DOWNLOAD PDF BUSINESS TO CONSUMER MODEL

Chapter 1 : What is Business to Business to Consumer (B2B2C)? - Definition from Techopedia

While business-to-business commerce refers to business transactions between companies, business-to-consumer models are those that sell products or services directly to personal-use customers.

Curioso Shutterstock In contrast with the more traditional business-to-consumer model, the C2B consumer-to-business model allows businesses to extract value from consumers â€" and vice versa. In the C2B model, businesses profit from the willingness of consumers to name their own price or contribute data or marketing to the company, while consumers profit from flexibility, direct payment, or free or reduced-price products and services. C2B can also mean that a business brings consumer insights and consumer-centric solutions to another business as its primary service or value-added offering," Walker told Business News Daily. C2B business models include reverse auctions, in which customers name the price for a product or service they wish to buy. For example, food companies may ask food bloggers to include a new product in a recipe, and review it for readers of their blogs. YouTube reviews may be incentivized by free products or direct payment. This could also include paid advertisement space on the consumer website. Services such as Amazon Affiliates allow website owners to earn money by linking to a product for sale on Amazon. The C2B model has flourished in the Internet age because of ready access to consumers who are "plugged in" to brands. Where the business relationship was once strictly one-directional, with companies pushing services and goods to consumers, the new bi-directional network has allowed consumers to become their own businesses. Decreases in the cost of technologies such as video cameras, high-quality printers and Web development services give consumers access to tools for promotion and communication that were once limited to large companies. As a result, both consumers and businesses can benefit from the C2B model. For the C2B relationship to be fulfilled, the participants must be clearly defined. The consumer could be any individual who has something to offer a business, either a service or a good. Examples could be a blogger, as mentioned before, or a photographer offering stock images to businesses. The consumer could also be someone answering a poll through a survey site, or offering job-hiring services by referring someone through referral hiring sites such as elance. The business in this model could be any company planning to buy goods or services from individuals either directly or through an intermediary. An intermediary would connect the business that needs a service or a good to the mass of individuals, acting as a portal both for buyers and sellers. The intermediary promotes goods and services through distribution channels, and gives individuals promotional, logistic and technical expertise. For example, the intermediary could be a company looking to fill a job through a referral hiring site, a company seeking to advertise online through Google Adwords, or a company that needs individuals to take surveys and provide market research. Because C2Bs are relatively new, underlying legal issues such as how to bill and receive money have yet to be fully sorted out. A traditional firm would pay wages to a limited group of employees, but C2B businesses could potentially have to process thousands of customer payments. Fortunately, intermediaries often take care of the financial and legal aspects of C2B transactions. Services like PayPal and Google Wallet ease the burden of payment, and Google Adsense pays webmasters by sending them checks in dollars, incurring shipping fees for Google and currency conversion fees for international users. Growing your C2B business requires dedication and a few special skills. According to Walker, companies interested in extending their models to reach a C2B audience should consider the following marketing tools: Market research quantitative surveys, qualitative interviews, segmentation. Social media, such as online consumer user communities, Facebook pages, Twitter followings, etc. Hom also contributed to this article. You May Also Like.

Chapter 2 : Business-to-Consumer (B2C) Marketing | Brafton

The business to consumer as a business model differs significantly from the business-to-business model, which refers to commerce between two or more businesses. While most companies that sell.

Share on Facebook The business-to-consumer model, or B2C, involves a company selling a product or service to the end user as opposed to selling to another business. The definition becomes murky depending on how you define a consumer and how you define selling. Some models use different distribution methods and segment the marketplace by selling into different categories of consumers. Others use intermediaries to sell to consumers and businesses. Understanding different interpretations of B2C will help you understand this business strategy. Direct-to-Consumer One of the most common interpretations of B2C is the business model that has a manufacturer of a product selling directly to a consumer, with no intermediary. The phrase became popular during the s to refer to direct online sales. An example would include a running shoe manufacturer selling its shoes on its website to the people who wear them, rather than negotiating agreements with retail chains to sell its shoes to consumers. Some manufacturers make their own products and open their own retail store, such as a fast-food restaurant or a NikeTown or Apple Store. Non-Commercial Consumer Some interpretations of B2C selling limit the business model to sales made to the noncommercial public as opposed to another business. The company -- considered the end consumer -- would buy the software directly from the software maker, rather than through a reseller. Some do not consider this B2C selling because businesses often extend special features, support offers and discounts to other businesses that buy large quantities or place specialized orders. Intermediaries Depending on your relationship with your intermediaries, the use of wholesalers, distributors, retailers, independent sales reps or sales companies might create a B2C or B2B model. If you sell your product to a wholesaler who pays for the product upfront, then resells it to retailers, who then sell it to consumers, that might be construed as a B2B model. This is because you sell your product in a way that benefits the intermediary, not just the end user. If the product ends up being sold to a nonbusiness consumer for her personal use, you might consider that you have a B2C model; however, the more intermediaries between you and the end user, the closer your model resembles a B2B model. Vertical Segmentation One feature of B2B selling that differentiates it from B2C is that a business that produces a particular product might make a special version that targets a specific industry or profession or a segment of the marketplace. For example, a maker of accounting software might create its accounting programs specifically for hospitals, with special features that make it easy for hospitals to create budgets, invoices and order entries, based on general hospital accounting practices or insurance company or government regulations. If a person is classifying B2C solely based on how the sales transaction takes place, it would classify this as a B2C model. Small Business B2C For many small businesses, the most practical and affordable applications of a B2C selling model include selling online, using inside sales reps or opening your own brick-and-mortar store. Depending on your resources, you might take and fulfill online and phone orders yourself or take orders online or over the phone, hiring a fulfillment company to process the credit card orders and ship the items.

Chapter 3 : Business To Business (B To B)

Business to business to consumer (B2B2C) is an e-commerce model that combines business to business (B2B) and business to consumer (B2C) for a complete product or service transaction. B2B2C is a collaboration process that, in theory, creates mutually beneficial service and product delivery channels.

Business to consumer B2C is among the most popular and widely known of sales models. The idea of B2C was first utilized by Michael Aldrich in , who used television as the primary medium to reach out to consumers. Traditionally, B2C referred to mall shopping, eating out at restaurants, pay-per-view and infomercials. However, the rise of the internet created a whole new B2C business channel in the form of e-commerce or selling goods and services over the internet. Businesses that rely on B2C sales must maintain good relations with their customers to ensure they come back. Unlike business to business B2B , businesses that rely on B2C must make the consumer have an emotional response to your marketing. In B2B, marketing campaigns are geared to show value of the product or service. Internet Retailers Continue to Threaten Traditional B2C Storefronts During the s, the dotcom era had arrived and brought a new technology that changed the world. During the subsequent bust, most businesses were fighting to get a web presence in order to reach a whole new demographic of consumers. Decades from the dotcom revolution, B2C companies with website presence are continuing to dominate over their traditional brick-and-mortar competitors. Mobile Decades after the e-commerce boom, B2C companies are continuing to eye a new growing market: With smartphone apps and traffic continuing to see year-over-year growth, B2C companies have been shifting attention to mobile users and capitalizing on the popular technology. Throughout the early s, B2C companies were rushing to get out mobile apps, just as they were with websites decades earlier. In short, success in a B2C model is predicated on continuously evolving with the appetites, opinions, trends and desires of consumers. B2C Business Models in the Online World There are typically five types of online B2C business models that most companies use online to target consumers: The most familiar kind of model, where people buy goods from online retail sites. These can include manufacturers or small businesses or simply online versions of department stores that sell products from different manufacturers. Think of sites like Expedia, Trivago or Etsy. This model uses free content to get visitors to a website. Those visitors, in turn, come across digital or online ads. Basically, large volumes of web traffic are used to sell advertising, which, therefore, sells goods and services. An example would be media sites like the Huffington Post, a high-traffic site that mixes in advertising with its native content. Sites like Facebook, which builds online communities based on shared interests, help marketers and advertisers get their products directly to consumers. Direct-to-consumer sites like Netflix will charge a fee so consumers can access their content. Sometimes, the site can also offer free, but limited content, while charging for most of it.

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Chapter 4 : 9 Proven Business Models to Consider for Your Startup | HuffPost

The challenge of the business-to-consumer model is that businesses need to maintain a steady sales steam in order to stay viable. When the economy gets tough, consumers may make changes in their spending, and that can affect a B2C business.

Introduction Consumer-to-consumer electronic commerce is a growing area of e-commerce. However, according to Meta analysis of critical themes of e-commerce, C2C e-commerce was only represented in the area of online auctions [7]. C2C transactions generally involve products sold through a classified or auction system. Products sold are often used or second hand. C2C is projected to grow in the future because of its cost effective; this means it minimizes the cost of using third parties. Retailers see it as very important, given the growing use of social media channels by consumers to share their option about specific stock, which often drives increased traffic to stores [5]. C2C is the oldest form of e-commerce we know, used well before internet appeared, although they can and are supported by large websites nowadays. They are a way of helping people to deal directly with each other or to buy more conveniently from companies. The goal of C2C is to enable buyers and sellers to find each other easily. They benefit in two crucial commerce areas. Firstly, they benefit from competition for product and second they can easily find products that are otherwise difficult to locate [9]. C2C e-commerce differs from a business-to-business model or business-to-consumer model because consumers interact directly with each other. However, a business does operate the online platform on which C2C transaction takes place. Buyer can shop for free, but sellers sometimes have to pay a fee to list their products. Consumers often play an active role in monitoring e-commerce sites for scam and other inappropriate content [12]. In most cases, C2C e-commerce is helped along by a third party who officiate the transaction to make sure goods are received and payments are made. This offers some protection for consumers taking part in C2C e-commerce, allowing the chance to take advantage of the prices offered by motivated seller. The purpose of this paper is to discuss the origin, definition, business model, statistics, advantages and disadvantages of C2C e-commerce. The paper will further look at some features of C2C e-commerce website. Origin There are two implementation of C2C e-commerce that is credited with its origin. These are classified and auction [11]. The oldest auction house is Stockholm Auction House which was established in Sweden in Auction however, has been recorded as far back as B. Auction have since been widely used method of liquidating assets, and has evolved into many different variations. The most successful current form of auction is based on the internet with systems such as eBay [8]. C2C e-commerce has become more famous recently with the advent of the internet. Companies such as Craigslist, eBay, and other classified and auction based sites have allowed for greater interaction between consumers, facilitating the customer to customer model [10]. Newspapers and other similar publications were frequent Circulation and therefore were able to be used to facilitate a common need. Some people wanted things; others had things and wanted to sell them. This was the birth of classifieds [13]. C2C has come a long way and will still enjoy the current changes in technologies as they appear. Definition of C2C E-commerce This is a business model where two individuals or consumers transact or conduct business with each other directly [6]. The intermediary would receive a fee or commission, but is not responsible for the product exchange. C2C normally takes the form of an auction where the bidding is done online [4]. Here a consumer sells directly to another consumer. However, it is important that both the seller and the buyer register with the auction site. While the seller needs to pay a fixed fee to the online auction house to sell their products, the buyer can bid without paying any fee. The site brings the buyer and seller together to conduct deals [15]. Figure 1 shows two customers customer 1 and customer 2 and a website providing the space for advertisement. Customer 1 places advert on the website about products he wants to sell and customer 2 visits the website to search for products he wants to buy. The transaction between the customers goes on until payment and delivery of product is done. C2C business model source: C2C E-commerce Statistics C2C e-commerce is facilitated in large part by websites offering free classified advertisement, auctions, forums, and individual pages for start-up entrepreneurs. Since its launch in , the online auction and selling website eBay has been one of the leaders of C2C e-commerce and statistics show that it is one of the fastest growing internet companies with its annual net revenue doubling between and Alibaba invested a huge amount of money to create Taobao website, at the same time eBay declared that it would add to Chinese eBay more investment and pay 15,, Yuan to buy the remaining share of American eBay in order to put eBay under full control [1]. There are 5million online shoppers and there are million shoppers using mobile connection [3]. The figure below shows the monthly worldwide revenue of Etsy. S dollars in online sales in October In , C2C has recorded billion dollars market size as compared to 71billion dollars for B2C e-commerce. C2C market size has experienced tremendous increase from to date. This increase in market size could be attributed to popularity and patronage C2C has got since its existence. The figure below shows the e-commerce C2C, B2C market size. Etsy worldwide monthly revenue source: E-commerce C2C, B2C market size source: T Kearney analysis 4. Conclusions C2C e-commerce has come a long way through its journey. As it happens in every society, there are successes and setbacks. Even though C2C e-commerce has chopped some glorious successes since it was established there are still some shortcoming that needs to be addressed. However, I would like to edge C2C e-commerce websites to upgrade their security measures to arrest the situation of scammers and fraudsters that pose threat to the security of consumers and sellers. C2C e-commerce is making progress and there are more positive results to be seen in the future. As a growing e-commerce, I believe in the near future C2C e-commerce websites will increase their payment technology to allow consumers to purchase products at ease. My sincere appreciation goes to Prof.

Chapter 5 : Explain the Business to Consumer Model | Your Business

The business-to-consumer model, or B2C, involves a company selling a product or service to the end user as opposed to selling to another business. The definition becomes murky depending on how you define a consumer and how you define selling.

Content and Communication Strategist 9 Proven Business Models to Consider for Your Startup The business model is at the core of any successful startup, because no matter how cool an idea is or how unique something may seem, a startup must have a viable way of making money that is worthy enough for future investment and to sustain itself. Many new startup founders throw around the term "business model" when discussing and planning strategies for their venture. Questions like "What business model works best with my idea? One of the worst mistakes a founder can make is trying to reinvent a business model, or create a new way of generating cash flow that "has never been done before". To an investor, that sounds like "I am going to use an unproven way of making money for my venture, and most likely not give you a return on your investment. They decided to enter the eyewear market, noticing that the market was monopolized by Luxottica, who basically control the price of designer eyewear. With the price bar set high, Warby Parker saw huge opportunity in the market, and realized that because most brands sold the rights to huge companies like Luxottica that drastically increased their manufacturing and design costs. So what was the logical solution to this problem? Become the middleman of course! Becoming the middleman gives startups a serious pricing advantage, and saves consumers money. This model also gives a startup much more control over the quality of the product or service, and gives them immediate feedback from users to continuously develop a better product. This model also allows for better control over contracts and negotiations with distributors, as well as building stronger relationships with suppliers. Others Who Have Followed: NYC based startup Casper is using this model to change the way mattresses are bought. Scarosso is using this model in the shoe market. Brideside has successfully grown using this model for bridal party retail, and Audicus is changing the market with this model for hearing aids. Become A Marketplace One of the ever growing business models that continues to prove highly effective is becoming a marketplace. This means you are simply bringing supply and demand together. AirBNB reigns as one of the top success stories to implement this business model well. We did too, but the AirBNB founders believed in the new "sharing economy". Uber has also seen explosive growth using the same mentality to create a marketplace where strangers rent rides from strangers. Providing a service is out, and becoming the marketplace is in the ever growing e-commerce sector. There are several advantages to using this type of business model. First, one of the greatest benefits is having zero to little overhead, and no inventory. You can get a swanky office space if you want, or you can run the company virtually. When you manufacture a product, you take on a lot more risk and pressure to make sure that inventory is sold. When you are the marketplace, instead of worrying about manufacturing costs, you are simply bringing the sellers to the buyers and vice versa and facilitating a transaction, taking a small slice of the pie from each transaction. You give sellers a place to make a profit and reach consumers, while customers are happy to find exactly what they want, usually at a discounted price. Amazon is one of the leaders of this business model, creating a marketplace for those who wish to sell items, and those who wish to buy them at a better price. Raise is a a C2C gift card market, that a supply of discounted gift cards from sellers who would rather have the cash to spend as they please. Beast is another example of a marketplace that connects high level consultants for the millennial era with clients looking to outsource unmet needs in their business. The Subscription Model Mobile payments continue to rise in popularity, and consumers are trending towards a more simple, hassle-free kind of shopping experience. These trends are leading towards explosive growth in subscription based services that consumers can easily set up, and then not worry about, knowing they will receive their product or service every month. Dollar Shave Club is one of those simple subscription services that made it much easier for men and now women to not worry about running out of razors, and save money. Add in some crazy, well messaged commercials with a hilarious spokesperson, and you have a brand who continues to double and even triple revenues annually. This business model provides an optimal balance of value to both the startup and the customer. This enhances the sellability of the company, increases the attractiveness to potential VCs and buyers, and often leads to valuations up to 8 times that of similar businesses with little recurring revenue. SkillShare , an edtech startup, initially started where consumers would buy educational content a la carte, but has pivoted to a monthly subscription model to access their content which has proved to work better for them. Of course there is also the subscription box trend that has reigned the past few years, like BirchBox, which provides samples of high end beauty products to consumers for a low monthly subscription. Customized Everything The fashion industry is dominating the customization trend that aligns with a consumer shift towards more personalized goods that reflects their specific tastes. This is the reason Coke added names to their bottle packaging, automotive manufacturers make cars in any color you want, and massive retailers like Nike allow you to design your own custom sneakers. The services make it simple to choose the sizes, colors, styles, and budget you want, that take out the hassle of going to a tailor, and delivers right to your doorstep. The rise of 3D printers has also created a surge of mass customization startups by providing a technology that previously was much more expensive. Production time and lowering costs of customization configurators also bring much more potential to the market, compared to previous years. AppyCouple is a startup that helps consumers build a custom wedding app with all the information they would need on their wedding website. Normal produces customized earbuds through 3D printing technology, and Lumosity adopted the concept by providing customized brain games tailored to your strengths and weaknesses. Mass customization retailers dominating the market like CafePress and Zazzle have also seen massive growth in recent years. On-Demand Model As the world speeds up, consumers have a adopted a preference for instant gratification. The on-demand economy has a growing appetite for greater convenience, speed, and simplicity. Smartphones have driven transformational shifts in how we consume goods and services, and many consumers have become acclimated to purchasing at the press of a button. On-demand startups like Uber are shaking up their industries, and also provide stead contracted work for consumers who want to become solo-preneurs. Startup, Handy , has also seen explosive growth by providing handymen at a moments notice, servicing a need for consumers that was not previously available for situations where a consumer can not wait a few days to fix a problem in their home. The model allows a startup to leverage new technology, while utilizing existing infrastructures. Another benefit lies in the use of freelance labor with its obvious advantages in cost cutting. There has also been an influx of VC belief and capital in this revenue model. Spothero is a startup that provides parking on-demand when you are on your way to an event or into the city. Another growing startup in the space is Postmates who provide a local, on-demand delivery of goods. Glamsquad is providing on-demand services for the beauty industry, and Washio provides the same service for the dry cleaning and laundry sector. The Modernized Direct Sales Model Direct sales companies like Avon and Amway understand there is a big business opportunity in the model. The startup has seen incredible success using this model, and increased loyalty of its sellers who are also its customers. With unemployment still high, and more companies offering supplemental income opportunities, this model continues to rise in popularity. Another reason is that social media allows sellers to reach more people than ever, increasing their success as merchandisers, and bringing in higher revenues for the company. Finally, software available now has dramatically improved productivity and flow for direct sales reps. Freemium Model This combination of "free" and "premium" has become a widely used approach amongst startups over the last decade. Broken down, the model offers a basic service to consumers for free, while charging for premium services advanced features and perks to paying members. Linkedin is one of the best examples of a successful freemium model, with the free version letting users share professional profiles, while the premium offerings are talent solutions and premium subscriptions with added features. Make sure if you choose this model that you find a balance between what you give away so that users will still need or want to upgrade to a paid plan. One of the greatest advantages to a freemium strategy lies in its ability to be a marketing tool for your service, which helps early stage startups scale by attracting a user base without costly ad campaigns. Freemium models also tend to be more successful that day free trials and other offers like that. Customers are much more comfortable with accessing a service for free, and the no strings attached feeling that comes with before deciding to make a purchase. Dropbox, Hulu, and Match. Dating app Tinder has also adopted a freemium model, offering exclusive features to users who pay a low monthly fee. Survey service PollDaddy, video sharing service Vimeo, and photo sharing service Flickr are all members of the freemium model group as well. Reverse Auction This type of model is the reverse of Ebay where the buyers switch roles with the sellers. Sellers benefit from access to a marketplace, while the buyers feel like they are getting a great bargain. One of the most successful implementations of this model is Priceline, where travelers give up convenience for low prices on airline tickets, rentals, and other travel accommodations. Price sensitive buyers feel great, because they feel good about the deal they won, while the company also wins by facilitating the deal with its sellers who get access to a marketplace and are still making a profit on inventory that might not have sold otherwise. FedBid allows government agencies to use the reverse auction model to award contracts to businesses. Stayful uses the model to help boutique hotels fill unsold inventory which would otherwise go to waste. Squeezify uses this model for freelance work, and MyHammer has found success with the business model helping consumers receive quotes from service experts. Virtual Good Model We all know the game Candy Crush and its addictive qualities that have wasted more hours than most of us are willing to share. Candy Crush understands the power of the virtual good model, and made a ton of its revenues for digital products like extra lives or features like a "color bomb". Virtual goods are online only products users pay for normally in games or apps such as upgrades, points, gifts, or weapons. One of the greatest advantages of virtual goods are the high margins, since they cost only what the bandwidth required to serve them does. The objects sold create real value for consumers, for example, in a game, buying a sword adds to the real fun people are having playing a game. Market liquidity continues to increase as more gamers live in virtual worlds. Virtual goods are also more increasingly becoming a way for people to show affection and meaning as we continue moving more into an app obsessed world. Facebook added this revenue model to its social aspect by allowing users to give virtual gifts to one another. Other startups like Acclaim Games, Meez, and Weeworld have also implemented virtual goods from the gaming aspect.

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Chapter 6 : Consumer Business | Deloitte US

"Business-to-Consumer," usually abbreviated B2C, is a phrase that has become attached to electronic business activities that focus on retail transactions rather than activities conducted between.

As consumers learned to replace physical distance with mouse clicks, Amazon created e-business and e-commerce models that generated massive profits for the online clearinghouse. Choosing Online Products Amazon began its rise as an online marketing giant of multiple products by selling books online. Amazon realized the lack of leadership in the industry and the potential to create a bookstore that included out-of-print titles. By converting his garage into a warehouse, Amazon founder Jeff Bezos was able to establish Amazon as an online bookseller while focusing on six core values he identified as customer obsession, ownership, bias for action, frugality, high hiring bar and innovation. When books started selling, Amazon expanded to selling other products. Small sites can use this concept for just one product or one product per Web page. Large sites like Amazon expand the concept by creating an online mall or catalog of many products in which individual products dominate each page. The online buying process is similar to the brick and mortar tradition in the sense that the essential elements are attention, interest, desire and action. Attracting visitors who are already looking for the product is an important key to building a profitable online store. Product Page Bezo developed the e-business model with both product information and attractive design using highly professional photography and page layouts that offered a user-friendly experience. He also prominently displayed customer testimonials to give prospective buyers feedback on the items. Product information and consumer reviews form a powerful argument that helps convince customers they are making the right purchase. It is important that this product page conveys the benefits and features of the product. Transactions The other tools needed to complete the purchasing process are an order forms and merchant account. The ordering system often takes on the form of a "shopping cart" while the purchasing system interfaces with a bank account to settle credit and debit card transactions. Merchant accounts started out as expensive barriers to entry for start-ups, but have since become more affordable and in some cases free when integrated with social networking profiles. PayPal has also provided simple solutions for online marketers that allow various methods of payment including credit cards. References 1 Island Connections: My latest site, SacTV. I have a successful track record as an effective content developer.

Chapter 7 : What is Business-to-Consumer (B2C)? - Definition from Techopedia

Business-to-Consumer business model usually deal with business that are related to the customer. Business-to-Consumer has jumped from $12 billion to $32 billion in the recent years. There is no need to make huge investments retailers to do business online.

For example, an automobile manufacturer makes several B2B transactions such as buying tires, glass for windows, and rubber hoses for its vehicles. The final transaction, a finished vehicle sold to the consumer, is a single B2C transaction. Matesourcing[edit] "Matesourcing" refers to the phenomenon where businesses seek business support from family and friends rather than obtaining business services from other businesses on a commercial basis. It can be divided into two directions -- upstream and downstream. Producers or commercial retailers can have a supply relationship with upstream suppliers, including manufacturers, and form a sales relationship. Or, the website can be created for business, where the seller advertises their products to promote and expand transactions in an intuitive and convenient way. Horizontal B2B model[edit] Horizontal B2B is the transaction pattern for the intermediate trading market. It concentrates similar transactions of various industries into one place, as it provides a trading opportunity for the purchaser and supplier, typically involving companies that do not own the products and do not sell the products. It is merely a platform to bring sellers and purchasers together online. The development trend of B2B business-to-business [edit] Along the way, B2B has matured but despite the good momentum, it still has an immature side. The majority of the immaturity is in online price negotiation and online collaboration. These have not been fully developed. BCG believes that the current B2B online trading model cannot completely simulate the traditional B2B offline trading model. Almost half of the survey group indicated online transactions still need to coordinate with traditional offline communications to complete the entire transaction process. The survey found that some of the sellers already felt a lot of pressure brought on by the price comparison. This report presents another valuable analysis in the development trend of the B2B market. It pointed out that each party in the B2B market expects a simplification in each trading field. They do not expect diversification of the trading platforms. This is the same perspective as the trading platforms. The trading platforms hope to integrate instead of having more competitors.

Chapter 8 : Business-to-Consumer Model - Selling to Individual Customers

Business-to-consumer (B2C) is an Internet and electronic commerce (e-commerce) model that denotes a financial transaction or online sale between a business and consumer. B2C involves a service or product exchange from a business to a consumer, whereby merchants sell products to consumers.

Business to Business ; Dot-coms "Business-to-Consumer," usually abbreviated B2C, is a phrase that has become attached to electronic business activities that focus on retail transactions rather than activities conducted between two businesses; the latter, business-to-business, is called B2B. These uses appeared along with Internet commerce in the s and have been current since then. The usage has expanded so that, in the mids, B2C is also used as a handy abbreviation in talking about retail trade where electronics is just one component of the transaction and other cases where simply "retail trade" is meant. Combined forms are also referred to by other catchy phrases such as "bricks-and-clicks," "click-and-mortar," and "clicks-and-bricks. Census Bureau began collecting and tabulating data on electronic commerce in , with the first comprehensive tabulations available for The data capture all economic exchanges for major economic sectors whether they take place over the Internet or by means of privately maintained electronic data interchange EDI channels. Between and the last year available , electronic trade as a whole increased from 7. During this four-year period, B2C has represented a small fraction of total e-trade: In light of the rather extensive publicity regarding Internet business activity, these results may appear surprising. But the reasons for this lie in the fact that business-to-business electronic transactions predate the rise of the Internet by many decades; they were already massive when the Internet appeared; and businesses were also first in exploiting the Internet for B-to-B trading. B2C was also growing more rapidly than its more massive B-to-B electronic counterpart, reflecting its relative novelty and immaturity. The B2C activity was further subdivided into retail sales of products Other major participants and their shares were Motor Vehicle and Parts Dealers Within the largest category, Electronic Shopping and Mail Order Houses those that do not have physical "stores" , the top five subdivisions ignoring the large miscellaneous category , were Computer Hardware And pure electronic retailing wins over brick-and-click by a long country mile. Electronic Services Within the services categories delivered by electronic means, all of which the Census Bureau classifies as B2C, the biggest categories, arranged by share of total e-services delivered, were Travel Arrangements and Reservation Services The last category, somewhat puzzling, is presumably centered on the truck rental business. The biggest industrial grouping within services is Information Second is Administrative Support Third is Professional, Scientific, and Technical Services These categorizations somewhat mix apples and oranges in that they put side-by-side strategies of distribution, positions in the sales channel, and strategies aimed at reaching particular audiences. Thus the categories present views of B2C that are not necessarily mutually exclusive. Direct sellers are further subdivided into e-tailers and manufacturers. E-tailers ship product from their own warehouse and also, as Amazon. Intermediaries perform a brokerage function. In these cases the B2C business fulfills the role of a middleman between consumers who visit its site and businesses whom it represents. Brokers provide a variety of services to buyers by assembling attractive arrays of products and to sellers by, for instance, facilitating the financial side of the transactions. Advertising-based models make use of high-traffic or specialized sites in order to attract consumers by advertising placed at these sites. Advertising itself may be the "business. The high-traffic approach emphasizes sheer numbers and thus offers products of wide interest at median price-point. The community-based model may be seen as a hybrid of the two advertising approaches. The communities in question are "chat groups" and interest groups with specific preoccupations. Thus sites used by computer programmers for exchanging informationâ€”or by gardeners trading adviceâ€”are good venues for advertising software and hardware product to one group, tools and seeds to another. Fee-based models rely on the value of the content that they present on the Internet. Paid subscription services or pay-as-you-buy services are differentiations within the category. The latter approach is used, for example, by sellers of single articles of which they show parts or a summary as teasers; the former approach is used to sell on-line subscriptions to journals. This type of commerce may still only be in its infancy and likely to grow simply because it is a convenient form of purchasing and also because looming storm clouds on the energy horizon may soon cause a quick trip to the store cost consumers a tidy sum. Leaves in the wind, suggesting the trend, are provided by the recent history of electronic retailing, more than half of all B2C. Total retail sales in the U. In e-retail was just a small fraction of total retail at 2. These results were achieved during the time and in the quite visible presence of the so-called dot-com bust. This meant that new B2C startups could no longer count on deep investment pocketsâ€"but the dot-coms that survived the bust have been doing very well. Many of them are small businessesâ€"some of which are pure B2Cs serving niche markets very effectively. For a closer look at the factors that spell success, see another entry in this volume, Dot coms. Retrieved on 3 May Retrieved on 29 April

Chapter 9 : E-Commerce B2C Model

B2C, or business-to-consumer, is the type of commerce transaction in which businesses sell products or services to consumers. Traditionally, this could refer to individuals shopping for clothes.

Curioso Shutterstock B2C, or business-to-consumer, is the type of commerce transaction in which businesses sell products or services to consumers. Traditionally, this could refer to individuals shopping for clothes for themselves at the mall, diners eating in a restaurant, or subscribing to pay-per-view TV at home. More recently, the term B2C refers to the online selling of products, or e-tailing, in which manufacturers or retailers sell their products to consumers over the Internet. It is one of four categories of e-commerce , along with B2B business to business , C2B customer to business and C2C customer to customer. The B2C model is likely the model that most people are familiar with. Pretty much any product can be sold through e-tailing, also known as virtual storefronts. The concept was first developed in by Michael Aldrich, an English inventor, who connected a television set to a transaction processing computer with a telephone line and coined the term "teleshopping. The potential for e-tailing was seen early on in books like "Future Shop: There were, of course, security problems. When Netscape developed Secure Socket Layers SSL â€" encryption certificates, consumers began to feel more comfortable transmitting data over the Internet. Web browsers could identify if a site had an authenticated SSL certificate, helping consumers determine whether or not a site could be trusted. SSL encryption is still a vital part of Web security today. Consumers enjoy the convenience of online shopping in their own homes, while businesses thrive on the low overhead. This is ideal for small businesses, like a jewelry company or a bakery. There are challenges for businesses in B2C, however. The site must also be optimized to get consumer traffic â€" search engine marketing SEM is a necessity. Most consumers use search engines like Google, Bing and Yahoo! If a site does not have a site with good SEM, they could get buried in the mix, lose site traffic, and thus lose potential customers. To ensure good SEM, businesses can consult with marketing managers or outside consultants who are well-versed and trained in this growing field. Companies can purchase paid listings to be ranked on the first few pages, as well as employing search engine optimization SEO tactics. Another challenge is the payment processing. Even if the site is safe, the place where the credit card numbers are stored is not. Services like PayPal can perform the payment processing for online vendors, and has proven to be popular with online shoppers and businesses. PayPal currently manages more than million accounts. E-commerce is here to stay. From to , sales have grown over percent. E-tailing will continue to evolve and expand, thanks to the growing use of tablets and smartphones. These mobile devices have become an integral part of the communications culture. Social media has become a new marketing tool for businesses looking to drum up interest. You May Also Like.