



## E-Commerce and Web Technologies: Creating Value Through Customer-Focused Digital Business Models

**Sitora Narmuradova**

Senior Officer on Personnel Affairs

Westminster International University of Uzbekistan

Email: [snarmuradova@wiut.uz](mailto:snarmuradova@wiut.uz)

**Abstract:** Nowadays, it is the fact that most companies are trying to change themselves to e-business in order to attract more customers and get more profit. Accordingly, creating web business is becoming number one key to success in business environment.

In this following report, the author made research on the use of e-commerce as well as Internet Technologies to help a company to build a customer-focused business. It explains the strategic issues to be considered before starting the project. The descriptions include selling products and services through the web and the qualities of an effective web business presence. Then types of e payments and meeting the needs of Web site visitors are described. Finally, identifying and attracting new customers to the business is discussed in this report.

### **Introduction**

Selling products and services on the web

Another name of selling products and services on the web is called Electronic commerce. E-commerce refer to the use of the Internet and the Web to transact business (Laundon & Laundon, 2010). More formally, e-commerce is about digitally enabled



commercial transactions between and among organizations and individuals. Commercial transactions involve the exchange of value (e.g., money) across organizational or individual boundaries in return for products and services (Amor, 1999). Amazon, eBay, Expedia, and Google companies are the most widely used e-commerce websites (Laundon & Laundon, 2010).

### 1.1. Online selling terminology

In 21<sup>st</sup> century people sell and buy in a different way, for instance online selling. Online selling is doing business, selling products and services through Internet website. It is very cheap, simple, and broadly spread way of selling. E-commerce began in 1995 when one of the first Internet portals, Netscape.com, accepted the first ads from Major Corporation and popularized the idea that the Web could be used as a new medium for advertising and sales (Laundon & Laundon, 2010). Nobody thought after some period time electronic business would grow exponentially (Laundon & Laundon, 2010).

### 1.2. Business models and strategy

Business model is a plan for gaining profit from doing business in the future, without business plan it could not reach any success in a marketplace. Business strategy is the way of reaching this plan. Before selling product or service on the web, an entrepreneur chooses one of the business models. Here are given a list of some business categories of internet business model in the below:

- 1. Virtual storefront.** It trades physical products directly to consumer or to individual businesses. Amazon.com and RedEnvelope.com websites use this model (Laundon & Laundon, 2010).
- 2. Information broker.** This model makes available information about product and pricing to individuals and businesses and generates revenue from advertising or from directing buyers to sellers. Examples are Edmunds.com, Kbb.com, Insweb.com (Laundon & Laundon, 2010).



- 3. Transaction broker.** It supports data about rates and terms, also accumulates currency and occasion of users through online sales business and account payment for every operation appears. Examples are Etrade.com and Expesia.com (Laundon & Laundon, 2010).
- 4. Online marketplace.** It is most widely spread model and Priceline.com, eBay.com use it. Purchasers and vendors can meet, search for product, exhibit product and set charges by its digital environment. It organizes online auctions which buyers present bids to multiple sellers to purchase at a buyer-specified price as well as bargaining pricing (Laundon & Laundon, 2010).
- 5. Content provider.** Games.com, Getty Image.com's business model generate revenue through digital content, digital news, music, photos, videos over the Web and income is generated by selling advertising space (Laundon & Laundon, 2010).
- 6. Social network.** This model offers an online meeting place where a group of people with similar interests can come across together and be in touch, discover and exchange useful information with each other. MySpace.com and iVillage.com use from this model (Laundon & Laundon, 2010).
- 7. Portal.** The model which Yahoo.com, StarMedia.com used, supports entrance to the Web by the side of specific content and services and takes profits from promotion (Laundon & Laundon, 2010).
- 8. Service provider.** It supplies storage, backup data and Web 2.0 application such as photo, video sharing, and user-generated content. It uses a subscription or advertising revenue model. Examples are Photobucket.com, Google Maps, Xdrive.com and YouTube.com (Laundon & Laundon, 2010).

### **1.3. Types of electronic commerce**

There are three types of electronic commerce applications:

**Business -to-business** electronic commerce transactions occur between two business entities. For example, Wal-Mart stores organized business to business system in



1980. It spent half a billion dollars in computer and satellite communications networks such as bar code system, scanners and other equipment. Wal-Mart permitted individual stores to order directly from overseas suppliers, reducing inventory restocking time six weeks to thirty-six hours. The system increase sales and high service qualities and reduced inventory costs (Tesone, 2005).

**Business -to-consumer** electronic commerce includes selling products and services to individual shoppers (Laundon & Laundon, 2010). Selling books, software, music, video and film to individual users is an example for it. The purpose of intra-organizational applications is to facilitate a company to preserve the relationship that is critical to delivering superior customer value (Tesone, 2005).

**Customer -to-business** electronic commerce helps s customers to learn about product through electronic publishing, purchase with electronic cash and have information goods delivered over the network. Electronic commerce supports clients with convenient shopping methods, from online catalog ordering to phone banking (Tesone, 2005).

## 2.0 Characters of an effective Web business presence

E-commerce began in 1995 and in 15 years period it grown so rapidly. The reason is the Internet and e-commerce technologies are more powerful and rich than last technologies such as television, radio, telephone and mass media. The breathing of e-commerce offerings grows, especially in the services economy of social networking, information clearing houses, travel, retail apparel, entertainment, home furnishings and appliances (<http://www.smashingmagazine.com>). Pure e-commerce business models are refined further to achieve higher levels of profitability, whereas traditional retail brands, such as Sears, JC Bean and Wal-Mart use e-commerce to retain their dominant retail positions (<http://blog.pixelboxdesign.co.uk>).

## 3.0 E-commerce payment systems



The heart of e-commerce is electronic payments. E-commerce payment system is paying for online transactions by electronic payment. For example, PayPal, Visa, Sofort, Sepaandothers.

### **3.1. Types of e –commerce payment**

#### **1. Credit cards**

There is credit, debit, prepaid cards and mostly people use a plastic card with a magnetic stripe. Plastic card is entered to the terminal, data is sent to the computer, and The CVN system detects fraud by comparing the CVN with the cardholder's information as supplied by their bank. 80% of online payment are made by credit or debit card (<http://www.ehow.com>).

#### **2. Digital wallets**

Digital wallet saves information about personal information and payment in your PC. For using it, firstly the software is saved in digital wallet, and then all private information about the user is entered, attached it to the bank and created the account. While the customer is buying something online, he should enter the check-out page of the website and digital wallet can enter all information about you and pay the bill mechanically (<http://www.ehow.com>).

#### **3. E-cash**

Money is swapped electronically by e-cash system. For using e-cash the personal account should connect to bank account like PayPal and supply it from private bank account. You can take bond from bank or other person’s account if he agrees and for this the other person’s bank details should be sending to the bank (<http://www.smashingmagazine.com>).



#### 4. Person to person payments

One individual pays to another with an account. PayPal is broadly spread payment system and it increased from 105 million to 1.4 billion transaction in a 3 year period(from 2002 to 2005) ([www.blogger.com](http://www.blogger.com)).

#### 5. Mobile payment

Mobile phones are used paying for online transactions instead of credit cards. The software is downloaded from the company’ website in the phone , then connect the credit card or mobile billing information to that software (<http://www.ehow.com>). Customers send an SMS message, transmit a PIN number, and use WAP to make online payments, or perform other segments of their transaction with the phone (<http://www.smashingmagazine.com>). As phones develop further, consumers are likely to be able to use infrared, Bluetooth and other means more frequently to transmit full account data in order to make payments securely and easily from their phone (<http://www.ehow.com>).

#### 3.2 Shopping cart options

All of us just enter the site and buy something; however it works with some process. Companies use some programs for selling and buying transactions online such as **X-cart** (230USD), **Cubecart**(400USD) **Zencart**(free), **OSCommerce**(free). They provide very easy access between customer and company. For example, customers push the button “Buy” on the website, the order changes to digital codes and sent to the payment processor, clients pay for the product by Paypal or Google Checkout account and then the product is transmitted where users can download it (<http://www.smashingmagazine.com>).



### Meeting the needs of Web site visitors

Before creating website, the company should make a far-reaching segmentation strategy about who is visiting to its site and a long-term view that goes further than an easy picture of site guests at a moment in time. After modifying the site content for assembling the desires, needs and preference of the site patrons, the company will increase customer approval, relationship and loyalty (<http://hotelexecutive.com>).

Attracting new customers and sustaining them is up to forms of website. There are some websites, an user enters once and never ever comes back to this site, because of bad design and content. It may be badly designed website or its background color is too bright and you will not be able to read what is written there. Also, design is not appropriate, no upgrading every day. For that reasons it should be carefully designed by web designers. Successful website included these features:

- Content
- Easy to use
- Every day update
- Good design
- Easy to assess
- Full of information
- Well structured
- Data security
- Linked with social networks like Facebook

J&R Electronics is a good example with thousands of clients. It is a mom-and pop shop with technical equipments and 30% of revenue come from its website. Its price is competitive, content is full of photos, videos, catalogs of products, they sell latest version of electronics. Customers chose J&R for its brand quality, customer service and leading-edge technology offerings (Laundon & Laundon, 2010).



Most people pay more attention to content, so the content of website should be reliable and accurate.

#### 4.0 Conclusion

To sum up, the Internet technologies is changing the atmosphere of the business very dramatically and with the help of it the businesses reach customers globally. For selling products and services internationally, the company firstly should create its own web site, chooses one of the electronic commerce type. By promoting and selling products by web site is more profitable and easy. In order to find and attract new customers the website should be creative, attractive and full of sources.

#### References:

1. Amor D., 1999. *The E-business (R)EVOLUTION: Living and working in an interconnected world*. 1 Edition. Prentice Hall PTR.
2. Boyd, J., (2013), *10 Reasons why your local business needs a web presence*, [Online:] Available from: <http://blog.pixelboxdesign.co.uk>
3. Dana V. Tesone, 2005. *Hospitality Information Systems and E-Commerce*. 1 Edition. Wiley.
4. Jakob Nielsen, 2006. *Prioritizing Web Usability*. 1 Edition. New Riders.
5. Gleif S.,(2013), *Selling Digital Goods Online* [Online:] Available from: <http://www.smashingmagazine.com>
6. Heng, Ch., (2013) *.How Much Does It Cost to Set Up a Website?* [Online:] Available from: <http://www.thesitewizard.com>
7. *Identify and sell more to your most valuable customers*, [Online:] Available from: <http://www.infoentrepreneurs.org/en/>



8. Laundon, K. & Laundon, J., 2010. *Management Information Systems*, 11<sup>th</sup> edition, Pearson
9. Peter Morath, 2001. *Success @ E-Business: Profitable Internet Business and Commerce*. Edition. McGraw-Hill Companies.
10. Ravi Kalakota, 1997. *Electronic Commerce: A Manager's Guide*. 1 Edition. Addison-Wesley Professional.
11. Tarasofsky J., (2013), *Customer Segmentation: Understanding the needs of your most valuable web site visitors*, [Online:] Available from: <http://www.hotelexecutive.com>
12. Walton, (2012), *Types of ecommerce Payment Systems* [Online:] Available from: [www.blogger.com](http://www.blogger.com)
13. Whitehouse, J., (2013), *Types of ecommerce Payment Systems* [Online:] Available from: <http://www.ehow.com>
14. Wiese, M., 2013, *Why do I need a Web Presence for my business?* [Online:] Available from: <https://www.slideshare.net>