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E-commerce

You probably use the Internet to send emails, download music and films, or look for information. But did you know that the Internet is transforming the business world?

Electronic commerce (e-commerce) is the buying and selling of products and services on the Internet instead of using shops, phones, faxes, and letters. It creates opportunities for companies to sell more and to improve customer service it also gives customers greater choice

There are three main types of e-commerce. The first is **Business to Consumer (B2C)** the consumer buys goods or services from a company on the Internet. Many consumers now buy books music, or tickets on the Internet. The second type of e commerce is **Consumer to Consumer (C2C)** - people sell and buy directly on sites such as eBay. The third type is **Business to Business (B2B)** commerce between companies. They use the internet to order goods get services, and manage their business it is fast and efficient

In the past, the car manufacturers Ford ordered Thousands of parts from hundreds of different companies. They told the suppliers which parts they wanted and the supplier sent proposal to supply them. It was a long and expensive process. These days, Ford uses special B2B electronic exchanges to order their parts and then the suppliers put in electronic bids for the job. This process is much quicker and cuts costs. Companies don't need large Purchasing departments and suppliers have to cut their prices to be competitive.

So which parts of the world are most “e-active”? Europe is number one, the US comes second, while Hong Kong is the biggest in Asia-Pacific, particularly in e-business services in fact, in 2006, Europe's three major markets - the UK, Germany, and France - carried out around 25% of their sales online. This figure is increasing from year to year.

Activity 01:

Read the introduction to the article. Then with your partner, discuss how we use the Internet in business.

EXAMPLES: emails, booking flights, advertising