The Project of Developing and International E-Commerce Platform for Turkish Export Goods

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Zásady pro vypracování

Introduction
Define the objectives and the application methods used in the Master Thesis.
I. Theoretical Part

- Compile the theoretical information about e-commerce; business models, forms, logistics, tools, and technical details.

II. Practical Part

- Collect data and analyze Turkish export present capacity, future, and targets.
- Prepare a new e-commerce platform to improve the marketing potential of Turkish Export Goods globally.
- Evaluate the project with project management techniques including risk, time, and cost analysis.

Conclusion

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BOARDMAN, Rosy, et al. *Social Commerce*. Springer International Publishing, 2019. 277 s. ISBN 978-3-030-03617-1.
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ABSTRAKT

Czech Abstract

Hlavním cílem práce je spuštění projektu vytvoření webové stránky elektronického obchodování B2B. Jelikož se jedná o obchodní webové stránky, existuje mnoho různých způsobů, různých metod a oborů, jak vytvořit firmu od začátku. Proto je úspěšné podnikání vždy předmětem výzkumu. Chtěl jsem si položit otázku, jak můžeme vytvořit webové stránky elektronického obchodování od samého začátku a jaké jsou hlavní hybatelé a podpůrné nástroje.

Klíčová slova: e-Commerce, e-Business, Business-to-Business

ABSTRACT

English abstract

The main aim of the thesis is to create a B2B e-Commerce website by executing a project. Since it is a business website, there are many different ways, different methods and disciplines to create a business from the beginning. That is why, having a successful business is always a subject of research. We wanted to ask the question of how we can create a e-Commerce website from the very beginning and what are the main drivers and supportive tools of e-Commerce.

Keywords: e-Commerce, e-Business, Business-to-Business

“During the last fifteen years, I have made many promises to you to be successful in our undertakings. I am pleased that I have not failed my nation in any of them and given you cause to doubt me. Today, I speak with the same faith and assurance that, within a short period of time, the whole civilized world will once again recognize that the Turkish nation, moving unified toward the national ideal, is a great nation. I do not doubt that the long-buried characteristics and abilities of the Turks will, as they progress, shine like a new sun on the horizon of the great civilization of the future.”

Gazi Marshall Mustafa Kemal ATATURK

It has been more than 100 years with the pasha’. He hasn’t failed our nation still. We owe him a lot.

I would like to thank to my mother, my father, my sister a lot. Then I would like to say thanks to my classmates and friends.

I hereby declare that the print version of my Bachelor's/Master's thesis and the electronic version of my thesis deposited in the IS/STAG system are identical.

CONTENTS

INTRODUCTION

Information technology is transforming how companies operate. It is forcing them to rethink their entire operations and how they create products (Porter and Millar, 1985). Technology has no single objective value. Its economic value remains undiscovered until it is commercialized. (Chesbrough, 2010). So, in this context, we will mainly focus on creating a business model with means of technology and using possible tools on the internet. At the end we expect to discover not the unique, but an economically feasible, open to development and sustainable business model.

Fast Internet access is now widely available at bargain prices in most countries. With the rise of smartphones, the number of people using the Internet is expected to reach the billion mark in the next couple of years. The cost of creating a web site has decreased, which has allowed many self-funded entrepreneurs to start their own businesses. This is also beneficial for startups looking to raise capital from venture capital firms. Trends such as open software and cloud computing, along with modular development tools have made it easier, faster and cheaper to start sophisticated web sites. So, decreasing costs of internet explains why it has received great amount of attention from entrepreneurs, executives, investors, and business observers (Wirtz, 2019; Chesbrough, 2010). This master's thesis aims to develop an e-Commerce platform that will enable users to easily create and manage their own e-Commerce opportunities. Today, creating an e-commerce project is possible by some enabling technologies such as computers, internet and smart devices. Today, those tools are so powerful and open to development, not just using but creating content become easier thanks to sub-products such as software and websites. Personal computers, smartphones and the internet provided more opportunities for businesses to establish distinctive strategic positions relative to previous generations of technology. (Porter, 2001)

OBJECTIVES AND METHODOLOGY

The main aim of the thesis is to create a B2B e-Commerce website by executing a project. Since it is a business website, there are many different ways, different methods and disciplines to create a business from the beginning. That is why, having a successful business is always a subject of research. We wanted to ask the question of how we can create a e-Commerce website from the very beginning and what are the main drivers and supportive tools of e-Commerce.

First, we would like to execute a literature review on some aspects on e-Commerce business. We would like to learn the nature of e-Commerce and define and analyze some drivers inside the business will be crucial. Understanding the framework of e-Commerce is important aspect, because e-Commerce is an entire web of complicated and bonded systems. There are also enterprise supporting tools.

Second, e-Commerce environment worldwide and some specific countries analysis will be conducted, Turkish export capacity and e-Commerce capabilities will be shown.

Finally, we will create an imaginary business model and company; we will create a business plan, we will try to create a brand and a website name, we will try to add products and necessary information, then we will try to promote our website with marketing and management techniques. We will evaluate the project with the proper project management tools.

I. THEORY

1 DEFINING E-COMMERCE

Today, the growth, integration, and diffusion of information technology and communications is changing our society and economy. Computers and mobile devices are communicating and interact via networks like world wide web, also known as the internet. This interaction has an increasing trend and users worldwide and it has been used for various reasons. Consumers and businesses were agile to understand the potential and they adapted the benefits of internet and computer networks. Consumers and businesses are now often use web enabled technologies to identify sellers, evaluate product and services, compare prices and get experience information from other users to get maximum satisfaction from products and services.

Different terms are being used to describe the electronic economy and its elements. According to US Bureau of Census (2000), separate three different components. First component of electronic economy is e-Commerce and US Census Bureau basically summarize as transactions, as both buying and selling. The second component is e-Business, and it has a basic one-word description as process, which means how the business is conducted, and the last one is e-Infrastructure which supports electronic activities. First, the meaning of electronic commerce (also known as e-Commerce or EC) is to be using electronic networks such as Internet and same kind of networks to purchasing, selling, trading goods or services and transporting people and products (Sims, 2018). The term of e-Commerce could be narrow, so we can use the term e-Business which refers to more broad definition than e-Commerce. E-Business is not just the buying and selling of goods and services, it is about executing inclusive kind of business online. Those type of businesses can mostly occur as providing service, collaboration with business partners through online work tools, e-learning and executing transactions between organizations. E-Commerce can be seen as a part of e-Business. We will mostly investigate the term of e-Commerce and focus on the business models of e-Commerce.

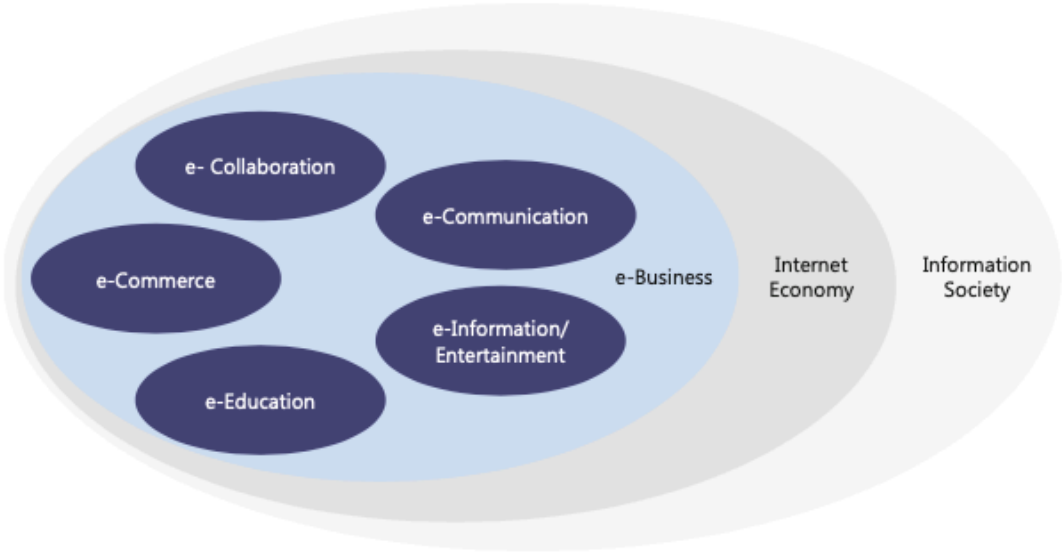


Figure 1: Dimension of the information society. Source: Wirtz (2018)

The terms to describe electronic transactions are not clear, so we must describe the terms clearly and we must separate from each other. Electronic commerce or e-Commerce is the automation of commercial transactions using computer and communication technologies (Westland and Clark 2000, p.1). Electronic commerce summarizes all opportunities, which support commercial transactions with electronic communication technologies (Rebstock 1998). To narrow the definition commercial refers only to activities that create transactions between firms (business to business or B2B), excluding transactions between firms and individuals (business-to-consumers). These transactions involve the exchange of money, goods, obligations, information and ideas (Zwass 1996, Guay & Ettwein 1998, Standifird (2001). Bakos (1991) is focusing on his definition of electronic marketplaces only on digital products, excluding physical product exchanges by relating an electronic marketplace to an "inter-organizational information system that allows the participating buyers and sellers to exchange information about prices and product offerings". Nokkentved (2000) and Scully and Woods (1999) using a definition which says, that "the unique feature of a B2B exchange is that it brings multiple buyers and sellers together in a virtual sense in one central market space and enables them to buy and sell from each other at a dynamic price, which is determined in accordance with the rules of the exchange".

The growing global connectivity, new communication technologies, adopting those technologies to a business model and increased volume of business conducted through the

internet has slightly increased (Need to cite). E-procurement is the process of buying and selling supplies and services over the Internet. It differs from e-commerce in that it makes use of a supplier's closed system typically available only to registered users (Michigan, 2021).

Common Online Consumer Activities (Plunkett, 2010)

- Research Automobile Purchase Information Banking/Manage Accounts
- Instant Message
- Dating
- Shopping
- Read/Post to Facebook, Myspace and LinkedIn Check/Trade Stock and Investment Accounts Email/Instant Message
- Job Search
- Mortgage Information and Application Participate in Auctions
- Play Games
- Read News Items
- Read Product or Entertainment Reviews Download Entertainment/Watch Videos Research Consumer Health Issues
- Shop/Check Product Prices and Features
- Make Travel Reservations
- Adult Content
- Gamble

1.1 Business Concepts

We can describe the business concepts with 3 main organization types according to (Turban et.al., 2018) those can be divided as non-e-Commerce, Pure E-Commerce and Partial E-Commerce. Non-e-Commerce refers to complete physical organizations which is also can be defined as brick-and-mortar type of businesses. Non-e-Commerce organizations product, order fulfillment and delivery processes physically and they have no digital activities so, that is the reason of non-e-Commerce activities can't be counted as e-Commerce. Partial e-Commerce is at least one digital dimension of doing business, and it can be considered as e-Commerce. Selling physical, tangible products from the internet can't be describe as a pure e-commerce. In this context even fully autonomous delivery methods can be also considered as partial e-Commerce because the product is physical. Pure e-commerce refers to all digitization project on the transaction, product and delivery processes. Buying e-book and printed book from the same website is different. Buying printed book and delivering to customer physically is partial e-Commerce while buying e-book considered as pure e-commerce (Turban et.al, 2018).

E-Commerce missions can be executed on electronic market (e-marketplace). Turban et.al. describes electronic market as an online location where buyers and sellers contact commercial transactions such as selling goods, services or information. People can open their own store individually. Electronic markets are doing a connection between buyers and sellers through internet.

1.2 Framework of e-Commerce

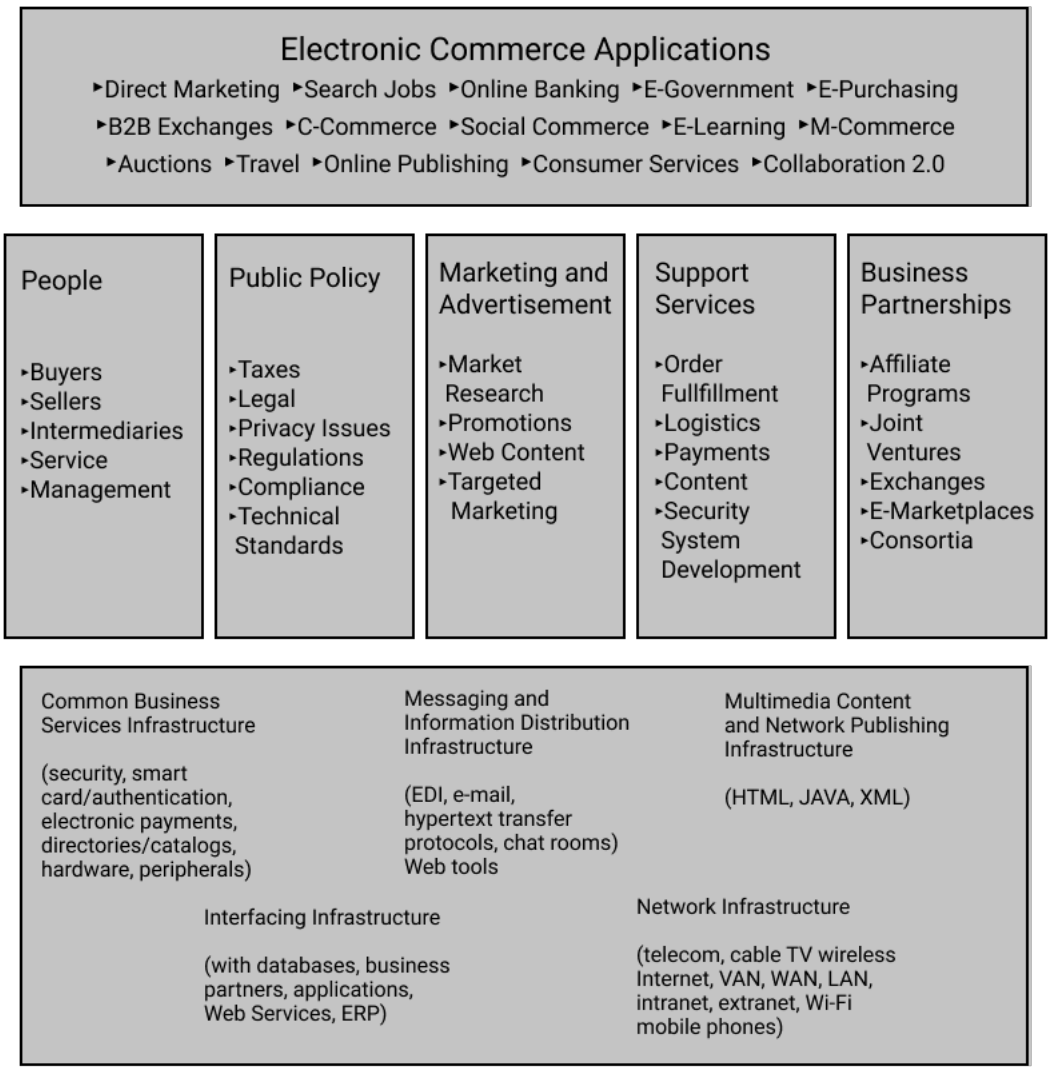


Figure 2: Framework of e-Commerce (Turban, 2018)

Fingar (2000) explains forward thinking companies understood that e-commerce is not just a buy-side or sell-side packaged application, but it is a complete pack of many e-commerce initiatives to implement on. Companies are mainly increasing their activities along the way to integrate suppliers and buyers to via their business process and create a brand-new business model to operate. For Fingar (2000) E-Commerce applications can be categorized into the four major group: on the sell side, firstly market applications include online catalog management, order management, trading communities, marketing and advertising, customer care applications involve customer self-service, customer relationship management and business intelligence support. On the buying side, Vendor Management Systems automate the procurement of direct operating resources including sourcing, bid/ask buying and custom

supplies catalogs. Extended Supply Chain Management includes collaborative forecasting and planning, scheduling and logistics. To handle the complexity and change characteristic in e-Commerce, a complete and inclusive structure is a necessity. Their main business processes include enterprise resource planning (ERP) and client/server systems.

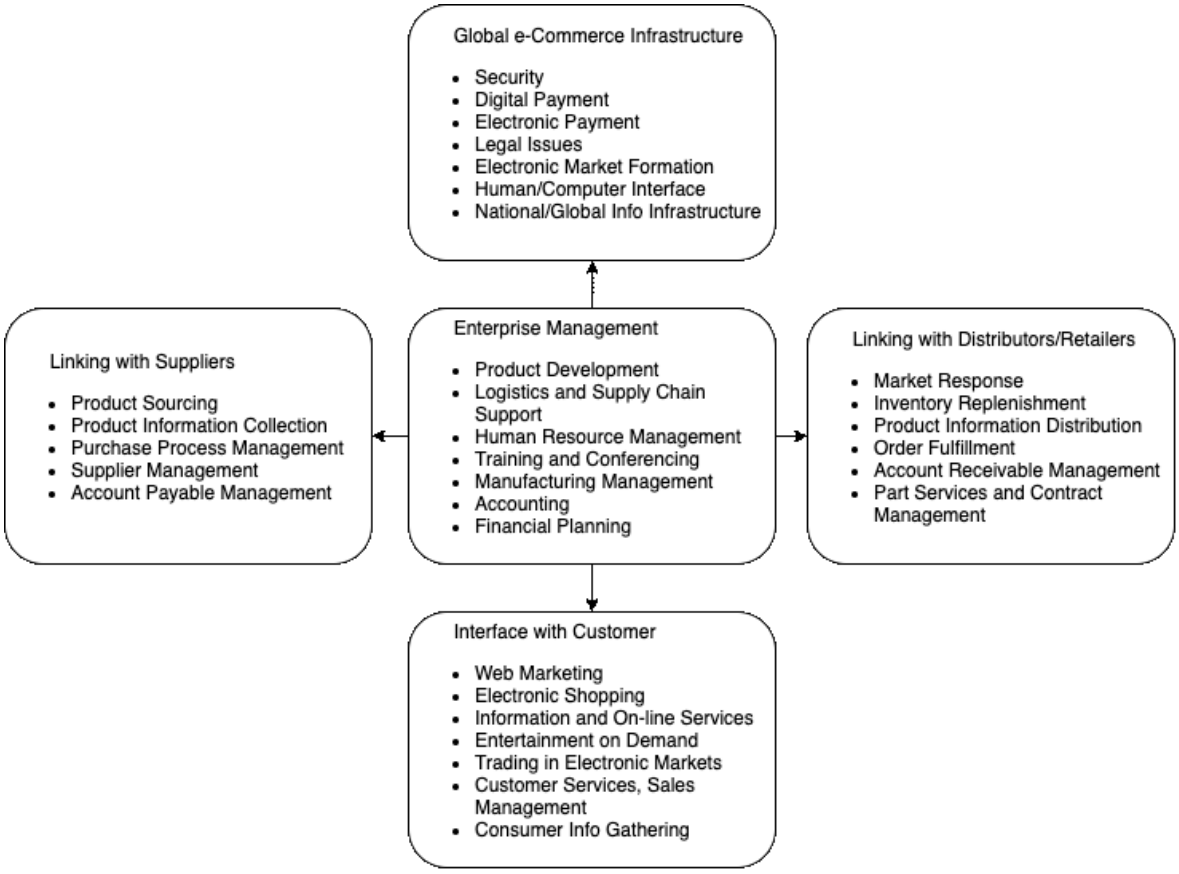


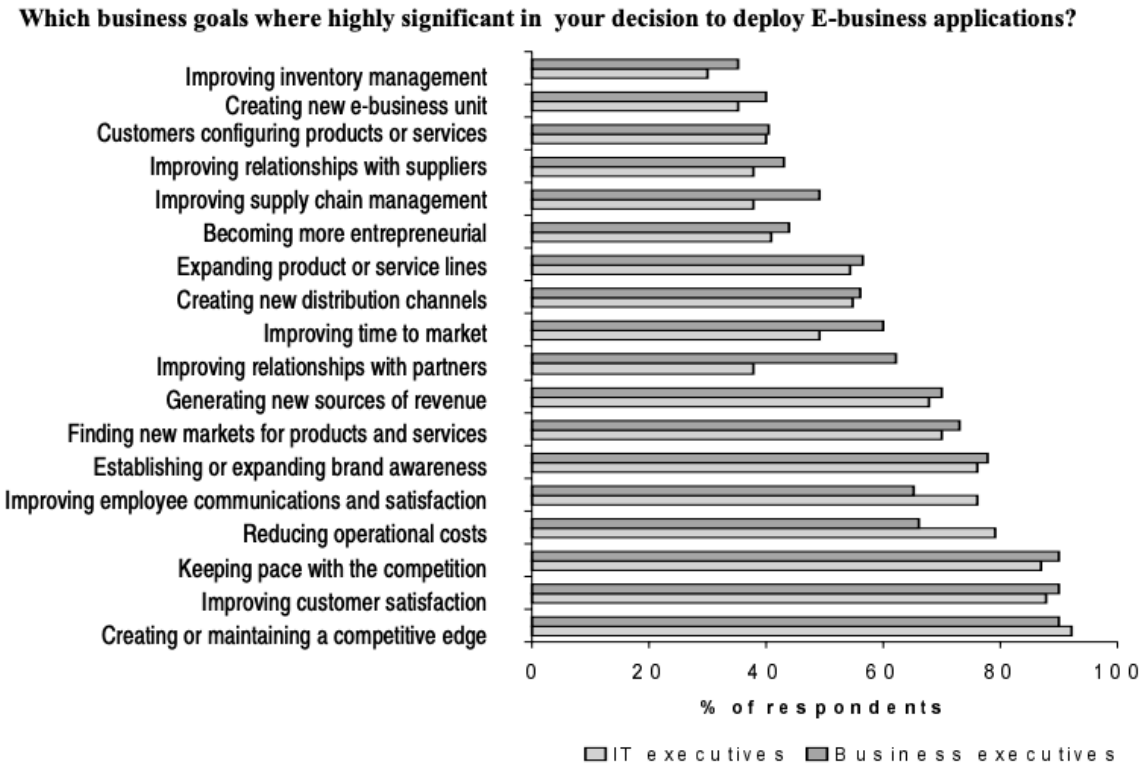
Figure 3: The scope of B2B electronic commerce

1.2.1 Supply Chain Management

Supply chain management refers to the activities involved in the management of various aspects of a firm's supply chain, such as purchasing, warehouse, transportation, and distribution. The primary objectives of this function are to improve efficiency, reduce costs, and enhance customer service. Web and Internet technologies have provided firms with tremendous opportunities to improve their supply-chain performance. Many of them are taking advantage of these opportunities by building their own supply-chain platforms or joining B2B exchanges (Ranganathan, 2004).

Despite the benefits of Web technology in the supply chain management industry, implementing it requires a number of complex factors and processes. Successful deployment of web applications requires integration of a number of organizational, functional, and technological factors. The rapid emergence and evolution of web technologies have greatly reduced the cost and time required to switch suppliers and customers. This benefit can be measured by the time and cost savings that companies realize from using these technologies. In addition, the web-enabled Supply Chain Management provides many advantages, such as reduced costs, better visibility, and more effective use of resources. It can also be easily implemented and operated by anyone. The main objective of supply chain management is the creation and maintenance of a seamless and integrated supply chain for all products and services (Chatterjee, 2002).

1.3 Benefits of E-Commerce



Source: Informationweek Research E-business, and Fortune (Damanpour, 2001)

(Boamah and Kwaku, 2012) has described the benefits of organizations and companies and (Rayport, 2002) described the benefits of e-Commerce as shown:

1.3.1 Benefits to Organizations

Global reach, quickly locating customers and business partners at reasonable cost worldwide

Cost reduction: Lower cost of information processing, storage and distribution

Facilitate problem solving: Solve complex problems remained unsolved

Supply chain Improvements: Reduce Delays, inventories and cost

Business always open: Open 24/7/365; no overtime or other costs

Customization and personalization: Make order for customer preference

Ability to innovate, use new business models: Facilitate innovation and enable unique business models

Lower communication costs: The internet is cheaper than other communication methods

Efficient procurement: Saves time and reduces costs by enabling e-procurement

Improved customer service and relationship: Direct interactions with customers, better CRM Help SME to compete EC may help small companies to compete against large ones by using special business models

Lower inventories: Using customization inventories can be minimized

Lower cost of distributing digitizable product: Delivery online can be 90% cheaper; save paperwork

Provide competitive advantage: Lower prices, better service, improve brand image

1.3.2 Benefits to Customers

Availability: Huge selection to choose from (vendor, products, information styles)

Ubiquity: Can shop any time from any place

Self-configuration: Can self-customize products

Find bargains: Use comparison engine; pay less

Real-Time Delivery: Download digital products quickly

No sales tax: Sometimes; changing

Enable Telecommunicating: Can work or study at home or any place

Social Interaction and Engagement: In social network, get reviews, recommendations

Find unique items: Using online auctions, collectible items can be found

Comfortable Shopping: Shop at your leisure times freely and open 24/7

1.3.3 Benefits to Society

Enable Telecommuting: Facilitate work at home; less traffic and pollution

More and better Public Services: Provided by e-government (tax, payment, health, document and reservation

Improved homeland security: Facilitate domestic security

Increased standard of living: Can buy more and cheaper goods/services, get better education

Close the digital divide: Allow people in rural areas and developing countries to use more services and purchase what they really like

Home shipping: Less travel, air pollution

1.4 The Components and Participants in E-Commerce

The major components and players in a marketspace are customers, sellers, products and services (physical or digital), infra- structure, a front-end and a back-end mechanism, intermediaries and other business partners, and support services such as security and payments. A brief description of each follows:

1.4.1 Buyers (Customers)

Billions of Internet users are potential buyer of goods and services offered on the Internet. The customers are more likely to look for bargains, customized items, collectors' items, entertainment, socialization and more. The social customers have more power than regular customers. They can search for detailed information, compare prices, bid, and sometimes negotiate. Buying organizations are also customers, accounting for more than 85% of EC volume and value activities.

1.4.2 Sellers (Vendors)

Millions of webstores are advertising and offering a huge variety of items. These stores are owned by companies, government agencies, or individuals. Every day it is possible to find new offerings of products and services. Sellers can sell directly from their websites or from public e-marketplaces.

1.4.3 Products and Services

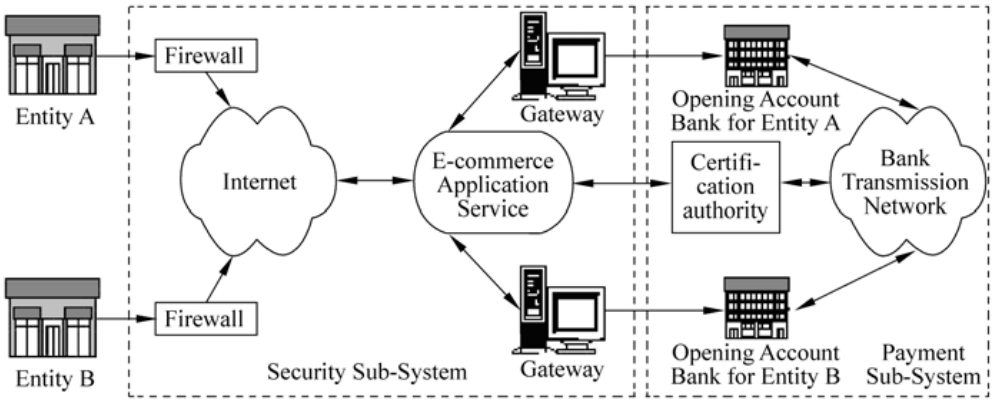
The major difference between marketplace and the marketspace is the possible digitization of products and services in a marketspace. Although both types of markets can sell physical products, but they can also sell digital products, that type of good can be transformed into a digital format. In marketspaces, buyers can buy digitized products online, anytime and from any place in seconds, and receive the purchased goods instantly. In addition to the digitization of software, music and airline tickets, it is possible to digitize dozens of other products and services.

1.4.4 Infrastructure

The marketspace infrastructure includes electronic networks, databases, hardware, software and more. An e-Commerce Infrastructure is generally possible by the enabling technologies like the internet, search websites, hosting providers, data base providers and data centers,

electronic payment gateways founded by banks and payment technology companies, website security companies

On the infrastructure level of e-Commerce, an e-commerce entity sends a business request to an e-commerce application server. The server then stores the requested information and sends it to the e-commerce portal. There are two separate sub-systems of the e-commerce infrastructure, which are the e-commerce security sub- system and the e-commerce payment sub-system. The e-commerce security system is mainly responsible for protecting the information that is exchanged between the e-commerce entity and its Internet network. The e-commerce payment sub- system is responsible for processing the payment transactions of the e-commerce entity.



1.4.5 Front End

Customers interact with a marketspace via a front end. The major components of the front end can include the seller's portal, electronic catalogs, a shopping cart, a search engine, an auction engine, a payment gateway, and all other activities related to placing orders.

1.4.6 Back End

All the activities that are related to order aggregation and fulfillment, inventory management, purchasing from suppliers, accounting and finance, insurance, payment processing, packaging, and delivery are done in what is termed the back end of the business.

1.4.7 Intermediaries

The intermediary is typically a third party that operates between sellers and buyers. The role of electronic intermediaries is frequently different from that of regular intermediaries (such as wholesalers or retailers). Online intermediaries create and manage the online markets. They help match buyers and sellers, provide escrow services, and help customers and/or sellers complete transactions. Intermediaries usually provide three types of services

-They provide relevant information about demand: Supply, Prices and Trading Requirements

-They help match sellers and buyers

-They offer value added services, escrow, payment arrangements, consulting or assistance in finding a business partner.

In general, the first and second type of services can be fully automated, and thus it is likely to be assumed by e-marketplaces, infomediaries, and portals that provide free and low fee services. The third type requires expertise, such as knowledge of the industry, the market, the products, and the technological trends and therefore can only be partially automated.

1.5 Digital Economy

The digital economy is the other name of internet economy, which means online transactions, online trade, data and information sharing between two and more individuals.

1.5.1 Characteristics of the Digital Economy

Globalization: Global communication and collaboration; global electronic marketplaces and competition.

Digitization: Music, books, pictures, software, videos and more are digitized for fast and inexpensive storage and distribution.

Speed: A move to real-time transactions, thanks to digitized documents, products and services. Many businesses processes are expedited by 90% or more

Information overload and intelligence search: Although the amount of information generated is accelerating, intelligent search tools can help users find what people need.

Markets: Markets are moving online. Physical marketplaces are being replaced or supplemented by electronic markets; new markets are being created, increasing competition.

Business Models and Processes: New and improved business models and processes provide opportunities to new companies and industries.

Innovation: Digital and Internet based innovations continue at a rapid pace. More patents are being granted than ever before.

Obsolescence: The fast pace of innovation creates a high rate of obsolescence.

Opportunities: Opportunities abound in almost all aspects of life and operations.

Fraud: Criminals employ a slew of innovative schemes on the internet.

Wars: Conventional wars are changing to cyberwars or are complemented by them.

Organizations: Organizations are moving to digital enterprises and social businesses

1.6 Electronic Commerce Mechanisms

To begin with, most applications are conducted on the Internet. In addition, the generic enablers of any information system including databases, networks, security, software and server software, operating systems, hardware (Web servers), and hosting services need to be established. The technological enabler is the Web, including the globally connected networks, the universal networking interface and transmitting standard (based on TCP/IP), and the World Wide Web infrastructure that facilitates information storage, browsing and retrieval. (SHAW)

In addition to this, electronic markets, shopping carts, e-catalogs, and support services such as payment and order fulfillment are part of electronic commerce mechanisms. There are also Web 2.0 and its collaboration and communication systems such as social media and wikis and each of those mechanisms have their own dynamics. We can briefly divide mechanisms to the eight part; technology, marketing and new consumer processes, economic

mechanisms, electronic linkage, information value adding, market-making, service infrastructure and legal privacy and public policy.

- Technology: Electronic commerce is made possible by the global networks where business processes, inter-organization transactions, and market trading take place. The internet is the major contributor, but other communications networks, such as value-adding networks for carrying out electronic data interchange, also play a role.
- Marketing and New Consumer Processes: Electronic commerce is the new channel to connect with customers and a new media to promote products. EC expands the boundaries of enterprises to reach out electronic data interchange, also play a role.
- Economic: Electronic commerce is a new economy that is information based and shaped by new institutional and industrial organization. E-Commerce creates new markets and economic activities that are characterized by instant information flows, the delayering of value chains, the emergence of new intermediaries, and the shifting economic rules and market dynamics. The fundamental valuation has been transformed by these changes, leading to needs for new strategies and business models.
- Electronic Linkage: Electronic commerce provides new linkages to achieve more efficient economic activities, including the interface between businesses to consumers and the linking of a business to its channel and the coordination of different units within a business.
- Information Value-adding: Electronic commerce accelerates the separation of the information-based value chains from the physical value-adding chains. The information-based or the virtual value chains, create new ways to compile, synthesize, package, distribute, and market information as products and services.
- Market-Making: The global networks supporting electronic commerce have provided opportunities to form electronic markets to match buyers and sellers (Strader & Shaw, 1997; Bakos, 1998). This new market space features real-time information transmission, interactive communication, wide reach and connectivity, and rich content. These characteristics potentially can form more efficient markets for exchanging goods, resource allocation, and trading.

- Service Infrastructure: Electronic commerce needs a variety of services to support all potential functions, activities, requirements, and application. These services need a coherent infrastructure to ensure integrity, uniformity, efficiency, and effectiveness. Examples of the infrastructure include infrastructures for public-key payment and banking, information services for organizing, searching, retrieving, filtering, and summarizing information, and for processing business-to-business transactions, sharing supplier-catalog information, and supply-chain coordination.
- Legal, Privacy, and Public Policy: All the structural, institutional, process, and technological changes brought by electronic commerce necessitate a new framework for addressing the legal, privacy, and public policy needs. This is a difficult task due to the number and diversity of interest groups involved. Yet, this is the one dimension that needs to be taken into account early in the development of EC to protect the interest of the general public. Addressing the issues involved requires a balanced approach that takes into account the interests and potential conflicts among different parties.

2 CLASSIFICATION OF E-COMMERCE

E-commerce on the web is made up of two major categories of transactions: business-to-business (B2B) and business-to-consumer (B2C). While B2C transactions on the web are growing, they are not growing as quickly as B2B transaction. (will add more explanation)

2.1 Business to Business (B2B)

Business to business (B2B) e-Commerce means online transactions channel between business organizations. Aim of those transactions are "to make other goods and services, resell to business users or to customers, be used in the operations of the organizations, huge in sales volume, significant in terms of the number of companies involved". This type of e-Commerce applications includes different types of marketplaces and trading methods. E-Commerce is increasing its influence on business because companies of all sizes see this business model as better and more efficient way to do their business.

Business-to-Busines e-Commerce (B2B EC) also known as electronic B2B or just B2B, refers to transactions between businesses conducted electronically over the internet, extranets, intranets or private networks. Such transactions may take a place between a business and its supply chain partners, as well as between a business and a government and with any other business. In this context, a business refers to any organization, private, public, profit, or nonprofit. In B2B, companies aim to computerize trading transactions and communication and collaboration processes in order to increase efficiency and effectiveness. B2B EC is very different and more complex than B2C. It is much more difficult to sell to a company than to individuals. Key business drivers for electronic B2B are the need to reduce cost, the need to gain competitive advantage, the availability of a secure Internet platform, and the private and public B2B e-marketplaces.

B2Bs serve a broad array of industries, from metals to fresh produce to hotels to chemicals to energy, with some B2Bs focusing horizontally (across various industries) and others vertically (on only one industry). Through B2Bs, participants buy and sell a wide variety of goods and services, from materials to be used in a firm's final product to things that just keep the firm running (KINNEY, 2000).

Shaw (2000, p.12) and Lücking (2001) differentiates in two types of B2B e-Commerce markets. One is related to the management of material flows in production-oriented supply chain networks and the other is related to the procurement of maintenance, repair and operating (MRO). His definition is focusing on physical material flows disregarding exchange of digital products, such as service or ideas. Contrary for Kollman (2000, p.126) electronic marketplaces are defined as "virtual markets within a data network, where virtual business transactions take place, which are supported by information technology by the marketplace operator at any time of the transaction process".

B2B accounts for the bulk of the value of e-commerce. It can involve online versions of traditional transactions related to goods that are subsequently sold to consumers via retail outlets. It can also involve the provision of goods and services to support other businesses, for example, because of outsourcing and offshoring. There are various specialized B2B platforms, typically catering to certain industries or value chains.

Business-to-business commerce includes a broad range of intercompany transactions, including wholesale trade as well as company purchases of services, resources, technology, manufactured parts and components, and capital equipment. It also includes some types of financial transactions between companies, such as insurance, commercial credit, bonds, securities and other financial assets. The popular phrase "B2B e-commerce" refers to the substitution of computer data processing and internet communications for labor services in the production of economic transactions. Many companies engaged in B2B e-commerce are intermediaries between other companies that buy and sell goods and services.

Expectations about productivity gains from business-to-business e-commerce can be usefully divided into four areas: efficiencies from automation of transaction, economic advantages of new market intermediaries, consolidation of demand and supply through organized exchanges, and charges in the extent of vertical integration of companies. Nevertheless, most of B2B buyers have higher expectations to buy from proper sources, so B2B buyers are not choosing to buy from mediocre sale sources. B2B buyers are choosing decent salers and do not want to risk their transactions in terms of reliability, product variety, user experience, price and after sales services. Lücking (2001) describes "B2B electronic markets are generally considered as a potential source of significant efficiency gains. They generate efficiencies in three ways. First, they put a downward pressure on purchasing prices. Secondly, they decrease informational costs and expand everyone is market reach by removing the geographic barriers to buyers and sellers efficiently discovering each other.

Thirdly, they allow a reduction in transaction costs and an improvement of inventory management. Estimates about the size of these gains can change. Pitofsky et al. (2000) supports researchers on efficiency of B2B e-marketplaces by saying "B2B marketplaces have the potential to generate significant efficiencies, winning lower prices, improved quality and greater innovation for consumers... B2Bs can gain efficiencies in a variety of ways. B2Bs can reduce administrative costs, such as the time and energy a business expends to process an order and correct any mistakes in its processing. B2Bs can reduce search costs, that is, the costs buyers incur identifying suppliers and their offerings, and vice-versa. For example, B2Bs can make it easier for buyers to comparison shop, replacing thumbing through bulky paper catalogs with quick and efficient mouse click searching. Reduced search costs also mean that suppliers can have greater and cheaper access to more potential customers. Such reduced search costs can make new sales channels viable, creating markets for goods and services not traded before." (Gunasekaran, 2002) also supports this view by writing e-Commerce companies always have an advantage on lowering operation costs on large scale of production, supply, sales or purchase, transfer and storage. B2B e-Commerce doing that by reducing procurement cost by buying huge amount of supplies of single kind, second, it reduces production cost by shortening production period. Third, efficient inventory control is also reduced operation costs, and the last one is reducing sales costs by selling products on the international markets.

B2B companies are more likely to adopt modern logistics management according to (cite) If we compare other e-Commerce companies, B2B companies' logistics are fewer in times and large in quantity, but logistics of other e-Commerce companies are characterized as small in quantity but more in times and it has more turnover speed. Statistics has been shown B2B companies are more competitive in reducing logistics sends by 20% to 60%.

2.1.1 Market Types of B2B E-Commerce

Buyer-Managed Exchanges: These are markets which are set up by large buyers, often in conjunction with technology partners.

Supplier-Managed Exchanges: These markets are being arranged by suppliers

Market Makers: These are independent exchanges not controlled by buyers or sellers. They tend to be backed by venture capital and often were early innovators.

Content Aggregators: Content aggregators are sites that build and maintain multi-vendor catalogues which allow customers to access the offering of several suppliers using a common search structure.

2.2 Business to Consumer (B2C)

We describe e-Commerce as "In B2C (Business to Customer) e-commerce, Internet is resorted by businesses or enterprises to provide individual customers goods and services via websites. Presently, various types of B2C websites spread all over Internet to supply customer a variety of goods and services, varying from flowers and books, to computers, cars and etc." B2C e-Commerce takes a small percentage of the market due to restrictions of many factors but it continued to develop its growth throughout the years. B2C has two side, the first one is the seller side, and the other one is the personal buyer's side. B2C is mostly is a retailing of products and services which is also called as e-retailing.

Meaning of retailing is a trade intermediary between manufacturers and companies. Manufacturers might choose to sell directly to the customers but in general they use retailers to increase their sales. Before internet, companies had to use physical stores and customer had to be in those stores to purchase the product they need, or they might call with phones. To reach a greater number of customers, companies had to open more stores in many cities and countries or use retailers. Opening physical stores were costly and inefficient way to sale.

Catalogs on the websites and mail-order opportunities has been reached high success rate, due to reaching and paying to products are become easier for customers. From the business side, opening the physical store is not a necessity, so additional costs of opening and maintaining stores has been removed. Executing retailing over internet is called electronic retailing.

According to Turban et al. (2018) Electronic retailing has many advantages over traditional retailers. If we compare those two methods, in terms of increasing the sales volume and number of sales, retailers need to expand its locations and stores, electronic retailers only need to invest more on the marketing to promote their website even globally. Electronic retailed products have lower supply chain costs, in this context selling products online result

lower product cost and this increase the competitive advantage of products. Electronic retailed products have more customizable options among with more product information available. E-Retailers have generally better customer relationship and back service rather than traditional retailers. These advantages are allowing customer to choose buying from the e-tailers, customers pay less on the e-retailer stores than traditional retailers. Customers can find any product they want without going out from their location. Customers are also spending less time on shopping and they can shop globally, anytime and anywhere.

E-Commerce of B2C can be divided into tangible and intangible goods and services and both can be sold on network and specifically. and those intangible goods are (e-information, software or digital media products). Digital goods and services can be sold in mainly three categories; Online subscription categories, advertisement supported pattern and online domination categories.

Online Subscription Categories: Those mainly used by digital media channels. Publishers provide intangible products and services to customer. Customers mostly consume entertainment and informational data and pays monthly or annually to use that product or service and it is mostly a data on the electronic sources. (Turban et al, 2018) In this category of B2B e-Business, generally most of the data has been created by content creators and influencers and web platform is a basically a bridge between content creators and consumers. The online subscription categories also have been divided into categories, the first category is the online publication category, in this subcategory, publishers provide e-publications through the internet and customers view or download the data as much as provider allows it. This is not the best method of information sales. Many users are using internet to gather data from many sources. Various sources on internet can be free of charge and users are more likely to choose free of charge informational data. Even low prices of subscription can make users doubt to buy because consumers are always choosing the cheapest method to fulfill their needs. Some online publishers adopt double track system, the combination of free services and charged subscription can attract more customers to use the informational materials.

Second category is the online services. In this category, service providers supply information services to the customer by monthly charges. Those providers have their own consumer target base.

The third category is online entertainment, and this is the most successful approach of the online subscription categories, due to highly demand on entertainment sector worldwide.

Online entertainment suppliers provide online games, TV shows, videos, music services and many more. Consumers are paying for the unlimited use of the entertainment service annually and the quality of service is related with the number of users and customer satisfaction.

Advertisement Support Categories: Online service suppliers provide online information and multimedia services in free of charge and their income source for this service are advertisement from websites. This category is one of the most successful categories to execute due to it does not charge customers on directly. For example, the most common website about advertisement supported category is youtube.com, which is a website based on video sharing. The YouTube uses advertisement model and displays advertisement before launching a video stream or during video stream. There is another stakeholder in the system, which is content creators and youtube.com shares the income from advertisements to those content creators. Content creators are basically video creators which customers might like and watch it. As much as content creators have more video likes and more customers to watch, content creators get paid and this system keeps the continuity of video creating and sharing. On the website part, increasing its revenue about quantity of customers and attracting more advertisers.

Online Donation Categories: This category is usually adopted by content or software creators to share their product or service for free but paying for content is about customers decision. Customers pay voluntarily for creator and creator earns money. A direct communication between customer and creator is the key. Meanwhile creator has to create something valuable and useful to the customer and keep a close relation with the donator. The most known example of online donation is a website named twitch.tv. In this website, streamers create their own channel to entertain visitors. The most popular and liked video streamers have the most donation and revenue related with how much customer is willing to pay.

3 BUSINESS MODELS

The frequency of using the term of "business model" in EBSCO database, has slightly increased from the year of 1995 to 2017. In 1995 number of usages "business model" term was only 3, but According to Wirtz (2019) "The business model concept and its development are often associated with the rise of the new economy from 1998 to 2001. Most often, it seems to refer to a loose conception of how a company does business and generates revenue. Yet simply having a business model is an exceedingly low bar to set for building a company. Generating revenue is a far cry from creating economic value, and no business model can be evaluated independently of industry structure. The business model approach to management becomes an invitation for faulty thinking and self-delusion. (Porter)

3.1 Wholesale

A wholesaler is a person or company who sells products in bulk to various outlets or retailers for onward sale, either directly or through a middleman. Wholesalers are able to sell their products for a lower price as they are selling in bulk, which reduces the handling time and costs involved. They usually provide large quantities of goods but can take on orders for smaller quantities as well. The wholesaler may also be the manufacturer or producer of the product, but they don't have to be. Being a wholesaler gives people access to a diverse range of outlets and allows you to reach a large customer base. Offering your product as wholesale allows a larger audience access to your wares, therefore people are able to grow their business quickly.

3.2 Retail

A retailer is a person or a company who sells products directly to their customers for a profit. The retailer may be the manufacturer of the product or may acquire relevant products from a distributor or a wholesaler. The products they sell will be at a higher price than they would be from a wholesaler, due to markups. Being retailer bring complete control of the product

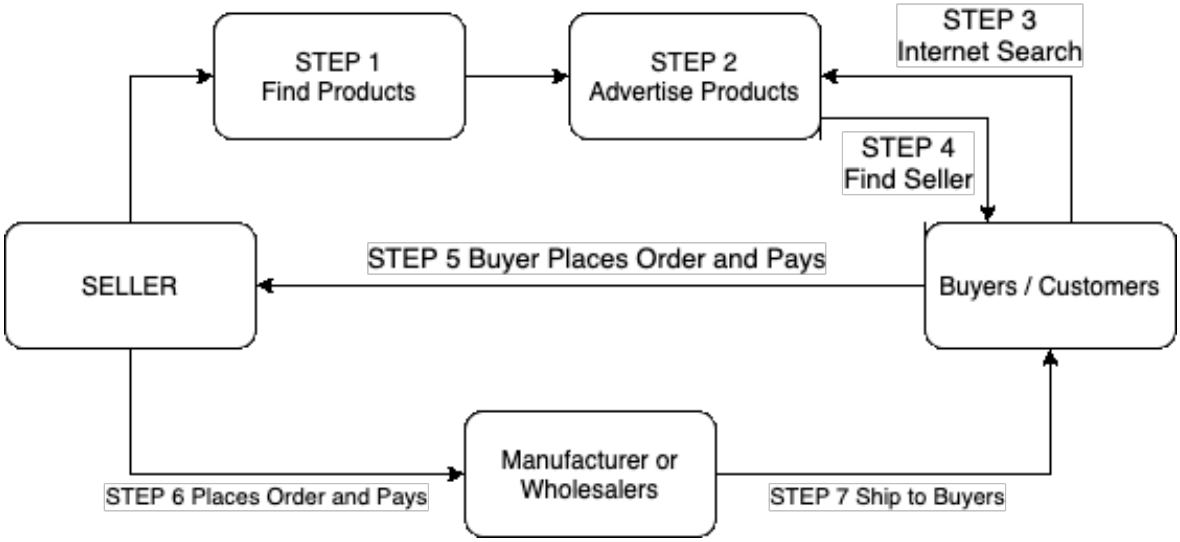
so retailer must have a direct relation with the final customer or user. In this context, retailers must choose their customer base and prepare a marketing strategy for their customer base. A business model is a description of how an organization intends to generate revenue through its business operations. The seller has its own organization and must also buy materials, goods, and services from others, usually businesses.

3.3 Virtual (Pure-Play) E-Tailers

Virtual (pure-play) e-Tailers are companies with direct online sales that do not need physical stores. Virtual e-Tailers have the advantage of low fixed costs. However, one drawback can be a lack of an efficient order fulfillment system. Virtual e-Tailers can be general-purpose or specialized on specific product and service base.

3.4 Drop-Shipping

Drop-shipping is a form of pure-play e-Commerce. E-Commerce business sell their products without stocking or shipping. When the order is requested, the company directs a third-party drop-shipper to pull the item from their warehouse and send it to the customer. Drop shipping provides a very low barrier of entry to the e-Retailer. E-Retailers do not manage any logistics or carry any stock risk while executing their business.



Step 1 The e-Retailer (seller) finds a product and a supplier to buy it from.

Step 2 The e-Retailer advertises the product on its own website and/or on popular sites

Step 3 A buyer searches for a product online

Step 4 The buyer (buyers) finds the product in a search

Step 5 The buyer orders the product and pays it to the e-Tailer

Step 6 The e-Retailer transfers the order to a wholesaler, manufacturer, or a drop-shipping vendor (the supplier) and pays for it (the wholesale price).

Step 7 The supplier acquires, packs and ships the product to the buyer.

3.4.1 The Participants in the Process

1- The seller: The seller can be an individual who sells to individual customer (kind of P2P) The seller advertises on its own website or on popular websites. The seller can also be a retailer who uses the model as one of a multichannel, or it can be a small retailer who practices drop-shipping only.

2- The Buyer: The customers are usually individual people who buy small quantities for themselves

3- The Supplier: It can be a manufacturer, wholesaler, or another vendor that acts as a third party and plays the activities of order fulfillment.

4- The Directory Provider: Several companies help people to find suppliers and products. They usually charge a fee for their service in monthly or per search. The directory providers can perform the order fulfillment as well

5- A Website Builder: If the sellers do many transactions, it makes sense for them to build a website. They can use it for advertisements, payment collection from the buyers, communication with the buyer and suppliers, transferring orders and payments to the supplier, and conducting other store management activities.

Benefits of Drop-Shipping	Disadvantages of Drop-Shipping
Less capital is required (increase in cash flow)	If anything goes wrong, the responsible person is drop-shipper
Easy to get started	Drop-shipper do not see what the supplier ships
Easy to scale the business (expand or contract)	People may do exactly what drop-shippers do (competition). Easy to imitate
Need very little resources and space	Returns from customers can be a complex issue
Pay suppliers only after you get paid.	Drop-shipper might lose control over quality and speed of shipments
Low overhead	Drop-shipper must provide good customer service that may be costly if you have many customers
Enable expansion to new markets (including global)	The difference between the prices charged and what drop-shipper pay to the supplier can be too small
No need to keep inventory	
Increase lifetime value of customers	
Flexible Location	
Having another sales channel	

4 CUSTOMER SHOPPING MECHANISMS

4.1.1 Webstores

Webstores or storefronts means a single company website where products and services are sold. Webstores may target an industry, a location, or a niche market. The webstore may belong to a manufacturer, to a retailer, to individuals selling from home, or to other types of business. Some companies might prefer to call their webstores as portals.

A webstore includes tools known as merchant software which are necessary for conducting online sales. The most common tools are an electronic catalog, a search engine that helps the consumer find products in the catalog, an electronic shopping cart for holding items until checkout, a payment gateway where payment arrangements can be made; a shipment center where shipping arrangements are made; and customer services, which include product and warranty information and CRM (Turban, 2018).

4.1.2 Electronic Catalogs and Search Activities

Electronic catalogs also known as e-catalogs consist of a product database, directory, and a presentation function. They are the backbone of most e-commerce sales sites. For merchants, the objective of e-catalogs is to advertise and promote products and services. For the customer, the purpose of such catalogs is to locate information on products and services. E-Catalogs can be searched quickly with the help of search engines. Online catalogs are evolved to more dynamic, customizable and integrated with selling and buying procedures, shopping carts, order taking, and payment. E-Catalogs may also include video clips (Turban, 2018).

4.1.3 Search Engines

Customers are looking for information such as product information, availability or pricing. This type of requests is repetitive and answering such requests in a manual way is costly. Search engines deliver answers economically and efficiently. Search engines are made for providing answers economically, efficiently and automatically. Matching questions and words with frequently asked question templates are better for customer satisfaction from the search engine. There are question websites and forums to reach information related to the

activity. Online video sharing and social media websites are related with the information and media sharing about the products and services company offered (Turban, 2018).

4.1.4 Shopping Carts

An electronic shopping cart also known as the shopping basket is a coded program which allows customers to gather items together which they are wished to buy before they arrange the payment and checkout, it is the same logic as shopping carts in a supermarket. The electronic shopping cart software program automatically calculates the total cost and adds tax and shipping charges when applicable. Customers can review and revise their shopping list before finalizing their purchase by clicking the submit button.

Shopping carts for B2C are relatively simple but for B2B shopping cart may be more complex. Shopping cart program can be purchased can be found free inside the store builders or can be written with customizable options (Turban, 2018).

4.1.5 Online Negotiating

Dynamic prices also can be determined by negotiation. Negotiated pricing is commonly used for expensive or specialized products. Negotiated prices are also popular when large quantities are purchased. Much like auctions, negotiated prices result from interactions and bargaining among sellers and buyers. Negotiation also deals with terms, such as the payment method, timing and credit. Negotiation is a well-known process in the offline world (Turban, 2018).

4.1.6 Security

Computer security refers to the various risks and responsibilities of protecting information systems from various types of attacks. It is a broad field due to the wide variety of methods and defenses used in protecting them. Security takes an important role in the e-Commerce operational success. E-Commerce webpages are containing sensitive and large amount of personal and financial data. Without securing the data, e-Commerce website would lose most of its trustworthiness, with the other name its reliability. On the e-Commerce systems, having a secure web portal is a complex set of systems to execute. It is not only important to

prevent unauthorized access to sensitive information, but it is also critical to ensure that the system is secure enough to operate .

We can classify the security as 5 different aspects, those are:

a) Access Control: Only with valid identification have a right to access related information. The requester without valid access can only access logical resources. Physical access and violating facilities and networks are also a threat. Intruders can infiltrate cables, access someone else's rights or authenticate someone else with infiltrating the access equipment such as personal ID cards.

b) Privacy/Confidentality: Privacy is a parallel component with the access control. It prevents unauthorized individuals from accessing and distributing sensitive information about the customers or the company. Privacy of data is necessarily requiring access control. Only authorized parties can modify the documents that are sent over the network.

c) Authentication: Authentication is responsible for identifying electronic messages correctness and its origin, where it has arrived from and when questions can be asked to the data. If the data is correctly traceable, this enables the customer to verify the authenticity of the order.

d) Non-Repudiation: Non-Repudiation prevents the recipient from denying receiving a message. If the sender and receiver deny the communication between them, repetitive and inadvertently communication may occur. This can be devastating if it occurs frequently and the large scale.

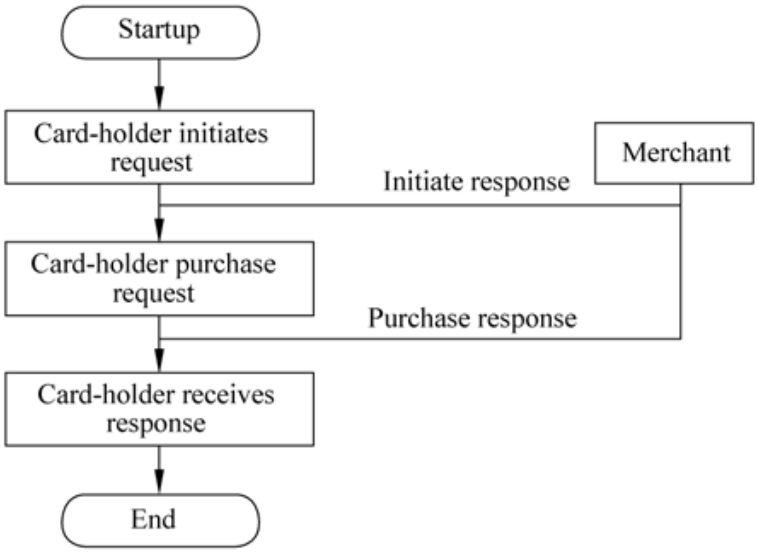
e) Availability: The availability of systems has to be sure of the system is available when its needed. There are two major threats to the availability of the websites. One is the denial-of-service attacks (DDoS) and the virus attacks. On the distributed denial of service attacks, bad intentionally users are attacking the availability of the website. Requesting a lot of data from various sources and making server overwork and unresponsive. The other type of attack is by viruses and it can be in many forms, sometimes it is in executive file form, sometimes its inside a document. Viruses can spread from the memory to the other computers by network by or they can copy themselves to the various documents and files.

Most e-commerce websites use various transaction security technologies such as Secure sockets layer (SSL), Secure electronic transaction (SET), and Transport layer security (TLS) to protect their sensitive data. SSL is a cryptographic protocol that enables secure connections over TCP. It carries various levels of encryption, server authentication, and client authentication. The client and server then specify a byte number to identify the connection. The server encrypts the session using an algorithm known as SHA256. SHA-256 encryption is a hash, which means that it is one-way and cannot be decrypted (Kesh, 2002)

4.1.7 Digital Payment Process

Electronic payment (E-payment) is a process that enables consumers to make online purchases without the use of paper documents. Through this link, consumers can make

purchases from various merchants without having to go through a physical store. Due to the increasing popularity of e-commerce, the urgency for settling the electronic payment well has become extremely great.



Electronic fund transfer refers to the process of transferring money using a merchant system. It involves the use of various electronic platforms and methods. There are four aspects of electronic fund transfer: merchant system, e-currency, payment gateway and security authentication. E-commerce is a process where electronic information is exchanged seamlessly.

Many online businesses rely on the support of electronic payment. This includes foreign trade corporations, airlines, and railway ticket sales. Import export businesses are promoting and selling their product online, so it requires bank transactions to make transaction complete. Those activities can be possible by the connection between the payment gateway and the commercial bank. E-payment is closely integrated with the online trade. If the online trade is not carried on, then e-payment will not happen. In this context, governments are expecting various revenues from both internet economic activity and the bank transactions.

The core problem of e-commerce is its security. Number of e-Commerce companies worldwide are increasing, and the business competition between companies are becoming strict. E-Commerce companies specifically, being a liable company is more important than ever for both sellers and buyers. There are various risks and uncertainties associated with

online trade, and it is sensitive to secrecy and security. Hence, it is very important that the e-payment system is properly implemented and managed.

The various forms of e-Payment are available to facilitate this process. Some of the e-payment systems forms are online credit card transaction, electronic wallet (e-wallet), electronic cash (e-cash), online stored value systems, digital accumulating balance systems, digital checking payment systems and wireless payment systems (Armesh, 2010).

Most e-commerce transactions involve the use of a credit card. The process of processing credit card transactions online is similar to traditional stores transactions, but online transactions does not need a physical credit card. There are a lot of payment service provider such as Stripe, PayPal, Amazon Pay, Authorize.net and the Alipay, are most popular payment services on the market with convenient and liable business execution.

E-wallets are similar to a physical wallet and are used to store and transfer information such as credit and debit card numbers, e-cash, and customer address and other details. They are also used to transact on e-commerce websites.

Electronic cash is a term that refers to the stored value that can be exchanged through a system created by an entity or government. It is not paper money. E-cash is a payment system that works seamlessly through the internet. When consumers make a deposit, they will receive a unique token that represents the money from them to the merchant.

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4.1.8 Analytics and Tracking

The e-Commerce reports allow you to monitor the transactions happening on the website or mobile app. They provide detailed information on the products and the conversions that occurred. Web Analytics is a technique that collects, measures, and reports web usage data. It can help identify and improve web site performance to reach business goals in terms of customer satisfaction and the loyalty. There are two methods used to collect web traffic data. One involves storing the data in log-files, while the other method is by using client-based page tracking (McFADDEN)

The goal of an optimization process is to improve the efficiency of a website by taking advantage of its various elements. It can be performed in various areas such as content creation, navigation, and internal search. Studies focused on the evaluation and improvement of the design of web sites for four key areas: content, navigation, design, and accessibility.

Key Areas	Metrics
Content	Exit Pages, Search Terms, Referrer, Search Engines, Top Entry, Time on Website
Navigation	Error Pages, Search Terms, Path Analysis
Design	Browser and Platform Statistics
Accessibility	Search Terms, Search Engines, Referrer, Entry Pages

Without web analytics, most aspects of web design, function, and organization were based on subjective judgments made by individuals responsible for the site's design.

A successful web site is built with a clear purpose and vision. Even though members of the team may have different roles and responsibilities, all of them can work and try to reach

towards this common goal. In this context, we must evaluate business and the website as unite. According to the Jim Sterne, it does not matter how much data is collected and it does not matter what collection method is being used. Those data collection is useless unless it's actionable. This means the business goals must be clear. Technology, analytics, and the business must be aligned, and the feedback loop must be complete (Ballardvale, 2004). Today's metrics mainly reflect past behavior and are not used to help companies improve performance. An alignment centric performance management helps with some KPI's (Key Performance Indicators. In this context, they should be used to help companies align their efforts and identify areas of improvement. An alignment centric performance management has four features.

Motivate	Communicate organizational objectives in a way that is relevant and actionable to everyone.
Manage	Provide strategic context and encourage collaboration on the milestones critical to organizational goals.
Monitor	Track progress via KPIs explicitly linked to objectives, proactively resolve problems and seize opportunities
Measure	Drill deeper to identify the root of issues and test assumption inherent in the strategy

Four M's (Becker, 2005)

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4.2 Order Processing Mechanisms

4.2.1 Catalog Model

The first mechanism is the aggregation or catalog model, which brings large numbers of buyers and sellers together. Virtual distributors aggregate standardizes and index product catalogs or content and make these available in a centralized location to suppliers and buyers (Skinner 2000, p. 44). They offer products together with identical, similar or simply supplementary products in a joint electronic catalog. By aggregating various product catalogs, the product offering is a streamlined combination of many different suppliers (Sculley & Woods 1999, Kusterer 2000). The aggregation mechanism is a static process with pre negotiated prices but can be different for different buyers (Kaplan & Sawhney, 2000). By providing one-stop shopping opportunities on an easy-to-use web-site transaction costs can be reduced. Mostly the products are non-commodities or MRO (maintenance, repair and operating) products, low value goods with relatively high transaction cost. Those aggregated product catalogs made up of the regular offers of different suppliers, permit both, a greater selection and a comparison of price and quality (Wichmann & Weitzel 1999). Buyer and sellers have the opportunity to identify each other. Since catalog-based services group the demand of a large number of buyers, they strengthen their market power, which can lead to better conditions for the buyers (Zimmermann 2000, p. 4). The critical challenge of the catalog mechanism is the creation of a master catalog, which is gaining supplier critical mass (Alaniz & Roberts 1999).

4.2.2 Auctions Model

Auctions are the pricing model for many markets, in which multiple buyers and sellers bid competitively on a contract (Sculley & Woods, 1999). E-auctions allow companies to take literally hundreds of bids from all over the world, which would not be possible in the convenient way of purchasing (Porter, 2000), especially in this very short timeframe (van Heck, 2000). This method is ideal for liquidating surplus at best possible prices (e.g. e-Steel).

Auctioning involves infrequently traded or unique items that can significantly vary in value depending on the buyer (Phillips & Meeker 2000). Auctions are commonly used in industries that are trading redundant, time sensitive or specialized goods and services. By dynamic pricing the auction market enhances efficiency while maximizing the return for the buyer and seller. The seller-driven auction is less favorable to buyers, because there is no negotiation between the buyer and the seller. The buyer-driven or reverse auctions are favorable to buyers, especially if there are multiple sellers able to offer items that come close to meeting the buyer's requirements. Both seller- and buyer-driven auctions are very common, due to the scale, reach, interactive and real-time attributes afforded by the internet.

4.2.3 Exchange Model

The exchange model is another mechanism used for creating value. It uses temporal matching of demand and supply to create a market value. (Schwartz et al. 1999, Rosson 2000). Through this process, the suppliers can get the lowest possible prices without increasing their marketing costs. It allows them to compete against other buyers for orders. (Wise & Morrison 2000). The intermediary is responsible for the matching of buyers and sellers. He approves the offers and passes them on to the seller. In some cases, the purchase transaction occurs in an intermediary's marketplace, where the parties do not know each other. This avoids them from obtaining valuable information about the buyer or the seller. These services are typically focused on cost savings for buyers, while for sellers they represent a new sales market for those who previously had difficulty selling their products. (Wichmann & Weitzel 1999). The concept of the exchange is more flexible than the auction method. It allows both buyers and sellers to make offers for various underlying commodities. Both buyers and sellers benefit from having better matches and better prices. The main challenge in implementing a value proposition is that it is attractive to the majority of businesses, but with low installation cost. (Sawhney & Kaplan 1999, Skinner 2000).

4.2.4 Bulletin Board

The last transaction mechanism is the bulletin board or pinboard, which is a sophisticated bulletin board, where buyers and sellers can post expressions of interest to buy or sell. Pinboards are the simplest kind of B2B marketplaces. After meeting through the postings,

the parties negotiate a deal between themselves. The internet enables buyers and sellers from all around the world to participate online, which is ideal for fragmented markets with non-standardized products, since each contract is quite different and requires one to one negotiation (Sculley & Woods 1999, p. 35). The bulletin board creates a virtual community, which is interested in buying or selling a particular product and which can make a connection through the bulletin board (Ploss & Johnson 2000). Prices are freely agreed between buyers and sellers. Transactions take place offline, whereas the marketplaces simply facilitate the coming together of buyers and sellers. The intermediaries systematize the notices on the pinboard and offers notification functions. In principle bulletin boards are only slightly different from small advertisement sections in specialist publications and they are technically very easy to set up and operate.

4.3 E-Commerce Tools

4.3.1 Electronic Business Communication

E-Commerce companies are the latest step in the long evolution of business communication practices. The evolution of industrial purchasing has been one of constant, albeit sometimes uneven, incorporation of new technologies. Those technologies include, but are not limited to, the telephone, facsimile, various resource planning tools, electronic data interchange and, most recently, the Internet. The Internet provides the next step in electronic communication, a step that many consider to be a quantum leap.

4.3.2 Customer Relationship Management

Customer Relationship Management also known as CRM is a new business tool to manage company from product centered management to customer centered management. The new generation business puts customer satisfaction and loyalty as actual objective. The system of CRM is a result of that objective, so enterprises and software developers created a new system which is going to invest and integrate CRM system to core business management. To gather necessary data, CRM systems use company's all contact points, and those points are mostly e-mailing, call centers, sales and service representatives. CRM software often collects contact name, also known as customer or business ID, title, e-mail address, social profiles, contact history, transaction history, lead scoring, recent news and character traits. The database of CRM is the main component in the system. User interface and programming of data processing is the other component of the system which makes database useful. CRM includes automation of sales, marketing, service and supporting activities which those are customer centered approach (cite). According to Morgan (1994), customer centric approach is focuses on long term benefits of maintaining good customer-business and supplier business relation, keeping satisfaction and loyalty of customers and suppliers in a good way. According to Day (2000) CRM is a cross functional process for achieving continuing dialogue with the customers, across all their contact and access points, personalized treatment of the most valuable customers and to ensure customer retention and the effectiveness of marketing initiatives. The aim here is to trade more than once with same customer. If the customer not satisfied, that customer will only make a single transaction with the company and might not be a loyal customer anymore and business will lose its possible profit source forever. Cost of obtaining a new client is more than maintaining an existing client, so having a strong tie with existing customer is more beneficial for e-Commerce businesses. According to McNeil (200) CRM become more important due to recognition of the role of relationships in developing business, use of balanced scorecard and other forms of performance tracking where customer satisfaction results are one of the key performance indicators (KPIs) and linking of bonuses and management reward systems to customer satisfaction scores.

According to (Cite) the first rule of Customer Relationship Management is to be knowing who businesses customers are and what will change their shopping behaviors are. CRM helps us to keep customer data, learn and analyze the customer behaviors. A good CRM has two solid blocks to operate: reasonable organization structure and reasonable information structure. If the company adopts CRM as a thought, culture and strategy of customer

centered business, it will conduct a healthy customer relation. Adapting CRM completely on business needs organizational integrity, unification and co-operation among disciplines. CRM is only a helpful software from various software creators and only the companies with customer strategy turn into useful tool for the businesses. Developing customer strategy as profitable and responsive has 5 parts. A well-designed strategy with the help of CRM software is the key for healthy customer relation.

a) Acquiring the Right Customers: CRM focuses on two pillars, the first one is identifying and gathering the right customer base, as both potential and current customer, that is defined as customer portfolio. After identifying, developing and maintaining relationship with creates value then profit to the company. CRM software can help companies to analyze customer on the profit side and identify as future and high value customers (Bolton, 2008). After that, businesses can create marketing communications strategy with the customers and then execute. The definition of value is (Business marketing management book) "the economic, technical, service and social benefits received by a customer firm in exchange for the price paid for a product offering." Measuring the value of what business can offer to different customer groups, businesses can prepare better on target customers and understand how to provide added value to customers. Every customer has different perception of value, some customers put higher value for technical support, some put higher value on service support and customer care, other might put value on lower cost or quality of the product. The marketing part of business uses CRM to manage the customer relation.

b) Value Proposition: The definition of value proposition is the aggregation of products, services, ideas and solutions that business marketing team offers as the performance targets of the customer organization. It is about determining the products or services that our customers might need today or tomorrow. It has another importance to identify new product or services which our customers might need in the future and offering new solutions to the customer. To develop customer specific product offerings, the business should examine the orientation of buyer and seller relationships. This can be possible by asking for feedback from customers. CRM can get product and

service data from customer transactions that have been made and keep it to be used.

c) Instituting the Best Processes: A successful relationship strategies are possible by good organization and presentation of selling efforts and coordination with the supporting channels like logistics and after sales. Some companies might choose to category the organization of sales so during sale and after sale has got separated from each other. So, each discipline has separate mission when we mention about customer relation management. In short, each role and mission in the sales department can be different and some might contact and get feedback from customer while the other can be on the development side of the project or the other can fix the customer problems after sales. In addition to that, each discipline must act in harmony and they should have an uninterrupted and perfect communication between them and act as unified. According to Bowman and Narayandas ( ) , the performance traits which influence the customer satisfactions are the responsiveness of the supplier in meeting the firm's needs, product quality, a broad product line, delivery reliability, knowledgeable sales and service personnel. According to Homburg and Fürst (2005) the free complaint process is so important from the customer side, their research paper result says that if the complaint is not well handled by the company, customers would give up on that brand completely. Unsatisfied customer will leave that company forever, and will spread bad experience in various platforms, even the customers previously had been satisfied.

d) Motivating Employees: According to Rigby, Reichheld and Schefter, motivation of employees can be achieved through training, developing of employees and providing challenging career ways to maintain professional development and leading employee to increase his/her performance. Homburg and Stock's research shows that the connection between sales employee's job satisfaction level is related with the link between customer and the employee, stronger link between sales department and the customer leads into value creation process, higher quality on products and services and innovativeness.

e) Keeping Existing Customers: Customer loyalty and satisfaction has a great importance on the businesses because cost of serving a new customer, gaining a new customer is higher than keeping existing and long-standing customers (Reichheld,). Established customers are more likely to buy products and services from the trusted businesses and cost of serving them declines. An established, healthy connection and continuous transaction between supplier and the buyer can decrease cost by applying discounts from both the supplier and the intermediary side. To maintain growth with keeping existing customer relationships alive, companies can define the customers or vendors which can show growth potential, and which has more likely to have a transaction. The goal of a keeping a relationship is to gain mutual value between buyers and the sellers. To do that, evaluation methods of having a relation between customers must be professionalized and based on declared corporate values, because each customer has different profit margins and different cost-to-serve, so businesses should apply a different customer relation strategy to different customers. To do that, companies should give attention to the opportunities which increase profitability.

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4.3.3 Key Performance Indicators

KPIs are tools that help decision makers measure and improve the progress of their organizations. They are easily verifiable and can help assess the current situation and act rapidly. KPIs are essential to an organization's success. They should also be actionable, which means they should report on the metrics which matter to the organization. Key Performance indicators are data points that allow business managers to determine if the web site is actually contributing to the bottom line. By doing so, they can then make informed decisions regarding the strategy and operations of the website.

When it comes to measuring the success of an online retail site, the profit and the sales are often the primary objective. A healthy e-Commerce website should include those KPIs to added value (Marr,).

a) Conversation Rates: The most common way to measure conversions is by comparing the number of visitors to orders. The other important factor is the ratio of people that start clicking on the checkout link to those that finish the transaction.

b) Average Order Value: The revenue to orders ratio is also known as the order value. It is very important to measure this ratio as it affects the profitability of the site. This is a related topic of the product mix of the e-Commerce and if the website inspires customers with more than one item, upselling or cross-selling, the average order value increases.

c) Visit Value: The number of visits to revenue is a key metric that measures the effectiveness of driving qualified traffic to a website.

d) Customer Loyalty: The ratio of new customers to previously acquired customers.

e) Search Engine Rankings: A website's search engine rankings are simply a measure of how well a website is performing based on specific terms. Search engines operate by algorithms. The goal is to increase website visits by improving the search engine's rank. This is done by increasing the number of times a searcher clicks on a site. This is called the click-through rate, also known as CTR.

5 E-COMMERCE VALUE CHAIN

The Internet is about saving time, effort and the money. Potential of the Internet has barely been tapped. The rise of high-speed Internet connections has become widely accepted, and many companies are taking advantage of the opportunities presented by them. Users of the Internet (both business and consumer) are increasing around the globe, and many companies are earning huge number of profits in the process of serving users worldwide (Plunkett, 2010). The efficiency is the key to the success of e-commerce. Most consumers use the Internet to perform their daily activities. (Plunkett, 2010)

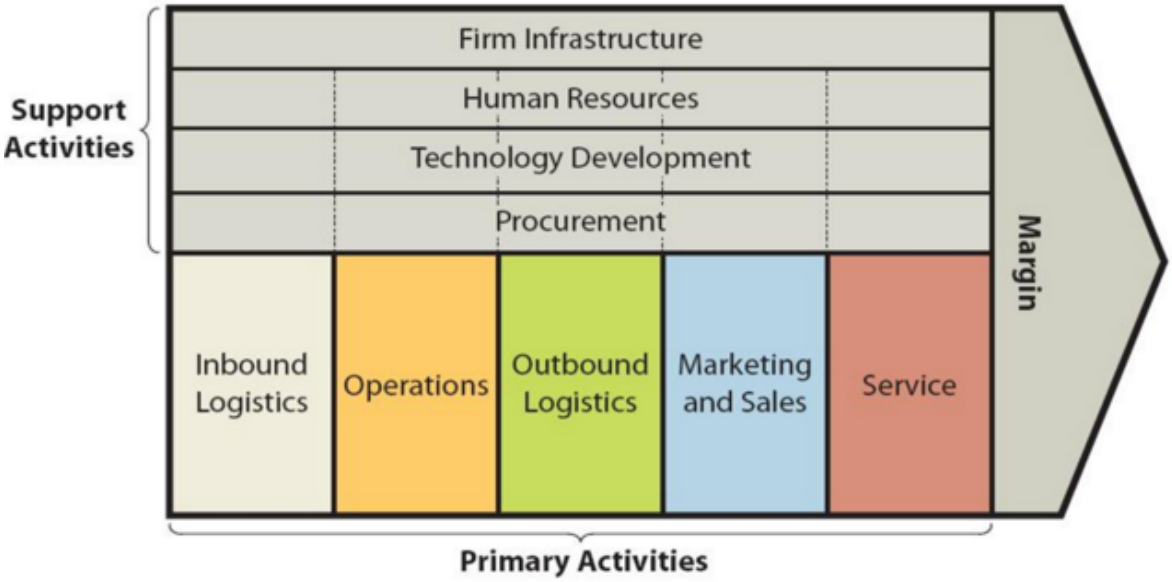
Information technology is a core component of a value chain. It shows how valuable an organization's activities are to its customers. This concept can be measured by the level of payment. Information technology is also used to separate the various activities of an organization into their economic activities.

The company's core activities are divided into categories. These include product development, marketing, and support. The company has a value chain that is linked to other activities. Raw materials and product designs costs are usually higher than those of an after-sale service. This causes a lower after-sale service cost. They can also be performed to determine if a company is low-cost or high cost. Having the right activities in place can help a company create a superior value proposition for its customers. Primary activities can be counted as the physical creation of the product, its sale, transfer to the buyer and after sales assistance. Warehouse management, or inbound logistics, is a process utilized for transferring goods into a business environment are involves the management of various activities related to the distribution of materials. Operations management is a vital component of a company's operations. It coordinates and manages the activities related to the company's core business. Operations are focused on transforming the inputs into finished products. They involve the use of information exchange and decision-making processes. (Reid and Sanders, 2013) The logistics activities involved in getting the finished product to the customer are known as Outbound. These include order fulfillment, warehouse management, and shipment of finished products. This includes the real-time transaction of orders that are initiated by a consumer or a channel partner. It also involves the coordination of various logistics activities, such as order processing and shipment status. The activities involved in the marketing and sales of a product or service are various. The marketing and sales activities are carried out by the sales team. They involve the use of various means to reach out to potential customers and promote the products. They include the selection of

channels, advertising, pricing, and similar activities. These activities include Access to customer information, order entry, and dynamic pricing is available in real-time. Other activities include product configurators, online surveys, and promotion tracking. Service support refers to the activities that are carried out after sales service. These activities include online support, billing integration, customer relationship management, and video streaming.

Support activities are activities that support the primary activities and each other. These activities can be associated with primary activities as well as the full value chain. Human resource management means recruiting, development, and compensation of employees. The hiring and retaining of employees is essential for various activities related to the organization's business strategy, product development, and marketing. Technology development is also used for the implementation of processes and systems that support the company's operations. This discipline involves the administration of self-service benefits and payroll processes. It is carried out through the use of the internet. Technology development is a process that involves the continuous improvement of processes and technology related to the value chain. This includes the development of new products and services, as well as the enhancement of existing ones. The procurement of raw materials and other inputs is carried out in the value chain. This process involves the use of the internet to plan and execute procurement activities.

Firm infrastructure activities not associated with primary activities that support a firm's full value chain. This includes accounting, legal, and administrative functions. A good infrastructure is necessary for all primary functions.



5.1 Values

The company's core values are guiding principles that guide the company's actions. Ambitions are those that are focused on improving the company's operations and culture (Lencioni 2002). Economic value for a company is determined by the gap between its cost and price. It is not created by simply reducing expenses or making changes to the way the company operates. It is not an indicator of a company's current stock price, but the shareholder value is a reliable measure of economic value only over the long run.

Technology providers have been widely praised for their success, but it is the Internet's uses that create economic value. Without sufficient evidence of profitability, the opportunity to sustain profitable growth will shrink as companies realize that their continued investment is uneconomic. The profitability of any business is universal, and it can be understood by looking at the various industry classifications and companies within them. The Internet has created new industries such as online auctions and digital marketplaces, but it has also affected the existing industries by enabling them to re-design themselves to take advantage of the opportunities presented by its transformative impact.

Whether an industry is new or old, its structural attractiveness is determined by five underlying forces of competition: the intensity of rivalry among existing competitors, the barriers to entry for new competitors, the threat of substitute products or services, the

bargaining power of suppliers, and the bargaining power of buyers. In combination, these forces determine how the economic value created by any product, service, technology

The Internet can also boost an industry's efficiency in various ways, expanding the overall size of the market by improving its position relative to traditional substitutes.

But most of the trends are negative. Internet technology provides buyers with easier access to information about products and suppliers, thus bolstering buyer bargaining power. The Internet mitigates the need for such things as an established sales force or access to existing channels, reducing barriers to entry. By enabling new approaches to meeting needs and performing functions, it creates new substitutes. Because it is an open system, companies have more difficulty maintaining proprietary offerings, thus intensifying the rivalry among competitors. The use of the Internet also tends to expand the geographic market, bringing many more companies into competition with one another. And Internet technologies tend to reduce variable costs and tilt cost structures toward fixed cost, creating significantly greater pressure for companies to engage in destructive price competition.

While deploying the Internet can expand the market, then, doing so often comes at the expense of average profitability. The great paradox of the Internet is that it has benefits which making information widely available; reducing the difficulty of purchasing, marketing, and distribution; allowing buyers and sellers to find and transact business with one another more easily also make it more difficult for companies to capture those benefits as profits.

The deployment of the Internet would increase switching costs and create strong network effects, which would provide first movers with competitive advantages and robust profitability. First movers would reinforce these advantages by quickly establishing strong new-economy brands.

Switching costs encompass all the costs incurred by a customer in changing to a new supplier everything from hashing out a new contract to reentering data to learning how to use a different product or service. As switching costs go up, customers' bargaining power falls and the barriers to entry into an industry rise. While switching costs are nothing new, some observers argued that the Internet would raise them substantially.

In reality, though, switching costs are likely to be lower, not higher, on the Internet than they are for traditional ways of doing business, including approaches using earlier generations of information systems such as EDI. On the Internet, buyers can often switch suppliers with

just a few mouse clicks, and new Web technologies are systematically reducing switching costs even further.

Networking has effects on products or services and those effects are become more valuable as more customers use. A number of important Internet applications display network effects, including e-mail, instant messaging, auctions, and on-line message boards or chat rooms. Where such effects are significant, they can create demand-side economies of scale and raise barriers to entry. This, it has been widely argued, sets off a winner-take-all competition, leading to the eventual dominance of one or two companies.

A particular product or service first attracts the customers whose needs it best meets. According to Porter (2001), the structural attractiveness of an industry whether old or new is determined by five underlying forces of competition: the intensity of rivalry among existing competitors, the barriers to entry for new competitors, the threat of substitute products or services, then bargaining power of suppliers, and the bargaining power of buyers. These five forces combine to determine the economic value created by any product, service, technology, or way of competing with other companies in an industry on one hand and on the other hand, customers, suppliers, distributors, substitutes and potential new entrants.

Internet brands have also proven difficult to build, perhaps because the lack of physical presence and direct human contact makes virtual businesses less tangible to customers than traditional businesses. Despite huge outlays on advertising, product discounts, and purchasing incentives, most dot-com brands have not approached the power of established brands, achieving only a modest impact on loyalty and barriers to entry.

Complements are frequently important to an industry's growth spreadsheet applications, for example, accelerated the expansion of the personal computer industry but they have no direct relationship to industry profitability. While a close substitute reduces potential profitability, for example, a close complement can exert either a positive or a negative influence. Complements affect industry profitability indirectly through their influence on the five competitive forces. If a complement raises switching costs for the combined product offering, it can raise profitability. But if a complement works to standardize the industry's product offering, as Microsoft's operating system has done in personal computers, it will increase rivalry and depress profitability.

Another common form of partnering is outsourcing. Internet technologies have made it easier for companies to coordinate with their suppliers, giving widespread currency to the

notion of the "virtual enterprise" a business created largely out of purchased products, components, and services. While extensive outsourcing can reduce near-term costs and improve flexibility, it has a dark side when it comes to industry structure. As competitors turn to the same vendors, purchased inputs become more homogeneous, eroding company distinctiveness and increasing price competition. Outsourcing also usually lowers barriers to entry because a new entrant need only assemble purchased inputs rather than build its own capabilities. In addition, companies lose control over important elements of their business, and crucial experience in components, assembly, or services shifts to suppliers, enhancing their power in the long run.

Some technological advances will provide opportunities to enhance profitability. Improvements in streaming video and greater availability of low-cost bandwidth, for example, will make it easier for customer service representatives, or other company personnel, to speak directly to customers through their computers. Internet sellers will be able to better differentiate themselves and shift buyers' focus away from price. And services such as automatic bill paying by banks may modestly boost switching costs. In general, however, new Internet technologies will continue to erode profitability by shifting power to customers.

To understand the importance of thinking through the longer-term structural consequences of the Internet, consider the business of digital marketplaces. Such marketplaces automate corporate procurement by linking many buyers and suppliers electronically. The benefits to buyers include low transaction costs, easier access to price and product information, convenient purchase of associated services, and, sometimes, the ability to pool volume. The benefits to suppliers include lower selling costs, lower transaction costs, access to wider markets, and the avoidance of powerful channels.

From an industry structure standpoint, the attractiveness of digital marketplaces varies depending on the products involved. The most important determinant of a marketplace's profit potential is the intrinsic power of the buyers and sellers in the particular product area.

If either side is concentrated or possesses differentiated products, it will gain bargaining power over the marketplace and capture most of the value generated. If buyers and sellers are fragmented, however, their bargaining power will be weak, and the marketplace will have a much better chance of being profitable. Another important determinant of industry structure is the threat of substitution. If it is relatively easy for buyers and sellers to transact

business directly with one another, or to set up their own dedicated markets, independent marketplaces will be unlikely to sustain high levels of profit.

Anything buyers or suppliers provide to a marketplace, such as information on order specifications or inventory availability, can be readily provided on their own proprietary sites. Suppliers and customers can begin to deal directly on-line without the need for an intermediary. And new technologies will undoubtedly make it easier for parties to search for and exchange goods and information with one another.

5.2 The Internet and the Competitive Advantage

If average profitability is under pressure in many industries influenced by the Internet, it becomes all the more important for individual companies to set themselves apart from the pack to be more profitable than the average performer. The only way to do so is by achieving a sustainable competitive advantage by operating at a lower cost, by commanding a premium price, or by doing both.

Cost and price advantages can be achieved in two ways. One is operational effectiveness doing the same things your competitors do but doing them better. Operational effectiveness advantages can take myriad forms, including better technologies, superior inputs, better-trained people, or a more effective management structure. The other way to achieve advantage is strategic positioning doing things differently from competitors, in a way that delivers a unique type of value to customers. This can mean offering a different set of features, a different array of services, or different logistical arrangements. The Internet affects operational effectiveness and strategic positioning in very different ways. It makes it harder for companies to sustain operational advantages, but it opens new opportunities for achieving or strengthening a distinctive strategic positioning.

5.3 Operational Effectiveness

The Internet is arguably the most powerful tool available today for enhancing operational effectiveness. By easing and speeding the exchange of real-time information, it enables improvements throughout the entire value chain, across almost every company and industry.

And because it is an open platform with common standards, companies can often tap into its benefits with much less investment than was required to capitalize on past generations of information technology.

But simply improving operational effectiveness does not provide a competitive advantage. Companies only gain advantages if they are able to achieve and sustain higher levels of operational effectiveness than competitors. That is an exceedingly difficult proposition even in the best of circumstances. Once a company establishes a new best practice, its rivals tend to copy it quickly. Best practice competition eventually leads to competitive convergence, with many companies doing the same things in the same ways. Customers end up making decisions based on price, undermining industry profitability.

The nature of Internet applications makes it more difficult to sustain operational advantages than ever. In previous generations of information technology, application development was often complex, arduous, time consuming, and hugely expensive. These traits made it harder to gain an IT advantage, but they also made it difficult for competitors to imitate information systems. The openness of the Internet, combined with advances in software architecture, development tools, and modularity, makes it much easier for companies to design and implement applications. Today, nearly every company is developing similar types of Internet applications, often drawing on generic packages offered by third-party developers. The resulting improvements in operational effectiveness will be broadly shared, as companies converge on the same applications with the same benefits.

5.4 Strategic Positioning

As it becomes harder to sustain operational advantages, strategic positioning becomes all the more important. If a company cannot be more operationally effective than its rivals, the only way to generate higher levels of economic value is to gain a cost advantage or price premium by competing in a distinctive way. Without a distinctive strategic direction, speed and flexibility lead nowhere. Either no unique competitive advantages are created, or improvements are generic and cannot be sustained.

Having a strategy is a matter of discipline. It requires a strong focus on profitability rather than just growth, an ability to define a unique value proposition, and a willingness to make tough trade-offs in choosing what not to do. A company must stay the course, even during

times of upheaval, while constantly improving and extending its distinctive positioning. strategy goes far beyond the pursuit of best practices. It involves the configuration of a tailored value chain the series of activities required to produce and deliver a product or service that enables a company to offer unique value. To be defensible, moreover, the value chain must be highly integrated.

5.4.1 The Six Principles of Strategic Positioning

To establish and maintain a distinctive strategic positioning, a company needs to follow six fundamental principles. First, it must start with the right goal: superior long-term return on investment. Only by grounding strategy in sustained profitability will real economic value be generated. Economic value is created when customers are willing to pay a price for a product or service that exceeds the cost of producing it. When goals are defined in terms of volume or market share leadership, with profits assumed to follow, poor strategies often result. The same is true when strategies are set to respond to the perceived desires of investors.

Second, a company's strategy must enable it to deliver a value proposition, or set of benefits, different from those that competitors offer. Strategy, then, is neither a quest for the universally best way of competing nor an effort to be all things to every customer. It defines a way of competing that delivers unique value in a particular set of uses or for a particular set of customers.

Third, strategy needs to be reflected in a distinctive value chain. To establish a sustainable competitive advantage, a company must perform different activities than rivals or perform similar activities in different ways. A company must configure the way it conducts manufacturing, logistics, service delivery, marketing, human resource management, and so on differently from rivals and tailored to its unique value proposition. If a company focuses on adopting best practices, it will end up performing most activities similarly to competitors, making it hard to gain an advantage.

Fourth, robust strategies involve trade-offs. A company must abandon or forgo some product features, services, or activities in order to be unique at others. Such trade-offs, in the product and in the value chain, are what make a company truly distinctive. When improvements in the product or in the value chain do not require trade-offs, they often become new best practices that are imitated because competitors can do so with no sacrifice to their existing

ways of competing. Trying to be all things to all customers almost guarantees that a company will lack any advantage.

Fifth, strategy defines how all the elements of what a company does fit together. A strategy involves making choices throughout the value chain that are interdependent; all a company's activities must be mutually reinforcing. A company's product design, for example, should reinforce its approach to the manufacturing process, and both should leverage the way it conducts after-sales service. Fit not only increases competitive advantage but also makes a strategy harder to imitate. Rivals can copy one activity or product feature fairly easily but will have much more difficulty duplicating a whole system of competing. Without fit, discrete improvements in manufacturing, marketing, or distribution are quickly matched.

Finally, strategy involves continuity of direction. A company must define a distinctive value proposition that it will stand for, even if that means forgoing certain opportunities. Without continuity of direction, it is difficult for companies to develop unique skills and assets or build strong reputations with customers. Frequent corporate "reinvention," then, is usually a sign of poor strategic thinking and a route to mediocrity. Continuous improvement is a necessity, but it must always be guided by a strategic direction.

5.4.2 The Absense of Strategy

Rather than focus on profits, they have sought to maximize revenue and market share at all costs, pursuing customers indiscriminately through discounting, giveaways, promotions, channel incentives, and heavy advertising. Rather than concentrate on delivering real value that earns an attractive price from customers, they have pursued indirect revenues from sources such as advertising and click-through fees from Internet commerce partners. Rather than make trade-offs, they have rushed to offer every conceivable product, service, or type of information. Rather than tailor the value chain in a unique way, they have aped the activities of rivals. Rather than build and maintain control over proprietary assets and marketing channels, they have entered into a rash of partnerships and outsourcing relationships, further eroding their own distinctiveness.

By ignoring strategy, many companies have undermined the structure of their industries, hastened competitive convergence, and reduced the likelihood that they or anyone else will gain a competitive advantage. A destructive, zero-sum form of competition has been set in motion that confuses the acquisition of customers with the building of profitability. Instead

of emphasizing the Internet's ability to support convenience, service, specialization, customization, and other forms of value that justify attractive prices, companies have turned competition into a race to the bottom.

When it comes to reinforcing a distinctive strategy, tailoring activities, and enhancing fit, the Internet actually provides a better technological platform than previous generations of IT. Indeed, IT worked against strategy in the past. Packaged software applications were hard to customize, and companies were often forced to change the way they conducted activities in order to conform to the "best practices" embedded in the software. It was also extremely difficult to connect discrete applications to one another. Enterprise resource planning (ERP) systems linked activities, but again companies were forced to adapt their ways of doing things to the software. As a result, IT has been a force for standardizing activities and speeding competitive convergence.

Internet architecture, together with other improvements in software architecture and development tools, has turned IT into a far more powerful tool for strategy. It is much easier to customize packaged Internet applications to a company's unique strategic positioning. By providing a common IT delivery platform across the value chain, Internet architecture and standards also make it possible to build truly integrated and customized systems that reinforce the fit among activities.

5.5 Value Chain

The basic tool for understanding the influence of information technology on companies is the value chain the set of activities through which a product or service is created and delivered to customers. When a company competes in any industry, it performs a number of discrete but interconnected value-creating activities, such as operating a sales force, fabricating a component, or delivering products, and these activities have points of connection with the activities of suppliers, channels, and customers. The value chain is a framework for identifying all these activities and analyzing how they affect both a company's costs and the value delivered to buyers.

Because every activity involves the creation, processing, and communication of information, information technology has a pervasive influence on the value chain. The special advantage of the Internet is the ability to link one activity with others and make real-time data created

in one activity widely available, both within the company and with outside suppliers, channels, and customers. By incorporating a common, open set of communication protocols, Internet technology provides a standardized infrastructure, an intuitive browser interface for information access and delivery, bidirectional communication, and ease of connectivity all at much lower cost than private networks and electronic data interchange, or EDI.

The evolution of information technology in business can be thought of in terms of five overlapping stages, each of which evolved out of constraints presented by the previous generation. The earliest IT systems automated discrete transactions such as order entry and accounting. The next stage involved the fuller automation and functional enhancement of individual activities such as human resource management, sales force operations, and product design. The third stage, which is being accelerated by the Internet, involves cross-activity integration, such as linking sales activities with order processing. Multiple activities are being linked together through such tools as customer relationship management (CRM), supply chain management (SCM), and enterprise resource planning (ERP) systems. The fourth stage, which is just beginning, enables the integration of the value chain and entire value system, that is, the set of value chains in an entire industry, encompassing those of tiers of suppliers, channels, and customers.

SCM and CRM are starting to merge, as end-to-end applications involving customers, channels, and suppliers link orders to, for example, manufacturing, procurement, and service delivery. Soon to be integrated is product development, which has been largely separate. Complex product models will be exchanged among parties, and Internet procurement will move from standard commodities to engineered items.

Fifth stage, information technology will be used not only to connect the various activities and players in the value system but to optimize its workings in real time. Choices will be made based on information from multiple activities and corporate entities. Production decisions, for example, will automatically factor in the capacity available at multiple facilities and the inventory available at multiple suppliers. While early fifth-stage applications will involve relatively simple optimization of sourcing, production, logistical, and servicing transactions, the deeper levels of optimization will involve the product design itself. For example, product design will be optimized and customized based on input not only from factories and suppliers but also from customers.

Customers cannot physically examine, touch, and test products or get hands-on help in using or repairing them.

Knowledge transfer is restricted to codified knowledge, sacrificing the spontaneity and judgment that can result from interaction with skilled personnel.

The ability to learn about suppliers and customers (beyond their mere purchasing habits) is limited by the lack of face-to-face contact.

The lack of human contact with the customer eliminates a powerful tool for encouraging purchases, trading off terms and conditions, providing advice and reassurance, and closing deals.

Delays are involved in navigating sites and finding information and are introduced by the requirement for direct shipment.

Extra logistical costs are required to assemble, pack, and move small shipments.

Companies are unable to take advantage of low-cost, non-transactional functions performed by sales forces, distribution channels, and purchasing departments (such as performing limited service and maintenance functions at a customer site).

The absence of physical facilities circumscribes some functions and reduces a means to reinforce image and establish performance.

Attracting new customers is difficult given the sheer magnitude of the available information and buying options.

Rather than being isolated, Internet technology should be the responsibility of mainstream units in all parts of a company. With support from IT staff and outside consultants, companies should use the technology strategically to enhance service, increase efficiency, and leverage existing strengths. While separate units may be appropriate in some circumstances, everyone in the organization must have an incentive to share in the success of Internet deployment.

5.5.1 New Economy of the Internet

The Internet is not disruptive to established industries or even new companies. In many cases, it makes the most important sources even more important. As more companies start adopting Internet technology, the concept of the Internet will be rendered irrelevant. Instead of being a source of advantage, the Internet will be used as a source of disadvantage. As all

companies come to embrace Internet technology, moreover, the Internet itself will be neutralized as a source of advantage. Basic Internet applications will become table stakes companies will not be able to survive without them, but they will not gain any advantage from them. The more robust competitive advantages will arise instead from traditional strengths such as unique products, proprietary content, distinctive physical activities, superior product knowledge, and strong personal service and relationships.

Ultimately, strategies that combine the advantages of the Internet and the traditional competitive advantages should win in most industries. They will also want a variety of ways to deal with them. On the supply side, procurement and production will be more effective if they are conducted in combination with a strategy that is optimized for efficiency. Instead of imitating established companies, websites should create strategies that are unique and innovative. Successful websites will share the following characteristics:

- Strong capabilities in Internet technology

- A distinctive strategy vis-a-vis established companies and other dotcoms, resting on a clear focus and meaningful advantages

- Emphasis on creating customer value and charging for it directly, rather than relying on ancillary forms of revenue.

- Distinctive ways of performing physical functions and assembling non-Internet assets that complement their strategic positions

- Deep industry knowledge to allow proprietary skills, information and relationship to be established

Contrary to popular belief, established companies do not need to be afraid of the Internet. They can still win in the long run due to their traditional competitive advantages. The greatest threat to a company's established status is either failing to deploy or failing to deploy the Internet strategically. Both scenarios require an aggressive program to ensure that the network is used effectively and efficiently.

6 THEORATICAL INFORMATION ON E-COMMERCE MARKETPLACE PROJECT

There are some important aspects, such as supplier involvement, building a business case and developing scoring criteria for software platform selection, which are unique to a B2B E-marketplace project (Neef, 2001).

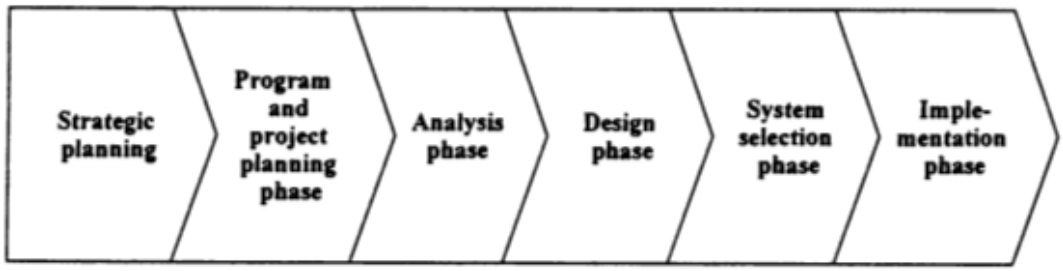


Figure 4.2 Key phases of an enterprise-wide E-procurement project (Neef 2001, p. 162)

Before the beginning of the project, organizational decision makers have to discuss and be agreed on how the project is going to planned and executed (Corsten 2000, p.12). The executive group has a cognition about what really the job is and the steps of the project,

Experts from all relevant departments such as procurement, finance, management and information systems and manufacturing have to review the strategic directions, guiding principles and the project goals (Neef 2001). The targets have to be set, critical areas to be identified (Litke 1995, p. 31). In the system selection phase, the software requirements have to be identified and aspects such as cost, functionality, integration and interoperability have to be thoughtfully analyzed. Finally, the project has to be implemented, which is the most critical and resource intense phase (Baguley 1999, p. 24).

B2B E-marketplaces offer tools and processes, such as business rules, technology, transaction support, that help companies conduct business with other entities more effectively. What separates this new marketplace from the old can be summed up in two words: efficiency and change (Cunningham 2001, p. 9). However, these new processes and

tools must also comply with existing standards of doing business and the technology must support rather than impair those standards. The key to success is the appropriate fit between the given circumstances and the new methods of doing business.

the cornerstone of the appropriate fit is a successful project management of the introduction of the B2B E-marketplace concept.

7 MARKETING OF E-COMMERCE

In the view that marketing is an activity designed to help sell is often shared by companies whose primary activity is warehoused products. As a discipline, marketing is much broader than sales. It involves all aspects of product development, from concept to execution. This process of marketing is commonly referred to as advertising or sales promotion. It is also regarded as a process of communicating a product or service's value to its customers. But this can be a definition of the advertising, not marketing. Equating marketing with advertising, promotion, and sales is a common mistake. This concept limits companies' ability to develop a comprehensive strategy for marketing. Aside from tactical activities, marketing also involves strategic planning and analysis. This process helps identify the company's goals and objectives, and it helps formulate the company's marketing strategies (Hutt and Speh, 2010).

7.1 Customer Satisfaction Measurement Techniques and Models

Customer satisfaction research is the discipline that research and consultancy companies are developing various of models and techniques. Market research companies would use statistical modelling techniques to decide the key elements of customer satisfaction. Using regression models and other statistical methods, some results can be turn into positive product or service improvements. The other method of measuring customer satisfaction level is to be asking directly to responders about on traditional survey methods with standard rating scales. The structure of the customer relationship is qualitative research with customers using interviews, quantitative ad hoc assessment of performance and deciding priorities and quantitative repeated survey methods.

Asking for the rating and comments about the product or service side, which can be gathered on the product or service web page or collected on databases. These data can be processed in the CRM software later on to improve product, service or after sale quality. Customer satisfaction results must be tracked on regular and time basis, 3 months, 6 months or annually and changes on the results must be evaluated. If the survey is going to be on short periods of

time without improving or changing any business operation, customers would be tired of replying same questions and this might have negative effect.

The final stage of the customer satisfaction measurement is the reporting, it is about to show results of customer data understandable. Showing and explaining results and giving suggestions to company management is important. Reports must be relevant to the different disciplines inside the company. Personnel from different disciplines should use the results and ask for questions if necessary.

a) Customer Ratings and Reviews: Customer ratings are popular, and they can be found on product or service pages or independent review sites and in customer news feeds. Customer ratings can be summarized by votes or polls.

b) Customer Testimonials: Customer experiences are typically published on vendors sites and third-party websites. Some websites encourage discussion.

c) Expert Ratings and Reviews: Ratings or reviews can also be generated by domain experts and appear in online publications.

d) Sponsored Reviews: These reviews are written by paid bloggers or domain experts. Advertisers and bloggers can find each other by searching through websites, which connects bloggers with marketers and advertisers.

e) Conversational Marketing: People communicate via e-mail, blog, live chat, discussion groups, and tweets. Monitoring conversations may yield rich data for market research and customer service.

f) Video Product Review: Reviews can be generated by using videos. Video sharing websites offers reviews that are uploaded, viewed, commented on and shared.

g) Bloggers' Post Reviews: Bloggers and influencers are paid, and they can promote the products.

h) Social Network Influence: Social networks can play an important role in influencing customer purchases both through referrals and requests for information.

7.2 Segmentation of Products and Services

Wind and Cardozo (1974) describe the market segmentation as "a group of present or potential customers with common characteristic which is relevant in explaining and forecasting their response to the supplier's marketing motivation. Mothersbaugh (2013) describes market segmentation as a "portion of a larger market whose needs differ from the larger market". Segmentation of products and services are one of the important aspects of marketing discipline and companies need to know, how the products and services will match the customer's needs, and how we can solve the problems of customers with our product portfolio (Schnedler, 1996). Some companies would use segmentation for selecting a group of profitable customer portfolio, some companies would develop a value proposition such as product or service offering which would meet customer needs better than competitors, and some companies would use marketing resources to gain, develop and keep profitable customers (Gertz and Baptista, 1995) (Hutt and Speh 2010). According to Mothersbaugh and Hawkins (2020), market segmentation involves four steps; Identifying product-related need sets, grouping customers with similar need sets, describing each group and selecting an attractive segment to serve. The term of need set is used for describing the fact that in developed countries, most of the products match more than a need. Most of the products have sub benefits, which can be like status or style needs, some people would like to have a brand rather than an actual product itself. Identifying the need sets in product would like to satisfy customers, typically a result of consumer research, interview of focus groups and thinking and insight. Need sets are often related with the customer attributes such as age, gender, social status, economic status, nation, culture or lifestyle. After describing the target segment, customers with similar needs must be grouped, for example: "A male motocycle enthusiast lives in the US and in middle age group and have passion for the engine sound of motorcycles and would look for comfortable motocycle because they might drive on motocycle 5 hours or more. But this customer has middle level of income so he cannot buy something expensive, but he has a specific brand in his mind so he might be able to join a brand specific motocycle group on social media and travel to the country area with that motocycle group in the weekends."

If we put this story in our front, there are limited number of companies who might produce such motocycle for that potential customer, but not just for motocycle, protective equipment company for cyclers can label this customer as the target base. In fact, protective equipment

producer is not able to sell its products if the customer doesn't have the motocycle. In this context, first of all companies have to know their customer base, but there must be a need for product or service. Companies must find themselves in people or business's needs. Third, we have to find customer and we must know what and why we are selling, and the last one is how we are going to sell our products with the target customer.

For example, if we assume that our target motocycle customers have more free soul and lifestyle, we can offer them and mobile application with fully customizable helmet as buy a helmet as they want to. Our customers can upload there .png format image file and customize as they want. With the affordable prices, and if the helmets satisfy the security average of helmet market, this might be a great option for motocyclers. So, when the motocycle goes on road with the social group founded on social media, other cyclers would ask brand of the helmet or other customizable equipment, they can post it on social media, and many positive possibilities can be occurred in case of executing such service. In this context, again, knowing the target group and providing to solution to them is a necessity.

After we are sure that we understood our customer segments, we must select our target market, which is the segment of the larger market which we will focus on businesses marketing effort. The decision is related with the customers which might provide profit to business. The size and growth of the segment, the intensity of the current and anticipated competition, the cost of providing the superior value are important considerations.

David E. Schnedler, "Use Strategic Market Models to Predict Customer Behavior," Sloan Management Review 37 (Spring 1996): p. 92; see also, Eric von Hippel, Stefan Thomke, and Mary Sonnack, "Creating Breakthroughs at 3M," Harvard Business Review 77 (September–October 1999): pp. 47–57.

Dwight L. Gertz and João P. A. Baptista, Grow to Be Great: Breaking the Downsizing Cycle (New York: The Free Press, 1995), p. 54.

Yoram Wind and Richard N. Cardozo, "Industrial Market Segmentation," Industrial Marketing Management 3 (March 1974): p. 155; see also Vincent-Wayne Mitchell and Dominic F. Wilson, "Balancing Theory and Practice: A Reappraisal of Business-to-Business Segmentation," Industrial Marketing Management 27 (September 1998): pp. 429–455.

7.3 Search Engine Optimization

When consumers enter a search term, they are presented with organic or sponsored links. The former provides a list of links that are relevant to the query, while the latter distributes advertisements to advertisers. Since organic links are more reliable, advertisers tend to increase their visibility through various strategies. Website owners can choose to implement organic search engine marketing or bid for sponsored links. There are also various options when it comes to search engine marketing (Berman, 2013).

Search engine marketing is a type of strategy that involves the use of various paid advertising options, which are beyond the reach of this tutorial. It is focused on achieving high-ranking organic results for websites that are generated by search engines (Killoran, 2013).

7.4 Push vs. Pull Principle

Promotion techniques help create a favorable image of a target group. Mass media such as newspapers, radio, and TV should be utilized to reach out to potential customers. A customer interaction is also conducted through various promotional methods. Some companies use the Internet to send out promotional messages without a clear strategy or plan. Spam is a term used to describe the unsolicited dispatch of promotional material to various online groups and email accounts.

The push principle refers to the automatic delivery of information or promotional messages to the Internet user according to the content provider and the subject of the message. The push principle is often used for promotional forms. Usually, the company or promoter gets the approval of the respondents before taking action. This method is usually counterproductive.

The pull principle states that the user selects which web sites he wants to visit and which information he wants to obtain from the Internet. The user's action is initiated by him or herself (Meier, 2009).

8 THE LIMITATIONS AND BARRIERS OF E-COMMERCE

In this section, we will explain the limitations and barriers of e-Commerce, this is an important topic of e-Commerce because every company is a part of a community. Every company has to communicate its potential and the existing customers. The success of communication and responsibilities are having a direct connection with company's sustainability.

Technological Limitations	Non-technological Limitations
Need for universal standards for quality, security and reliability	Security and privacy concerns deter customers from buying
The telecommunications bandwidth may be insufficient, especially for m-commerce, videos, and graphics	Resistance to change
It is difficult to integrate Internet and EC software with some existing (especially legacy) applications and databases	Many legal and public policy issues are not resolved or are not clear
Special Web services are needed in addition to the network servers, which add to the cost of EC	National and international government regulations sometimes get in the way
Internet accessibility is still expensive and/or inconvenient for many people	It is difficult to measure some of the costs and benefits of EC
Large-scale B2C requires special automated warehouses for order fulfillment	Not enough customers. Lack of collaboration along the supply chain
	Global competition intensifies

8.1 Legal Problems

E-commerce is a type of business activity that has its own unique set of legal problems. These issues are different from those of the traditional business activities. We will briefly describe legal problems of e-Commerce and what type of problems enterprises can with. The new knowledge-based economy has been using the computer and computer-based communication network. E-contracts are an important tool that enables businesses to transact efficiently through the use of Electronic Data Interchange (EDI). The written forms of a contract may include electronic data messages, such as e-mails and electronic data exchange. Due to their various characteristics, e-contracts are not as easily done as traditional contracts.

In laws of all country's contracts are required in to reflect the true intentions of the parties. In case of material misunderstanding, the contract will be invalidated. E-Contracts are signed without direct involvement of personal contact. The machine's decision-making process is automated, which means it can make decisions without relying on human intervention. There are two possible scenarios that could happen when the machine doesn't have direct control over its settings: it could send a contract signing information with incorrect intent or it could make a mistake (QIN,2009) .

II. ANALYSIS

9 STATISTICS ON E-COMMERCE

9.1 Global E-Commerce Statistics

In global e-Commerce statistics, we must analyze the consumer behaviors in various countries together, so we can reach easily on global trends. In this context, UPS Smart E-Commerce (2021), published a report. They sent e-mails to participants to complete a online survey. Total number of 10,699 adults have been surveyed and those candidates were from UK, France, Germany, Italy, Spain, Belgium, Netherlands and Poland.

9.1.1 Consumer Behaivor on E-Commerce

According to UPS Smart E-Commerce Report (2021), online shopping habits are changed during the pandemic. In fact, people were not going in their home, but they haven't given up on their consuming habits. Online shopping has increased in 50% worldwide, from 10% to 15% and buying in brick-and-mortar type stores have dropped 26%, from 54% before pandemic and to 40% post pandemic. Those are retailer statistics, but demanding behavior have a positive effect on the supplier side. Research shows that, customers are choosing online shopping for various reasons, 48% of the subjects are choosing online shopping for convenience, 38% percent of online shopping customers are using for cheaper prices, 41% percent of candidates are using e-Commerce for shopping enjoyment, and 38% of online shoppers have a more personal need. Percentages are not 100% in total, because of multiple choices. For customers sustainability is a most important factor in online shopping. 75% percent of candidates are in favor of sustainability. Sustainable packaging, minimum amount for free delivery, alternative delivery options and carbon footprint offsetting for deliveries are most answered sustainability factors by customers.

9.2 E-Commerce Statistics on United States

According to United States Census bureau, E-commerce shipments of U.S. manufacturers were 4,010.6 billion USD in 2018, increased 7.5 percent from 3,729.5 billion USD in 2017. Total shipments were 5,954.9 billion USD in 2018, increased 6.6 percent from 5,588.0 billion USD in 2017. E-commerce shipments were 67.3 percent of all manufacturing shipments in 2018, decreased from 66.7 percent in 2017. Transportation equipment manufacturing shipment has the most percentage of the e-Commerce manufacturing shipment share in both 2016, 2017, and 2018 statistics shows. Transportation equipment manufacturing include sub sectors like motor vehicle manufacturing, motor vehicle parts manufacturing, aerospace and aircraft manufacturing and parts manufacturing, railroad manufacturing including its sub parts, ship manufacturing including sub parts, also railroad manufacturing including its parts has 21% of share of all e-Commerce shipments in 2018.

Table X E-commerce as a percentage of total Shipments/Sales/Revenues: 2017 and 2018

	Total Manufacturing	Total MWT	Total Retail Trade	Total Service Industries
2017	67.3	32.3	9.9	7.1
2018	66.7	32.8	9.1	6.5

Specifically, the Total Merchant Wholesale Trade (Total MWT) covers wholesale merchants who sell goods on their own account and include such businesses as wholesale merchants or jobbers, industrial distributors, exporters, and importers.

Revenues from electronic sources for service industries in the United States were 1,151.7 billion USD in 2018, increased 15.4 percent from a revised 997.7 billion USD in 2017. Total revenues were 16,196.0 billion USD in 2018. Revenues from electronic sources were 7.1 percent of total revenues in 2018, up from a revised 6.5 percent in 2017.

The Census Bureau of the USA describes E-Commerce sales are sales of goods and services where the buyer places order, or the price and terms of the sale are negotiated over an

internet, mobile device, extranet, Electronic Data Interchange (EDI) network, electronic mail, or other comparable online system. Payment may or may not be online. On this description, The Census Bureau of the department of commerce estimates of US retail e-commerce sales for the first quarter of 2021, adjusted for the seasonal variation, but not for price changes was 215.0 billion USD, an increase of 7.7 percent (±0.5%) from the fourth quarter of 2020. Adjusted numbers of e-Commerce trade shown with the effect of Coronavirus pandemic, e-Commerce sales have been increased in the USA. In the second quarter of 2021, US retail e-commerce sales was 222.5 billion USD with 3.3% of increase (±0.7%) from the first quarter of 2021. E-Commerce sales in the second quarter of 2021 accounted for 13.3 percent of total sales.

Figure: E-Commerce as a percentage of total retail sales

Quarter	Retail Sales (millions of dollars)		E-commerce as a Percent of	Percent Change From Prior Quarter		Percent Change From Same Quarter A Year Ago	
	Total	E-commerce	Total	Total	E-commerce	Total	E-commerce
Adjusted[2]							
2nd quarter 2021(p)	1,666,780	222,484	13.3	5.2	3.3	28.2	9.1
1st quarter 2021(r)	1,584,491	215,290	13.6	8.0	7.8	17.0	39.3
4th quarter 2020	1,467,425	199,665	13.6	0.6	-0.9	7.0	32.0
3rd quarter 2020	1,458,401	201,382	13.8	12.2	-1.2	7.0	36.1
2nd quarter 2020(r)	1,300,246	203,847	15.7	-4.0	31.9	-3.6	43.8
Not Adjusted							
2nd quarter 2021(p)	1,691,031	211,704	12.5	14.9	7.6	28.0	9.3
1st quarter 2021(r)	1,472,314	196,808	13.4	-4.9	-16.6	16.4	39.1
4th quarter 2020	1,548,016	235,957	15.2	6.0	23.2	7.0	31.9
3rd quarter 2020	1,460,101	191,573	13.1	10.6	-1.1	7.0	36.3
2nd quarter 2020	1,320,701	193,624	14.7	4.4	36.8	-3.4	43.7

(p) Preliminary estimate. (r) Revised estimate.

9.3 Economic Statistics in the Republic of Turkey

Turkey is a developing country with its 84 million population, and with promising economy, but statistics are clearly showing that, Turkey is behind of European countries, in terms of e-Commerce area. There are 37 million registered users of e-Commerce in 2020, with 44% of e-Commerce penetration, with 71% of internet penetration and 67.2% Smartphone penetration, according to ecommerceDB (2020). Turkey is also the 21st largest market for e-Commerce area with the revenue of 12 billion US dollars, making Turkey as 21st country on the e-Commerce area according to ecommerceDB as 2020s statistics and 23rd country based on World Retail Congress (2019) ranking.

9.3.1 E-Commerce Statistics of Turkey

JP Morgan (2020) describes Turkey as a dynamic and attractive market for e-Commerce business. Robust sales growth has been attributed to the country's rapidly evolving consumer behavior. Despite the steady growth of e-commerce in Turkey, the country's infrastructure constraints still remain an issue. This is often seen as a way for SMEs to enter the market and access established platforms. Turkey is an e-commerce market that is different from most European markets. Its unique characteristics make it stand out. While many European retailers operate in this region, Turkish consumers are still very early in their journey when

it comes to making purchases online. Turkey's e-commerce market is relatively modest compared to other European nations, but it has rapid growth rates. Despite the relatively small size of the e-commerce market in Turkey, it has grown significantly in the past couple of years. In 2018, the total revenue of Turkish e-commerce reached over US$1.6 billion.

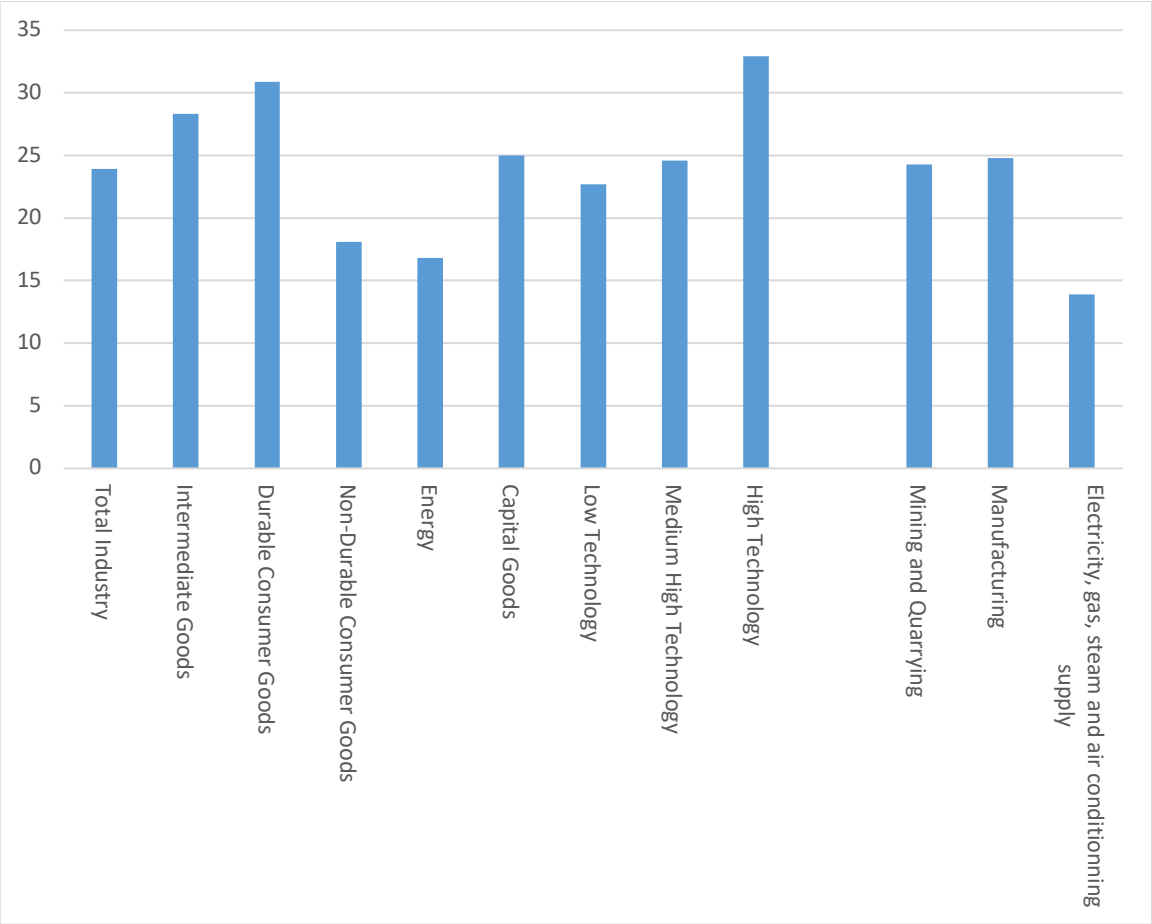


Figure : Turkish Industrial Production Change from June 2020 to June 2021

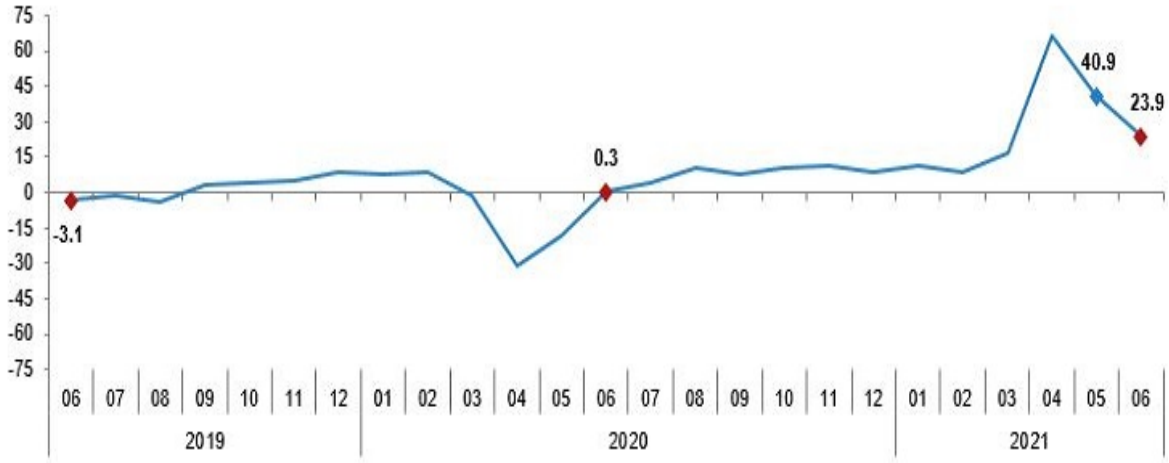


Figure. : Industrial Production Index Annual Change Rates as %, June 2021

9.3.2 Gross Domestic Product

According to Turkish Statistical Institue (2021), Gross Domestic Product has been increased by 7% in the first quarter of 2021, compared with the same quarter of the previous year. When we analyze the activities in detail, information and communication sector has been increased by 18.1% other service activities are increased by 14.4%, 11.7% in industry and 7.5% in agriculture. On the other hand, human health and social work activities increased 2.9%, financial and Insurance activities increased by 2.8%, and construction sector increased 2.8% percent and they stand below the GDP average on Turkish Economy.

		GDP			
Year	Quarter	Current prices (Million TRY)	Current prices (Million $)	Chain-linked Volume index (2009=100)	Percentage change (%)
2019	**Annual**	**4 320 191**	**760 778**	**176.1**	**0.9**
	I	925 360	172 414	154.4	-2.6
	II	1 028 470	175 231	170.5	-1.7
	III	1 158 060	204 169	187.0	1.0
	IV	1 208 300	208 965	192.5	6.4
2020	**Annual**	**5 047 909**	**717 049**	**179.2**	**1.8**
	I	1 073 528	176 579	161.3	4.5
	II	1 035 789	152 268	152.9	-10.3
	III	1 413 804	196 569	198.7	6.3
	IV	1 524 788	191 633	203.8	5.9
2021	I	1 386 347	188 065	172.6	7.0

Figure :GDP Data of Turkey

9.3.3 Import, Export Characteristics

In the first quarter of 2021, the value of goods and services exported increased by 3.3%, while the imports decreased by 1.1%. As compared with the corresponding month of the preceding year, the overall export unit value index increased by 11.2% in June. In the same month, compared to June 2020, the index for food, beverages and tobacco, crude materials (except fuels), fuels and manufactured goods (except food, beverages and tobacco) increased by 25.3%, 27.0%, 71.3% and 7.2%, respectively.

10 BUSINESS PLAN OF OZLANDO.COM

Having a business plan is a necessary step in entrepreneurship discipline. A good prepared business plan can give information about what steps had taken and what steps will be taking on the process of starting-up and developing business.

10.1 Company and Industry

Ozlando.com (Project Ozlando) is a B2B e-commerce platform focusing on selling Turkish export products. Sales missions will be differentiated by value chain differences from other Turkish export portals by marketing strategies, how to list our products, customer relation management, and easy-to-buy opportunities. The office will be located in Samsun City, Turkey, and will execute all its operations from the center in Samsun, due to its logistically advanced sea, motorway, railroad, and airway opportunities, other satisfactory infrastructure and workforce for generating such business activities. Ozlando.com will be an international trade platform where businesses and individuals can buy their goods and services from the portal. The Ozlando.com sale portal will earn revenue from each sale, so gaining supplier and customer base is crucial. Ozlando.com will use existing, customizable and e-commerce platforms such as “Woocommerce Extension of Wordpress”, “Shopify” or “Webflow”. Because those platforms are offering the best solutions for starting a business by individuals. Using a self-made e-commerce platform can be costly for small businesses. WooCommerce has been choose due to full control over e-Commerce operations and the number of tools WooCommerce has been using.

10.2 Products and Services

Our list will be a huge variety of retail products to sell such as processed foods, local carpets, machinery, textile, chemical products, plastics, electronics, furniture and similar products

for wholesale and B2B oriented economic activities. Due to our platform is Turkish Export Products oriented, our variety of products is limited by Turkish production capabilities. We will also improve our portfolio with other partner countries and their export-oriented products that need such a platform. The service value we offer is to secure, a trust-based, online, and all-inclusive portal between vendors and buyers.

10.3 Market Analysis

Online stores can reach all around the world and fulfill the needs of potential business-to-business customers, especially for Europe, Middle East, and African Regions, also known as EMEA Region. Online B2B commerce is growing constantly and has different characteristics than B2C e-Commerce around the world. Turkey has a good potential to get a significant amount of market share on the EMEA Region and then Americas Market. Common Turkish e-commerce portals for international buyers are commonly using company listings in their portfolios rather than providing products without an active marketing process. That is the main problem in the Turkish e-Commerce sector for the international customers. So, our solution is to create a product base and make an online catalog as our customers can reach what they need easily. We will work cooperatively with our vendors and create a marketing policy for the portal. We also want to create a portal for our suppliers so they can manage their selling activity easier.

On the market “turkishexporter.com.tr” and “turkishexporter.net” in domestic competitors and alibaba.com group for international B2B commerce. The aim in our business plan is to be number 1 in the B2B e-commerce area. We believe the creation of new sales platforms for Turkish export producers will increase demand to Turkish producers through new sales methods. Creating awareness and new sales opportunities on international areas for Turkish products will increase demand and production.

10.4 Strategy and Implementation

The e-commerce portal we trying to create, gain revenue by connecting buyers to suppliers through a catalog. On international market. Project Ozlando will work and cooperate with Turkish domestic suppliers for publishing their products. We would like to categorize our items by their products. Our Turkish competitors don't have such a strategy, but other international competitors have. Our strategy is based on ethical values and reliable suppliers with Project Ozlando's value chain. We have 4 stages for achieving success and all of those stages will have their own key performance indicators (KPIs).

After we start our business with, we will create a supplier portal, a customer portal, CRM software to manage customers, supplier relations, and operations. Our next objective is to get vendors to create a marketplace and build our product base. Project Ozlando has to include 4 Stages. Stages start from Level 0 and it is for preparation, Level 1 is for starting up the company, Level 2 is for development of the company, and Level 3 is for sustainable

10.5 Management

The Creation process of Project Ozlando is going to be made by only one person in the early stages, Mehmet Berk ÖZYÜREK. The project budget is limited so it doesn't allow hiring the second person until the profit on the first sale can be made. The manager doesn't have any e-Commerce experience before. There could be the procurement of services from freelancers, but the first level of operations will be executed by the founder.

10.6 Company and Industry

Project Ozlando is mainly focusing on e-commerce business activities with added value offering and complete support tools such as payment options, marketing activities, shipping solutions, customer relation systems, Search Engine Optimization, business analytics, social media, and content creation. The starting point is to create an e-commerce portal, a product base, with this approach the business will start as a drop shipping portal of Turkish Export products, basically. There will be no warehouse which we will execute. Business will get the purchase order and payment and send to the producer directly. With this function

ozlando.com will start as an intermediary company, which uses drop-shipping. Then, as we gain customers and revenue, we will try to evolve to e-Commerce businesses with warehouses and invest on logistics, in order to become a complete and all-inclusive e-Commerce service by all means.

10.7 Vision and Mission of the Company

Our vision about Ozlando.com is to develop the most sustainable, efficient and scalable B2B marketplace ever created. Ozlando.com will be a dominator the world's B2B market with the dynamic and strong character of Turkish industry and people, together. We will create a strong tie between the Ozlando.com's growth and lead into Turkish export capacity growth and success.

Our mission is to provide Turkish B2B production goods and services to international markets by using the latest version of e-Commerce business tools, techniques and strategies.

Our company values are Trust, Simplicity, Customer Oriented, Open to New Ideas, Innovation, We Act Global Live Like Local, Corporate Social Responsibility, Worker Friendly

10.8 Facilities and Location

Ozlando.com is a newly founded drop shipping B2B e-commerce company which focus highly on scalable and sustainable growth model. Only facility it might need is to a computer with an internet connection, and a mobile phone to contact with the customers and vendors. In the future which Ozlando.com might grow and became highly profitable company, we are planning to place to a headquarter in Samsun, Turkey. In Samsun, rental prices for offices and homes are relatively cheaper, for 10 personal and their equipment, an office would cost from 400 euros to 600 euros. After a year of starting business properly, renting an office and hiring personal will be possible with the help of bank loan.

10.9 Key Assets

Our key assets about the ozlando.com will be an invoice printer, a desktop computer to maintain our jobs on the office, a notebook computer to maintain our jobs outside of the office, a mobile phone to contact with customers and vendors. We need a stable internet connection to maintain communication channels. At the late stages of development, we should create our own and unique storefront and the web server, we will invest highly on technological hardware and development of the company. Intangible assets are having the domain address and Woocommerce platform for executing e-Commerce activities, website design tools and marketing tools.

10.10 Financial Plan

The estimated budget for the first phase of the project is approximately 3.000 Turkish Lira (300 Euro) and at the end of the first stage of the project. The amount of estimated starting capital is not enough for international standards. The aim here is to start from the minimum starting capital possible due to reducing financial risks and to be a financially self-sufficient organization. At the end of the first stage of business expecting average 40.000 Turkish Lira (4.000 Euro) monthly revenue. That amount of monthly revenue is enough to prove its profitability and getting funds from domestic competitions and support programs. The project should become a profitable business in one year. A minimal starting budget of the project allows us to prioritize making a profit as soon as the budget starts.

10.10.1 Use of Funds

Buying a website name (ozlando.com) costs 215,73 TRY (incl. VAT) for a 2 years period with necessary name protection and having a domain cost 38,93 TRY (incl. VAT) per monthly period. A marketing website (projectozlando.com) and website design tool from Webflow would cost 144 USD approx. 1100 TRY per year (incl. VAT). If we choose the Wordpress account, it will cost 38,93 TRY, 4,73 USD per month (inc. VAT). The business

entity and pre-accounting process will be provided by the online business registration portal, mukellef.co for 250 TRY per month.

10.10.2 Income Statement Projections

The company is basically aimed to get 20 percent of gross margin from the transactions on the starting point. I believe our marketing and financial strategy are compatible with each other. We are trying to register as much as customer we can and doing might be possible by giving discount coupons to whoever register for our customer. We can promote to registration, 10% discount coupon for each register might drop the profitability in the early stages but we will gain more customer base and customer loyalty. We think that keeping profitability percentage low is going to give an advantage to our starting up of the company and it doesn't harm the company, because our overhead costs are already too low. First of all, it is certain that we must have a competitive advantage over our possible competitors. To place our company to certain point on the market, customers must find our products cheaper than anywhere else and the website must develop itself constantly. We would like to reach 5.000 USD dollar profit in a year by gaining 5-dollar average from 1000 transactions. Having this amount of profit is realistic, but having

10.11 Product and Service Description

Revenue of Project Ozlando comes from promoting and selling Turkish products on international markets. In B2B business wholesale and retailing, we will be competing with other B2B trade platforms such as alibaba.com, tradewheel.com, and amazon.com, and Turkish domestic B2B trade platforms such as turkishexporter.com.tr and turkishexpoter.net.

The problem what we are trying to solve is, removing the barriers of trading. In our competitors in domestic market, they limited their brands with Turkey. Companies have to search "Turkish Export Products" specifically to reach a product they might want. So, if a business from international market wants to buy a product, buyers will choose the product from the product list, a huge variety of product portfolios are going to be built, when buyers purchase the product and make the payment, it will come to ozlando.com's management

portal, we will send a request to the seller (producer). The seller will send their products directly to the customer by traditional shipment methods. Ozlando.com will get its profit by this transaction and 10% of the share will be recorded as profit in our account from each sale.

10.12 Features and Benefits

Project Ozlando will bring competitive skills to our suppliers by providing a solid and trust-based relationship with buyers. Ozlando.com has a unique value chain that aims at a good satisfaction level for our buyers and marketing power for our sellers. We will use new marketing methods to reach international markets more quickly. Some of the features in our portal are, Trailer Marketing, Social Media Marketing, Paid Content Creation in Demand, Secure Transaction, Search Engine Optimization and AdSense applications.

10.13 Competition

Ozlando.com will use the advantage of acting globally rather than being domestic, more descriptively, other B2B exporters in Turkey are using “Turkish Exports” on their website name and description. We believe self-positioning and limiting the brand on localization, can bring some problems to it. First of all, before ozlando.com haven’t put a vision on international markets, whoever needs B2B products to buy, they have to search for “Turkish export products” specifically to reach those portals. We put our vision even when we have not started the company yet. Our goals are to reach global market and place ourselves among the top competitors of international market. Second, we want to support local producers and small and boutique manufacturers either. To do this, our approach here must be more proactive rather than being passive. Our aim is to challenge with the international competitors and support small businesses to reach international markets, so we will support small businesses to export products from Turkey and invest on successful companies to grow more.

10.14 Business Model Canvas

10.14.1 Key Partners

The key partners of the ozlando.com are Turkish suppliers, so there is not one but there are lots of individual owners and their companies. If we try to put them in general shape, we can label them as vendors, or suppliers. Those are the people which we have to often visit and ask for their co-operation. If we are talking about Turkish production factories, those people are looking for trust and good communication to do a business with. Our value proposition will provide vendors to discover new markets and businesses. Our vendor base will be various, but they will be located in Turkey, so having more personalized relationships would be easier than our customers, and so it is better to achieve success.

The other key partner is our customers. They are mainly foreigners who are looking for suppliers, their products and services. Those customers will be foreigners who wants to find suppliers and make a contract with them. Our mission is to provide a value proposition to our customers. They find the products they need by using various marketing methods we provided proactively. Then we help them with a brokerage process so that will connect them with the right seller with the right customer.

10.14.2 Key Activities

The key activities of the ozlando.com are having proactive marketing methods to reach international markets and customers, having a strong and popular brand on the international trade market and promote Turkish products worldwide. Our company will start to offer complete and inclusive package of international logistic solutions on the later stages of development, so production companies can focus on their core production activities more easily.

10.14.3 Key Resources

Key resources on the business are having a domain name, an e-Commerce portal, e-Commerce supporting tools are on material side, on the personal side, a co-owner of 2 or 3 people with fair workload sharing is enough on the starting-up aspect.

10.14.4 Value Proposition

Our goal is to be a leading player in the international Business-to-business market, by using the real potentials of Turkish industry. When we started this project, we put a vision to increase Turkish exports by delivering maximum added value from e-Commerce side. Values we offer are high performance on international markets, ability to compete with bigger players, such as Chinese companies' international markets. While competing on the international markets we will highly investing most of the profit we earn to research, development, innovation and improvisation. We will try to get rid of unnecessary costs of doing business. We will invest on brand value and internationally known e-Commerce page, so we can add other producers from different countries and increase our product and vendor portfolio.

10.14.5 Customer Relations

Firstly, our vendors and customers are going to know us after we finish the development and design of the e-Commerce system. This is possible by various of factors, first, I will promote my website with the help of tools like AdSense, Facebook Ads and Instagram Ads on the customer side, internationally. On the vendors side, firstly we will contact the regional development offices throughout Turkey and talk with the trade offices for each city. Then we will find the possible trade partners, who wants to make a co-operation with us, we will start to place our products to our catalog. In the customer side, we would like to apply loyalty programs such a discount coupon with the registration on the website. Our main target base is businesses, so having a long term and strong relationship with the contact can help us to have a regular cash flow on our e-Commerce company. In fact, that's what we would like to have in our company, a healthy and stable cash flow, because after some time, we will pay rent, taxes and wages of the workers. Unbalanced cash flow would make our business not sustainable anymore and it has a risk, so having multiple small, but stable amount of income is better than one time but big amount of income.

10.15 Strength of Turkish Industry

Turkish Products are cheaper and competitive, compared to international market. This competitiveness makes Turkish products easy to sell. Turkish production factories have a flexible characteristic, according to Upton (1995), flexible factories mean, responding the customer orders quickly, provide them a variety of product range and introduce new products to the portfolio easily. Turkish factory owners have a strong mindset to invest in their capital, produce more and sell it to all over the world if it is possible. Geographical advantage of Turkey is another strength. Turkish producers have a reach to both Europe, Asia and the Africa on their hinterlands, and this is developing and improving constantly. For example, Turkish government initiated a railroad freight service from Istanbul to China, and it took only 14 days, another freight service to Russia took 8 days. Turkey also have a train freight transportation through directly to the middle of Europe (Anadolu Agency, 2021). Turkey also uses road, air and seaway freight transportation frequently.

10.16 Strategy and Implementation

10.16.1 Internet Strategy

We will evaluate our internet strategy by, we will open a B2B e-Commerce website, then we will add our product portfolio by entering the information and media about the product we want to sell, for doing this, we have to pull product information from producers. To reach producers, we have to visit some of producers in their companies, we have to call some of them by phone, we have to send e-mails some of them, we have to be in trade fairs.

While publishing our product portfolio, we have to demonstrate our catalog with elegant and easy to use and elegant user interface (UI), on the back side, product descriptions must be clear, must contain around 250-300 words with SEO optimization and good layout. We will

try to increase our speed by using different methods such as media optimization and analyzing the website experience.

We will also use Pay per Click methods to promote our website to the world. We would like to be on top of the search engine by giving sponsored links so as when our customer enters ozlando.com from Search Engine Advertisements, we will pay for the each click. This is a beneficial model, because we would pay as customers enters the website from that channel.

10.16.2 Marketing Strategy

As marketing strategy, we are trying to present cheap products with lower profit margin and lower will use the motto of "Always Better". We won't put our profit margin high and we would like to offer discounts and most of the time, coupons. Coupons are giving freedom to our customer, what to buy and when to buy. We would like to offer 10% of discount coupon, as the customer register on our web page.

We will use social media marketing as it is going parallel to the internet strategy, we will use Facebook, and Instagram marketing channels, we will open social media pages in both Facebook and the Instagram, we will use there actively to reach more people worldwide. We would also like to create and e-Mail strategy by sharing our benefits to companies not in regularly, but randomly basis and not often, spam kind of e-Mails, which can fill our customers e-Mail inbox like a spam mail. We would like to send e-Mails rarely, so when our customer come to subscribe page, we would like to share it as a benefit to customer. We expect that customer would be more likely to subscribe to us, so we can reach them and put them to our database.

10.16.3 Sales Strategy

The figure shows the simplest scenario between benefit of the customer which has no good customer satisfaction level and the having a good, continuous relationship and customer loyalty.

	1st Transaction	2nd Transaction	3rd Transaction
First Customer with No Loyalty			
Cost of Product	1000	No Transaction	No Transaction

15% Net Profit	150	No Transaction	No Transaction
Selling Price	1150	No Transaction	No Transaction
Second Customer with Loyalty			
Cost of Product	1000	1000	1000
10% Net Profit	100	100	100
Selling Price	1100	1100	1100

11 DEVELOPMENT FOCUS

Development focus starts from the time when finding a vendor and implementing their products to our portfolio has been completed, workflow might have some minor issues, but it is working still during starting up phase. In this level of development, we have a scenario that our product portfolio has been reached to optimum capacity, and our revenues start to increase significantly. In this part of development, paying taxes, investing on research and development and being careful with the bank loans are important.

11.1.1 CRM Software Integration

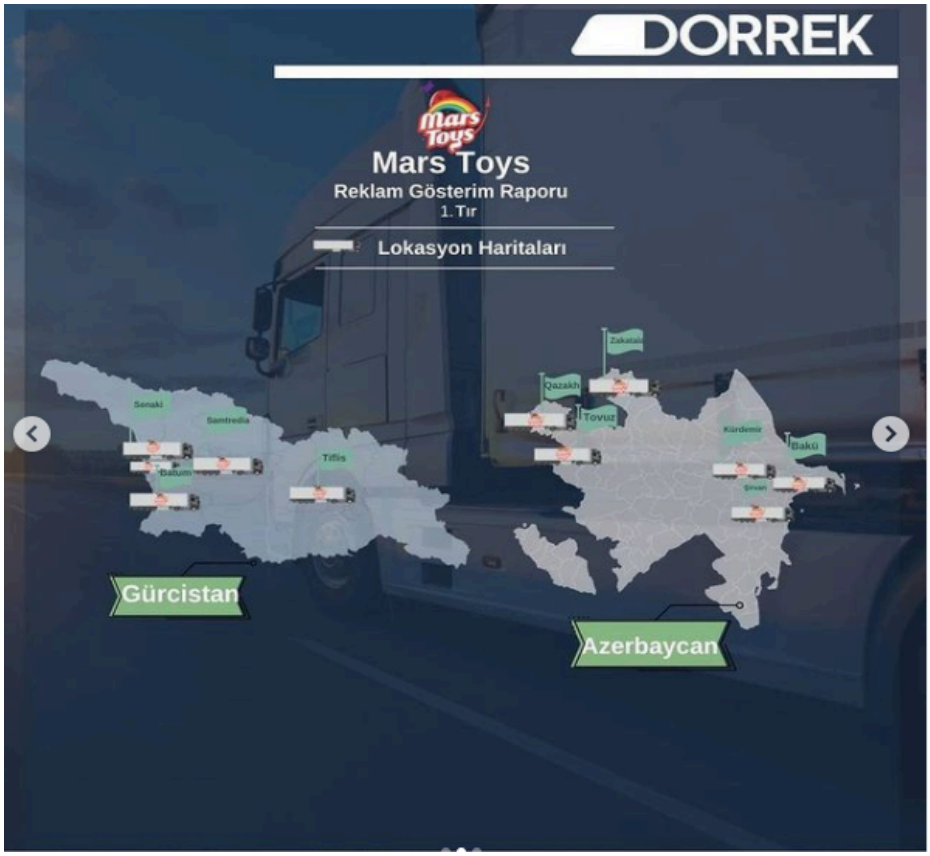
CRM software is a useful support tool in the E-Commerce area, it allows better communication channel with customers by gathering as much as data possible. CRM software help to personalize the communication way between retailer and the customer. It also lowers face to face contact with the customer and understand their behaviors better by data analyzing. Detailed information is available on the section 4.3.1. In short, CRM Software helps e-Commerce business to increase customer relationship, customer loyalty and the sales. In practice, I would like to put and importance of the CRM – Sales Representative communication, ease of use, and the integration of the e-Commerce portal with the CRM software. I use

11.1.2 Hiring Staff

As for the staff aspect, first thing I would like to hire a close, trustable friend to help me. So, s/he can learn the business with me and grow his/her experience with my company. During the development focus of the company, I would like to hire IT personal to focus on the e-Commerce portal, if necessary, we can create a custom e-Commerce portal from the beginning, if the circumstances are pushes us to develop a new platform.

11.1.3 Trailer Marketing

Trailer Marketing is a new and different approach from a marketing agency in Turkey, which named as DORREK, providing trailer wrap for companies and this not a common method of marketing but this is kind of experimental project, but it can be implement on our business. The company provide intercity and international advertisement opportunities for businesses who wants to promote their brand. The company provides 1-year contract trailer marketing with support services such as designing and placing the trailer wrap, GPS vehicle tracking and analytical data, cleaning of trailer wrap surface in regular basis and insurance of truck. The company gives all this service with 20.000 Turkish Lira + VAT and in total 23.600 Turkish Lira. It would cost approximately 2.383 Euro VAT included. If a company is going to be an international trade company, people would like to see the brand and due to moveable position of the trailer, it will make the same effect of having multiple banners in multiple cities and countries. The trucks are going to countries like Iraq, Iran, Georgia, Russia, Ukraine, Romania, Bulgaria, Germany, Belgium, Netherlands, Greece, Macedonia and Italy.



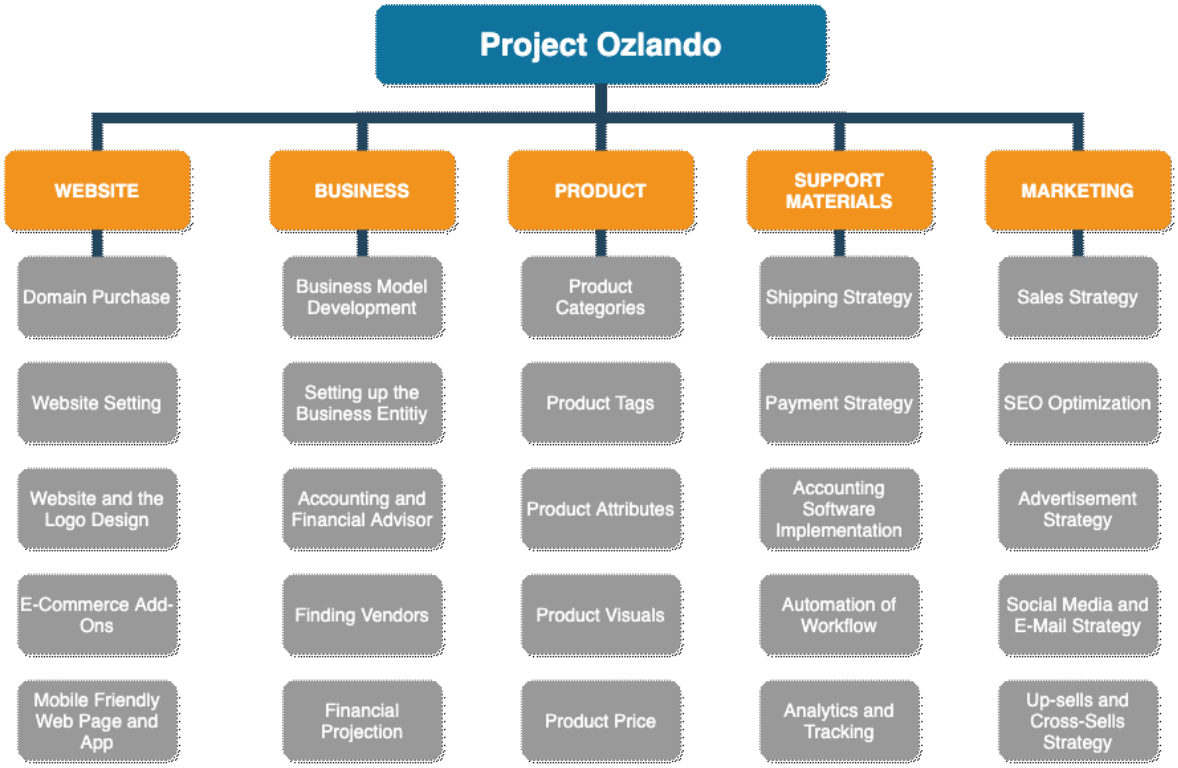
11.1.4 Content Creation by Freelancers

Content creation is one of the most important part of the e-Commerce and we can divide content creation as text content, website content and the product content. In our content creation outsourcing is possible and we are planning to get a service from students in Turkey, to help them economically and use their creativeness and talent to create a joint effort. We would like to pay our creators instantly as they create content. Instant payment and giving rights in a proper way, and it will motivate the students on creativity side. Also, the successful freelancers can have the opportunity to work permanently in our company.

12 CREATING THE WEBSITE

12.1 Project Management

Task Name	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Buying the Website Domain and E-Commerce Add-on														
Arranging the Website Settings														
Setting-up the Website Design														
Adding the Product Catalog														
Creating the Business Entity														
Setting up the Accounting and Integration with the Portal														
Setting up the Shipping Strategy														
Setting Up the Payment Method														
Marketing of the Website														



12.2 Execution of Project

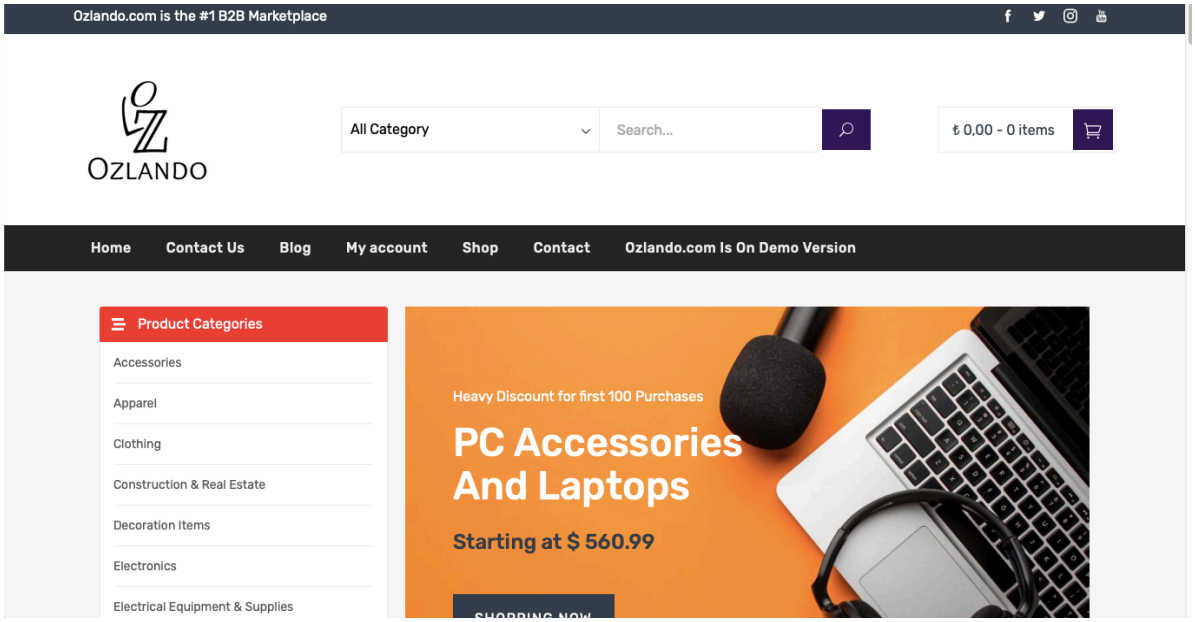
12.2.1 Website

a) Domain Purchase: I purchased the domain from the godaddy.com, because this website is the most common, liable and the trustable website provider and host in the market. The hardest part of buying a website is to find a name for the domain name. Suitable website names in the dot com domain name extension is a hard task, due to its popularity and numbers of website with dot com domain name extension. Finding a good domain name and a cheap domain at the same time is not possible due to some keywords are expensive on the provider algorithm.

b) Purchasing the E-Commerce Portal: Purchasing the domain name and deciding for the e-Commerce portal was the same protocol, because most of the websites are providing their e-Commerce Portal with the domain name and design tool, but those providers are too expensive for annual basis. I choose the Godaddy e-Commerce Portal and the Wordpress with the Woocommerce extension because both of that domain provider and the portal gives the most customizable and e-Commerce-oriented experience, with containing much more add-ons and tools for different scenarios which retailers might face with.

c) Website and the Logo Design: As we found the name as ozlando.com, I created a logo on Framer application, it is a free design tool, and it is useful to make mobile phone application prototypes or simple illustrations. I would like to create a logo by my own talents. A simple and useful logo would make my job a lot of easier, since we have not started our sales and gain profit. I decide to use O, Z and the L letters as they are first three letters of the Ozlando. After spending some time and effort, I found a logo as we show on the figure, I decided it look ecstatically on my opinion and I put as my e-Commerce website.

   As the website design side, I installed the e-Commerce themes for the wordpress portal, for demonstration purposes, I used a ready-made online store template, and it is looking like a real e-Commerce store, it has pages on it, a search bar, a shopping cart, product categories vertical bar and the example products. On the header, it does write “Ozlando.com is the #1 B2B Marketplace”. In time, there will be a complete shopping experience with real products and active design of the web page.



E-Commerce Add-Ons: I choose the Woocommerce for various of reasons. First of all, Woocommerce is the most economical solution for most e-commerce companies which is

going to start the process of business for both beginning level and the advanced level. It is customizable and gives the most freedom on making your own e-commerce website. Having such platform is more about developers own personal talent and imagination. Ozlando.com is the unique website that buyers and sellers can find each other and contact freely on our website, so it is important to add custom website codes to add extra functionality such as customer service tool, mail marketing tools, CRM software as a integrated tool and many more software to integrate.

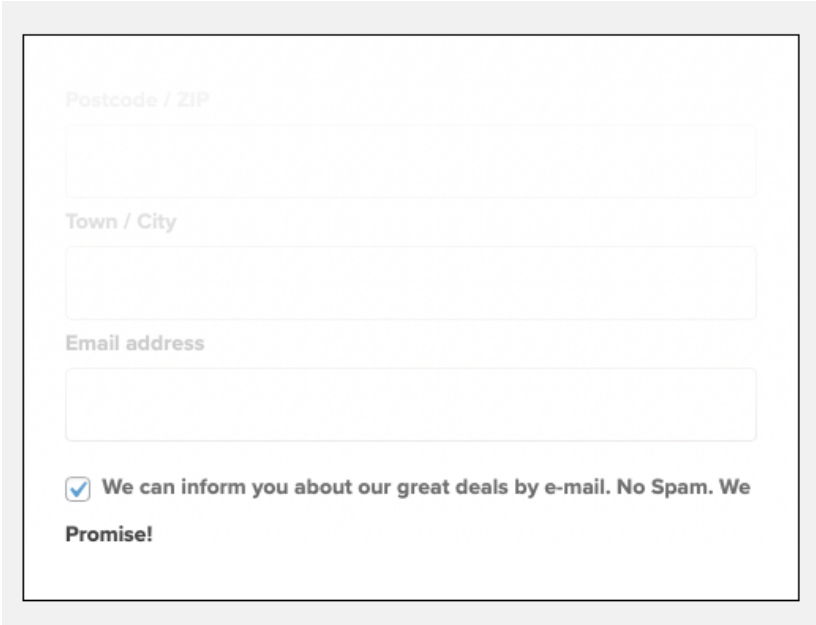
12.2.2 Product Catalog

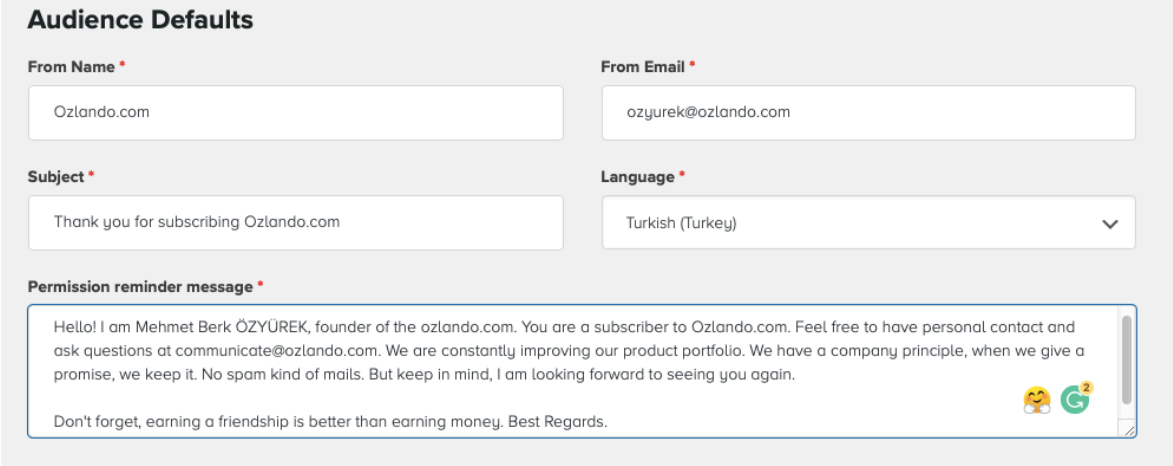
I created a product database using a random data generator to test my website. I gave random car names which website has provided on its own system and then I assigned categories from the Aliexpress.com and website randomly displaced it, so I can edit my layout and categories according to that fake data. I had 1000 different randomly created fake product. On the later stages, I can simply edit those databases by real and new product data using .csv online editor. In Woocommerce product database, there are a lot of product specifications to be used for. Those specifications are very important in terms of providing a variety of products and services. Database include physical specifications, sale price, regular price, in stock status, variations of products and services and so on. The database of products can be either imported from the file or exported from the website to target device to back up the product database. The data backup is important to keep our products and services information safe and secure.

I will create a product portfolio by visiting various producers on the organized industrial zones and the regional development agencies and chambers of commerce in Turkish cities. Creating a product base by calling producers from the social media ads is another method to get more vendors on the later levels of development.

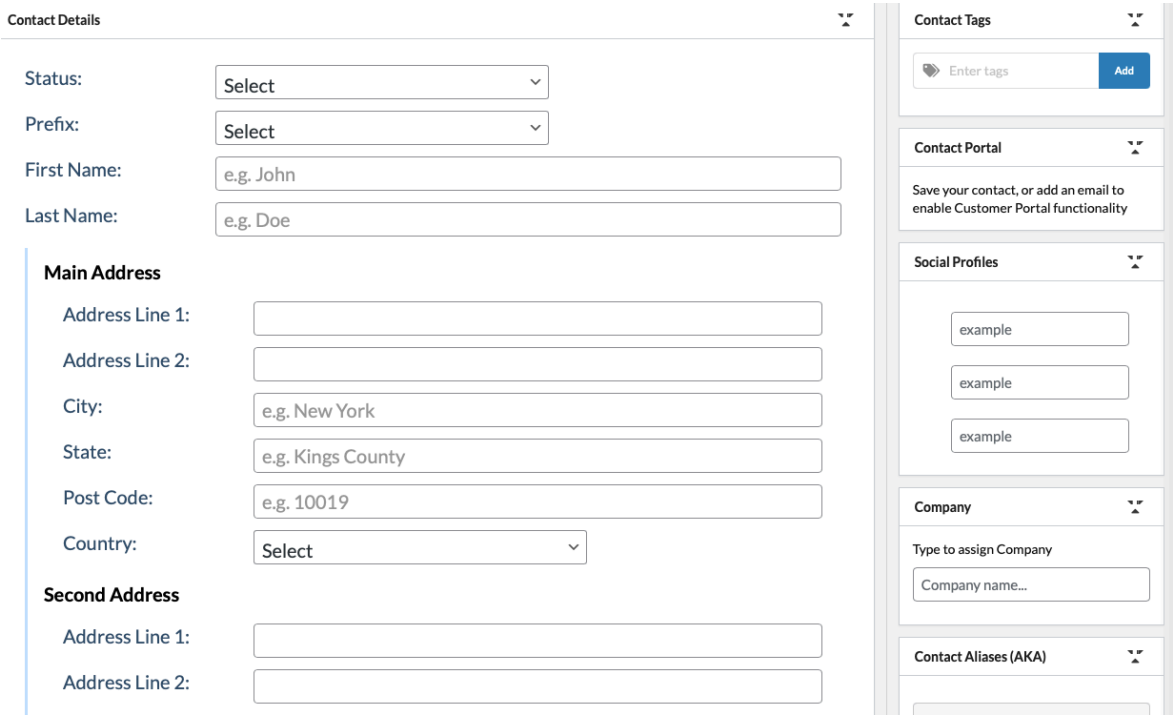
12.2.3 E-Commerce Add-Ons

a) As for the e-Commerce add-ons, first of all, I used the WooCommerce extension for the Wordpress. Then I choosed the proper free theme to edit the website. I installed MailChamp extension for e-mail marketing. I also got an e-mail adress which is ozyurek@ozlando.com and communicate@ozlando.com. I have not created a no-reply communication channel, because that's would be what big companies can do. I need to communicate with as much as people during my starting up point, so if a lead (potential customer) would like to ask a question in B2B market, it is more likely that will turn into a customer. Having a good communication channel with the customer is a matter of mindset to the customer. People can communicate with their potential customer as they want. But according to my personal experience, people who is making B2B transactions are more likely to have personal contact, as it is a nature of B2B traditional relationship.





b) The other e-Commerce add-on is the Jetpack CRM, which is a useful and popular CRM tool with excellent adaptation with the WooCommerce. We can add contacts and save their data in our website, then assign with transactions and invoices. We can send quotes to customer, specialized offers about their purchase behaviors. We can assign people with the company so we will know about our both personal and business entities.



Conclusion

B2B e-commerce is

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LIST OF ABBREVIATIONS

ABC First abbreviation – meaning

B Second abbreviation – meaning

C Third abbreviation – meaning

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APPENDICES

Appendix P I: BUSINESS MODEL CANVAS

APPENDIX P I: BUSINESS MODEL CANVAS

BMI • Business model canvas

Key partners

Who are your most important partners?
Which key resources do you acquire from partners?
Which key activities do your partners perform?

Key activities

What are the activities you perform every day to create & deliver your value proposition?

Key resources

What are the resources you need to create & deliver your value proposition?

Value propositions

What is the value you delivery to your customer?
Which of your customer's problems are you helping to solve?
What is the customer need that your value proposition addresses?
What is your promise to your customers?
What are the products and services you create for your customers?

Customer relationships

What relationship does each customer segment expect you to establish and maintain?

Channels

How does your value proposition reach your customer? Where can your customer buy or use your products or services?

Customer segments

For whom are you creating value?
What are the customer segments that either pay, receive or decide on your value proposition?

Cost structure

What are the important costs you make to create & delivery your value proposition?

Revenue streams

How do customers reward you for the value you provide to them?
What are the different revenue models?