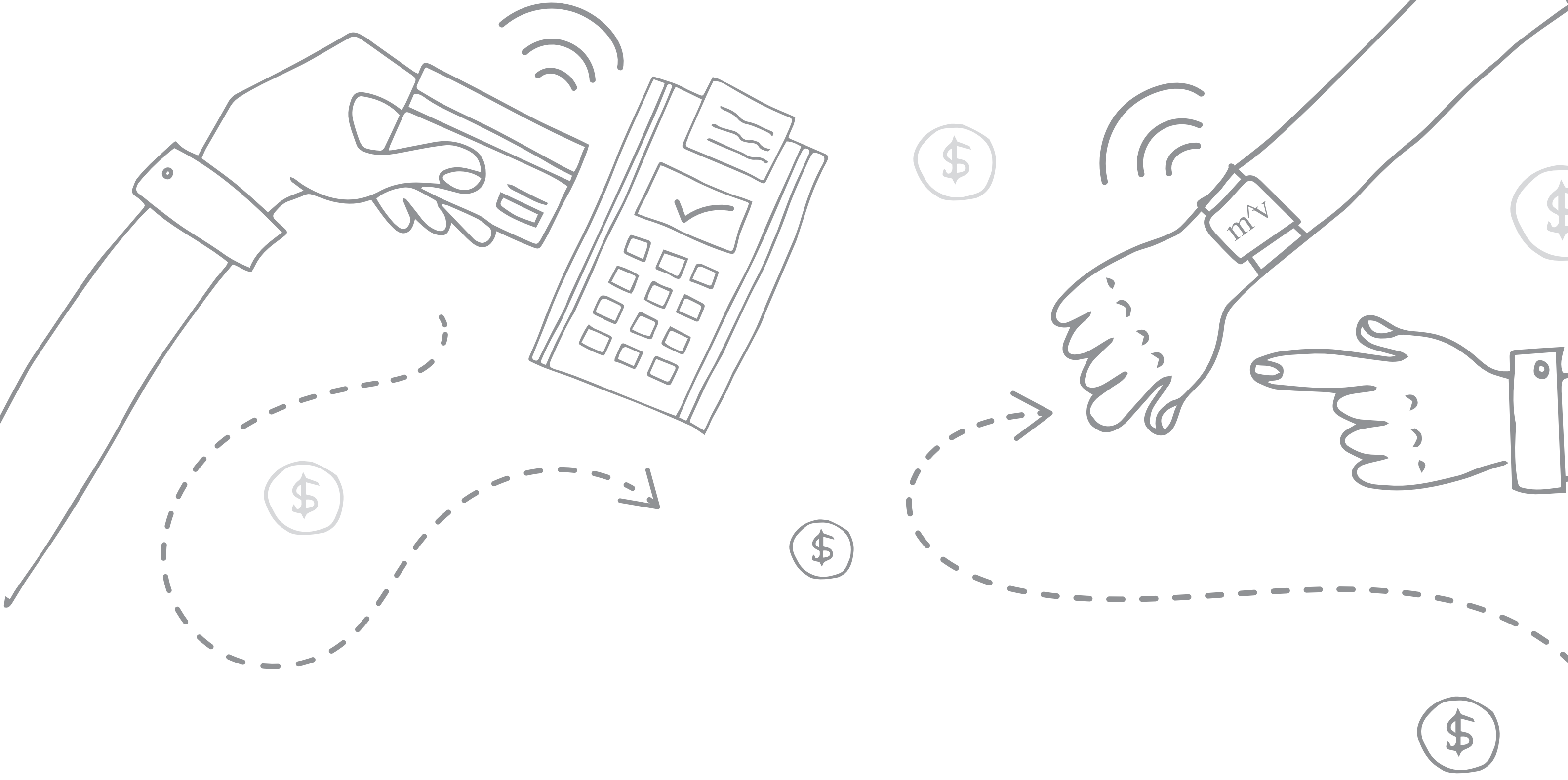

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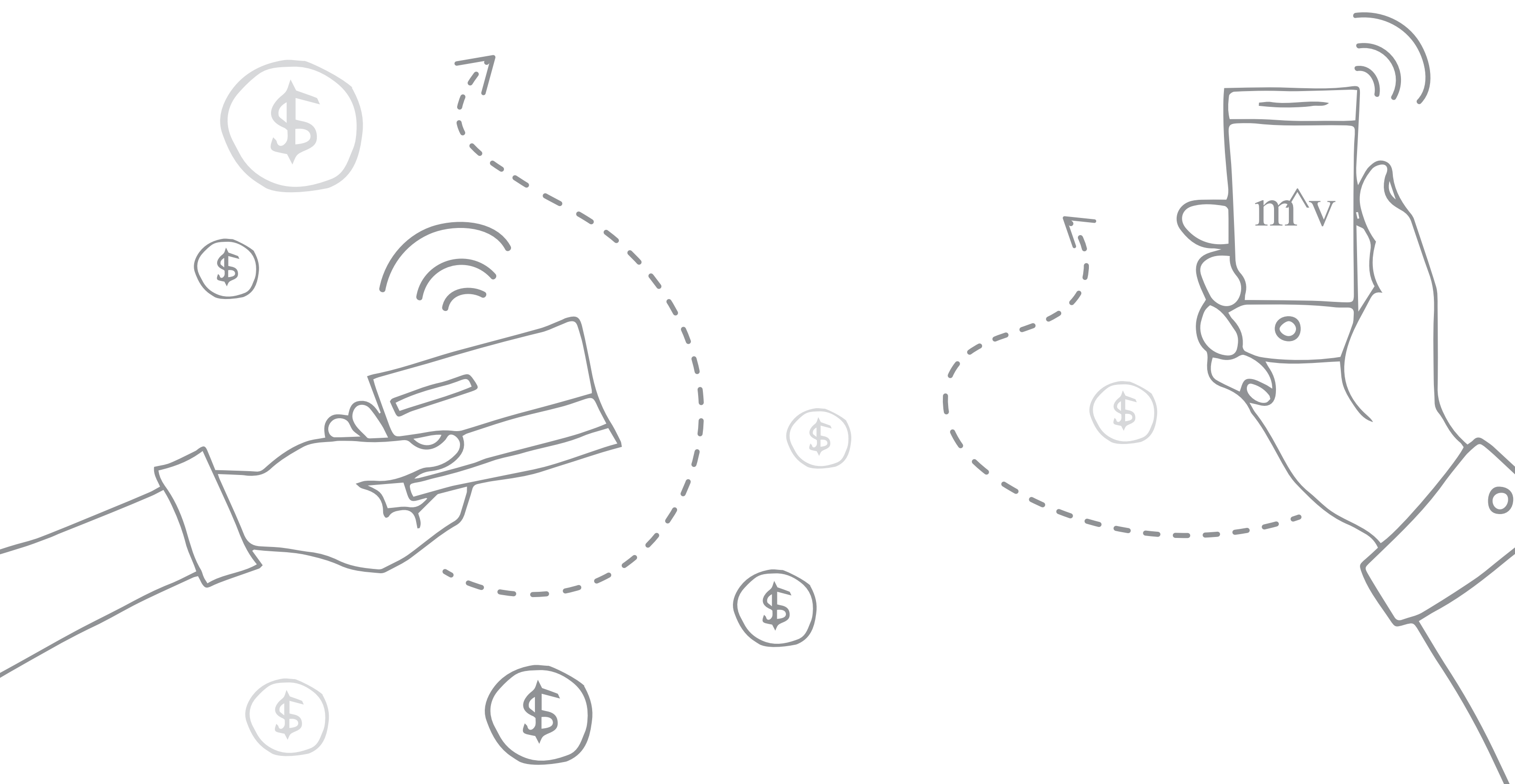
Project Report



What is Ecommerce?

Electronic commerce or ecommerce is a term for any type of business, or commercial transaction, that involves the transfer of information across the Internet. It covers a range of different types of businesses, from consumer based retail sites, through auction or music sites, to business exchanges trading goods and services between corporations. It is currently one of the most important aspects of the Internet to emerge.

Ecommerce allows consumers to electronically exchange goods and services with no barriers of time or distance. Electronic commerce has expanded rapidly over the past five years and is predicted to continue at this rate, or even accelerate. In the near future the boundaries between “conventional” and “electronic” commerce will become increasingly blurred as more and more businesses move sections of their operations onto the Internet.

Business to Business or B2B refers to electronic commerce between businesses rather than between a business and a consumer. B2B businesses often deal with hundreds or even thousands of other businesses, either as customers or suppliers. Carrying out these transactions electronically provides vast competitive advantages over traditional methods. When implemented properly, ecommerce is often faster, cheaper and more convenient than the traditional methods of bartering goods and services.

Electronic transactions have been around for quite some time in the form of Electronic Data Interchange or EDI. EDI requires each supplier and customer to set up a dedicated data link (between them), where ecommerce provides a cost-effective method for companies to set up multiple, ad-hoc links. Electronic commerce has also led to the development of electronic marketplaces where suppliers and potential customers are brought together to conduct mutually beneficial trade.

The road to creating a successful online store can be a difficult if unaware of ecommerce principles and what ecommerce is supposed to do for your online business. Researching and understanding the guidelines required to properly implement an e-business plan is a crucial part to becoming successful with online store building.

What do you need to have an online store and what exactly is a shopping cart?

Shopping cart software is an operating system used to allow consumers to purchase goods and or services, track customers, and tie together all aspects of ecommerce into one cohesive whole.

While there are many types of software that you can use, customizable, turnkey solutions are proven to be a cost effective method to build, edit and maintain an online store. How do online shopping carts differ from those found in a grocery store? The image is one of an invisible shopping cart. You enter an online store, see a product that fulfills your demand and you place it into your virtual shopping basket. When you are through browsing, you click checkout and complete the transaction by providing payment information.

To start an online business it is best to find a niche product that consumers have difficulty finding in malls or department stores. Also take shipping into consideration. Pets.com found out the hard way: dog food is expensive to ship FedEx! Then you need an ecommerce enabled website. This can either be a new site developed from scratch, or an existing site to which you can add ecommerce shopping cart capabilities.

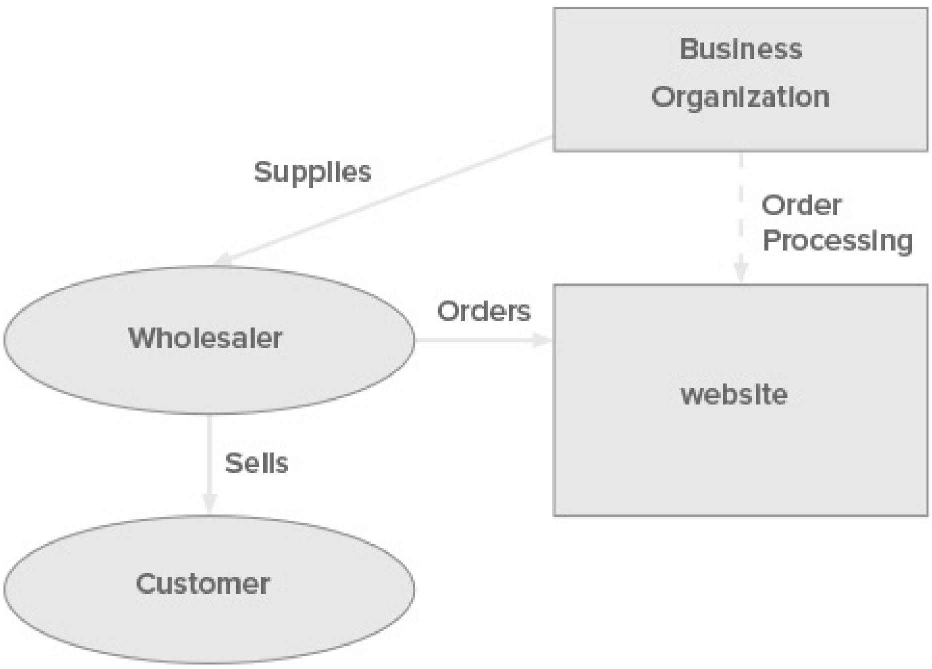
The next step, you need a means of accepting online payments. This usually entails obtaining a merchant account and accepting credit cards through an online payment gateway (some smaller sites stick with simpler methods of accepting payments such as PayPal).

Lastly, you need a marketing strategy for driving targeted traffic to your site and a means of enticing repeat customers. If you are new to ecommerce keep things simple- know your limitations.

Ecommerce can be a very rewarding venture, but you cannot make money overnight. It is important to do a lot of research, ask questions, work hard and make on business decisions on facts learned from researching ecommerce. Don't rely on "gut" feelings. We hope our online ecommerce tutorial has helped your business make a better decision in choosing an online shopping cart for your ecommerce store.

What is B2B how it works?

Website following B2B business model sells its product to an intermediate buyer who then sells the product to the final customer. As an example, a wholesaler places an order from a company's website and after receiving the consignment, sells the end product to final customer who comes to buy the product at wholesaler's retail outlet.



B2B implies that seller as well as buyer is business entity. B2B covers large number of applications which enables business to form relationships with their distributors, resellers, suppliers etc. Following are the leading items in B2B e-Commerce.

- Electronics
- Shipping and Warehousing
- Motor Vehicles
- Petrochemicals
- Paper
- Office products
- Food
- Agriculture

Key technologies

Following are the key technologies used in B2B e-commerce −

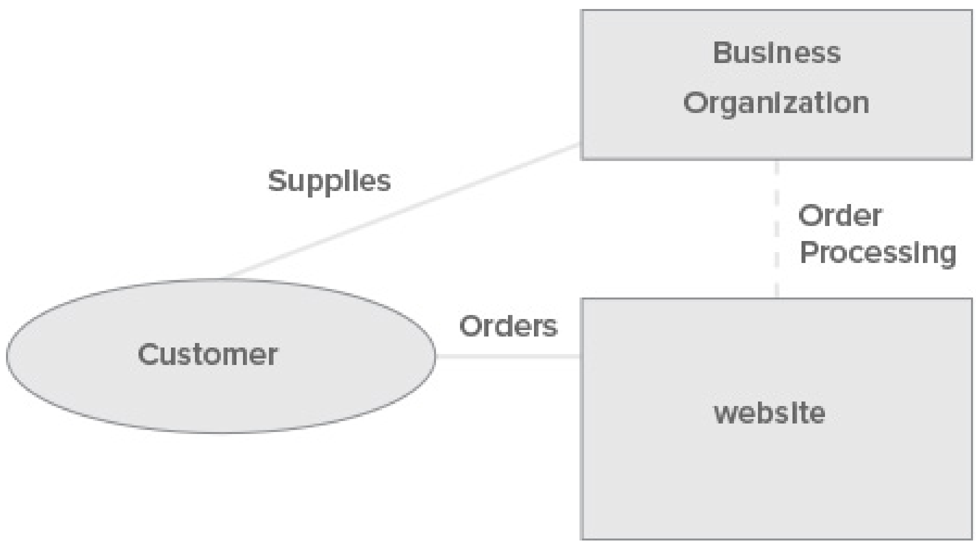
- **Electronic Data Interchange (EDI)** − EDI is an inter organizational exchange of business documents in a structured and machine processable format.
- **Internet** − Internet represents world wide web or network of networks connecting computers across the world.
- **Intranet** − Intranet represents a dedicated network of computers within a single organization
- **Extranet** − Extranet represents a network where outside business partners, supplier or customers can have limited access to a portion of enterprise intranet/network.
- **Back-End Information System Integration** − Back End information systems are database management systems used to manage the business data.

Architectural Models

Following are the architectural models in B2B e-commerce –

- **Supplier Oriented marketplace** – In this type of model, a common marketplace provided by supplier is used by both individual customers as well as business users. A supplier offers an e-stores for sales promotion.
- **Buyer Oriented marketplace** – In this type of model, buyer has his/her own market place or e-market. He invites suppliers to bid on product's catalog. A Buyer company opens a bidding site.
- **Intermediary Oriented marketplace** – In this type of model, an intermediary company runs a market place where business buyers and sellers can transact with each other.

In B2C model, business Website is a place where all transactions take place between a business organization and consumer directly.



In B2C Model, a consumer goes to the website, selects a catalog, orders the catalog and an email is sent to business organization. After receiving the order, goods would be dispatched to the customer. Following are the key features of a B2C Model

- Heavy advertising required to attract large no. of customers.
- High investment in terms of hardware/software.
- Support or good customer care service

Consumer Shopping Procedure

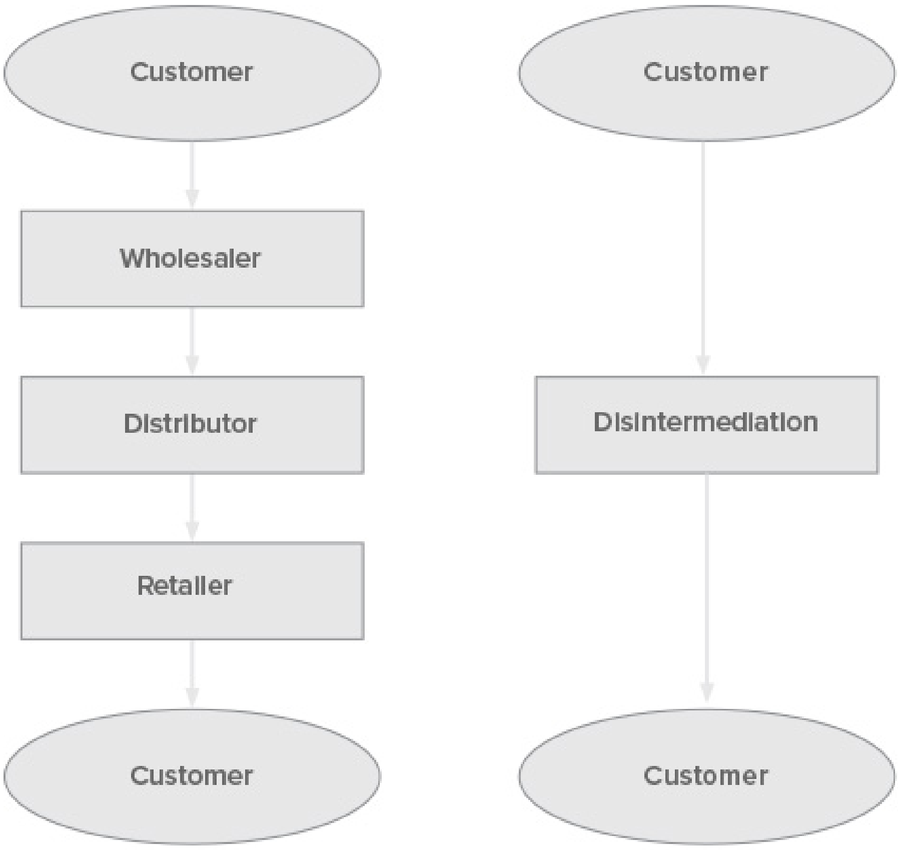
Following are the steps used in B2C e-commerce −

A consumer

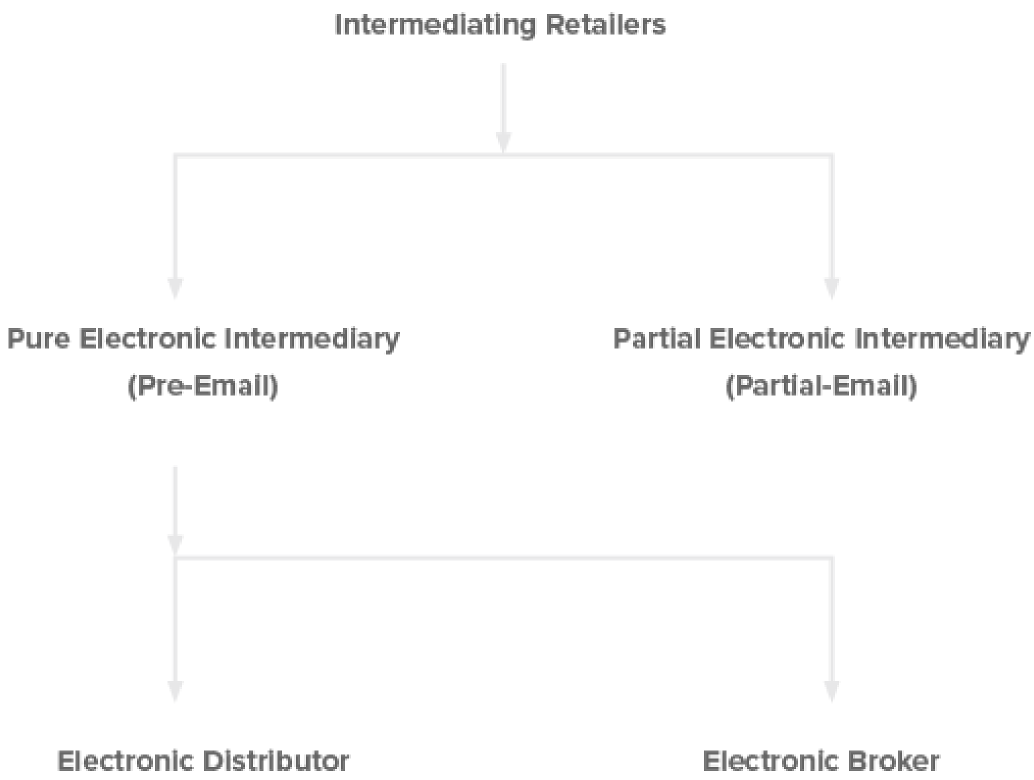
- Determines the requirement.
- Searches available items on the website meeting the requirment.
- Compares similar items for price, delivery date or any other terms.
- Gives the order.
- Pays the bill.
- Receives the delivered item and review/inspect them.
- Consults the vendor to get after service support or returns the product if not satisfied with the delivered product.

Disintermediation and Reintermediation

In traditional commerce, there are intermediating agents like wholesalers, distributors, retailers between manufacturer and consumer. In B2C website, manufacturer can sell products directly to consumers. This process of removal of business layers responsible for intermediary functions is called Disintermediation.

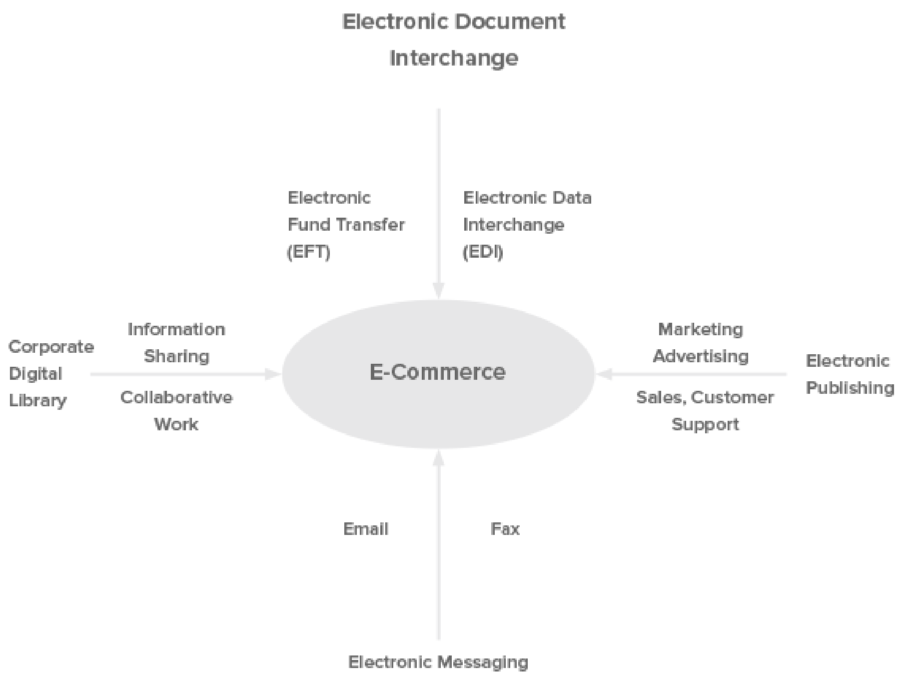


Now-a-days, a new electronic intermediary breed is emerging like e-mall and product selection agents are emerging. This process of shifting of business layers responsible for intermediary functions from traditional to electronic mediums is called Reintermediation.



E-Commerce or Electronics Commerce is a methodology of modern business which addresses the need of business organizations, vendors and customers to reduce cost and improve the quality of goods and services while increasing the speed of delivery. E-commerce refers to paperless exchange of business information using following ways.

- Electronic Data Interchange (EDI)
- Electronic Mail (e-mail)
- Electronic Bulletin Boards
- Electronic Fund Transfer (EFT)
- Other Network-based technologies



Features

E-Commerce provides following features

- **Non-Cash Payment:** E-Commerce enables use of credit cards, debit cards, smart cards, electronic fund transfer via bank's website and other modes of electronics payment.

- **24x7 Service availability:** E-commerce automates business of enterprises and services provided by them to customers are available anytime, anywhere. Here 24x7 refers to 24 hours of each seven days of a week.

- **Advertising / Marketing:** E-commerce increases the reach of advertising of products and services of businesses. It helps in better marketing management of products / services.

- **Improved Sales:** Using E-Commerce, orders for the products can be generated any time, any where without any human intervention. By this way, dependencies to buy a product reduce at large and sales increases.

- **Support:** E-Commerce provides various ways to provide pre sales and post sales assistance to provide better services to customers.

- **Inventory Management:** Using E-Commerce, inventory management of products becomes automated. Reports get generated instantly when required. Product inventory management becomes very efficient and easy to maintain.

- **Communication improvement:** E-Commerce provides ways for faster, efficient, reliable communication with customers and partners.

Traditional Commerce v/s E-Commerce

Sr. No.	Traditional Commerce	E-Commerce
1	Heavy dependency on information exchange from person to person.	Information sharing is made easy via electronic communication channels making little dependency on person to person information exchange.
2	Communication/ transaction are done in synchronous way. Manual intervention is required for each communication or transaction.	Communication or transaction can be done in asynchronous way. Electronics system automatically handles when to pass communication to required person or do the transactions.
3	It is difficult to establish and maintain standard practices in traditional commerce.	A uniform strategy can be easily established and maintain in e-commerce.
4	Communications of business depends upon individual skills.	In e-Commerce or Electronic Market, there is no human intervention.
5	Unavailability of a uniform platform as traditional commerce depends heavily on personal communication.	E-Commerce website provides user a platform where al l information is available at one place.
6	No uniform platform for information sharing as it depends heavily on personal communication.	E-Commerce provides a universal platform to support commercial / business activities across the globe.

E-Commerce Advantages

E-Commerce advantages can be broadly classified in three major categories:

- Advantages to Organizations
- Advantages to Consumers
- Advantages to Society

Advantages to Organizations

- Using E-Commerce, organization can expand their market to national and international markets with minimum capital investment. An organization can easily locate more customers, best suppliers and suitable business partners across the globe.
- E-Commerce helps organization to reduce the cost to create process, distribute, retrieve and manage the paper based information by digitizing the information.
- E-commerce improves the brand image of the company.
- E-commerce helps organization to provide better customer services.
- E-Commerce helps to simplify the business processes and make them

faster and efficient.

- E-Commerce reduces paper work a lot.
- E-Commerce increased the productivity of the organization. It supports "pull" type supply management. In "pull" type supply management, a business process starts when a request comes from a customer and it uses just-in-time manufacturing way.

Advantages to Customers

- 24x7 support. Customer can do transactions for the product or enquiry about any product/services provided by a company any time, any where from any location. Here 24x7 refers to 24 hours of each seven days of a week.
- E-Commerce application provides user more options and quicker delivery of products.
- E-Commerce application provides user more options to compare and select the cheaper and better option.
- A customer can put review comments about a product and can see what others are buying or see the review comments of other customers before making a final buy.
- E-Commerce provides option of virtual auctions.
- Readily available information. A customer can see the relevant detailed information within seconds rather than waiting for days or weeks.
- E-Commerce increases competition among the organizations and as result organizations provides substantial discounts to customers.

Advantages to Society

- Customers need not to travel to shop a product thus less traffic on road and low air pollution.
- E-Commerce helps reducing cost of products so less affluent people can also afford the products.
- E-Commerce has enabled access to services and products to rural areas as well which are otherwise not available to them.

- E-Commerce helps government to deliver public services like health care, education, social services at reduced cost and in improved way.

Technical Disadvantages

- There can be lack of system security, reliability or standards owing to poor implementation of e-Commerce.
- Software development industry is still evolving and keeps changing rapidly.
- In many countries, network bandwidth might cause an issue as there is insufficient telecommunication bandwidth available.
- Special types of web server or other software might be required by the vendor setting the e-commerce environment apart from network servers.
- Sometimes, it becomes difficult to integrate E-Commerce software or website with the existing application or databases.
- There could be software/hardware compatibility issue as some E-Commerce software may be incompatible with some operating system or any other component.

Non-Technical Disadvantages

- Initial cost: The cost of creating / building E-Commerce application in-house may be very high. There could be delay in launching the E-Commerce application due to mistakes, lack of experience.
- User resistance: User may not trust the site being unknown faceless seller. Such mistrust makes it difficult to make user switch from physical stores to online/virtual stores.
- Security/ Privacy: Difficult to ensure security or privacy on online transactions.
- Lack of touch or feel of products during online shopping.
- E-Commerce applications are still evolving and changing rapidly.
- Internet access is still not cheaper and is inconvenient to use for many potential customers like one living in remote villages.

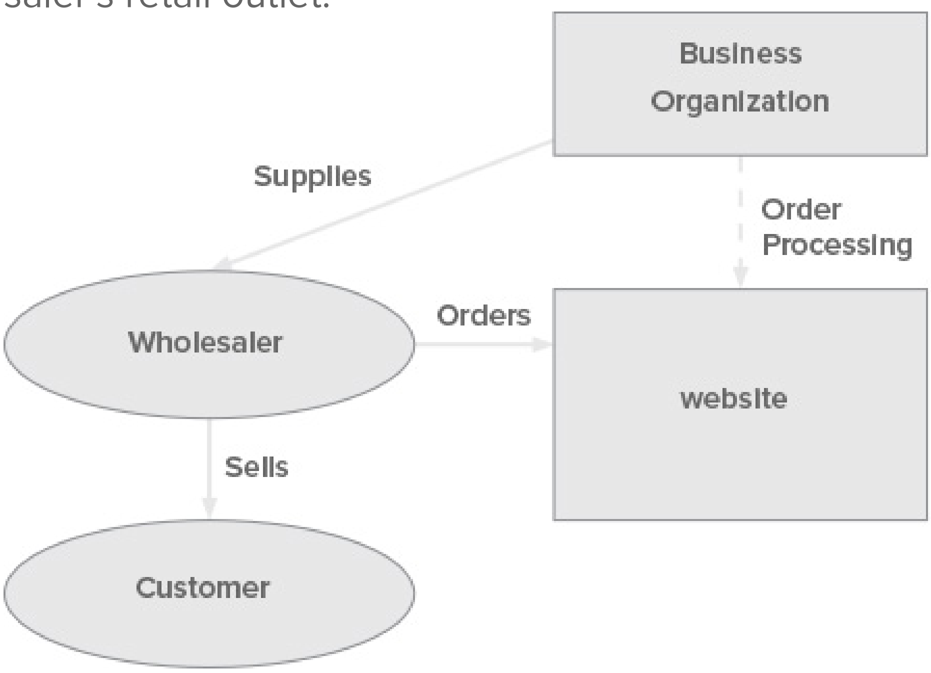
Business Models

E-Commerce or Electronics Commerce business models can generally categorized in following categories.

- Business - to - Business (B2B)
- Business - to - Consumer (B2C)
- Consumer - to - Consumer (C2C)
- Consumer - to - Business (C2B)
- Business - to - Government (B2G)
- Government - to - Business (G2B)
- Government - to - Citizen (G2C)

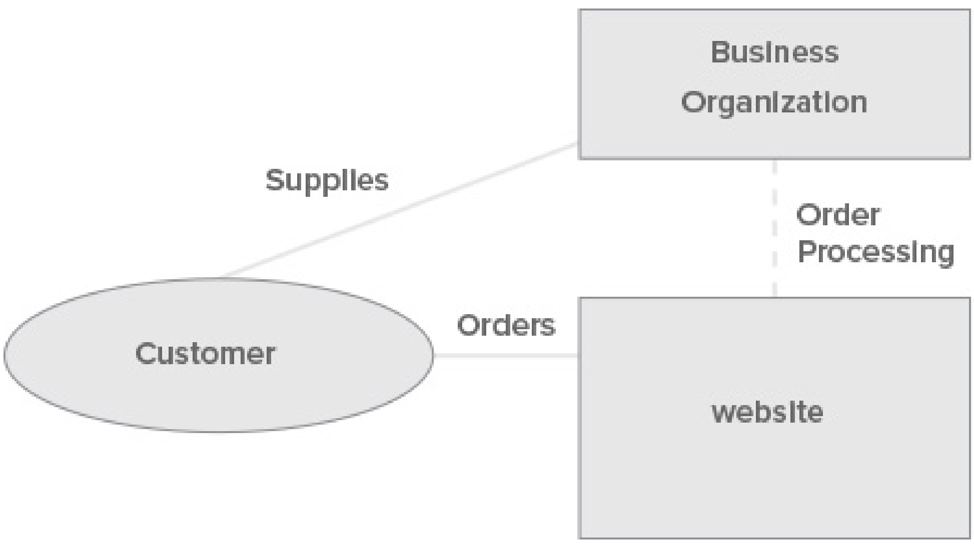
Business - to - Business (B2B)

Website following B2B business model sells its product to an intermediate buyer who then sells the product to the final customer. As an example, a wholesaler places an order from a company's website and after receiving the consignment, sells the end product to final customer who comes to buy the product at wholesaler's retail outlet.



Business - to - Consumer(B2C)

Website following B2C business model sells its product directly to a customer. A customer can view products shown on the website of business organization. The customer can choose a product and order the same. Website will send a notification to the business organization via email and organization will dispatch the product/goods to the customer.



Payment Systems

E-Commerce or Electronics Commerce sites use electronic payment where electronic payment refers to paperless monetary transactions. Electronic payment has revolutionized the business processing by reducing paper work, transaction costs, labour cost. Being user friendly and less time consuming than manual processing, helps business organization to expand its market reach / expansion. Some of the modes of electronic payments are following.

- Credit Card
- Debit Card
- Smart Card
- E-Money

- Electronic Fund Transfer (EFT)

Credit Card

Payment using credit card is one of most common mode of electronic payment. Credit card is small plastic card with a unique number attached with an account. It has also a magnetic strip embedded in it which is used to read credit card via card readers. When a customer purchases a product via credit card, credit card issuer bank pays on behalf of the customer and customer has a certain time period after which he/she can pay the credit card bill. It is usually credit card monthly payment cycle. Following are the actors in the credit card system.

- The card holder - Customer
- The merchant - seller of product who can accept credit card payments.
- The card issuer bank - card holder's bank
- The acquirer bank - the merchant's bank
- The card brand - for example , visa or mastercard.

Credit card payment process

Step	Description
Step 1	Bank issues and activates a credit card to customer on his/her request.
Step 2	Customer presents credit card information to merchant site or to merchant from whom he/she want to purchase a product/service.
Step 3	Merchant validates customer's identity by asking for approval from card brand company.
Step 4	Card brand company authenticates the credit card and paid the transaction by credit. Merchant keeps the sales slip.
Step 5	Merchant submits the sales slip to acquirer banks and gets the service chargers paid to him/her.
Step 6	Acquirer bank requests the card brand company to clear the credit amount and gets the payment.
Step 7	Now card brand company asks to clear amount from the issuer bank and amount gets transferred to card brand company.

DEBIT CARD

Debit card, like credit card is a small plastic card with a unique number mapped with the bank account number. It is required to have a bank account before getting a debit card from the bank. The major difference between debit card and credit card is that in case of payment through debit card, amount gets deducted from card's bank account immidiately and there should be sufficient balance in bank account for the transaction to get completed. Whereas in case of credit card there is no such compulsion.

Debit cards free customer to carry cash, cheques and even merchants accepts debit card more readily. Having restriction on amount being in bank account also helps customer to keep a check on his/her spendings.

Smart Card

Smart card is again similar to credit card and debit card in apperance but it has a small microprocessor chip embedded in it. It has the capacity to store customer work related/personal information. Smart card is also used to store money which is reduced as per usage.
Smart card can be accessed only using a PIN of customer. Smart cards are secure as they stores information in encrypted format and are less expensive/ provides faster processing.Mondex and Visa Cash cards are examples of smart cards.

E-Money

E-Money transactions refers to situation where payment is done over the network and amount gets transferred from one financial body to another financial body without any involvement of a middleman. E-money transactions are faster, convenient and saves a lot of time.

Online payments done via credit card, debit card or smart card are examples of e-money transactions. Another popular example is e-cash. In case of e-cash, both customer and merchant both have to sign up with the bank or company issuing e-cash.

Electronic Fund Transfer

It is a very popular electronic payment method to transfer money from one bank account to another bank account. Accounts can be in same bank or different bank. Fund transfer can be done using ATM (Automated Teller Machine) or using computer.

Now a day, internet based EFT is getting popularity. In this case, customer uses website provided by the bank. Customer logins to the bank's website and registers another bank account. He/she then places a request to transfer certain amount to that account. Customer's bank transfers amount to other account if it is in same bank otherwise transfer request is forwarded to ACH (Automated Clearing House) to transfer amount to other account and amount is deducted from customer's account. Once amount is transferred to other account, customer is notified of the fund transfer by the bank.

Security

Security is an essential part of any transaction that takes place over the internet. Customer will loose his/her faith in e-business if its security is compromised. Following are the essential requirments for safe e-payments/transactions:

- **Confidential** - Information should not be accessible to unauthorized person. It should not be intercepted during transmission.
- **Integrity** - Information should not be altered during its transmission over the network.
- **Availability** - Information should be available wherever and whenever requirement within time limit specified.
- **Authenticity** - There should be a mechanism to authenticate user before giving him/her access to required information.
- **Non-Repudiabiity** - It is protection against denial of order or denial of

payment. Once a sender sends a message, the sender should not able to deny sending the message. Similary the receipient of message should not be able to deny receipt.

- **Encryption** - Information should be encrypted and decrypted only by authorized user.
- **Auditability** - Data should be recorded in such a way that it can be audited for integrity requirements.

Measures to ensure Security

Major security measures are following:

- **Encryption** - It is a very effective and practical way to safeguard the data being transmitted over the network. Sender of the information encrypt the data using a secret code and specified receiver only can decrypt the data using the same or different secret code.
- **Digital Signature** -Digital signature ensures the authenticity of the information. A digital signature is a e-signature authentic authenticated through encryption and password.
- **Security Certificates** - Security certificate is unique digital id used to verify identity of an individual website or user.

Security Protocols in Internet

Following are the popular protocols used over the internet which ensures security of transactions made over the internet.

Secure Socket Layer (SSL)

It is the most commonly used protocol and is widely used across the industry. It meets following security requirements:

- Authentication
- Encryption
- Integrity
- Non-reputability

“https://” is to be used for HTTP urls with SSL, where as “http:/” is to be used for HTTP urls without SSL.

Secure Hypertext Transfer Protocol (SHTTP)

SHTTP extends the HTTP internet protocol with public key encryption, authentication and digital signature over the internet. Secure HTTP supports multiple security mechanism providing security to end users. SHTTP works by negotiating encryption scheme types used between client and server.

Secure Electronic Transaction

It is a secure protocol developed by MasterCard and Visa in collaboration. Thereoritically, it is the best security protocol. It has following components:

- **Card Holder’s Digital Wallet Software** - Digital Wallet allows card holder to make secure purchases online via point and click interface.
- **Merchant Software** - This software helps merchants to communicate with potential customers and financial institutions in secure manner.
- **Payment Gateway Server Software** - Payment gateway provides automatic and standard payment process. It supports the process for merchant’s certificate request.
- **Certificate Authority Software** -This software is used by financial institutions to issue digital certificates to card holders and merchants and to enable them to register their account agreements for secure electronic commerce.

B2B Model

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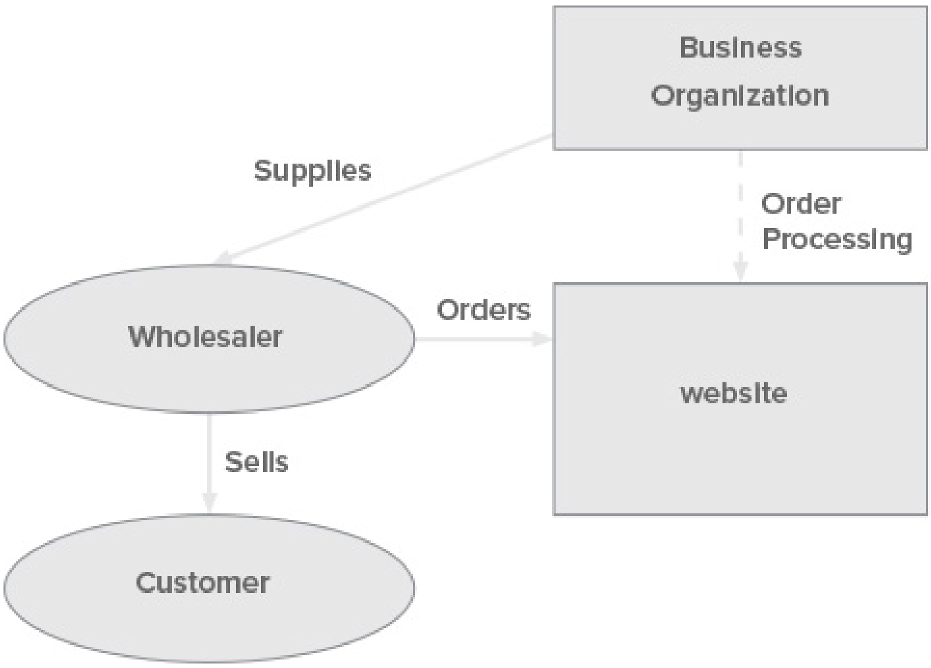

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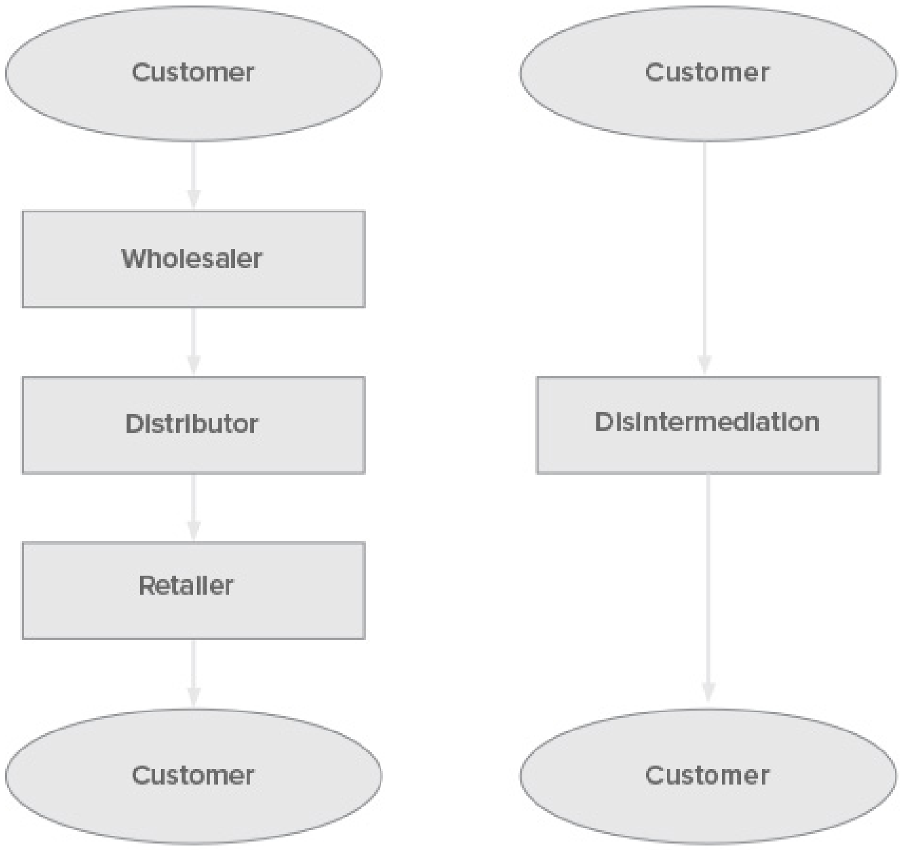
Disintermediation and Reintermediation

In traditional commerce, there are intermediating agents like wholesalers, distributors, retailers between manufacturer and consumer. In B2C website, manufacturer can sell products directly to consumers. This process of removal of business layers responsible for intermediary functions is called Disintermediation.



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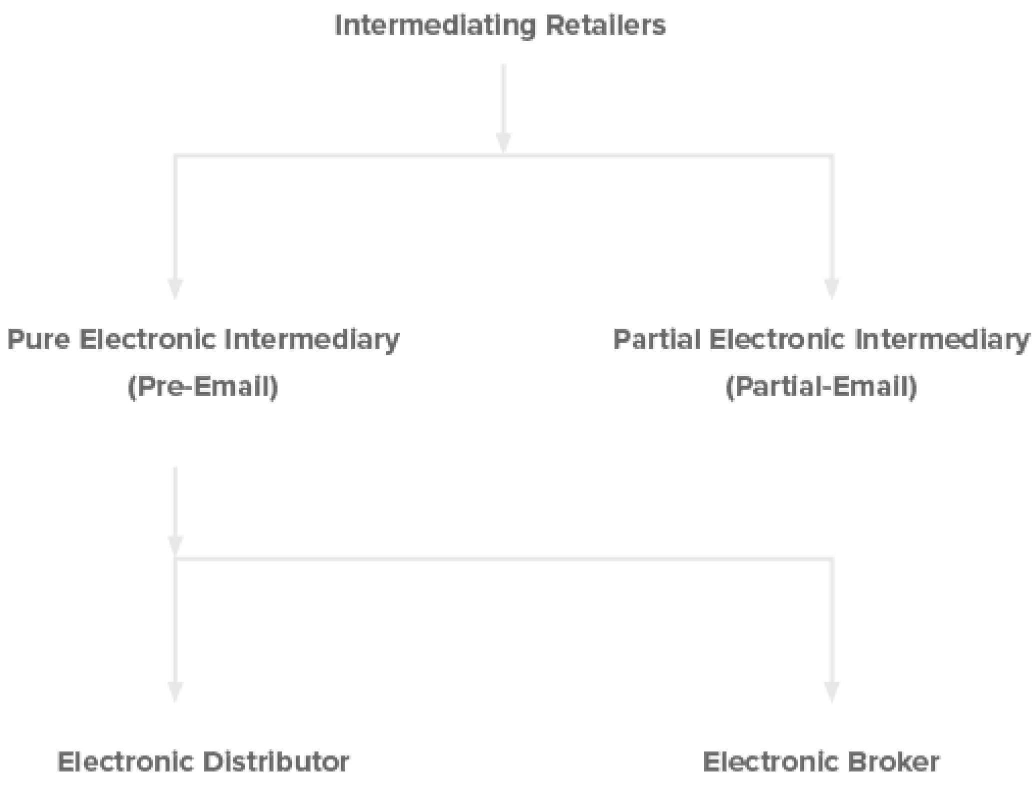
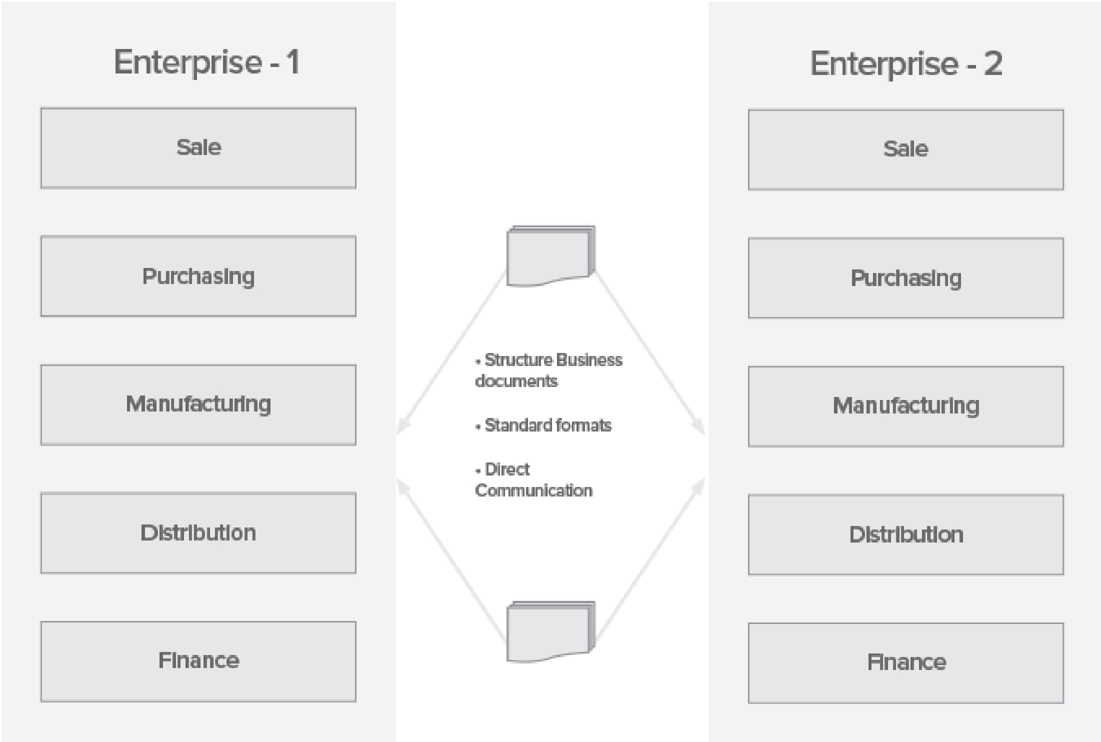


EDI

EDI stands for Electronic Data Interchange. EDI is an electronic way of transferring business documents in an organization internally between its various departments or externally with suppliers, customers or any subsidiaries etc. In EDI, paper documents are replaced with electronic documents like word documents, spreadsheets etc.



EDI Documents

Following are few important documents used in EDI:

- Invoices
- Purchase orders
- Shipping Requests
- Acknowledgement
- Business Correspondence letters
- Financial information letters

Steps in an EDI System

Following are the steps in an EDI System.

- A program generates the file which contains the processed document.
- The document is converted into an agreed standard format.
- The file containing the document is send electronically on network.
- The trading partner receives the file.
- An acknowledgement document is generated and sent to the originating organization.

Advantages of an EDI System

Following are the advantages of an EDI System.

- **Reduction in data entry errors.** - Chances of errors are much less being use of computer in data entry.
- **Shorter processing life cycle** - As orders can be processed as soon as they are entered into the system. This reduced the processing time of the transfer documents.
- **Electronic form of data** - It is quite easy to transfer or share data being in electronic format.
- **Reduction in paperwork** - As lot of paper documents are replaced with electronic documents there is huge reduction in paperwork.
- **Cost Effective** - As time is saved and orders are processed very effectively, EDI proves to be higly cost effective.
- **Standard Means of communication** - EDI enforces standards on the content of data and its format which leads to clearer communication.

It is very rare for even two customers to have identical needs to each other. In a perfect world, we would identify those customers that we deem to be profitable, and then treat each one of those individually according to their unique needs. In any market with a sizeable target audience, even this is likely to require more resources than is practical or profitable. To reiterate, segmentation, like marketing itself, is all about the profitable satisfaction of customers' needs. It is designed to be a practical tool, balancing idealism against practicality and coming up with a solution that maximises profit.

This means we have to be clever in targeting our offers at people who really do want them, need them and are willing to pay for them. Equally, we have to be strong in setting aside those who do not. We have to choose our target audience on the basis of our capabilities and strengths. In other words we have to choose our own battlefield where we are confident that we are more attractive than our competitors. This early observation is fundamental, as it requires us to think as hard about where we don't want to sell our product as where we do.

This brings us to the consideration of the difference between marketing and selling. Selling focuses on the product in hand and our pressure to get rid of it, almost regardless of the needs of the customer. It is clear that brutal selling may leave a customer with a product they wish they had never bought and, therefore, they may never return as a customer again. Marketing takes a longer-term view. Marketing, and in particular segmentation, concerns itself with the matching of customers' needs with suppliers' needs and capabilities. More time and effort may be required but the customer is more likely to be comfortable with their decision and be loyal.

The fundamentals of marketing are the same fundamentals of segmentation. Know your customers, know how they differ, and have a clear proposition that lights their fire. We will return to these issues but first we will examine the differences between consumer and business-to-business markets, as our challenge is to arrive at a business-to-business segmentation.

Segmentation Challenges In Business-To-Business Markets

Business-to-business markets are characterised in a number of ways that makes them very different to their consumer cousins. Below we summarise the main differences between consumer and business-to-business markets, and set out the implications for market segmentation:

1) B2B markets have a more complex decision-making unit: In most households, even the most complex and expensive of purchases are confined to the small family unit, while the purchase of items such as food, clothes and cigarettes usually involves just one person. Other than low-value, low-risk items such as paperclips, the decision-making unit in businesses is far more complicated. The purchase of a piece of plant equipment may involve technical experts, purchasing experts, board members, production managers and health and safety experts, each of these participants having their own set of (not always evident) priorities.

Segmenting a target audience that is at once multifaceted, complex, oblique and ephemeral is an extremely demanding task. Do we segment the companies in which these decision makers work, or do we segment the decision makers themselves? Do we identify one key decision maker per company, and segment the key decision makers. In short, who exactly is the target audience and who should we be segmenting?

2) B2B buyers are more 'rational': The view that b2b buyers are more rational than consumer buyers is perhaps controversial, but we believe true. Would the consumer who spends $3,000 on a leather jacket that is less warm and durable than the $300 jacket next-door make a similar decision in the workplace? Consumers tend to buy what they want; b2b buyers generally buy what they need.

It perhaps therefore follows that segmenting a business audience based on needs should be easier than segmenting a consumer audience. In business-to-business markets it is critical to identify the drivers of customer needs. These often boil down to relatively simple identifiers such as company size, volume purchased or job function. These identifiers often enable needs and therefore segments to be quite accurately predicted.

3) B2B products are often more complex: Just as the decision-making unit is often complex in business-to-business markets, so too are b2b products themselves. Even complex consumer purchases such as cars and stereos tend to be chosen on the basis of fairly simple criteria. Conversely, even the simplest of b2b products might have to be integrated into a larger system, making the involvement of a qualified expert necessary. Whereas consumer products are usually standardized, b2b purchases are frequently tailored.

This raises the question as to whether segmentation is possible in such markets – if every customer has complex and completely different needs, it could be argued that we have a separate segment for every single customer. In most business-to-business markets, a small number of key customers are so important that they 'rise above ' the segmentation and are regarded as segments in their own right, with a dedicated account manager.

There may be problems in developing a needs-based segmentation but this is at least an aspiration to drive towards. The question is 'how?'

The starting point of any business-to-business segmentation is a good database. A well-maintained database is high on the list in any audit of marketing excellence in a business-to-business company. The database should, as a minimum, contain the obvious details of correct address and telephone number together with a purchase history. Ideally it should also contain contact names of people involved in the decision-making unit, though this does present problems of keeping it up to date.

Management is frequently blissfully unaware of the parlous state of its databases as it is rarely involved in inputting and maintaining data. Sometimes the best database in the company is the Christmas card list held close to the chest of every sales person.

A comprehensive and up-to-date database is only the start of the segmentation process. A mechanism is now needed for determining every need of every company on the database. The commonsense approach may appear to be to ask them. However, what questions would you ask and could you be sure of the answers? It is not that people lie but they may not be able to acknowledge the truth;

- Do people really buy a Porsche for engineering excellence?
- Do people really choose an Armani suit because it lasts so well?
- Do people, who say they buy their chemicals purely on price, never require any technical support or urgent deliveries from time to time?

Sometimes the simple question and the straightforward answer is enough. At other times a more sophisticated approach is required. Statistical techniques (specifically factor analysis) can be used to show the association between the overall satisfaction with a supplier and satisfaction of that supplier on a whole range of attributes that measure the customers' needs. It can be determined that any individual attributes receiving high satisfaction scores must drive the overall satisfaction score and therefore be an important reason for choosing that supplier. In other words, instead of asking what factors are important, we can derive them. Buyers of Armani suits may show a strong link between overall satisfaction with the suit and attributes related to the brand and so point to the importance of the brand in the buying decision.

Using Statistics To Arrive At A Segmentation

The classification data on questionnaires provides demographic data while questions in the body of the interview determine aspects of behaviour. Cross tabulations of data on these criteria allow us to see the different responses amongst groups of respondents. This is market segmentation at its simplest level and every researcher uses the computer tabulations of findings to establish groups of respondents with marked differences.

However, we can use statistical techniques, in particular multivariate analysis, to allow more sophisticated segments to emerge. In a b2b segmentation study (or even in a customer satisfaction study), respondents are asked to say to what extent they agree with a number of statements. These statements are designed to determine the needs and interests of the respondents. Typically there are a couple of dozen such statements, sometimes more. The possible combinations of groupings from 200 interviews are literally millions and we need some means of creating combinations that have a natural fit.

Using a technique known as factor analysis, statisticians can work out which groups of attributes best fit together. Looking through the different statements or attributes that make up these groupings it is usually possible to see common themes such as people who want low prices with few extras, people who want lots of services or add-ons and are prepared to pay for them, people who are concerned about environmental issues and so on. Factor analysis reduces the large number of attributes to a smaller but representative sub-set. These subsets are then given labels such as “price fighters”, “service seekers” and any other such terms that help the marketing team know exactly who they are addressing.

The groupings of needs that have been worked out by factor analysis are now run through further computations using a technique known as cluster analysis. These factors are presented to the cluster analysis whose algorithms rearrange the data into the partitions that have been specified and so determine how neatly the population fits into the different groupings.

The statistical approach to a needs-based segmentation has become extremely popular and it is certainly an important objective means of finding more interesting and possibly more relevant ways of addressing the customer base. However, the tastes and needs of populations are constantly changing and we should always be mindful of new segments that may not show up as more than a dot on the current radar screen. For example, if Guinness had carried out a needs-based segmentation amongst its customers in the 1960s, it may not have recognized the opportunity to re-position the drink as young and trendy. This segment was developed by a series of astute marketing campaigns.

Revenue model for B2B ecommerce store

1. Commission

The most popular business model for modern marketplaces is to charge a commission from each transaction. When a customer pays a provider, the marketplace facilitates the payment and charges either a percentage or a flat fee.

The biggest benefit of this model is that providers are not charged anything before they get some value from the marketplace. This is really attractive for the providers. At the same time, from the marketplace's point of view, this model is usually the most lucrative: you get a piece of all the value that passes through your platform. The best known marketplace platforms—like Airbnb, Etsy, eBay, Fiverr, TaskRabbit and Uber—all use commissions as their main business model.

The biggest challenge in getting the commission model to work is to provide enough value for both the customer and the provider. If your users do not get enough value from your platform, they will find a way to circumvent your payment system, and you will not get paid. How do you provide this value? We'll dive into that question in our next article.

Another challenge with the commission model is pricing. How big should the commission be? Should it be the same for all users? Should I charge the customer, the provider, or both? Should I first have a lower commission to get people to join my platform, and raise it later on? We'll dedicate another article to pricing later on.

My recommendation is to use the commission model as your main revenue stream whenever feasible. I anticipate more and more marketplaces adopting this model in the future.

There are, however, scenarios in which it is not feasible for the marketplace to facilitate payment transaction. In these cases, the commission model does not work. Examples include:

When the size of the typical transaction is huge. With car or real estate sales, for instance, it's difficult for the marketplace to justify the commission.

The marketplace has lots of different types of offerings. It becomes impossible to design a transaction process that provides value for all of those cases. Traditional classified ads are a good example of this.

The invoicing process is too complex for the marketplace to facilitate it. This is common in business-to-business (B2B) and some business-to-consumer (B2C) marketplaces.

Money is not exchanged at all in the marketplace. For instance, if the marketplace is about dating, finding people to hire, bartering, or sharing something for free, there's no monetary transaction involved, and thus no way to charge a commission.

In these cases, you need a different type of business model.

2. Membership / subscription fee

A membership fee (sometimes called a subscription fee) is a model where either some or all of a marketplace's users are charged a recurring fee to access the marketplace. With this model, the typical value proposition for providers is that the marketplace helps them find new customers. For customers, it helps them save costs or find unique experiences. The membership fee is a good choice if the value you provide is high and a typical user will engage in several transactions, but facilitating a payment is challenging or impossible.

Typical examples of consumer-to-consumer (C2C) marketplaces with membership fees are home swapping sites (Love Home Swap, Home Exchange) and dating sites (OkCupid, Match.com). Oftentimes, these sites vet all the subscribers in order to guarantee quality matches and create a sense of exclusivity that justifies the fee.

In the B2C market, the membership model is common in recruiting. For instance, LinkedIn and StackOverflow Careers charge companies a subscription fee to get access to their talent pools. Studiotime, an "Airbnb for record studios", is an example of another niche where membership fees work as the main business model. With B2C companies, the platform is typically free for customers, but requires a paid subscription for providers.

A membership fee can also be a good initial business model for B2C marketplaces that eventually want to charge a commission but don't yet have the tools

4) B2B target audiences are smaller than consumer target audiences: Almost all business-to-business markets exhibit a customer distribution that confirms the Pareto Principle or 80:20 rule. A small number of customers dominate the sales ledger. Nor are we talking thousands and millions of customers. It is not unusual, even in the largest business-to-business companies, to have 100 or fewer customers that really make a difference to sales. One implication is that b2b markets generally have fewer needs-based segments than consumer segments – the volume of data is such that achieving enough granularity for more than 3 or 4 segments is often impossible.

5) Personal relationships are more important in b2b markets: A small customer base that buys regularly from the business-to-business supplier is relatively easy to talk to. Sales and technical representatives visit the customers. People are on first-name terms. Personal relationships and trust develop. It is not unusual for a business-to-business supplier to have customers that have been loyal and committed for many years.

There are a number of market segmentation implications here. First, while the degree of relationship focus may vary from one segmentation to another, most segments in most b2b markets demand a level of personal service. This raises an issue at the core of b2b segmentation – everyone may want a personal relationship, but who is willing to pay for it? This is where the supplier must make firm choices, deciding to offer a relationship only to those who will pay the appropriate premium for it. On a practical level, it also means that market research must be conducted to provide a full understanding of exactly what 'relationship' comprises. To a premium segment, it may consist of regular face-to-face visits, whilst to a price-conscious segment a quarterly phone call may be adequate.

6) B2B buyers are longer-term buyers: Whilst consumers do buy items such as houses and cars which are long-term purchases, these incidences are relatively rare. Long-term purchases – or at least purchases which are expected to be repeated over a long period of time – are more common in business-to-business markets, where capital machinery, components and continually used consumables are prevalent. In addition, the long-term products and services

required by businesses are more likely to require service back-up from the supplier than is the case in consumer markets. A computer network, a new item of machinery, a photocopier or a fleet of vehicles usually require far more extensive aftersales service than a house or the single vehicle purchased by a consumer. Businesses' repeat purchases (machine parts, office consumables, for example) will also require ongoing expertise and services in terms of delivery, implementation/installation advice, etc that are less likely to be demanded by consumers.

Almost all business-to-business markets exhibit a customer distribution that In one sense this makes life easier in terms of b2b segmentation. Segments tend to be less subject to whim or rapid change, meaning that once an accurate segmentation has been established, it evolves relatively slowly and is therefore a durable strategic tool. The risk of this, and something which is evident in many industrial companies, is that business-to-business marketers can be complacent and pay inadequate attention to the changing needs and characteristics of customers over time. This can have grave consequences in terms of the profitability of a segment, as customers are faced with out-of-date messages or benefits that they are not paying for.

7) B2B markets drive innovation less than consumer markets: B2B companies that innovate usually do so as a response to an innovation that has happened further upstream. In contrast with FMCG companies, they have the comparative luxury of responding to trends rather than having to predict or even drive them. In other words, B2B companies have the time to continually re-evaluate their segments and CVPs and respond promptly to the evolving needs of their clients.

8) B2B markets have fewer behavioural and needs-based segments: The small number of segments typical to b2b markets is in itself a key distinguishing factor of business-to-business markets. Our experience of over 2,500 business-to-business studies shows that B2B markets typically have far fewer behavioural or needs-based segments than is the case with consumer markets. Whereas it is not uncommon for an FMCG market to boast 10, 12 or more segments, the average business-to-business study typically produces 3 or 4.

Part of the reason for this is the smaller target audience in business-to-business markets. In a consumer market with tens of thousands of potential customers, it is practical and economical to divide the market into 10 or 12 distinguishable segments, even if several of the segments are only separated by small nuances of behaviour or need. This is patently not the case when the target audience consists of a couple of hundred business buyers.

The main reason for the smaller number of segments, however, is simply that a business audience's behaviour or needs vary less than that of a (less rational) consumer audience. Whims, insecurities, indulgences and so on are far less likely to come to the buyer's mind when the purchase is for a place of work rather than for oneself or a close family member. And the numerous colleagues that get involved in a B2B buying decision, and the workplace norms established over time, filter out many of the extremes of behaviour that may otherwise manifest themselves if the decision were left to one person with no accountability to others.

> It is noticeable that the behavioural and needs-based segments that emerge in business-to-business markets are frequently similar across different industries. Needs-based segments in a typical business-to business market often resemble the following:
>
> A price-focused segment, which has a transactional outlook to doing business and does not seek any 'extras'. Companies in this segment are often small, working to low margins and regard the product/service in question as of low strategic importance to their business.
>
> A quality and brand-focused segment, which wants the best possible product and is prepared to pay for it. Companies in this segment often work to high margins, are medium-sized or large, and regard the product/service as of high strategic importance.

A service-focused segment, which has high requirements in terms of product quality and range, but also in terms of aftersales, delivery, etc. These companies tend to work in time-critical industries and can be small, medium or large. They are usually purchasing relatively high volumes.

A partnership-focused segment, usually consisting of key accounts, which seeks trust and reliability and regards the supplier as a strategic partner. Such companies tend to be large, operate on relatively high margins, and regard the product or service in question as strategically important.

How To Segment

The benefits of b2b segmentation are not hard to grasp. The challenge is arriving at the most effective groupings.

A common approach in business-to-business markets is to apply a market segmentation based on company size. The consumption levels of business-to-business customers are so widely different that this often makes sense due to large companies usually thinking and acting differently to small ones. A further sophistication may be to classify customers into those who are identified as strategic to the future of the business, those who are important and therefore key and those who are smaller and can be considered more of a transactional typology.

These ‘demographic’ segmentations, sometimes referred to as ‘firmographic’ in business-to-business markets, are perfectly reasonable and may suffice. However, they do not offer that sustainable competitive advantage that competitors cannot copy. A more challenging segmentation is one based on behaviour or needs. Certainly large companies may be of key or strategic value to a business but some want a low cost offer stripped bare of all services while others are demanding in every way. If both are treated the same, one or both will feel unfulfilled in some way and be vulnerable to the charms of the competition.

It is not easy to jump straight into a fully-fledged needs-based segmentation. Most companies are starting with some history of involvement in segmentation, even if it is only a north/south split of its sales force. Companies move down the road of segmentation learning all the way.

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A membership fee can also be a good initial business model for B2C marketplaces that eventually want to charge a commission but don't yet have the tools in place to facilitate transactions in their particular niche. Venuu, an "Airbnb for event spaces", started with the membership model in order to get revenue upfront, even before launching their site. Later on, when they had validated their business plan and had the resources to build an invoicing system, they moved to the commission model—a model that was much more lucrative for them.

The challenge with the membership fee model is that it makes the “chicken and egg problem”—how to find providers without customers and how to find customers without providers—even worse. You need to have enough users on your platform to make it valuable for both providers and customers, and a mandatory payment discourages users from signing up. One way to get around this is to offer heavy discounts for early adopters, or even lifting the fee completely to build the initial user base.

3. Listing fee

Some marketplaces charge a fee from providers when they post new listings. This model is typically used when providers get value based on the number of listings they have on the site, and the potential value per listing is big.

This model is quite common with classified ads. The value proposition of the website is really simple: it aggregates a massive volume of listings to a single online destination, and guarantees lots of visibility for those listings. Classified ad platforms typically don’t even try to facilitate the transaction.

Perhaps the most well known example in this category is Craigslist. It is a collection of local sites where people can post listings about anything they want; whether it’s about selling goods, services, jobs, finding an apartment, dating, or something else. Generally, posting a new listing to Craigslist is free—this is how they managed to reach critical user mass—but in certain categories (namely, job and apartment listings in some cities) they charge a fee for each listing.

It can sometimes be useful to use several business models on the same site. For instance, Etsy is an example of a B2C marketplace that uses the commission model, but also charges a fee to post new listings. Etsy's reasoning for this is likely that its liquidity (the probability of a certain item being sold) varies a lot. While there are some hugely popular items on Etsy, most items probably never get a single sale because Etsy's total volume of listings is massive. By using both the commission model and the listing fee model, Etsy gets revenue from both popular and not so popular items.

A listing fee is better than a membership fee in cases where providers don't want a continuous subscription, and only want to sell certain items. This is the case with Mascus, a B2B classifieds site for expensive machinery.

The challenge with the listing fee model is that it doesn't guarantee value for providers, and thus the fee cannot be too high. This results in the marketplace being able to capture only a relatively small portion of the value going through the site. A sustainable business model that depends solely on listing fees thus requires a very large volume of listings. Additionally, since paying a listing fee does not guarantee that the item is sold, the marketplace will have a harder time proving that it provides actual value to its providers.

4. Lead fee

Lead fees are somewhere between the listing fee and the commission models. In a typical lead fee model, customers post requests on the site, and providers pay in order to make a bid for these customers. The model gives a better value proposition than the listing fee model: you only pay when you are put in touch with a potential customer.

The lead fee model only works if the value of the lead is high. For this reason, this model is not common in C2C marketplaces. A typical use case is B2C or B2B services, where each new lead can lead to a long-lasting customer relationship with multiple deals

A recent well-performing example of this model is Thumbtack, a B2C marketplace for all kinds of local professional services, from plumbers to guitar teachers. The fast-growing startup was recently valued at more than $1 billion.

However, while Thumbtack has been doing well with the lead fee model so far, their problem is that the providers no longer use Thumbtack with existing customers—instead, they build the relationship outside the platform once they have the lead. This is why Thumbtack is currently building invoicing, payment and scheduling tools for professionals. They're likely moving towards the commission model to extract more value from the transactions they help facilitate.

5. Freemium

How can you monetize a marketplace where people share low-value items for free? The Dutch startup Peerby has built a C2C platform where people can borrow things from each other at no cost. The basic experience is free for all the users of the platform. Peerby has decided to monetize by offering premium services. They have two main offerings: insurance (the provider can request that the customer, while getting the item for free, pays an insurance fee that guarantees the item will be replaced if it is damaged or stolen) and delivery (the customer can pay a small fee to get the item delivered to their door instead of having to go pick it up from the provider).

The logic behind the freemium model is that the core offering is free, but after you get your users hooked, you offer paid value-adding features. The challenge with this model is that these paid services need to provide enough value to be tempting to a good portion of your users. If only 1% of your users are interested in your premium offering and everyone else uses your site for free, it's probably not enough for a sustainable business model. Coming up with a premium service that is interesting for a wide enough audience can be very tricky. Because of this, many platforms use premium services as additional revenue streams.

For example, Mascus offers premium web page services to its customers to complement its listing fee based business model. Etsy complements its transaction and listing fee based model by offering premium services like direct checkout, listing promotion and shipping labels to its power sellers, and has recently seen strong growth from this revenue stream.

In some cases, a marketplace can start offering premium services as an add-on, but eventually shift its entire business model to focus on the paid services. Vayable started as a pure peer-to-peer marketplace where individual people offer unique experiences to others, but after failing to get enough traction, decided to pivot to build a concierge service for custom vacations. The downside of this approach is that premium services are often be a less scalable option when compared to the pure commission model. This is often due to the amount of staff that is required to provide the premium services. Vayable only made the shift because they were not able to get the commission model working well enough.

6. Featured listings and ads

Featured listings are a way for providers to buy more visibility for their offerings. If this model is used, listing on the site is typically free, but providers can pay to have their listing be featured on the homepage of the site, or at the top of a certain category. An example of this model is Gumtree, UK's most popular classified ads website. Etsy provides featured listings as one of its premium services.

This model is relatively close to pure advertising models—ones where you show ads (such as Google AdSense) to your users. Featured listings and ads are both popular revenue streams for classified ad sites. They are often seen on real estate marketplaces (like Zillow) or free sharing marketplaces (like Freecycle).

The challenge with these models is that, again, they require a significant amount of users to generate meaningful revenue. When you're in the business of selling eyeballs, the revenue you generate per user is likely a lot less than if you can extract value from your transaction process. Moreover, when you're placing ads on your site, you're serving two audiences with conflicting interests: from a user experience point of view, ads are almost always a hindrance, and your users would generally be happier without ads. If you want to offer the best possible experience for your users, this business model is not your best option.

Ad-based models work best when you have a really specific niche, and there are commercial providers that are interested in tailoring their offering for that specific audience. For instance, Häätori, a Finnish wedding marketplace for used wedding dresses, lets individuals use the site for free. They monetize by allowing wedding planners, photographers and other providers of wedding-related services to buy ads on the site. The content of these ads is very relevant for the users of the website, making them more relevant

Global Logistic forwarders

1. What is the problem that our solution is aiming to fix?

Indian producers mainly SME are not globally explored due to which they are lacking in marketing their product, inspite quality & demand for product lies high in global market.

We bring Indian producers and World Wide buyer into a single point of contact digitally.

2.Indian producers and some are awareness of export business procedures, pricing, custom clearing due to which they tend sell their produce in local market.

We provide complete logistic fulfillment solutions, from door to door, there our logistic partners Some need not bother about custom clearing and logistics

3. Due to language barrier & others problems, Indian face problem in marketing their product in global market. This issue is solved there the solution we provide to some.

4. Different countries have different quality standards or compliances. indian some are unaware of quality certifications.

Through our associated IAF accredited auditor & certifier are assist some to comply with developed country standard.

Tanutradeport	Alibaba
1. 70% of our suppliers are ISO certified this will reduce the fear of cargo risk of layer drastically. Focused on quality certification.	1. They are not focused on quality certification.
2.Quality of indian , china products products is far higher most are of compared to china use and throw products. Buyer has kind No risk to source for rebranding in this country	2.China products most are of use and throw kind.
3. Supplier is listed on top in buyer search based on his quality merits.	3.Supplier is listed on top in buyer search based on how huge he pay to alibaba.
4. Buyer transaction record is maintained at suppliers account to maintain long term relation & provide discount at next transaction.	4. No buyer record is maintained.

Our vision and mission

1. Increase Indian export drastically is every possible sector.

2. Bring Indian SME on cloud. So that world can easily explore & procure goods from Indian SME.

3. Create awareness of ISO Quality standard & help SME's Company to international quality standards.

4. Create huge employment in every different class of workers.

Registered Suppliers benefits from our service

1. Manufacturer, producer & merchant exporter.

2. We research, study global market & connect indian specific manufacturer directly to hunger market of the world.

3. As most producers & manufacturer are unaware of export business proceduce, we provide- them complete solution of supply chain.

4.There our associated financial entities are provide, credit to manufacturers to procure raw material or fulfill the order.

Registered Buyer:

1. Buyer can be entity like processing industry, Restaurant, big retail or distributor from any corner of the world.

2. As we connect Indian manufacturer directly to buyer, they will be getting high competition price

3. Door to Door shipment is provided.

4. Credit is provided to Import products.

5. We are mainly targeting ISO Certificated Suppliers so buyers is free of risk.

6. There our supply chain we provide goods insurance as well

7. Buyers can track his cargo online 24/7 in our portal.

Revenue:

1. Listing fees is charged to supplier based on packages.

2. Commission on every sales is charged to supplier.

Investment:

1. Advance for corporate office - 16,00,000

2. incorporation of company - 45,000

3. setup cost of corporate office - 1,50,000

4. No of laptops - 10nos - 10,00,000

5. No of monitors - 10nos- 3,50,00

6.PRI Lines with EPABX System - 1,25,000

7.Website Development - 10, 00,00

8.App development - 2 - 9,00,000

9.Server purchase - 10,00,000

10. Legal Expenses& other- 5,00,000

11.Marketing 2 wheelers 4no, 4 wheelers 2no, - 30,00,000
Logo design, Brochures.

Marketing:

1. Big women entrepreneur community stretched there world called “We can not”

2. Social media

3. We have affiliated program in our portal which act as a digited sales person.

4.Indian embassies & chamber of commerce located world wide

Tanu Tradeport

Thank you

TANUTRADEPORT (OPC) PRIVATE LIMITED

BALAJI TRADERS, RANNA CIRCLE MAIN ROAD, MUDHOL

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