering selection criteria, such as "all open purchase orders."

**Quotes**  
Request a price quote or view existing price quotes. Receive quote information back via email.

**Contacts**  
Instantly retrieve information on how to contact us at Boeing Spares.

**Help**  
"Get answers to your questions in our "Help" and "Frequently Asked Questions" sections.

Done Internet 100%

# PlasticsNet (Vertical Exchange)



PlasticsNet: Digital Marketplace for the plastics industry - Windows Internet Explorer

http://www.plasticsnet.com/content/homepage/default.asp

Google "Boeing PART" Go Bookmarks 14 blocked Check AutoLink AutoFill Send to Boeing PART Settings

PlasticsNet: Digital Marketplace for the plastics industry

**PlasticsNet**  
A VertMarkets Marketplace for Industry Professionals

HOME | Buy Online | Services | Jobs | News & Community Sign-In | Free Newsletter

Search:  [Tips](#)  
Products   
**Search**

**Find Solutions**  
[Feeders](#)  
[Conveyors](#)  
[Spectrophotometers](#)  
[Color Measurement](#)  
[Light Booth](#)  
[Colorimeter](#)  
[Software](#)  
[Product Showcase](#)  
[Market Research Reports](#)  
[Bookstore](#)  
[2006 Packaging Solutions Update](#)  
[Services](#)  
[Job Search](#)  
[Recruiter Center](#)  
[Find a Consultant](#)  
[Build an Intranet](#)  
[Press Release Service](#)  
[More...](#)

**Welcome to PlasticsNet**

Want to find solutions to your color measuring and matching needs? Interested in streamlining your injection molding process? Looking for thermoforming machinery? Need to identify and select [suppliers](#)? Then you need the expert advice of PlasticsNet, the premier sourcing site for the plastics industry.

In addition, keep up with the latest information in the plastics community through:

- [FREE Newsletters](#)
- [FREE Job Search](#)
- [FREE Trade Publications](#)
- [FREE Consultant Locator](#)

**Special Features**

**Cost-Cutting Strategies for the Process Industry**  
Companies in the Process Industries (including chemicals, pharmaceuticals, food & beverage, oil & gas, pulp & paper, and health & beauty aides) have had to cope with rising manufacturing and logistics costs over the past few years. To avoid a 7.96% increase in logistics costs (what the average company has experienced in the past two years), companies should follow the roadmap of Best in Class companies, which have been able to reduce costs or keep them flat via supply chain transformation. [Read more.](#)

**Current Headlines** [RSS](#)

- New AZCO FGW SUR-CUT Cut To Length [»](#)
- New 60" Heat Laminator From TTARP Industries Will Laminate, Slit And Rewind Hot Or Cold Adhesive Systems [»](#)
- TTARP Introduces New Compact Die-Cutting Press For Low-Density Materials [»](#)
- Spartech Thinks Outside The Container With New PACKALLOY Imagine Two-Piece Plastic Cup System For Food Packaging... [»](#)
- Bakers Sto 'N Go - Newest Technology In Food Storage [»](#)

**Dow Corning works with you to meet your needs exactly.**

**SAP**

**XIAMETER**  
Find the value of X  
**X5 YEARS**

**Free Industrial & Manufacturing Magazines and Downloads**

Done Internet 100%

# The Paper Site (Vertical Exchange)

The screenshot shows a Windows Internet Explorer browser window displaying the homepage of 'The Paper Site'. The browser's address bar shows the URL 'http://www.papersite.com/'. The page features a central logo with the text 'The Paper Site®' and 'Your View of the Global Paper Market'. The logo consists of a red square with a globe inside, and a red shape below it resembling a paper roll with green arrows pointing downwards. To the right of the logo are four links, each with a globe icon: 'About the Paper Site', 'Search available Paper', 'Request Specific Paper', and 'Have paper to sell?'. Below the main content area, there is contact information: 'Questions, Comments??? Please contact us: [People@papersite.com](mailto:People@papersite.com)', '1390 Waller Street, San Francisco, CA 94117 Phone: (415) 431-9642 Fax: (415) 431-2639', and a footer with 'Date created: 1/30/96', 'Last modified: 6/7/02', and 'Copyright © 2002, Paper Site'. The browser's status bar at the bottom shows 'Done' and 'Internet'.

The Paper Site®

*Your View of the  
Global Paper Market*

[About the Paper Site](#)

[Search available Paper](#)

[Request Specific Paper](#)

[Have paper to sell?](#)

Questions, Comments??? Please contact us: [People@papersite.com](mailto:People@papersite.com)

1390 Waller Street, San Francisco, CA 94117 Phone: (415) 431-9642 Fax: (415) 431-2639

Date created: 1/30/96  
Last modified: 6/7/02  
Copyright © 2002, Paper Site

# Horizontal Exchange



The screenshot shows the Alibaba.com website interface within a Windows Internet Explorer browser window. The browser's address bar displays the URL <http://www.alibaba.com/>. The website header features the Alibaba.com logo and the tagline "Global trade starts here.™". Navigation buttons include "Sign In", "Join Now", "TradeManager", and "Inquiry Basket". A secondary navigation bar contains "For Buyers", "For Sellers", "Community", "My Alibaba", and "Help". The main content area is titled "Selling Leads" and includes a search bar, a "Select Country/Region" dropdown, and a "Search" button. Below the search bar, it states "Find millions of selling leads from around the world, now!" and lists "Popular Searches: tractor, packaging paper, lingerie, motorcycle, acrylic display, pvc sheet, wall clock, electric bike, sofa".

On the left side, there is a "Browse by Category" menu with the following items:

- Agriculture
- Apparel UPDATED!
- Automobile
- Business Services UPDATED!
- Chemicals
- Computer Hardware & Software
- Construction & Real Estate
- Electrical Equipment & Supplies
- Electronic Components & Supplies
- Energy
- Environment
- Excess Inventory
- Food & Beverage
- Fashion Accessories

The central section is titled "Trade with the World" and features a "New Today!" banner with statistics: "768,412 new selling leads, 46,249 new products and 2,490 new companies added today in over 200 countries!". Below this, there are tabs for different regions: China, HK, USA, India new, UK, and Turkey, with a "More" link. A grid of product images is displayed, including Power Cables, Health Food, Hoists, Notebook & Diary, Oxygen Setup, Velvet, Plastic Furniture, Automobile, Travel Bags, and Headlamps. A "Gold Supplier" badge is visible next to the product grid.

On the right side, there are several promotional boxes:

- "Check your messages: Sign In" with a "Join Now" link and a "Forbes FAVORITE" badge.
- "Promote Your Products" (FREE), "Post Buying Leads" (FREE), "Check Trade Leads" (FREE), and "Trade Shows" (FREE).
- "Premium Memberships" (VIP) and "New User's Guide" (FREE).
- Links for "国内贸易? 访问阿里巴巴中文站" and "国际贸易? 点击看中文介绍".
- "Trade with the Big Buyers" section featuring Decathlon and the text "Join Decathlon Group at their China sourcing event".

The browser's status bar at the bottom shows "Done" and "Internet" with a 100% zoom level.



# Functional Exchange



The screenshot shows the ADP Employease website in a Windows Internet Explorer browser window. The browser's address bar displays the URL <http://www.employease.com/>. The website's header features the ADP Employease logo and a navigation menu with the following items: PRODUCTS AND SERVICES, WHY ADP?, ABOUT US, PARTNERS, SUCCESS STORIES, DEVELOPERS, and CUSTOMER LOGIN. The main content area is titled "Redefining Employee Information Management" and includes the following text:

From HRIS to benefits administration to outsourcing, Employease's unique on-demand model is revolutionizing HR.

Today, Employease provides more than 1,500 customers with a proven and innovative mix of web-based solutions and outsourcing options that avoid the problems of yesterday's options. Our customers are doing more than solving their administrative challenges. They are playing more strategic roles and impacting their bottom lines.

With our on-demand, web-based solutions you can experience fast and risk-free implementations without installing software. You can customize your application in hours or minutes instead of years or months. And you can, finally, experience the joy of a seamless and automatic upgrade.

ADP Completes Purchase of Employease

ROSELAND, New Jersey -- October 3, 2006 -- The Employer Services Division of Automatic Data Processing, Inc. (NYSE: ADP), today announced it has completed its acquisition of Employease®, Inc. a leading provider of Web-based solutions and outsourcing options for HR and benefits professionals.

Navigation links on the right side of the page include: Quick Tour, Brochure, and Contact Us.

At the bottom of the page, there is a table with three columns: HR Solutions, Benefits Administration Solutions, and About Employease.

HR Solutions	Benefits Administration Solutions	About Employease
<a href="#">HR Solutions</a>	<a href="#">Benefits Administration Solutions</a>	<a href="#">Employease Overview</a>
<a href="#">HRIS Technology</a>	<a href="#">Employee Self-Service</a>	<a href="#">News and Press Releases</a>
<a href="#">Benefits Administration</a>	<a href="#">Enrollment Services</a>	<a href="#">Employease Awards</a>
<a href="#">Employee Self-Service</a>	<a href="#">Call Center</a>	<a href="#">Upcoming Events</a>
<a href="#">Comprehensive Reporting</a>	<a href="#">Billing Services</a>	<a href="#">Your Privacy</a>
<a href="#">Performance Management</a>	<a href="#">Eligibility Audits</a>	<a href="#">Site Map</a>
<a href="#">Leave Management</a>	<a href="#">Fulfillment</a>	<a href="#">ADP Major Accounts Home</a>
<a href="#">Applicant Tracking</a>	<a href="#">COBRA Administration</a>	<a href="#">ADP Careers</a>
<a href="#">Benefits Administration Outsourcing</a>	<a href="#">HIPAA Administration</a>	

## 6.4 Electronic Payments

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Electronic payment systems enable you to pay for goods and services electronically.

- Electronic checks (e-checks)

- Electronic credit cards

- Purchasing cards

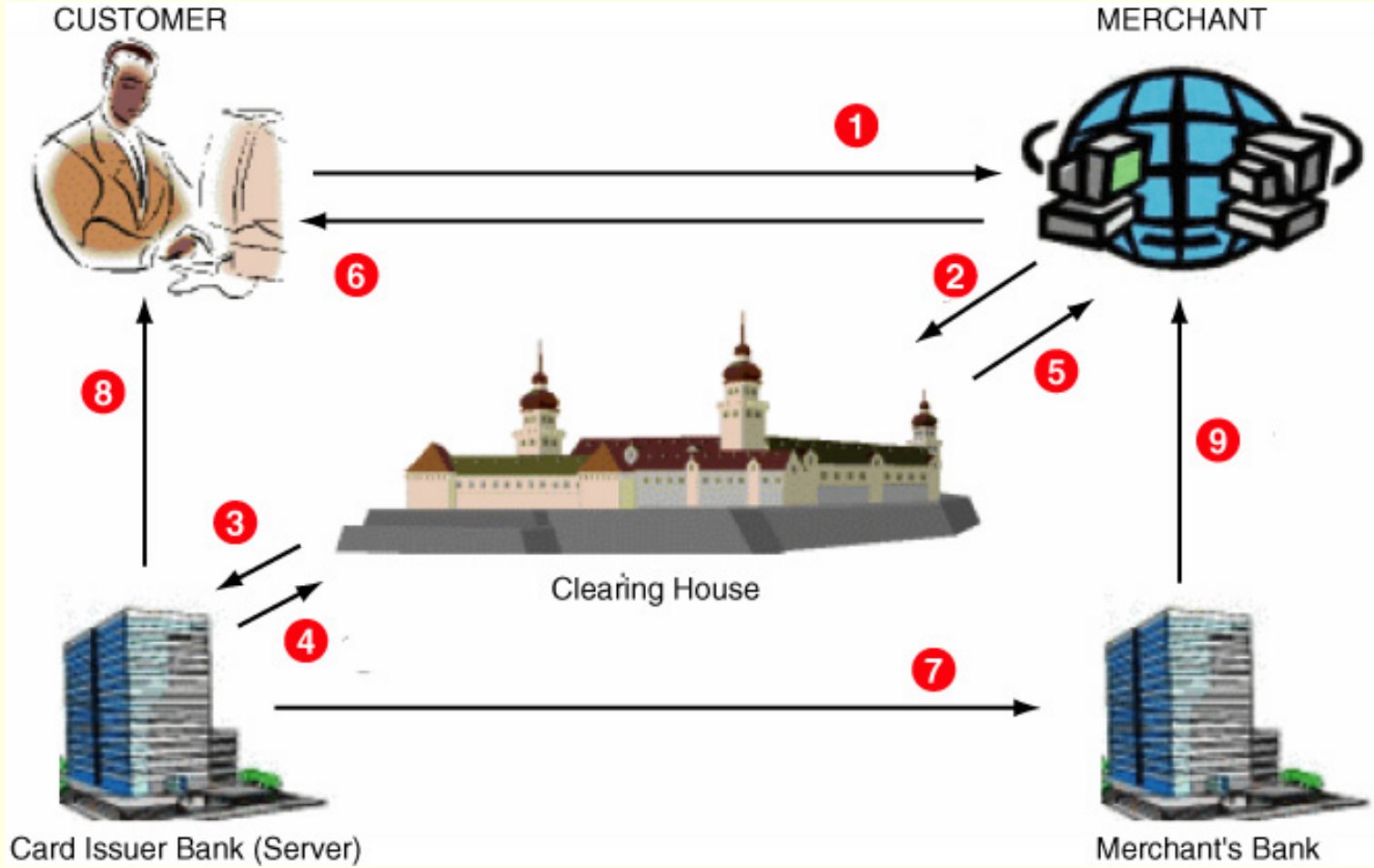
- Electronic cash

  - Stored-value money cards

  - Smart cards

  - Person-to-person payments

# How E-Credit Cards Work



# Ethical and Legal Issues

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## Ethical Issues

Privacy

Disintermediation

# Legal Issues Specific to E-Commerce

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Fraud on the Internet

Domain Names

Domain Tasting

Cybersquatting

Taxes and other Fees

Copyright

# Chapter Closing Case

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