



E-BUSINESS TRAINING CONTENT FOR TRAINERS



EC101

e-Commerce

Basic

E-COMMERCE: CONCEPTS & PLATFORMS

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LEARNING OBJECTIVES

Upon completion of this course, students will be able to:

1. Build a foundation on the basic of e-Commerce.
2. Understand the concepts of e-Commerce, its advantages compared to traditional commerce especially for SMEs.
3. Describe business models and core operation strategies.

OUTLINE

Module 1 Overview of e-Commerce

- e-Commerce – definition, characteristics, advantages.
- Types of e-Commerce stakeholders.
- Latest development, trends in ASEAN* (national adaptation recommended).

Module 2 e-Commerce Business Models and Strategies

- Business models (B2B, B2C, C2C, B2G).
- Mobile e-Commerce, reverse auctions.
- Web-page design strategies.

Module 3 Using e-Commerce Platforms: How to Guide* (This module requires national adaptation)

- Major e-Commerce platforms*.
- Registration on e-Commerce Platforms*.
- Getting information on e-payment policies from the platforms*.
- How to manage orders*.
- Aftersales mechanism of the platform.

DURATION

1.5 – 2.0 hours (30 – 40 mins per module).

MODULE 1. OVERVIEW OF E-COMMERCE

1-1. [Opening question] What is e-Commerce?

- **The trainees' perception of e-Commerce**

The trainer exhibited four definitions of e-Commerce and requested the trainees to identify the accurate answer.

1.1. e-Commerce is the electronic exchange of products or services conducted through online platforms.

1.2. e-Commerce involves online transactions and commercial activities conducted between businesses or individuals.

1.3. e-Commerce is the sale or purchase of goods or services, conducted over computer networks by methods specifically designed for the purpose of receiving or placing orders.

1.4. e-Commerce encompasses the digital processes of marketing, selling, and distributing products or services through electronic channels.

The accurate answer would be Definition 1.3: "e-Commerce is the sale or purchase of goods or services, conducted over computer networks by methods specifically designed for the purpose of receiving or placing orders".

1-2. Definitions of e-Commerce

- **The trainer introduces the definition of e-Commerce.**

The OECD definition: *"An e-Commerce transaction is the sale or purchase of goods or services, conducted over computer networks by methods specifically designed for the purpose of receiving or placing orders. The goods or services are ordered by those methods, but the payment and the ultimate delivery of the goods or services do not have to be conducted online. An e-Commerce transaction can be between enterprises, households, individuals, governments, and other public or private organizations".* ^[1]

1-3. e-Commerce successful case study

- Introducing a successful e-Commerce model.

¹ OECD Statistics Directorate. 2011. *OECD Glossary of Statistical Terms - Electronic commerce Definition.*

Amazon.com, one of the pioneering e-commerce companies, has become a market leader in the industry. Founded by Jeff Bezos in 1994, Amazon started selling books online. The company's success is attributed to its value propositions, including low prices, fast delivery, and a vast product selection. Amazon's keys to success encompass a vast number of SKUs, free shipping and returns, overnight delivery, exceptional customer service, and competent management. In terms of funding, Bezos' parents initially invested around \$250,000, and in 1997, Amazon raised \$54 million through its IPO at \$18.00 per share ^[2].

Amazon was founded by Jeff Bezos from his garage in Bellevue, Washington, on July 5, 1994. On the basis of research that he had conducted, Bezos concluded that books would be the most logical product initially to sell online. Computer Literacy, a Silicon Valley bookstore, began selling books from its inventory to its technical astute customers in 1991. However, the promise of Amazon.com was to deliver any book to any reader anywhere. Amazon.com's home page as it appeared in 1995.

Brand name and Logo: ^[3]

Brand names are more important online than they are in the physical world. When Bezos first established the company, he chose the name Cadabra, Inc. After a few months, he changed the name to Amazon.com, Inc. Bezos selected this name by looking through a dictionary; he settled on "Amazon" because it was a place that was "exotic and different", just as he had envisioned for his Internet enterprise. The Amazon River was the biggest river in the world, and he planned to make his store the biggest bookstore in the world. Additionally, a name that began with "A" was preferred because it would probably be at the top of an alphabetized list.



Amazon's current logo which the company has been using since the year 2000, has an arrow leading from A to Z, which reflects the company's goal to provide every product a customer needs. The arrow forms a smile, which represents customer satisfaction.

Value propositions:

² Stone, Brad. 2013. *The Everything Store: Jeff Bezos and the Age of Amazon*.

³ Himaya Presthitha. 2022. [Amazon Startup Story - Founder | Funding | Revenue Model \(startuptalky.com\)](https://startuptalky.com)

- *Low price*
- *Fast delivery*
- *Wide selection of products*

Keys to success:

A huge number of SKUs, Table of Contents, Free Shipping and Returns, Overnight Delivery, Incredible Customer Service, and Talented Management is the Amazon's keys to success.

Fundings:

1994: Bezos' parents invested almost \$250,000 in the start-up.

1997: Amazon IPOs at \$18.00/share, raising \$54 million.

1-4. e-Commerce characteristics (1)

- **Explanation of Digital trade.**

“While there is no single recognized and accepted definition of digital trade, there is a growing consensus that it encompasses digitally enabled transactions of trade in goods and services that can either be digitally or physically delivered, and that involve consumers, firms, and governments. That is, while all forms of digital trade are enabled by digital technologies, not all digital trade is digitally delivered. For instance, digital trade also involves digitally enabled but physically delivered trade in goods and services such as the purchase of a book through an on-line marketplace or booking a stay in an apartment through a matching application”.^[4]

1-5. e-Commerce characteristics (2)

- **Explanation of Electronic data exchange and its advantages.**

“Electronic exchange of data usually in forms that are compatible so that software or a combination of individuals and software can put it in a compatible form at the receiving end if necessary”.

The advantages of electronic data exchange:

- *The paper usage reduced.*
- *Improved quality of data.*
- *Speed Increases.*
- *Security.*

⁴ OECD. 2017. *Digital trade definition*.

- *Information accuracy.*
- *Less Cost* ^[5].

Electronic data exchange, also known as electronic data interchange (EDI), has several advantages in business:

- *The paper usage reduced: The expense of storing, printing, recycling, reduces up to the maximum amount due to the EDI.*
- *Improved quality of data: The data entry errors are reduced due to EDI.*
- *Speed Increases: The best advantage is the increase in the speed of the data interchange. With everything going online, the speed of the information transfer increases exponentially.*
- *Security: By following the Protocols and the standard rules, the security of all the important documents is always secure and safe.*
- *Information accuracy: Since the information exchanged is based on standards agreed by the sender and receiver both, the correct information is always transferred regardless of where they belong to.*
- *Less Cost: With very less errors, fast response time, everything's becoming automated, and no use of paper, the cost automatically reduces.*

1-6. e-Commerce characteristics (3)

- Explanation of International access and its advantages.

International access: *“Digital infrastructure is global and therefore trade has the potential to be conducted internationally thereby passing physical limitations.”* ^[6]

Advantages of International access:

- Increased Revenues
- Decreased Competition
- Longer Product Lifespan
- Easier Cash-Flow Management
- Better Risk Management
- Benefiting from Currency Exchange

⁵ Economic Commission for Europe of the United Nations (UNECE). 2000. "Glossary of Terms on Statistical Data Editing".

⁶ UNIDO Knowledge Hub. 2023. *Key Concepts: What is e-Commerce*

- Access to Export Financing
- Disposal of Surplus Goods
- Enhanced Reputation
- Opportunity to Specialize ⁷

Increased Revenues

One of the top advantages of international trade is increasing your number of potential clients. Each country you add to your list can open up a new pathway to business growth and increased revenues. Seventy eight percent of respondents to the 2021 FedEx Trade Trend Report agree that increasing trade will generate revenue opportunities and create more jobs.

Decreased Competition

Your products and services may have to compete in a crowded market in the U.S., but you may find less competition in other countries, where citizens may be thrilled to see your products available where they live.

Longer Product Lifespan

Sales can dip for certain products domestically as Americans stop buying them or move to upgraded versions. Selling a product to an overseas market can extend the life of an existing product as emerging markets seek American products.

Easier Cash-Flow Management

Getting paid upfront may be one of the hidden advantages of international trade. When trading internationally, negotiating payment terms with vendors may look different. It could be a general practice to ask for payment upfront, whereas at home, you may generally wait longer to be paid. Expanding your business overseas could potentially help you manage cash flow better.

Better Risk Management

A significant advantage of international trade is market diversification. Focusing only on the domestic market may expose you to increased risk from economic downturns, political factors, environmental events, and other factors. Becoming less dependent on a single market may help mitigate potential risks in your core market.

⁷ Martinuzzi. 2023. <https://www.americanexpress.com/en-us/business/trends-and-insights/articles/advantages-international-trade/>

Benefiting from Currency Exchange

Companies that conduct international trade may benefit from currency fluctuations. For example, when the U.S. dollar is down, you may be able to export more as foreign customers benefit from the favorable currency exchange rate.

Access to Export Financing

Another advantage of international trade is you may be able to leverage export financing. The Export-Import Bank of the United States (EXIM) and The U.S. Small Business Administration can help you explore export financing options.

Disposal of Surplus Goods

One of the advantages of international trade is you may have additional outlets to dispose of surplus goods you can't sell in your home market.

Enhanced Reputation

Success in one country can influence success in adjacent countries, which can raise your company's credibility abroad and at home. This is one of the advantages of international trade that may be difficult to quantify and, therefore, easy to ignore.

Opportunity to Specialize

International markets can open up avenues for new services or products to serve that market. Being exposed to the realities of the world outside your home base may spark innovations, upgrades, and efficiencies for your existing products and services.

1-7. e-Commerce vs traditional commerce

- The differences between e-Commerce and traditional commerce in terms of domestic market and international market

	Domestic		International and Cross-border	
	Goods	Services	Goods	Services
Traditional Commerce	A consumer purchases goods and products from a physical retailer store	The service received by the consumer doesn't require them to be online	International Trading Companies have complete control over the import and export of goods and products across geographical boundaries.	Provisions of services that are not don't rely on digital infrastructure for ex. temporary movement of a service supplier to another country to supply a service
E-commerce	A consumer purchases goods and products from an online domestic store	An online service is supplied from a domestic supplier for ex. e-banking	A consumer places an orders from an online e-commerce store and the product is shipped to the consumer cross-border i.e. from one country to another.	Services that are provided cross border such as digital products (music, games etc.) and provision of services which transcend terrestrial boundaries.

Table 1: Comparison between traditional commerce vs. e-Commerce [8]

1-8. Advantages of e-Commerce vs traditional commerce

- Compare the advantages of e-Commerce and traditional commerce.

Benefits of e-Commerce	Benefits of Traditional commerce
<ol style="list-style-type: none"> 1. Cost effective. 2. Faster transaction and better connectivity. 3. Access to international value chains. 4. Potential to tap into larger consumer base. 5. Instantaneous/ very quick product feedback. 6. Available 24x7. 	<ol style="list-style-type: none"> 1. Suitable for perishables and “touch and feel” items. 2. Easy access to human resources and skills development. 3. Face-to-face interaction. 4. Limited exposure to cyber security threats.

1-9. Types of e-Commerce stakeholders

- Understand the definition of stakeholers.

A stakeholder can be defined as a person, group or institution that has a vested interest or concern in particular organizations. Stakeholders can affect or be affected by the

⁸ UNIDO Knowledge Hub. 2020. *Key Concepts: E-commerce vs Traditional Commerce*

organization's actions, objectives and policies ^[9].

- Identify the stakeholders of e-Commerce ^[10].
 - E-Commerce Platforms/Marketplaces.
 - Vendors.
 - Consumers/Buyers.
 - Financial Intermediaries and E-Payment Service Providers.
 - Freight Forwarders and Logistics Service Providers.
 - Customs Brokers.
 - Express Carriers.
 - Fulfilment houses/centres.
 - Postal Operators.

1-10. Latest e-Commerce trends in the worldwide (1)

- Provide development trends of e-Commerce in the world.

Trend 1: The e-Commerce landscape is getting more competitive

According to Forbes, e-Commerce will account for 20.4% of global retail sales by the end of 2022, up from only 10% five years ago. In other words, the e-Commerce space is becoming more crowded.

e-Commerce incumbents and new entrants are racing to gain consumers' attention. The result is increased costs of advertising and reduced return on ad spend (ROAS). Advertising on Facebook, for example, already costs 47% more than the year before but much less effective ^[11].

1-11. Latest e-Commerce trends in the worldwide (2)

- Provide development trends of e-Commerce in the world.

Trend 2: More e-Commerce businesses go global to overcome growth bottlenecks

Total addressable market (TAM) is a common limiting factor of growth. As businesses reach their growth limits in the domestic environment, the world will see more e-Commerce brands expand into the global stage. The go-global movement is echoed by consumers. In fact, a

⁹ Techtargget.com. 2023. Stakeholder definition.

¹⁰ World Customs Organization – Organisation Mondiale Des Douanes (WCOOMD). 2020. *doc. PC0614Eb - Annex III*.

¹¹ Percy Hung. 2022. [E-Commerce Trends 2022: What The Future Holds \(forbes.com\)](https://www.forbes.com)

recent survey revealed that 76% of online shoppers have made purchases on a site outside their own countries ^[12].

1-12. Latest e-Commerce trends in the worldwide (2)

- Provide development trends of e-Commerce in the world.

Trend 3: Influencer Marketing

Influencer marketing has emerged as one of the most effective methodologies. Influencer marketing refers to the practice whereby organizations and brands partner with selected influencers on social media to create and/or promote branded content, thus targeting both the influencers' followers and the brands' target audience (Lou & Yuan, 2019) ^[13]. Although most of this value is in business-to-consumer (B2C) markets, some 15% of business-to-business (B2B) brands are known to engage in influencer marketing programs (Business Insider, 2021) ^[14], which can reportedly deliver a ten-fold higher Return on Investment (ROI) than traditional forms of digital marketing ^[15].

1-13. Latest trends in ASEAN

- Introduce some key information of e-Commerce market in ASEAN

Global e-Commerce sales surpassed \$1.6 trillion in 2018 and are anticipated to reach \$2.7 trillion by 2023. Consequently, the ASEAN and East Asia have the world's fastest-growing online market, with over 350 million Internet users and a market size of US\$72 billion in 2018.

The regional e-Commerce market is anticipated to increase at a rate of 25–35% per year over the next 5–10 years. By 2025, the e-Commerce business will be worth more than \$100 billion ^[16].

¹² Percy Hung. 2022. [E-Commerce Trends 2022: What The Future Holds \(forbes.com\)](https://www.forbes.com)

¹³ Chen Lou & Shupeí Yuan. 2019. <https://www.tandfonline.com/doi/full/10.1080/15252019.2018.1533501>

¹⁴ Businessinsider.com. 2021. <https://www.businessinsider.com/influencer-marketing-report?r=US&IR=T>

¹⁵ Traacker and Altimeter. 2020.

¹⁶ Google and Temasek, Statista. 2019.

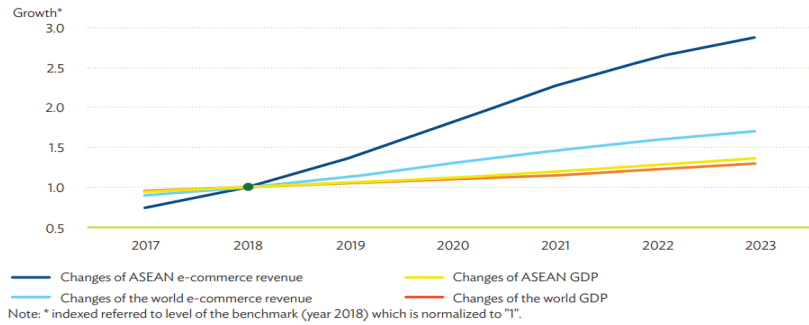


Figure 1. The Growth of E-Commerce revenue and GDP ^[17]

Figure 1 illustrates the evolution of global and ASEAN e-Commerce revenue and gross domestic product (GDP). From 2018 to 2023, the annual increase of ASEAN e-Commerce revenue is anticipated to be four times that of the regional GDP, while the annual growth of global e-Commerce revenue is anticipated to be twice that of the global GDP. ASEAN's total e-Commerce income will climb by about 200 %. Together with China and India, i.e. through free trade and market integration, the area might be part of the global e-Commerce epicenter by 2023, accounting for more than 40% of the global e-Commerce market.

It is anticipated that the average growth rate of e-Commerce in ASEAN member states will exceed 10% every year.

1-14. [Activity] Latest trends in country

- The trainer requested the trainees to share information regarding the development of e-commerce in their surroundings or based on their personal perception.
- The trainer concludes the module by presenting relevant metrics and data regarding the e-commerce landscape of the country.

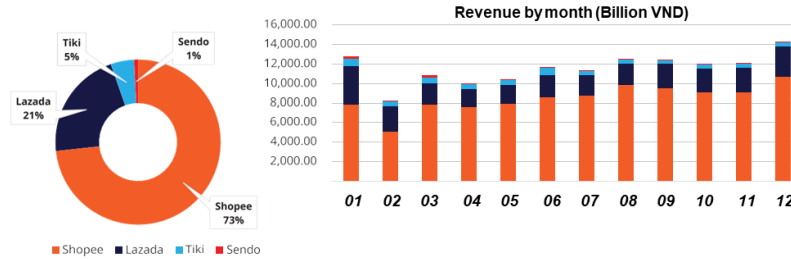
Suggestion: Trainers might use the website [slido.com](https://www.slido.com) to improve the engagement of the trainees.

For Vietnam, the trainer introduces some statistics of platforms in Vietnam in 2022 in order to give a comprehensive picture of e-Commerce for trainees ^[18].

¹⁷ ERIA. 2020.

¹⁸ Metric.vn. 2022.

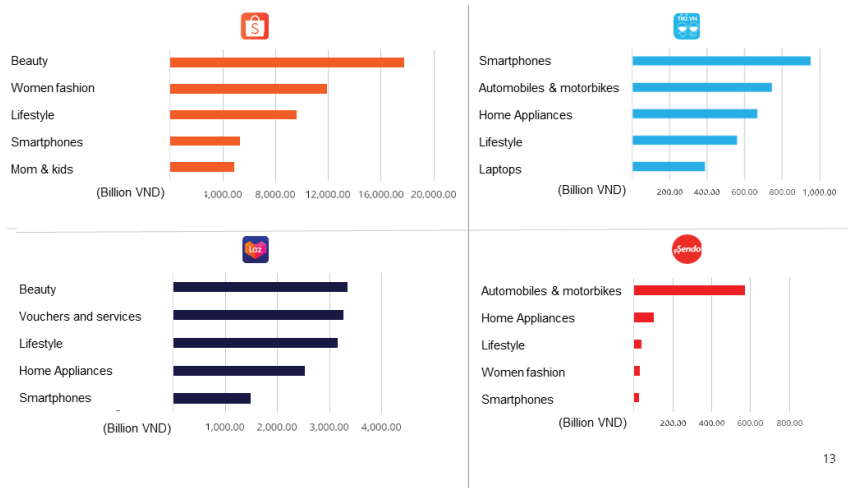
MARKET-SHARE OF E-COMMERCE PLATFORMS IN VIETNAM 2022



- ❖ The e-commerce market in Vietnam is currently led by four major platforms, including Shopee, Lazada, Tiki, and Sendo. Among them, Shopee holds the largest market share with 73% of the total sales of the four platforms, equivalent to about 91 trillion Vietnamese dong. Lazada ranks second with a 20% market share, while Tiki and Sendo hold 5% and 2% respectively.
- ❖ Unlike in 2021 when e-commerce revenue was mainly concentrated in the last few months of the year, in 2022, there will be less discrepancy in revenue between months, achieving a general growth rate of 18.4% compared to 2021.

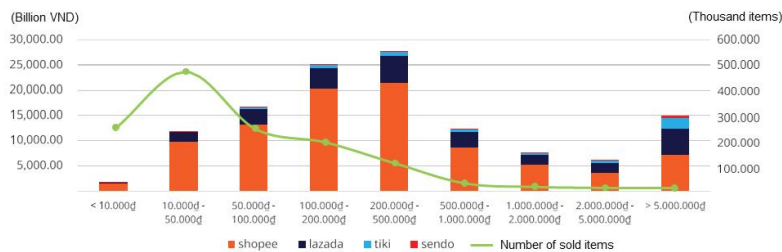
11

TOP CATEGORIES OF EACH PLATFORM



13

PRICE SEGMENTATION STATISTICS



- ❖ The low-priced segment of 10,000 - 50,000 VND has the largest quantity of products sold on all e-commerce platforms, accounting for 37% of the total number of products sold.
- ❖ Meanwhile, products in the price range of 100,000 - 200,000 VND and 200,000 - 500,000 VND generate the highest revenue for sellers, accounting for 42.6% of the total revenue

MODULE 2. E-COMMERCE MODELS AND STRATEGIES

2-1. [Opening activity]

- The trainer invites the trainees to express their preference for a particular partner they would like to do business with, for example: customers, other businesses, government, etc. To gather real-time results, the suggestion is to utilize websites such as slido.com.

2-2. Business-to-Business (B2B) model

- Help trainees to understand the B2B model.

B2B e-commerce: a business supplies its products to an intermediate buyer, which will proceed to sell the products to the final customer. In the illustration:

- A wholesaler places an order from a company's website.
- Company processes the consignment and supply the end-product(s) to wholesaler.
- The wholesaler sells the product(s) to the final customer(s) through their retail outlet ^[19].
- Request trainees to give examples of a local B2B business.

2-3. Business-to-Consumer (B2C) model

- Help trainees understand the B2C model.

Business-to-Consumer (B2C) e-commerce involves direct interaction between business and consumer through an e-commerce platform. In the B2C illustration:

- Consumers visit the enterprises website and orders products.
- The enterprise is notified of the order.
- After receiving the order and payment the goods are dispatched to the customer. ^[20]
- Request trainees to give examples of a local B2C business.

¹⁹ UNIDO Knowledge Hub. 2020. *E-commerce Business Models and Strategies*

²⁰ UNIDO Knowledge Hub. 2020. *E-commerce Business Models and Strategies*

2-4. Consumer-to-Consumer (C2C) model

- Help trainees understand the C2C model.

A business model that facilitates an environment, usually online, where customers can trade with each other via a third-party platform. C2C platforms make their profits from: fees charged to sellers when listing items for sale and digital payment methods. ^[21].

- Request trainees to give examples of a local C2C business.

2-5. Business-to-Government (B2G) model

- Help trainees understand the B2G model.

A business model that facilitates trade activities between enterprises and governments. B2G is based around two presuppositions:

- The public sector takes a leading role in establishing e-Commerce.
- The public sector has the greatest need for making the procurement system more effective. ^[22].
- Request trainees to give 1 example of a local B2G business.

2-6. Mobile e-Commerce (m-Commerce)

- Understand the definition of m-Commerce.

M-commerce involves engagement with e-commerce platforms through hand-held and wireless devices such as smartphones and tablets. Analysis of consumer mobile activity – such as browsing tendencies provides manufacturers the ability to tailor their products and services ^[23].

- Advantages of m-Commerce.
 - Large customer base: more widely and easily accessible.
 - Convenience: easier to compare prices, read reviews and make purchases anywhere, anytime.
 - Automation: automates with mobile contactless payment options.
 - Omnichannel experience: reach to customers via many touch points ^[24].

²¹ UNIDO Knowledge Hub. 2020. *E-commerce Business Models and Strategies*

²² UNIDO Knowledge Hub. 2020. *E-commerce Business Models and Strategies*

²³ UNIDO Knowledge Hub. 2020. *E-commerce Business Models and Strategies*

²⁴ Kinza Yasha. 2022. <https://www.techtarget.com/searchmobilecomputing/definition/m-commerce>

2-7. Online auctions

- Understand the online auctions and its characteristics.

Online auctions serve as platforms for both businesses and individuals to engage in B2B (business-to-business) and B2C (business-to-consumer) e-commerce. These auctions handle various aspects such as website design, providing product information, and facilitating online payments, typically charging a fee to list products. Different auction sites have varying buying and selling processes, so it is essential for enterprises to familiarize themselves with these techniques by visiting and analyzing these platforms. Some auction sites incorporate a feedback system where buyers can rate products or services. It is important to note that returning goods or obtaining refunds may have limited opportunities. Therefore, suppliers should carefully choose auction sites with a proven track record of attracting high prices and customers [25].

The use of electronic resources allows not only to invite bidders throughout the world to participate in the auction simultaneously, but also allows them to set up more complex and, dependent on the particular situation, more specific auction formats. Long-term auctions may last up to four weeks, where the bidders repeatedly have a look at the current situation. However, it turns out that such kinds of auctions are mainly of interest during the closing phase. Short term auctions concentrate on these last few hours immediately. They may even be as short as 30 minutes, provided that the participants are explicitly invited beforehand. Further auction formats like multi-round bidding have been defined. In a multi-round bidding, each bidder is forced to submit exactly one bid per round. Only after the round has ended, all bidders are informed about their competitors' bids and the next round begins. Multi-phase auctions are quite similar, where after each phase only a subset of the earlier bidders is admitted proceeding to the next phase. Recently experience has been gained in conducting multi dimensional auctions. Here, not only the price is left open and negotiated through the auction, but several other variables are determined as well. For example, the price may be combined from the supplier and the logistics entrepreneur. [26]

2-8. Reverse auctions

- Understand the reverse auctions.

²⁵ UNIDO Knowledge Hub. 2020. *E-commerce Business Models and Strategies*

²⁶ Bernhard Rumpel. 2002. https://www.researchgate.net/publication/244383087_Online_Auctions

A reverse auction is a type of auction in which the role of the buyer and seller are reversed (i.e. the buyer elicits offers from the seller).

The objective of this model is to lower the price of the products and/or services as low as possible. Services and products offered on these platforms have as much detail presented as possible to ensure bidding process is smooth as possible. Prices in a reverse auction decrease as potential buyers aim to underbid each other.

- Benefits of this model include:
 - Reduced negotiation times
 - Short procurement cycles
 - Increased transparency for competing bids.

The main challenge the model encounters is the dominant role of the buyers ^[27].

Services and products offered on these platforms have as much detail presented as possible to ensure bidding process is smooth as possible. Prices in a reverse auction decrease as potential buyers aim to underbid each other.

The electronic reverse auction (eRA) is usually initiated by the purchaser by sending a Request for quotation (RFQ). Bids of potential suppliers are then submitted on-line in real time. Invited suppliers compete with each other and each of their bids must be lower than it was previously (therefore term reverse). Auction usually begins on historic or reserve price, suppliers usually see the lowest bid at the time and also what price they will have to bid to get at the forefront of competition.

2-9. Web-page design strategies

- Understand the importance of web-page design.

e-Commerce has a strong dependence on the Internet and the World Wide Web (www). www is an interactive document (webpage), hosted on many Internet servers. Enterprises can develop and design webpages which can be shared with consumers and other platforms to increase their sales.

In general terms, and in the context of e-Commerce, a successful website “is one that attracts customers, makes them feel the site is trustworthy, dependable, and reliable and

²⁷ UNIDO Knowledge Hub. 2020. *E-commerce Business Models and Strategies*

generates customer satisfaction” [28].

- 02 strategies for web-page design.

There are 2 strategies for developing a web-page design:

- Information and Communication Strategy.
- Online and Transactional Design Strategy [29].

2-10. Information and Communication Strategy (1)

- Understand the Information and Communication Strategy.

This approach enables companies to use the Web as a platform to provide supplementary services in addition to their traditional marketing channels. Usually, it could be a B2B website of a service provider.

Associated Promotion Methods:

- Online cataloging of products/services.
- Increase brand image.
- Utilize the Web as a cost effective to promote products.
- Automation of routine customer services.

Merits:

- Provision of comprehensive information.
- Increase Global Presence.
- Efficient communication channel to build relationships with customer [30].

2-11. Information and Communication Strategy (2)

- Understand the 4 design models of Information and Communication Strategy which can be adapted if an informational and communication design strategy is employed:

Brand Awareness and Image Building Model: Users have in-depth access to detailed information about the services offered by enterprises.

Cost Savings Model: The reduction of commercial based activity and meeting customer requirements – helps a website be more cost effective and productive.

²⁸ Chang Liu, K. Arnett. 2000. *Exploring the factors associated with Web site success in the context of electronic commerce.*

²⁹ UNIDO Knowledge Hub. 2020. *E-commerce Business Models and Strategies*

³⁰ UNIDO Knowledge Hub. 2020. *E-commerce Business Models and Strategies*

Promotion Model: The main objective of this model is to attract users to the commercial website through advertisements.

Info-Mediated Model: This model provides free access to the Internet and/or hardware in exchange for information on a customer's surfing and purchasing habits ^[31].

2-12. Online and Transactional Design Strategy (1)

- Understand the Online and Transactional Design Strategy.

This approach enables companies to use the Web to construct an online-business which is independent & profitable – existing only in the cloud. Usually, it could be a B2C website of a goods supplier.

Associated Promotion Methods:

- Increasing presence beyond retail stores.
- Provision of unique information to customers.
- Promoting specialized products/services.

Merits:

- Larger selection or specialized products/services available to customers.
- Builds a communal relationship among customers ^[32].

2-13. Online and Transactional Design Strategy (2)

- Understand the 8 design models of Information and Communication Strategy which can be adapted if an online and transactional design strategy is employed:
 - **Brokerage Model:** Brokers bring buyers and sellers together in B2B, B2C and C2C markets.
 - **Retail Model:** E-tailers are the digital equivalent of wholesalers and retailers of goods and services.
 - **Mall Model:** A digital mall can be a host to many enterprises' products.
 - **Advertising Model:** This model provides a combination of content, services, and adverts. Adverts are the main source of revenue for the enterprise.
 - **Subscription Model:** Consumers pay a fee to gain access to the website.

³¹ UNIDO Knowledge Hub. 2020. *E-commerce Business Models and Strategies*

³² UNIDO Knowledge Hub. 2020. *E-commerce Business Models and Strategies*

- **Community Model:** This model relies on promoting advertising opportunities and specialized services to highly invested customers.
- **Manufacturer Model:** This model relies on the website's ability to directly connect the manufacturer and customers.
- **Customization Model:** This model relies on providing custom based information to consumers.

MODULE 3. USING E-COMMERCE PLATFORM: HOW TO GUIDE

3-1. [Opening question] Have you ever use an e-Commerce platform for your business?

- Understand the experience of trainees in using e-Commerce platform.

The trainer asks the trainees to present their experience on using e-Commerce platform.

Trainer may ask several questions to investigate the following criterias:

- Percentage of trainees who already used e-Commerce platform.
- The trainees' roles on the e-Commerce platform: buyer or seller.
- Evaluation of trainees about the difficulty level when joining the e-Commerce platform.

3-2. Major e-Commerce platforms: Shopee

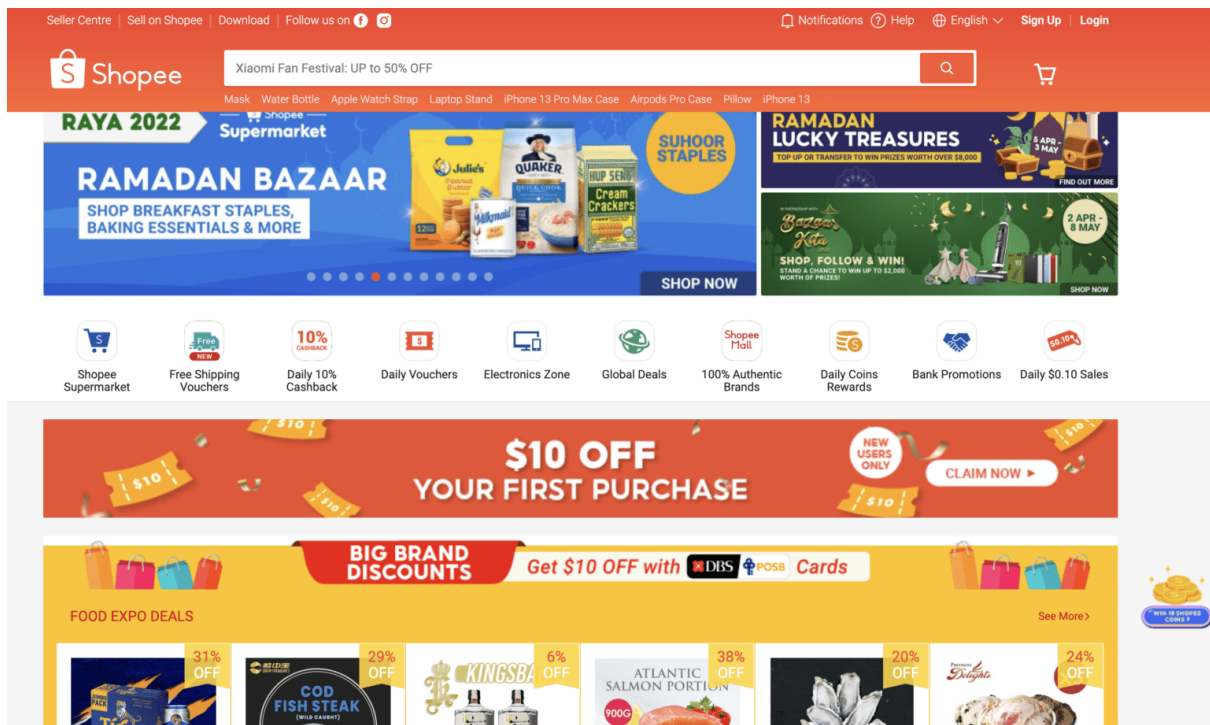
- Introduce the major e-Commerce platforms in ASEAN region: Shopee

Active in: Indonesia, Vietnam, Philippines, Thailand, Malaysia, Singapore	Head Quarter: Singapore
Average Monthly visits: 470 million	Estimated yearly GMV: 60 billion USD
Employees: 20.000	Website: shopee.com

Singapore-based Shopee is a chain of eCommerce websites with 15 major sites for Asian, European, American markets.

Shopee's combined GMV for all markets reached 60 billion USD in 2021, staggering 80% growth from the 2020. In the 2009, Shopee stole the crown from its biggest rival and now is

the e-Commerce leader in the region [33].



Shopee is the largest online marketplace in Southeast Asia, with 343 million visits per month. It operates across the region, and has recently expanded into South America. Indonesia, which is by far the largest economy in Southeast Asia, provides 27% of Shopee's traffic. [34]

Shopee offers its own supply and logistics options, as well as customer support in many languages, to vendors. Another distinguishing characteristic of Shopee is an escrow service called "Shopee Assurance" that offers payment protection to both vendors and buyers.

Mobile is the primary emphasis of Shopee's eCommerce marketplace. A mobile-first approach that helps attract the online consumers, who are bypassing desktops, and going straight from offline shopping to mobile shopping.

3-3. Major e-Commerce platforms: Lazada

<ul style="list-style-type: none"> Introduce the major e-Commerce platforms in ASEAN region: Lazada 	
Active in: Indonesia, Vietnam, Philippines, Thailand, Malaysia	Head Quarter: Singapore

³³ TMO Group. 2021. <https://www.tmogroup.asia/must-know-southeast-asia-online-marketplaces/>

³⁴ Webretailer.com. 2023. <https://www.webretailer.com/marketplaces-worldwide/online-marketplaces-southeast-asia/>

Average Monthly visits: 140 million	Estimated yearly GMV: 40 billion USD
Employees: 10.000	Website: shopee.com

Recently beaten to the top spot by Tencent-backed Shopee, Lazada still represents a formidable presence in the region.

The platform, which was introduced in 2012, now has 3,000 brands and more than 155,000 local and foreign retailers servicing the region's 560 million people. Lazada has a huge selection of goods with over 300 million SKUs [35].

The screenshot shows the Lazada website interface during a promotional event. At the top, a green banner announces the '4.4 FOUR-MIDABLE SALE' from April 4-6, with the theme 'PACK YOUR BAGS AND TRAVEL!' and a 'SHOP NOW' button. Below this is a navigation bar with links for 'SAVE MORE ON APP', 'SELL ON LAZADA', 'CUSTOMER CARE', 'TRACK MY ORDER', 'LOGIN', and 'SIGN UP'. The main content area features a sidebar with category links, a large blue banner for 'HOME APPLIANCES' with a 'SHOP NOW >' button, and a bottom banner for 'FINAL HOUR' with 'UP TO \$70 LAZADA BONUS AND VOUCHERS' and a 'SHOP NOW' button.

Lazada has three parts to its platform:

- *The marketplace for local sellers, with no commission fees.*
- *LazMall for brand owners and distributors, charging a 5% commission.*
- *LazGlobal for sellers based in China, Taiwan, South Korea and Japan and the UK. In Malaysia, sellers in the US, Canada, Australia, New Zealand and the EU are also accepted.*

³⁵ TMO Group. 2021. <https://www.tmogroup.asia/must-know-southeast-asia-online-marketplaces/>

3-4. Major e-Commerce platforms: Carousell

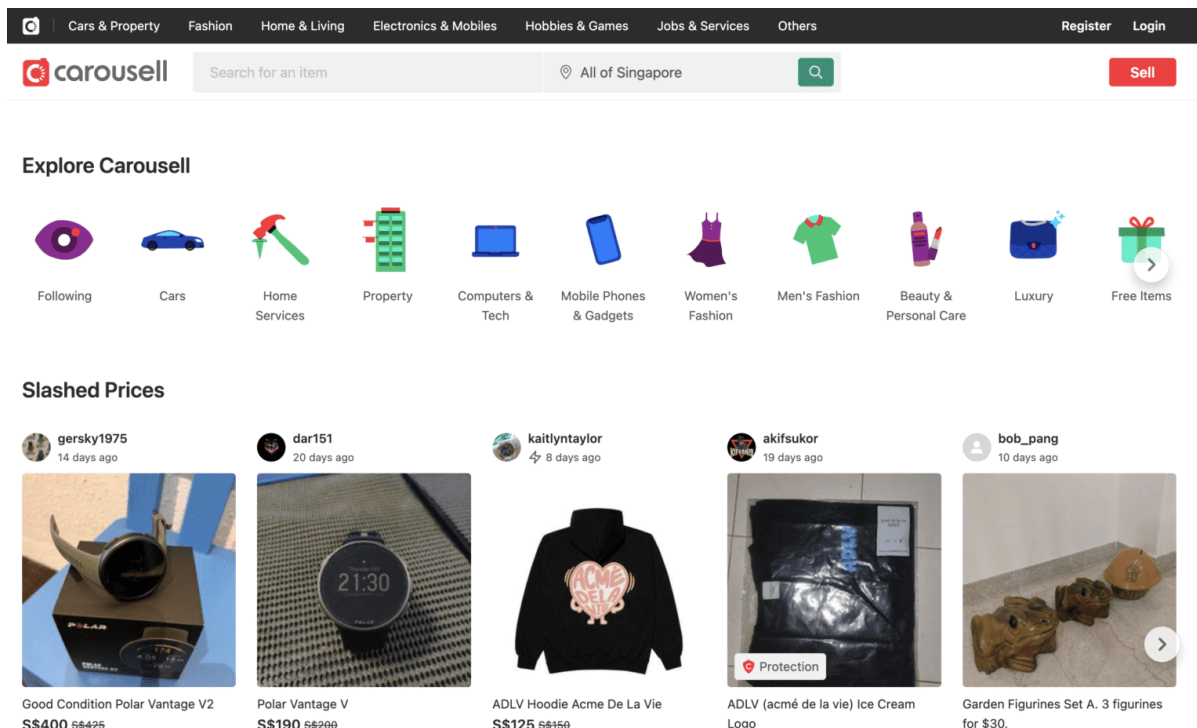
- Introduce the major e-Commerce platforms in ASEAN region: Carousell

Another multinational South-East Asia giant e-Commerce marketplace is Carousell.

Three Singaporean students took advantage of their expertise by developing a platform dubbed "Carousell" that would employ technology to address issues. It has now evolved to sell a range of products and with both C2C and B2C business models.

The company's estimated worth is anticipated to cross \$1 billion soon. ^[36]

Active in: Indonesia, Philippines, Singapore, Malaysia	Head Quarter: Singapore
Average Monthly visits: 21 million	Estimated yearly GMV: N/A
Employees: 500	Website: carousell.sg



3-5. Registration on e-Commerce Platforms

³⁶ TMO Group. 2021. <https://www.tmogroup.asia/must-know-southeast-asia-online-marketplaces/>

- Guide on how to register on e-Commerce platform which is familiar with trainees.

To **create a Shopee account** ^[37], users need:

- A phone number or a Facebook/ Google account
- A device which is connected to the internet.

First step, before creating an account, users should read Shopee’s Terms of Service and Privacy Policy carefully. Once the users have agreed to the terms above, users can sign up for a Shopee account via our official Shopee App or Shopee Website.

Second step, create an account follow the intructions on Shopee official channels.

Sign up via Shopee App

Go to the **Me** tab via Shopee App > **Sign Up** > Enter a locally registered **Phone Number** > **Next** > Enter captcha **Code** > Enter **Verification Code** > Set **Password** > **Sign Up** to complete.

Sign up via Shopee Website

Select **Sign Up** on [Shopee Website](#) > **Enter Phone Number** > Complete **Verification** puzzle > Enter **Verification Code** > **Set Password** > **Sign Up** to complete.

3-6. Getting information on e-payment policies from the platforms

- Guide on how to get information on e-payment policies on e-Commerce platform which is familiar with trainees.

Shopee supports a total of 10 payment options: ^[38]

1. Cash Payment at Convenience Stores	6. ShopeePay
2. Credit / Debit Cards	7. Installment Plan
3. Cash-on-delivery (COD)	8. SPayLater
4. Maybank2u	9. Google Pay
5. Online Banking	10. Apple Pay

Fees for Local Shopee Sellers ^[39]

³⁷ Shopee. 2023. [https://help.shopee.com.my/portal/article/78614-\[New-to-Shopee\]-How-do-I-create-a-Shopee-account%3F?previousPage=other+articles#:~:text=Sign%20up%20via%20Shopee%20App,%3E%20Set%20Password%20%3E%20Sign%20up](https://help.shopee.com.my/portal/article/78614-[New-to-Shopee]-How-do-I-create-a-Shopee-account%3F?previousPage=other+articles#:~:text=Sign%20up%20via%20Shopee%20App,%3E%20Set%20Password%20%3E%20Sign%20up).

³⁸ Shopee. 2023. [https://help.shopee.com.my/portal/article/78606-\[New-to-Shopee\]-What-payment-options-does-Shopee-support%3F](https://help.shopee.com.my/portal/article/78606-[New-to-Shopee]-What-payment-options-does-Shopee-support%3F)

³⁹ Shopee. 2023. <https://seller.shopee.com.my/edu/article/3503>

Types of fee	Minimum	Maximum
Transaction fee	2%	2.12%
Marketplace Commission fee (>=100 orders)	2%	4.24%
Marketplace Commission fee (<100 orders)	0%	0%
Unsuccessful Order fee	Forward Shipping Fee (FSF)	Return Shipping Fee (RSF)
Shopee Mall Commission fee	4%	6.36%
Seller Wallet High Frequency Withdrawal fee	Amount of money to be charged	
Marketing Programme Service fee	4%	7.42%

3-7. How to manage orders

- Guide on how to manage orders on e-Commerce platform: in the Seller Centre and Shopee App.
 - **Seller Centre:**
 - Sellers can view your orders under the **My Shipment** page. Orders that require shipping arrangements can be viewed under the **To Ship** tab. These orders consist of both processed and unprocessed orders.
 - **Processed orders:** Orders that have shipment arranged but are yet to be picked up or dropped off by logistics providers.
 - The **Arrange Shipment** icon will redirect you to the shipping options (drop-off or pick-up) to process the orders.
 - **Shopee App:** Sellers can view the orders that require shipping arrangement using the **To Ship** icon. Next, the **Arrange Shipment** icon will redirect to the shipping options (drop-off or pick-up) to process the orders.

3-8. Aftersales mechanism of the platform

- Introduce the aftersales mechanism of the platform which is familiar with trainees.
- Aftersales mechanisms typically include features such as customer service center, product returns, refunds, and exchanges. These mechanisms are designed to ensure that customers are satisfied with their purchases and are willing to make future purchases from the platform. Additionally, e-Commerce platforms often collect data on customer behavior and preferences through their aftersales mechanisms, which can be used to improve product offerings and marketing strategies.
- For aftersales, Shopee provides:

- Dispute Resolution Centre.
- Return, refund and exchange policies.
- Ratings and Reviews.

3-9. Aftersales mechanism of the platform: Dispute

- Introduce the disputes definition of the platform

There are a lot of disputes between the stakeholders when the transaction is completed:

From sellers	Send the wrong / damaged / faulty product
	Send the incomplete items or not enough amount as ordered
From buyers	Buyers refuse to receive.
	Cannot connect to buyers as described contact information.
From logistics suppliers	Missing items.
	Damaged items/ Damaged beyond return.
	Deliver to the wrong person.

3-10. Aftersales mechanism of the platform: Dispute resolution (1)

- Introduce the disputes resolution of the platform.

Shopee offers a Dispute Resolution Centre, which is a feature on Shopee App that lets buyers open a discussion with sellers for orders that buyers wish to return/refund.

At Dispute Resolution Centre, the buyers and sellers may:

- Exchange messages.
- Propose or counter-propose a suitable refund amount or solution.
- Raise a request for return and refund.

Upon receiving a dispute request, Shopee will investigate the case and come to a fair resolution. This will take around **5 working days**, which may be subjected to changes depending on the reason for return/refund.

3-11. Aftersales mechanism of the platform: Dispute resolution (2)

- Introduce the return and refund regulations of Shopee in case of:

- ***Incomplete products/missing items/ Counterfeit products***
 - Shopee approves the request for a refund only within 5 working days.
 - A dispute can be raised if the returned products are deemed unsuitable for refund.
 - Shopee will reject the request if the buyer's initial supporting evidence is invalid or does not support the return/refund reasons.
- ***Damaged/ faulty/ wrong products***
 - Returned products will be shipped to the seller/ Shopee Warehouse. If the products do not meet the return criteria, the seller/ Shopee Warehouse may raise a dispute.

3-12. Aftersales mechanism of the platform: Refund policies

- Introduce the refund policies of the platform.
 - Shopee refunds the buyers to their ShopeePay account or by Shopee Coins.
 - A voucher which is used for an order will be refunded if your return/refund request has been approved for a full refund.
 - When the buyers receive a partial refund proposal from a seller, you can choose to accept, negotiate or reject the proposal, within 1 day.

3-13. Aftersales mechanism of the platform: Return policies

- Introduce the return policies of the platform.
 - ***Return reasons:***
 - Did not receive the order.
 - Received an incomplete product.
 - Received the wrong product(s).
 - Received a product with physical damage.
 - Received a faulty product.
 - Received a counterfeit product.
 - ***Evidence submission***
 - Buyers must submit strong photo and/or video evidence that clearly supports the reason for the return/refund, where applicable. Some examples include:
 - Photos and/or videos showing product errors or defects (for damaged/faulty products).
 - Photos of parcel's internal and external packaging.

Buyers should ensure that returned products are properly packed to avoid damage.

3-14. Aftersales mechanism of the platform: Ratings and Reviews

- Introduce the ratings and reviews policy of the platform which is familiar with trainees.

Shopee allows buyers to rate and review products after receiving the goods in order to provide useful information and help other shoppers make a purchase decision. Each quality review is rewarded and Shopee removes product reviews that contain text, images or videos that are:

- Abusive, vulgar or otherwise objectionable.
- Not relevant to the product or the service provided by the seller.

The buyers can rate and review a product or a specific order. A rating or review could be edited once within 30 days of submitting the initial rating.

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